

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



August 5, 2019

**Advice Letter 5486-G**

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

**SUBJECT: 2019 Affiliate Transactions Compliance Plan.**

Dear Mr. van der Leeden:

Advice Letter 5486-G is effective as of July 1, 2019.

Sincerely,

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

Edward Randolph  
Deputy Executive Director for Energy and Climate Policy/  
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](mailto:RvanderLeeden@semprautilities.com)

June 28, 2019

Advice No. 5486  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: 2019 Affiliate Transactions Compliance Plan**

### **Purpose**

Southern California Gas Company (SoCalGas) hereby submits its 2019 Affiliate Transactions Compliance Plan (Compliance Plan) in accordance with Ordering Paragraph (OP) 2 of the California Public Utilities Commission's (Commission or CPUC) Decision (D.) 97-12-088, as modified by D.06-12-029. The Compliance Plan presents the most current information for SoCalGas regarding its affiliate transaction compliance efforts, as shown in Attachment A.

### **Discussion**

The Commission's affiliate transaction rules (Rules) adopted by D.97-12-088, as modified by D.06-12-029, govern the relationship between California's major energy utilities and their holding companies and non-regulated affiliates. For purposes of a gas utility, such as SoCalGas, the Commission's Rules apply to all utility transactions with affiliates engaging in the provision of a product that uses gas, or the provision of services that relate to the use of gas, except where also explicitly provided as applicable to Sempra Energy, the parent and/or "non-covered affiliates." Note, that SoCalGas voluntarily applies the Rules also to entities whose affiliates are engaging in the provision of a product that uses electricity, or the provision of services that relate to the use of electricity, and to intermediate holding companies that have subsidiaries that are engaging in the provision of a product that uses gas or electricity, or the provision of services that relate to the use of gas or electricity.

Section VI.A of Appendix A of D.97-12-088, as modified by D.06-12-029, requires SoCalGas to submit a Compliance Plan by Advice Letter no later than June 30, 2019. Consequently, attached is SoCalGas' 2019 Compliance Plan. The significant changes to the Compliance Plan and the appendices thereto are noted below.

**Compliance Plan**

The Compliance Plan was modified from the version submitted in Advice No. 5314, dated June 29, 2018, as follows:

1. Introduction and Affiliate Compliance Training sections (**pages 2 through 5**):
  - a. Indicates personnel changes in SoCalGas' Affiliate Compliance Department;
  - b. Revision to SoCalGas' new employee CPUC training process;
  - c. Shows officer changes to the Compliance and Enterprise Risk Committee;
  - d. Renaming/realignment of Sempra Energy's affiliates:
    - i. Previously known as Sempra Infrastructure, LLC renamed to Sempra North American Infrastructure, LLC;
    - ii. Removed reference to Sempra LNG & Midstream, entity officially known as Sempra LNG, LLC;
    - iii. Sempra Renewables, LLC removed due to completion of parent company's divestiture; and
    - iv. Name change for Sempra International, LLC, changed to Sempra Energy International.
  - e. States Sempra North American Infrastructure, LLC is now responsible for its own affiliate compliance efforts and Sempra LNG's; and
  - f. Indicates title change for officer overseeing compliance at IEnova.
2. Revised footnote (**page 9**). Updated entities as a result of parent company's restructuring/realignment.
3. Rule III.B.1, Resource Procurement (**page 16**). Indicates SoCalGas will respond to the Public Advocates Office (formerly known as "ORA" - Office of Ratepayer Advocates).
4. Rule IV.A, Customer Information (**page 24**). Energy Service Providers are now referred to as "Core Transport Agents."
5. Rule IV.F, Record Keeping (**page 29**). Updated contact information for third party requests.

6. Rule V.C, Sharing of Plant, Facilities, Equipment or Costs (**page 32**). Updated language and noted additional security requirements at Las Vegas Switch location.
7. Rule V.G.1, Employees (**page 46**):
  - a. Indicates additional entry and junior level positions are offered at the California utilities and Corporate Center;
  - b. Updated list of shared officers between the parent company, California utilities, and affiliates; and
  - c. Clarified the positions that may be held by Officers/Directors within the parent company, California utilities, and affiliates.
8. Rule V.G.2.b, Employees (**page 48**). Clarified in the event an affiliate is sold, it is treated as the entity has gone out of business, as it is no longer associated with Sempra Energy.
9. Rule VI.C, Affiliate Audit (**page 54**). State Controllers' Office (SCO) will be conducting the CPUC Affiliate Compliance Audit for years 2016 and 2017 – audit commencement date was May 29, 2019.
10. Rule VIII.C.4, Procedures and Mechanisms to Promote Compliance (**page 67**). Updated contact information for resolution/follow-up for complaints levied against the California utilities.

Appendices were modified to reflect the following changes:

1. Appendix 2, Corporate Oversight & Governance Committees. Reflects personnel changes as of June 18, 2019.
2. Appendix 3, Listing of Covered and Non-Covered Affiliates. Provides a current list as of June 24, 2019 of all covered and non-covered affiliates, their purposes/activities, and whether SoCalGas claims that Rule II.B makes the Rules applicable, as required by Rule VI.A.

SoCalGas believes all of the compliance actions set forth in the attached 2019 Compliance Plan are consistent with the Commission's Rules. SoCalGas is committed to upholding both the letter and spirit of the Rules, and respectfully requests that the Commission approve its 2019 Compliance Plan.

This submittal will not result in an increase or decrease in any rate or charge, conflict with any schedules or rules, or cause the withdrawal of service.

**Protest**

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. The protest must be made in writing and received within 20 days of the date of this Advice Letter, which is July 18, 2019. The address for mailing or delivering a protest to the Commission is:

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](mailto:EDTariffUnit@cpuc.ca.gov)). A copy of the protest shall 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: 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](mailto:ROrtiz@semprautilities.com)

**Effective Date**

SoCalGas believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to General Order (GO) 96-B. Therefore, SoCalGas respectfully requests that its 2019 Compliance Plan become effective July 1, 2019.

**Notice**

A copy of this Advice Letter is being sent to SoCalGas' GO 96-B service list. Copies of the Compliance Plan have been provided to the Commission Staff. Other parties may request a copy of the Compliance Plan by contacting (213) 244-2837. Address change requests to the GO 96-B should be directed by e-mail to [tariffs@socalgas.com](mailto:tariffs@socalgas.com) or call (213) 244-2837.

---

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 proposed<sup>1</sup>:

Pending advice letters that revise the same tariff sheets:

<sup>1</sup>Discuss 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](mailto:EDTariffUnit@cpuc.ca.gov)

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

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

**ATTACHMENT A**

**Advice No. 5486**

**2019 Affiliate Transactions Compliance Plan**



**SOUTHERN CALIFORNIA GAS COMPANY'S  
2019 AFFILIATE TRANSACTIONS COMPLIANCE PLAN  
IMPLEMENTING D.97-12-088 AS MODIFIED BY D.06-12-029**

## TABLE OF CONTENTS

INTRODUCTION	1
A.    AFFILIATE COMPLIANCE FUNCTION .....	2
B.    AFFILIATE COMPLIANCE TRAINING .....	5
C.    AFFILIATE COMPLIANCE GUIDELINES.....	5
I. DEFINITIONS	6
II. APPLICABILITY OF RULES	8
III. NONDISCRIMINATION STANDARDS	13
<i>III.A. No Preferential Treatment Regarding Services Provided by the Utility .....</i>	<i>13</i>
<i>III.B. Affiliate Transactions .....</i>	<i>13</i>
<i>III.B.1. Resource Procurement .....</i>	<i>14</i>
<i>III.B.2. Provision of Supply, Capacity, Services or Information.....</i>	<i>17</i>
<i>III.B.3. Offering of Discounts .....</i>	<i>18</i>
<i>III.B.4. Tariff Discretion.....</i>	<i>19</i>
<i>III.B.5. No Tariff Discretion .....</i>	<i>19</i>
<i>III.B.6. Processing Requests for Services Provided by the Utility .....</i>	<i>19</i>
<i>III.C. Tying of Services Provided by a Utility Prohibited .....</i>	<i>20</i>
<i>III.D. No Assignments of Customers.....</i>	<i>20</i>
<i>III.E. Business Development and Customer Relations.....</i>	<i>20</i>
<i>III.F. Affiliate Discount Reports.....</i>	<i>21</i>
IV. DISCLOSURE AND INFORMATION	23
<i>IV.A. Customer Information.....</i>	<i>23</i>
<i>IV.B. Non-Customer Specific Non-Public Information.....</i>	<i>24</i>
<i>IV.C. Service Provider Information .....</i>	<i>26</i>
<i>IV.D. Supplier Information.....</i>	<i>27</i>
<i>IV.E. Affiliate-Related Advice or Assistance .....</i>	<i>27</i>
<i>IV.F. Record Keeping.....</i>	<i>28</i>
<i>IV.G. Maintenance of Affiliate Contracts and Related Bids.....</i>	<i>29</i>

IV.H. <i>FERC Reporting Requirements</i> .....	30
V. SEPARATION	30
V.A. <i>Corporate Entities</i> .....	30
V.B. <i>Books and Records</i> .....	30
V.C. <i>Sharing of Plant, Facilities, Equipment or Costs</i> .....	31
V.D. <i>Joint Purchases</i> .....	34
V.E. <i>Corporate Support</i> .....	35
V.F. <i>Corporate Identification and Advertising</i> .....	38
V.G.1. <i>Employees</i> .....	44
V.H. <i>Transfer of Goods and Services</i> .....	51
VI. REGULATORY OVERSIGHT	52
VI.A. <i>Compliance Plans</i> .....	52
VI.B. <i>New Affiliate Compliance Plans</i> .....	53
VI.C. <i>Affiliate Audit</i> .....	54
VI.D. <i>Witness Availability</i> .....	54
VI.E. <i>Officer Certification</i> .....	55
VII. UTILITY PRODUCTS AND SERVICES	56
VII.A. <i>General Rule</i> .....	56
VII.B. <i>Definitions</i> .....	56
VII.C. <i>Utility Products and Services</i> .....	57
VII.D. <i>Conditions Precedent to Offering New Products and Services</i> .....	58
VII.E. <i>Requirement to File an Advice Letter</i> .....	59
VII.F. <i>Existing Offerings</i> .....	61
VII.G. <i>Section 851 Application</i> .....	61
VII.H. <i>Periodic Reporting of Non-tariffed Products and Services</i> .....	62
VII.I. <i>Offering of Non-tariffed Products and Services to Affiliates</i> .....	63

VIII. COMPLAINT PROCEDURES AND REMEDIES	63
<i>VIII.A. The Commission Shall Strictly Enforce These Rules</i> .....	63
IX. PROTECTING THE UTILITY’S FINANCIAL HEALTH	75
<i>IX.A. Information from Utility on Necessary Capital</i> .....	75
<i>IX.B. Restrictions on Deviations from Authorized Capital Structure</i> .....	76
<i>IX.C. Ring-Fencing</i> .....	77
<i>IX.D. Changes to Ring-Fencing Provisions</i> .....	77

**Appendices:**

1. SoCalGas and Sempra Energy Officer Verifications
2. Corporate Oversight and Governance Committees
3. Listing of Covered and Non-Covered Affiliates

**SOUTHERN CALIFORNIA GAS COMPANY’S  
2019 AFFILIATE TRANSACTIONS COMPLIANCE PLAN  
IMPLEMENTING D.97-12-088 AS MODIFIED BY D.06-12-029**

**INTRODUCTION**

In accordance with Rule VI.A of the California Public Utilities Commission’s (“CPUC”) Affiliate Transaction Rules (“Rules”) adopted in Decision (D.) 97-12-088, as amended by subsequent CPUC decisions and orders,<sup>1</sup> and in conformance with Resolution G-3238, Southern California Gas Company (“SoCalGas”) hereby submits a Compliance Plan apprising the CPUC of the current status of its compliance efforts and programs. This 2019 Compliance Plan (“Plan”) is effective as of July 1, 2019 and supersedes SoCalGas’ previous June 29, 2018 submittal (Advice No. 5314).

Submitting this Plan and implementing the procedures and mechanisms delineated herein is not meant to constitute a waiver of any legal rights that SoCalGas might have to file for rehearing or judicial review of any CPUC decision promulgating, interpreting, or applying the Rules. While the Rules are at times ambiguous and susceptible to multiple interpretations, this Plan brings SoCalGas into compliance with reasonable interpretations wherever such vagueness or ambiguity prevails.

The Introduction to this Plan summarizes the compliance mechanisms and guidelines central to SoCalGas’ affiliate compliance effort. Thereafter, the Plan presents a rule-by-rule discussion of the procedures and mechanisms that SoCalGas has developed to promote compliance with the Rules. Finally, Appendices 1-3 to this Plan provide SoCalGas’: (1) Officer Verifications; (2) Corporate Oversight & Governance Committees; and (3) Listing of Covered and Non-Covered Affiliates.

---

<sup>1</sup> D.97-12-088 was amended in D.98-08-035 where the Affiliate Transaction Rules were modified. D.98-11-027 clarified Rule V.F.1’s disclaimer requirement. D.98-12-075 added enforcement provisions to the Affiliate Transaction Rules. D.99-04-069 granted limited exemption from the disclaimer requirements of Rule V.F.1. D.99-09-033 adopted a revised disclaimer for San Diego Gas & Electric Company (“SDG&E”) and SoCalGas. D.02-02-046 extended the applicability of the revised disclaimer to all utilities covered by the Affiliate Transaction Rules. D.06-12-029 amended the Affiliate Transaction Rules by adopting the Affiliate Transaction Rules Applicable to Large California Energy Utilities.

## A. AFFILIATE COMPLIANCE FUNCTION

To execute diligent, thorough, and systematic implementation of Rules, SoCalGas has affiliate compliance personnel assigned to promote compliance. SoCalGas' (also referred to as a "California utility") Chief Operating Officer (COO) serves as the Chief Compliance Officer. The Chief Risk Officer of SoCalGas & SDG&E serves as the Affiliate Compliance Officer. Both the COO and the Chief Risk Officer of SoCalGas & SDG&E report to SoCalGas' Chief Executive Officer.

Both the Chief Compliance Officer and the Affiliate Compliance Officer will be notified of issues that may require posting and/or reporting as necessary, and they have the responsibility of reporting these issues to SoCalGas' Board of Directors.

### **SoCalGas**

SoCalGas' Affiliate Compliance Department ("ACD") is responsible for managing SoCalGas' and Sempra Energy's compliance with the Rules. ACD provides education, direction, and oversight of all matters pertaining to the Rules. Additionally, ACD is responsible for timely submittal of reports related to the Rules.

ACD resolves policy issues and directs the utility's compliance efforts on a day-to-day basis. Compliance policy matters may be brought to the Compliance and Enterprise Risk Committee for final determination

ACD provides guidance and/or interpretations and responds to inquiries related to the Rules, including resolving affiliate compliance issues received through Helplines, e-mail, internal publications, intranet, and internet websites to facilitate compliance efforts. The information available includes a verbatim copy of the Rules, CPUC decisions, SoCalGas' Compliance Plan, a listing of Affiliate Compliance Coordinators ("Coordinators"), and compliance-related procedures, forms, training materials, and recent submittals. The Advice Letter containing SoCalGas' Plan is also posted on SoCalGas' intranet website.

To promote affiliate compliance at the division or department level, SoCalGas has designated Coordinators to act as the first point of contact for compliance efforts within their division or department. These Coordinators also serve as liaisons by addressing ACD compliance issues related to their division or department and relaying ACD guidance to their groups. At least once a year, Coordinators representing SoCalGas meet with ACD staff to discuss areas of concern, share best practices, and gain further knowledge of compliance matters. As needed, Sempra Energy, SDG&E and SoCalGas will host joint Coordinators' meetings to address common affiliate compliance issues (e.g., CPUC-mandated audits).

ACD reports to the Regulatory Affiliate Compliance Manager who reports to the Director – Compliance, who reports to the Chief Risk Officer SoCalGas & SDG&E who serves as the Affiliate Compliance Officer and is a shared California utilities' officer.

### **Sempra Energy**

Sempra Energy's management participates in various corporate oversight and governance committees to provide sufficient oversight of the entire enterprise (refer to Appendix 2 of this Plan for a listing of corporate oversight and governance committees). There is a Compliance and Enterprise Risk Committee which provides oversight, direction, and guidance in the design and implementation of compliance and risk oversight programs. This Committee is comprised of Chief Compliance Officer(s) – Sempra Energy, President and Chief Operating Officer – Sempra Energy, Executive Vice President & General Counsel – Sempra Energy, Executive Vice President and Group President – Sempra Energy, Vice President of Audit Services – Sempra Energy and the Associate General Counsel – Litigation – Sempra Energy

The Compliance and Enterprise Risk Committee meets as frequently as deemed appropriate by the Chair, but not less than once a year. Each business unit will address their compliance issues regularly at business unit board/committee meetings.

Affiliate Compliance at Sempra Energy is managed by the California utilities' Affiliate Compliance department.

All Sempra Energy employees can access information on the Sempra Energy Affiliate Compliance website related to the Rules.

**Covered Affiliates Businesses**

In certain instances, compliance with the Rules requires the participation of the covered affiliate businesses. Sempra North American Infrastructure, LLC's ("SNAI") Regulatory department located within the Legal department manages the compliance efforts for SNAI and Sempra LNG, LLC. This department provides information and guidance on the Rules to employees and contractors of the relevant covered affiliates and serves as a liaison between the covered affiliates and ACD to promote compliance with the Rules.

Compliance efforts for IEnova, a Sempra Energy subsidiary that develops, builds and operates energy infrastructure in Mexico, are managed by IEnova's Executive Vice President & General Counsel. Sempra Energy's Corporate Compliance department provides guidance and support with respect to affiliate compliance.

Compliance efforts for the South American Utilities, Chilquinta Energia in Chile and Luz Del Sur in Peru, is managed by Sempra Energy International's, Environmental, Health and Safety (EH&S) & Compliance Department.

Oncor Electric Delivery Company, LLC ("Oncor") is a covered affiliate managed by their Legal department.

All covered affiliate employees can access information related to the Rules on the SempraNet homepage.



## **B. AFFILIATE COMPLIANCE TRAINING**

### **B.1**

Affiliate Compliance Training (“Training”) is administered to all non-represented SDG&E and SoCalGas employees upon hiring and annually. This Training is conducted using an online learning management system that automatically keeps a record of it in a database. Additionally, this online training is provided to all Sempra Energy employees and covered affiliate employees who have California market interactions.

During orientation for new employees (“New Employee Orientation”), the CPUC Rules are discussed and the Training is described. Shortly after attending New Employee Orientation, all non-represented SDG&E and SoCalGas employees, as well as Sempra Energy and covered affiliate employees (if such employees have interaction in the California market), are sent an email directing them to a link to complete the Training. These employees are required to complete the Training within a specific time period. Sempra Energy’s Code of Business Conduct (the “Code”) is also provided as part of our New Employee Orientation. The Code outlines our corporate standards for a compliant and ethical workplace, provides direction if ethical or compliance issues arise and the reporting resources available to all employees. The Code includes a section on Regulatory Compliance that includes information on the Rules.

### **B.2**

In addition, training for represented employees is administered annually via a video link. The information contained within this video is updated annually by the California utilities’ affiliate compliance department. Once employees view training, information is entered into the online learning management system. Training for represented employees is not mandatory but, is highly recommended.

## **C. AFFILIATE COMPLIANCE GUIDELINES**

The Affiliate Compliance Guidelines (“ACGs”) are compiled in an internal manual that sets forth detailed procedures for compliance with the CPUC and FERC Rules governing affiliate transactions. The ACGs are updated periodically and are available to all employees on the

Sempra Energy and ACD's utility websites. The ACGs are filed annually with the CPUC as part of SoCalGas' Affiliate Transactions Report per Ordering Paragraph 2 of CPUC Rulemaking 92-08-008 and Appendix A of D.93-02-019.

## I. DEFINITIONS<sup>2</sup>

*Unless the context otherwise requires, the following definitions govern the construction of these Rules:*

**I.A.** *"Affiliate" means any person, corporation, utility, partnership, or other entity five percent or more of whose outstanding securities are owned, controlled, or held with power to vote, directly or indirectly, either by a utility or any of its subsidiaries, or by that utility's controlling corporation and/or any of its subsidiaries as well as any company in which the utility, its controlling corporation, or any of the utility's affiliates exert substantial control over the operation of the company and/or indirectly have substantial financial interests in the company exercised through means other than ownership. For purposes of these Rules, "substantial control" includes, but is not limited to, the possession, directly or indirectly and whether acting alone or in conjunction with others, of the authority to direct or cause the direction of the management or policies of a company. A direct or indirect voting interest of five percent or more by the utility in an entity's company creates a rebuttable presumption of control.*

*For purposes of this Rule, "affiliate" shall include the utility's parent or holding company, or any company which directly or indirectly owns, controls, or holds the power to vote 10% or more of the outstanding voting securities of a utility (holding company), to the extent the holding company is engaged in the provision of products or services as set out in Rule II B. However, in its compliance plan filed pursuant to Rule VI, the utility shall demonstrate both the specific mechanism and procedures that the utility and holding company have in place to assure that the utility is not utilizing the holding*

---

<sup>2</sup> The Commission's Rules, which are italicized for ease of reference, are followed by SoCalGas' Procedures and Mechanisms to Promote Compliance, which are not italicized.

*company or any of its affiliates not covered by these Rules as a conduit to circumvent any of these Rules. Examples include, but are not limited to, specific mechanisms and procedures to assure the Commission that the utility will not use the holding company or another utility affiliate not covered by these Rules, or a consultant or contractor as a vehicle to: (1) disseminate information transferred to them by the utility to an affiliate covered by these Rules in contravention of these Rules; (2) provide services to its affiliates covered by these Rules in contravention of these Rules; or (3) to transfer employees to its affiliates covered by these Rules in contravention of these Rules. In the compliance plan, a corporate officer from the utility and holding company shall verify the adequacy of the specific mechanisms and procedures to ensure that the utility is not utilizing the holding company or any of its affiliates not covered by these Rules as a conduit to circumvent any of these Rules.*

*Regulated subsidiaries of a utility, defined as subsidiaries of a utility, the revenues and expenses of which are subject to regulation by the Commission and are included by the Commission in establishing rates for the utility, are not included within the definition of affiliate. However, these Rules apply to all interactions any regulated subsidiary has with other affiliated entities covered by these rules.*

- I.B.** *“Commission” means the California Public Utilities Commission or its succeeding state regulatory body.*
- I.C.** *“Customer” means any person or corporation, as defined in Sections 204, 205 and 206 of the California Public Utilities Code, that is the ultimate consumer of goods and services.*
- I.D.** *“Customer Information” means non-public information and data specific to a utility customer which the utility acquired or developed in the course of its provision of utility services.*
- I.E.** *“FERC” means the Federal Energy Regulatory Commission.*

- I.F.** *“Fully Loaded Cost” means the direct cost of good or service plus all applicable indirect charges and overheads.*
- I.G.** *“Utility” means any public utility subject to the jurisdiction of the Commission as an Electric Corporation or Gas Corporation, as defined in California Public Utilities Code Sections 218 and 222, and with gross annual operating revenues in California of \$1 billion or more.*
- I.H.** *“Resource Procurement” means the investment in and the production or acquisition of the energy facilities, supplies, and other energy products or services necessary for California public utility gas corporations and California public utility electrical corporations to meet their statutory obligation to serve their customers.*

#### **Procedures and Mechanisms to Promote Compliance**

Rule I.A through Rule I.H require no compliance action.

## **II.**

### **APPLICABILITY OF RULES**

- II.A.** *These Rules shall apply to California public utility gas corporations and California public utility electrical corporations, subject to regulation by the California Public Utilities Commission and with gross annual operating revenues in California of \$1 billion or more.*
- II.B.** *For purposes of a combined gas and electric utility, these Rules apply to all utility transactions with affiliates engaging in the provision of a product that uses gas or electricity or the provision of services that relate to the use of gas or electricity, unless specifically exempted below. For purposes of an electric utility, these Rules apply to all utility transactions with affiliates engaging in the provision of a product that uses electricity or the provision of services that relate to the use of electricity. For purposes*

*of a gas utility, these Rules apply to all utility transactions with affiliates engaging in the provision of a product that uses gas or the provision of services that relate to the use of gas. However, regardless of the foregoing, where explicitly provided, these Rules also apply to a utility's parent holding company and to all of its affiliates, whether or not they engage in the provision of a product that uses gas or electricity or the provision of services that relate to the use of gas or electricity.*

## **Procedures and Mechanisms to Promote Compliance**

These Rules apply only to transactions between SoCalGas and its “**covered affiliates**,”<sup>3</sup> except where also explicitly provided as applicable to the holding company and/or “non-covered affiliates.” **Therefore, any reference to an “affiliate” in this Plan is intended to mean a “covered affiliate,” unless otherwise stated.**

SoCalGas classifies “covered” affiliates as those affiliates that engage in the provision of a service or product to the market that relates to natural gas and/or electricity such as: trading natural gas and/or electricity; offering products that use natural gas or electricity, or offering a service that relates to the use of natural gas and/or electricity. SoCalGas further classifies covered affiliates as Energy Marketing Affiliates (“EMAs”) when those affiliates are engaged in “marketing functions” [as defined by the Federal Energy Regulatory Commission in 18 C.F.R. §358.3\(c\) or qualify as “electric service providers” as defined in Public Utilities Code §218.3.](#)

Affiliates that do not meet these criteria are classified as “non-covered” affiliates.<sup>4</sup> Non-covered affiliates include, but are not limited to: holding companies, companies that offer temporary employment services, employee recruitment services, financial or consulting-type services, and janitorial services regardless of whether these affiliates offer their services to companies in the natural gas or electric industry. Sempra Energy, the holding company for SoCalGas, does not

---

<sup>3</sup> Although entities engaged in the provision of a service or product to the market that relates to electricity – and not natural gas – are not “covered” affiliates of SoCalGas, SoCalGas labels these entities as “covered” for administrative-ease purposes.

<sup>4</sup> SoCalGas will treat covered affiliates as intermediate-holding companies. “Intermediate Holding Companies” are defined as the holding company directly above a covered affiliate with shared management personnel. This does not apply to the parent company, Sempra Energy. Additionally, SoCalGas will voluntarily treat the legal entities Sempra North American Infrastructure, LLC. Sempra International, LLC, Sempra LNG, LLC and Sempra Renewables Services, Inc. as covered affiliates.

provide products or services, as defined in Rule II.B, and is therefore classified as a “non-covered” affiliate.

A complete listing of SoCalGas’ covered and non-covered affiliates, as of June 24, 2019, is provided in Appendix 3 of this Plan. This listing is also maintained on the utility and Sempra Energy websites. The listing provides the affiliate’s name, a brief description of the affiliate’s business, and indicates whether the affiliate is “covered” or “not covered” under the Rules as well as whether it is an EMA. No less than annually, ACD compares its affiliate listing to the Sempra Energy Secretary’s database of companies to promote consistency and accurate reporting.

*II.C. No holding company or any utility affiliate, whether or not engaged in the provision of a product that uses gas or electricity or the provision of services that relate to the use of gas or electricity, shall knowingly:*

- 1. direct or cause a utility to violate or circumvent these Rules, including but not limited to, the prohibitions against the utility providing preferential treatment, unfair competitive advantages or non-public information to its affiliates;*
- 2. aid or abet a utility’s violation of these Rules; or*
- 3. be used as a conduit to provide non-public information to a utility’s affiliate.*

### **Procedures and Mechanisms to Promote Compliance**

Sempra Energy provides some of the corporate oversight and governance that is shared between the utility and affiliates pursuant to Rule V.E. These employees are responsible for safeguarding non-public utility information in their possession and must not share or transfer any information that is subject to the restrictions imposed by the anti-conduit provisions and the Rules.

Training is provided to employees of Sempra Energy, SDG&E, and SoCalGas, and also to employees of covered affiliates if they have California market interactions. The training includes instructions on the anti-conduit provisions to prevent circumvention or direct or indirect violation of the Rules. As part of training, employees must affirm their understanding of the Rules and acknowledge that they must not: (1) provide a means for the transfer of confidential information

from the utility to an affiliate; (2) create the opportunity for preferential treatment or unfair competitive advantage; or (3) create significant opportunities for cross-subsidization of affiliates by the utilities.

*II.D. These Rules apply to transactions between a Commission-regulated utility and another affiliated utility, unless specifically modified by the Commission in addressing a separate application to merge or otherwise conduct joint ventures related to regulated services.*

### **Procedures and Mechanisms to Promote Compliance**

The PE/Enova Merger Decision (D.98-03-073, *mimeo* at 107) largely exempted transactions between SoCalGas and SDG&E from the Rules in order to preserve the merger synergies. The CPUC held that affiliate issues with respect to utility-to-utility transactions are to be governed by the rules set forth in the Merger Decision.

*II.E. These Rules do not apply to the exchange of operating information, including the disclosure of customer information to its FERC-regulated affiliate to the extent such information is required by the affiliate to schedule and confirm nominations for the interstate transportation of natural gas, between a utility and its FERC-regulated affiliate, to the extent that the affiliate operates an interstate natural gas pipeline. These Rules do not apply to transactions between an electric utility and an affiliate providing broadband over power lines (BPL).*

### **Procedures and Mechanisms to Promote Compliance**

SoCalGas' FERC-regulated affiliates (covered by these Rules) do not interconnect with the SoCalGas system. In D.04-09-022, the CPUC authorized the establishment of Otay Mesa as a common SoCalGas/SDG&E natural gas receipt point from Gasoducto de Aguaprieta S. de R.L. de C.V. (formerly known as Transportadora de Gas Natural de Baja California, S. de R.L. de C.V. and "TGN" and Gasoducto Rosarita, S. de R.L. de C.V.), an affiliate in Mexico. Receipts at Otay Mesa can include gas from the El Paso pipeline that is transported down the North Baja pipeline into Gasoducto de Aquaprieta (Mexico) and natural gas sourced from Energia Costa Azul ("ECA") Liquefied Natural Gas (LNG) facility in Mexico, an affiliate of SoCalGas and

SDG&E. Although Gasoducto de Aguaprieta S. de R.L. de C.V. nor ECA is regulated by FERC, deliveries of natural gas to the SoCalGas/SDG&E system requires the exchange of operating information in the same manner as would be done with any upstream interconnecting pipeline. Therefore, SoCalGas' Gas Scheduling group will exchange such information with Gasoducto de Aguaprieta S. de R.L. de C.V. and ECA in accordance with this Rule and established SoCalGas/SDG&E protocols.

***II.F.** Existing Rules: Existing Commission rules for each utility and its parent holding company shall continue to apply except to the extent they conflict with these Rules. In such cases, these Rules shall supersede prior rules and guidelines, provided that nothing herein shall supersede the Commission's regulatory framework for broadband over power lines (BPL) adopted in D.06-04-070 nor shall preclude: (1) the Commission from adopting other utility-specific guidelines; or (2) a utility or its parent holding company from adopting other utility-specific guidelines, with advance Commission approval.*

### **Procedures and Mechanisms to Promote Compliance**

SoCalGas continues to comply with existing Commission rules that have not been superseded, such as the annual affiliate transactions reporting requirements pursuant to D.93-02-019. If rules are modified or superseded, SoCalGas will update its training and internal guidelines appropriately.

***II.G.** Civil Relief: These Rules shall not preclude or stay any form of civil relief, or rights or defenses thereto, that may be available under state or federal law.*

***II.H.** These Rules should be interpreted broadly, to effectuate our stated objectives of fostering competition and protecting consumer interests. If any provision of these Rules, or the application thereof to any person, company, or circumstance, is held invalid, the remainder of Rules, or the application of such provision to other persons, companies, or circumstances, shall not be affected thereby.*



## **Procedures and Mechanisms to Promote Compliance**

Rules II.G and II.H require no compliance action.

### **III.**

#### **NONDISCRIMINATION STANDARDS**

##### ***III.A. No Preferential Treatment Regarding Services Provided By The Utility***

*Unless otherwise authorized by the Commission or the FERC, or permitted by these Rules, a utility shall not:*

- 1. represent that as a result of the affiliation with the utility, its affiliates or customers of its affiliates will receive any different treatment by the utility than the treatment the utility provides to other, unaffiliated companies or their customers; or*
- 2. provide its affiliates, or customers of its affiliates, any preference (including, but not limited to, terms and conditions, pricing, or timing) over non-affiliated suppliers or their customers in the provision of services provided by the utility.*

## **Procedures and Mechanisms to Promote Compliance**

SoCalGas will not provide preferential treatment to its affiliates and will view its affiliates in a manner consistent with its unaffiliated companies and/or customers. The Sempra Energy and SoCalGas internal control environment, which includes the training program, reinforces the nondiscrimination and non-preferential treatment standards required by the Rules.

##### ***III.B. Affiliate Transactions***

*Transactions between a utility and its affiliates shall be limited to tariffed products and services; to the sale of goods, property, products or services made generally available by the utility or affiliate to all market participants through an open, competitive bidding process; to the provision of information made generally available by the utility to all market participants; to Commission-*

*approved resource procurement by the utility, or as provided for in Rules V. D. (joint purchases), V. E. (corporate support); and VII (new products and services) below.*

### **Procedures and Mechanisms to Promote Compliance**

For utility and affiliate transactions (non-resource procurement) covered by this Rule:

1. Tariffed products and services – SoCalGas implements its tariffs in a nondiscriminatory fashion. Tariffed discretions are addressed in Rule III.B.4.
2. Open competitive bidding process – SoCalGas makes the opportunity and process available to all market participants.
3. Information made generally available by SoCalGas to all market participants.
4. Shared services – as described under Rules V.D, V.E.
5. Non-tariffed products and services (NTP&S) – see Rule VII and existing offerings in VII.F.

For commission-approved resource procurement covered by this Rule, see Rule III.B.1.

#### ***III.B.1. Resource Procurement***

*No utility shall engage in resource procurement, as defined in these Rules, from an affiliate without prior approval from the Commission. Blind transactions between a utility and its affiliate, defined as those transactions in which neither party knows the identity of the counterparty until the transaction is consummated, are exempted from this Rule. A transaction shall be deemed to have prior Commission approval: (a) before the effective date of this Rule, if authorized by the Commission specifically or through the delegation of authority to Commission staff; or (b) after the effective date of this Rule, if authorized by the Commission generally or specifically or through the delegation of authority to Commission staff.*

## **Procedures and Mechanisms to Promote Compliance**

SoCalGas' natural gas purchasing practices are compliant with the CPUC's Rules such that SoCalGas' and SDG&E's core ratepayers are not denied the opportunity to obtain the lowest cost possible for natural gas supplies available in the highly-competitive marketplace.<sup>5</sup>

The objectives of the SoCalGas Gas Acquisition department in order of priority are to:

1. Provide reliable natural gas supplies to core customers
2. Provide these supplies at the lowest possible cost using the assets allocated to the core market
3. Provide ratepayer and shareholder benefits under the Gas Cost Incentive Mechanism ("GCIM")

The Gas Acquisition department follows standard industry practices in its natural gas trading procedures. Gas Acquisition uses the tools available to any entity (marketer, producer or utility) engaged in trading activity. These tools include physical trading, derivative trading, secondary market transactions, and interstate capacity transactions. Gas Acquisition traders are authorized to enter into transactions in accordance with the Utilities' Approval and Commitment Policy and the SoCalGas Market Activity and Credit Policy.

Each month, Gas Acquisition submits a GCIM report to the CPUC that computes in detail the GCIM results for that month. An annual GCIM report that provides details of all transactions, including supplier names and deal terms, and an application is filed on June 15<sup>th</sup> each year, and responses are provided to the CPUC in reply to detailed data requests.

Gas Acquisition purchases about 1.05 Bcf of natural gas per day for the core market on a net day basis. Gas Acquisition buys most of its natural gas on a long-term or monthly basis from the San Juan Basin, Permian Basin, Rocky Mountains, Canada and California. Under normal operating conditions, natural gas is also purchased for storage injection primarily during the summer months to provide peak day reliability in the winter.

---

<sup>5</sup> D.07-12-019 approved the consolidation of the natural gas supply portfolios for SDG&E's and SoCalGas' core customers into a single natural gas supply portfolio that is administered by SoCalGas' Gas Acquisition effective April 1, 2008.

Gas Acquisition and SoCalGas policy expressly forbids preferential treatment to any supplier.

Natural gas transactions with affiliates can be categorized as follows:

1. “Arm’s length” deals through matching by brokers. SoCalGas and an affiliate can be matched by a broker. In this case, neither SoCalGas nor the affiliate knows the other party’s identity until the deal is accepted by both parties. Payment is settled between SoCalGas and the affiliate and the broker bills each party separately. The paper trail specifically identifies the transaction as a brokered deal. All brokers have been sent a letter stating that no preference is to be given to SoCalGas’ affiliates.
2. Secondary Market Transactions. Secondary Market Transactions by Gas Acquisition with affiliates are posted on the Electronic Bulletin Board (EBB) System contemporaneously to provide other similarly-situated customers additional information in time to request a deal with comparable terms.

All transactions, daily, monthly, affiliated, or unaffiliated are date stamped, which allows affiliate transactions to be compared with prior and subsequent transactions with unaffiliated parties. SoCalGas will respond in a timely manner to any Public Advocates Office (“PAO”) requests for further information about any transaction.

SoCalGas will seek CPUC approval for contracts negotiated with an affiliate for non-CPUC tariffed products or services prior to transacting any business.

Beginning in 2014, Gas Acquisition became responsible for procuring Carbon Allowances and Offset Credits and selling Low Carbon Fuel Standard (LCFS) credits pursuant to AB32 Greenhouse Gas Emissions Cap and Trade program. The procurement and sale of these instruments with affiliates, if any, shall be limited to “arm’s-length” blind transactions through the Intercontinental Exchange or brokers in compliance with the Affiliate Transaction Rules.

### ***III.B.2. Provision of Supply, Capacity, Services or Information***

*Except as provided for in Rules V. D., V. E, and VII, a utility shall provide access to utility information, services, and unused capacity or supply on the same terms for all similarly situated market participants. If a utility provides supply, capacity, services, or information to its affiliate(s), it shall contemporaneously make the offering available to all similarly situated market participants, which include all competitors serving the same market as the utility's affiliates.*

### **Procedures and Mechanisms to Promote Compliance**

SoCalGas posts all publicly available operating information, services and unused capacity or supplies on its website and/or EBB in compliance with CPUC requirements. When SoCalGas provides an affiliate supply, capacity, services, or information, it makes the offering available to all similarly situated market participants by posting it contemporaneously on the EBB.

For transactions that are part of internal operations and integral to a permitted transaction with an affiliate, these items will not be posted on EBB. For example, if SoCalGas provides non-public right-of-way information to an affiliate pursuant to its Rule No. 34, this information would not be posted since this is a tariffed service and the information is integral to providing the service. If SoCalGas provides information regarding the capability of its gas transmission system to accept regasified LNG volumes from its LNG affiliate in an "Interconnection Capacity Study" as required by its Rule No. 39.B, it would not post this information since this is a tariffed product and the information is an integral part of the product. In both examples, SoCalGas is treating its affiliate exactly the same as any unaffiliated third party requesting the tariffed product or service, since the information would not be posted if provided to an unaffiliated entity. This is consistent with Rule III.B.2 because the information provided to an affiliate pursuant to the tariff rules is provided on the same terms for all similarly situated market participants.

When postings are required, procedures are in place specifying the form and content of the information to be posted. Once the data is entered on the form, the information immediately posts to the appropriate category on SoCalGas' internet website.

Interested parties will find the posted information on SoCalGas' internet home page at <[www.socalgas.com](http://www.socalgas.com)>. From the home page, the information is accessed by selecting the “Regulatory” link, then selecting the “Affiliate Rules” link, and then scrolling to the bottom of the page, where the “Supply, Capacity, Services, or Information” category is found.

### ***III.B.3. Offering of Discounts***

*Except when made generally available by the utility through an open, competitive bidding process, if a utility offers a discount or waives all or any part of any other charge or fee to its affiliates, or offers a discount or waiver for a transaction in which its affiliates are involved, the utility shall contemporaneously make such discount or waiver available to similarly situated market participants. The Utilities should not use the “similarly situated” qualification to create such a unique discount arrangement with their affiliates such that no competitor could be considered similarly situated. All competitors serving the same market, as the utility’s affiliates should be offered the same discount as the discount received by the affiliates. A utility shall document the cost differential underlying the discount to its affiliates in the affiliate discount report described in Rule III. F. 7 below.*

### **Procedures and Mechanisms to Promote Compliance**

When SoCalGas offers a discount or waiver to its affiliates, it makes the offering available to all similarly situated market participants by posting it contemporaneously on the EBB. SoCalGas considers uniform discounts provided to all competitors as well as vendor discounts provided by suppliers to all market participants that are passed through to affiliates as not required to be posted.

Procedures are in place specifying the form and content of the information to be posted. Once the data is entered on the form, the information immediately posts to the appropriate category on SoCalGas' internet website.

Interested parties will find the posted information on SoCalGas' internet home page at <[www.socalgas.com](http://www.socalgas.com)>. From the home page, the information is accessed by selecting the

“Regulatory” link, then selecting the “Affiliate Rules” link, and then scrolling to the bottom of the page, where the “Discounts, Rebates, Tariff Deviations, or Fee Waivers” category is found.

#### ***III.B.4. Tariff Discretion***

*If a tariff provision allows for discretion in its application, a utility shall apply that tariff provision in the same manner to its affiliates and other market participants and their respective customers.*

#### ***III.B.5. No Tariff Discretion***

*If a utility has no discretion in the application of a tariff provision, the utility shall strictly enforce that tariff provision.*

#### ***III.B.6. Processing Requests for Services Provided by the Utility***

*A utility shall process requests for similar services provided by the utility in the same manner and within the same time for its affiliates and for all other market participants and their respective customers.*

### **Procedures and Mechanisms to Promote Compliance**

SoCalGas understands that the Rules are intended to promote compliance so that SoCalGas implements its tariffs in a nondiscriminatory manner. In the event a tariff provision allows for discretion in its application, SoCalGas will apply that tariff provision in the same manner to its affiliates as it does to all other market participants and their respective customers. SoCalGas will strictly enforce tariff provisions when discretion is not permitted. Any tariff deviation provided to an affiliate is posted on the EBB by authorized employees.

Procedures are in place specifying the form and content of the information to be posted. Once the data is entered on the form, the information immediately posts to the appropriate category on SoCalGas’ internet website.

Interested parties will find the posted information on SoCalGas' internet home page at <www.socalgas.com>. From the home page, the information is accessed by selecting the “**Rates & Regulatory**” link at the bottom of the page, then selecting the “**Affiliate Rules**” link, where the “**Discounts, Rebates, Tariff Deviations, or Fee Waivers Provided to Affiliate(s)**” category is found.

### ***III.C. Tying of Services Provided by a Utility Prohibited***

*A utility shall not condition or otherwise tie the provision of any services provided by the utility, or the availability of discounts of rates or other charges or fees, rebates, or waivers of terms and conditions of any services provided by the utility, to the taking of any goods or services from its affiliates.*

### **Procedures and Mechanisms to Promote Compliance**

SoCalGas will comply with Rule III.C's requirements. Training specifically addresses that SoCalGas must not condition or otherwise tie the provision of any service provided by the utility or the availability of any discount, charge, fee, rebate, or waiver to the taking of any affiliate's goods or services.

### ***III.D. No Assignments of Customers***

*A utility shall not assign customers to which it currently provides services to any of its affiliates, whether by default, direct assignment, option or by any other means, unless that means is equally available to all competitors.*

### **Procedures and Mechanisms to Promote Compliance**

SoCalGas will comply with Rule III.D's requirements. Training specifically addresses that SoCalGas must not refer or assign customers to affiliates.

### ***III.E. Business Development and Customer Relations***

*Except as otherwise provided by these Rules, a utility shall not:*

- (1) provide leads to its affiliates;*
- (2) solicit business on behalf of its affiliates;*



- (3) *acquire information on behalf of or to provide to its affiliates;*
- (4) *share market analysis reports or any other types of proprietary or non-publicly available reports, including, but not limited to, market, forecast, planning or strategic reports, with its affiliates;*
- (5) *request authorization from its customers to pass on customer information exclusively to its affiliates;*
- (6) *give the appearance that the utility speaks on behalf of its affiliates or that the customer will receive preferential treatment as a consequence of conducting business with the affiliates; or*
- (7) *give any appearance that the affiliate speaks on behalf of the utility.*

### **Procedures and Mechanisms to Promote Compliance**

SoCalGas will comply with Rule III.E's requirements. Training specifically addresses that:

- Customer leads are not to be provided to affiliates;
- Business is not to be solicited on affiliates' behalf;
- No business information is to be acquired on behalf of affiliates;
- No market analysis reports or other proprietary information is to be shared with affiliates, except as otherwise permitted by these Rules; and
- Employees must not give any indication that they represent or speak on behalf of any affiliate, or that an affiliate represents the utility.

Furthermore, corporate policy prohibits the release of customer specific information to any entity without the customer's explicit written paper or electronic<sup>6</sup> consent or as otherwise permissible or required by law (for example, in circumstances pursuant to subpoena or as part of a regulatory program).

### ***III.F. Affiliate Discount Reports***

*If a utility provides its affiliates a discount, rebate, or other waiver of any charge or fee associated with products or services provided by the utility, the utility shall, within 24*

---

<sup>6</sup> See California Civil Code Section 1633.1 et seq. – Authorizing the use of electronic transactions/signatures to satisfy laws requiring records to be in writing.

*hours of the time at which the product or service provided by the utility is so provided, post a notice on its electronic bulletin board providing the following information:*

- 1. the name of the affiliate involved in the transaction;*
- 2. the rate charged;*
- 3. the maximum rate;*
- 4. the time period for which the discount or waiver applies;*
- 5. the quantities involved in the transaction;*
- 6. the delivery points involved in the transaction;*
- 7. any conditions or requirements applicable to the discount or waiver, and a documentation of the cost differential underlying the discount as required in Rule III. B.2 above; and*
- 8. procedures by which a nonaffiliated entity may request a comparable offer.*

*A utility that provides an affiliate a discounted rate, rebate, or other waiver of a charge or fee associated with services provided by the utility shall maintain, for each billing period, the following information:*

- 9. the name of the entity being provided services provided by the utility in the transaction;*
- 10. the affiliate's role in the transaction (i.e., shipper, marketer, supplier, seller);*
- 11. the duration of the discount or waiver;*
- 12. the maximum rate;*
- 13. the rate or fee actually charged during the billing period; and*
- 14. the quantity of products or services scheduled at the discounted rate during the billing period for each delivery point.*

*All records maintained pursuant to this provision shall also conform to FERC rules where applicable.*

### **Procedures and Mechanisms to Promote Compliance**

SoCalGas will comply with requirements 1-14 of this Rule. If SoCalGas provides its affiliates a discount, rebate, or waives all or any part of a fee, SoCalGas maintains the records required by this Rule and posts the required information on the EBB within one business day.

Procedures are in place specifying the form and content of the information to be posted on the website. Once the data is entered on the form, the information immediately posts to the appropriate category on SoCalGas' internet website.

Interested parties will find the posted information on SoCalGas' internet home page at <[www.socalgas.com](http://www.socalgas.com)>. From the home page, the information is accessed by selecting the “**Rates & Regulatory**” link at the bottom of the page, then selecting the “**Affiliate Rules**” link, where the “**Discounts, Rebates, Tariff Deviations, or Fee Waivers Provided to Affiliate(s)**” category is found.

## **IV.**

### **DISCLOSURE AND INFORMATION**

#### ***IV.A. Customer Information***

*A utility shall provide customer information to its affiliates and unaffiliated entities on a strictly nondiscriminatory basis, and only with prior affirmative customer written consent.*

### **Procedures and Mechanisms to Promote Compliance**

SoCalGas requires authorization by written paper or electronic customer consent for the release of any customer-specific information unless otherwise ordered by Commission or other regulatory agency or allowed by a legal process. SoCalGas' Credit & Collections department only shares customer information for normal business activities. This includes customer information shared with Experian to collect credit scores and collection agencies to support credit activities. Non-disclosure agreements are in place to ensure that the third party protects the customer information.

Notice is posted contemporaneously when SoCalGas provides customer specific information to its affiliate unless such information is automatically provided in the normal course of business to entities acting on behalf of customers as either their Agent, Core Transport Agent or Contracted Marketer. This notice includes: the name of the affiliate to receive the information; a description of the information; the time period covered; the date the information is given; and the contact person at SoCalGas. For confidentiality reasons, this notice does not include the name of the customer or the specific information released.

Procedures are in place specifying the form and content of the information to be posted on the website. ACD personnel use a form located on SoCalGas' Affiliate Compliance intranet site to post this information. Once the data is entered into the form, the information immediately posts to the appropriate category on SoCalGas' internet website.

Interested parties will find the posted information on SoCalGas' internet home page at <[www.socalgas.com](http://www.socalgas.com)>. From the home page, the information is accessed by selecting the “**Rates & Regulatory**” link, then selecting the “**Affiliate Rules**” link, and then scrolling to the bottom of the page, where the “**Customer Information Provided to Affiliate(s)**” category is found.

#### ***IV.B. Non-Customer Specific Non-Public Information***

*A utility shall make non-customer specific non-public information, including, but not limited to, information about a utility's natural gas or electricity purchases, sales, or operations or about the utility's gas-related goods or services and electricity-related goods or services, available to the utility's affiliates only if the utility makes that information contemporaneously available to all other service providers on the same terms and conditions, and keeps the information open to public inspection. Unless otherwise provided by these Rules, a utility continues to be bound by all Commission-adopted pricing and reporting guidelines for such transactions. A utility is also permitted to exchange proprietary information on an exclusive basis with its affiliates, provided the utility follows all Commission-adopted pricing and reporting guidelines for such transactions, and it is necessary to exchange this information in the provision of the corporate support services permitted by Rule V.E. below. The affiliate's use of such*

*proprietary information is limited to use in conjunction with the permitted corporate support services, and is not permitted for any other use. Nothing in this Rule precludes the exchange of information pursuant to D.97-10-031. Nothing in this Rule is intended to limit the Commission's right to information under the Public Utilities Code Sections 314 and 581.*

### **Procedures and Mechanisms to Promote Compliance**

Non-customer specific, non-public utility information may be shared on an exclusive basis with affiliates, subject to their obligation to not act as a conduit to other affiliates, if the information is: (1) necessary to perform shared corporate support or corporate oversight or governance and where such information is only used for that limited purpose; and (2) does not create an opportunity for an unfair competitive advantage. Any non-public utility information that does not meet the above criteria cannot be shared with an affiliate unless such information is contemporaneously posted.

Sempra Energy officers and employees responsible for shared corporate oversight or governance may receive all information from the utility and affiliates that is used for providing such oversight and governance. Such information may be used only for that purpose and is subject to established anti-conduit provisions.

When SoCalGas provides non-customer specific, non-public information to its affiliates that does not meet the above exception criteria, SoCalGas will post this information contemporaneously on SoCalGas' internet website. This site offers the information under the same terms and conditions as described in the preceding Rule.

As noted in the procedures for Rule III.B, transactions that are part of internal operations and integral to a permitted transaction with an affiliate need not be posted. For example, if SoCalGas provides non-public right-of-way information to an affiliate pursuant to its Rule No. 34, this information would not be posted since this is a tariffed service and the information is integral to providing the service. If SoCalGas provides non-public information regarding the capability of its gas transmission system to accept regasified LNG volumes from its LNG affiliate in an

“Interconnection Capacity Study” as required by its Rule No. 39.B, it would not post this information since this is a tariffed product and the information is an integral part of the product. In both examples, SoCalGas is treating its affiliate exactly the same as any unaffiliated third party requesting the tariffed product or service. This is consistent with Rule III.B.2 since the information is provided to an affiliate pursuant to the tariff rules on the same terms for all similarly-situated market participants.

If postings are required, procedures are in place specifying the format and content of the information to be posted on the website. Authorized employees use a template located on SoCalGas’ Affiliate Compliance intranet site to post this information. Once the data is entered, the information immediately posts to the appropriate category on SoCalGas’ internet website.

Interested parties will find the posted information on SoCalGas’ internet home page at <[www.socalgas.com](http://www.socalgas.com)>. From the home page, the information is accessed by clicking on “**Rates & Regulatory**,” then clicking on the “**Affiliate Rules**” link located in the “**Related Information**” column at the right of the page, where the “**Non-Customer Specific, Non-Public Information**” category is found.

#### ***IV.C. Service Provider Information***

*Except upon request by a customer or as otherwise authorized by the Commission, or another governmental body, a utility shall not provide its customers with any list of service providers, which includes or identifies the utility's affiliates, regardless of whether such list also includes or identifies the names of unaffiliated entities.*

#### **Procedures and Mechanisms to Promote Compliance**

SoCalGas provides on its website a list of natural gas suppliers as a convenience to noncore customers who have the option of purchasing their natural gas from a gas supplier. Natural gas suppliers are included on the list when requested and are posted on a nondiscriminatory basis.

No covered affiliates are listed in the directory.

#### ***IV.D. Supplier Information***

*A utility may provide non-public information and data which has been received from unaffiliated suppliers to its affiliates or non-affiliated entities only if the utility first obtains written affirmative authorization to do so from the supplier. A utility shall not actively solicit the release of such information exclusively to its own affiliate in an effort to keep such information from other unaffiliated entities.*

#### **Procedures and Mechanisms to Promote Compliance**

The Supply Management department trains its contracting agents to first obtain written authorization from an unaffiliated supplier before providing non-public information and data received from the supplier to the utility's affiliates or nonaffiliated entities.

Affiliate requests for supplier information are centrally processed by Supply Management through use of Supplier Disclosure Forms. Supplier Disclosure Forms are not required to disclose contract data for allowable shared goods and services.

Supply Management maintains a log of all instances in which it provides supplier information to an affiliate for *non*-shared goods and services. The log lists the affiliate name, the supplier, the date that the form is received, and indicates that the required written affirmative authorization was obtained from the supplier.

#### ***IV.E. Affiliate-Related Advice or Assistance***

*Except as otherwise provided in these Rules, a utility shall not offer or provide customers advice or assistance with regard to its affiliates or other service providers.*

#### **Procedures and Mechanisms to Promote Compliance**

SoCalGas will comply with Rule IV.E's requirements. SoCalGas employees are trained to refrain from providing advice or assistance regarding any service provider (including its affiliates) or any proposal of a service provider.

SoCalGas' primary interest is meeting the needs of its customers. Resolution G-3238 recognizes SoCalGas' right to provide general technical advice not related to a specific service provider or proposal. SoCalGas will offer customers general technical advice that is not linked to a specific service provider or proposal and will, under Rule V.F.4.a, meet with customers when requested to discuss technical and operational subjects regarding the utility's provision of transportation service to the customer.

#### **IV.F. Record Keeping**

*A utility shall maintain contemporaneous records documenting all tariffed and non-tariffed transactions with its affiliates, including but not limited to, all waivers of tariff or contract provisions, all discounts and all negotiations of any sort between the utility and its affiliates whether or not they are consummated. A utility shall maintain such records for a minimum of three years and longer if this Commission or another government agency so requires. For consummated transactions, the utility shall make such final transaction documents available for third party review upon 72 hours' notice, or at a time mutually agreeable to the utility and third party.*

*If D.97-06-110 is applicable to the information the utility seeks to protect, the utility should follow the procedure set forth in D.97-06-110, except that the utility should serve the third party making the request in a manner that the third party receives the utility's D.97-06-110 requests for confidentiality within 24 hours of service.*

#### **Procedures and Mechanisms to Promote Compliance**

Records are maintained so that they can be released within three calendar days from the receipt of the request. Pursuant to the Energy Division's directive dated December 1, 2014, records that may be subject to an affiliate compliance audit should be kept for a maximum of five years.

These records include the following:

- All contracts and related bids for provision of work;
- Products and services exchanged between the utilities and its affiliates;
- Tariffed and non-tariffed transactions with its affiliates, including but not limited to, all waivers of tariff or contract provisions; and



- All discounts and negotiations of any sort between the utility and its affiliates whether or not they are consummated for each calendar year.

This list is not exhaustive and should be interpreted broadly, employees are advised to contact SoCalGas' Affiliate Compliance Department if they have questions regarding these records.

Utility officers and directors are required to maintain sufficient documentation to support intercompany transactions with affiliates.

It should be noted that the billing records are processed in aggregate, on a monthly billing cycle. SoCalGas' current accounting system does not process billings to affiliates on a real-time basis.

All requests from third parties for affiliate transaction information must be made to the manager of Affiliate Compliance who will, for all reasonable requests, arrange for retrieval and presentation of the information within the time required. All requests pursuant to this Rule should be submitted in writing to:

Sarah E. Edgar  
Director – Compliance  
San Diego Gas & Electric Company  
8315 Century Park Court, ML-CP21C  
San Diego, CA 92123-1548

#### ***IV.G. Maintenance of Affiliate Contracts and Related Bids***

*A utility shall maintain a record of all contracts and related bids for the provision of work, products or services between the utility and its affiliates for no less than a period of three years, and longer if this Commission or another government agency so requires.*

#### **Procedures and Mechanisms to Promote Compliance**

Relevant records will be retained for a maximum of five years in accordance with the Energy Division's directive dated December 1, 2014.

#### **IV.H. FERC Reporting Requirements**

*To the extent that reporting rules imposed by the FERC require more detailed information or more expeditious reporting, nothing in these Rules shall be construed as modifying the FERC rules.*

#### **Procedures and Mechanisms to Promote Compliance**

No additional compliance action is required.

### **V.**

#### **SEPARATION**

##### **V.A. Corporate Entities**

*A utility, its parent holding company, and its affiliates shall be separate corporate entities.*

#### **Procedures and Mechanisms to Promote Compliance**

SoCalGas, Sempra Energy, and its affiliates are separate entities.

##### **V.B. Books and Records**

*A utility, its parent holding company, and its affiliates shall keep separate books and records.*

*V.B.1. Utility books and records shall be kept in accordance with the applicable Uniform System of Accounts (“USOA”) and Generally Accepted Accounting Procedures (“GAAP”).*

*V.B.2. The books and records of a utility’s parent holding company and affiliates shall be open for examination by the Commission and its staff consistent with the provisions of Public Utilities Code Sections 314 and 701, the conditions in the Commission’s orders authorizing the utilities’ holding companies and/or mergers and these Rules.*

## **Procedures and Mechanisms to Promote Compliance**

SoCalGas, Sempra Energy, and its affiliates maintain separate accounting books and records. SoCalGas follows and will continue to follow USOA and GAAP standards. The accounting books and records of SoCalGas, Sempra Energy, and its affiliates are open for examination by the CPUC pursuant to Public Utilities Code §314(b) and 701.

### ***V.C. Sharing of Plant, Facilities, Equipment or Costs***

*A utility shall not share office space, office equipment, services, and systems with its affiliates, nor shall a utility access the computer or information systems of its affiliates or allow its affiliates to access its computer or information systems, except to the extent appropriate to perform shared corporate support functions permitted under Rule V.E. of these Rules. Physical separation required by this rule shall be accomplished preferably by having office space in a separate building, or, in the alternative, through the use of separate elevator banks and/or security-controlled access. This provision does not preclude a utility from offering a joint service provided this service is authorized by the Commission and is available to all non-affiliated service providers on the same terms and conditions (e.g., joint billing services pursuant to D.97-05-039).*

## **Procedures and Mechanisms to Promote Compliance**

### **Facilities Separation:**

SoCalGas' headquarters are located at the Gas Company Tower in downtown Los Angeles. Access to the entire Gas Company Tower is card-key controlled. Potentially during this Compliance Plan period, Sempra International, LLC may occupy office space sub-leased from a 3<sup>rd</sup> party within the GCT. The required utility/affiliate separation (e.g. separate elevator banks, card-key controlled access) will be adhered to in accordance with the Rules. SDG&E shared service personnel and Sempra Energy shared service personnel have workspace at the Gas Company Tower.

SDG&E shared service personnel occupy separate suites (restricted card access) in Sempra Energy's Headquarters ("HQ") building and are located on a separate floor away from all covered affiliate employees. All building operations support areas accessed by maintenance

personnel and porters to support these daily building operations and functions remain in locked areas of the HQ building and are card-key controlled. Access throughout the entire HQ facility is card-key controlled to support and maintain continuous separation between the shared service personnel and all other building tenants.

**Information Technology:**

The California utilities' Data Centers house most of the Information Technology ("IT") production processing operations. Consolidation of the SoCalGas and SDG&E IT systems is a "utility-to-utility" transaction that was approved and priced in the Merger Decision (D.98-03-073).

The California utilities' Data Centers are stand-alone facilities specifically constructed and maintained to house computer technology services and related activities in a high security environment. They provide computer technology services for the utilities and Sempra Energy. They also provide support for permissibly shared services (Rule V.E), such as employee timekeeping, payroll, materials management and accounting functions.

In 2018, the California utilities built out a service continuity environment at the Switch colocation facility in Las Vegas. This highly secure facility requires card reader access, biometric authentication as well as log sign-in. This is a completely segregated area from any other companies' equipment. No employees will be housed at this facility. Production data will be replicated to the site, but systems will not be active until a service continuity scenario is enacted.

The California utilities may utilize various applications hosted by outsourced services to provide some information technologies. Such outsourced services applications are not shared with affiliates and are managed and controlled by the California utilities. Employees of the affiliates may not access such outsourced services applications except for permissible shared services (Rule V.E), such as employee timekeeping, payroll, materials management and accounting functions.

To help promote compliance with the Rules for utility and affiliate separation, the utilities/Sempra Energy information systems adhere to the following measures:

**Physical Access:**

Affiliate personnel are not allowed physical access to the California utilities' Data Centers without escort nor are they allowed access to applications hosted by outsourced services. The covered affiliates operate their own independent IT organization, outsourced services applications and data center for affiliate information systems. Except for shared service Facilities Management staff, utility employees cannot access the covered affiliates' Data Center without escort or electronically access outsourced services applications.

**Systems:**

The utilities/Sempra Energy network maintains physical and logical security controls, which in combination with employee training on the Affiliate Transaction Rules, are designed to prevent access to non-sharable utility information and data systems, including outsourced services applications.

Utility employees are not permitted to access the covered affiliates' network or outsourced services applications. Likewise, the covered affiliates are not permitted to access the utility's Data Center network or outsourced services applications.

The utilities/Sempra Energy IT network is separated from the covered affiliates' network by security controls designed to physically and logically isolate the utilities/ Sempra Energy and the covered affiliates' systems and information. Additionally, employees receive training on the Affiliate Transaction Rules educating and raising awareness to prevent access to non-sharable systems and applications.

The utilities and the covered affiliates each maintain their own systems including separate contracts and licenses, directories, server hardware and software, and desktop hardware and software. Communications systems such as e-mail, directories and collaboration

tools are also separated. Certain permissibly shared, corporate-wide infrastructure systems served under a single Master Agreement can also be used for all Sempra Energy companies.

The utilities and the covered affiliates' IT organizations may communicate intermittently in the administration of technology issues associated with company-wide oversight and governance activities (e.g., training, IT employee development initiatives, etc.).

Internal guidelines are in place to manage the limited connectivity between the utilities/Sempra Energy IT network and the covered affiliates' network for access to allowable shared services. These guidelines are approved by representatives of SoCalGas' IT, covered affiliates' IT and ACD and are subject to audit by the Sempra Energy Audit Services department.

**V.D. *Joint Purchases***

*To the extent not precluded by any other Rule, the Utilities and their affiliates may make joint purchases of goods and services, but not those associated with the traditional utility merchant function. For purpose of these Rules, to the extent that a utility is engaged in the marketing of the commodity of electricity or natural gas to customers, as opposed to the marketing of transmission and distribution services, it is engaging in merchant functions. Examples of permissible joint purchases include joint purchases of office supplies and telephone services. Examples of joint purchases not permitted include gas and electric purchasing for resale, purchasing of gas transportation and storage capacity, purchasing of electric transmission, systems operations, and marketing. The utility must insure that all joint purchases are priced, reported, and conducted in a manner that permits clear identification of the utility and affiliate portions of such purchases, and in accordance with applicable Commission allocation and reporting rules.*

## **Procedures and Mechanisms to Promote Compliance**

The California utilities' Supply Management department procures products and services (other than those associated with the traditional utility merchant function) as a Rule V.E shared service for SoCalGas, SDG&E and the affiliates. Resolution G-3238 stated that Rule V.D forbids the joint purchase of "pipe and equipment" by the California utilities and affiliates because it is "more closely associated with the 'traditional utility merchant function'" (*mimeo* at 31). Supply Management trains its contracting agents that they may not jointly procure goods and services associated with the traditional utility merchant function.

### **V.E. Corporate Support**

*As a general principle, a utility, its parent holding company, or a separate affiliate created solely to perform corporate support services may share with its affiliates joint corporate oversight, governance, support systems and personnel, as further specified below. Any shared support shall be priced, reported and conducted in accordance with the Separation and Information Standards set forth herein, as well as other applicable Commission pricing and reporting requirements.*

*As a general principle, such joint utilization shall not allow or provide a means for the transfer of confidential information from the utility to the affiliate, create the opportunity for preferential treatment or unfair competitive advantage, lead to customer confusion, or create significant opportunities for cross-subsidization of affiliates. In the compliance plan, a corporate officer from the utility and holding company shall verify the adequacy of the specific mechanisms and procedures in place to ensure the utility follows the mandates of this paragraph, and to ensure the utility is not utilizing joint corporate support services as a conduit to circumvent these Rules.*

*Examples of services that may be shared include: payroll, taxes, shareholder services, insurance, financial reporting, financial planning and analysis, corporate accounting, corporate security, human resources (compensation, benefits, employment policies), employee records, regulatory affairs, lobbying, legal, and pension management.*

*However, if a utility and its parent holding company share any key officers after 180 days*

*following the effective date of the decision adopting these Rule modifications, then the following services shall no longer be shared: regulatory affairs, lobbying, and all legal services except those necessary to the provision of shared services still authorized. For purposes of this Rule, key officers are the Chair of the entire corporate enterprise, the President at the utility and at its holding company parent, the chief executive officer at each, the chief financial officer at each, and the chief regulatory officer at each, or in each case, any and all officers whose responsibilities are the functional equivalent of the foregoing.*

*Examples of services that may not be shared include: employee recruiting, engineering, hedging and financial derivatives and arbitrage services, gas and electric purchasing for resale, purchasing of gas transportation and storage capacity, purchasing of electric transmission, system operations, and marketing. However, if a utility and its parent holding company share any key officers (as defined in the preceding paragraph) after 180 days following the effective date of the decision adopting these Rule modifications, then the following services shall no longer be shared: regulatory affairs, lobbying, and all legal services except those necessary to the provision of shared services still authorized.*

### **Procedures and Mechanisms to Promote Compliance**

Properly structuring the shared services to promote separation between the California utilities and affiliates is a significant step in facilitating compliance with the Rules, however the utilities do not rely upon structure alone. Each shared services employee must affirm their understanding of the Rules and acknowledge that they will comply with the anti-conduit provisions as part of annual training. Taken together, these actions demonstrate full compliance with the requirements of Rule V.E.

Officer Verifications attest to the adequacy of the procedures and mechanisms in place to affirm that SoCalGas and Sempra Energy follow the Rules, and that SoCalGas and Sempra Energy are not utilizing joint corporate support services as a conduit to circumvent the Rules. These verifications for SoCalGas and Sempra Energy are included in Appendix 1 (of this Plan).



The board of directors/managers, and officers of SoCalGas and its holding company, Sempra Energy, have an obligation to ensure that effective oversight and governance procedures are in place to enable the directors to discharge their legal obligations and fiduciary responsibilities as representatives of the shareholders. Directors/managers have a duty to make informed judgments, question officers, and avail themselves of all material information reasonably available. Officers are regularly requested to gather material information, and they must observe a high duty of care in discharging their delegated responsibilities. Appendix 2 of this Plan provides a listing of the corporate oversight and governance committees, their purpose and meeting frequency which are designed to facilitate these oversight and governance objectives.

For purposes of this Rule, SoCalGas considers that shared services include, but are not limited to: payroll, taxes, shareholder services, insurance, financial reporting, financial planning and analysis, corporate accounting, corporate security, human resources (compensation, benefits, employment policies), employee records, regulatory affairs, lobbying, legal, and pension management. The CPUC acknowledged in D.98-08-035 that the list of permissible shared services presented in Rule V.E is not exhaustive. Communications and public affairs, for instance, may also be shared. No key officer (as defined by this rule) serves as an officer of SoCalGas and an officer of Sempra Energy. Therefore, these companies may share regulatory affairs, lobbying, and legal services.

SoCalGas understands Rule V.E's prohibition on shared "hedging and financial derivatives and arbitrage services," to apply to employees engaged in hedging electric and natural gas commodities. The Sempra Energy Treasury and Finance department may assist SoCalGas with hedging related to SoCalGas' long-term financings. This department may also assist covered affiliates with hedging or arbitrage support associated with currency or interest rates. SoCalGas employees are not involved in hedging for covered affiliates. Similarly, employees of a covered affiliate are not involved in hedging for SoCalGas. The Sempra Energy Treasury and Finance department does not perform hedging or arbitrage of electricity or natural gas.

Some of the key areas currently being shared between each utility, Sempra Energy, and affiliates include Audit Services, Controller and Corporate Taxes, External Affairs and Corporate

Strategy, Corporate & Cybersecurity, Finance, Legal, Human Resources & Administrative Services, Investor Relations, Supply Management<sup>7</sup> and Treasury.<sup>8</sup>

Services that are currently shared with affiliates are charged to affiliates via an allocation at month-end. Allowable shared services that are not currently shared will be direct-charged to affiliates on an as-needed basis.

#### ***V.F. Corporate Identification and Advertising***

*V.F.1. A utility shall not trade upon, promote, or advertise its affiliate's affiliation with the utility, nor allow the utility name or logo to be used by the affiliate or in any material circulated by the affiliate, unless it discloses in plain legible or audible language, on the first page or at the first point where the utility name or logo appears that:*

*V.F.1.a. the affiliate “is not the same company as [i.e., PG&E, Edison, the Gas Company, etc.], the utility”;*

*V.F.1.b. the affiliate is not regulated by the California Public Utilities Commission; and*

*V.F.1.c. “you do not have to buy [the affiliate’s] products in order to continue to receive quality regulated services from the utility.”*

*The application of the name/logo disclaimer is limited to the use of the name or logo in California.*

---

<sup>7</sup> This area provides support in procuring goods and services (other than those associated with the traditional merchant function).

<sup>8</sup> This is not an exhaustive list of all shared services. The services listed do change from time to time but are still permissible under Rule V.E.

## **Procedures and Mechanisms to Promote Compliance**

If SoCalGas mentions the name of an affiliate in its materials, SoCalGas will disclose the required disclaimer language as prescribed by the Rules.

The use of the “Sempra” name or logo by any covered affiliate for communications in California or those that could reasonably be expected to migrate to California would require the following disclaimer on such materials in accordance with D. 02-02-046:

### **Affiliates will use...**

*[The affiliate] is not the same company as the California utilities, San Diego Gas & Electric (SDG&E) or Southern California Gas Company (SoCalGas), and [The affiliate] is not regulated by the California Public Utilities Commission.*

Examples of communication items that may have the disclaimer:

- Brochures
- Business cards
- Community-based events (e.g., trade shows – seek assistance from the California utilities’ Affiliate Compliance departments)
- External emails (see special notation below) \*
- Internet
- Newspaper/Television advertisements
- Videos

\*Note: If an employee creates their own automatic signature on their email using the name “Sempra” in that signature and is likely to do business in California, the disclaimer statement above is added.

To the extent material such as business cards or brochures may contain the name of more than one affiliate, the primary affiliate’s name will be utilized in the disclaimer text.

### ***Disclaimer Exceptions:***

D.98-11-027 provided that the disclaimer requirement does not apply in certain limited instances as follows:

1. Communications with governmental bodies, where the parties involved either know, or should have reason to know, the legal status and interrelationship of the utility and affiliates, and the communications are not related to product sales. This is interpreted to include: (i) communications with governmental entities in legal or regulatory proceedings, written communications with governmental bodies regarding actual or proposed legislation, and

written communications to federal, state or municipal agencies which relate to an agency requirement or power (other than the power of the agency to buy products and services); (ii) legal documents, such as contracts and real property instruments; and (iii) communications with security holders and other members of the investment community, where, in each of the foregoing instances, the parties involved either know, or should have reason to know, the legal status and interrelationship of the utility and affiliates;

2. Annual/statistical/financial reports to shareholders; and
3. Internal written communications between the holding company, the California utilities, and any of the affiliates, provided that the internal communications are not also sent to third parties outside of the company.

In D.99-04-069, the Commission approved limited exemptions from the disclaimer requirement regarding:

1. Building signage;
2. Company vehicles;
3. Employee uniforms; and
4. Installed equipment on customer premises.

***Disclaimer Position and Size:***

When the disclaimer is required, it will appear either on the first page of the communication, or at the first point that the utility name or logo appears. In accordance with the requirements set forth in D.98-11-027, the disclaimer will be sized and displayed commensurate with the “signature” (i.e., the logo or name identification), so that the disclaimer is no smaller than the larger of: (a) ½ the size of the type which first displays the name or logo; or (b) 6-point type, and is positioned so that the reader will naturally focus on the disclaimer as easily as the “signature.”

***Press Releases:***

Sempra Energy, SoCalGas, and its affiliates include the appropriate disclaimer on press releases or educational information provided to the public whenever the requirement is triggered by one of the following: (1) mention of an affiliate whose name includes the word “Sempra;” or (2) mention of SoCalGas and an affiliate within the same press release or educational information. However, providing general information about Sempra Energy and its business projects without mentioning an affiliate, does not trigger the use of the disclaimer. The removal of such disclaimer by the press at publication is not considered a violation.

***Internet:***

The appropriate disclaimer appears at the bottom of the home pages of the Sempra.com and applicable Sempra Global websites just below the page “frame.” It is understood that the disclaimer’s placement on the home page of each site indicates that the disclaimer covers the entire site. Additionally, documents posted on these websites that mention the utility and an affiliate will include the disclaimer.

***Business Cards:***

Due to the length of the disclaimer, business cards will include the full disclaimer on the back, and a summary disclaimer on the front. The summary reads: “*The California Public Utilities Commission does not regulate this company (see back).*”

***Promotional Items Distributed in California:***

When an item’s small size or irregular shape (e.g., golf balls, golf tees, caps) does not allow printing an appropriately sized disclaimer on its face, the disclaimer will be inserted or applied by using stickers on the item or the packaging and positioned so that the statement is visible to the prospective customer before or at the same time the name or logo becomes visible.

*V.F.2. A utility, through action or words, shall not represent that, as a result of the affiliate’s affiliation with the utility, its affiliates will receive any different treatment than other service providers.*

**Procedures and Mechanisms to Promote Compliance**

SoCalGas will neither claim to represent an affiliate, nor provide preferential treatment to its affiliates or its affiliates’ customers.

*V.F.3. A utility shall not offer or provide to its affiliates advertising space in utility billing envelopes or any other form of utility customer written communication unless it provides access to all other unaffiliated service providers on the same terms and conditions.*

## **Procedures and Mechanisms to Promote Compliance**

Billing envelope space or advertising space in other written communications, if offered to affiliates, will be made available to all competitors on a nondiscriminatory basis.

*V.F.4. A utility shall not participate in joint advertising or joint marketing with its affiliates. This prohibition means that utilities may not engage in activities which include, but are not limited to the following:*

*V.F.4.a. A utility shall not participate with its affiliates in joint sales calls, through joint call centers or otherwise, or joint proposals (including responses to requests for proposals (“RFPs”) to existing or potential customers. At a customer’s unsolicited request, a utility may participate, on a nondiscriminatory basis, in non-sales meetings with its affiliates or any other market participant to discuss technical or operational subjects regarding the utility’s provision of transportation service to the customer;*

## **Procedures and Mechanisms to Promote Compliance**

Training emphasizes that utility employees must not raise marketing issues in any customer technical meetings conducted in conjunction with any affiliate. Should marketing issues be raised at any such meeting, employees must excuse themselves from the meeting. SoCalGas employees will not participate in the marketing aspect of any such meeting.

*V.F.4.b. Except as otherwise provided for by these Rules, a utility shall not participate in any joint activity with its affiliates. The term “joint activities” includes, but is not limited to, advertising, sales, marketing, communications and correspondence with any existing or potential customer;*

## **Procedures and Mechanisms to Promote Compliance**

SoCalGas interprets this Rule as permitting separately purchased advertisements and communications by the utility and affiliates in a publication or at a facility where communications are also solicited and accepted from non-affiliated parties. For instance, advertising may be separately purchased by SoCalGas and an affiliate in the same magazine or broadcast program as long as SoCalGas and the affiliate are not the only advertisers in that magazine or broadcast program.

Sempra Energy may include information on SoCalGas, SDG&E and its affiliate in its communications when the purpose is to: 1) comply with regulations such as Security and Exchange Commission reporting requirements; 2) communications to educate investors on various strategies and operations related to Sempra Energy and its principal business units, including corporate sustainability/responsibility reporting; and 3) safety communications. Note, this is not intended to be an exhaustive list of allowable communications but illustrates that none of the communications are to be used to promote or market products or services or to solicit other business.

Separate utility and affiliate sponsorship at a community/charitable event or industry conference is interpreted to be compliant with the Rules if additional sponsors are also represented. These types of events are not considered “marketing” in nature. Frequently, the events entail the presence of employees, customers and elected officials. These sponsorships involve the opportunity for signage, listing in the event program, recognition from the podium, table recognition, etc. Separation must be maintained between utility and affiliate employees.

*V.F.4.c. A utility shall not participate with its affiliates in trade shows, conferences, or other information or marketing events held in California.*

## **Procedures and Mechanisms to Promote Compliance**

Trade show exhibits at the same event are understood to be permissible as long as a booth, table, exhibit or advertisement sponsored by SoCalGas will not be contiguous with any such exhibits

sponsored by an affiliate. In no case will the affiliate's affiliation with SoCalGas be promoted. SoCalGas promotional events within California that are open to all competitors on a nondiscriminatory basis will also be open to affiliates.

Participation by both California utilities and its affiliate employees at non-industry conferences, such as accounting or legal professional conferences is interpreted to be compliant with the Rules. These types of events are not considered "marketing" in nature.

Similarly, participation by both California utilities and affiliate employees in community service or charitable events that are open to the public, such as community clean-up events or charity walks is interpreted to be compliant with the Rules, as these events are also not considered "marketing" in nature.

*V.F.5. A utility shall not share or subsidize costs, fees, or payments with its affiliates associated with research and development activities or investment in advanced technology research.*

### **Procedures and Mechanisms to Promote Compliance**

SoCalGas does not share R&D activities or subsidize costs, fees or payments with affiliates for such activities or investments.

#### ***V.G.1. Employees***

*Except as permitted in Rule V.E (corporate support), a utility and its affiliates shall not jointly employ the same employees. This Rule prohibiting joint employees also applies to Board Directors and corporate officers, except for the following circumstances: In instances when this Rule is applicable to holding companies, any board member or corporate officer may serve on the holding company and with either the utility or affiliate (but not both) to the extent consistent with Rule V.E (corporate support). Where the utility is a multi-state utility, is not a member of a holding company structure, and assumes the corporate governance functions for the affiliates, the prohibition against any board member or corporate officer of the utility also serving as a board member or*



*corporate officer of an affiliate shall only apply to affiliates that operate within California. In the case of shared directors and officers, a corporate officer from the utility and holding company shall describe and verify in the utility's compliance plan required by Rule VI the adequacy of the specific mechanisms and procedures in place to ensure that the utility is not utilizing shared officers and directors as a conduit to circumvent any of these Rules. In its compliance plan, the utility shall list all shared directors and officers between the utility and affiliates. No later than 30 days following a change to this list, the utility shall notify the Commission's Energy Division and the parties on the service list of R.97-04-011/I.97-04-012 of any change to this list.*

### **Procedures and Mechanisms to Promote Compliance**

SoCalGas interprets Rule V.G to apply to employees of SoCalGas and not to consultants/contractors or employees of temporary third-party agencies SoCalGas includes anti-conduit provisions in all contracting templates to address consultants/contractors or temporary third-party agency personnel who perform work for both the utility and its affiliates.

SoCalGas, SDG&E and Sempra Energy have programs for entry-and junior-level positions in various divisions. The intent of the Utilities' (Management Accounting Rotation Program ("MARP") and Sempra Energy's Financial Leadership Program ("FLP") is to provide an entry into the workforce through a rotation program designed to strengthen the professional competency of potential candidates for junior and mid-level professional positions and improve diversity hiring and promotions. SoCalGas, SDG&E and Sempra Energy representatives for each of these programs may participate in the same career events to explain their individual programs. Although, MARP and FLP employees may participate in joint events, we take the appropriate precautionary measures to abide by Affiliate Compliance regulations. MARP employees do not support any of the covered affiliate businesses. Only FLP employees can support covered affiliate businesses. Covered affiliate employees do not recruit for these programs, but the participants may support a covered affiliate. Both MARP and FLP employees can engage in permissible shared services as described in Rule V.E.

Consistent with the exemptions permitted in D.98-08-035 (modified D.97-12-088) and later confirmed in Resolution G-3238 of the CPUC Rules, the positions of: General Counsel, Secretary/Assistant Secretary, Chief Financial Officer, Controller, and Treasurer may be shared among SoCalGas, SDG&E, Sempra Energy, and the affiliates.

At present, SoCalGas has the following shared officers, and directors/managers who have positions in Sempra Corporate Center, Sempra's Covered Affiliates and Sempra's California utilities, SoCalGas and SDG&E:

- Trevor I. Mihalik is Executive Vice President and Chief Financial Officer at Sempra Energy. He is also on the Board of Directors for SDG&E and SoCalGas. He also serves as Vice President of one of the affiliates.
- Jennifer F. Jett is Corporate Secretary of Sempra Energy and Assistant Secretary of SoCalGas. She also serves as Director, Manager and Secretary of several affiliates.
- Kari E. McCulloch is Assistant Secretary of Sempra Energy and Assistant Secretary of several other affiliates. She is also Corporate Secretary of SDG&E and SoCalGas.

There are also Officers/Directors that do not hold positions with the utilities and affiliates, but either: (1) hold positions with the Holding Company and the utilities, or (2) hold positions with the Holding Company and affiliates.

SoCalGas has anti-conduit provisions in place to help ensure that these officers and board members are not used as a conduit to circumvent these Rules. SoCalGas will notify the CPUC's Energy Division and the parties on the service list of R.97-04-011/I.97-04-012 no later than 30 calendar days following any change to directors/managers and officers shared between Sempra Energy, SoCalGas and other affiliates.

Sempra Energy's senior management continues to conduct meetings to maintain adequate oversight of the Sempra Energy family of companies, while preserving business unit autonomy and accountability. Employees refrain from discussing matters that would be inconsistent with

the Rules, such as operational matters and customer-specific information. A listing of various corporate oversight and governance committees is included in Appendix 2 (of this Plan).

Periodically, group meetings are held among members of leadership teams from specific areas or departments within Sempra Energy and its business units. These meetings permit high-level discussions regarding publicly available financial information, corporate strategy, and business-unit specific information. Non-public utility information is not exchanged.

At the start of such group meetings, participants are reminded that all portions of the meeting, including social exchanges, must be conducted in accordance with state and federal affiliate compliance rules. A copy of the Affiliate Rules Information Sharing Guidelines is provided to meeting participants.

In addition, periodic informal gatherings are held at each Sempra Energy business unit to keep employees abreast of significant initiatives throughout the Company. These meetings address information that is in the public domain, packaged in a condensed format. Non-public utility information is not discussed in these gatherings and participants are reminded not to discuss company-specific, nonpublic utility information while in attendance.

*V.G.2. All employee movement between a utility and its affiliates shall be consistent with the following provisions:*

*V.G.2.a. A utility shall track and report to the Commission all employee movement between the utility and affiliates. The utility shall report this information annually pursuant to our Affiliate Transaction Reporting Decision, D93-02-016, 48 CPUC 2d 163, 171-172 and 180 (Appendix A, Section I and Section II H.).*

*V.G.2.b. Once an employee of a utility becomes an employee of an affiliate, the employee may not return to the utility for a period of one year. This Rule is inapplicable if the affiliate to which the employee transfers*

*goes out of business during the one-year period. In the event that such employee returns to the utility, such employee cannot be retransferred, reassigned, or otherwise employed by the affiliate for a period of two years. Employees transferring from the utility to the affiliate are expressly prohibited from using information gained from the utility in a discriminatory or exclusive fashion, to the benefit of the affiliate or to the detriment of other unaffiliated service providers.*

### **Procedures and Mechanisms to Promote Compliance**

SoCalGas tracks all employees who transfer between the utility, Sempra Energy and its affiliates as well as from Sempra Energy and the affiliates to the utility and reports this information annually to the Commission in its Affiliate Transactions Report.

SoCalGas complies with Rule V.G.2.b's "residency" requirements as relevant for any transfers to the *same* affiliate. In the event the transfer is the result of the sale of an affiliate, this will be treated as if the affiliate went out of business because it is no longer a business operating within the Sempra Energy family of companies.

*V.G.2.c. When an employee of a utility is transferred, assigned, or otherwise employed by the affiliate, the affiliate shall make a one-time payment to the utility in an amount equivalent to 25% of the employee's base annual compensation, unless the utility can demonstrate that some lesser percentage (equal to at least 15%) is appropriate for the class of employee included. In the limited case where a rank-and-file (non-executive) employee's position is eliminated as a result of electric industry restructuring, a utility may demonstrate that no fee or a lesser percentage than 15% is appropriate. All such fees paid to the utility shall be accounted for in a separate memorandum account to track them for future ratemaking treatment (i.e. credited to the Electric Revenue Adjustment Account or the Core and Non-core Gas Fixed Cost Accounts, or other ratemaking treatment, as appropriate), on an*

*annual basis, or as otherwise necessary to ensure that the utility's ratepayers receive the fees. This transfer payment provision will not apply to clerical workers. Nor will it apply to the initial transfer of employees to the utility's holding company to perform corporate support functions or to a separate affiliate performing corporate support functions, provided that the transfer is made during the initial implementation period of these rules or pursuant to a §851 application or other Commission proceeding. However, the rule will apply to any subsequent transfers or assignments between a utility and its affiliates of all covered employees at a later time.*

*V.G.2.d. Any utility employee hired by an affiliate shall not remove or otherwise provide information to the affiliate which the affiliate would otherwise be precluded from having pursuant to these Rules.*

### **Procedures and Mechanisms to Promote Compliance**

SoCalGas tracks all employees who transfer between the utility, Sempra Energy and its affiliates and monitors that transfer fees are paid in accordance with this Rule. SoCalGas has established a distinct account for recording all transfer fees pursuant to Rule V.G.2.c.

SoCalGas conducts exit interviews with all employees who transfer from SoCalGas to Sempra Energy or an affiliate. During the exit interview, employees are required to sign a statement acknowledging that they will not use information gained at the utility to benefit the affiliate. The HR department is responsible for ensuring the employee signs an anti-conduit form when transferring from a covered affiliate to the utility. In addition to the exit interview, an asset inventory is conducted to review material that the employee requests to take to the affiliate. SoCalGas retains the assets that may not be transferred pursuant to the Rules. Assets permitted to be transferred are priced pursuant to the Rules.

SoCalGas' Human Resources & Administrative Services Department is responsible for ensuring that Affiliate Compliance Transfer forms and related asset inventories are documented. ACD

follows up with HR to ensure that transfer forms are completed in a timely manner. A description of this process is included in the Affiliate Compliance Guidelines (ACGs).

*V.G.2.e. A utility shall not make temporary or intermittent assignments, or rotations to its energy marketing affiliates. Utility employees not involved in marketing may be used on a temporary basis (less than 30% of an employee's chargeable time in any calendar year) by affiliates not engaged in energy marketing only if:*

*V.G.2.e.i. All such use is documented, priced and reported in accordance with these Rules and existing Commission reporting requirements, except that when the affiliate obtains the services of a non-executive employee, compensation to the utility should be priced at a minimum of the greater of fully loaded cost plus 10% of direct labor cost, or fair market values. When the affiliate obtains the services of an executive employee, compensation to the utility should be priced at a minimum of the greater of fully loaded cost plus 15% of direct labor cost, or fair market value.*

*V.G.2.e.ii. Utility needs for utility employees always take priority over any affiliate requests;*

*V.G.2.e.iii. No more than 5% of full-time equivalent utility employees may be on loan at a given time;*

*V.G.2.e.iv. Utility employees agree, in writing, that they will abide by these Affiliate Transaction Rules; and*

*V.G.2.e.v. Affiliate use of utility employees must be conducted pursuant to a written agreement approved by appropriate utility and affiliate officers.*

### **Procedures and Mechanisms to Promote Compliance**

SoCalGas complies with this Rule when loaning employees on a temporary basis to affiliates not engaged in energy marketing activities. SoCalGas does not make temporary or intermittent assignments or rotations to its energy marketing affiliates. SoCalGas maintains a list of its Energy Marketing Affiliates on ACD's intranet website and SoCalGas' internet website at <www.socalgas.com>. SoCalGas defines a "marketing employee" as: any utility employee in a marketing, customer service or account management section, who is actively engaged in marketing functions. This includes employees selling (approaching, presenting, or closing sales), developing marketing programs and services, non-technical consultative services regarding new utility products & services, market research, prospecting for new customers, or growing business with existing customers.

### **V.H. Transfer of Goods and Services**

*To the extent that these Rules do not prohibit transfers of goods and services between a utility and its affiliates, and except for as provided by Rule V.G.2.e., all such transfers shall be subject to the following pricing provisions:*

- 1. Transfers from the utility to its affiliates of goods and services produced, purchased or developed for sale on the open market by the utility will be priced at fair market value.*
- 2. Transfers from an affiliate to the utility of goods and services produced, purchased or developed for sale on the open market by the affiliate shall be priced at no more than fair market value.*
- 3. For goods or services for which the price is regulated by a state or federal agency, that price shall be deemed to be the fair market value, except that in cases where more than one state commission regulated the price of goods or services, this Commission's pricing provisions govern.*

4. *Goods and services produced, purchased or developed for sale on the open market by the utility will be provided to its affiliates and unaffiliated companies on a nondiscriminatory basis, except as otherwise required or permitted by these Rules or applicable law.*
5. *Transfers from the utility to its affiliates of goods and services not produced, purchased or developed for sale by the utility will be priced at fully loaded cost plus 5% on fully loaded labor.*
6. *Transfers from an affiliate to the utility of goods and services not produced, purchased or developed for sale by the affiliate will be priced at the lower of fully loaded cost or fair market value.*

### **Procedures and Mechanisms to Promote Compliance**

When transferring goods and services between SoCalGas and an affiliate, SoCalGas will follow the pricing provisions in Rule V.H., except for assets that have a net book value of \$250,000 or less between the parent company, SoCalGas, SDG&E and any non-utility affiliate which according to the Merger Decision (D.98-03-073) may be priced at net book value.

## **VI.**

### **REGULATORY OVERSIGHT**

#### **VI.A. Compliance Plans**

*No later than June 30, 2007, each utility shall file a compliance plan by advice letter with the Energy Division of the Commission. The compliance plan shall include:*

1. *A list of all affiliates of the utility, as defined in Rule I A of these Rules, and for each affiliate, its purpose or activities, and whether the utility claims that Rule II.B makes these Rules applicable to the affiliate;*
2. *A demonstration of the procedures in place to assure compliance with these Rules.*

*The utility's compliance plan shall be in effect between the filing and a Commission determination of the advice letter. A utility shall file a compliance plan annually thereafter by advice letter where there is some change in the compliance plan (i.e., where*



*there has been a change in the purpose or activities of an affiliate, a new affiliate has been created, or the utility has changed the compliance plan for any other reason).*

### **Procedures and Mechanisms to Promote Compliance**

This Plan represents SoCalGas' compliance with this Rule. Appendix 3 of this Plan provides a listing of SoCalGas' covered and non-covered affiliates, as of June 24, 2019 as required by this Rule.

#### ***VI.B. New Affiliate Compliance Plans***

*Upon the creation of a new affiliate, the utility shall immediately notify the Commission of the creation of the new affiliate, as well as posting notice on its electronic bulletin board. No later than 60 days after the creation of this affiliate, the utility shall file an advice letter with the Energy Division of the Commission. The advice letter shall state the affiliate's purpose or activities, whether the utility claims that Rule II.B makes these Rules applicable to the affiliate, and shall include a demonstration to the Commission that there are adequate procedures in place that will ensure compliance with these Rules.*

### **Procedures and Mechanisms to Promote Compliance**

SoCalGas will comply with this Rule as new covered and non-covered affiliates are created. Once the Sempra Energy Legal department notifies SoCalGas of the creation of a new affiliate, SoCalGas will notify the CPUC of the confirmation of: (1) the formation of any new U.S. domestic covered or non-covered affiliate; or (2) the confirmation of registration with foreign governmental authorities for covered or non-covered affiliates located outside the U.S.; and then post this information on its internet website.

SoCalGas will submit an Advice Letter with the Energy Division within 60 calendar days of the confirmation of: (1) the formation of any new U.S. domestic covered or non-covered affiliate; or (2) the registration with foreign governmental authorities for covered or non-covered affiliates located outside the U.S. The Advice Letter will provide the information required by this Rule for the new covered or non-covered affiliate.

ACD will conduct an annual review of all affiliate business descriptions to assess each affiliate's designation as "non-covered," "covered," and/or "energy marketing." Under this process, ACD will provide each affiliate's business description to designated affiliate contact personnel to confirm whether the business description remains applicable or whether it has changed. Based upon these responses, ACD will evaluate whether an affiliate should be reclassified, and then notify the CPUC in accordance with this Rule.

The list of affiliate companies is located on SoCalGas' internet home page at <[www.socalgas.com](http://www.socalgas.com)>. It is accessed by selecting the "**Regulatory**" link, then selecting the "**Affiliate Rules**" link, and then scrolling to the bottom of the page, where the "**List of SoCalGas' Affiliates**" category is found.

#### ***VI.C. Affiliate Audit***

*The Commission's Energy Division shall have audits performed biennially by independent auditors. The audits shall cover the last two calendar years which ends on December 31, and shall verify that the utility is in compliance with the Rules set forth herein. The Energy Division shall post the audit reports on the Commissioner's Web site. The audits shall be at shareholder expense.*

#### **Procedures and Mechanisms to Promote Compliance**

SoCalGas will comply with Rule VI.C's requirements upon notification from the Commission's Energy Division of commencement for the audit. The cost of the audits has been and will continue to be charged to shareholders. Currently, the CPUC has selected the State Controllers' Office (SCO) to conduct SoCalGas' audit for the years 2016 and 2017. The audit commenced on May 29, 2019 and is in process.

#### ***VI.D. Witness Availability***

*Affiliate officers and employees shall be made available to testify before the Commission as necessary or required, without subpoena, consistent with the provisions of Public Utilities Code Sections 314 and 701, the conditions in the Commission's orders authorizing the utilities' holding companies and/or mergers and these Rules.*

**Procedures and Mechanisms to Promote Compliance**

SoCalGas and its affiliates will comply with Code Sections 314 and 701.

**VI.E. Officer Certification**

*No later than March 31 of each year, the key officers of a utility and its parent holding company, as defined in Rule V.E (corporate support), shall certify to the Energy Division of the Commission in writing under penalty of perjury that each has personally complied with these Rules during the prior calendar year. The certification shall state:*

*I, [name], hold the office of [title] at [name of utility or holding company], and occupied this position from January 1, [year] to December 31, [year].*

*I hereby certify that I have reviewed the Affiliate Transaction Rules Applicable to Large California Energy Utilities of the California Public Utilities Commission and I am familiar with the provisions therein. I further certify that for the above period, I followed the Rules and am not aware of any violations of them, other than the following: [list or state “none”].*

*I swear/affirm these representations under penalty of perjury of the laws of the State of California.*

\_\_\_\_\_ [Signature]

*Executed at \_\_\_\_\_ [City], County of \_\_\_\_\_, on \_\_\_\_\_ [Date]*

**Procedures and Mechanisms to Promote Compliance**

No later than March 31<sup>st</sup> of each year, the key officers of SoCalGas and Sempra Energy, as defined in Rule V.E., file written certifications with the Energy Division of the Commission.

The certifications included the following clarification:

“This certificate is based upon information and belief and does not include violations, if any, already reported to the Commission and/or publicly posted during the reporting period consistent with the Utilities’ CPUC affiliate compliance plans. This certificate also excludes audits or investigations, if any, still in progress at the end of the reporting period. If violations are ultimately found, they will be posted and/or reported consistent with the Utilities’ CPUC affiliate compliance plans.”

This clarification does not relieve the key officers from disclosing violations about which they are aware. Instead, the language explains that violations already disclosed are not repeated on the certification and notes that there may be matters undergoing internal evaluation that have not yet been determined to be violations and thus are not appropriate for disclosure.

## **VII. UTILITY PRODUCTS AND SERVICES**

### **VII.A. General Rule**

*Except as provided for in these Rules, new products and services shall be offered through affiliates.*

### **VII.B. Definitions**

*The following definitions apply for the purposes of Rule VII:*

- VII.B.1. “Category” refers to a factually similar group of products and services that use the same type of utility assets or capacity. For example, “leases of land under utility transmission lines” or “use of a utility repair shop for third party equipment repair” would each constitute a separate product or service category.*
- VII.B.2. “Existing” products and services are those which a utility is offering on the effective date of these Rules.*
- VII.B.3. “Products” include use of property, both real and intellectual, other than those uses authorized under General Order 69-C.*
- VII.B.4. “Tariff” or “tariffed” refers to rates, terms and conditions of services as approved by this Commission or the Federal Energy Regulatory Commission (FERC), whether by traditional tariff, approved contract or other such approval process as the Commission or the FERC may deem appropriate.*

## **Procedures and Mechanisms to Promote Compliance**

SoCalGas' non-tariffed products and services (NTP&S) meet the criteria set forth in Rules VII.A and B.

### ***VII.C. Utility Products and Services***

*Except as provided in these Rules, a utility shall not offer non-tariffed products and services. In no event shall a utility offer natural gas or electricity commodity service on a non-tariffed basis. A utility may only offer for sale the following products and services:*

*VII.C.1. Existing products and services offered by the utility pursuant to tariff;*

*VII.C.2. Unbundled versions of existing utility products and services, with the unbundled versions being offered on a tariffed basis;*

*VII.C.3. New products and services that are offered on a tariffed basis; and*

*VII.C.4. Products and services which are offered on a non-tariffed basis and which meet the following conditions:*

*VII.C.4.a. the non-tariffed product or service utilizes a portion of a utility asset or capacity;*

*VII.C.4.b. such asset or capacity has been acquired for the purpose of and is necessary and useful in providing tariffed utility services;*

*VII.C.4.c. the involved portion of such asset or capacity may be used to offer the product or service on a non-tariffed basis without adversely affecting the cost, quality or reliability of tariffed utility products and services;*

*VII.C.4.d. the products and services can be marketed with minimal or no incremental ratepayer capital, minimal or no new forms of liability*

*or business risk being incurred by utility ratepayers, and no undue diversion of utility management attention; and*

*VII.C.4.e. the utility's offering of such non-tariffed product or service does not violate any law, regulation, or Commission policy regarding anticompetitive practices.*

### **Procedures and Mechanisms to Promote Compliance**

NTP&S offered by SoCalGas meet the criteria set forth in Rule VII.C.

### ***VII.D. Conditions Precedent to Offering New Products and Services***

*This Rule does not represent an endorsement by the Commission of any particular non-tariffed utility product or service. A utility may offer new non-tariffed products and services only if the Commission has adopted and the utility has established:*

*VII.D.1. A mechanism or accounting standard for allocating costs to each new product or service to prevent cross-subsidization between services a utility would continue to provide on a tariffed basis and those it would provide on a non-tariffed basis;*

*VII.D.2. A reasonable mechanism for treatment of benefits and revenues derived from offering such products and services, except that in the event the Commission has already approved a performance-based ratemaking mechanism for the utility and the utility seeks a different sharing mechanism, the utility should petition to modify the performance-based ratemaking decision if it wishes to alter the sharing mechanism, or clearly justify why this procedure is inappropriate, rather than doing so by application or other vehicle.*

*VII.D.3. Periodic reporting requirements regarding pertinent information related to non-tariffed products and services; and*

*VII.D.4. Periodic auditing of the costs allocated to and the revenues derived from non-tariffed products and services.*

### **Procedures and Mechanisms to Promote Compliance**

SoCalGas has accounting procedures and standards in place that track costs and revenues of each product and service to prevent cross-subsidization between tariffed and non-tariffed services. A report of NTP&S covering the prior year is filed annually with the CPUC no later than June. Periodic internal audits for the costs allocated to and revenues derived from NTP&S are performed by the Sempra Energy Audit Services department.

### ***VII.E. Requirement to File an Advice Letter***

*Prior to offering a new category of non-tariffed products or services as set forth in Rule VII.C above, a utility shall file an advice letter in compliance with the following provisions of this paragraph.*

*VII.E.1. The advice letter shall:*

*VII.E.1.a. demonstrate compliance with these rules;*

*VII.E.1.b. address the amount of utility assets dedicated to the non-utility venture, in order to ensure that a given product or service does not threaten the provision of utility service, and show that the new product or service will not result in a degradation of cost, quality, or reliability of tariffed goods and services;*

*VII.E.1.c. address the potential impact of the new product or service on competition in the relevant market, including but not limited to the degree in which the relevant market is already competitive in nature and the degree to which the new category of products or services is projected to affect that market.*

*VII.E.1.d. be served on the service list of R.97-04-011/I.97-04-012, as well as on any other party appropriately designated by the rules governing the Commission's advice letter process.*

*VII.E.2 For categories of non-tariffed products or services targeted and offered to less than one percent of the number of customers in the utility's customer base, in the absence of a protest alleging non-compliance with these Rules or any law, regulation, decision, or Commission policy, or allegations of harm, the utility may commence offering the product or service 30 days after submission of the advice letter. For categories of non-tariffed products or services targeted and offered to one percent or more of the number of customers in the utility's customer base, the utility may commence offering the product or service after the Commission approves the advice letter through the normal advice letter process.*

*VII.E.3. A protest of an advice letter filed in accordance with this paragraph shall include:*

*VII.E.3.a. An explanation of the specific Rules, or any law, regulation, decision, or Commission policy the utility will allegedly violate by offering the proposed product or service, with reasonable factual detail; or*

*VII.E.3.b. An explanation of the specific harm the protestant will allegedly suffer.*

*VII.E.4. If such a protest is filed, the utility may file a motion to dismiss the protest within 5 working days if it believes the protestant has failed to provide the minimum grounds for protest required above. The protestant has 5 working days to respond to the motion.*

*VII.E.5. The intention of the Commission is to make its best reasonable efforts to rule on such a motion to dismiss promptly. Absent a ruling granting a motion to*



*dismiss, the utility shall begin offering that category of products and services only after Commission approval through the normal advice letter process.*

### **Procedures and Mechanisms to Promote Compliance**

If SoCalGas considers a new category of NTP&S, it will submit an advice letter with the provisions described in Rule VII.E.

#### ***VII.F. Existing Offerings***

*Unless and until further Commission order to the contrary as a result of the advice letter filing or otherwise, a utility that is offering tariffed or non-tariffed products and services, as of the effective date of this decision, may continue to offer such products and services, provided that the utility complies with the cost allocation and reporting requirements in this rule. No later than January 30, 1998, each utility shall submit an advice letter describing the existing products and services (both tariffed and non-tariffed) currently being offered by the utility and the number of the Commission decision or advice letter approving this offering, if any, and requesting authorization or continuing authorization for the utility's continued provision of this product or service in compliance with the criteria set forth in Rule VII. This requirement applies to both existing products and services explicitly approved and not explicitly approved by the Commission.*

### **Procedures and Mechanisms to Promote Compliance**

As required by Rule VII.F, SoCalGas submitted Advice Letter No. 2669 describing the existing products and services as of January 30, 1998.

The CPUC's decision regarding "grandfathering" is founded on the idea that the service in question was being offered in some form at the time the ATRs were issued. A new NTP&S service cannot necessarily be considered grandfathered because the revenue fits under an existing grandfathered category this determination will be made by the Affiliate Compliance department.

#### ***VII.G. Section 851 Application***

*A utility must continue to comply fully with the provisions of Public Utilities Code Section 851 when necessary or useful utility property is sold, leased, assigned, mortgaged,*

*disposed of, or otherwise encumbered as part of a non-tariffed product or service offering by the utility. If an application pursuant to Section 851 is submitted, the utility need not file a separate advice letter, but shall include in the application those items which would otherwise appear in the advice letter as required in this Rule.*

## **Procedures and Mechanisms to Promote Compliance**

SoCalGas will continue to file Public Utilities Code Section 851 applications as required under that statute.

### ***VII.H. Periodic Reporting of Non-tariffed Products and Services***

*Any utility offering non-tariffed products and services shall file periodic reports with the Commission's Energy Division twice annually for the first two years following the effective date of these Rules, then annually thereafter unless otherwise directed by the Commission. The utility shall serve periodic reports on the service list of this proceeding. The periodic reports shall contain the following information:*

*VII.H.1. A description of each existing or new category of non-tariffed products and services and the authority under which it is offered;*

*VII.H.2. A description of the types and quantities of products and services contained within each category (so that, for example, "leases for agricultural nurseries at 15 sites" might be listed under the category "leases of land under utility transmission lines," although the utility would not be required to provide the details regarding each individual lease);*

*VII.H.3. The costs allocated to and revenues derived from each category; and*

*VII.H.4. Current information on the proportion of relevant utility assets used to offer each category of product and service.*

## **Procedures and Mechanisms to Promote Compliance**

SoCalGas will submit its annual report no later than June 30th of the year following the report year.

### ***VII.I. Offering of Non-tariffed Products and Services to Affiliates***

*Non-tariffed products and services which are allowed by this Rule may be offered to utility affiliates only in compliance with all other provisions of these Affiliate Rules. Similarly, this Rule does not prohibit affiliate transactions which are otherwise allowed by all other provisions of these Affiliate Rules.*

## **Procedures and Mechanisms to Promote Compliance**

SoCalGas makes NTP&S available to affiliates on the same terms and conditions as offered to others.

## **VIII.**

### **COMPLAINT PROCEDURES AND REMEDIES**

#### ***VIII.A. The Commission Shall Strictly Enforce These Rules***

*Each act or failure to act by a utility in violation of these rules may be considered a separate occurrence.*

*VIII.B.1. Any person or corporation as defined in Sections 204, 205, and 206 of the California Public Utilities Code may complain to the Commission or to a utility in writing, setting forth any act or thing done or omitted to be done by any utility or affiliate in violation or claimed violation of any rule set forth in this document.*

*VIII.B.2. "Whistleblower complaints" will be accepted and the confidentiality of complainant will be maintained until conclusion of an investigation or indefinitely, if so requested by the whistleblower. When a whistleblower*

*requests anonymity, the Commission will continue to pursue the complaint only where it has elected to convert it into a Commission-initiated investigation. Regardless of the complainant's status, the defendant shall file a timely answer to the complaint.*

*VIII.C.1. All complaints shall be filed as formal complaints with the Commission and complainants shall provide a copy to the utility's designated officer (as described below) on the same day that the complaint is filed.*

### **Procedures and Mechanisms to Promote Compliance**

No specific compliance action is required under Rules VIII.A through VIII.C.1.

*VIII.C.2. Each utility shall designate an Affiliate Compliance Manager who is responsible for compliance with these affiliate rules and the utility's compliance plan adopted pursuant to these rules. Such officer shall also be responsible for receiving, investigating, and attempting to resolve complaints. The Affiliate Compliance Manager may, however, delegate responsibilities to other officers and employees.*

*VIII.C.2.a. The utility shall investigate and attempt to resolve the complaint. The resolution process shall include a meet-and-confer session with the complainant. A Commission staff member may, upon request by the utility or the complainant, participate in such meet-and-confer sessions and shall participate in the case of a whistleblower complaint.*

*A party filing a complaint may seek a temporary restraining order at the time the formal complaint is filed. The defendant utility and other interested parties may file responses to a request for a temporary restraining order within 10 days of the filing of the request. An assigned commissioner or administrative law judge*

*may shorten the period for responses, where appropriate. An assigned commissioner or administrative law judge, or the Commission shall act on the request for a temporary restraining order within 30 days. The request may be granted when: (1) the moving party is reasonably likely to prevail on the merits; and (2) a temporary restraining order relief is necessary to avoid irreparable injury, will not substantially harm other parties, and is consistent with the public interest.*

*A notice of temporary restraining order issued by an assigned commissioner or administrative law judge will only stay in effect until the end of the day of the next regularly-scheduled Commission meeting at which the Commission can issue a temporary restraining order or a preliminary injunction. If the Commission declines to issue a temporary restraining order or a preliminary injunction, the notice of temporary restraining order will be immediately lifted. Whether or not a temporary restraining order or a preliminary injunction is issued, the underlying complaint may still move forward.*

*VIII.C.2.b. The utility shall prepare and preserve a report on each complaint, all relevant dates, companies, customers and employees involved, and if applicable, the resolution reached, the date of the resolution and any actions taken to prevent further violations from occurring. The report shall be provided to the Commission and all parties within four weeks of the date the complaint was filed. In addition, to providing hard copies, the utility shall also provide electronic copies to the Commission and to any party providing an e-mail address.*

*VIII.C.2.c. Each utility shall file annually with the Commission a report detailing the nature and status of all complaints.*

*VIII.C.2.d. The Commission may, notwithstanding any resolution reached by the utility and the complainant, convert a complaint to an investigation and determine whether the utility violated these rules, and impose any appropriate penalties under Section VIII.D or any other remedies provided by the Commission's rules or the Public Utilities Code.*

*VIII.C.3. The utility will inform the Commission's Energy Division and Consumer Services Division of the results of this dispute resolution process. If the dispute is resolved, the utility shall inform the Commission staff of the actions taken to resolve the complaint and the date the complaint was resolved.*

*VIII.C.4. If the utility and the complainant cannot reach a resolution of the complaint, the utility will so inform the Commission's Energy Division. It will also file an answer to the complaint within 30 days of the issuance by the Commission's Docket Office of instructions to answer the original complaint. Within 10 business days of notice of failure to resolve the complaint, Energy Division staff will meet and confer with the utility and the complainant and propose actions to resolve the complaint. Under the circumstances where the complainant and the utility cannot resolve the complaint, the Commission shall strive to resolve the complaint within 180 days of the date the instructions to answer are served on the utility.*

## **Procedures and Mechanisms to Promote Compliance**

ACD is responsible for monitoring compliance with the Rules and SoCalGas' Compliance Plan. The Affiliate Compliance Officer (Chief Risk Officer – SoCalGas & SDG&E) is responsible for compliance with the Rules and SoCalGas' Compliance Plan. The Affiliate Compliance Officer delegates to the Regulatory Affiliate Compliance Manager of Affiliate Compliance responsibility for receiving, investigating and attempting to resolve complaints SoCalGas will follow the procedures delineated in Rule VIII.C.2 through VIII.C.4 when a complaint is received and processed for resolution.

*VIII.C.5. The Commission shall maintain on its Web site a public log of all new, pending and resolved complaints. The Commission shall update the log at least once every week. The log shall specify, at a minimum, the date the complaint was received, the specific allegations contained in the complaint, the date the complaint was resolved and the manner in which it was resolved, and a description of any similar complaints, including the resolution of such similar complaints.*

## **Procedures and Mechanisms to Promote Compliance**

No additional compliance action is required.

*VIII.C.6.a. Prior to filing a formal complaint, a potential complainant may contact the responsible utility officer and/or the Energy Division to inform them of the possible violation of the affiliate rules. If the potential complainant seeks an informal meeting with the utility to discuss the complaint, the utility shall make reasonable efforts to arrange such a meeting. Upon mutual agreement, Energy Division staff and interested parties may attend any such meeting.*

*VIII.C.6.b. If a potential complainant makes an informal contact with a utility regarding an alleged violation of the affiliate transaction rules, the utility officer in charge of affiliate compliance shall respond in writing to the potential complainant within 15 business days. The response would state whether or not the issues raised by the potential complainant require further investigation. (The potential complainant does not have to rely on the responses in deciding whether to file a formal complaint.)*

### **Procedures and Mechanisms to Promote Compliance**

If a potential complainant seeks an informal meeting to discuss the complaint, SoCalGas will make reasonable efforts to arrange such meeting. If informal contact with SoCalGas is made by a potential complainant, SoCalGas will respond in writing within 15 calendar days.

*VIII.D.1. When enforcing these rules or any order of the Commission regarding these rules, the Commission may do any or all of the following:*

*VIII.D.1.a. Order a utility to stop doing something that violates these rules;*

*VIII.D.1.b. Prospectively limit or restrict the amount, percentage, or value of transactions entered into between the utility and its affiliate(s);*

*VIII.D.1.c. Assess fines or other penalties;*

*VIII.D.1.d. Prohibit the utility from allowing its affiliate(s) to utilize the name and logo of the utility, either on a temporary or a permanent basis;*

*VIII.D.1.e. Apply any other remedy available to the Commission.*



*VIII.D.2. Any public utility which violates a provision of these rules is subject to a fine of not less than five hundred dollars (\$500), nor more than \$20,000 for each offense. The remainder of this subsection distills the principles that the Commission has historically relied upon in assessing fines and restates them in a manner that will form the analytical foundation for future decisions in which fines are assessed. Before discussing those principles, reparations are distinguished.*

*VIII.D.2.a. Reparations are not fines and conceptually should not be included in setting the amount of a fine. Reparations are refunds of excessive or discriminatory amounts collected by a public utility. PU Code §734. The purpose is to return funds to the victim which were unlawfully collected by the public utility. Accordingly, the statute requires that all reparation amounts are paid to the victims. Unclaimed reparations generally escheat to the state, Code of Civil Procedure §1519.5, unless equitable or other authority directs otherwise, e.g., Public Utilities Code §394.9.*

*VIII.D.2.b. The purpose of a fine is to go beyond restitution to the victim and to effectively deter further violations by this perpetrator or others. For this reason, fines are paid to the State of California, rather than to victims.*

*Effective deterrence creates an incentive for public utilities to avoid violations. Deterrence is particularly important against violations which could result in public harm, and particularly against those where severe consequences could result. To capture these ideas, the two general factors used by the Commission in setting fines are: (1) severity of the offense; and (2) conduct of the utility. These help guide the Commission in setting fines which are proportionate to the violation.*

VIII.D.2.b.i. *The severity of the offense includes several considerations. Economic harm reflects the amount of expense which was imposed upon the victims, as well as any unlawful benefits gained by the public utility. Generally, the greater of these two amounts will be used in establishing the fine. In comparison, violations which caused actual physical harm to people or property are generally considered the most severe, with violations that threatened such harm closely following.*

*The fact that the economic harm may be difficult to quantify does not itself diminish the severity or the need for sanctions. For example, the Commission has recognized that deprivation of choice of service providers, while not necessarily imposing quantifiable economic harm, diminishes the competitive marketplace such that some form of sanction is warranted. Many potential penalty cases before the Commission do not involve any harm to consumers but are instead violations of reporting or compliance requirements. In these cases, the harm may not be to consumers but rather to the integrity of the regulatory processes. For example, compliance with Commission directives is required of all California Public Utilities:*

*“Every public utility shall obey and comply with every order, decision, direction, or rule made or prescribed by the Commission in the matters specified in this part, or any other matter in any way relating to or affecting its business as a public utility, and shall do everything necessary or proper to secure compliance therewith by all of its officers, agents, and employees.” Public Utilities Code §702.*

*Such compliance is absolutely necessary to the proper functioning of the regulatory process. For this reason, disregarding a statutory or Commission directive, regardless of the effects on the public, will be accorded a high level of severity.*

*The number of the violations is a factor in determining the severity. A series of temporally distinct violations can suggest an on-going compliance deficiency which the public utility should have addressed after the first instance. Similarly, a widespread violation which affects a large number of consumers is a more severe offense than one which is limited in scope. For a “continuing offense,” PU Code §2108 counts each day as a separate offense.*

### **Procedures and Mechanisms to Promote Compliance**

No specific compliance action is required for Rules VIII.D.1 through VIII.D.2.b.i.

*VIII.D.2.b.ii. This factor recognizes the important role of the public utility’s conduct in: (1) preventing the violation; (2) detecting the violation; and (3) disclosing and rectifying the violation. The public utility is responsible for the acts of all its officers, agents, and employees:*

*“In construing and enforcing the provisions of this part relating to penalties, the act, omission, or failure of any officer, agent or employee of any public utility, acting within the scope of his [or her] official duties or employment, shall in every case be the act, omission, or failure of such public utility.” Public Utilities Code §2109.*

*VIII.D.2.b.ii.(1) Prior to a violation occurring, prudent practice requires that all public utilities take reasonable steps to ensure*

*compliance with Commission directives. This includes becoming familiar with applicable laws and regulations, and most critically, the utility regularly reviewing its own operations to ensure full compliance. In evaluating the utility's advance efforts to ensure compliance, the Commission will consider the utility's past record of compliance with Commission directives.*

*VIII.D.2.b.ii.(2) The Commission expects public utilities to monitor diligently their activities. Where utilities have for whatever reason failed to meet this standard, the Commission will continue to hold the utility responsible for its actions. Deliberate as opposed to inadvertent wrong-doing will be considered an aggravating factor. The Commission will also look at the management's conduct during the period in which the violation occurred to ascertain particularly the level and extent of involvement in or tolerance of the offense by management personnel. The Commission will closely scrutinize any attempts by management to attribute wrong-doing to rogue employees. Managers will be considered, absent clear evidence to the contrary, to have condoned day-to-day actions by employees and agents under their supervision.*

*VIII.D.2.b.ii.(3) When a public utility is aware that a violation has occurred, the Commission expects the public utility to promptly bring it to the attention of the Commission. The precise timetable that constitutes "prompt" will vary based on the nature of the violation. Violations which physically endanger the public must be immediately*

*corrected and thereafter reported to the Commission staff. Reporting violations should be remedied at the earliest administratively feasible time.*

*Prompt reporting of violations furthers the public interest by allowing for expeditious correction. For this reason, steps taken by a public utility to promptly and cooperatively report and correct violations may be considered in assessing any penalty.*

### **Procedures and Mechanisms to Promote Compliance**

SoCalGas utilizes web-based training, the Affiliate Compliance Guidelines (ACGs), SoCalGas' Compliance Plan, and Sempra Energy's Code of Business Conduct, which are all available to employees on SoCalGas' intranet, to ensure that employees are knowledgeable of the Rules.

Training directs employees to contact ACD, the Affiliate Compliance Helpline, the Ethics Helpline or their Affiliate Compliance Coordinator to report any potential violation of the Rules. They also allow the employee to report potential weaknesses in internal controls. The Ethics Helpline allows for the reporting of an issue with or without identifying the source. Affiliate transactions issues reported to the Ethics Helpline are forwarded to the Director- Compliance and then to the Regulatory Affiliate Compliance Manager. It is the Company's obligation to address, investigate and resolve any such concerns, raised in good faith, without fear of retaliation.

Upon notification of an alleged violation, the Regulatory Affiliate Compliance Manager, or any employee designated by the Regulatory Affiliate Compliance Manager, will immediately begin an investigation into the alleged violation and notify the Affiliate Compliance Officer and the Law Department of the investigation. The Affiliate Compliance Officer will be kept apprised of the investigation until a resolution is reached. The investigation shall consist of gathering all relevant facts and data concerning the event(s) in question and reviewing those facts and data to determine whether, and to what extent, a violation has occurred. Corrective action will be taken and steps to prevent further violations will be implemented.

ACD will maintain records of facts gathered in conjunction with the investigation. SoCalGas will evaluate the nature of the violation and will notify the CPUC either through written communication or by notifying the external auditors during the audit, depending on the timing and severity of the offense as outlined in the Rules.

*VIII.D.2.b.iii. Effective deterrence also requires that the Commission recognize the financial resources of the public utility in setting a fine which balances the need for deterrence with the constitutional limitations on excessive fines. Some California utilities are among the largest corporations in the United States and others are extremely modest, one-person operations. What is accounting rounding error to one company is annual revenue to another. The Commission intends to adjust fine levels to achieve the objective of deterrence, without becoming excessive, based on each utility's financial resources.*

*VIII.D.2.b.iv. Setting a fine at a level which effectively deters further unlawful conduct by the subject utility and others requires that the Commission specifically tailor the package of sanctions, including any fine, to the unique facts of the case. The Commission will review facts which tend to mitigate the degree of wrongdoing as well as any facts which exacerbate the wrongdoing. In all cases, the harm will be evaluated from the perspective of the public interest.*

*VIII.D.2.b.v. The Commission adjudicates a wide range of cases which involve sanctions, many of which are cases of first impression. As such, the outcomes of cases are not usually directly comparable. In future decisions which impose sanctions the parties and, in turn, the Commission will be*

*expected to explicitly address those previously issued decisions which involve the most reasonably comparable factual circumstances and explain any substantial differences in outcome.*

### **Procedures and Mechanisms to Promote Compliance**

No specific compliance action is required for Rules VIII.D.2.b.iii through VIII.D.2.b.v.

## **IX.**

### **PROTECTING THE UTILITY'S FINANCIAL HEALTH**

#### ***IX.A. Information from Utility on Necessary Capital.***

*Each utility shall provide to the Commission on the last business day of November of each year a report with the following information:*

- 1. the utility's estimate of investment capital needed to build or acquire long-term assets (i.e. greater than one year), such as operating assets and utility infrastructure, over each of the next five years;*
- 2. the utility's estimate of capital needed to meet resource procurement goals over each of the next five years;*
- 3. the utility's policies concerning dividends, stock repurchase and retention of capital for each year;*
- 4. the names of individuals involved in deciding corporate policies for the utility's dividends, stock repurchase and retention of capital;*
- 5. the process by which corporate policies concerning dividends, stock repurchase and retention of capital are implemented; and*
- 6. how the utility expects or intends to meet its investment capital needs.*

### **Procedures and Mechanisms to Promote Compliance**

SoCalGas initiates a long-term planning process in the third quarter of each calendar year. The planning process yields projections of investment capital requirements to meet long-term infrastructure and procurement needs, the methods and policies used to meet these needs, and the

approximate implementation period for such policies. SoCalGas will file a report with the information required by 1-6 above on an annual basis no later than the last business day of November.

***IX.B. Restrictions on Deviations from Authorized Capital Structure.***

*A utility shall maintain a balanced capital structure consistent with that determined to be reasonable by the Commission in its most recent decision on the utility's capital structure. The utility's equity shall be retained such that the Commission's adopted capital structure shall be maintained on average over the period the capital structure is in effect for rulemaking purposes. Provided, however, that a utility shall file an application for a waiver, on a case by case basis and in a timely manner, of this Rule if an adverse financial event at the utility reduces the utility's equity ratio by one percent or more. In order to assure that regulatory staff has adequate time to review and assess the application and to permit the consideration of all relevant facts, the utility shall not be considered in violation of this Rule during the period the waiver is pending resolution. Nothing in this provision creates a presumption of either reasonableness or unreasonableness of the utility's actions which may have caused the adverse financial event.*

**Procedures and Mechanisms to Promote Compliance**

SoCalGas will maintain a target capital structure in accordance with the provisions set forth in this Rule.

SoCalGas will target maintaining a capital structure in accordance with the provisions set forth in this Rule. SoCalGas will maintain its actual capital structure on average over time approximately equivalent to the Commission's adopted capital structure while taking into consideration the forecasted capital expenditures. SoCalGas will retain equity to such that the Company's actual equity ratio does not fall one percent or more below the authorized capital structure. SoCalGas' forecasted capital structure is reviewed during the annual financial planning process to assess compliance with the overall capital structure goals.



***IX.C. Ring-Fencing.***

*Within three months of the effective date of the decision adopting this amendment to the Rules, a utility shall obtain a non-consolidation opinion that demonstrates that the ring-fencing around the utility is sufficient to prevent the utility from being pulled into bankruptcy of its parent holding company. The utility shall promptly provide the opinion to the Commission. If the current ring-fencing provisions are insufficient to obtain a non-consolidation opinion, the utility shall promptly undertake the following actions:*

- 1. notify the Commission of the inability to obtain a non-consolidation opinion;*
- 2. propose and implement, upon Commission approval, such ring-fencing provisions that are sufficient to prevent the utility from being pulled into bankruptcy of its parent holding company; and then*
- 3. obtain a non-consolidation opinion.*

**Procedures and Mechanisms to Promote Compliance**

On March 14, 2007, Sempra Energy filed with the Commission a non-consolidation opinion, on behalf of SoCalGas, demonstrating that the ring-fencing around the utility is sufficient to prevent the utility from being pulled into bankruptcy of its parent holding company. No additional compliance action is required.

***IX.D. Changes to Ring-Fencing Provisions.***

*A utility shall notify the Commission of any changes made to its ring-fencing provisions within 30 days.*

**Procedures and Mechanisms to Promote Compliance**

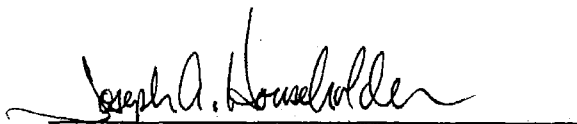
If material changes are made to SoCalGas' ring fencing provisions, SoCalGas will notify the Commission within 30 calendar days in accordance with this Rule.

**Appendix 1**  
**Sempra Energy and SoCalGas**  
**Officer Verifications**

## OFFICER VERIFICATION

In order to comply with the requirements, set forth in D.97-12-088, as modified by D.06-12-029, I make the following verifications based on the underlying verification by the President & Chief Operating Officers of each respective business unit and to the best of my knowledge I make the following verifications:

1. Pursuant to Rule 1.A., I verify that the procedures and mechanisms described in SoCalGas' revised Affiliate Compliance Plan are adequately designed to prevent the holding company or any of its affiliates not covered by these Rules to serve as a conduit to circumvent any of these Rules.
2. Pursuant to Rule V.E., I verify that the procedures and mechanisms described in SoCalGas' revised Affiliate Compliance Plan, specifically the procedures and mechanisms for Rule V.E. and the measures set forth by the Anti-Conduit provisions, are adequately designed to see that SoCalGas follows the mandate of Rule V.E. and to prevent SoCalGas from using joint corporate support services as a conduit to circumvent these Rules.
3. Pursuant to Rule V.G.1., I verify that the procedures and mechanisms described in SoCalGas' revised Affiliate Compliance Plan, specifically the procedures and mechanisms for Rules V.E. and V.G. and the measures set forth by the Anti-Conduit provisions, are adequately designed to prevent SoCalGas from using its shared officers and directors to serve as a conduit to circumvent any of these Rules.

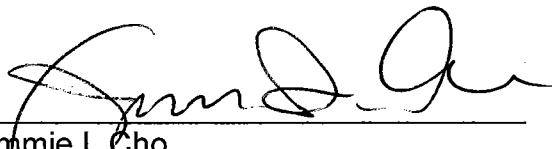


Joseph A. Householder  
President & Chief Operating Officer  
Sempra Energy

## OFFICER VERIFICATION

In order to comply with the requirements set forth in D.97-12-088, as modified by D.06-12-029, I make the following verification based on the underlying verifications provided by SoCalGas' Vice Presidents and their reporting Directors and to the best of my knowledge:

1. Pursuant to Rule 1.A., I verify that the procedures and mechanisms described in SoCalGas' revised Affiliate Compliance Plan are adequately designed to prevent the holding company or any of its affiliates not covered by these Rules to serve as a conduit to circumvent any of these Rules.
2. Pursuant to Rule V.E., I verify that the procedures and mechanisms described in SoCalGas' revised Affiliate Compliance Plan, specifically the procedures and mechanisms for Rule V.E. and the measures set forth by the Anti-Conduit provisions, are adequately designed to see that SoCalGas follows the mandate of Rule V.E. and to prevent SoCalGas from using joint corporate support services as a conduit to circumvent these Rules.
3. Pursuant to Rule V.G.1., I verify that the procedures and mechanisms described in SoCalGas' revised Affiliate Compliance Plan, specifically the procedures and mechanisms for Rules V.E. and V.G. and the measures set forth by the Anti-Conduit provisions, are adequately designed to prevent SoCalGas from using its shared officers and directors to serve as a conduit to circumvent any of these Rules.



Jimmie I. Cho  
Chief-Operating Officer  
Southern California Gas Company

**Appendix 2**

**Corporate Oversight & Governance Committees**

**(Effective as of June 18, 2019)**

## Sempra Energy Corporate Oversight & Governance Committees

Sempra Energy’s management and management of certain of its subsidiaries participate in various corporate oversight and governance-related committees to help ensure sufficient oversight of the Sempra Energy family of companies, while preserving business unit autonomy and accountability. The committee meetings are conducted consistently with applicable state and federal affiliate transaction rules and other relevant guidelines.

COMMITTEE	MEMBERS	PURPOSE	FREQUENCY
<b>Compliance and Enterprise Risk Committee</b>	<p>The Committee members shall consist of the following officers:</p> <ul style="list-style-type: none"> <li>• Chief Compliance Officer(s) (Sempra Energy (“<i>Sempra</i>”))</li> <li>• President and Chief Operating Officer (Sempra)</li> <li>• EVP and General Counsel (Sempra)</li> <li>• EVP and Group President (Sempra)</li> <li>• VP – Audit Services (Sempra)</li> <li>• Associate General Counsel – Litigation (Sempra)</li> </ul> <p><b>Chair:</b> Appointed by the Committee from among the members</p>	<p>Provides oversight, direction and guidance in the design and implementation of compliance and risk oversight programs to ensure that Sempra and its businesses create an enterprise-wide approach to proactively identify, monitor and mitigate key business risks, focusing on enterprise risk management, certain operational risks, physical security and cybersecurity and compliance.</p>	<p>The Committee shall meet as frequently as deemed appropriate by the Chair in order to comply with its responsibilities as set forth in the Charter.</p>
<b>Pension and Benefits Committee</b>	<ul style="list-style-type: none"> <li>• CFO (Sempra)</li> <li>• Most senior Human Resources officer (Sempra)</li> <li>• Treasurer (Sempra)</li> <li>• Controller (Sempra)</li> <li>• CEO (Southern California Gas Company (“<i>SoCalGas</i>”))</li> <li>• Such other officers as may be appointed by the Sempra Compensation Committee, currently: <ul style="list-style-type: none"> <li>• Faisal H. Khan, SVP – Finance and Investor Relations (Sempra)</li> <li>• Scott D. Drury, President (San Diego Gas &amp; Electric Company (“<i>SDG&amp;E</i>”))</li> </ul> </li> </ul> <p><b>Chair:</b> CFO (Sempra)</p>	<p>As delegated by the Compensation Committee of the Sempra Board of Directors, administers and exercises fiduciary and settlor authority and responsibility over retirement, pension and welfare plans of Sempra and its subsidiaries. Exercises only settlor duties, not fiduciary duties, over savings plans of Sempra and its subsidiaries.</p>	<p>No less frequently than semi-annually.</p>

## Sempra Energy Corporate Oversight & Governance Committees

COMMITTEE	MEMBERS	PURPOSE	FREQUENCY
<b>Benefits Committee (subcommittee of the Pension and Benefits Committee)</b>	<ul style="list-style-type: none"> <li>• Most senior Human Resources officer (Sempra)</li> <li>• VP – HR, Diversity and Inclusion (SDG&amp;E)</li> <li>• VP – HR, Diversity and Inclusion (SoCalGas)</li> <li>• Chair may appoint two director-level employees from any Sempra Global business unit or Corporate Center, currently:               <ul style="list-style-type: none"> <li>• Janette Piankoff – Director – Corporate Human Resources, Diversity and Inclusion (Sempra)</li> <li>• Tina T. Chen, Director – HR (Sempra North American Infrastructure, LLC (“<i>SNAI</i>”))</li> </ul> </li> </ul> <p><b>Chair:</b> Most senior Human Resources officer (Sempra)</p>	As delegated by the Pension and Benefits Committee, exercises primary fiduciary and administrative responsibility over claims brought under the retirement, pension and health and welfare plans of Sempra and its subsidiaries.	No less frequently than once annually.
<b>Plan Funding Committee</b>	<ul style="list-style-type: none"> <li>• CFO (Sempra)</li> <li>• Most senior Human Resources officer (Sempra)</li> <li>• Treasurer (Sempra)</li> <li>• Controller (Sempra)</li> <li>• CEO (SoCalGas)</li> <li>• Such other officers as may be appointed by the Sempra Compensation Committee, currently:               <ul style="list-style-type: none"> <li>• Faisel H. Khan, SVP – Finance and Investor Relations (Sempra)</li> <li>• Scott D. Drury, President (SDG&amp;E)</li> </ul> </li> </ul> <p><b>Chair:</b> CFO (Sempra)</p>	As delegated by the Compensation Committee, establishes a funding policy and method for pension plans, savings plans and retiree health plans of Sempra and its subsidiaries; approves the amount and timing of contributions to defined benefit plans and defined contribution plans.	No less frequently than semi-annually.

## Sempra Energy Corporate Oversight & Governance Committees

COMMITTEE	MEMBERS	PURPOSE	FREQUENCY
<b>Disclosure Committee</b>	<ul style="list-style-type: none"> <li>• Chairman (Sempra)</li> <li>• CEO (Sempra)</li> <li>• President (Sempra)</li> <li>• EVP and Group President (Sempra)</li> <li>• Group President – U.S. Utilities (Sempra)</li> <li>• EVP and General Counsel (Sempra)</li> <li>• EVP and CFO (Sempra)</li> <li>• Controller and CAO (Sempra) (<b>Chair</b>)</li> <li>• VP – Audit Services (Sempra)</li> <li>• VP – Corporate Tax (Sempra)</li> <li>• Associate General Counsel – Corporate and Securities (Sempra)</li> <li>• Director – Financial Reporting (Sempra)</li> <li>• Director – Tax Accounts (Sempra)</li> <li>• Corporate Secretary (Sempra)</li> <li>• CEO (SoCalGas)</li> <li>• CEO (SDG&amp;E)</li> <li>• VP, Controller and CFO (SDG&amp;E and SoCalGas)</li> <li>• VP - Regulatory Affairs (SDG&amp;E and SoCalGas)</li> <li>• Chief Executive Officer (Oncor Electric Delivery Company LLC (“Oncor”))</li> <li>• Chief Financial Officer (Oncor)</li> <li>• President (Sempra LNG)</li> <li>• Chief Strategy and Origination Officer (Sempra LNG)</li> <li>• Chief Executive Officer (SNAI)</li> <li>• Chief Executive Officer (Infraestructura Energética Nova, S.A.B. de C.V. (“<i>ENova</i>”))</li> <li>• Chief Financial Officer (IEnova)</li> <li>• Vice President of South American (Sempra International)</li> </ul> <p><b>Chair:</b> Controller and CAO (Sempra)</p>	<p>Reviews and approves all filings of Sempra and its subsidiaries with the Securities &amp; Exchange Commission and other federal or state agencies requiring officer certifications. The purpose of the review is to ensure that all appropriate and necessary disclosures are made about the entity’s operations and financial condition.</p>	<p>Quarterly (in connection with each Form 10-K, Form 10-Q and otherwise as requested by Chair)</p>
<b>Savings Plan Fiduciary Committee</b>	<ul style="list-style-type: none"> <li>• Glen A. Donovan</li> <li>• Paul M. Goldstein</li> <li>• Kendall K. Helm</li> <li>• Emily C. Shults</li> </ul> <p><b>Chair:</b> Appointed by Committee at its discretion.</p> <p>Committee members appointed by name, not title.</p>	<p>As delegated by the Compensation Committee, exercises authority and fiduciary responsibility over investments for all qualified savings plans maintained by Sempra and its subsidiaries and Sempra’s Employee Stock Ownership Plan.</p>	<p>No less frequently than semi-annually.</p>



## Sempra Energy Corporate Oversight & Governance Committees

<p><b>Sempra Energy SOX Steering Committee</b> <sup>1</sup></p>	<ul style="list-style-type: none"> <li>• Bridget Arends – Director Financial Reporting (Sempra)</li> <li>• Valerie Bille – Assistant Controller (Sempra)</li> <li>• David Sarkaria – Senior Director Comp and Benefits (Sempra)</li> <li>• Bruce Folkmann - Vice President, Controller and Chief Financial Officer (SDG&amp;E)</li> <li>• Mia DeMontigny – Vice President, Controller and Chief Financial Officer (SoCalGas)</li> <li>• Benjamin Gordon Vice President-Technology Operations and Infrastructure Management (SDG&amp;E)</li> <li>• Eric Trapp – VP Security and Technology (Sempra)</li> <li>• Sandra Hrna – VP Accounting and Finance (SoCalGas)</li> <li>• Richard Hays – VP and Controller (Oncor)</li> <li>• Roberto Garcia, Controller (Sempra International)</li> <li>• Rajan Agarwal - Assistant Controller (SDG&amp;E)</li> <li>• Samuel Caulfield – Director – Tax Accounts (Sempra)</li> <li>• Mark Rounds – Senior Director Internal Audit (Oncor)</li> <li>• Kate Collier – VP – Audit Services (Sempra) (effective June 29, 2019)</li> <li>• Peter Wall – VP, Controller and Chief Accounting Officer (Sempra)</li> <li>• Dyan Wold – Assistant Controller (SoCalGas)</li> <li>• John Dill – Controller (SNAI)</li> </ul> <p><b>Chair:</b> Valerie Bille – Assistant Controller (Sempra)</p> <p>Committee members appointed by name, not title.</p>	<p>Reviews and approves filings of Sempra and its businesses with the Securities and Exchange Commission, particularly relating to Sarbanes-Oxley Act, and filings with other agencies, as warranted.</p>	<p>Quarterly, in coordination with 10-Q and 10-K filing schedules, and as requested by Chair.</p>
---	---	---	---

<sup>1</sup> The Sempra Energy SOX compliance activities are directed by the Sempra Energy SOX Steering Committee. Sempra’s businesses may maintain separate SOX steering committees.

## **Appendix 3**

### **Listing of Covered and Non-Covered Affiliates**

Note: SoCalGas' assessment of its Covered and Non-covered affiliates is based on the definitions shown in *Rules I.A. and II.B., Definitions and Applicability of Rules*, respectively.

### Appendix 3

## Historical Listing of Affiliates

### as of June 24, 2019

Name	Business Description	Current Designation
926 Pulliam Street, LLC	With other LLC members, holds and manages remediation of real property.	Non-Covered
Andes Power S.A.C.	Energy Business	Covered
Blue River Corp S.A.C.	Energy Business	Covered
Califia Company	Inactive	Non-Covered
Cameron Interstate Pipeline, LLC	Own and operates a natural gas pipeline in Louisiana.	Covered
Cameron LNG Holdings, LLC	Cameron LNG Holdings, LLC: the company to be jointly owned by Sempra and its co-developers in connection with the Cameron LNG liquefaction project and which will own Cameron LNG, LLC.	Covered
Cameron LNG, LLC	Developing and constructing a liquefied gas storage project located in Hackberry, LA. Operation of an LNG storage facility.	Covered
CamPipe Corp.	Holding company formed for the purpose of holding membership interest in natural gas project equity.	Covered
Casablanca Generacion S.A.	Inactive. No operations	Non-Covered
Central Fotovoltaica Border Solar Norte, S.A. de C.V.	Generation of electric power.	Covered
Chilquinta Energia, S.A.	Generation, transmission and distribution of electricity to industrial, commercial and residential customers in Chile.	Covered
Chilquinta Transmision S.A.	To acquire shares from Compañia Transmisora del Norte Grande S.A. ("CTNG").	Covered
Compañia Electrica Del Litoral S.A.	Generation, transmission, distribution, purchase and sale of electricity to industrial, commercial and residential customers in Chile	Covered
Compania Transmisora del Norte Grande S.A.	To administrate and develop the transportation and transmission of electricity.	Covered
Controladora Sierra Juarez, S. de R.L. de C.V.	To act as holding company, promote, incorporate, organize, exploit and participate in the capital stock and patrimony of corporations, associations or other entities, commercial or civil, domestic or foreign.	Covered
Copper Mountain Energy, LLC	Develop, own and operate a natural gas-fired power generation facility in Boulder City, Nevada	Covered
Domingo Pipeline, LLC	Own and operate an intrastate natural gas pipeline	Covered
Don Diego Solar Holding, S. de R.L. de C.V.	To carry out any activity related to the energy sector, purchase, sale, import and export of electricity.	Covered
Don Diego Solar Netherlands B.V.	To participate, finance, collaborate, manage companies and other enterprises; provide advice and other services, invest, provide security for debts with which the company is affiliated, or third party debt, acquire, use and/or assign industrial and intellectual property rights and real property.	Non-Covered
Don Diego Solar, S.A.P.I. de C.V.	Generation of electric energy for the satisfaction of the self-supply needs of its partners.	Covered
Ductos e Infraestructura Marina, S. de R.L. de C.V.	This entity will be the holding entity that will be participating in the bidding of the marine pipeline; as a result, the entity will participate in the transportation and distribution of natural gas.	Covered
Ductos y Energeticos del Norte, S. de R.L. de C.V.	The transportation, storage, distribution and marketing of natural gas, as well as other industrial and commercial fuels that can be legally transported, distributed, stored and sold within Mexican territory or abroad. To provide all types of products and services related to the aforementioned activities; to carry out the design, engineering, operation and maintenance of pipelines.	Covered

### Appendix 3

## Historical Listing of Affiliates

### as of June 24, 2019

Name	Business Description	Current Designation
Ductos y Energeticos del Sureste, S. de R.L. de C.V.	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether commercial or of any other nature, domestic or foreign.	Covered
ECA Liquefaction, S. de R.L. de C.V.	Owns and operates a natural gas liquefaction facility in Baja California, Mexico and gas market.	Covered
ECA LNG Holdings B.V.	The business of the Company is to, directly or through any of its future subsidiaries, (a) own, construct, develop, (b) procure natural gas and associated pipeline transportation for the liquefaction facility at the ECA LNG terminal (the "Project"), (c) buy or sell liquefied natural gas including that produced by the Project, and (d) any and all activities directly or indirectly relating to any of the foregoing or necessary, convenient or incidental thereto (collectively, the "Business"). In furtherance of the Business, the Company shall have and may exercise all of the powers now or hereafter conferred to it in the Bylaws and on companies under the law, and the Company shall have the power to do all and everything necessary, appropriate, advisable, suitable, proper, incidental or convenient to or for the accomplishment of the Business or in furtherance of any of the purposes and powers set forth herein and for the protection and benefit of the Company, and to do every other act or acts, and thing or things, incidental or appurtenant to or arising from or connected with any such purposes or powers.	Covered
ECA Minority, S. de R.L. de C.V.	To have minority ownership of the entities that eventually will belong to the ECA Project.	Non-Covered
Ecogas Mexico, S. de R. L. de C.V.	Operates gas distribution companies with franchises in Chihuahua, Torreon/Durango (La Laguna) and Mexicali.	Covered
EEC Holdings Inc.	Holding Company	Non-Covered
EECI, Inc.	Limited Purpose Entity for Claims Matters	Non-Covered
EFH Vermont Insurance Company	Limited Purpose Entity for Insurance Matters	Non-Covered
ELETRANS II S.A.	Construction, Operation and Maintenance of Transmission or Electricity Transportation Assets. The exploitation, development and commercialization of its own or third party's electric systems destined to the transmission and transformation of electricity.	Covered
ELETRANS III S.A.	Construction, development, operation, maintenance, marketing or other commercialization of energy assets, including electricity transmission, subtransmission or regional distribution.	Covered
ELETRANS S.A.	Construction operation and maintenance of transmission or electricity transportation assets. The exploitation, development and commercialization of its own or third party's electric systems destined to the transmission and transformation of electricity.	Covered
Energia Costa Azul, S. de R.L. de C.V.	Owns and operates an LNG storage facility in Baja California, Mexico, and markets gas.	Covered
Energia de Casablanca S.A.	Generation, transmission, distribution, purchase and sale of electricity to industrial, commercial and residential customers in Chile.	Covered
Energia Sierra Juarez 2 U.S., LLC	Sell power in the U.S. acquired from a wind power generation facility located in Mexico, including ownership of U.S. transmission facilities and related assets.	Covered / Energy Marketing Affiliate
Energia Sierra Juarez 2, S. de R.L. de C.V.	Wind power generation plant.	Covered
Energia Sierra Juarez Holding, S. de R.L. de C.V.	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Covered
Energia Sierra Juarez U.S. Transmission, LLC	Develop, own and operate generation-tie power line facilities from the U.S.-Mexico border to a point of interconnection in the U.S.	Covered

## Appendix 3

### Historical Listing of Affiliates

#### as of June 24, 2019

Name	Business Description	Current Designation
Energia Sierra Juarez U.S., LLC	Sell power in the U.S. from an Energia Juarez wind power generation facility.	Covered / Energy Marketing Affiliate
Energia Sierra Juarez, S. de R.L. de C.V.	Wind power project development	Covered
Energy Business International S.R.L.	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Non-Covered
Enova Corporation	Holding company for San Diego Gas & Electric.	Non-Covered
ESJ Energy B.V.	Holding and finance company. The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign and to act as a finance company; to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness as well as to enter into agreements in connection with aforementioned activities.	Non-Covered
ESJ Renovable I, S. de R.L. de C.V.	Generation, transmission and sale of electricity in Mexico	Covered
ESJ Renovable II, S. de R.L. de C.V.	Generation, transmission and sale of electricity in Mexico	Covered
ESJ Renovable III, S. de R.L. de C.V.	Storage of hydrocarbons, petroleum and petrochemicals, facilities' operation of port facilities or port terminals and provision of port services to transfer goods or merchandise.	Covered
Fundacion IEnova, A.C.	A non-profit organization that will benefit all activities to help people, sectors and regions with limited resources; indigenous communities and vulnerable groups, which include age, sex or disability problems.	Non-Covered
Gasoducto de Aguaprieta, S. de R.L. de C.V.	Transportation of Natural Gas	Covered
Gasoducto del Sur S.A.	Transport, store and distribute natural gas and petroleum products.	Covered
Gasoductos de Tamaulipas, S. de R.L. de C.V.	Transportation of natural gas through San Fernando pipeline.	Covered
Gasoductos del Noreste, S. de R.L. de C.V.	Transport, storage, distribution and marketing of natural gas, as well as other industrial and commercial fuels which can be legally transported, distributed, stored and sold within the Mexican territory or abroad.	Covered
Gasoductos del Sureste, S. de R.L. de C.V.	Empty company, originally created for Chihuahua bid. 50% SRE ownership through Pemex JV.	Covered
Gasoductos Ingenieria, S. de R.L. de C.V.	To render specialized engineering services, including but not limited to services related to the design, construction, operation, maintenance, and technical and commercial control of industrial facilities, with a high degree of specialty in projects related to the marketing, planning, development, construction, maintenance and operation of fuels storage and transportation systems.	Covered
Gasoductos Servicios Corporativos y de Administración, S. de R.L. de C.V.	To render specialized energy project management services, including, but not limited to, administrative, financial, legal, technical, information technology, accounting and fiscal services, as well as training and teaching services, highly specialized in projects that include the planning, marketing, development, construction, operation and/or maintenance of fuels storage and transportation systems.	Covered
Gasoductos Servicios Corporativos, S. de R.L. de C.V.	To render specialized energy project management services and oil storage.	Covered
Gasoductos Servicios Subholding, S. de R.L. de C.V.	The purpose of this company is to act as holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Covered

### Appendix 3

## Historical Listing of Affiliates

### as of June 24, 2019

Name	Business Description	Current Designation
Generadora Electrica Sauce Los Andes S.A.	Production, acquisition, transportation and distribution of electricity and building and acquiring power stations and substations in Chile.	Covered
Granite Fox Power, LLC	Develop, own and operate a coal-fired power generation facility in Nevada [inactive].	Non-Covered
ICM Ventures Holdings B.V.	Holding and finance company. The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign and to act as a finance company; to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness as well as to enter into agreements in connection with aforementioned activities.	Non-Covered
IEnova Gas, S. de R.L. de C.V.	This entity will be participating in the bidding of the marine pipeline; as a result, the entity will participate in the transportation and distribution of natural gas and oil storage.	Covered
IEnova Gasoductos Holding, LLC	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Covered
IEnova Gasoductos Holding, S. de R.L. de C.V.	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or of any other nature, domestic or foreign.	Covered
IEnova Gasoductos Mexico, S. de R.L. de C.V.	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Covered
IEnova Holdco, S. de R.L. de C.V.	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Non-Covered
IEnova Infraestructura Marina Holding B.V.	Holding and finance company: The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign, and to act as a finance company; to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness as well as to enter into agreements in connection with aforementioned activities.	Covered
IEnova Marketing, S. de R.L. de C.V.	Holds LNG terminal capacity (ECA), pipeline capacity and CFE supply contracts. Buys and sells LNG and natural gas	Covered / Energy Marketing Affiliate
IEnova Petroleum Liquids Holding B.V.	Holding and finance company: The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign, and to act as a finance company; to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness as well as to enter into agreements in connection with aforementioned activities.	Non-Covered
IEnova Petroliferos Holding, S. de R.L. de C.V.	This entity is the holding company for refined product related matters.	Non-Covered
IEnova Petroliferos III, S. de R.L. de C.V.	Storage, distribution and transportation of hydrocarbons. This entity will participate in future renewable bids.	Covered
IEnova Petroliferos IV, S. de R.L. de C.V.	Storage, distribution and transportation of hydrocarbons. This entity will participate in future renewable bids.	Covered
IEnova Petroliferos V, S. de R.L. de C.V.	Storage, transportation and distribution of hydrocarbons.	Covered
IEnova Petroliferos VI, S. de R.L. de C.V.	Storage, transportation and distribution of hydrocarbons.	Covered

### Appendix 3

## Historical Listing of Affiliates

### as of June 24, 2019

Name	Business Description	Current Designation
IEnova Pipelines, S. de R.L. de C.V.	Provide natural gas transportation services.	Covered
IEnova Renewable Holding II B.V.	Holding and finance company: The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign, and to act as a finance company; to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness as well as to enter into agreements in connection with aforementioned activities.	Non-Covered
IEnova Suministro Calificado, S. de R.L. de C.V.	Electrical supply and realization of all types of projects in electric energy and natural gas sectors.	Covered
IEnova Ventika Holding B.V.	To act as holding company, promote, incorporate, organize, and participate in the capital stock and patrimony of corporations, associations or other entities, commercial or civil, domestic or foreign; to invest in all forms of capital, debt, securities, instruments and other forms of investments; to own, manage, develop, and operate all forms of businesses, including renewable energy and other projects.	Non-Covered
IEnova Ventika Holding II B.V.	To act as holding company, promote, incorporate, organize, and participate in the capital stock and patrimony of corporations, associations or other entities, commercial or civil, domestic or foreign; to invest in all forms of capital, debt, securities, instruments and other forms of investments; to own, manage, develop, and operate all forms of businesses, including renewable energy and other projects.	Non-Covered
IEnova Ventika México II, S. de R.L. de C.V.	To act as holding company, promote, incorporate, organize, and participate in the capital stock and patrimony of corporations, associations, or other entities, commercial or civil, domestic or foreign; to invest in all forms of capital, debt, securities, instruments and other forms of investments; to own, manage, develop, and operate all forms of businesses, including renewable energy and other projects.	Covered
IEnova Ventika México, S. de R.L. de C.V.	To act as holding company, promote, incorporate, organize, and participate in the capital stock and patrimony of corporations, associations, or other entities, commercial or civil, domestic or foreign; to invest in all forms of capital, debt, securities, instruments and other forms of investments; to own, manage, develop, and operate all forms of businesses, including renewable energy and other projects.	Covered
Infraestructura Energetica Nova, S.A.B. de C.V.	To act as holding company, promote, incorporate, organize, exploit and participate in the capital stock and patrimony of corporations, associations or other entities, commercial or civil, domestic or foreign.	Covered
Infraestructura Marina del Golfo, S. de R.L. de C.V.	Holding Company that will be the beneficiary of permits and authorizations, responsible for filing the bid with the Comisión Federal de Electricidad ("CFE")	Covered
Inland Energy S.A.C.	Energy Business	Covered
Inmobiliaria IEnova, S. de R.L. de C.V.	To build, develop or acquire real estate for IEnova headquarters.	Non-Covered
Inmobiliaria Luz del Sur S.A.	To sell, purchase, lease and construction of real properties.	Non-Covered
Inversion Peruana del Sur S.R.L.	Investment Company	Non-Covered
Inversiones en Servicios Eléctricos S.R.L.	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Covered
Inversiones Gasíferas O&M 1 S.A.C.	Project Company.	Non-Covered
Inversiones Sempra Limitada	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Non-Covered

### Appendix 3

## Historical Listing of Affiliates

### as of June 24, 2019

Name	Business Description	Current Designation
LA Storage, LLC	Formed to construct, own and operate natural gas storage facility	Covered
Liberty Gas Storage LLC	Holding Company for entities providing natural gas storage and related pipelines and services, asset optimization, gas commodity purchase and sales, and related services.	Covered
LSGT Gas Company LLC	Limited Purpose Entity for Claims Matters	Non-Covered
LSGT SACROC Inc.	Limited Purpose Entity for Claims Matters	Non-Covered
Luz del Sur S.A.A.	Distributes electricity to customers in Peru. In addition the Company may develop any other activity related or derived from the use, operation and/or disposal of its infrastructure, resources, assets, as well as activities related to its main corporate purpose.	Covered
Luzlinares S.A.	Generation, transmission, distribution, purchase and sale of electricity to industrial, commercial and residential customers in Chile.	Covered
Luzparral S.A.	Generation, transmission, distribution, purchase and sale of electricity to industrial, commercial and residential customers in Chile.	Covered
Oncor Communications Holdings Company LLC	Holding Company	Non-Covered
Oncor Electric Delivery Administration Corp.	Serves as the sponsor, or connection organization, of Oncor political action committees	Non-Covered
Oncor Electric Delivery Company LLC	Transmit/Distribute electricity to customers in Texas.	Covered
Oncor Electric Delivery Company NTU LLC		Covered
Oncor Electric Delivery Holdings Company LLC	Holding Company	Non-Covered
Oncor License Holdings Company LLC	Holding company for FCC Licenses	Non-Covered
Oncor Management Investment LLC	Holds management ownership interest in Oncor Electric Delivery Company LLC	Non-Covered
Oncor NTU GP LLC	Entity formed for the purposes of InfraREIT, Inc. acquisition	Non-Covered
Oncor NTU Holdings Company LLC	Entity formed for the purposes of InfraREIT, Inc. acquisition	Non-Covered
Oncor NTU Holdings Partnership LP	Entity formed for the purposes of InfraREIT, Inc. acquisition	Non-Covered
Oncor NTU Intermediate Company LLC	The purpose of the Affiliate is to engage in any lawful act or activity for which limited liability companies may be formed under the Texas Business Organizations Code and to engage in any and all activities necessary or incidental thereto.	Covered
Oncor NTU Partnership LP	The purpose of the business shall be to engage in any lawful activity for which limited partnerships may be organized under the Delaware Revised Uniform Limited Partnership Act.	Non-Covered
Ontario-Quinta S.R.L.	Holding company for Luz del Sur S.A.A.	Covered
P & S Project 2, LLC	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign , and to otherwise engage in all other lawful businesses or activities in which a limited liability company may be engaged under applicable law and as director by the board of managers.	Non-Covered
P & S Project I, LLC	Holding company formed for the purpose of holding membership interest in natural gas project equity.	Non-Covered



### Appendix 3

## Historical Listing of Affiliates

### as of June 24, 2019

Name	Business Description	Current Designation
Pacific Diversified Capital Company	Inactive holding company formerly conducted real estate financing and investments.	Non-Covered
Pacific Enterprises	Holding Company for Southern California Gas Company.	Non-Covered
Pacific Enterprises Energy Management Services	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities; whether of commercial or any other nature, domestic or foreign.	Non-Covered
Pacific Enterprises International	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Non-Covered
Pacific Enterprises Leasing Company	Leasing of commercial and industrial equipment.	Non-Covered
Pacific Enterprises Oil Company (USA)	Formerly engaged in exploration and production of oil and gas. Entity dormant as a result of asset sale to Hunt Oil and transfer of other assets to Sempra Energy Production Company (SEPCO).	Non-Covered
Pacific Enterprises Oil Company (Western)	Exploration and production of oil and gas. A wholly-owned subsidiary of PEOC, and owns the oil rights to certain shallow zones in the Aliso Canyon storage field.	Non-Covered
Pacific Enterprises Oil Company LLC	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Non-Covered
Pacific Interstate Company	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Non-Covered
Pacific Lighting Gas Development Company	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities; whether of commercial or any other nature, domestic or foreign.	Non-Covered
Pala Investments S.R.L.	Investment Company	Non-Covered
PALNG Common Facilities Company, LLC	To engage in any lawful act or activity for which limited liability companies may be formed under the Act including, without limitation, the development, ownership and operation of marine terminal facilities, LNG and petroleum product storage facilities, and associated facilities to be located near Port Arthur, Texas, and the provision of services relating to such facilities.	Non-Covered
PALNG Operator Company, LLC	Construction, commissioning, operation and maintenance, and general administration of natural gas liquefaction and export facilities.	Covered
Pay'n Save Drug Stores, Incorporated	Inactive	Non-Covered
Peruvian Opportunity Company S.A.C.	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Covered
Peruvian Services Company II S.R.L.	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Covered
Peruvian Services Company S.R.L.	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Non-Covered
Port Arthur Land Company, LLC	To receive Sempra property in the Port Arthur, Texas, area that will not be included in the Port Arthur LNG project site.	Non-Covered

### Appendix 3

## Historical Listing of Affiliates

### as of June 24, 2019

Name	Business Description	Current Designation
Port Arthur Liquefaction Holdings, LLC	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign; and to otherwise engage in all other lawful businesses or activities in which a corporation may be engaged under applicable law.	Non-Covered
Port Arthur LNG, LLC	Operating Company	Covered
Port Arthur Pipeline Holdings, LLC	Holding company formed for the purpose of holding membership interest in natural gas project equity.	Covered
Port Arthur Pipeline, LLC	Inactive. Construction, maintenance and operation of a natural gas pipeline.	Covered
PXiSE Energy Solutions, LLC	To develop market and sell technology solutions for control and optimization of electric grids including microgrids and other electric infrastructure systems. Per transaction with Mitsui, PXiSE is required to be a stand alone company therefore needs to be it's own payroll company.	Covered
RBS Sempra Commodities LLP	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Covered
RBS Sempra Products Limited	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Non-Covered
SEI Storage Corp.	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Covered
SEMCO HOLDCO, S. de R.L. de C.V.	To act as holding company, promote, incorporate, organize, exploit and participate in the capital stock and patrimony of corporations, associations or other entities, commercial or civil, domestic or foreign.	Covered
Sempra	Inactive. (Name holding company).	Non-Covered
Sempra Alaska Holding Corp.	Sempra Alaska Holding Corp is a holding company that maintains an investment in Sempra Alaska, LLC. Sempra Alaska, LLC was created to pursue development of LNG and natural gas opportunities in Alaska.	Covered
Sempra Alaska, LLC	Project development in Alaska. The business purpose and character of this Company shall be as determined by the Member.	Covered
Sempra Americas Bermuda Ltd.	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Non-Covered
Sempra Chilean Equity II Ltd.	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Non-Covered
Sempra Chilean Equity Ltd.	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Non-Covered
Sempra ClearSky Holdings, Inc.	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign; and to otherwise engage in all other lawful businesses or activities in which a corporation may be engaged under applicable law.	Non-Covered
Sempra Commodities, Inc.	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Non-Covered

### Appendix 3

## Historical Listing of Affiliates

### as of June 24, 2019

Name	Business Description	Current Designation
Sempra DG Holdings, LLC	The purpose of this company is to act as holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign	Non-Covered
Sempra Ecogas Holdings, LLC	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Non-Covered
Sempra Employee Giving Network	Encourage, organize and facilitate the support of community based charitable organization and activities on the part of the employees of Sempra Energy, its subsidiaries and affiliates	Non-Covered
Sempra Energy	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Non-Covered
Sempra Energy Enterprises	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities; whether of commercial or any other nature, domestic or foreign.	Non-Covered
Sempra Energy Foundation	To operate exclusively for charitable purposes within the meaning of 501(c)(3) of the Internal Revenue Code (the "Code"), including making grants to individuals and non-profit organizations or by making program-related investments as defined in Section 4944(c) of the Code.	Non-Covered
Sempra Energy Holdings III B.V.	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Non-Covered
Sempra Energy Holdings XI B.V.	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Non-Covered
Sempra Energy International	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Non-Covered
Sempra Energy International Argentina	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Non-Covered
Sempra Energy International Holdings N.V.	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Non-Covered
Sempra Energy Sales, LLC	Inactive. Entity only holds amounts supporting guarantee that is to be settled in connection with disposition of sister business unit. Thereafter, it will be dissolved.  Prior activities included marketing, sales and management services of electricity and natural gas to commercial and industrial customers.	Non-Covered
Sempra Energy Trading LLC	Wholesale trading company that participates in marketing and trading of energy products, including natural gas, power, crude oil and associated commodities. Inactive.	Non-Covered
Sempra Financial	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities; whether of commercial or any other nature, domestic or foreign.	Non-Covered
Sempra Gas & Power Marketing, LLC	Entity that holds natural gas transportation and storage capacity, performs asset optimization, gas and power commodity purchases and sales, and derivative swap transactions.	Covered / Energy Marketing Affiliate

## Appendix 3

### Historical Listing of Affiliates

#### as of June 24, 2019

Name	Business Description	Current Designation
Sempra Generation, LLC	Entity that holds natural gas transmission capacity, sells gas and electricity on a competitive basis and engages in derivative swap transactions. Previously Sempra Energy Resources.	Covered / Energy Marketing Affiliate
Sempra Global	Holding company for numerous entities.	Covered
Sempra Global Holdings, Inc.	Holding Company	Non-Covered
Sempra GP Holdings, LLC	Holding company in chain of entities formed for the purpose of owning an MLP entity.	Non-Covered
Sempra GP, LLC	Entity formed for the purpose of ultimately becoming the general partner of an MLP.	Non-Covered
Sempra International, LLC	Principal business unit subsidiary and services company	Covered
Sempra LNG ECA Liquefaction, LLC	Engaging in any lawful act or activity for which limited partnerships may be formed under the Act including, without limitation, the acquisition and disposition of assets in connection with the proposed development of natural gas liquefaction capacity at the Energia Costa Azul liquefied natural gas receipt terminal located near Ensenada, Baja California, Mexico.	Covered
Sempra LNG GP, LLC	Holding company formed to hold membership interest in project equity.	Non-Covered
Sempra LNG Holding Company	Sempra LNG is the holding company for several entities that develop, own and operate LNG facilities and are engaged in the purchase and sale of natural gas.	Non-Covered
Sempra LNG Holdings I, LLC	Holding company formed to hold membership interest in project equity.	Non-Covered
Sempra LNG Holdings II, LLC	Holding company formed to hold membership interest in project equity.	Non-Covered
Sempra LNG Holdings LP	Holding company formed to hold membership interest in project equity.	Non-Covered
Sempra LNG International Holdings I, LLC	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign.	Non-Covered
Sempra LNG International, LLC	To contract for the shipping of LNG Cargos.	Covered
Sempra LNG Marketing, LLC	Marketing company for a LNG capacity.	Covered / Energy Marketing Affiliate
Sempra LNG, LLC	Payroll company	Covered
Sempra Louisiana LNG, LLC	Formed for the purpose of entering into commercial agreements to effectuate Sempra's commercial position as tolling customer (and all the activities surrounding such position ) in connection to the Cameron expansion project.	Covered
Sempra LP Holdings, LLC	Holding company formed to hold membership interest in project equity.	Non-Covered
Sempra Midstream & Renewables, LLC	To review potential projects of Sempra Global affiliates.	Non-Covered
Sempra Midstream Services, Inc.	Asset optimization, gas commodity purchase and sales, and related services	Covered
Sempra North American Infrastructure, LLC	Principal business unit subsidiary and services company.	Covered / Energy Marketing Affiliate
Sempra Oil (Suisse) Sàrl	The purpose of the company is to act as a finance and/or holding company for purposes of lending funds to affiliates, making investments and other related purposes.	Non-Covered
Sempra PALNG Holdings, LLC	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign; and to otherwise engage in all other lawful businesses or activities in which a corporation may be engaged under applicable law.	Non-Covered
Sempra Partners, LP	Limited Partnership formed for the purpose of ultimately becoming an MLP	Non-Covered

### Appendix 3

## Historical Listing of Affiliates

### as of June 24, 2019

Name	Business Description	Current Designation
Sempra Pipelines & Storage Corp.	Holding Company formed for the purpose of holding membership interest in natural gas project equity.	Non-Covered
Sempra Renewables Portfolio Holdings, LLC	Seller under PSA for sale of Sempra Renewables, LLC and provider of transition services under Transition Services Agreement to be entered into at closing of sale	Non-Covered
Sempra Renewables Services, Inc.	Services company that provides engineering, construction and other services for Sempra Global and its subsidiaries.	Non-Covered
Sempra REX Holdings, LLC	The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign , and to otherwise engage in all other lawful businesses or activities in which a limited liability company may be engaged under applicable law and as director by the board of managers.	Non-Covered
Sempra Rockies Marketing, LLC	Entity that holds capacity on the Rockies Express Pipeline	Covered
Sempra Section 42, LLC	Formed in connection with the assignment of low-income housing tax credits from Sempra Financial in connection with a purchase and sale transaction with Bank of America, N.A.	Non-Covered
Sempra Services Corporation	Provide support, analysis and education for legislative and regulatory energy policy development.	Non-Covered
Sempra Solar Portfolio Holdings, LLC	SPV formed for Renewables internal restructuring	Non-Covered
Sempra Technology Ventures, LLC	To act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in a technology entity, whether of commercial or development nature.	Covered
Sempra Texas BidCo, LLC	Holding Company	Non-Covered
Sempra Texas Holdco, LLC	Holding Company	Non-Covered
Sempra Texas Holdings Corp.	Holding Company	Non-Covered
Sempra Texas Intermediate Holding Company LLC	Holding Company	Non-Covered
Sempra Texas Utilities Holdings I, LLC	Holding company	Non-Covered
Servicios DGN de Chihuahua, S.A. de C.V.	Employee services company for pipelines and Ecogas.	Covered
Servicios Energia Costa Azul S. de R.L. de C.V.	Employee services company for ECA.	Covered
Servicios ESJ, S. de R.L. de C.V.	Employee service company for Energia Sierra Juarez Project.	Covered
Servicios Termoelectrica de Mexicali S. de R.L. de C.V.	Employee services company for TDM and ESJ.	Covered
Sharyland Holdings, L.P.	To own, operate, and develop, through its subsidiaries, a regulated electricity distribution and transmission business located in the ERCOT geographic area under the jurisdiction of the Public Utility Commission of Texas	Covered
Sharyland Utilities, L.L.C.	To own, operate, and develop a regulated electricity distribution and transmission business located in the ERCOT geographic area under the jurisdiction of the Public Utility Commission of Texas	Covered
Southern Gas Transmission Company	Own and operate intrastate natural gas pipeline in Alabama	Covered
TDF, S. de R.L. de C.V.	Transportation and Storage of LPG (Burgos pipeline).	Covered
TecnoRed S.A.	Provides construction and infrastructure services related to electric distribution activities of Chilquinta Energia and other unaffiliated third-parties as well as the commercialization of electrical materials and equipment and generation and purchase and sale of electricity in Chile.	Covered

### Appendix 3

## Historical Listing of Affiliates

### as of June 24, 2019

Name	Business Description	Current Designation
Tecsur S.A.	Preparation and execution of studies, projects, works and service activities related to energy, mining, industry and construction as well as the commercialization of materials and equipment in relation to such sectors.	Covered
Termoelectrica de Mexicali, S. de R.L. de C.V.	Owns and operates combined cycle power plant (TDM).	Covered
Termoelectrica U.S., LLC	Owns power lines that connect from the U.S. border to a U.S. substation.	Covered / Energy Marketing Affiliate
TP Terminals, S. de R.L. de C.V.	Storage, transportation and distribution of hydrocarbons.	Covered
Transportadora del Norte SH, S. de R.L. de C.V.	Holding company and Storage of LP Gas.	Covered
Transquinta S.A.	To develop transmission projects, starting with the awarded project Panquehue Substation.	Covered
Ventika Energy B.V.	Holding and finance company: The purpose of this company is to act as a holding company; to directly or indirectly participate as a shareholder/member and/or investor in all types of entities, whether of commercial or any other nature, domestic or foreign, and to act as a finance company; to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness as well as to enter into agreements in connection with aforementioned activities.	Non-Covered
Ventika II, S.A.P.I. de C.V.	To act as holding company, promote, incorporate, organize, and participate in the capital stock and patrimony of corporations, associations or other entities, commercial or civil, domestic or foreign; to invest in all forms of capital, debt, securities, instruments and other forms of investments; to own, manage, develop, and operate all forms of businesses, including renewable energy and other projects.	Covered
Ventika, S.A.P.I. de C.V.	To act as holding company, promote, incorporate, organize, and participate in the capital stock and patrimony of corporations, associations or other entities, commercial or civil, domestic or foreign; to invest in all forms of capital, debt, securities, instruments and other forms of investments; to own, manage, develop, and operate all forms of businesses, including renewable energy and other projects.	Covered