

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



Southern California Gas Company
GAS (Corp ID 904)
Status of Advice Letter 5868G
As of October 19, 2021

Subject: Southern California Gas Company Request for 2022-2027 Financing Pilots Budget.

Division Assigned: Energy

Date Filed: 09-23-2021

Date to Calendar: 09-27-2021

Authorizing Documents: D2108006

| | |
|------------------------|-------------------|
| Disposition: | Accepted |
| Effective Date: | 10-23-2021 |

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Ray Ortiz

213-244-3837

ROrtiz@socalgas.com

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to
edtariffunit@cpuc.ca.gov



Joseph Mock
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011
Tel: 213.244.3718
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September 23, 2021

Advice No. 5868
(U 904 G)

Public Utilities Commission of the State of California

Subject: Southern California Gas Company Request for 2022-2027 Financing Pilots Budget

Southern California Gas Company (SoCalGas) hereby submits for approval to the California Public Utilities Commission (Commission or CPUC) its request for authorized funding for annual costs associated with development and deployment of information technology and marketing strategies for the California Hub for Energy Efficiency Financing (CHEEF) programs, as required by Decision (D.) 21-08-006.

Purpose

Pursuant to Ordering Paragraph (OP) 5 of D.21-08-006, SoCalGas seeks approval to utilize unspent funds for program year 2022 and requests incremental funding from Public Purpose Program (PPP) surcharges for program years 2023-2027 to support the implementation of the CHEEF programs.

On August 9, 2021, in order to continue to participate in development and deployment of information technology (IT) and marketing strategies, the Commission issued D.21-08-006, which included authorizing incremental administrative, marketing, and IT budgets, up to \$500,000 per year through the end of 2027, for each utility, except for SoCalGas, whose lead utility budget was capped at \$800,000 per year. Funding will be used to support continued administration and facilitate successful interfacing between the CHEEF programs and the utility billing and other systems necessary for on-bill repayment (OBR) features.

Therefore, pursuant to OP 4 of D.21-08-006 on additional funding,¹ this Advice Letter requests \$3,200,000 (\$800,000/per year) for SoCalGas' operating costs for program years 2023-2027.

Background

In D.12-11-015, the Commission authorized \$75.2 million for new Energy Efficiency (EE) Pilot programs to be implemented in 2013-2014 (pilot period). However, due to the complexity of the process to design and implement these innovative new Pilots (the Pilots), the pilot period lasted beyond 2014. In D.13-09-044, the Commission approved seven Financing Program Pilots covering both residential and non-residential markets, further extending the pilot period to 2015. In D.15-06-008, the Commission further extended the Pilots' terms beyond 2015 so that each pilot was funded for a full 24 months of operation.

As part of D.13-09-044, the Commission allocated \$65.9 million to launch the finance Pilots and reserved allocation of the remaining \$9.3 million. Recognizing that many variables may affect the development and implementation of the Pilots and that the pilot budgets may need to be adjusted, D.13-09-044 directed Commission Staff to hold a mid-point public workshop to review pilot performance and, in conjunction with the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) and the Investor-Owned Utilities (IOUs), to discuss allocation of the \$9.3 million reserve remaining from the original \$75.2 million.

As part of the implementation of the Pilots, D.13-09-044 established CHEEF, which one of its roles included coordinating among various market participants and managing funds and data. In July 2014, CAEATFA received legislative authority to administer the Pilots as the CHEEF. To assist with program administration, CAEATFA awarded the Master Servicer contract to Concord Servicing on April 23, 2015.

In D.17-03-026, the Commission approved SoCalGas to continue: (1) acting as lead utility partner and authorized an annual budget of \$800,000 per year, and (2) supporting development of the programs and facilitating interfacing between the billing system for OBR and other program features.

In D.21-08-006, the Commission authorized the IOUs to seek additional funding for the implementation of the Pilots, and also authorized SoCalGas to continue acting as the lead IOU partner in implementing the administrative contracts for the CHEEF programs. SoCalGas was authorized to spend up to \$800,000 annually on IT, marketing, and administrative costs necessary to support the Pilots through 2027. Each utility must submit a Tier 2 Advice Letter detailing the costs to be covered and the funding source(s) for the funds requested.

¹ D.21-08-006, OP 4 at 56.

SoCalGas' Budget Request

SoCalGas requests approval to utilize unspent funds from 2013-2021, authorized budget funds for program year 2022, and \$3,200,000 of incremental funding from PPP surcharges for program years 2023-2027 to support the Pilots through 2027.

Description of Budget Request

If approved, SoCalGas will utilize unspent 2013-2021 funds for 2022 and incremental funding for 2023-2027 to support the Financing Pilots:

| Budget Line Item | Authorized Budget | Incremental Funds Requested | 2013-2021 Unspent |
|--------------------------|--------------------------|------------------------------------|--------------------------|
| 2022 Calendar Year Funds | \$800,000 | \$0 | \$800,000 |
| 2023 Calendar Year Funds | \$800,000 | \$800,000 | 0 |
| 2024 Calendar Year Funds | \$800,000 | \$800,000 | 0 |
| 2025 Calendar Year Funds | \$800,000 | \$800,000 | 0 |
| 2026 Calendar Year Funds | \$800,000 | \$800,000 | 0 |
| Total | \$4,000,000 | \$3,200,000 | \$800,000 |

The 2022-2027 operational funds listed in Table 1 are explained in more detail below.

2022-2027 Operational Funds

SoCalGas requests approval to utilize unspent funds from 2013-2017 authorized budget to cover operational costs for pilot-related work in 2022-2027. Please note, any unspent funds throughout the 2022-2027 period will be spent in 2027. The budget is necessary to support the continued administration and implementation of the Pilots through 2027, including:

- Administer contracts as the current IOU statewide program administrator lead, including management of both the CAEATFA and financing, marketing, education, and outreach (ME&O) vendor contracts;
- Coordinate with CAEATFA to implement the CHEEF infrastructure, such as support program regulation development, assist with integrated IT system design, and establishment of new business processes/forms;
- Monitor and report program progress and address implementation issues in support of CHEEF;
- Manage the joint utility co-funding agreements for all contracts;

- Validate Credit Enhancement accounts and multi-family audits/technical assistance;
- Continue administration and billing of pre-development multi-family OBR pilot program;
- Support on-going billing and IT operations and maintenance, including any necessary manual support of the OBR system (e.g., uploading project data from CAEATFA to internal EE database; billing corrections as requested by CAEATFA; and updating/uploading eligible EE measure data);
- Support internal system testing which includes comprehensive external system integration testing with master servicer for OBR cash flow functionality;
- Conduct local marketing promoting the Pilots to SoCalGas customers including integration of pilots into existing programs and company website;
- Coordinate with IOU local marketing, the statewide finance ME&O campaign, and other CAEATFA marketing requests;
- Support for on-going customer-facing activities including Call Center operations, on-line customer accounts, and the Energy Advisor; and
- Continue to support pilot evaluation, measurement and verification activities.

SoCalGas requests that the Commission approve this budget request for continued development and implementation of the Pilots through 2027.

Revenue Requirement

The table below summarizes the revenue requirement impact by class of service. In addition, SoCalGas provides herein as Attachment A, the annual PPP Rate Revenues table comparing present and proposed rates associated with this Advice Letter.

**Table 1: Revenue Requirement Impact by Class of Service
(Includes FF&U)**

| Class of Service | Applicable Rate Schedules | Increase/ (decrease) \$000's |
|----------------------------------|--------------------------------------|-------------------------------------|
| Core | GR, GS, GM, GO-AC, G-NGVR, GL, G-10, | \$730 |
| | G-AC, G-EN, G-NGV | \$9 |
| Noncore | GT-NC, GT-TLS | \$61 |
| Backbone | | |
| Transportation | | \$0 |
| Service (BTS) and Other Services | | |
| Total | | \$800 |

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 must

be received within 20 days of the date of this Advice Letter, which is October 13, 2021. The address for mailing or delivering a protest to the Commission is given below.

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

A copy of the protest should also be sent via e-mail to the attention of the Energy Division Tariff Unit (EDTariffUnit@cpuc.ca.gov). Due to the COVID-19 pandemic and the shelter at home orders, SoCalGas is currently unable to receive protests or comments to this Advice Letter via U.S. mail or fax. Please submit protests or comments to this Advice Letter via e-mail to the address shown below on the same date it is mailed or e-mailed 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@socalgas.com
E-mail: Tariffs@socalgas.com

Effective Date

SoCalGas believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to General Order (GO) 96-B. SoCalGas respectfully requests that this submittal be approved on October 23, 2021, which is 30 calendar days after the date submitted.

Notice

A copy of this Advice Letter is being sent to SoCalGas' GO 96-B service list and the Commission's service list in R.20-08-022. Address change requests to the GO 96-B service list should be directed via e-mail to Tariffs@socalgas.com or call 213-244-2837. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or via e-mail at Process_Office@cpuc.ca.gov.

/s/ Joseph Mock
Joseph Mock
Director - Regulatory Affairs

Attachments



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

Company name/CPUC Utility No.:

Utility type:

ELC GAS WATER
 PLC HEAT

Contact Person:

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

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type: Monthly Quarterly Annual One-Time Other:

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

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

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

Confidential treatment requested? Yes No

If yes, specification of confidential information:

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

Resolution required? Yes No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

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

Tariff schedules affected:

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

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

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

Name:
Title:
Utility Name:
Address:
City:
State: 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. 5868

**Summary of SoCalGas' Public Purpose Program (PPP)
Surcharge Rates**

SUMMARY OF PPP SURCHARGE RATES
SOUTHERN CALIFORNIA GAS COMPANY
SCG PPPS Update Admin/Marketing Strategies for the CHEEF - R.20-08-022 - SoCalGas' Administration Budget

| Customer Class | CARE Customers | | | | Non-CARE Customers | | | |
|-----------------------|-----------------|-----------------|-------------------|-----------------|--------------------|-----------|--------------|----------|
| | 1/1/2021 | Proposed | \$/th Change | % Change | 1/1/2021 | Proposed | \$/th Change | % Change |
| (a) | \$/th (c) | \$/th (c) | \$/th (d) | % (e) | \$/th (g) | \$/th (g) | \$/th (h) | % (i) |
| Core | | | | | | | | |
| Residential | \$0.02278 | \$0.02292 | \$0.00013 | 0.6% | \$0.07037 | \$0.07051 | \$0.00013 | 0.2% |
| Commercial/Industrial | \$0.05953 | \$0.05995 | \$0.00042 | 0.7% | \$0.10712 | \$0.10754 | \$0.00042 | 0.4% |
| Gas Air Conditioning | \$0.19682 | \$0.19825 | \$0.00143 | 0.7% | \$0.24441 | \$0.24584 | \$0.00143 | 0.6% |
| Gas Engine | N/A | N/A | N/A | N/A | \$0.09923 | \$0.09959 | \$0.00036 | 0.4% |
| Natural Gas Vehicle | N/A | N/A | N/A | N/A | \$0.04759 | \$0.04759 | \$0.00000 | 0.0% |
| Noncore | | | | | | | | |
| Commercial/Industrial | N/A | N/A | N/A | N/A | \$0.05344 | \$0.05348 | \$0.00004 | 0.1% |
| | <u>1/1/2021</u> | <u>1/1/2021</u> | <u>Rev Change</u> | <u>% Change</u> | | | | |
| | \$000 | \$000 | \$000 | % | | | | |
| Total PPP Revenue | \$324,051 | \$324,851 | \$800 | 0.2% | | | | |

SUMMARY OF PPP SURCHARGE RATES
SOUTHERN CALIFORNIA GAS COMPANY
SCG PPPS Update Admin/Marketing Strategies for the CHEEF - R.20-08-022 - Funding for CHEEF Admin Costs

| Customer Class | CARE Customers | | | | Non-CARE Customers | | | |
|-----------------------|-----------------|-----------------|-------------------|-----------------|--------------------|-----------|--------------|----------|
| | 1/1/2021 | Proposed | \$/th Change | % Change | 1/1/2021 | Proposed | \$/th Change | % Change |
| (a) | \$/th (c) | \$/th (c) | \$/th (d) | % (e) | \$/th (g) | \$/th (g) | \$/th (h) | % (i) |
| Core | | | | | | | | |
| Residential | \$0.02278 | \$0.02302 | \$0.00024 | 1.0% | \$0.07037 | \$0.07061 | \$0.00024 | 0.3% |
| Commercial/Industrial | \$0.05953 | \$0.06026 | \$0.00073 | 1.2% | \$0.10712 | \$0.10786 | \$0.00073 | 0.7% |
| Gas Air Conditioning | \$0.19682 | \$0.19932 | \$0.00250 | 1.3% | \$0.24441 | \$0.24691 | \$0.00250 | 1.0% |
| Gas Engine | N/A | N/A | N/A | N/A | \$0.09923 | \$0.09986 | \$0.00062 | 0.6% |
| Natural Gas Vehicle | N/A | N/A | N/A | N/A | \$0.04759 | \$0.04759 | \$0.00000 | 0.0% |
| Noncore | | | | | | | | |
| Commercial/Industrial | N/A | N/A | N/A | N/A | \$0.05344 | \$0.05351 | \$0.00007 | 0.1% |
| | <u>1/1/2021</u> | <u>1/1/2021</u> | <u>Rev Change</u> | <u>% Change</u> | | | | |
| | \$000 | \$000 | \$000 | % | | | | |
| Total PPP Revenue | \$324,051 | \$325,450 | \$1,398 | 0.4% | | | | |