

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



Southern California Gas Company
GAS (Corp ID 904)
Status of Advice Letter 5929G
As of February 24, 2022

Subject: Information-Only Tier 1 Advice Letter to Inform Commission of Misused Energy Savings Assistance (ESA) Program Advance Payment Funds in Compliance with Resolution E-5074.

Division Assigned: Energy

Date Filed: 01-21-2022

Date to Calendar: 01-26-2022

Authorizing Documents: E-5074

Disposition:	Accepted
Effective Date:	01-21-2022

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Grisel Juarez Velazquez

213-244-2822

GJuarezVelazquez@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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

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January 21, 2022

Advice No. 5929
(U 904 G)

Subject: Information-Only Tier 1 Advice Letter to Inform Commission of Misused Energy Savings Assistance (ESA) Program Advance Payment Funds in Compliance with Resolution E-5074

Purpose

Pursuant to Resolution (Res.) E-5074, Southern California Gas Company (SoCalGas) submits this Tier 1 information-only Advice Letter (AL) in compliance with Ordering Paragraph (OP) 5, which directed the Investor-Owned Utilities (IOUs) to file an AL to inform the California Public Utilities Commission (Commission or CPUC) in the event of misused ESA Program Advance Payment Funds.¹

Background

On March 4, 2020, Governor Gavin Newsom (Governor) declared a State of Emergency in response to the outbreak of novel coronavirus, COVID-19.² On March 13, 2020, President Trump signed an Emergency Declaration to facilitate a federal response to the emerging COVID-19 pandemic.³ On March 19, 2020, to protect public health, Governor Newsom ordered all individuals living in the State of California to stay at home or at their place of residence to slow the spread of COVID-19. In order to comply with this order, the IOUs temporarily suspended all face-to-face ESA Program activities.

On March 23, 2020, Executive Director, Alice Stebbins of the CPUC sent a letter requesting all IOUs offer a 30-day advance payment to ESA Contractors to help maintain the economic stability of the ESA Program's workforce.

On April 7, 2020, Executive Director Stebbins sent a second letter to the IOUs clarifying guidance of the March 23, 2020 letter, and requesting all four large IOUs offer a second

¹ Res. E-5074 at 18.

² Available at <https://www.gov.ca.gov/2020/03/04/governor-newsom-declares-state-of-emergency-to-help-state-prepare-for-broader-spread-of-covid-19/>.

³ Available at <https://trumpwhitehouse.archives.gov/presidential-actions/proclamation-declaring-national-emergency-concerning-novel-coronavirus-disease-covid-19-outbreak/>

30-day advance payment (total of 60-days) to ESA Program Contractors to continue efforts to help maintain the economic stability of the ESA Program's workforce.

On April 24, 2020, the Commission issued Draft Res. E-5074 to affirm and clarify the March 23, 2020 and April 7, 2020 letters sent by Executive Director Stebbins and provided further direction in response to additional elements proposed by the ESA Contractors.⁴

On May 28, 2020, the Commission adopted Res. E-5074, which ordered (among other directives) that the IOUs provide 60-day advance payments to ESA Program Prime Contractors.⁵ Res. E-5074 ordered the establishment of a "Payback Period" for Prime Contractors who accepted advance payments commencing on the date that the ESA workforce returns to servicing households until no later than December 31, 2021.⁶ Res. E-5074 requires that all Prime Contractors who accept an advance payment shall zero out their balances no later than December 31, 2021.⁷ Res. E-5074 established a reporting mechanism if a Prime Contractor misuses their ESA advance payment funds.⁸ Res. E-5074 states:

If an Investor Owned Utility identifies that a Contractor appears to have misused their Energy Savings Assistance advance payment funds, the Investor Owned Utility shall provide the Contractor an opportunity to mitigate the misuse of funds, for example, by redirecting the funding to the proper categories. If the Contractor fails to properly mitigate the misuse of funds, the Investor-Owned Utility shall file a Tier 1 information only Advice Letter describing all aspects of their engagement with the Contractor on the issues, the Contractor's efforts to mitigate, and their planned recourse.⁹

Report on Misuse of Advance Payment Funds

SoCalGas issued \$14.4 million in advance payments to the company's ESA Program contractors in compliance with Res. E-5074. SoCalGas is on track to collect all of the advance payments that were not offset by Post Pandemic Return to Service (PPRS) credits, except for the advance payment paid to a single ESA contractor¹⁰ (the contractor). On October 10, 2019, the contractor was contracted to conduct door-to-door canvassing on behalf of SoCalGas' ESA Program to help enroll new customers. The contractor was an established contractor, having previously performed community outreach for various SoCalGas projects.

On April 17, 2020, an \$80,000 Advance Payment check was sent to the contractor. On June 5, 2020, an additional \$80,000 Advance Payment check was sent to the contractor. In total,

⁴ Draft Res. E-5074.

⁵ Res. E-5074 at 29.

⁶ *Id.* at 31.

⁷ *Id.*

⁸ *Id.* at 18.

⁹ *Id.*

¹⁰ The company was owned by a sole proprietor who alone ran the company.

the contractor received \$160,000 in advance payments. On August 26, 2020, the second \$80,000 Advance Payment check was cashed by the contractor. Additionally, on September 10, 2020, the first \$80,000 advance payment check was cashed. The contractor owes a total of \$160,000 in Advance Payments.¹¹

The owner of the business sadly passed away on January 11, 2021. SoCalGas has been in contact with the estate of the contractor and the estate's attempts to locate the advance payments received totaling \$160,000 have been unsuccessful.

A) Aspect of Engagement with the Contractor

In the months following the contractor's passing, several conversations took place between SoCalGas and two of the surviving relatives regarding their possible knowledge of the two Advance Payment deposits. However, at that point, no one had been named as an executor to the estate so neither of the surviving relatives could verify where the Advance Payment funds were deposited. In September 2021, SoCalGas became aware that the contractor's son had been named as the executor of the estate (estate).

On November 18, 2021, a reminder email was sent to the estate of the timelines associated with repayment of the advance payment. The estate was notified that December 3, 2021, was the last day to invoice outstanding work that will count against or offset the advance payments balance. In addition, the estate was notified that they must overnight mail the outstanding advance payments balance to SoCalGas, to be received no later than December 17, 2021.

B) The Contractor's Efforts to Mitigate

The estate worked with SoCalGas by providing the Letters of Administration proving that the contractor's son was named the executor of the estate. This notification was sent to SoCalGas on September 22, 2021. The contractor's son also reported that he was unable to find where his father deposited the two Advance Payment checks totaling \$160,000. SoCalGas provided the contractor's son with dates when the checks were cashed, but the contractor's son still reported that he was not able to locate the funds.

C) SoCalGas's Planned Recourse

SoCalGas plans to continue communications with the estate and provide authorization and training to process the approximately \$80,000 of invoices the contractor has earned during normal work activities, that remain to be submitted. SoCalGas also plans to provide instructions to the estate on reducing the balance by administering approximately \$5,000 earned in PPRS credits. This would bring the \$160,000 balance down to approximately \$75,000 owed, without requesting any form of repayment from the estate.

¹¹ By the end of 2020 the contractor had performed approximately \$80,000 in work to reduce the balance and performed work eligible for approximately \$5,000 worth of PPRS credits. However, the contractor had not submitted invoices to SoCalGas to reduce the Advance Payment balance.

Protests

This is an information-only AL submittal. Pursuant to General Order (GO) 96-B Section 6.2, SoCalGas is not seeking relief through this AL, and thus, this AL is not subject to protest.

Effective Date

Pursuant to OP 5 of Res. E-5074, SoCalGas requests that this Tier 1 information-only AL become effective upon the date of submittal, which is January 21, 2022.

Notice

A copy of this AL is being sent to SoCalGas' GO 96-B service list. 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.

/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: