

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



**Southern California Gas Company**  
**GAS (Corp ID 904)**  
**Status of Advice Letter 6008G**  
**As of August 11, 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: 07-15-2022

Date to Calendar: 07-20-2022

Authorizing Documents: E-5074

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>07-15-2022</b>

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

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**PUBLIC UTILITIES COMMISSION**  
505 Van Ness Avenue  
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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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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](mailto:edtariffunit@cpuc.ca.gov)**



**Joseph Mock**  
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July 15, 2022

Advice No. 6008  
(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.<sup>1</sup>

### **Background**

On March 4, 2020, Governor Gavin Newsom (Governor) declared a State of Emergency in response to the outbreak of novel coronavirus, COVID-19.<sup>2</sup> On March 13, 2020, President Trump signed an Emergency Declaration to facilitate a federal response to the emerging COVID-19 pandemic.<sup>3</sup> 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 Program 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

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<sup>1</sup> Res. E-5074 at 18.

<sup>2</sup> 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/>.

<sup>3</sup> 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 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 Program Contractors.<sup>4</sup>

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 Contractors.<sup>5</sup> Res. E-5074 ordered the establishment of a “Payback Period” for ESA Program Contractors who accepted advance payments commencing on the date that the ESA Program workforce returns to servicing households until no later than December 31, 2021.<sup>6</sup> Res. E-5074 requires that all Contractors who accept an advance payment shall zero out their balances no later than December 31, 2021.<sup>7</sup> Res. E-5074 established a reporting mechanism if a Prime Contractor misuses their ESA Program advance payment funds.<sup>8</sup> 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.<sup>9</sup>

### **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 collected all 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 Program contractor (Contractor).<sup>10</sup> 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,

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<sup>4</sup> Draft Res. E-5074.

<sup>5</sup> Res. E-5074 at 29.

<sup>6</sup> *Id.* at 31.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* at 18.

<sup>9</sup> *Id.*

<sup>10</sup> The company was owned by a sole proprietor who alone ran the company.

the contractor received \$160,000 in advance payments.<sup>11</sup> The Contractor accepted both advance payments. On August 26, 2020, the contractor cashed the second \$80,000 Advance Payment check. Additionally, on September 10, 2020, the contractor cashed the first \$80,000 advance payment check. Therefore, the contractor owed a total of \$160,000 in Advance Payments to SoCalGas.

The owner of the business unexpectedly 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, multiple 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 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. SoCalGas notified the estate 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. The estate was notified that the final date to repay the Advance Payment was December 31, 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 (hereinafter referred to as Executor) also reported that he was unable to find where the deceased deposited the two Advance Payment checks totaling \$160,000. SoCalGas provided Executor with dates when the checks were cashed, but the Executor still reported that he was not able to locate the funds.

After the Advance Payment repayment was not received by December 31, 2021, SoCalGas made multiple attempts to contact the Executor. The Executor eventually responded to

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<sup>11</sup> Advance payments were sent in compliance with CPUC Executive Director Alice Stebbins first and second letters from March 23, 2020 and April 7, 2020, to the IOUs. The first letter was to offer a 30-day advance payment to ESA Program Contractors to help maintain the economic stability of the ESA Program's workforce. The second letter was for clarifying guidance of the March 23, 2020 letter, and requesting the four large IOUs offer a second 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 workforce.

SoCalGas via email on April 13, 2022. The Executor indicated that the estate was not in a position to payback the Advance Payment (nor process any invoices for work the contracting company had performed).

### **C) SoCalGas's Planned Recourse**

SoCalGas has an over-collected balance in the Direct Assistance Program Balancing Account (DAPBA). This overcollection will be used to cover the \$160,000 uncollectible cost.<sup>12</sup>

#### **Protest**

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 July 15, 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](mailto:Tariffs@socalgas.com) or call 213-244-2837.

*/s/ Joseph Mock*  
Joseph Mock  
Director – Regulatory Affairs

Attachments

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<sup>12</sup> The COVID-19 Pandemic Protections Memorandum Account (CPPMA) will not be used to cover the costs of this Advance Payment because per Res. E-5074 (pp. 12-13), the CPPMA was only to be used if the DAPBA did not have sufficient funding. However, the DAPBA does have sufficient funding to cover this Advance Payment amount.



# 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)

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