CFC DATA REQUEST
CFC-Sempra-2019 #6
SOCALGAS 2019 GRC – A.17-10-008
SDG&E 2019 GRC – A.17-10-007
DATE RECEIVED: FEBRUARY 14, 2018
DATE RESPONDED: MARCH 1, 2018

1. Figure 8 of SDG&E-02 Appendix 'C' is a graphic depiction of SoCalGas's Risk Evaluation Framework as a summary table; Figure 8 of SDG&E-02 Appendix 'D' is a graphic depiction of SDG&E's Risk Evaluation Framework as a summary table: Table DW-2, shows calculated "Fuel of the Future" (FOF) costs and benefits. In each instance, the presentations contain show company Risk Evaluation Framework matrices. In each instance the term "critical customer" is used.

    a. Please define "critical customer," per the term's use in the Figures 8.

SDG&E and SoCalGas Response 01:

While there is no documented lexicon for specific terminology used in SoCalGas's and SDG&E's Risk Evaluation Framework (i.e., 7x7 matrix), the term "critical customer" is intended to mean customers that are considered essential (i.e. Government and other agencies providing essential fire, police and prison services; Government agencies essential to the national defense; Hospital and skilled nursing facilities; Communication and navigation services as they may relate to public health, welfare and security; etc.) as well as customers that would have a high priority for restoration or protection (i.e. trauma centers, airports, etc.). Because multiple business units use the 7x7 matrix, in this context "critical customer" is a general term and is not related to or synonums with a particular customer.

Please note that SDG&E and SoCalGas submitted a lexicon in Appendix I of the Direct Testimony of Jorge DaSilva, submitted on May 1, 2015 in A.15-05-002 (consolidated). Subsequently, the Commission adopted a risk-related lexicon in D.16-08-018. However, neither lexicon includes a definition of "critical customer."

2. SCG-04, page GOM-60, discusses service disconnections, and states that "SoCalGas anticipates addressing approximately 364 service disconnections in 2018 and 709 in TY 2019."

a. Please provide a table showing the actual disconnections for each year, from 2011 through 2016.

Utilities Response 2:
SoCalGas Gas Distribution does not track the data to the level of detail requested, and it is therefore not available. Gas Distribution crews do not currently work a large volume of orders to cut and cap the gas service line at the service to main connection. This is considered a miscellaneous activity and is recorded under the Service Maintenance cost category with various other activities. The forecasted volume of service disconnections referenced in Question 2 above is significant incremental activity in support of Customer Service MSA Inspection Program to address chronically inaccessible meters. Please refer to the testimony of Ms. Gwen Marelli (Ex. SCG-18-R) page GRM-26 for further details.

3. SDG&E-17, page GRM-11, footnote #3, says as follows:
   "Vulnerable customers include Medical Baseline, Life Support, and customers who self-certify that they have a serious illness or condition that could become life threatening if service is disconnected."
   a. Please explain whether the types of customers described as vulnerable in the quote is an exhaustive list of those who Sempra considers as "vulnerable customers."

Utilities Response 3:

As indicated in SDG&E's Tariffs, Rule 11, Section A.3, vulnerable customers include elderly (age 62 and over), handicapped, and special needs profiled residential customers, including Medical Baseline, Life Support, and customers who self-certify that they have a serious illness. Certification from a licensed physician, public health nurse, or a social worker may be required by the Utility for handicapped customers.

4. SDG&E-17, page GRM-37, Appendix C, tabluates historical Orders, including for collections and shut-offs. Appendix C shows an expectation for decreasing credit shut-offs, between 2016 and 2019.
   a. Why does SDG&E anticipate a decreasing number of credit shut-offs over the GRC term? Please explain.

Utilities Response 4:

The TY 2019 estimated order volume forecast was based on a three-year average (2014 – 2016) number of orders-per-active-meter. The TY 2019 forecasted order volume of 1,420 orders is the product of the three-year average number of orders-per-active-meter and the number of forecasted active meters in TY 2019. The order volume for credit shut-offs were lower in 2015, so this would have effected and lowered the order volume forecast for TY 2019 as compared to 2016.

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5. SCG-41, page AMS-4, describes why SCG proposes terminating the Service Establishment Charge (SEC):

"In addition, the charge may have a detrimental impact on the more economically vulnerable segment of our society. The population of SoCalGas' service territory has a large low-income population, with 1.5 million customers utilizing CARE subsidies. The SEC fee has a larger impact for a low-income customer even with a CARE subsidy. Low-income customers intentionally use less gas in order to keep their bills low. Despite this effort, the upfront SEC fee can almost double a low-income customer's monthly bill and immediately put these customers behind in payments. This, in turn, can lead to more call center inquiries, complaints, and ultimately more collection activity for the Company."

a. Please show the average bills for both CARE and non-CARE SCG customers, for each year, from 2011 through 2016.

b. What annual savings does SCG anticipate from reduced call center inquiries, complaints, and collection activities, as the result of discontinuing SEC? Please explain.

Utilities Response 5:

5a.

SoCalGas objects to this request pursuant to Rule 10.1 of the Commission's Rules of Practice and Procedure to the extent it seeks information that is neither relevant to the subject matter involved in this proceeding nor is reasonably calculated to lead to the discovery of admissible evidence. SoCalGas further objects to this request on the grounds that it is overbroad and unfairly burdensome. Subject to and without waiving these objections, SoCalGas responds as follows: The table below shows the average bill for both CARE and Non-CARE customers for the years 2014-2016. Data prior to 2014 is contained within the legacy systems and would require significant time and effort to collect and analyze. From a historical perspective, the below data shows that CARE customers consistently have lower bills than non-CARE customers by about $14 a month.

Avg Gas Bill			
	2016	**2015**	**2014**
CARE	$ 24.02	$ 22.57	$ 24.54
Non-CARE	$ 38.54	$ 36.28	$ 39.69

Utilities Response 5 Continued:

5b.

SoCalGas does not track all call center inquiries and complaints specifically related to SEC, however, it is estimated that if the SEC is terminated, that it would result in an approximate 9 second reduction in call handle time spent on Turn on Order calls. That equates to about 2.3 fewer FTEs, which is approximately $168,000 in lower labor costs in constant 2016 dollars.

As with the call center, collection activities are not tracked specific to SEC, however, it is estimated that over the past 5 years, SoCalGas has written off between $200,000 and $330,000 per year, attributable to the SEC. The company expects that it would take 1-2 years for the SEC write offs to stop after discontinuing the SEC, due to the timing lag of closing an account and writing off the bad debt.

6. In SCG-41, the Reconnection Charge table on page AMS-4 shows 2016 Recorded and 2019 Test Year figures.

3. Reconnection Charge ($000's)

2016 Recorded	2019 Test Year	Net Change
1,797	1,513	(284)

a. What total Reconnection Charge revenues were forecast for 2016 in the SoCalGas 2016 Revenue Requirements application?

Utilities Response 6:

$1,498 (in thousands) was the TY 2016 forecast based upon the five-year historical average (2009-2013).

7. The Miscellaneous Revenues table on page 1 of SCG-41-WP shows actual Reconnection Charge revenues for 2012 through 2016, and forecasts for 2017 through 2019:

SOUTHERN CALIFORNIA GAS COMPANY
MISCELLANEOUS REVENUES
SUMMARY
Thousand of Dollars ($)

Testimony Item #	Activities	FORECAST METHODOLOGY					
		2012	2013	2014	2015	2016	AVG*
	Miscellaneous Service Revenues						
1	Service Establishment Charges (SEC)	24,049	23,335	21,851	21,416	21,574	22,445
2	AMI Opt Out Fee	0	0	0	0	0	0
3	Reconnection Charge	1,298	1,396	1,250	1,493	1,797	1,513
4	Residential Parts Program	1,932	1,948	2,063	2,416	2,539	2,339
5	Commercial Parts Program	2,804	2,840	2,988	3,431	3,535	3,318
6	Connect Appliance Program	99	79	76	78	87	81
7	Natural Gas Vehicle Maintenance	87	91	84	101	131	99
8	Pipeline Services	13	80	76	51	78	60
9	Late Payment Charges (Non-Residential)	460	479	584	572	510	521
10	Other Customer Service Revenues	54	48	41	59	87	58

a. Please show the actual Reconnection Charges recorded for 2009 through 2011.

b. The figure for 2014 (1,250) appears to be a relative minimum; the figure for 2016 (1,797) appears to be a relative maximum.

c. What factors caused the 2014 Reconnection Charges to be so much less than the stated five year average (1,513)?

d. What factors caused the 2016 actual figure to be significantly higher than the previous two years?

Utilities Response 7:

7a.

SoCalGas objects to this request pursuant to Rule 10.1 of the Commission's Rules of Practice and Procedure to the extent it seeks information that is neither relevant to the subject matter involved in this proceeding nor is reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving these objections, SoCalGas responds as follows: The Reconnection Charges recorded for 2009 through 2011 were:

2009	**$1,707**
2010	**$1,699**
2011	**$1,392**

Utilities Response 7 Continued:

7b.

SoCalGas objects to this request on the grounds that it is vague and ambiguous. SoCalGas further objects to this request on the grounds that it lacks foundation. It appears to be an observation of the data and does not include a question.

7c.

The number of reconnections is dependent on the number of disconnections. The number of collect or close orders (disconnections) assigned is dependent on field personnel availability, route efficiency, and the number of eligible accounts. The lowest number of disconnections took place in 2014 and was highest in 2016 for the 5-year period (2012–2016). See also response to 7d.

7d.

Please see response to Question 7c. In addition, in an effort to increase the number of collect or close orders worked, more Field Collectors were hired during 2016, and as a result, both disconnections and reconnections increased in 2016 over prior years.

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8. The Miscellaneous Revenues table on page 1 of SCG-41-WP (excerpt below) shows actual Reconnection Charge revenues for 2012 through 2016, and forecasts for 2017 through 2019:

SOUTHERN CALIFORNIA GAS COMPANY
MISCELLANEOUS REVENUES
SUMMARY
Thousand of Dollars ($)

Testimony Item #	Activities	FORECAST METHODOLOGY					
		2012	2013	2014	2015	2016	AVG*
	Miscellaneous Service Revenues						
1	Service Establishment Charges (SEC)	24,049	23,335	21,851	21,416	21,574	22,445
2	AMI Opt Out Fee	0	0	0	0	0	0
3	Reconnection Charge	1,298	1,396	1,250	1,493	1,797	1,513
4	Residential Parts Program	1,932	1,948	2,063	2,416	2,539	2,339
5	Commercial Parts Program	2,804	2,840	2,988	3,431	3,535	3,318
6	Connect Appliance Program	99	79	76	78	87	81
7	Natural Gas Vehicle Maintenance	87	91	84	101	131	99
8	Pipeline Services	13	80	76	51	78	60
9	Late Payment Charges (Non-Residential)	460	479	584	572	510	521
10	Other Customer Service Revenues	54	48	41	59	87	58

a. Please show the actual Reconnection Charges recorded for 2009 through 2011.

b. The figure for 2014 (1,250) appears to be a relative minimum; the figure for 2016 (1,797) appears to be a relative maximum.

c. What factors caused the 2014 Reconnection Charges to be so much less than the stated five year average (1,513)?

d. What factors caused the 2016 actual figure to be significantly higher than the previous two years?

Utilities Response 8:

SoCalGas objects to this request on the grounds that it is duplicative, overbroad and unfairly burdensome. Since it appears to be duplicative to Question 7, SoCalGas also objects to this request on the grounds that it is vague and ambiguous. Subject to and without waiving these objections, SoCalGas responds as follows: This question appears to be an exact duplicate of Question 7. Please refer to the objections and responses provided to Question 7.

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9. In the Miscellaneous Revenues table on page 1 of SCG-41-WP (excerpt below), Line 18 has entries for "Line Item Billing Non-Tariff Third Party Rev."

SOUTHERN CALIFORNIA GAS COMPANY
MISCELLANEOUS REVENUES
SUMMARY
Thousand of Dollars ($)

Testimony Item #	Activities	FORECAST METHODOLOGY					
		2012	2013	2014	2015	2016	AVG*
	Administrative Fee For PDR PECO Oil & Gas LLC, et al.	15	15	15	15	15	15
14	Storage Engineering Emision Credits	767	1,023	1,023	1,023	1,023	1,023
15	Returned Check Charge	492	463	450	494	557	500
16	Income Tax Component of Contributions-in-Aid-of-Construc	4,387	3,211	3,390	3,624	3,871	3,697
17	Training Activity	146	166	223	260	270	213
18	Line Item Billing	66	84	110	127	145	107
		75	63	58	56	59	62
19	Federal Energy Retrofit Program (FERP)	635	1,118	2,373	4,267	5,083	2,695
20	Miscellaneous Other Gas Revenues	860	753	530	726	366	647

a. Please explain the nature of this account.

b. Why does SCG expect the $5 million in revenue recorded for 2016 to diminish to $739 thousand by 2019? Please explain.

Utilities Response 9:

9a.

SoCalGas objects to this request on the grounds that it is unfairly burdensome as this information is equally available to CFC in Exhibit SCG-41-R. Subject to and without waiving these objections, SoCalGas responds as follows: As described in the revised direct testimony of Annette Steffen Exhibit SCG-41-R, Line Item Billing Service provides billing services to qualified third party vendors that provide energy-related and home safety-related products and/or services to residential and small commercial industrial customers within SoCalGas' service territory.

9b.

The TY 2019 revenue estimate is based on the expiration in February 2019 of the line item billing service contract with the current third-party vendor and accordingly only represents two months' of revenue from that vendor. There is no certainty and there have been no discussions with the vendor regarding renewal of the contract.