

EXHIBIT 1



Public Advocates Office
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August 14, 2019

Michael Picker
President of the California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

RE: Motion to Compel Further Responses from Southern California Gas Company to
Data Request - CalAdvocates-SC-SCG-2019-04; Proposed Order

Dear President Picker,

I. INTRODUCTION

Pursuant to Public Utilities (Pub. Util.) Code §§309.5(e)¹ and 314² and Rule 11.3³ of the California Public Utilities Commission's (Commission's) Rules of Practice and Procedure (Rules), the Public Advocates Office of the California Public Utilities

¹ Pub. Util. Code § 309.5(e) states: "The office may compel the production or disclosure of any information it deems necessary to perform its duties from any entity regulated by the commission, provided that any objections to any request for information shall be decided in writing by the assigned commissioner or by the president of the commission, if there is no assigned commissioner."

² Pub. Util. Code §314 states:

(a) The commission, each commissioner, and each officer and person employed by the commission may, at any time, inspect the accounts, books, papers, and documents of any public utility. The commission, each commissioner, and any officer of the commission or any employee authorized to administer oaths may examine under oath any officer, agent, or employee of a public utility in relation to its business and affairs. Any person, other than a commissioner or an officer of the commission, demanding to make any inspection shall produce, under the hand and seal of the commission, authorization to make the inspection. A written record of the testimony or statement so given under oath shall be made and filed with the commission.

(b) Subdivision (a) also applies to inspections of the accounts, books, papers, and documents of any business that is a subsidiary or affiliate of, or a corporation that holds a controlling interest in, an electrical, gas, or telephone corporation, or a water corporation that has 2,000 or more service connections, with respect to any transaction between the water, electrical, gas, or telephone corporation and the subsidiary, affiliate, or holding corporation on any matter that might adversely affect the interests of the ratepayers of the water, electrical, gas, or telephone corporation.

³ Rule 11.3(a) states: "A motion to compel or limit discovery is not eligible for resolution unless the parties to the dispute have previously met and conferred in a good faith effort to informally resolve the dispute. The motion shall state facts showing a good faith attempt at an informal resolution of the discovery dispute presented by the motion, and shall attach a proposed ruling that clearly indicates the relief requested."

Commission (Public Advocates Office) hereby submits this *Motion to Compel Further Responses from Southern California Gas Company [SoCalGas] to Data Request - CalAdvocates-SC-SCG-2019-04* (DR SC-SCG-2019-04).⁴ SoCalGas responded to DR SC-SCG-2019-04 on August 2, 2019 but provided documents in response to Items 1 and 5 of this data request with redacted information and failed to provide any explanations, declarations, or privilege logs explaining why this information cannot be disclosed to the Public Advocates Office in an unredacted format. Pursuant to General Order 66-D and Pub. Util. Code § 583, Commission staff, which includes staff of the Public Advocates Office, may receive information designated as confidential by utilities and has a duty to maintain the confidentiality of documents designated by utilities as confidential. Therefore, absent a valid assertion of privilege, SoCalGas must be compelled to provide the documents without any redactions and must designate any confidentiality claims in a signed declaration pursuant to D.16-08-024.⁵

Pursuant to Rule 11.3(a), the Public Advocates Office in good faith, met and conferred telephonically with SoCalGas on August 12, 2019, to resolve this matter informally. During the meet and confer conference call, the Public Advocates Office requested that SoCalGas provide the documents unredacted within 24 hours. SoCalGas stated that the documents were redacted because SoCalGas did not find the responses relevant to the Public Advocates Office's inquiry, contained confidential employee names, and/or contained privileged information pursuant to the Attorney-Client Privilege. SoCalGas was given 24 hours to produce the documents unredacted, and to provide a confidentiality declaration pursuant to D.16-08-024 and a privilege log to support its Attorney-Client Privilege information. However, SoCalGas failed to comply with the Public Advocates Office's request for unredacted documents with the 24-hour time frame and has not provided the unredacted documents as of the time of service of this motion.

SoCalGas' redaction of documents provided to the Public Advocates Office which SoCalGas itself determined were responsive to the Public Advocates Office's DR SC-SCG-2019-04 is unfounded and impermissible. Pursuant to Section 309.5(e), the Public Advocates Office "may compel the production or disclosure of any information it deems necessary to perform its duties from any entity regulated by the commission..." Pursuant to Section 314 the Public Advocates Office may inspect the "accounts, books, papers and

⁴ Public Advocates Office's DR SC-SCG-2019-04 is provided as Attachment 1 to this motion; SoCalGas' response to DR SC-SCG-2019-04 is provided as Attachment 2 to this motion.

⁵ See D.16-08-024 at p. 31, Ordering Paragraph 1(a) – "When submitting documents to the Commission or staff of the Commission (including the Office of Ratepayer Advocates) outside of a formal proceeding, any documents for which the submitting party seeks confidential treatment must be marked as confidential, the basis for confidential treatment must be specified, and the request for confidentiality must be accompanied by a declaration signed by an officer of the requesting entity or by an employee or agent designated by an officer. The officer delegating signing authority to an employee or agent must be identified in the declaration."

documents of any public utility” as well as “any business that is a subsidiary or affiliate of, or a corporation that holds a controlling interest in” any public utility ...” Whether SoCalGas’ unilaterally deems the request relevant to some proceeding or issue it identifies is not controlling. Indeed, in Decision (D.) 01-08-062, the Commission affirmed that the Public Advocates Offices’ right to discovery makes no reference to the need for a proceeding to exist, but is intended to provide access to undertake audits or investigations, obtain information, and ask questions at any time and for any purpose related to their scope of work on behalf of the Commission and the people of the State of California.⁶

The Public Advocates Office is currently investigating SoCalGas’ use of ratepayer money to fund and support Californians for Balanced Energy Solutions (C4BES) and the use of ratepayer money for any of C4BES’ political lobbying.⁷ The Public Advocates Office requires this information in order to perform its duties and SoCalGas must be compelled to comply with the law. Therefore, the Public Advocates Office, by this motion, moves the Commission to compel SoCalGas to provide documents unredacted within 24 hours of the ruling on this motion.

Pursuant to Pub. Util. Code § 3095(e), objections to the production or disclosure or any information the Public Advocates Office deems necessary to perform its duties must be decided in writing by the assigned commissioner or by the President of the Commission. DR SC-SCG-2019-04 was not issued pursuant to any open Commission proceeding. Therefore, there is no assigned Commissioner. As a result, SoCalGas’ objections must be decided by the Commission’s President. Therefore, the Public Advocates Office respectfully requests an expeditious ruling on this motion to compel as this is an urgent matter.

II. BACKGROUND

On May 13, 2019, C4BES filed a Motion for Party Status in R.19-01-011 in which C4BES represents that it is “a coalition of natural and renewable natural gas users.”⁸

⁶ See D.01-08-062, *Order Granting ORA’s Petition for Modification of D.01-02-041*, at pp. 7-8 (August, 23, 2001) – “(§ 309.5 (a)), its [Public Advocates Office’s] authority to seek out “any information it deems necessary to perform its duties” is not limited to the existence or timing of a “proceeding”.

⁷ In Rulemaking (R.) 19-01-011 Sierra Club alleged that SoCalGas found and funded C4BES. This led to an investigation by the Public Advocates Office into the veracity of Sierra Club’s allegation and whether ratepayer funding was used to found and fund C4BES, which is still underway. See *Sierra Club’s Motion to Deny Party Status to Californians For Balanced Energy Solutions or, in the Alternative, to Grant Motion to Compel Discovery* (May 14, 2019). See also *Public Advocates Office’s Response to Sierra Club’s Motion to Deny Party Status to Californians For Balanced Energy Solutions or, in the Alternative, to Grant Motion to Compel Discovery* filed (May 29, 2019).

⁸ See *C4BES Motion for Party Status in R.19-01-011* filed (May 13, 2019).

However, C4BES did not state that it has any affiliation or relationship with SoCalGas in its *Motion for Party Status*. On May 14, 2019, Sierra Club filed *Motion to Deny Party Status to Californians For Balanced Energy Solutions or, in the Alternative, to Grant Motion to Compel Discovery* in which it alleges that SoCalGas founded and funded C4BES.² On May 29, 2019, responses to Sierra Club's motion to deny party status to C4BES were filed separately by the Public Advocates Office, C4BES, and SoCalGas. In its response to Sierra Club's motion to Deny C4BES' motion for party status, the Public Advocates Office stated that it would be investigating the allegations raised by Sierra Club.¹⁰

On May 23, 2019 the Public Advocates Office issued a data request CALPA_SCG_051719 to SoCalGas regarding its involvement with C4BES. SoCalGas' response to the Public Advocates Office's data request, provides evidence that SoCalGas has been using ratepayer money to start and fund C4BES.¹¹ The Public Advocates Office continued to issue data requests to further investigate this matter.

On June 10, 2019, Sierra Club filed a *Reply to Responses to Motion to Deny Party Status to Californians For Balanced Energy Solutions or, in the Alternative, to Grant Motion to Compel Discovery*. On June 19, 2019, SoCalGas filed a *Motion to Strike Sierra Club's Reply to Responses to Motion to Deny Party Status to Californians For Balanced Energy Solutions or, in the Alternative to Grant Motion to Compel Discovery* (SoCalGas' Motion to Strike) claiming that "Sierra Club's Reply is predicated on a series of suppositions and speculation that, at best, are the result of a wild imagination and, at worst, are intentional fabrications and misstatements."¹² On July 5, 2019, the Public Advocates Office filed a response to SoCalGas' Motion to Strike asserting that SoCalGas' response to the Public Advocates Office's data request provides evidence that SoCalGas has used ratepayer money to found and fund C4BES.¹³

² See R.19-01-011 - Sierra Club's *Motion to Deny Party Status to Californians For Balanced Energy Solutions or, in the Alternative, to Grant Motion to Compel Discovery* filed (May 14, 2019).

¹⁰ See R.19-01-011 - *Response of the Public Advocates Office to Sierra Club's Motion to Deny Party Status to Californians For Balanced Energy Solutions or, in the Alternative, to Grant Motion to Compel Discovery* (May 29, 2019) at p. 2.

¹¹ See R.19-01-011 - *Response of the Public Advocates Office's to Southern California Gas Company's Motion to Strike Sierra Club's Reply to Responses to Motion to Deny Party Status to Californians For Balanced Energy Solutions or, in the Alternative to Grant Motion to Compel Discovery*, (July 5, 2019) at p. 2.

¹² SoCalGas' Motion to Strike at p. 1.

¹³ See R.19-01-011 - *Response of the Public Advocates Office's to Southern California Gas Company's Motion to Strike Sierra Club's Reply to Responses to Motion to Deny Party Status to Californians For Balanced Energy Solutions or, in the Alternative to Grant Motion to Compel Discovery*, (July 5, 2019) at p. 2.

On July 19, 2019, the Public Advocates Office issued CalAdvocates-SC-SCG-2019-04 to SoCalGas (DR SC-SCG-2019-04). SoCalGas provided a response on August 2, 2019 which contained redacted documents in response to Items 1 and 5 of DR SC-SCG-2019-04. The Public Advocates Office met and conferred telephonically with representatives from SoCalGas on August 12, 2019 at 9:30 am. During the meet and confer conference call, the Public Advocates Office informed SoCalGas that it failed to provide a confidentiality declaration, assertion of privilege, or privilege log to support the redactions it made the documents provided in response to Items 1 and 5 of DR SC-SCG-2019-04.

Item 1 of DR SC-SCG-2019-04 asks:

For the period covering January 1, 2017 to present, provide all internal control documents for each of the accounts referenced in response to Data Request (No. CalAdvocates-SC-SCG-2019-03).

a. Please provide the documents in reverse chronological order, starting from the present, so that the currently controlling document is first, followed by the internal control document that preceded it, and so on, until reaching the document in effect as of January 1, 2017. Clearly provide date that each of these documents was put into effect.

b. Please indicate portions of the internal control documents (and accounting instructions) that were changed associated with how to record costs from invoices related to Standard Services Agreement No. 5660052135 (between SoCalGas and Marathon Communication) following the Amendment No. 1 to Standard Services Agreement No. 5660052135.

c. Please include any sign off sheets associated with the internal control documents.

d. If no personnel are identified as approving the internal control documents, please indicate that is the case.

Item 5 of DR SC-SCG-2019-04 asks:

Provide complete documentation of instructions that resulted in the journal entry for C4BES, executed 6/14/19, and referenced in Data Request (No. CalAdvocates-SC-SCG-2019-03).

SoCalGas alleged that the redactions were made because it does not believe the redacted information is relevant to the Public Advocates Office's data request, the documents contain shareholder funding information, and the documents contain employee names and privileged information pursuant to the Attorney-Client Privilege. The Public Advocates Office informed SoCalGas that it did not provide any accompanying declaration asserting these claims, nor are these claims other than the attorney-client privilege potentially valid reasons to redact information it provided to the Public Advocates Office. The Public Advocates Office requested that SoCalGas provide unredacted documents and a privilege log within 24 hours. SoCalGas stated that it may not comply due to one of its employees calling in sick, and would let the Public Advocates Office know when it would provide the documents requested.

On August 13, 2019, the Public Advocates Office received an email from Avisha Patel, counsel for SoCalGas.¹⁴ It does little to satisfy the substance of our request, offering to identify the employees and vendors by name and, belatedly, to produce a confidentiality declaration and privilege log for redacted items in SoCalGas' response to DR SC-SCG-2019-04. However, the substance of our request was still declined based on SoCalGas' contention that the Public Advocates Office has failed to demonstrate relevance, or on the basis of continuing claims of confidentiality that have not been demonstrated to exist. On August 14, 2019, Kerriann Sheppard, Counsel for the Public Advocates Office replied to SoCalGas' email.¹⁵

As noted above and set forth more fully below, SoCalGas' continuing refusal to provide full and complete answers with unredacted documents is without legal basis, contrary to Commission policy, and warrants an immediate order directing production.

III. DISCUSSION

A. SoCalGas' Withholding of Evidence Based on Relevance is Meritless.

During the meet and confer conference call on August 12, 2019, SoCalGas alleged that it redacted information it deemed not relevant to the Public Advocates Office's DR SC-SCG-2019-04. Pursuant to Pub. Util. Code § 309.5(e), the Public Advocates Office "may compel the production or disclosure of any information it deems necessary to perform its duties from any entity regulated by the commission..." As previously stated, the Public Advocates Office is investigating SoCalGas' funding of C4BES and C4BES' political lobbying activities. Therefore, the information requested in DR SC-SCG-2019-04 is necessary for the Public Advocates Office to perform its duty in investigating this matter,

¹⁴ SoCalGas' April 14, 2019 email is provided as Attachment 3.

¹⁵ The Public Advocates Office's April 14, 2019 email is provided as Attachment 4.

including, among other things, whether and to what extent ratepayer money was used to found and support C4BES. SoCalGas has no authority to withhold pertinent information and indeed, could cite to no authority permitting it to withhold information that the Public Advocates Office deems necessary to perform its duties.

B. SoCalGas' Redaction of Employee Names and Shareholder Funding are Meritless.

During the meet and confer conference call on August 12, 2019, SoCalGas alleged that it redacted information containing employee names and shareholder funding in response to the Public Advocates Office's DR SC-SCG-2019-04. SoCalGas cited to no law or authority supporting such redactions. There is no authority which would prohibit disclosure of this information from the Public Advocates Office. Pursuant to Pub. Util. Code § 314(a), "[t]he commission, each commissioner, and each officer and person employed by the commission may, at any time, inspect the accounts, books, papers, and documents of any public utility." This statutory right to inspect the documents of any public utility includes account records which reveal shareholder funding as well as the names of employees involved. Since the Public Advocates Office investigation in part concerns the use of ratepayer money to found and fund C4BES, there is no legitimate reason for SoCalGas to withhold names of its employees involved nor withhold shareholder funding information (which could negate the claim that it was ratepayer money being used to fund C4BES) from the Public Advocates Office. If SoCalGas believes that this information is confidential, it should have included a confidential designation and declaration with its response to DR SC-SCG-2019-04. However, SoCalGas neglected to do so. Moreover, this information is not privileged and thus there is no basis for SoCalGas' failure to provide unredacted versions to the Public Advocates Office. Therefore, SoCalGas must be compelled to provide unredacted versions of the documents showing its employee names and shareholder funding. This information may be provided with the appropriate confidential designation and confidential declaration as required by D.16-08-024.¹⁶

C. The Authorities Cited in SoCalGas' Email are not Applicable.

In its August 13, 2019 email, SoCalGas cited to several authorities claiming that the authorities cited support their refusal to provide the responsive documents in an unredacted format. However, the authorities cited by SoCalGas are not applicable to the matter at hand and in no way support withholding the information from the Public Advocates Office.

¹⁶ D.16-08-024 at p. 31.

In its August 13, 2019 email, SoCalGas cited to D.11-01-036 claiming that this email supports its refusal to make its contractor agreements public. However, D.11-01-036 does not support SoCalGas' claim as it was specific to PG&E: "This motion states, in part, that confidential information was provided to DRA and TURN, subject to Pub. Util. Code § 5833 and General Order 66-C and subject to a stipulated protective order and non-disclosure agreement with TURN. **Exhibits PGE-1C and PGE-2C include confidential prices and contract terms specifically negotiated with a program vendor, and protected by a confidentiality agreement in PG&E's contracts with its vendors.** PG&E represents that the information is proprietary and commercially sensitive, and should remain confidential." [Emphasis added].¹⁷ Nowhere in SoCalGas' response to the Public Advocates Office did SoCalGas claim that its contracts with the vendors include confidentiality agreements. If this is the case, SoCalGas should provide evidence that its contracts include a confidentiality agreement with its vendors.

In its August 13, 2019 email, SoCalGas also cites to D.17-09-023 alleging that it supports their confidentiality claims. However, D.17-09-023, which adopts General Order 66-D, makes it clear that the party asserting a claim of confidentiality bears the burden of proof that the information is confidential: "Moreover, the burden remains on the information submitter for the duration of the administrative proceeding and does not shift to the information requestor or the Commission at any time."¹⁸ SoCalGas has not met its burden of proof. D.17-09-023 does not prescribe whether contracts or the terms contained within them are confidential. Therefore, SoCalGas bears the burden to provide a proper legal basis for its confidentiality claims which have yet to be met. PG&E met its burden in that case by demonstrating that it had a confidentiality agreement with its vendor to keep this information confidential. However, SoCalGas fails to demonstrate that it has the same confidentiality agreement with its vendors.

In its August 13, 2019 email, SoCalGas alleges that D.06-06-066 is inapplicable as it refers to energy procurement. However, in D.06-06-066, Conclusions of Law 19, the Commission held that "Section 399.14(a)(2)(A) provides confidentiality for the results of a competitive solicitation only until the solicitation is complete."¹⁹ While D.06-06-066 addresses electric companies, this holding can be applied to gas companies as well where market sensitivity is used as the basis for claiming confidentiality. D.07-05-032 which modified D.06-06-066 states: "We note that the test for non-disclosure to the public includes whether "the facts of the particular case the public interest served by not

¹⁷ See D.11-01-036 at p. 5.

¹⁸ See D.17-09-023 at p. 21. See also GO 66-D Section 3.2.

¹⁹ See D.06-06-066 at p. 79.

disclosing the record clearly outweighs the public interest served by disclosure of the record.” (See e.g., Gov. Code, §6255, subd. (a).) Further, the Commission’s broad statutory authority permits it to do all things, whether specifically designated in law or “in addition thereto”, that are “necessary and convenient” in the protection of ratepayers. (Pub. Util. Code, §701.)²⁰ SoCalGas’ claim that its contract terms are confidential is outweighed by the public interest given that the Public Advocates Office is investigating whether ratepayer money was used to found and fund C4BES, among other things. The public interest far outweighs the terms of the contract with the exception of whether SoCalGas executed a confidentiality agreement with its vendors to keep the terms of the contract confidential.

Moreover, in D.07-05-032, the Commission further states: “D.06-06-066 also recognizes that market sensitive information is not indefinitely confidential and that generally the reasons for withholding such information from public disclosure are no longer relevant after a few years. D.06-06-066 adopted a flexible approach to this issue and generally most market sensitive information will be withheld from public disclosure for a three to five year period.”²¹ Therefore, SoCalGas must provide proper basis for its claim of market sensitivity and why this information should be held confidential when the terms of the contracts are no longer relevant since they several years old.

Lastly, SoCalGas cites to D.06-03-003 alleging that the Public Advocates Office’s discovery rights is limited in scope to its duty to obtain the lowest possible rate consistent with safe and reliable service. However, D.06-03-003 is not applicable to this matter and does not discuss Public Advocates Office’s authority. The Public Advocates Office has the same authority to access information as other Commission staff. In D.01-08-062, the Commission affirms that the Public Advocates Offices’ rights to discovery makes no reference to the need for a proceeding to exist, but is intended to provide access to undertake audits or investigations, obtain information, and ask questions at any time and for any purpose related to their scope of work on behalf of the Commission and the people of the State of California.²² In D.01-08-062, the Commission further states: “ORA’s [now Public Advocates Office] scope of authority to request and obtain information from entities regulated by the Commission is as broad as that of any other units of our staff, including the offices of the Commissioners. It constrained solely by a statutory provision that provides a mechanism unique to ORA for addressing discovery

²⁰ See D.07-05-032 at p. 8.

²¹ D.07-05-032 at p. 5.

²² See D.01-08-062 at pp. 7-8.

disputes.”²³ The constraint stated in D.01-08-062 refers to Public Utilities Code § 309.5(e) which address how objections to Public Advocates Office’s discovery matters should be resolved. Furthermore, in D.07-05-032, the Commission affirms that the “Commission’s broad statutory authority permits it to do all things, whether specifically designated in law or “in addition thereto”, that are “necessary and convenient” in the protection of ratepayers. (Pub. Util. Code, §701.)”²⁴ Therefore, SoCalGas has no authority to decide what is or is not within the Public Advocates Office’s scope or statutory authority.

IV. CONCLUSION

For the reasons stated herein, the President of the Commission should compel SoCalGas to provide unredacted responses to Items 1 and 5 of the Public Advocates Office’s DR SC-SCG-2019-04 as its bases for redacting the information are meritless and are contrary to the law. Given the urgency of this matter and the clear statutory authority under which the request is made, the President of the Commission, should not and need not delay a ruling until after a response is served.²⁵ The Public Advocates Office requests an expeditious ruling on this matter so that it may receive pertinent information in furtherance of its investigation into SoCalGas’ misuse of ratepayer money to found and fund C4BES and its political lobbying.

Sincerely,

/s/ KERRIANN SHEPPARD

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²³ See D.01-08-062 at p. 6.

²⁴ See D.07-05-032 at p. 8.

²⁵ Rule 11.1(g): “Nothing in this rule prevents the Commission or the Administrative Law Judge from ruling on a motion before responses or replies are filed.”

EXHIBIT 2



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August 26, 2019

President Marybel Batjer
Office of the President of the California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Response of SoCalGas to August 14, 2019 Motion to Compel Further Responses from Southern California Gas Company to Data Request – CalAdvocates – SC-SCG-2019-04

Dear President Batjer:

Pursuant to Rule 11.3 of the Rules of Practice and Procedure (“Rules”) of the California Public Utilities Commission (“Commission”), Southern California Gas Company (“SoCalGas”) hereby timely responds to the Public Advocates Office’s (“Cal Advocates”) Motion to Compel Further Responses from Southern California Gas Company to Data Request – CalAdvocates-SC-SCG-2019-04 (“Motion”). Although the factual background presented by the Motion is complicated, the issues are simple:

- The Motion seeks an order from the President of the Commission to compel SoCalGas to un-redact employee names in one document, which was *already produced* prior to the Motion’s submission. SoCalGas confirmed Cal Advocates’ receipt of that information via email at 3:48 p.m. on August 13. Despite receiving what was requested the day before the Motion’s submission, the Motion makes no mention of this fact, which renders the request moot.

- There remains only one genuine issue in the Motion related to a second document: whether SoCalGas should un-redact dollar figures for shareholder funded information in a Work Order Authorization (“WOA”).¹ As explained in a meet-and-confer on August 12, (a) the redacted information is not responsive to the question posed, and (b) the redacted information is not necessary for Cal Advocates to perform its statutory duties; thus, the Motion should be denied.
- While Cal Advocates does have broad discovery authority, it is not unfettered, and Cal Advocates should not be permitted to circumvent the Commission’s processes and procedures. For example, Cal Advocates submitted the Motion pursuant to Rule 11.3, yet provided no valid basis for its request to deny the due process rights afforded by that same rule for SoCalGas to respond. Cal Advocates’ troubling attempt to meet and confer “in good faith” to satisfy Rule 11.3(a)’s requirement before bringing this Motion is another example.

SoCalGas made reasonable attempts to accommodate Cal Advocates’ requests in good faith by providing information requested. Where there was disagreement, it was for limited information and SoCalGas’ positions were reasonable and consistent with the Commission’s procedures and practice. Accordingly, Cal Advocates’ request to compel an un-redacted shareholder-funded dollar figure should be denied.

I. BACKGROUND

A. SoCalGas Has Dealt with Cal Advocates in Good Faith.

SoCalGas has made every effort to work with Cal Advocates to provide the requested information necessary for Cal Advocates to perform its statutory duties. The data request that is the subject of the Motion was issued in a fourth data request in a series on a topic concerning Californians for Balanced Energy Solutions (“C4BES”). The data request series has been served outside of any pending proceeding, but was initiated based on activity in the Building Decarbonization rulemaking (R.19-01-011). Within that proceeding, Sierra Club issued data requests concerning C4BES. SoCalGas objected to the data requests on the ground that the

¹ Although not clear in the Motion, to the extent the Motion seeks to have the employee name on the WOA un-redacted, on August 26, 2019 SoCalGas provided an updated WOA to Cal Advocates with the employee name un-redacted and marked confidential, accompanied by a confidentiality declaration. SoCalGas redacts the names of employees in order to protect their privacy when the name of the employee is not responsive to the inquiry. In this proceeding, it was determined it was particularly important to redact the names of employees given that employee names have already been published on Twitter, in addition to other related matters. See Attachment “A,” Twitter publications.

subject matter was not relevant to the proceeding,² and Sierra Club filed a *Motion to Deny Party Status to Californians for Balanced Energy Solutions or, in the Alternative to Grant Motion to Compel Discovery* (“Sierra Club Motions”).³ While Sierra Club’s Motions asking the assigned Administrative Law Judges (“ALJ”), *inter alia*, to determine whether the sought discovery was relevant to the proceeding were pending, Cal Advocates issued the first of its data requests (“DR-01”) on the same topic that was the subject of Sierra Club’s discovery and Motions. In R.19-01-011, Cal Advocates stated in response to Sierra Club’s Motions:

In the interest of shedding additional light on Sierra Club’s allegations *and protecting ratepayer interests*, the Public Advocates Office is conducting discovery on SoCalGas regarding these allegations. SoCal Gas’ [sic] response to this discovery is due June 6, 2019. Therefore, the Public Advocates Office hereby requests leave to supplement this filing with the data request responses, if pertinent, in order to assist in determining the veracity of Sierra Club’s allegations.⁴

Based on this response, and concern about Cal Advocates’ stated intention to circumvent the role of the ALJs to rule on Sierra Club’s Motions, SoCalGas requested a meet-and-confer with Cal Advocates. At the June 4, 2019 meet-and-confer, SoCalGas requested Cal Advocates to agree to allow SoCalGas to delay responses to DR-01 until there was a ruling on Sierra Club’s Motions. When Cal Advocates declined, SoCalGas requested that Cal Advocates not introduce the requested information into the Building Decarbonization proceeding until there was a ruling on Sierra Club’s Motions. Cal Advocates declined this request as well. Nevertheless, SoCalGas provided written responses to DR-01 on June 14, 2019.

Cal Advocates thereafter provided the responses to DR-01 to Sierra Club,⁵ and Sierra Club and Cal Advocates both attached the responses to pleadings filed in the Building Decarbonization

² The proceeding is to broadly address “all policy framework issues, including programs, rules, and rates, that will help accomplish building decarbonization, as part of the state’s GHG reduction goals.” R.19-01-011, *Assigned Commissioner’s Scoping Memo and Ruling* at 3-4.

³ R.19-01-011, *Motion to Deny Party Status to Californians for Balanced Energy Solutions or, in the Alternative to Grant Motion to Compel Discovery*.

⁴ Response of the Public Advocates Office to Sierra Club’s Motion to Deny Party Status to Californians for Balanced Energy Solutions or, in the Alternative, to Grant Motion to Compel Discovery at 2 (emphasis added).

⁵ The Commission’s recommended practice is that parties within the same proceeding may request copies of data requests responses within that proceeding. *See* Discovery: Custom and Practice Guidelines at 2 (“...a party to a proceeding may request copies of data requests/responses propounded by and on other parties in the same proceeding”) (available at: http://docs.cpuc.ca.gov/word_pdf/REPORT/117475.pdf). Sierra Club indicates it received the documents from Cal Advocates in response to a data request it issued in the Building Decarbonization proceeding. *See* Sierra Club’s Response to Southern California Gas Company’s Motion to Strike Sierra Club’s Reply to Responses to Motion to Deny Party Status to Californians for Balanced Energy Solutions or, in the Alternative to Grant Motion to Compel Discovery at 1. Cal Advocates’ providing data requests it issued *outside* a proceeding pursuant to its broad authority

proceeding.⁶ Moreover, without complying with Pub. Util. Code § 309.5(h), in its *Response of the Public Advocates Office to Southern California Gas Company's Motion to Strike Sierra Club's Reply to Responses to Motion to Deny Party Status to Californians for Balanced Energy Solutions or, in the Alternative to Grant Motion to Compel Discovery*, Cal Advocates accused SoCalGas of a Rule 1.1 violation.^{7, 8} Although the basis for Cal Advocates' allegation is unclear,⁹ because of the introduction of this issue into the Building Decarbonization proceeding, SoCalGas determined to re-allocate all the subject costs (which included contract costs as well as certain labor costs) to be paid fully with shareholder funds.¹⁰ This resulted in an over-allocation to shareholder funds, because the majority of the labor and a portion of the contract expenses were for customer education and outreach work that appropriately is, and historically has been, ratepayer funded. Nevertheless, SoCalGas believes this was the right decision because, in this circumstance (involving a fixed-price monthly contract for consulting services and untracked labor), the hindsight review of the allocation of time and/or costs between ratepayer funds and shareholder funds is necessarily subjective. Because of the retroactive application of subjectivity, as SoCalGas indicated to Cal Advocates,¹¹ SoCalGas is working on augmenting its accounting policy so a similar circumstance does not occur again.¹² Such a policy was not needed historically and thus does not exist.

under Pub. Util. Code 309.5, in response to a data request within a proceeding, runs afoul of the Commission's guidance.

⁶ Sierra Club's Response to Southern California Gas Company's Motion to Strike Sierra Club's Reply to Responses to Motion to Deny Party Status to Californians for Balanced Energy Solutions or, in the Alternative to Grant Motion to Compel Discovery at Attachment 1.

⁷ Response of the Public Advocates Office to Southern California Gas Company's Motion to Strike Sierra Club's Reply to Responses to Motion to Deny Party Status to Californians For Balanced Energy Solutions, or, in the Alternative to Grant Motion to Compel Discovery filed July 5, 2019 ("Public Advocates Office July 2019 Response") at 2-6.

⁸ Public Utilities Code § 309.5(h) states: "The office shall meet and confer in an informal setting with a regulated entity prior to issuing a report or pleading to the commission regarding alleged misconduct, or a violation of a law or a commission rule or order, raised by the office in a complaint. The meet and confer process shall be utilized in good faith to reach agreement on issues raised by the office regarding any regulated entity in the complaint proceeding."

⁹ Public Advocates Office July 2019 Response at 2-6.

¹⁰ See Attachment "B," SoCalGas Amended Response to CALPA-SCG-051719 dated August 13, 2019 (amended response originally submitted July 12, 2019) at 3-5.

¹¹ See *id.*

¹² See Motion at Attachment 2, SoCalGas Response to CALADVOCATES-SC-SCG-2019-04 dated August 2, 2019.

B. Cal Advocates' Continuing Data Requests.

SoCalGas anticipated its over-allocation of *all* the subject contract and labor costs to be shareholder funded would resolve the issue for Cal Advocates as ratepayer funds were no longer implicated. Instead, Cal Advocates continued to ask questions regarding the original allocation and the broader topic of the shareholder-funded internal order (“IO”) to which the costs were booked: the Balanced Energy IO. An IO is a tool that can be used to track costs associated with particular departments, projects, initiatives, etc. It provides capabilities for planning, monitoring, and allocation of costs. While all IOs are different, the Balanced Energy IO is a broad IO that provides the mechanism for *shareholder* funding of advocacy related to the elimination of natural gas. Based on its initial comments in the Building Decarbonization proceeding, Cal Advocates supports the exploration of renewable natural gas in order to meet the State’s building decarbonization strategy, which is part of the balanced energy approach SoCalGas supports.¹³

The Balanced Energy IO was identified by SoCalGas in DR-01 as the account to which the shareholder-funded portion of the contract and labor was allocated.¹⁴ Follow-up questions were asked about the Balanced Energy IO in the third and fourth data requests issued by Cal Advocates on this topic. SoCalGas continued to respond to the data requests on time (even when responses to the third data request were requested within 2 days,¹⁵ contrary to the Commission’s discovery guidance which prescribes 10 days¹⁶) and in good faith. In the fourth data request (“DR-04”), Cal Advocates requested:

1. For the period covering January 1, 2017 to present, provide all internal control documents for each of the accounts referenced in response to Data Request (No. CalAdvocates-SC-SCG-2019-03).
 - a. Please provide the documents in reverse chronological order, starting from the present, so that the currently controlling document is first, followed by the internal control document that preceded it, and so on, until reaching the document in effect as of January 1, 2017. Clearly provide date that each of these documents was put into effect.¹⁷

¹³ R.19-01-011, Comment of the Public Advocates Office Responding to the Commission’s Order Instituting Rulemaking Regarding Building Decarbonization, March 11, 2019, at 11-13 (“Given the findings from these studies, the Public Advocates Office recommends that the Commission examine the potential of renewable gas as part of building decarbonization strategy to meet the State’s GHG emissions reduction goals.”).

¹⁴ SoCalGas response to CALPA-SCG-051719, submitted June 14, 2019, at 3-5.

¹⁵ See Attachment “C,” E-mail dated July 16, 2019.

¹⁶ Discovery: Custom and Practice Guidelines at 1 (“The customary response time for data requests is 10 business days.”) (available at: http://docs.cpuc.ca.gov/word_pdf/REPORT/117475.pdf).

¹⁷ See Motion at Attachment 1, Data Request CALADVOCATES-SC-SCG-2019-04, dated July 19, 2019 at 1.

SoCalGas did not understand what was meant by “internal control documents,” so requested a meet-and-confer to understand what Cal Advocates was seeking. A telephonic meet-and-confer was held on July 25, 2019 and SoCalGas understood the reference to “internal control documents” to refer to internal documents providing instructions as to how the company controls for accounting costs, e.g., policies and procedures. Even with this clarification, no responsive documents existed with regard to the Balanced Energy IO.¹⁸ Systematic controls responsive to Cal Advocates’ request cannot be demonstrated as such policy is not documented in SAP *per se*; however, several key business controls are systematic in SAP in order to ensure compliance. Thus, in order to provide Cal Advocates with sufficient comfort that the Balanced Energy IO existed, SoCalGas sought to evidence the creation of the account and accordingly produced the Work Order Authorization (“WOA”) that is the subject of Cal Advocates’ Motion. The WOA shows the date prepared, job scope/description of work, and approvals. The WOA also shows the multi-year budget authorization for the account. As plainly evident from the question posed by Cal Advocates, this shareholder-funded budget authorization information is not responsive to its questions and furthermore is not necessary for Cal Advocates to perform its statutory duties as laid out in Public Utilities Code § 309.5(a). Accordingly, SoCalGas redacted the dollar figures.

C. It is Questionable Whether Efforts by Cal Advocates to Resolve Its Concerns Meet the “Good Faith” Standard of Rule 11.3(a).

Rule 11.3 of the Commission’s Rules of Practice and Procedure requires a party to meet-and-confer “in a good faith effort to informally resolve the dispute” prior to filing a motion to compel discovery. The Commission’s *Discovery: Custom and Practice Guidelines* elaborates:

The conduct of the Commission’s business is facilitated by the smooth exchange of information among the parties. Thus, as a general principle, discovery should proceed in a cooperative and efficient manner, differences should be resolved as much as possible among the parties, and a discovery dispute should be brought before the assigned Administrative Law Judge only as a last resort, after the parties’ good faith efforts at resolution of the dispute have failed.¹⁹

¹⁸ SoCalGas’ Approval and Commitment Policy was determined to be responsive to the request and thus was produced. However, this policy did not demonstrate creation of the Balanced Energy IO.

¹⁹ *Discovery: Custom and Practice Guidelines* at 1 (available at: http://docs.cpuc.ca.gov/word_pdf/REPORT/117475.pdf).

Cal Advocates and SoCalGas conducted the meet-and-confer preceding this Motion on August 12, 2019.²⁰ Among other things during the meet-and-confer,²¹ with respect to the document provided in response to Question 5 of DR-04 which is one of the two subjects of the Motion,²² SoCalGas agreed to provide a privilege log and to mark as confidential employee names that were previously redacted.²³ At 3:42 p.m. on August 13, 2019, SoCalGas provided the re-marked email, a privilege log, and a confidentiality declaration to justify the designation of confidentiality on the email and privilege log. The email remitting these documents was acknowledged by Cal Advocates at 3:48 p.m. on the same day as having been received.²⁴ Nevertheless, Cal Advocates' Motion seeks an order to obtain a document it already has in a format which it deemed acceptable.²⁵

²⁰ SoCalGas agreed to the requested meet-and-confer even before Cal Advocates identified the subject of the meet-and-confer. Thereafter, Cal Advocates indicated it desired a meeting with SoCalGas' whole team who had worked on the data request responses, which was not feasible given the late request. See Attachment "D," Email dated August 9, 2019.

²¹ The meet-and-confer also pertained to data request responses other than DR-04, which is the subject of the present Motion. SoCalGas agreed to remove confidentiality designations from certain vendor names. The documents which required the removal were voluminous (8 MB at the time they were served by email). The documents were demanded by close of business the same day, even after SoCalGas indicated the employee responsible for updating the documents was out sick that day, and that time would be required in order to find the appropriate persons to prepare and sign the confidentiality declarations. Cal Advocates finally concluded that it was their "expectation" that all documents would be remitted by noon the next day. Although SoCalGas did not agree based on the aforementioned unknowns, Cal Advocates insisted on a response by then. Accordingly, at 11:32 a.m. on August 13, 2019, an email was sent by SoCalGas to Cal Advocates indicating it anticipated providing all agreed-upon responses by close of business that day. Responses ultimately were provided at 4:42 p.m. See Attachment "E," Email dated August 13, 2019.

²² The Motion itself is unclear to the extent it references facts (see, e.g., references to April 14, 2019 emails at p. 6) and arguments (see, e.g., discussion regarding confidentiality of vendor pricing of electric procurement contracts at pp. 8-9) that do not appear to be germane to the requests identified in the Proposed Order. For this reason, SoCalGas understands Cal Advocates' request in the Motion to be as identified in the Proposed Order: "provide the unredacted responses to Items 1 and 5 of the Public Advocates Office's DR SC-SCG-2019-04."

²³ See Motion at Attachment 3 at 2-3.

²⁴ See Attachment "F," E-mail dated August 13, 2019.

²⁵ The Motion does not appear to seek an order determining SoCalGas' assertion of the attorney-client privilege over the rest of the email string should not be respected, and Cal Advocates has cited no legal or other justification to support such a request. If, however, Cal Advocates indicates this was its intention, SoCalGas requests an opportunity to respond.

Moreover, the meet-and-confer itself was not conducted by Cal Advocates in good faith. Cal Advocates insisted on being provided the redacted shareholder information, without providing any discussion whatsoever on how the redacted shareholder funding authorization on the IO was responsive to the question posed or how that information pertained to Cal Advocates performing its statutory duties. Cal Advocates also did not justify its request for an extremely short turnaround time,²⁶ notwithstanding SoCalGas' explanations for the need for additional time. Indeed, Cal Advocates maintained repeatedly that no explanations were required from it.

Had Cal Advocates made a sincere attempt to engage in a good faith discussion rather than issuing demands, progress might have been made. Cal Advocates invokes Pub. Util. Code § 314 in its Motion (albeit misleadingly and without relevant discussion)²⁷ for the first time. As discussed further below, while Cal Advocates has neither satisfied nor attempted to satisfy the criteria for an inspection pursuant to § 314, nevertheless, had Cal Advocates indicated an intention to meet the requirements of § 314 (and actually met them), the Motion might not have been necessary. Furthermore, even before the Motion was filed, on August 13, 2019, Cal Advocates served a fifth related data request ("DR-05") with over twenty questions (and additional sub-questions); however, not one of those questions seeks the information that was redacted from the WOA. The shareholder-funded authorization depicted on the WOA is not responsive to any data request that has been posed by Cal Advocates.

Cal Advocates requested a ruling on its Motion even before SoCalGas had an opportunity to respond,²⁸ which would have deprived SoCalGas of due process. Cal Advocates' cited reason is "urgency,"²⁹ although there is no elaboration on the urgency itself. While Cal Advocates' rights are indeed broad, they are not this broad.

II. DISCUSSION

A. Cal Advocates Has Not Established It Requires the Requested Information to Perform Its Statutory Duties.

The Motion devotes significant time arguing that Cal Advocates need not establish relevance of its inquiries to a proceeding.³⁰ However, SoCalGas has not made any argument based on

²⁶ The references in the Motion to Cal Advocates having provided SoCalGas 24 hours to provide responses are incorrect. (Motion at 2.) Cal Advocates initially demanded updated responses by close of business the same day (i.e., within 7 hours) and later demanded updated responses by noon the next day. Although not particularly relevant to the Motion, the repetition of the misstatement is curious and, when combined with the whole of the activities pertaining to these data requests, emblematic of a larger and more concerning disregard for facts, processes, and procedures.

²⁷ Motion at 2-3.

²⁸ Motion at 10.

²⁹ Motion at 10.

³⁰ Motion at 7-8.

relevance, nor has it withheld information from Cal Advocates based on relevance.³¹ As the email following the meet-and-confer indicates,³² SoCalGas redacted information from the WOA because it is not *responsive* to the question posed.³³ The question asks:

1. For the period covering January 1, 2017 to present, provide all internal control documents for each of the accounts referenced in response to Data Request (No. CalAdvocates-SC-SCG-2019-03).
 - a. Please provide the documents in reverse chronological order, starting from the present, so that the currently controlling document is first, followed by the internal control document that preceded it, and so on, until reaching the document in effect as of January 1, 2017. Clearly provide date that each of these documents was put into effect.³⁴

The redacted information Cal Advocates now seeks is the amount of shareholder funding authorized for the Balanced Energy IO. That information is not responsive to the question posed and, moreover, does not pertain to Cal Advocates' stated line of inquiry:

[T]he information requested in DR SC-SCG-2019-04 is necessary for the Public Advocates Office to perform its duty in investigating this matter, including, among other things, whether and to what extent ratepayer money was used to found and support C4BES.³⁵

The *amount* of funding authorized and paid for by shareholders—not ratepayers—does not in any way inform “whether and to what extent ratepayer money was used to found and support C4BES.” Cal Advocates' argument that it needs this information to properly execute its duties is untenable.

The same analysis also fails when applied beyond Cal Advocates' specified interest to Cal Advocates' broader statutory duties and concomitant authority. Under Pub. Util. Code § 309.5(a), Cal Advocates' duties are described as follows:

³¹ The fact that SoCalGas has responded to all of Cal Advocates data requests, even though they are not relevant to any proceeding, belies Cal Advocates' assertion that SoCalGas has made arguments based on relevance.

³² See Motion at Attachment 3.

³³ The attachment response to Question 5 of DR-04 was also provided to the extent responsive. The employee names on the email were not responsive to the question asked, and the portions of the email string that were protected by the attorney-client privilege also were not responsive to the question. See Motion at Attachment 2.

³⁴ See Motion at Attachment 1, Data Request CALADVOCATES-SC-SCG-2019-04, dated July 19, 2019 at 1.

³⁵ Motion at 6-7.

There is within the commission an independent Office of Ratepayer Advocates³⁶ to represent and advocate on behalf of the interests of public utility customers and subscribers within the jurisdiction of the commission. The goal of the office shall be to obtain the lowest possible rate for service consistent with reliable and safe service levels. For revenue allocation and rate design matters, the office shall primarily consider the interests of residential and small commercial customers.

Knowing the shareholder-funded authorization limit for the Balanced Energy IO will not help Cal Advocates “represent and advocate on behalf of the interests of public utility customers” or “obtain the lowest possible rate for service consistent with reliable and safe service levels.”³⁷ Cal Advocates has not argued that balanced energy policies in general are contrary to the interests of ratepayers.

Cal Advocates too quickly dismisses the *Administrating Law Judge’s Ruling Granting in Part and Denying in Part Pacific Gas and Electric Company’s Motion to Strike Portions of Greenlining Institute’s Testimony* in A.05-12-002/I.06-03-003 (Application of Pacific Gas and Electric Company for Authorization, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2007, consolidated with Order Instituting Investigation on the Commission’s Own Motion into the Rates, Operations, Practices, Service and Facilities of Pacific Gas and Electric Company) as inapplicable to Cal Advocates.³⁸ In PG&E’s consolidated general rate case and investigation, it was ruled that testimony pertaining to costs borne by PG&E’s shareholders should be stricken because they explicitly were excluded from the scope of the proceeding.³⁹ In support, the ruling cites to Southern California Edison’s general rate case—one of the broadest proceedings a public utility participates in, and in which almost all utility activities are considered—where it was held the Commission “has ‘no jurisdiction to order a change’” in the utility’s philanthropic giving practices since they are shareholder funded.⁴⁰ It is SoCalGas’ understanding that the Commission historically does not delve into matters that are shareholder funded and have no adverse impact on ratepayers.

³⁶ Now known as Public Advocates Office.

³⁷ Pub. Util. Code § 309.5.

³⁸ Motion at 9.

³⁹ A.05-12-002/I.06-03-003 (Application of Pacific Gas and Electric Company for Authorization, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2007, consolidated with Order Instituting Investigation on the Commission’s Own Motion into the Rates, Operations, Practices, Service and Facilities of Pacific Gas and Electric Company), *Administrating Law Judge’s Ruling Granting in Part and Denying in Part Pacific Gas and Electric Company’s Motion to Strike Portions of Greenlining Institute’s Testimony* at 2 (pdf).

⁴⁰ *Id.* at 2 (pdf) (citing D.06-05-016 at 183-84).

Cal Advocates can establish no credible reason to justify its request to know the amount of shareholder funding authorized for the IO. If anything, Cal Advocates' unreasonable request begs the question of why the Commission would want to gather information that is not necessary to fulfilling its duties. If the Commission is known for gathering extraneous data—including non-ratepayer funded information—the Commission is likely to become a repository of first-resort targeted by public records act requests when anyone seeks any information related to a public utility. Rather than be bogged down with unnecessary information and requests, the Commission should ensure it remains focused on gathering only the data that is necessary to performing its (and the Public Advocates Office's) statutory duties.

B. Cal Advocates Has Not Met the Requirements of § 314.

Although not raised during the meet-and-confer, Cal Advocates contends in the Motion that it is entitled to the redacted shareholder information under Pub. Util. Code § 314. Cal Advocates quotes a selected portion of § 314 to suggest it has unfettered rights to demand production of any information.⁴¹ However, the provisions of § 314 impose requirements that Cal Advocates has neither satisfied nor indicated any intention to satisfy.

Section 314 of the Public Utilities Code provides:

(a) The commission, each commissioner, and each officer and person employed by the commission may, at any time, *inspect* the accounts, books, papers, and documents of any public utility. The commission, each commissioner, and any officer of the commission or any employee authorized to administer oaths may examine under oath any officer, agent, or employee of a public utility in relation to its business and affairs. *Any person, other than a commissioner or an officer of the commission, demanding to make any inspection shall produce, under the hand and seal of the commission, authorization to make the inspection.* A written record of the testimony or statement so given under oath shall be made and filed with the commission.

(b) Subdivision (a) also applies to *inspections* of the accounts, books, papers, and documents of any business that is a subsidiary or affiliate of, or a corporation that holds a controlling interest in, an electrical, gas, or telephone corporation, or a water corporation that has 2,000 or more service connections, with respect to any transaction between the water, electrical, gas, or telephone corporation and the subsidiary, affiliate, or holding corporation *on any matter that might adversely affect the interests of the ratepayers* of the water, electrical, gas, or telephone corporation.⁴²

⁴¹ Motion at 7.

⁴² Pub. Util. Code § 314 (emphasis added).

There are two reasons why this section of the Public Utilities Code is not properly invoked here:⁴³

- i. Section 314(a) states that “[a]ny person, other than a commissioner or an officer of the commission, demanding to make any inspection shall produce, under the hand and seal of the commission, authorization to make the inspection.”⁴⁴ Cal Advocates has not (a) requested to inspect⁴⁵ the information that was redacted, (b) presented an authorization under hand and seal of the Commission to make the inspection, or (c) indicated it intends to request to inspect the information and present the required authorization.
- ii. Section 314(b) pertains to extending the record inspection rights of § 314(a) to the records of, *inter alia*, “a corporation that holds a controlling interest in” a public utility, in which case it imposes the additional requirement that the request pertain to a “matter that might adversely affect the interests of the ratepayers of the... gas... corporation.”⁴⁶ Here, Cal Advocates seeks to know the amount of *shareholder* funding, so neither ratepayer funds nor ratepayers are implicated. In addition to not complying with the requirements of § 314(a), which also apply to § 314(b), Cal Advocates has made no effort whatsoever to explain how ratepayers might be adversely affected, and how Cal Advocates’ knowledge of the amount of shareholder funding for the IO might affect ratepayers.

⁴³ It is unclear whether the right to “inspect” is distinct from the production of documents Cal Advocates seeks by its Motion. Section 314 pertains to the *inspection* of records, not the production of records. Pub. Util. Code § 313 pertains to the *production* of records: “The commission may require, by order served on any public utility, the production within this State at such time and place as it designates, of any books, account, papers, or records kept by the public utility in any office or place without this State, or, at its option, verified copies in lieu thereof, so that an examination thereof may be made by the commission or under its direction.” Section 314’s reference to inspection of records differs from § 313’s reference to production of records, suggesting the Legislature intended there to be a distinction. D.01-08-062 states, “By historical evolution, the statutory right to inspect the ‘accounts, books, papers, and documents’ has come to include the right to propound data requests by which the holders of these accounts, books, papers, and documents can be compelled to search for and provide these materials or analyze them in such fashion.” D.01-08-062 at 7. However, it remains unclear whether this refers to production or mere assemblage of materials. In any event, Cal Advocates has not satisfied the other prongs required to invoke § 314.

⁴⁴ Pub. Util. Code § 314(a).

⁴⁵ Nor has Cal Advocates requested production of the information that was redacted. As indicated previously, the information that was redacted is *not responsive* to the question posed.

⁴⁶ Pub. Util. Code § 314(b).

Cal Advocates argues, “SoCalGas must be compelled to comply with the law”⁴⁷ while Cal Advocates itself has not satisfied the requirements of the law it seeks to invoke.

C. Cal Advocates’ Rights Are Not Unfettered.

In support of its unlimited rights and authority, Cal Advocates argues:

The Public Advocates Office has the same authority to access information as other Commission staff. In D.01-08-062, the Commission affirms that the Public Advocates Offices’ [sic] rights to discovery makes no reference to the need for a proceeding to exist, but is intended to provide access to undertake audits or investigations, or obtain information, and ask questions at any time and for any purpose related to their scope of work on behalf of the Commission and the people of the State of California. In D.01-08-062, the Commission further states: “ORA’s [now Public Advocates Office] scope of authority to request and obtain information from entities regulated by the Commission is as broad as that of any other units of our staff, including the offices of the Commissioners. It is constrained solely by a statutory provision that provides a mechanism unique to ORA for addressing discovery disputes.”⁴⁸

It is important to review Cal Advocates’ cited authority in context. Decision 01-08-062 granted a petition for modification by the Office of Ratepayer Advocates (“ORA”) in order to clarify “the information request and discovery prerogatives of ORA.”⁴⁹ The underlying decision pertained to the transfer of audit responsibility from ORA to the Commission’s Telecommunications Division and included language stating ORA’s discovery rights when the audit was produced would be as expansive as those for any other party.⁵⁰ ORA filed a petition for modification “so that ORA’s discovery rights in this matter are clearly set forth.”⁵¹ In response, Pacific Bell “contends § 309.5 directs ORA to carry out its customer representation

⁴⁷ Motion at 3.

⁴⁸ Motion at 9-10.

⁴⁹ D.01-08-062.

⁵⁰ *Id.* at 1-2. Specifically, the decision stated, “It is important to note, furthermore, that our transferring of the Pacific Bell audit responsibility to the Telecommunications Division does not mean that ORA no longer has the right to inspect or review Pacific Bell account data or other information. Pursuant to section 309.5, ORA has the duty to represent customer interests in Commission proceedings.... In addition, the transfer of the audit responsibility does not relieve Pacific Bell of its obligation to fully answer any and all data requests received from all Commission staff....” *Id.* at 2.

⁵¹ *Id.* at 2.

role in “*proceedings*” and, seemingly, not before such proceedings are initiated. [Citation omitted.] Pacific Bell also contends that ORA is endeavoring to conduct a second audit, contrary to the Commission’s intent in transferring the audit responsibility to the Telecommunications Division.”⁵² In the decision, the Commission discussed “Pacific Bell’s belief that with such a reassignment ORA has no role relative to the audit nor authority to seek related information from Pacific Bell until the audit is completed and presented in a formal Commission proceeding.”⁵³ The Commission conceded that the language in the prior decision “may have allowed an inference to be made that ORA’s on-going broad discovery rights, as both a statutory organization and a unit of the Commission’s staff, were diminished in some fashion and did not commence until the audit was completed and became the subject of review in a formal proceeding”⁵⁴ and thus issued D.01-08-062 “to dispel this unreasonable inference.”⁵⁵ The Commission disagreed with Pacific Bell’s interpretation of the prior decision as limiting “the how and when” of ORA’s information-seeking authority.⁵⁶ It is noteworthy that at the time D.01-08-062 was issued, Pub. Util. Code § 309.5(a) limited ORA’s authority to represent customers “in commission proceedings;”⁵⁷ thus, in recognizing ORA’s broad rights of discovery with respect to audits and investigations, the Commission also relied on Pub. Util. Code § 314, noting § 314 “makes no reference to the need for a proceeding to exist.”⁵⁸ This, however, does not obviate the need for Cal Advocates to still satisfy the requirements of § 314 in order to invoke it.

There are three important points to consider in determining the reach of D.01-08-062. First, in the 18 years following its issuance, D.01-08-062 has not been cited in *any* Commission decisions or orders available on Westlaw. Second, since this decision was issued, § 309.5 has been modified *six* times, including to remove the constraint that Cal Advocates was to represent the interests of customers and subscribers only “in commission proceedings.” However, none of these amendments has expanded the scope of Cal Advocates’ statutory duties, which are “to represent and advocate on behalf of the interests of public utility customers and subscribers

⁵² *Id.* at 4 (emphasis added) (internal citations omitted).

⁵³ *Id.* at 4. Pacific Bell’s underlying argument was: “What is at issue in this matter is not ORA’s general responsibilities, but the degree and extent to which it can or should participate in the audit.” *Id.* Further, Pacific Bell argued, “The decision specifically tells ORA when [and how] it can participate in the audit.” *Id.* at 4-5.

⁵⁴ *Id.* at 5.

⁵⁵ *Id.* at 5-6.

⁵⁶ *Id.* at 5.

⁵⁷ *Id.* at 5.

⁵⁸ *Id.* at 6-7.

within the jurisdiction of the commission.”⁵⁹ This underscores the third point: the decision acknowledges that ORA’s (now Cal Advocates’) discovery rights extend only so far as its statutory duties: “ORA [may] obtain all information *necessary to carry out its responsibilities* as a unit of the Commission’s staff and *as the organization designated with the responsibilities set out in § 309.5*,”⁶⁰ and, further, “ORA’s rights to obtain information... may be exercised at any time for any purpose *related to its scope of work*.”⁶¹ Here, Cal Advocates cannot demonstrate that the authorized amount of shareholder funding for the Balanced Energy IO pertains to its defined statutory duties “to represent and advocate on behalf of the interests of public utility customers and subscribers within the jurisdiction of the commission. The goal of the office shall be to obtain the lowest possible rate for service consistent with reliable and safe service levels.”⁶²

Cal Advocates also argues that it has the same rights granted to the Commission in Pub. Util. Code § 701.⁶³ This notion is untenable on its face. If Cal Advocates’ rights stem from Pub. Util. Code § 701, there would be no purpose in prescribing Cal Advocates’ rights more narrowly in Pub. Util. Code § 309.5. The Commission’s application of the laws of statutory construction does not support that Cal Advocates’ duties stem from § 701 rather than § 309.5.⁶⁴ It is the Commission that may “do all things... which are necessary and convenient in the exercise of [its] power and jurisdiction;”⁶⁵ not Cal Advocates.

D. Cal Advocates Is Circumventing the Commission’s Processes and Procedures.

Cal Advocates very well may have a genuine question about the SoCalGas activities it states it is investigating, but that inquiry is not advanced by Cal Advocates’ Motion. The Motion seeks to compel SoCalGas to disclose the amount of *shareholder* funding that has been authorized for an

⁵⁹ Pub. Util. Code § 309.5(a).

⁶⁰ D.01-08-062 at 11 (COL 2) (emphasis added).

⁶¹ *Id.* at 11 (COL 3) (emphasis added).

⁶² Pub. Util. Code § 309.5(a).

⁶³ Motion at 10. Cal Advocates cites D.07-05-032 (intended to be I.07-05-032), which merely modifies D.06-06-066, which is applicable only to electric procurement contracts. Notwithstanding Cal Advocates’ extensive argument to the contrary, D.06-06-066 applies only to electric procurement contracts, and its holding cannot be extended to other commercial contracts. In any event, Cal Advocates’ reference to D.06-06-066 is unclear since, based on the Proposed Order submitted with the Motion, Cal Advocates is not challenging any confidentiality designation (and, even if it were, this is not the appropriate process prescribed by General Order 66-D to do so).

⁶⁴ The Commission has stated, “The law of statutory construction clearly prohibits such an alteration. ‘If the words of the statute are clear, [one] should not add to or alter them to accomplish a purpose that does not appear on the face of the statute or from the legislative history.’ However, in its rehearing application, TURN nevertheless alleges a conflict between these two statutory provisions. If, assuming *arguendo*, there is a conflict, the laws of statutory construction govern. In such a situation, the latest and more specific statute controls.” D.97-11-086 at 3. Here, § 309.5 is the latest and more specific statute.

⁶⁵ Pub. Util. Code § 701.

IO. This information will not inform Cal Advocates' inquiry in any way, nor will it allow Cal Advocates to fulfill its statutory mandate.⁶⁶

The underlying data request follows significant data request responses from SoCalGas, as well as a meeting initiated by SoCalGas senior executives with Cal Advocates. SoCalGas has produced contracts, invoices, and internal policies in addition to responding to numerous questions (another 21 of which were served the day before the Motion was filed). SoCalGas has been cooperative and provided information beyond the scope of the requests in an effort to provide sufficient information to resolve Cal Advocates' questions.

For its part, Cal Advocates will not meet-and-confer in good faith with SoCalGas on this issue, but has discussed the matter with multiple media outlets,⁶⁷ has introduced SoCalGas' data request responses in a proceeding where they are irrelevant, has provided the same data request responses to a party while that party's motion to the ALJs seeking the same information is pending, accused SoCalGas of a Rule 1.1 violation without first complying with Pub. Util. Code § 309.5(h)'s requirement to meet and confer in good faith, and, now, has filed a Rule 11.3 Motion without satisfying discovery prerequisites. A sincere effort at good faith discussion could have avoided a lot of the back-and-forth and likely resolved the issue.

⁶⁶ Note SoCalGas' August 13, 2019 email to Cal Advocates following the meet-and-confer: "I indicated that we had redacted that information because the WOA was *not* funded with ratepayer funds but rather shareholder funds (although you declined to discuss this further) and, furthermore, the information was not responsive to the question posed. I suggested that if the intent was to determine whether the WOA was sufficiently funded to cover the contract and labor costs referenced in the prior data request responses, you might ask that question; however, since the WOA is funded by shareholders, not ratepayers, we do not believe ascertaining the actual amounts stated on the WOA to be within the scope of Public Advocates Office's authority under Pub. Util. Code section 309.5, as disclosing shareholder activity is not necessary for Public Advocates Office to perform its duties." See Motion at Attachment 3.

⁶⁷ See, e.g., "Column: SoCal Gas accused of setting up an 'astro-turf' group to plead its case to regulators," *LA Times*, August 8, 2019, available at: <https://www.latimes.com/business/story/2019-08-07/socal-gas-astroturf-group-allegations>; "SoCalGas Admits Funding 'Front' Group in Fight for Its Future," KQED, July 31, 2019, available at: <https://www.kqed.org/science/1945910/socalgas-admits-funding-front-group-in-fight-for-its-future>; and "Column: An Alleged SoCalGas Front Group Withdraws from A PUC Proceeding--but Questions Remain," *LA Times*, August 21, 2019, available at: <https://www.latimes.com/business/story/2019-08-21/californians-for-balanced-energy-solutions-socal-gas-puc>.

III. CONCLUSION

SoCalGas has made every effort to accommodate Cal Advocates' requests and to ameliorate a supposed wrong by over-allocating costs to be borne by shareholders. All the while, Cal Advocates has not appropriately followed the Commission's processes and procedures. SoCalGas welcomes a good faith effort to resolve discovery and broader issues through discussion rather than through this unnecessary and procedurally deficient appeal to the Office of the President of the Commission. For the reasons stated in this response, the amount of shareholder funding authorization is not responsive to any inquiry made by Cal Advocates and is not necessary for Cal Advocates to perform its statutory duties as prescribed in Pub. Util. Code § 309.5(a). For these reasons, and because the Commission's processes and procedures must be respected, Cal Advocates' Motion should be denied.

Sincerely,

/s/ Avisha A. Patel

AVISHA A. PATEL

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Attachments A-F

EXHIBIT 3

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

**REPLY OF THE PUBLIC ADVOCATES OFFICE TO RESPONSE OF
SOCALGAS TO AUGUST 14, 2019 MOTION TO COMPEL FURTHER
RESPONSES FROM SOUTHERN CALIFORNIA GAS COMPANY TO DATA
REQUEST – CALADVOCATES-SC-SCG-2019-04 IN
THE DISCOVERY DISPUTE BETWEEN PUBLIC ADVOCATES OFFICE AND
SOUTHERN CALIFORNIA GAS COMPANY, AUGUST 2019
(NOT IN A PROCEEDING)**

I. INTRODUCTION

Pursuant to Rule 11.1(f) the Rules of Practice and Procedure of the California Public Utilities Commission (Commission) and the September 5, 2019 email Ruling of Chief Administrative Law Judge Anne Simon granting permission to submit a reply, the Public Advocates Office at the California Public Utilities Commission (Public Advocates Office) hereby submits this *Reply to Response of SoCalGas to August 14, 2019 Motion to Compel Further Responses from Southern California Gas Company to Data Request – CalAdvocates-SC-SCG-2019-04* (Public Advocates Office’s Reply).

The factual background for the pending matter has been thoroughly discussed in the previous submissions in this matter, and therefore need not be repeated in this Reply. These facts are generally not in dispute, and the sole issue to be addressed is the extent of the Public Advocates Office’s authority under Public Utilities (Pub. Util.) Code §§ 309.5(e) and 314 to conduct discovery outside of a formal proceeding. Briefly, the Public Advocates Office had served a series of data requests on Southern California Gas Company (SoCalGas) outside of any formal proceeding but associated with activity in the Building Decarbonization proceeding, Rulemaking (R.) 19-01-011. In response to Items 1 and 5 of Data Request SC-SCG-2019-04, SoCalGas produced documents with redacted

information and failed to provide any explanations, declarations, or privilege logs explaining why this information could not be disclosed to the Public Advocates Office in an unredacted format.

On August 14, 2019, after previously meeting in good faith to resolve the discovery dispute, the Public Advocates Office filed its *Motion to Compel Further Responses from Southern California Gas Company to Data Request – CalAdvocates-SC-SCG-2019-04* (Public Advocates Office’s Motion). The Public Advocates Office’s Motion sought unredacted documents in response to Data Request Items 1 and 5.¹ The Motion sought further response from SoCalGas pursuant to the Public Advocates Office’s ability to seek information from entities regulated by the Commission pursuant to Pub. Util. Code §§309.5(e) and 314. On August 26, 2019, SoCalGas submitted *Response of SoCalGas to August 14, 2019 Motion to Compel Further Responses from Southern California Gas Company to Data Request – CalAdvocates – SC-SCG-2019-04* (SoCalGas Response).

In this Reply, the Public Advocates Office will not address each of the contentions put forward in the SoCalGas Response, but focuses on SoCalGas’ arguments regarding its obligations to provide information related to shareholder funds.² If the Commission were to adopt certain of SoCalGas’ contentions, the Public Advocates Office’s abilities to

¹ In response to Item 1, SoCalGas provided documents with redacted employee names and redacted amounts of shareholder funding. *See* Motion, Attachment 2. On August 26, 2019, SoCalGas provided an updated document in response to Item 1 with the employee name un-redacted and marked confidential, accompanied by a confidentiality declaration. Therefore, the Public Advocates Office is no longer seeking this information. However, the information related to shareholder funds was still redacted, and the Public Advocates Office still seeks this information. Additionally, the Public Advocates Office is no longer seeking an unredacted response to Item 5, as SoCalGas submitted an amended response with employee names marked as confidential, a privilege log, and a confidentiality declaration on August 13, 2019. *See* Response, Attachment E.

² For example, the Public Advocates Office categorically disagrees with SoCalGas’ contention that the Public Advocates Office attempted to “circumvent the Commission’s processes and procedures” or the role of the Administrative Law Judge assigned to proceeding R.19-01-011. *See* Response at 2-4, 15-16. However, in the interest of brevity, not every erroneous contention will be addressed as the pressing reason for this Reply is to address SoCalGas’ legally deficient argument that the Public Advocates Office, and through extension of such logic, Commission staff in general, do not enjoy broad discovery power to inquire into any aspect of regulated utilities’ records in the pursuit of its statutory duties.

inspect documents in order to perform its statutory duties would be severely limited in a manner that the law does not permit. The Public Advocates Office maintains that its Motion should be granted, consistent with its broad authority to seek information from any regulated entity for any purpose related to the scope of its work. The information sought in the instant Data Request is clearly encompassed within this broad authority. SoCalGas does not have the discretion nor the authority to decide that it does not have to provide certain information to the Public Advocates Office because doing so would not be consistent with SoCalGas' narrow construction of the Public Advocates Office's statutory authority.

II. DISCUSSION

A. The Requested Information is Responsive to the Question Asked Because the Public Advocates Office Has Broad Authority to Seek Such Information Pursuant to Pub. Util. Code §§ 309.5(e) and 314.

In its response to Item 1 of the Public Advocate Office's Data Request SC-SCG-2019-04, SoCalGas redacted the information relating to shareholder funds. The Public Advocates Office seeks an unredacted response to Item 1 of its Data Request SC-SCG-2019-04. SoCalGas argues that the information sought in the Public Advocates Office's Motion in response to Item 1 is not responsive to the question posed.³ The question posed was:

1. For the period covering January 1, 2017 to present, provide all internal control documents for each of the accounts referenced in response to Data Request (No. CalAdvocates-SC-SCG-2019-03).
 - a. Please provide the documents in reverse chronological order, starting from the present, so that the currently controlling document is first, followed by the internal control document that preceded it, and so on, until reaching the document in effect as of January 1, 2017. Clearly provide date that each of these documents was put into effect.
 - b. Please indicate portions of the internal control documents (and accounting instructions) that were changed associated with how to record costs from invoices related to Standard Services

³ Response at 9.

Agreement No. 5660052135 (between SoCalGas and Marathon Communication) following the Amendment No. 1 to Standard Services Agreement No. 5660052135.

- c. Please include any sign off sheets associated with the internal control documents.
- d. If no personnel are identified as approving the internal control documents, please indicate that is the case.⁴

In response, SoCalGas produced a Work Order Authorization (WOA) that showed the date prepared, the description of the work, approvals, and multi-year budget authorization for the account.⁵ However, SoCalGas redacted the dollar figures, arguing in its Response that such information is “not responsive to [the] questions and furthermore is not necessary for Cal Advocates to perform its statutory duties as laid out in Public Utilities Code § 309.5(a)[⁶]” because it is related to shareholder funds, not ratepayer funds.⁷

Contrary to SoCalGas’ contention, inclusion of the unredacted dollar figures is clearly responsive to the question posed. The question is not limited to only information related to ratepayer funds, but asked for “all internal control documents for each of the accounts referenced” Additionally, the question specifically asks for information on the contract between SoCalGas and Marathon. SoCalGas should not be allowed to provide a redacted responsive document under the logic that certain information in the document can be redacted because SoCalGas deems that information to be “not responsive.” If the document is responsive, it should be produced in its entirety unless

⁴ Motion, Attachment 1.

⁵ Motion, Attachment 2.

⁶ Pub. Util. Code § 309.5(a) states:

There is within the commission an independent Public Advocate’s Office of the Public Utilities Commission to represent and advocate on behalf of the interests of public utility customers and subscribers within the jurisdiction of the commission. The goal of the office shall be to obtain the lowest possible rate for service consistent with reliable and safe service levels. For revenue allocation and rate design matters, the office shall primarily consider the interests of residential and small commercial customers.

⁷ Response at 5-6, 9-10.

there is a valid privilege justifying the redaction or a valid concern regarding confidentiality.

Further, and more importantly, SoCalGas' assertion that the Public Advocates Office may not inquire into shareholder funds is based on a fundamentally flawed interpretation of the applicable portions of the Public Utilities Code. SoCalGas asserts that information related solely to shareholder funds will not assist the Public Advocates Office in performing its statutory duties and that inquiring into such funds does not pertain to its "stated line of inquiry."⁸

Firstly, the Public Advocates Office's line of inquiry is not limited only to whether and what extent ratepayer money was used to establish and support C4BES, but encompasses the broad investigation of SoCalGas' funding of C4BES and C4BES's political lobbying activities in general. As stated in the Public Advocates Office's Motion:

[T]he Public Advocates Office is investigating SoCalGas' funding of C4BES and C4BES' political lobbying activities. Therefore, the information requested in DR SC-SCG-2019-04 is necessary for the Public Advocates Office to perform its duty in investigating this matter, including, *among other things*, whether and to what extent ratepayer money was used to found and support C4BES.⁹

Secondly, Advocates Office's authority to obtain information from regulated entities related to the scope of its work is broad and two-fold.¹⁰ The Public Advocates Office is authorized by Pub. Util. Code § 309.5(e) to compel production of any information it deems necessary to perform its duties from any entity regulated by the Commission.¹¹ Pub. Util. Code § 309.5(e) contains no limitation on the type of

⁸ Response at 9.

⁹ Motion at 6 (emphasis added).

¹⁰ See D.01-08-062 at 6: "[The Public Advocates Offices'] rights to seek information from entities regulated by this Commission . . . principally arise from two statutes—Pub. Util. Code. §§ 314 and 309.5."

¹¹ Pub. Util. Code § 309.5(e) states: "The office may compel the production or disclosure of *any information it deems necessary to perform its duties from any entity regulated by the commission*, provided that any objections to any request for information shall be decided in writing by the assigned

information that may be sought by the Public Advocates Office in the pursuit of its statutory duties. Further, there is no suggestion whatsoever that the *regulated entities* may decide what is responsive or necessary for the Public Advocates Office to perform its duties, as SoCalGas has attempted to do in this instance. Pub. Util. Code § 309.5(e) clearly allows for discovery of information *the Public Advocates Office* deems necessary. The Public Advocates Office is not limited to only reviewing information related to ratepayer accounts, and Section 309.5(e) contains no such limitation.

SoCalGas argues that Section 309.5(e) is limited by Section 309.5(a), which states that the Public Advocates Office’s role is to “represent and advocate on behalf of the interests of public utility customers and subscribers within the jurisdiction of the commission” and “to obtain the lowest possible rate for service consistent with reliable and safe service levels.”¹² However, while Section 309.5(a) delineates the Public Advocates Office’s goals, Section 309.5(e) authorizes the Public Advocates Office to pursue these goals through the production of any information it deems necessary. That the Public Advocates Office advocates for ratepayers does not mean that it may only inquire into ratepayer-funded accounts. The Public Advocates Office’s role is to protect ratepayer interests, and it may pursue that goal without being subject to such an illogical and statutorily unsupported restraint as only being allowed to look at above-the-line transactions.

Additionally, as staff of the Commission, the Public Advocates Office has broad authority under Pub. Util. Code § 314 to inspect the accounts and documents of any public utility.¹³ As explained in Decision (D.) 01-08-062, cited in the Public Advocates Office’s Motion:

commissioner or by the president of the commission, if there is no assigned commissioner.” (emphasis added).

¹² See Response at 10.

¹³ Pub. Util. Code §314 states:

(a) The commission, each commissioner, and each officer and person employed by the commission may, at any time, inspect the accounts, books, papers, and documents of any public utility. The commission, each commissioner, and any officer of the commission or any employee

[The Public Advocates Office’s] scope of authority to request and obtain information from entities regulated by the Commission is as broad as that of any other units of our staff, including the offices of the Commissioners. It [is] constrained solely by a statutory provision that provides a mechanism unique to [the Public Advocates Office] for addressing discovery disputes.¹⁴

Pub. Util. Code §314 states that “[t]he commission, each commissioner, and each officer and person employed by the commission may, at any time, inspect the accounts, books, papers, and documents of any public utility” and that “[a]ny person, other than a commissioner or an officer of the commission, demanding to make any inspection shall produce, under the hand and seal of the commission, authorization to make the inspection.” SoCalGas argues that the Public Advocates Office has not “(a) requested to inspect the information that was redacted, (b) presented an authorization under hand and seal of the Commission to make the inspection, or (c) indicated it intends to request to inspect the information and present the required authorization.”¹⁵ Additionally, SoCalGas suggests that it is “unclear whether the right to ‘inspect’ is distinct from the production of documents Cal Advocates seeks by its Motion.”¹⁶

authorized to administer oaths may examine under oath any officer, agent, or employee of a public utility in relation to its business and affairs. Any person, other than a commissioner or an officer of the commission, demanding to make any inspection shall produce, under the hand and seal of the commission, authorization to make the inspection. A written record of the testimony or statement so given under oath shall be made and filed with the commission.

(b) Subdivision (a) also applies to inspections of the accounts, books, papers, and documents of any business that is a subsidiary or affiliate of, or a corporation that holds a controlling interest in, an electrical, gas, or telephone corporation, or a water corporation that has 2,000 or more service connections, with respect to any transaction between the water, electrical, gas, or telephone corporation and the subsidiary, affiliate, or holding corporation on any matter that might adversely affect the interests of the ratepayers of the water, electrical, gas, or telephone corporation.

¹⁴ D.01-08-062 at 6.

¹⁵ Response at 12.

¹⁶ Response at 11-12.

SoCalGas’ attempt to distinguish between the meaning of “inspect” and “produce” are specious, as are its arguments that the Public Advocates Office has not met the “requirements” of Section 314.

Firstly, despite SoCalGas’ attempt to obfuscate the issue, it is clear that the modern meaning of the right to “inspect” is not distinct from the production of documents in the normal course of discovery.¹⁷ SoCalGas’ attempt to distinguish the use of “inspect” in Section 314 from “production” referred to in Section 313 is misguided. Section 313 is directed at the fact that some regulated utilities may have records outside of California.¹⁸ It obligates utilities subject to the Commission’s jurisdiction to bring those records to California.

Secondly, the Public Advocates Office staff, as employees of the Commission, is clearly authorized to seek information under Section 314. Thirdly, the Public Advocates Office unambiguously requested the information—it is unnecessary to present any formal request to inspect the information or any formal authorization beyond the information provided in the data requests.¹⁹

¹⁷ See D.01-08-062 at 7:

By historical evolution, the statutory right to inspect the “accounts, books, papers, and documents” has come to include the right to propound data requests by which the holders of these accounts, books, papers, and documents can be compelled to search for and provide these materials or analyze them in some fashion. In fact, it is for mutual convenience that data requests are utilized. The statutory authority allows staff acting within the scope of their Commission responsibilities to arrive at a utility unannounced to undertake such an inspection of records.

¹⁸ See Pub. Util. Code § 313, titled “Out of state records; order for production.”

¹⁹ See I. 15-08-019, *Order Instituting Investigation on the Commissions Own Motion to Determine Whether Pac. Gas & Elec. Co. & PG&E Corps. Organizational Culture & Governance Prioritize Safety*, (Sept. 2, 2015) at 21: “Further, the Commission hereby confirms that under Pub. Util. Code §§ 313, 314, 314.5, 315, 581, 582, 584, 701, 702, 771, 1794, and 1795, the Commission staff may obtain information from utilities and is already deemed to have the general investigatory authority of the Commission.”; see also D.04-09-061, *Interim Opinion Regarding Phase 2B Audit Issues, Order Instituting Investigation on the Commission’s Own Motion to Assess and Revise the New Regulatory Framework for Pacific Bell and Verizon California Incorporated*, (Sept. 23, 2004), at 113: “The authority of the Commission, its divisions, its staff and its contract auditors is plenary under § 314.”

Additionally, SoCalGas repeats its argument that “neither ratepayer funds nor ratepayers are implicated” by the amount of shareholder funding.²⁰ As explained above, the ability of Public Advocates Office and the Commission, in general, to access information is not so restricted—indeed were such a restriction read into the broad authority to seek information granted by Section 314, the ability of the Commission to inspect documents and records would be severely curtailed. Such a restriction is not consistent with the Commission’s duty to effectively regulate utilities and determine whether any ratepayers were harmed to the benefit of the shareholders.

B. The Public Advocates Office Has Acted in Good Faith

As discussed in the Motion, the Public Advocates Office has met and conferred with SoCalGas in good faith in order to resolve these issues prior to seeking intervention by the President.²¹ The Public Advocates Office disputes SoCalGas’ contention that we have not attempted to resolve these issues in good faith.²²

C. SoCalGas’ Continued Refusal to Cooperate

Since filing the Motion to Compel, SoCalGas filed its responses and objections to a fifth set of data requests served on SoCalGas by the Public Advocates Office. In response to one of those questions, (“Provide all contracts (and contract amendments) covered by the WOA which created the BALANCED ENERGY IO”), SoCalGas responded:

SoCalGas objects to this request as seeking information that is outside the statutory authority delegated to the Public Advocates Office by Pub. Util. Code § 309.5. The Balanced Energy IO is shareholder funded, not ratepayer funded. Thus,

²⁰ Response at 12, citing Section 314(b), which states that it Section 314(a) “applies to inspections of the accounts, books, papers, and documents of any business that is a subsidiary or affiliate of, or a corporation that holds a controlling interest in” a public utility with respect to any transaction “on any matter that might adversely affect the interests of the ratepayers of the water, electrical, gas, or telephone corporation.”

²¹ Motion, Attachment 3, 4.

²² See Response at 6-8.

knowing this information will not assist the Public Advocates Office in performing its statutory duties.²³

While this Data Request is not the subject of the pending Public Advocates Office's Motion, this objection demonstrates that SoCalGas continues to rely on legally unjustified objections. Further, while SoCalGas asserts that it has dealt with the Public Advocates Office in good faith, such responses suggest otherwise.²⁴

III. CONCLUSION

In conclusion, the Public Advocates Office's Motion should be granted, and SoCalGas should be compelled to produce complete and unredacted documents in response to Item 1 in the Data Request SC-SCG-2019-04. Neither Pub. Util. Code §§ 309.5(e) nor 314 is limited in the manner suggested by SoCalGas, and therefore its argument that the Public Advocates Office does not have authority to seek information into shareholder funds should be rejected as inconsistent with the broad discovery authority granted by statute to the Public Advocates Office and Commission staff.

Respectfully submitted,

/s/ REBECCA VORPE

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²³ Attachment A at 8.

²⁴ See Response at 2-4.

EXHIBIT 4



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PUBLIC ADVOCATES OFFICE DATA REQUEST
No. CalAdvocates-SC-SCG-2019-05

Date: August 13, 2019

Response Requested: **Tuesday, August 27, 2019**

To: **Corinne Sierzant** Phone: (213) 244-5354
Regulatory Affairs for SoCalGas Email: CSierzant@semprautilities.com

Avisha A. Patel Phone: (213) 244-2954
Attorney for SoCalGas Email: APatel@semprautilities.com

From: **Stephen Castello** Phone: (415) 703-1063
Analyst for the Email: Stephen.Castello@cpuc.ca.gov
Public Advocates Office

Kerriann Sheppard Phone: (916) 327-6771
Attorney for the Email: Kerriann.Sheppard@cpuc.ca.gov
Public Advocates Office

INSTRUCTIONS

You are instructed to answer the following Data Requests in the above-captioned proceeding, with written, verified responses per Public Utilities Code §§ 309.5 and 314, and Rules 1.1 and 10.1 of the California Public Utilities Commission's Rules of Practice and Procedure. Restate the text of each request prior to providing the response. For any questions, email the Public Advocates Office (Cal PA) contact(s) above with a copy to the Public Advocates Office attorney.

Each Data Request is continuing in nature. Provide your response as it becomes available, but no later than the due date noted above. If you are unable to provide a response by this date, notify the Public Advocates Office as soon as possible, with a written explanation as to why the response date cannot be met and a best estimate of when the information can be

provided. If you acquire additional information after providing an answer to any request, you must supplement your response following the receipt of such additional information.

Identify the person providing the answer to each data request and his/her contact information. Responses should be provided both in the original electronic format, if available, and in hard copy. (If available in Word format, send the Word document and do not send the information as a PDF file.) All electronic documents submitted in response to this data request should be in readable, downloadable, printable, and searchable formats, unless use of such formats is infeasible. Each page should be numbered. If any of your answers refer to or reflect calculations, provide a copy of the supporting electronic files that were used to derive such calculations, such as Excel-compatible spreadsheets or computer programs, with data and formulas intact and functioning. Documents produced in response to the data requests should be Bates-numbered, and indexed if voluminous. Responses to data requests that refer to or incorporate documents should identify the particular documents referenced by Bates-numbers or Bates-range.

If a request, definition, or an instruction, is unclear, notify the Public Advocates Office as soon as possible. In any event, answer the request to the fullest extent possible, specifying the reason for your inability to answer the remaining portion of the Data Request.

Any objection to a Data Request should clearly indicate to which part or portion of the Data Request the objection is directed. If any document, in whole or in part, covered by this request is withheld for whatever reason, please furnish a list identifying all withheld documents in the following manner: (a) a brief description of the document; (b) the date of the document; (c) the name of each author or preparer; (d) the name of each person who received the document; and (e) the reason for withholding it.

If you are unable to answer a question completely, accurately, and with the specificity requested, notify the Public Advocates Office as soon as possible. In your written response to the question, explain why you are unable to answer in full and describe the limitations of your response.

DEFINITIONS

- A. As used herein, the terms “you,” “your(s),” “Company,” “SCG,” and “SoCalGas” mean Southern California Gas Company and any and all of its respective present and former employees, agents, consultants, attorneys, officials, and any and all other persons acting on its behalf.
- B. The terms “and” and “or” shall be construed either disjunctively or conjunctively whenever appropriate in order to bring within the scope of these Data Requests any information or documents which might otherwise be considered to be beyond their scope.
- C. Date ranges shall be construed to include the beginning and end dates named. For example, the phrases “from January 1 to January 31,” “January 1-31,” “January 1 to 31,” and “January 1

through January 31” should be understood to include both the 1st of January and the 31st of January. Likewise, phrases such as “since January 1” and “from January 1 to the present” should be understood to include January 1st, and phrases such as “until January 31,” “through January 31,” and “up to January 31” should also be understood to include the 31st.

- D. The singular form of a word shall be interpreted as plural, and the plural form of a word shall be interpreted as singular whenever appropriate in order to bring within the scope of these Data Requests any information or documents which might otherwise be considered to be beyond their scope.
- E. The term “communications” includes all verbal and written communications of every kind, including but not limited to telephone calls, conferences, notes, correspondence, and all memoranda concerning the requested communications. Where communications are not in writing, provide copies of all memoranda and documents made relating to the requested communication and describe in full the substance of the communication to the extent that the substance is not reflected in the memoranda and documents provided.
- F. The term “document” shall include, without limitation, all writings and records of every type in your possession, control, or custody, whether printed or reproduced by any process, including documents sent and received by electronic mail, or written or produced by hand.
- G. “Relate to,” “concern,” and similar terms and phrases shall mean consist of, refer to, reflect, comprise, discuss, underlie, comment upon, form the basis for, analyze, mention, or be connected with, in any way, the subject of these Data Requests.
- H. When requested to “state the basis” for any analysis (including studies and workpapers), proposal, assertion, assumption, description, quantification, or conclusion, please describe every fact, statistic, inference, supposition, estimate, consideration, conclusion, study, and analysis known to you which you believe to support the analysis, proposal, assertion, assumption, description, quantification, or conclusion, or which you contend to be evidence of the truth or accuracy thereof.

DATA REQUEST

1. Provide the “Political Activities Policy” referenced in the *CAU Approval and Commitment Policy* provided in SoCalGas’ response to Question 2 of SC-SCG-2019-04.
2. Provide the “Procurement Policy” referenced in the *CAU Approval and Commitment Policy* provided in SoCalGas’ response to Question 2 of SC-SCG-2019-04.
3. Provide the Excel workbook titled “IO_Form_503.xls,” referenced on the Work Order Authorization (WOA) provided in SoCalGas’ response to Question 1 of SC-SCG-2019-04.
4. Provide all WOAs or Authorizations of Expenditure (AFE) which controlled Standard Services Agreement No. 5660052135 (between SoCalGas and Marathon

Communications) prior to the WOA provided in SoCalGas' response to Question 1 of SC-SCG-2019-04.

5. Does SoCalGas consider the WOA which created the BALANCED ENERGY IO to be Ordinary course of business (OCB) or "base business" as defined in the CAU Approval and Commitment Policy?
 - a. If so, explain why this designation is appropriate.
 - b. Include any documentation used to support this designation.
6. Does SoCalGas consider the WOA which created the BALANCED ENERGY IO to be "Not in ordinary course of business, incremental projects or non-base business" as defined in the CAU Approval and Commitment Policy?
 - a. If so, explain why this designation is appropriate.
 - b. Include any documentation used to support this designation.
7. Does SoCalGas consider the founding and continued financial support of C4BES and activities related to C4BES to be base business?
 - a. Explain why this designation is appropriate.
 - b. Identify the elements of the CAU Approval and Commitment Policy apply to designation.
8. Provide all contracts (and contract amendments) covered by the WOA which created the BALANCED ENERGY IO.
9. Were all policies and procedures as described in the *CAU Approval and Commitment Policy* followed in regard to the creation, maintenance and execution of the WOA which created the BALANCED ENERGY IO?
 - a. Provide any and all internal audits or other documentation regarding internal review of the accounting and documentation regarding the WOA provided in response to Question 1 of SC-SCG-2019-04.
10. Were all invoices SoCalGas received from Marathon Communications in 2018 and 2019 reviewed in a manner consistent with all policies and procedures as described in the *CAU Approval and Commitment Policy*.
11. Were any reviews as described on page 6 of the *CAU Approval and Commitment Policy* performed for the WOA which created the BALANCED ENERGY IO?
 - a. If reviews were performed, provide all review documentation as described in the *CAU Approval and Commitment Policy*.
 - b. Explain why, or why not, a Technical/Economic Review was performed. Explain why, or why not, the Internal Review Checklist was completed.
12. Was Board approval obtained for the WOA which created the BALANCED ENERGY IO?
 - a. If yes, on what date was approval obtained?
 - b. Provide all documents provided to the board as part of the board approval.
13. Is nonrefundable O&M ratepayer funded?

14. Provide screenshots of the Purchase Order (PO) that controls Agreement No. 5660052135 (between SoCalGas and Marathon Communications) in the accounting system SAP. The screenshots should include the full content of the window with all content fully legible. If separate tabs exist within the PO, separate screenshots displaying the contents of each tab should be included. Submit all screenshots for the PO in one .pdf document.
15. If a PO distinct from the PO referenced in Question 13 has previously controlled Agreement No. 5660052135 (between SoCalGas and Marathon Communications), provide screenshots in the same manner as requested in Question 13. If applicable, provide one .pdf document for each PO.
16. Provide documentation that clearly indicates SoCalGas' intent has always been that work and expenses related to founding and supporting the organization that came to be known as Californians for Balanced Energy Solutions should be fully shareholder funded. The document should be dated and consistent with SoCalGas' response to Question 6 of SC-SCG-2019-02 (i.e.: dated late 2017 – early 2018). If no such documentation exists, please state that no documentation exists to substantiate the claim that it was always SoCalGas' intent that work and expenses related to founding and supporting the organization that came to be known as Californian for Balanced Energy Solutions should be shareholder funded.
17. The following questions refer to the WOA provided in response to Question 1 of SC-SCG-2019-04:
 - a. What does the check mark in the box next to "O&M" signify (upper right hand corner of the document?)
 - b. What does the handwritten number "28322.000" in the upper right hand corner signify?
 - c. What does the number "\$30M" below the signature of Sharan Tomkins signify?
 - d. On what date did Sharon Tomkins sign the WOA?
 - e. Was the WOA prepared 3/31/2019 revised at any point after March 28, 2019?
 - i. If yes, please provide the revised document, along with any documents included in the preparation and review of the revised WOA.
 - ii. If no, please provide all relevant documents providing accounting instruction to have invoices and costs recorded after 6/14/2019 booked to shareholder funded accounts on a going-forward basis.
18. What audit or compliance plan does the Sempra board have in reviewing charges intended to be recovered from shareholders.
19. Provide the initial WOA under which the initial Marathon contract (Contract Agreement 5660052135, which started January 26, 2018) was authorized.
 - a. Provide all documentation associated with the initial WOA.
 - b. If there is no WOA associated with Contract Agreement 5660052135, prior to the WOA prepared on 3/21/2019, please indicate that none exists, and provide an

explanation of how the lack of a WOA prior to 3/21/2019 is consistent with SoCalGas' CAU Approval and Commitment Policy.

20. Provide a list of all journal entries made to remove any charges from Responsible Cost Center 2200-2204 from March 1, 2019 through the date of this data request. For each item, please indicate:
 - a. The date the journal entry was executed.
 - b. The name and title of the SoCalGas employee who authorized the instruction to make the journal entry.
 - c. If that journal entry moved the charge to a shareholder funded account or not.
 - d. Identifying information regarding the charge (including, but not limited to, invoice number and Contract Agreement number, employee charged time)
21. Provide a list of all journal entries made to remove any charges from the "ENERGY POLICY and STRATEGY team" from March 1, 2019 through the date of this data request. For each item, please indicate:
 - a. The date the journal entry was executed.
 - b. The name and title of the SoCalGas employee who authorized the instruction to make the journal entry.
 - c. If that journal entry moved the charge to a shareholder funded account or not.
 - d. Identifying information regarding the charge (including, but not limited to, invoice number and Contract Agreement number, employee charged time).

END OF REQUEST

EXHIBIT 5

SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALADVOCATES-SC-SCG-2019-05)

Date Received: August 13, 2019

Date Submitted: August 27, 2019

Preliminary Statement: SoCalGas has made a good faith effort to respond fully to all the questions posed in this data request. However, many of the questions are premised on an understandable lack of familiarity with SoCalGas' accounting systems, practices, and procedures. These systems, practices, and procedures are difficult to describe in response to written questions; as such, SoCalGas welcomes the opportunity to meet with Cal Advocates to describe and discuss these and related matters.

QUESTION 1:

Provide the "Political Activities Policy" referenced in the *CAU Approval and Commitment Policy* provided in SoCalGas' response to Question 2 of SC-SCG-2019-04.

RESPONSE 1:

See attached policy titled Political Activities Policy.

SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALADVOCATES-SC-SCG-2019-05)
Date Received: August 13, 2019
Date Submitted: August 27, 2019

QUESTION 2:

Provide the “Procurement Policy” referenced in the CAU Approval and Commitment Policy provided in SoCalGas’ response to Question 2 of SC-SCG-2019-04.

RESPONSE 2:

See the attached policy titled Procurement Policy.

SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALADVOCATES-SC-SCG-2019-05)
Date Received: August 13, 2019
Date Submitted: August 27, 2019

QUESTION 3:

Provide the Excel workbook titled "IO_Form_503.xls," referenced on the Work Order Authorization (WOA) provided in SoCalGas' response to Question 1 of SC-SCG-2019-04.

RESPONSE 3:

The reference to excel file "IO_Form_503.xls" is the excel filename for the Work Order Authorization form template.

SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALADVOCATES-SC-SCG-2019-05)
Date Received: August 13, 2019
Date Submitted: August 27, 2019

QUESTION 4:

Provide all WOAs or Authorizations of Expenditure (AFE) which controlled Standard Services Agreement No. 5660052135 (between SoCalGas and Marathon Communications) prior to the WOA provided in SoCalGas' response to Question 1 of SC-SCG-2019-04.

RESPONSE 4:

No other WOAs or AFEs are related to Standard Services Agreement No. 5660052135.

SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALADVOCATES-SC-SCG-2019-05)

Date Received: August 13, 2019

Date Submitted: August 27, 2019

QUESTION 5:

Does SoCalGas consider the WOA which created the BALANCED ENERGY IO to be Ordinary course of business (OCB) or “base business” as defined in the CAU Approval and Commitment Policy?

- a. If so, explain why this designation is appropriate.
- b. Include any documentation used to support this designation.

RESPONSE 5:

Yes.

- a. The Approval and Commitment Policy establishes standards for the authorization to enter into commitments and for the approval of cash disbursements and to execute other documents necessary to carry out the commitments on behalf of SoCalGas. Ordinary course of business or base business in that policy references the usual transactions that are ratepayer funded, but base business need not necessarily be ratepayer funded; it can also be shareholder funded. SoCalGas deems the activities included in the Balanced Energy IO to be ordinary course of business or base business, and the Balanced Energy IO is fully shareholder funded.
- b. SoCalGas objects to this request as vague, ambiguous, overly broad, unduly burdensome and intrusive pursuant to Rule 10.1 of the Commission’s Rules of Practice and Procedure. Subject to and without waiving the foregoing objections, SoCalGas responds as follows: SoCalGas is not aware of any responsive documentation that specifically pertains to the WOA that created the Balanced Energy IO other than the WOA itself.

SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALADVOCATES-SC-SCG-2019-05)

Date Received: August 13, 2019

Date Submitted: August 27, 2019

QUESTION 6:

Does SoCalGas consider the WOA which created the BALANCED ENERGY IO to be “Not in ordinary course of business, incremental projects or non-base business” as defined in the CAU Approval and Commitment Policy?

- a. If so, explain why this designation is appropriate.
- b. Include any documentation used to support this designation.

RESPONSE 6:

SoCalGas does not consider the WOA which created the Balanced Energy IO to be “not in the ordinary course of business, incremental projects or non-base business” as defined in the CAU Approval and Commitment Policy. Please refer to the response to Question 5.

SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALADVOCATES-SC-SCG-2019-05)
Date Received: August 13, 2019
Date Submitted: August 27, 2019

QUESTION 7:

Does SoCalGas consider the founding and continued financial support of C4BES and activities related to C4BES to be base business?

- a. Explain why this designation is appropriate.
- b. Identify the elements of the CAU Approval and Commitment Policy apply to designation.

RESPONSE 7:

Yes.

- a. As a preliminary matter, please refer to the response to Question 5, which indicates that base business need not be ratepayer funded (and, in this case, the Balanced Energy IO is not ratepayer funded). The designation of this support as base business is appropriate because the funds are used to support an organization which represents the interests of our customers.
- b. Please refer to response to Question 5.

SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALADVOCATES-SC-SCG-2019-05)
Date Received: August 13, 2019
Date Submitted: August 27, 2019

QUESTION 8:

Provide all contracts (and contract amendments) covered by the WOA which created the BALANCED ENERGY IO.

RESPONSE 8:

SoCalGas objects to this request as seeking information that is outside the statutory authority delegated to the Public Advocates Office by Pub. Util. Code § 309.5. The Balanced Energy IO is shareholder funded, not ratepayer funded. Thus, knowing this information will not assist the Public Advocates Office in performing its statutory duties.

SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALADVOCATES-SC-SCG-2019-05)

Date Received: August 13, 2019

Date Submitted: August 27, 2019

QUESTION 9:

Were all policies and procedures as described in the *CAU Approval and Commitment Policy* followed in regard to the creation, maintenance and execution of the WOA which created the BALANCED ENERGY IO?

- a. Provide any and all internal audits or other documentation regarding internal review of the accounting and documentation regarding the WOA provided in response to Question 1 of SC-SCG-2019-04.

RESPONSE 9:

Yes; the copy of the WOA provides evidence of internal approvals to open the internal order in accordance with SoCalGas' policies.

- a. No additional responsive documents exist.

SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALADVOCATES-SC-SCG-2019-05)

Date Received: August 13, 2019

Date Submitted: August 27, 2019

QUESTION 10:

Were all invoices SoCalGas received from Marathon Communications in 2018 and 2019 reviewed in a manner consistent with all policies and procedures as described in the *CAU Approval and Commitment Policy*.

RESPONSE 10:

Yes.

**SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALADVOCATES-SC-SCG-2019-05)**

Date Received: August 13, 2019

Date Submitted: August 27, 2019

QUESTION 11:

Were any reviews as described on page 6 of the CAU Approval and Commitment Policy performed for the WOA which created the BALANCED ENERGY IO?

- a. If reviews were performed, provide all review documentation as described in the CAU Approval and Commitment Policy.
- b. Explain why, or why not, a Technical/Economic Review was performed. Explain why, or why not, the Internal Review Checklist was completed.

RESPONSE 11:

No. The additional review and approval requirements referenced on page 6 are not applicable to this WOA. All necessary approvals of the work order are evidenced on the WOA.

- a. Not applicable.
- b. A Technical/Economic Review and related Internal Review Checklist was not required in accordance with the Approval and Commitment Policy.

SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALADVOCATES-SC-SCG-2019-05)
Date Received: August 13, 2019
Date Submitted: August 27, 2019

QUESTION 12:

Was Board approval obtained for the WOA which created the BALANCED ENERGY IO?

- a. If yes, on what date was approval obtained?
- b. Provide all documents provided to the board as part of the board approval.

RESPONSE 12:

SoCalGas Board approval was not required in accordance with the Approval and Commitment Policy.

- a. Not applicable.
- b. Not applicable.

SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALADVOCATES-SC-SCG-2019-05)
Date Received: August 13, 2019
Date Submitted: August 27, 2019

QUESTION 13:

Is nonrefundable O&M ratepayer funded?

RESPONSE 13:

SoCalGas objects to this question as being vague, ambiguous, and overly broad. Subject to and without waiving the foregoing objections, SoCalGas responds as follows: SoCalGas understands this request to pertain to the Balanced Energy IO. The costs and activities tracked by the Balanced Energy IO are not funded by ratepayers.

**SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALADVOCATES-SC-SCG-2019-05)**

Date Received: August 13, 2019

Date Submitted: August 27, 2019

QUESTION 14:

Provide screenshots of the Purchase Order (PO) that controls Agreement No. 5660052135 (between SoCalGas and Marathon Communications) in the accounting system SAP. The screenshots should include the full content of the window with all content fully legible. If separate tabs exist within the PO, separate screenshots displaying the contents of each tab should be included. Submit all screenshots for the PO in one .pdf document.

RESPONSE 14:

The attachment includes Confidential and Protected Material pursuant to PUC Section 583, GO 66-D, D.17-09-023.

Please see attached document "PO Screenshots."

SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALADVOCATES-SC-SCG-2019-05)
Date Received: August 13, 2019
Date Submitted: August 27, 2019

QUESTION 15:

If a PO distinct from the PO referenced in Question 13 has previously controlled Agreement No. 5660052135 (between SoCalGas and Marathon Communications), provide screenshots in the same manner as requested in Question 13. If applicable, provide one .pdf document for each PO.

RESPONSE 15:

We understand this question to intend to refer to Question 14 and respond on that basis. No other POs have controlled Agreement No. 5660052135.

**SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALADVOCATES-SC-SCG-2019-05)**

Date Received: August 13, 2019

Date Submitted: August 27, 2019

QUESTION 16:

Provide documentation that clearly indicates SoCalGas' intent has always been that work and expenses related to founding and supporting the organization that came to be known as Californians for Balanced Energy Solutions should be fully shareholder funded. The document should be dated and consistent with SoCalGas' response to Question 6 of SC-SCG-2019-02 (i.e.: dated late 2017 – early 2018). If no such documentation exists, please state that no documentation exists to substantiate the claim that it was always SoCalGas' intent that work and expenses related to founding and supporting the organization that came to be known as Californian for Balanced Energy Solutions should be shareholder funded.

RESPONSE 16:

SoCalGas is not aware of any non-privileged responsive documentation.

SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALADVOCATES-SC-SCG-2019-05)

Date Received: August 13, 2019

Date Submitted: August 27, 2019

QUESTION 17:

The following questions refer to the WOA provided in response to Question 1 of SC-SCG-2019-04:

- a. What does the check mark in the box next to “O&M” signify (upper right hand corner of the document?)
- b. What does the handwritten number “28322.000” in the upper right hand corner signify?
- c. What does the number “\$30M” below the signature of Sharon Tomkins signify?
- d. On what date did Sharon Tomkins sign the WOA?
- e. Was the WOA prepared 3/31/2019 revised at any point after March 28, 2019?
 - i. If yes, please provide the revised document, along with any documents included in the preparation and review of the revised WOA.
 - ii. If no, please provide all relevant documents providing accounting instruction to have invoices and costs recorded after 6/14/2019 booked to shareholder funded accounts on a going-forward basis.

RESPONSE 17:

The copy of the completed and approved WOA includes notations from the accountant who processed the WOA requisition.

- a. The check mark in the box next to “O&M” signifies that the WOA is for O&M costs.
- b. This number represents the work order number assigned to this project.
- c. This notation indicates the authorization limit that Sharon Tomkins has as a Vice President of SoCalGas. The authority level is documented within the Approval and Commitment policy.
- d. Accounting received the form from Sharon Tomkins’ office on March 28, 2019 as indicated by the stamp on the WOA.
- e. SoCalGas understands this question to intend to refer to the date 3/21/2019 rather than 3/31/2019 and responds on that basis. There was no revision to the WOA after March 28, 2019.
 - i. Not applicable.
 - ii. SoCalGas is not aware of the existence of any responsive documents.

SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALADVOCATES-SC-SCG-2019-05)
Date Received: August 13, 2019
Date Submitted: August 27, 2019

QUESTION 18:

What audit or compliance plan does the Sempra board have in reviewing charges intended to be recovered from shareholders.

RESPONSE 18:

Not applicable. The Sempra board is not reviewing these charges.

SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALADVOCATES-SC-SCG-2019-05)

Date Received: August 13, 2019

Date Submitted: August 27, 2019

QUESTION 19:

Provide the initial WOA under which the initial Marathon contract (Contract Agreement 5660052135, which started January 26, 2018) was authorized.

- a. Provide all documentation associated with the initial WOA.
- b. If there is no WOA associated with Contract Agreement 5660052135, prior to the WOA prepared on 3/21/2019, please indicate that none exists, and provide an explanation of how the lack of a WOA prior to 3/21/2019 is consistent with SoCalGas' CAU Approval and Commitment Policy.

RESPONSE 19:

A WOA was not created for the initial authorization of Contract Agreement 5660052135 as the Approval and Commitment Policy does not require a WOA to exist in order to enter into an agreement for professional services (i.e., O&M).

**SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALADVOCATES-SC-SCG-2019-05)**

Date Received: August 13, 2019

Date Submitted: August 27, 2019

QUESTION 20:

Provide a list of all journal entries made to remove any charges from Responsible Cost Center 2200-2204 from March 1, 2019 through the date of this data request. For each item, please indicate:

- a. The date the journal entry was executed.
- b. The name and title of the SoCalGas employee who authorized the instruction to make the journal entry.
- c. If that journal entry moved the charge to a shareholder funded account or not.
- d. Identifying information regarding the charge (including, but not limited to, invoice number and Contract Agreement number, employee charged time)

RESPONSE 20:

No journal entries were made to remove charges from responsible cost center 2200-2204 from March 1, 2019 through the date of this data request.

- a. Not applicable.
- b. Not applicable.
- c. Not applicable.
- d. Not applicable.

SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALADVOCATES-SC-SCG-2019-05)
Date Received: August 13, 2019
Date Submitted: August 27, 2019

QUESTION 21:

Provide a list of all journal entries made to remove any charges from the “ENERGY POLICY and STRATEGY team” from March 1, 2019 through the date of this data request. For each item, please indicate:

- a. The date the journal entry was executed.
- b. The name and title of the SoCalGas employee who authorized the instruction to make the journal entry.
- c. If that journal entry moved the charge to a shareholder funded account or not.
- d. Identifying information regarding the charge (including, but not limited to, invoice number and Contract Agreement number, employee charged time).

RESPONSE 21:

The Energy Policy and Strategy team charges their labor and non-labor charges to cost center 2200-2204. Please see response to Question 20.

- a. Not applicable.
- b. Not applicable.
- c. Not applicable.
- d. Not applicable.

EXHIBIT 6

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**ADMINISTRATIVE LAW JUDGE'S RULING IN THE DISCOVERY DISPUTE
BETWEEN PUBLIC ADVOCATES OFFICE AND SOUTHERN CALIFORNIA
GAS COMPANY, AUGUST 2019 (NOT IN A PROCEEDING)**

This ruling resolves the discovery dispute between Southern California Gas Company (SoCalGas) and Public Advocates Office of the California Public Utilities Commission (Cal Advocates) by granting Cal Advocates' August 14, 2019 *Motion to Compel Further Responses from Southern California Gas Company to Data Request- CalAdvocates-SC-SCG-2019-04 (DR SC-SCG-2019-04)*. SoCalGas shall, within two businesses days, provide the unredacted information sought in response to Data Request - CalAdvocates-SC-SCG-2019-04 (DR SC-SCG-2019-04).

1. Background

SoCalGas is regulated by the Commission. On August 14, 2019, Cal Advocates sent via letter to the Commission's President a *Motion to Compel Further Responses from Southern California Gas Company to Data Request - CalAdvocates-SC-SCG-2019-04 (DR SC-SCG-2019-04)*. The data requests referred to in this Motion to Compel were not issued pursuant to any open Commission proceeding. Therefore, no assigned Commissioner exists for this discovery dispute. In this situation, Pub. Util. Code § 309.5(e) provides that the President of the Commission must decide any discovery objections. On September 5, 2019, the President of the Commission referred this dispute to the Chief Administrative Law Judge (ALJ) for resolution. On September 5, 2019, the Chief ALJ designated an ALJ to review and dispose of the dispute.

2. Discussion

The August 14, 2019 Motion to Compel states that SoCalGas responded to Data Request - CalAdvocates-SC-SCG-2019-04 (DR SC-SCG-2019-04) but, regarding Item 1 and 5, redacted information and failed to provide any explanations, declaration, or privilege logs explaining why this information cannot be disclosed to Cal Advocates in unredacted format.¹

On August 26, 2019, SoCalGas sent to the President of the Commission the *Response of SoCalGas to the August 14, 2019 Motion to Compel Further Responses from Southern California Gas Company to Data Request*. In this Response, SoCalGas objects to the Motion to Compel.

On September 5, 2019, the Chief Administrative Law Judge granted Cal Advocates request to file a Reply. On September 9, 2019, Cal Advocates submitted a Reply to SoCalGas' Responses, *Reply of the Public Advocates Office to Response of SoCalGas to August 14, 2019 Motion to Compel Further Responses From Southern California Gas Company to Data Request-CalAdvocates-SC-SCG-2019-04 (DR SC-SCG-2019-04)*. Cal Advocates states that SoCalGas has provided information in response to Item 5. Therefore, it only seeks to compel a discovery response to Item 1.

After reviewing the Cal Advocates' Motion, SoCalGas' Response, and Cal Advocates' Reply, Cal Advocates' Motion to Compel submitted pursuant to Pub. Util. Code § 309.5(e), § 314, and Rule 11.3 of the Commission's Rules of Practice and Procedure is granted.

IT IS SO RULED that the August 14, 2019 Motion to Compel submitted by Cal Advocates pursuant to Pub. Util. Code § 309.5(e), § 314, and Rule 11.3 of the

¹ Prior to filing the Motion to Compel, Cal Advocates and SoCalGas held a meet-and-confer on June 4, 2019. A meet-and-confer was only held on August 12, 2019.

Commission's Rules of Practice and Procedure is granted. SoCalGas shall, within two businesses days, provide the unredacted information sought in response to Item 1 of Data Request - CalAdvocates-SC-SCG-2019-04 (DR SC-SCG-2019-04).

Dated September 10, 2019, at San Francisco, California.

/s/ REGINA M. DEANGELIS

Regina M. DeAngelis
Administrative Law Judge

INFORMATION REGARDING SERVICE

I have electronically served all persons on the attached.

Administrative Law Judge's Ruling in the Discovery Dispute between
Public Advocates Office and Southern California Gas Company, August 2019
(Not in a Proceeding).

Regina DeAngelis, Regina.deangelis@cpuc.ca.gov

Rebecca Vorpe, Rebecca.Vorpe@cpuc.ca.gov

Avisha Patel, APatel@socalgas.com

The list I use is current as of today's date.

Dated September 10, 2019, at San Francisco, California.

/s/ REGINA M. DEANGELIS
Regina DeAngelis

EXHIBIT 7

Vorpe, Rebecca M.

From: Patel, Avisha A <APatel@socalgas.com>
Sent: Friday, September 13, 2019 1:35 PM
To: Vorpe, Rebecca M.
Cc: Buch, Daniel; Campbell, Michael; Castello, Stephen; Weismehl, Philip S.
Subject: RE: Complete Updated Response to CalAdvocates DR SC-SCG-2019-05

Dear Ms. Vorpe,

I am unable to find support for your rationale in ALJ DeAngelis's September 10 ruling. Moreover, Cal PA's September 9 reply specifically acknowledges that Question 8 of DR-CalAdvocates-SC-SCG-2019-05 "is not the subject of the pending Public Advocates Office's Motion...." (Cal Advocates Reply at 9, following quotation of SoCalGas' response to Question 8 of DR-CalAdvocates-SC-SCG-2019-05.)

Please let me know who will participate in a meet-and-confer about this issue from your office so I may ascertain the availability of our counterparts. I will endeavor to have this meeting occur on Monday or Tuesday next week.

Be well,
Avisha

Avisha A. Patel | Senior Counsel
Southern California Gas Company
Tel. (213) 244-2954

From: Vorpe, Rebecca M. <Rebecca.Vorpe@cpuc.ca.gov>
Sent: Thursday, September 12, 2019 4:43 PM
To: Patel, Avisha A <APatel@socalgas.com>
Cc: Buch, Daniel <Daniel.Buch@cpuc.ca.gov>; Campbell, Michael <Michael.Campbell@cpuc.ca.gov>; Castello, Stephen <Stephen.Castello@cpuc.ca.gov>; Weismehl, Philip S. <philip.weismehl@cpuc.ca.gov>
Subject: [EXTERNAL] RE: Complete Updated Response to CalAdvocates DR SC-SCG-2019-05

Dear Ms. Patel,

Question 8 of DR CalAdvocates-SC-SCG-2019-05 asked the following: "Provide all contracts (and contract amendments) covered by the WOA which created the BALANCED ENERGY IO." To which SoCalGas responded: "SoCalGas objects to this request as seeking information that is outside the statutory authority delegated to the Public Advocates Office by Pub. Util. Code § 309.5. The Balanced Energy IO is shareholder funded, not ratepayer funded. Thus, knowing this information will not assist the Public Advocates Office in performing its statutory duties."

SoCalGas relied on this same reasoning to withhold information in response to Item 1 of DR CalAdvocates-SC-SCG-2019-04 (i.e., that SoCalGas considered information about shareholder funded activities to be outside the Public Advocates Office's statutory authority and therefore not responsive to its data requests). In granting the Public Advocates Office's motion to compel, Judge DeAngelis implicitly rejected this reasoning. Therefore, given that SoCalGas' reasoning for refusing to provide responsive documents to Question 8 was rejected by the ALJ, the Public Advocates Office expects that SoCalGas will provide a complete updated response rather than force the issue to be re-litigated.

Thank you,

Rebecca Vorpe
Staff Attorney for the Public Advocates Office
California Public Utilities Commission
(415) 703-4443

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From: Patel, Avisha A <APatel@socalgas.com>
Sent: Thursday, September 12, 2019 3:45 PM
To: Vorpe, Rebecca M. <Rebecca.Vorpe@cpuc.ca.gov>
Cc: Buch, Daniel <Daniel.Buch@cpuc.ca.gov>; Campbell, Michael <Michael.Campbell@cpuc.ca.gov>; Castello, Stephen <Stephen.Castello@cpuc.ca.gov>; Weismehl, Philip S. <philip.weismehl@cpuc.ca.gov>
Subject: RE: Complete Updated Response to CalAdvocates DR SC-SCG-2019-05

Dear Ms. Vorpe,

Thank you for your email. It is our intention to comply with ALJ DeAngelis's September 10, 2019 Ruling. Noting this, would you please elucidate the bearing of that ruling on Question 8 of Data Request CalAdvocates-SC-SCG-2019-05 so we may respond to your inquiry appropriately?

Thank you,
Avisha

Avisha A. Patel | Senior Counsel
Southern California Gas Company
Tel. (213) 244-2954

From: Vorpe, Rebecca M. <Rebecca.Vorpe@cpuc.ca.gov>
Sent: Wednesday, September 11, 2019 12:56 PM
To: Patel, Avisha A <APatel@socalgas.com>
Cc: Buch, Daniel <Daniel.Buch@cpuc.ca.gov>; Campbell, Michael <Michael.Campbell@cpuc.ca.gov>; Castello, Stephen <Stephen.Castello@cpuc.ca.gov>; Weismehl, Philip S. <philip.weismehl@cpuc.ca.gov>
Subject: [EXTERNAL] Complete Updated Response to CalAdvocates DR SC-SCG-2019-05

Good Afternoon Ms. Patel,

Given Judge DeAngelis' September 10, 2019 ruling granting the Public Advocates Office's Motion to Compel regarding Data Request CalAdvocates-SC-SCG-2019-04, the Public Advocates Office expects that SoCalGas will provide a complete updated response to Question 8 in Data Request CalAdvocates-SC-SCG-2019-05. The Public Advocates Office expects that SoCalGas will provide this updated response by no later than close of business September 13, 2019. If SoCalGas does not intend to provide a complete updated response, the Public Advocates Office would like to schedule a meet and confer on the issue no later than Monday morning, September 16, 2019.

Thank you,

Rebecca Vorpe
Staff Attorney for the Public Advocates Office
California Public Utilities Commission
(415) 703-4443

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EXHIBIT 8

Vorpe, Rebecca M.

From: Vorpe, Rebecca M.
Sent: Friday, September 27, 2019 6:24 PM
To: Sierzant, Corinne M; Patel, Avisha A; Tran, Johnny Q
Cc: Castello, Stephen; Buch, Daniel; Yip-Kikugawa, Amy C.; Campbell, Michael
Subject: RE: Meeting Sept. 27 with SoCalGas Accounting Staff re: Public Advocates Office's Data Requests

Good Evening,

This email is to provide a brief, high-level summary of our meeting today between the Public Advocates Office (or Cal Advocates) and SoCalGas accounting staff and counsel.

After providing an overview of SoCalGas' general accounting processes and procedures, SoCalGas clarified what it meant by the term "nonrefundable O&M" and answered specific questions regarding certain accounting procedures and notations. Cal Advocates asked certain follow up questions related to Question 13 of DR CalAdvocates-SC-SCG-2019-05, and SoCalGas agreed to provide a revised/amended answer to Question 13 by 11:00am on Wednesday, October 2, 2019. SoCalGas and Cal Advocates also have a meet-and-confer scheduled for October 2 from 3:00pm to 4:00pm. During the October 2 meeting, the plan is to discuss Question 8 of DR CalAdvocates-SC-SCG-2019-05, which is still in dispute, in addition to further discussing Question 13 if necessary.

During the meeting today SoCalGas expressed its belief, based on our prior meet-and-confer on September 16, 2019 regarding Question 8, that the meeting today was intended to resolve the dispute regarding Question 8. Cal Advocates explained that it was Cal Advocates' good faith belief that the meeting today would be helpful in understanding the context behind SoCalGas' accounting practices, and that the meeting was indeed helpful for understanding the context for both Question 8 and especially Question 13. However, it is still Cal Advocates' position that Question 8 is in dispute. Cal Advocates reiterated that it is entitled to the documents requested pursuant to both statute and Commission decisions, and suggested that Question 8 be discussed further on October 2, in addition to Question 13 (if necessary).

We look forward to discussing these matters further on October 2.

Thank you,

Rebecca Vorpe
Staff Attorney
California Public Utilities Commission
(415) 703-4443

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From: Sierzant, Corinne M <CSierzant@socalgas.com>
Sent: Thursday, September 26, 2019 10:02 AM
To: Vorpe, Rebecca M. <Rebecca.Vorpe@cpuc.ca.gov>
Cc: Castello, Stephen <Stephen.Castello@cpuc.ca.gov>; Patel, Avisha A <APatel@socalgas.com>; Tran, Johnny Q <JQTran@socalgas.com>
Subject: RE: Meeting Sept. 27 with SoCalGas Accounting Staff re: Public Advocates Office's Data Requests

Hello Rebecca,
We are able to move the meeting tomorrow to 1:30-2:30.
Sincerely,
Corinne Sierzant

From: Vorpe, Rebecca M. <Rebecca.Vorpe@cpuc.ca.gov>
Sent: Wednesday, September 25, 2019 3:24 PM
To: Sierzant, Corinne M <CSierzant@socalgas.com>; Patel, Avisha A <APatel@socalgas.com>
Cc: Castello, Stephen <Stephen.Castello@cpuc.ca.gov>
Subject: [EXTERNAL] Meeting Sept. 27 with SoCalGas Accounting Staff re: Public Advocates Office's Data Requests

Good Afternoon Corinne and Avisha,

Regarding the meeting scheduled for this Friday, September 27 with SoCalGas accounting staff, the Public Advocates Office plans to cover the topics below in order to gain a better understanding of various accounting practices at SoCalGas, as discussed during our prior meet and confer. Further, we were wondering if it is possible to move the meeting to 1:30pm to 2:30pm (currently it is scheduled for 2:00pm to 3:00pm). Please let me know if this is possible. Thank you.

Topics to cover in the September 27, 2019 Meeting:

- Explanations of general accounting practices and procedures.
- Explanations of terms and procedures in SAP.
- Explanation of contract agreement documentation and tracking.
- Explanation of internal compliance instructions.
- Explanations of form elements, such as those found in the Excel workbook "wo_auth_scg."
- How costs are identified as ratepayer funded and/or shareholder funded.
- Clarification on the understanding and assignment of budget categories.

Thank you,

Rebecca Vorpe
Staff Attorney
California Public Utilities Commission
(415) 703-4443

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EXHIBIT 9

Vorpe, Rebecca M.

From: Vorpe, Rebecca M.
Sent: Wednesday, September 18, 2019 5:12 PM
To: Patel, Avisha A
Cc: Weismehl, Philip S.; Campbell, Michael; Buch, Daniel; Castello, Stephen; Sierzant, Corinne M; Yip-Kikugawa, Amy C.
Subject: RE: Meet and Confer Request -- CalAdvocates DR SC-SCG-2019-05 Question 13

Dear Ms. Patel,

Thank you for your email regarding Question 13 and your offer to make subject-matter experts available to explain any nuances the Public Advocates Office may not be attuned to. We suggest that we may be able to discuss some of these nuances at the meeting with SoCalGas accounting staff scheduled for Friday, September 27 and in follow-up conversations if necessary.

However, the Public Advocates Office still believes Question 13 is straightforward and that SoCalGas has not offered a responsive answer. Therefore, we would like to schedule a meet and confer to discuss Question 13 early the week of September 30, in the event that the meeting on Friday, September 27 does not resolve the issue related to Question 13. Please advise of your availability early that week so that we may set up the meet and confer.

Thank you,

Rebecca Vorpe
Staff Attorney for the Public Advocates Office
California Public Utilities Commission
(415) 703-4443

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From: Patel, Avisha A <APatel@socalgas.com>
Sent: Friday, September 13, 2019 4:17 PM
To: Vorpe, Rebecca M. <Rebecca.Vorpe@cpuc.ca.gov>
Cc: Weismehl, Philip S. <philip.weismehl@cpuc.ca.gov>; Campbell, Michael <Michael.Campbell@cpuc.ca.gov>; Buch, Daniel <Daniel.Buch@cpuc.ca.gov>; Castello, Stephen <Stephen.Castello@cpuc.ca.gov>; Sierzant, Corinne M <CSierzant@socalgas.com>
Subject: RE: Meet and Confer Request -- CalAdvocates DR SC-SCG-2019-05 Question 13

Dear Ms. Vorpe,

Thank you for your email. As noted in the preliminary statement provided in our responses to DR CalAdvocates-SC-SCG-2019-05, some of the questions in that data request were not conducive to a straightforward response, like the one you propose below that we should have provided in response to Question 13, because they are premised on an understandable lack of familiarity with certain accounting practices, and thus we proposed that we meet to discuss these matters (see SoCalGas Response to Data Request CalAdvocates-SC-SCG-2019-05 at p. 1). We are amenable to a meet-and-confer on this topic; however, we think it might be useful if we first provide some general information that

explains why the question cannot be answered with a simple yes or no, and what “non-refundable O&M” generally means. We can meet thereafter and have a more robust discussion, if Cal Advocates still has questions pertaining to Question 13.

The CPUC defines a balancing account as follows:

“Balancing Account: An account used to match the collection of actual revenues against actual costs after an adjustment for unanticipated changes in expenditures; fuel costs of major plant additions are often put into balancing accounts.” (See <https://www.cpuc.ca.gov/General.aspx?id=1190>.)

Balancing accounts are commonly referred to as “refundable” accounts.

The meaning of “non-refundable O&M” refers to any O&M costs not subject to balancing account treatment.

Question 13 is: “Is nonrefundable O&M ratepayer funded?” Based on the foregoing, the question cannot be answered with a “yes” or “no.” In an effort to be responsive, and in continued good faith, we answered the question by putting it in the context of the issue at hand (the Balanced Energy IO).

If you would still like to hold a meet-and-confer on this question, please let me know as soon as practicable so I can find available times for the relevant subject matter experts.

Be well,
Avisha

Avisha A. Patel | Senior Counsel
Southern California Gas Company
Tel. (213) 244-2954

From: Vorpe, Rebecca M. <Rebecca.Vorpe@cpuc.ca.gov>

Sent: Thursday, September 12, 2019 10:14 AM

To: Patel, Avisha A <APatel@socalgas.com>

Cc: Weismehl, Philip S. <philip.weismehl@cpuc.ca.gov>; Campbell, Michael <Michael.Campbell@cpuc.ca.gov>; Buch, Daniel <Daniel.Buch@cpuc.ca.gov>; Castello, Stephen <Stephen.Castello@cpuc.ca.gov>

Subject: [EXTERNAL] Meet and Confer Request -- CalAdvocates DR SC-SCG-2019-05 Question 13

Ms. Patel,

The Public Advocates Office requests a meet and confer regarding SoCalGas’ response to Question 13 in DR SC-SCG-2019-05 as SoCalGas did not address the question in its response submitted on August 27, 2019. Question 13 asked: “Is nonrefundable O&M ratepayer funded?” SoCalGas responded: “SoCalGas objects to this question as being vague, ambiguous, and overly broad. Subject to and without waiving the foregoing objections, SoCalGas responds as follows: SoCalGas understands this request to pertain to the Balanced Energy IO. The costs and activities tracked by the Balanced Energy IO are not funded by ratepayers.”

The question was not limited to just the Balanced Energy IO, but the entire category of nonrefundable O&M. The Public Advocates Office believes the answer to Question 13 should be a yes or a no, possibly with some explanation.

Please advise of your availability for a meet and confer on this issue early next week.

Thank you,

Rebecca Vorpe
Staff Attorney for the Public Advocates Office
California Public Utilities Commission
(415) 703-4443

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