

No. _____

**IN THE COURT OF APPEAL
OF THE STATE OF CALIFORNIA**

SECOND APPELLATE DISTRICT, DIVISION ____

SOUTHERN CALIFORNIA GAS COMPANY,

Petitioner,

v.

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,

Respondent.

**EXHIBITS TO THE PETITION FOR WRIT OF REVIEW,
MANDATE, AND/OR OTHER APPROPRIATE RELIEF, MOTION
FOR EMERGENCY STAY OR OTHER INJUNCTIVE RELIEF**

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IMMEDIATE RELIEF REQUESTED BY MARCH 16, 2021

Judicial Review Sought in A2012011, Resolution ALJ-391, and
Discovery Disputes between Public Advocates Office and Southern
California Gas Company, May 2020, CAL ADVOCATES-TB-SCG-2020-
03, and October 2019, CALADVOCATES-SC-SCG-2019-05 (not in a
proceeding)

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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking Regarding Building
Decarbonization.

Rulemaking 19-01-011
(Filed January 31, 2019)

**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**

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July 5, 2019

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SOLUTIONS OR, IN THE ALTERNATIVE,
TO GRANT MOTION TO COMPEL DISCOVERY**

Pursuant to Rule 11.1(e) of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure, Sierra Club files this Response to Southern California Gas Company’s (“SoCalGas”) Motion to Strike Sierra Club’s Reply to Responses to Motion to Deny Party Status to Californians for Balanced Energy Solutions (“C4BES”), or, in the Alternative, to Grant Sierra Club’s Motion to Compel Discovery.

I. INTRODUCTION

SoCalGas’ Motion to Strike is a meritless pretext to file a sur-reply and distract from its direct and substantial involvement in C4BES. As an initial matter, SoCalGas’ laundry list of objections amount to nothing more than disagreements with inferences Sierra Club reached based on evidence of SoCalGas’ involvement with C4BES. As such, they are not properly the subject of a Motion to Strike. Moreover, Sierra Club’s assertion that SoCalGas played a seminal role in C4BES’ formation and wields substantial influence over the organization is a reasonable conclusion based on the information Sierra Club was able to uncover notwithstanding SoCalGas and C4BES’ refusal to respond to discovery. Indeed, SoCalGas’ responses to data requests by the Public Advocates Office (“PAO”) further support Sierra Club’s position, confirming that SoCalGas pays for the cost of third party consulting services for C4BES.¹ The Commission should not only summarily reject the Motion to Strike, but given the fundamental impropriety of SoCalGas’ Motion, reject any request by SoCalGas to file a reply under Rule 11.1(f).

¹ Attach. A, SoCalGas Response to Data Request CALPA-SCG-051719, Q.4.

Beyond SoCalGas' role in C4BES at issue in this proceeding, Sierra Club is increasingly concerned with the extent of SoCalGas' efforts to obstruct urgently needed progress on building electrification. These efforts include SoCalGas lobbying local governments to adopt "balanced energy" resolutions and a web of misleading conduct identified in Sierra Club's Opening Brief in SoCalGas' General Rate Case aimed at maintaining California's reliance on gas combustion.² Recent analysis by Energy + Environmental Economics ("E3") on the Future of Natural Gas Distribution in California affirm the climate and public health imperative of widespread building electrification, the stranded asset consequences of continued gas build-out, and the importance of a strategic and equitable transition from the gas system.³ SoCalGas' campaign against building electrification is a campaign against California's future. Not only should none of the costs of these activities be passed to its customers, but if SoCalGas continues to undermine the rapidly needed transition from gas combustion to zero emissions alternatives rather than be a partner in that transition, the Commission should reevaluate whether SoCalGas continues to be deserving of the privilege of monopoly rights over gas service.

II. DISCUSSION

A. **A Motion to Strike is Not an Appropriate Response to a Reply to a Motion to Deny Party Status/Compel Discovery or a Remedy for Statements With Which SoCalGas Disagrees.**

SoCalGas' Motion to Strike is fundamentally improper. Tellingly, SoCalGas cannot identify any Commission precedent suggesting Motions to Strike are appropriate in the context of a Motion to Deny Party Status/Motion to Compel Discovery.⁴ Sierra Club's motion raises threshold issues of the appropriateness of participation of an intervenor under substantial utility control and the need for discovery to enable transparency and fully understand the depth of that

² Attach. B, Partial List of SoCalGas Presentations Urging "Balanced Energy Solutions"; Attach. C, SoCalGas Slide Deck of Balanced Energy Presentation; Attach. D, SoCalGas Email to Local Governments with Attached Draft Balanced Energy Resolution; Attach. E, Examples of Balanced Energy Resolutions Adopted by Local Governments; Application ("A.") 17-10-007, Opening Brief of Sierra Club and Union of Concerned Scientists (Sept. 21, 2018), <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M236/K009/236009060.PDF>.

³ E3, *Draft Results: Future of Natural Gas Distribution in California* (June 6, 2019), https://ww2.energy.ca.gov/research/notices/2019-06-06_workshop/2019-06-06_Future_of_Gas_Distribution.pdf.

⁴ SoCalGas 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 3-4 (June 19, 2019).

relationship. Because these are fundamental governance and transparency questions that do not directly pertain to the record on scoped issues, a Motion to Strike is inappropriate.

Even if a Motion to Strike were potentially applicable in this context, SoCalGas' Motion still fails because it is premised on disagreements with the inferences Sierra Club has drawn based on the information it was able to obtain on SoCalGas' involvement with C4BES. As the Commission found in similar circumstances where a party sought to strike what it claimed were "false statements" in other parties' briefs:

CTFC expresses disagreement with the statements made in parties' briefs, and believes that they have drawn incorrect inferences. . . . Such disagreements, however, provide no basis for striking statements in briefs. . . . The Commission will be able to weigh the merits of opposing arguments on the issue Striking parties' statements is not the appropriate remedy.⁵

Indeed, were the Commission to entertain SoCalGas' Motion, it would embolden litigious entities to routinely file a Motion to Strike anytime they disagreed with another party's reply. Because this is not a legitimate use of a Motion to Strike, SoCalGas' Motion must be denied in its entirety.

B. Sierra Club Properly and Accurately Replied to Factual Assertions in C4BES and SoCalGas' Responses.

SoCalGas' claim that "Sierra Club's Reply resorts to extreme dishonesty" does not withstand even the most cursory scrutiny.⁶ Discovery by PAO affirms Sierra Club's concerns. SoCalGas is using staff time for C4BES activities.⁷ As provided in a SoCalGas email attached to Sierra Club's Motion to Deny Party Status/Compel Discovery, SoCalGas staff time includes recruiting members to join the C4BES Board and, as stated by C4BES in its response, to provide "PowerPoint drafts as well as compositional and editorial guidance on some of the formative documents for the organization."⁸ As C4BES also stated in its response, use of consultants, which PAO discovery confirms are paid by SoCalGas, was important so that "C4BES be considered an authentic and professional organization, and a successful launch relies on

⁵ A.05-02-027, Administrative Law Judge's Ruling Denying Motion to Strike Filed by Community Technology Foundation of California at 1, 3 (Oct. 13, 2005), http://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/RULINGS/50299.PDF.

⁶ SoCalGas Motion to Strike at 15.

⁷ Attach. A, SoCalGas Response to Data Request CALPA-SCG-01, Q.3.

⁸ Sierra Club Motion to Deny Party Status to Californians for Balanced Energy Solutions or, in the Alternative, to Grant Motion to Compel Discovery, Attach. D (May 14, 2019); C4BES Response at 7-8 (May 29, 2019).

professional services, presentation materials, and other documents.”⁹ Far from “extreme dishonesty,” it is responsive and reasonable for Sierra Club to infer in its reply that “SoCalGas’ direct involvement, provision of support services, and financial backing was pivotal to C4BES’ creation and its continued operation.”¹⁰ SoCalGas may disagree, but disagreement is not the basis for a Motion to Strike. If anything, it highlights the importance of granting Sierra Club’s Motion to Compel Discovery to enable needed transparency on the full extent of SoCalGas’ role in C4BES.

SoCalGas’ responses to data requests by PAO on the names of SoCalGas staff and total time spent on “the founding, launch, and continued activities of C4BES” is also incomplete. In identifying only George Minter and Ken Chawkins, it omits other key SoCalGas staff involved in C4BES activities.¹¹ For example, SoCalGas Public Affairs Manager Robert Cruz requested the Mayor of the City of Pomona execute a pre-drafted “balanced energy” resolution and at the direction of senior SoCalGas leadership, subsequently asked the Mayor and others for assistance “to identify some key Latino leaders that might consider supporting the current Californians For Better [sic] Energy Solutions effort.”¹² This is but one example. SoCalGas has given dozens of “balanced energy” presentations to local governments arguing against building electrification.¹³ The presentations use results of a highly flawed and biased study SoCalGas commissioned from Navigant, potentially at ratepayer expense.¹⁴ Moreover, Navigant appears to have disavowed the study findings,¹⁵ leaving SoCalGas searching for academics associated with the Natural Gas

⁹ Attach. A, SoCalGas Response to Data Request CALPA-SCG-01, Q.4; C4BES Response at 8.

¹⁰ Sierra Club Reply to Responses at 3 (June 10, 2019).

¹¹ Attach. A, SoCalGas Response to Data Request CALPA-SCG-01, Q.3.

¹² Attach. F, Emails from Robert Cruz, SoCalGas Public Affairs Manager, to Tim Sandoval, Mayor of City of Pomona, with Attachments.

¹³ Attach. B, Partial List of SoCalGas Presentations Urging “Balanced Energy Solutions”; Attach. C. SoCalGas Slide Deck of Balanced Energy Presentation.

¹⁴ For a critique of the Navigant report, see California Energy Commission, Docket No. 18-IEPR-09, TN#224588, Sierra Club Comments on SoCalGas and Navigant Report (Aug. 24, 2018); TN#224592, NRDC Comments on Cost of Residential Electrification (Aug. 24, 2018). Documents available at <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?doctokenumber=18-IEPR-09>. Because the Navigant study was released after the close of discovery in SoCalGas’ General Rate Case, Sierra Club has not been able to determine if it was ratepayer-funded. However, SoCalGas has used ratepayer funds to finance similar studies, either through its ratepayer-funded Research and Development program or as an Operations and Maintenance expense. See A.17-10-007, Opening Brief of Sierra Club and Union of Concerned Scientists at 25-27, 39-41, <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M236/K009/236009060.PDF>.

¹⁵ Navigant Consulting, *Analysis of the Role of Gas for a Low-Carbon California Future*, at iii (July 24, 2018), https://www.socalgas.com/1443741887279/SoCalGas_Renewable_Gas_Final-Report.pdf (study

Initiative at Stanford University to defend its results.¹⁶ SoCalGas' "balanced energy" presentation is then followed by requests from SoCalGas to local elected officials to adopt pre-drafted "balanced energy" resolutions to oppose state policies that favor electrification in the name of local control.¹⁷ Several of these adopted resolutions now appear on the C4BES website, a website, which, consistent with C4BES' admission that SoCalGas consultants were used to ensure C4BES appeared "professional and authentic," is likely maintained by consultants paid for by SoCalGas.¹⁸ In financing the consulting services that support C4BES, in using its governmental affairs staff to push "balanced energy" messaging throughout its service territory,¹⁹ and in then following up with requests to local governments to adopt pre-drafted resolutions, C4BES is an entity, and "Balanced Energy" a campaign, with SoCalGas at its center.

SoCalGas also insists its contributions to organizations on the C4BES Board have no bearing on its influence over the organization. In defending the relevance of corporate contributions in its Reply, Sierra Club cited to academic literature building on findings that

authors do "not make any representations or warranties of any kind with respect to . . . the accuracy or completeness of information . . . the presence or absence of error or omissions . . . [or] any conclusions").

¹⁶ Attach. G, Screenshot of Email Dated April 29, 2019 from Naomi Barnes, Managing Director, Natural Gas Initiative at Stanford University, Re: SoCalGas seeking consultant on decarbonization of California.

¹⁷ Attach. D, SoCalGas Email to Local Governments with Attached Draft Balanced Energy Resolution; Attach. E, Examples of Balanced Energy Resolutions Adopted by Local Governments.

¹⁸ See C4BES, About Us, <https://c4bes.org/about-us/> (bottom on page linking to "balanced energy solutions" resolutions by Kings, Tulare, and Kern Counties). For SoCalGas' role, see, e.g., Tulare County Board of Supervisors Agenda Item dated May 7, 2019, Re: Approve resolution in support of balanced energy solutions,

<http://bosagendas.co.tulare.ca.us/133547/133550/133554/133584/133585/05.07.19.BOS133585.pdf> (stating "SoCalGas has requested that the Tulare County Board of Supervisors adopt a resolution supporting balanced energy solutions. State regulators at the California Public Utilities Commission have launched a proceeding to determine how to reduce greenhouse gas emissions from buildings to meet state climate goals. Some state regulators are advancing a singular pathway."); Kings County Board of Supervisors Action Summary March 12, 2019 (three weeks prior to resolution adoption on April 2, 2019), <https://www.countyofkings.com/home/showdocument?id=19908> ("Colby Wells, Southern California Gas Public Affairs Manager gave an update on the fight against AB 3232 requiring all new residential and commercial buildings in California to be zero-emission buildings by 2030, which is aimed at taking away the right to make choices about the energy we use in our homes and businesses, driving up energy bills and making housing more expensive and stalling innovation.").

¹⁹ In the SoCalGas General Rate Case, Sierra Club contested SoCalGas passing all of costs of its local government affairs activities to customers. A.17-10-007, Opening Brief of Sierra Club and Union of Concerned Scientists at 17-18,

<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M236/K009/236009060.PDF>. Particularly given that SoCalGas' presentations are given with the intent to follow up with a request for local government legislative action, the activities should be considered lobbying with costs properly borne by SoCalGas shareholders.

“[a]cross a range of issues and regulatory agencies, researchers and journalists have documented cases of companies using charitable contributions to co-opt ostensibly neutral and even non-aligned non-profits.”²⁰ For example, virtually identical support letters from at least 19 entities receiving contributions from SoCalGas were attached to SoCalGas’ application for approval of a voluntary biomethane tariff, an outcome consistent with the study’s finding that non-profits are more likely to comment in proceedings and use similar language as their corporate benefactors within one year of a corporate contribution.²¹ Similarly, at least 16 organizations quoted in a SoCalGas press release touting the Navigant study SoCalGas commissioned are recipients of SoCalGas contributions.²² SoCalGas may attempt to argue its contributions do not function to increase its influence over its beneficiaries. However, not only is this view contrary to a body of academic research affirming the ways in which corporations use donations to further their regulatory agenda, but its disagreement with Sierra Club on this point is just that, and like the rest of its Motion, not grounds for striking any part of Sierra Club’s Reply.

C. Sierra Club Properly Replied to Legal Arguments in SoCalGas’ Response.

Further unmasking the Motion to Strike as a thinly veiled pretext for a sur-reply, SoCalGas even takes issue with Sierra Club’s direct reply to its legal arguments. In its response, SoCalGas argued that Sierra Club’s Motion to Compel Discovery should be denied because it

²⁰ Marianne Bertrand *et al.*, *Hall of Mirrors: Corporate Philanthropy and Strategic Advocacy*, National Bureau of Economic Research, at 3 (Dec. 2018),

<https://economics.stanford.edu/sites/g/files/sbiybj9386/f/bbfht5dec2018.pdf>.

²¹ *Id.* at 6; A.19-02-015, SoCalGas, Application for Renewable Natural Gas Tariff, Attach. A (Feb. 28, 2019). Based on SoCalGas’ recent annual GO 77-M filings, these organizations include the Alhambra Chamber of Commerce; American Indian Chamber of Commerce of California; Bolsa Chica Conservancy; California Latino Leadership Institute; Climate Resolve; Commerce Industrial Council; Congress of California Seniors; University of California, Riverside, Center for Renewable Natural Gas; Greater Los Angeles African American Chamber of Commerce; Inglewood Airport Area Chamber of Commerce; North East Trees; Orange County Business Council; Pasadena Chamber of Commerce; Coalition for Renewable Natural Gas; San Gabriel Valley Economic Partnership; Sequoia Riverlands Trust; Regional Chamber of Commerce San Gabriel Valley; El Monte/South El Monte Chamber of Commerce; and University of California, Office of the President.

²² SoCalGas, *New Study Advises Policymakers to Consider Renewable Natural Gas for Low-Carbon Buildings Strategy* (Aug. 2, 2018), <https://sempra.mediaroom.com/index.php?s=19080&item=137499>. Based on SoCalGas’ recent annual GO 77-M filings, these organizations include the University of California, Riverside; Los Angeles Area Chamber of Commerce; Inland Economic Partnership; United Way of Greater Los Angeles; Greater Irvine Chamber of Commerce; City of Murrieta; Coachella Valley Economic Partnership; Glendora Chamber of Commerce; Duarte Chamber of Commerce; California Congress of Seniors; San Fernando Valley Rescue Mission; Boys and Girls Clubs of the Los Angeles Harbor; Southeast Churches Service Center; Kheir Community Clinic; HomeAid Orange County; and Second Harvest Food Bank of Orange County.

does not relate to substantive issues scoped in the proceeding.²³ In its Reply, Sierra Club provided numerous legal justifications under the Public Utilities Code and the Commission's Rules of Practice and Procedure that empower the Commission to grant Sierra Club's Motion to Compel Discovery.²⁴ SoCalGas' opposing (and meritless) legal view of the Commission's authority to grant Sierra Club's Motion is not the basis for a Motion to Strike.

SoCalGas' suggestion that discovery by PAO somehow obviates the need for Sierra Club's Motion to Compel is also without merit.²⁵ Discovery is not the exclusive right of PAO. Discovery by other parties serves as an important complement to PAO's efforts and ensures a broad set of stakeholder concerns are better understood. For example, PAO's discovery to date has focused on SoCalGas and its use of ratepayer funds for C4BES activities. Sierra Club shares these concerns, but its discovery is also directed at understanding the full extent of SoCalGas' role in C4BES, regardless of whether ratepayer or shareholder funding is used. SoCalGas' position that any entity can intervene in Commission proceedings regardless of the extent of direct utility control *and* that discovery on the extent of a utility's influence over that entity is impermissible flouts the Commission's fundamental oversight role and undermines the integrity of Commission proceedings. It is both reasonable and necessary for the public to understand the efforts of a gas utility to create an entity to intervene in Commission proceedings in support of that utility's positions. At a minimum, the Commission should grant Sierra Club's Motion to Compel Discovery to enable critically needed transparency on SoCalGas' role in C4BES.

D. The Full Extent of SoCalGas' Anti-Electrification Activities Demand Commission Scrutiny.

As the California Energy Commission concluded in its 2018 Integrated Energy Policy Report ("IEPR") Update, "[t]here is a growing consensus that building electrification is the most viable and predictable path to zero-emission buildings."²⁶ The IEPR further cautioned against natural gas infrastructure in new buildings, finding that:

New construction projects, retrofitting existing buildings, and replacing appliances and other energy-consuming equipment essentially lock in energy system infrastructure for many years. As a result, each new opportunity for truly impactful investment in energy efficiency and fuel choice is precious. If the

²³ SoCalGas Response at 10-11 (May 29, 2019).

²⁴ Sierra Club Reply to Responses at 4-5.

²⁵ SoCalGas Motion to Strike at 14.

²⁶ California Energy Commission, *Final 2018 Integrated Energy Policy Report Update, Vol. II* at 14, 20 (Jan. 2019), <https://efiling.energy.ca.gov/getdocument.aspx?tn=226392>.

decisions made for new buildings result in new and continued fossil fuel use, it will be that much more difficult for California to meet its GHG emission reduction goals.²⁷

Draft results of a recent E3 study on the Future of Natural Gas Distribution in California reinforce this conclusion. The E3 study found that: 1) “[r]eplacing gas equipment with electric equipment upon burnout lowers the societal cost of achieving California’s climate policy goals;” 2) a gas transition strategy that includes avoiding gas system expansion and targeted retirements of the gas distribution system is needed to lower customer cost; and 3) “[b]uilding electrification improves air quality and health outcomes in urban centers.”²⁸

Yet in the face of the climate, economic, and public health imperative of advancing building electrification, SoCalGas continues to engage in widespread obstruction. In addition to its seminal role in creating C4BES and lobbying local governments to adopt “balanced energy” resolutions, SoCalGas’ activities include fighting efficiency standards for residential furnaces because they would “raise the cost of some gas furnaces and thereby encourage fuel switching away from natural gas,”²⁹ arguing repeatedly to state agencies that building electrification would “impede” implementation of California’s climate goals, and sending misleading mailers to its customers on the comparative operational cost of gas and electric heating by comparing the most efficient gas furnace available on the market to an electric option so inefficient it could not legally be sold in California.³⁰

While Sierra Club’s Motion to Deny Party Status/Compel Discovery is limited to SoCalGas’ role in C4BES, Sierra Club encourages the Commission to investigate the full extent of SoCalGas’ anti-electrification activities. In putting its profits over achievement of climate and public health outcomes, in drumming up local opposition to measures necessary to limit expansion and stranded asset costs of the gas system, SoCalGas is acting against ratepayer and broader societal interests. Not only should the costs of SoCalGas’ anti-electrification activities be fully borne by SoCalGas shareholders, but should SoCalGas continue its aggressive and

²⁷ *Id.* at 18.

²⁸ E3, *Draft Results: Future of Natural Gas Distribution in California*, at Slides 6, 27, https://ww2.energy.ca.gov/research/notices/2019-06-06_workshop/2019-06-06_Future_of_Gas_Distribution.pdf.

²⁹ Decision 18-05-041 at 140 (May 31, 2018), <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M215/K706/215706139.PDF>.

³⁰ See A.17-10-007, Opening Brief of Sierra Club and Union of Concerned Scientists at 15, <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M236/K009/236009060.PDF>.

misleading efforts to impede progress on building electrification, the Commission should reconsider SoCalGas' franchise rights. The urgency of the climate crisis and the critical importance of rapidly ending reliance on gas combustion cannot be overstated. SoCalGas' monopoly right over gas distribution is a privilege, not an entitlement. If SoCalGas continues to obstruct progress rather than work constructively to help manage an equitable transition from gas, California should work to identify a more willing partner.

III. CONCLUSION

For the reasons set forth above, SoCalGas' Motion to Strike should be denied.

Dated: July 5, 2019

Respectfully submitted,

/s/ Matthew Vespa

Matthew Vespa
Earthjustice
50 California Street, Suite 500
San Francisco, CA 94111
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Email: mvespa@earthjustice.org

Attorney for Sierra Club

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INDEX OF ATTACHMENTS

- Attachment A – SoCalGas Response to Data Request CALPA-SCG-051719
- Attachment B – Partial List of SoCalGas Presentations Urging “Balanced Energy Solutions”
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- Attachment F – Emails from Robert Cruz, SoCalGas Public Affairs Manager, to Tim Sandoval, Mayor of City of Pomona, with Attachments
- Attachment G – Screenshot of Email Dated April 29, 2019 from Naomi Barnes, Managing Director, Natural Gas Initiative at Stanford University, Re: SoCalGas seeking consultant on decarbonization of California

Attachment A – SoCalGas Response to Data Request CALPA-SCG-051719

Document received by the CA 2nd District Court of Appeal.

QUESTIONS ON C4BES
SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALPA-SCG-051719)
Date Received: May 23, 2019
Date Submitted: June 14, 2019

QUESTION 1:

Did SoCalGas use any ratepayer funding to support the founding and launch of Californians for Balanced Energy Solutions (C4BES)? If yes,

- a. Please give a full accounting of all ratepayer funding sources.
- b. Please give a full accounting of how any ratepayer funds were used.

RESPONSE 1:

Ratepayer funds have not been used to support the founding or launch of Californians for Balanced Energy Solutions (C4BES).

QUESTIONS ON C4BES
SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALPA-SCG-051719)
Date Received: May 23, 2019
Date Submitted: June 14, 2019

QUESTION 2:

Does SoCalGas continue to use any ratepayer funding to support C4BES? If yes,
a. Please give a full accounting of all ratepayer funding sources.
b. Please give a full accounting of how any ratepayer funds were used.

RESPONSE 2:

Ratepayer funds are not used to support C4BES.

QUESTIONS ON C4BES
SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALPA-SCG-051719)
Date Received: May 23, 2019
Date Submitted: June 14, 2019

QUESTION 3:

Please provide accounting of all SoCalGas staff who spent work hours on the founding, launch, and continued activities of C4BES.

- a. List all names of SoCalGas staff who spent work hours on C4BES activities.
- b. Provide an estimate of the number of hours spent on C4BES activities by each staff member listed in Question 3b.
- c. Provide the funding source(s) for all staff time, including specification of ratepayer or shareholder funding and the account the time was booked to (balancing account, shareholder account, GRC line item, etc.).

RESPONSE 3:

- a. George Minter, Regional Vice President, External Affairs and Environmental Strategy; Ken Chawkins, Public Policy Manager.
- b. For purposes of this response, "C4BES-related activities" refers to the "founding, launch, and continued activities of C4BES," as queried in the question. From August 1, 2018 – December 31, 2018, George Minter spent approximately 2.5% of his time on C4BES-related activities, and Ken Chawkins spent approximately 10% of his time on C4BES-related activities. In 2019, through the date of this response, George Minter spent approximately 3 hours on C4BES-related activities, and Ken Chawkins spent approximately 10% of his time on C4BES-related activities.
- c. The above-described time is shareholder funded (i.e., it is booked to a distinct invoice/order (I/O) that is not ratepayer funded).

QUESTIONS ON C4BES
SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALPA-SCG-051719)
Date Received: May 23, 2019
Date Submitted: June 14, 2019

QUESTION 4:

Please provide all invoices and contracts to which SoCal Gas is a party for work which relates to the creation or support of C4BES. These include, but are not limited to contracts and invoices related to:

- a. Retention of [REDACTED] in developing C4BES objectives and talking points.
- b. Compensation provided to C4BES board member Matt Rahn.

RESPONSE 4:

The attachments include Confidential and Protected Material pursuant to PUC Section 583, GO 66-D, D.17-09-023, and the accompanying declaration.

- a. SoCalGas does not have a direct contractual relationship with [REDACTED] pertaining to C4BES. SoCalGas has a contractual relationship with [REDACTED] [REDACTED] contracts with [REDACTED]. See the folder "Response 4A_Confidential Information" for responsive invoices through May 31, 2019 and underlying contract, as amended from time to time. [REDACTED] has performed and continues to perform routine services for SoCalGas outside of those performed with respect to C4BES. To account for all the work done on behalf of C4BES, fifty-percent of each invoice is booked to the invoice/order referenced in the response to Question 3.c above, i.e., fifty-percent of each responsive invoice is not ratepayer funded.
- b. Matt Rahn volunteers his time as C4BES' Chair. Neither Rahn nor the organizations with which he is affiliated have received any funding from SoCalGas as compensation for his work with C4BES.

Document received by the CA 2nd District Court of Appeal.

QUESTIONS ON C4BES
SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALPA-SCG-051719)
Date Received: May 23, 2019
Date Submitted: June 14, 2019

QUESTION 5:

For each invoice and contract provided in response to Question 5, identify:

- Whether ratepayer or shareholder funded (and proportions if necessary)
- The funding source used (e.g. GRC funds, specific balancing accounts, etc.).

RESPONSE 5:

SoCalGas interprets the question to refer to the documents and responses provided in response to Question 4 (rather than Question 5). With the following understanding, SoCalGas responds as follows:

- As noted in response to Question 4 above, the invoices provided reflect both routine work done for SoCalGas as well as some work done on behalf of C4BES. As such, in order to fully account for the work done for C4BES, fifty-percent of each invoice is funded by shareholders as described in response to Question 3.c. The remaining fifty-percent of each invoice is funded as described in response to Question 5.b.
- The ratepayer-funded portion of each invoice is billed to the internal Cost Center 2200-2441 in SoCalGas' General Rate Case.

Document received by the CA 2nd District Court of Appeal.

Attachment B – Partial List of SoCalGas Presentations Urging “Balanced Energy Solutions”

Document received by the CA 2nd District Court of Appeal.

Partial List of SoCalGas Presentations Urging "Balanced" Energy Solutions

Date	Location/Event	Tweet	Public Affairs Manager
10/16/2018	City of La Verne	https://twitter.com/rcruz_SoCalGas/status/1052221427858821120	Robert Cruz
11/27/18	City of Claremont	https://twitter.com/rcruz_SoCalGas/status/1067624417625223168	Robert Cruz
12/3/18	City of Azusa	https://twitter.com/rcruz_SoCalGas/status/1069800347768504320	Robert Cruz
12/3/18	City of Calimesa	https://twitter.com/rlane_socalgas/status/1069779993918468096	Randon Lane
12/4/18	City of San Jacinto	https://twitter.com/rlane_socalgas/status/1070158478235197441	Randon Lane
12/4/18	City of Beaumont	https://twitter.com/rlane_socalgas/status/1070144691054698496	Randon Lane
12/5/18	City of West Covina	https://twitter.com/rcruz_SoCalGas/status/1093305781745680385	Robert Cruz
12/5/18	City of Covina	https://twitter.com/rcruz_SoCalGas/status/1070326798234210304	Robert Cruz
12/5/18	City of Rancho Cucamonga	https://twitter.com/kscott_SoCalGas/status/1070521313280675841	Robert Visconti
12/10	City of Wildomar	https://twitter.com/rlane_socalgas/status/1072324428183298048	Randon Lane
12/11/18	City of Lake Elsinore	https://twitter.com/rlane_socalgas/status/1072728711261126656	Randon Lane
12/11/18	City of Hemet	https://twitter.com/rlane_socalgas/status/1072714633104916480	Randon Lane
12/11/18	City of Temecula	https://twitter.com/rlane_socalgas/status/1072692273710800896	Randon Lane
12/11/18	City of Perris	https://twitter.com/rlane_socalgas/status/1072682830088540162	Randon Lane
12/11/18	City of Banning	https://twitter.com/rlane_socalgas/status/1072741603540750336	Randon Lane
12/11/18	City of Grand Terrace	https://twitter.com/kscott_SoCalGas/status/1072683533154406400	Kristine Scott
12/12/18	City of La Puente	https://twitter.com/rcruz_SoCalGas/status/1073033248672890880	Robert Cruz
12/12/18	City of Yucaipa	https://twitter.com/rlane_socalgas/status/1073059280582893568	Randon Lane
12/12/18	City of Canyon Lake	https://twitter.com/rlane_socalgas/status/1073058798426673153	Randon Lane
12/13/18	City of Industry	https://twitter.com/rcruz_SoCalGas/status/1073281669841342464	Robert Cruz
12/17/18	City of Pomona	https://twitter.com/rcruz_SoCalGas/status/1074895226848784385	Robert Cruz
12/19/18	City of Baldwin	https://twitter.com/rcruz_SoCalGas/status/1075616720738340865	Robert Cruz
12/19/18	City of Menifee	https://twitter.com/rlane_socalgas/status/1075594681046597632	Randon Lane
1/2/19	City of San Bernardino	https://twitter.com/kscott_SoCalGas/status/1080636841844400128	Kristine Scott
1/8/19	City of Fontana	https://twitter.com/kscott_SoCalGas/status/1082839073297813506	Kristine Scott
1/8/19	City of Highland	https://twitter.com/kscott_SoCalGas/status/1082822811540811777	Kristine Scott
1/9/19	City of Duarte	https://twitter.com/rcruz_SoCalGas/status/1083039046874456071	Robert Cruz
1/9/19	City of Adelanto	https://twitter.com/kscott_SoCalGas/status/1083198888700309504	Kristine Scott
1/22/19	City of Glendora	https://twitter.com/rcruz_SoCalGas/status/1087942816775458818	Robert Cruz
1/23/19	City of Walnut	https://twitter.com/rcruz_SoCalGas/status/1088304503143555072	Robert Cruz
1/29/19	San Bernardino County	https://twitter.com/kscott_SoCalGas/status/1090320663850606592	Kristine Scott
2/5/19	City of Colton	https://twitter.com/kscott_SoCalGas/status/1092977213085896704	Kristine Scott
2/12	San Dimas	https://twitter.com/rcruz_SoCalGas/status/1095525061069496321	Robert Cruz
2/25/19	Upland City	https://twitter.com/kscott_SoCalGas/status/1100233873122684928	Kristine Scott
2/26	City of Duarte	https://twitter.com/rcruz_SoCalGas/status/1100828531787853824	Robert Cruz

2/26/19	City of Loma Linda	https://twitter.com/kscott_SoCalGas/status/1100589879296049152	Kristine Scott
3/5/19	City of Ontario	https://twitter.com/kscott_SoCalGas/status/1103127502082400256	Kristine Scott
10/24/18	SGV Regional Chamber Luncheon	https://twitter.com/rcruz_SoCalGas/status/1044276151533789184	Robert Cruz
10/25/18	San Joaquin Valley Regional Association of California Counties	https://twitter.com/RobD_SoCalGas/status/1055616612483588097	Rob Duchow
10/26/18	2018 Business Forecast Conference	https://twitter.com/socalgas/status/1056008780767420421	Bret Lane
11/1/18	Southern California Association of Governments	https://twitter.com/rlane_socalgas/status/1058045036531568641	Ken Chawkins
11/14/18	SGV's City Manager's Association for County Managers	https://twitter.com/rcruz_SoCalGas/status/1062868340710895617	Robert Cruz
11/15	LA_Comoition	https://twitter.com/rlane_socalgas/status/1063179931998412801	Randon Lane
12/14/18	Inland Empire Economic Partnership	https://twitter.com/kscott_SoCalGas/status/1073715984643420161	Kristine Scott
12/18/18	Palmadale Mayor Steve Hofbauer	https://twitter.com/RobD_SoCalGas/status/1075114250215936000	Rob Duchow
1/19/19	Asm. Cecilia Aguiar-Curry and Yountville Mayor John Dunbar	https://twitter.com/rlane_socalgas/status/1086693479613231104	Randon Lane
1/31/19	League of California Cities	https://twitter.com/rlane_socalgas/status/1091219201061150720	Emily France
2/8/19	Beumont Chamber of Commerce	https://twitter.com/rlane_socalgas/status/1093916197358202881	Randon Lane
2/8/19	CA League of Cities: Desert Mountain Division	https://twitter.com/RobD_SoCalGas/status/1093975311971045376	Rob Duchow
2/13/19	State Legislature	https://twitter.com/rlane_socalgas/status/1095844013716824064	Randon Lane
2/15/19	HOPE Latinas	https://twitter.com/SoCalFavi/status/1096498686144606208	Faviola Ochoa
3/5/19	Economic Development Coalition: Valley of Innovation	https://twitter.com/rlane_socalgas/status/1102980417336954880	Randon Lane
3/15/19	California Restaurant Association Foundation	https://twitter.com/jgov_socalgas/status/1106697169380139008	George Minter
2/12/19	Irvine	https://twitter.com/Lanae_OShields/status/1095515912164106240	Lanae O'Shields
1/22/19	Los Alamitos	https://twitter.com/Lanae_OShields/status/1087921128323121154	Lanae O'Shields
6/5/2018	Fountain Valley	https://twitter.com/Lanae_OShields/status/1004220722523148289	Lanae O'Shields
1/24/19	California Contract Cities Association	https://twitter.com/MarisolSocalGas/status/1088542338501173248	Ken Chawkins
12/12/18	City of San Fernando	https://twitter.com/MarisolSocalGas/status/1073011788491321344	Marisol Espinoza
3/29/19	School Nutrition Association	https://twitter.com/jgov_socalgas/status/1111681112785346560	Alan Caldwell

Attachment C – SoCalGas Slide Deck of Balanced Energy Presentation

Document received by the CA 2nd District Court of Appeal.

Balanced Energy Solutions that Can Work for Everyone

Economic Development Coalition Southwest Riverside California
March 5, 2019

Ken Chawkins, Business Policy Manager
Southern California Gas Company

WHO WE ARE...

SoCalGas & SDG&E Territory



In service for over **135 years**

- » **Largest natural gas distribution** utility in the US
- » Serve **12 counties** (over 500 communities) and more than **21 million** people
- » Over **5.8 million** gas meters

SDG&E

- » Provides **electricity and natural gas** to **3.4 million** people from Orange County to the Mexican border.

California leads the nation in setting climate goals and policy

Governing Law – SB100

By 2030, obtain

60%

of electricity from renewable sources

Governing Law – SB1383

By 2030, reduce methane emissions

40%

below 2013 levels

Executive Order B-55-18

By 2045, economy-wide, become

Carbon Neutral

Diversification of Assets

Electrification as
a one-track
solution **sounds
simple**



0061

Increasing renewable energy
in all forms will increase
costs and complexity

but it is a worthwhile investment

We all agree on that.

Now what
we need is a
practical plan.

To be adopted, we must create clean energy solutions
that people want to use

Affordability
Reliability
Choice

The real cost of living

is already too high for too many people



California has the **highest** effective poverty rate in the nation



Nearly **40%** of CA households are rent burdened and pay **>30%** of their income on housing



1/3 of CA households can't pay for their basic needs



Low-income families pay **20%** of their income or more on energy costs

0064

Sources: The United Way, *Real Cost of Living Report* (2018); Adam Chandler, "Where the Poor Spend More Than 10 Percent of Income on Energy," (2016)

Appeal. 7

Electrification

will further burden people

Costing the typical

California family:

\$7,200

to retrofit your home

\$388/yr

more in energy bills

Source: Navigant Consulting, "The Cost of Residential Appliance Electrification: Phase 1 Report – Existing Single-Family Homes" ⁸

0065

April 2016

Appeal.

R. 01-011
Response to SoCalGas Motion to Strike
Attachment C
Page 8 of 27



And businesses need an affordable option

The result of stopping new natural gas service connections for business over 3 months (January-March 2018) in Los Angeles County:



~5,200

fewer jobs
created



~\$880M

in lost
economic
output



~\$120M

in lost tax
revenues
(federal, state
and local)

Consumers want choice

<10%

of voters would choose
an all-electric home

80%

of voters prefer home
with both, esp for cooking

80%

of voters oppose prohibiting
the use of gas appliances

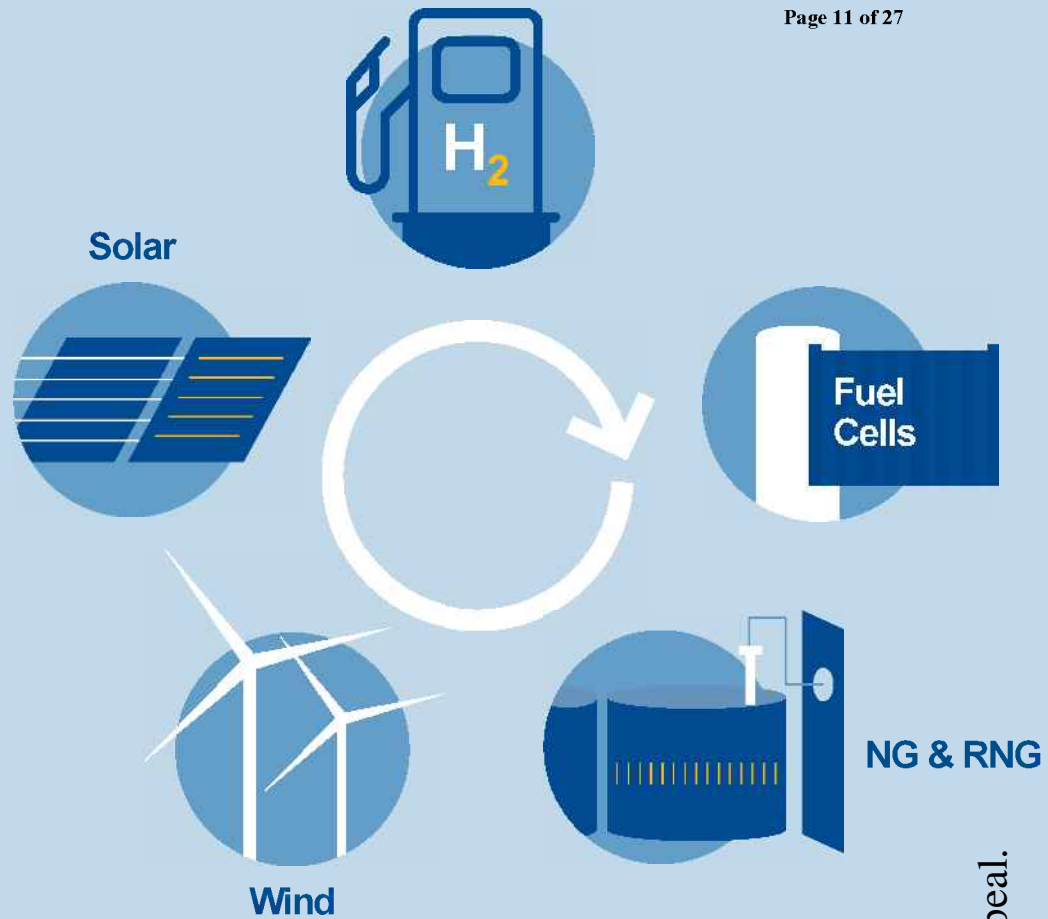
2/3

of voters oppose
eliminating natural gas

Source: California Building Industries Association, *California Natural Gas Poll* - Consumer Survey of 3,000 California Voters (January 2018)

With a balanced approach

we can achieve our
goals and preserve
choice, while
minimizing disruption
and cost



We need scalable, affordable solutions to solve these issues

Solar, wind and hydro alone are not enough.



+



We need to use ALL the tools in our toolbox – including **Renewable Natural Gas and Renewable Energy Storage.**

The basics of Renewable Natural Gas



Capture waste from dairies, farms and landfills



Convert into biogas using anaerobic digestion

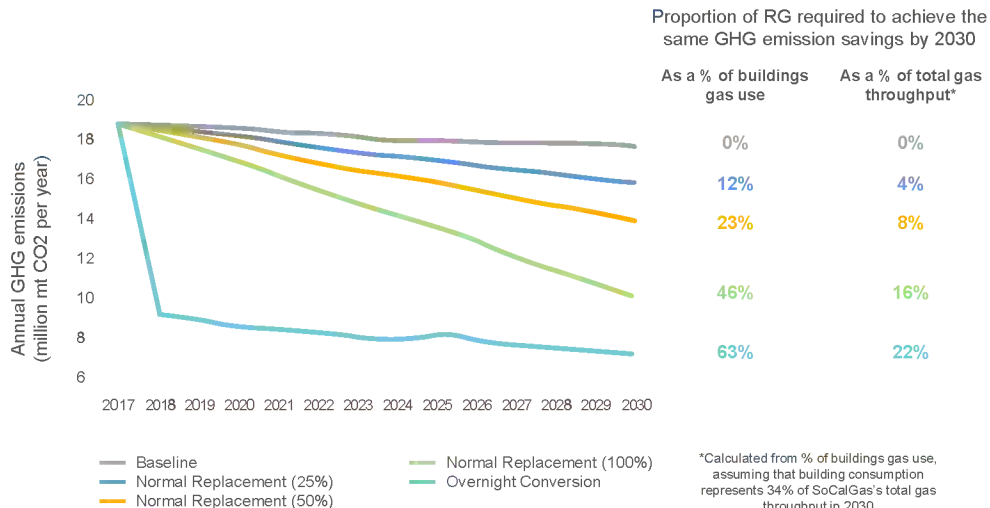


Process the biogas to make it pipeline-ready (biomethane)



Inject the biomethane into the pipeline for future use

Renewable Natural Gas beats building electrification



0071

➤ Meet CA's 2030 GHG goals in the building sector by switching to

5% RNG

➤ Achieve the same GHG reductions as overhauling 100% of CA's buildings to all electricity with

16% RNG

➤ Reduce short-lived climate pollutants and achieve

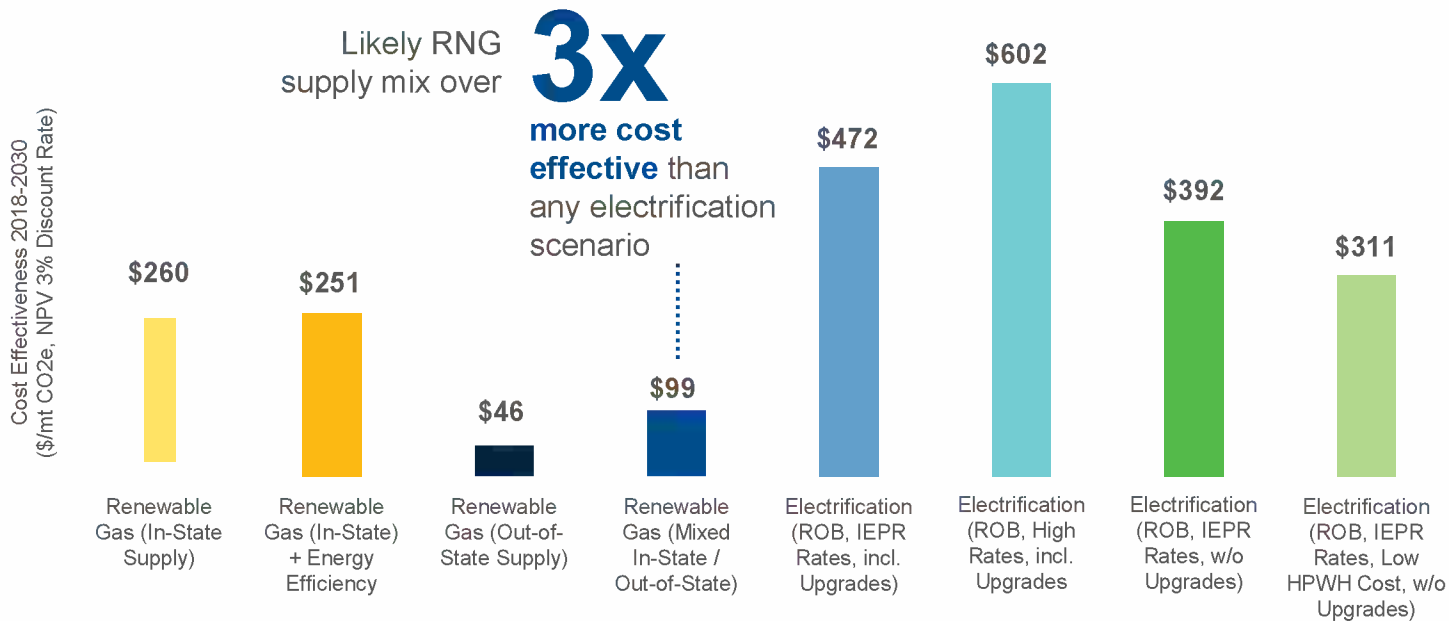
40%

capture of methane from CA waste streams (SB1383)

Source: Navigant Consulting, "Gas Strategies for a Low-Carbon California Future," 2018

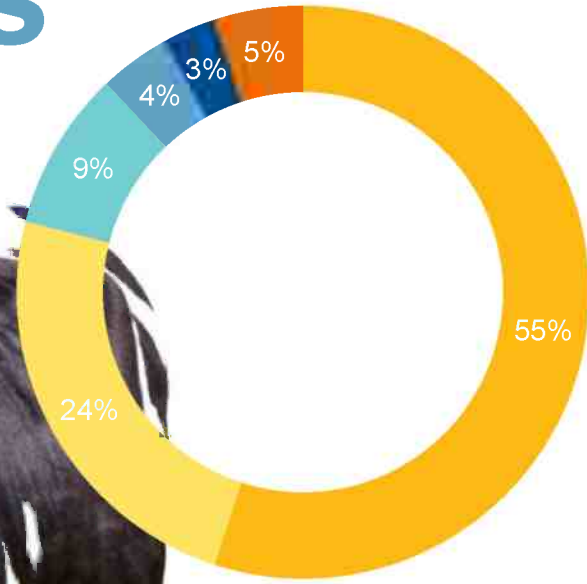
Appeal.

Renewable Natural Gas is also more cost effective



Source: Navigant Consulting, "Gas Strategies for a Low-Carbon California Future," 2018

And RNG gives us a clear path to address CA's biggest methane emitters



- Dairies & Livestock
- Landfills & Waste Water
- Pipelines
- Oil & Gas Extraction
- Agriculture
- Industrial & Misc.

Source: CARB 2015 Greenhouse Gases Emissions Inventory, 2013 Methane Emissions

0073

The RNG supply is available (2030): in-state estimates



94 BCF

UC Davis/ARB Study:
based on current
federal and LCFS
incentives

100-200 BCF

ICF Assessment:
CA with current
regulation / incentives;
100 BCF conservative
estimate

300 BCF

UC Davis/CEC Study

Sources: The Feasibility of Renewable Natural Gas as a Large-Scale, Low Carbon Substitute, Prepared for the California Air Resources Board and the California Environmental Protection Agency by Amy Jaffe, Principal Investigator. STEPS Program, Institute of Transportation Studies, UC Davis

The RNG supply is available (2030): out-of-state resources

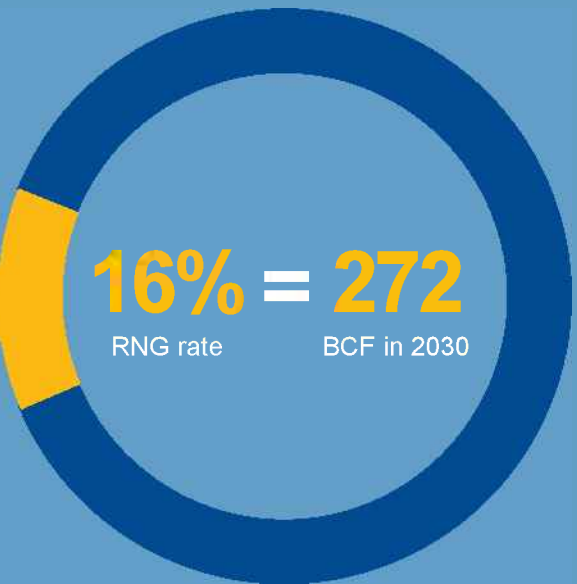


Available in the US today
(and growing to ~ 13 TCF
in 2030)



Projected CA natural
gas throughput by 2030

1.7 TCF



Sources: U.S. Department of Energy. 2016. 2016 Billion-Ton Report: Advancing Domestic Resources for a Thriving Bioeconomy, Volume 1: Economic Availability of Feedstocks. M. H. Langholtz, B. J. Stokes, and L. M. Eaton (Leads), ORNL/TM-2016/160. Oak Ridge National Laboratory, Oak Ridge, TN. 448p. doi: 10.2172/1271651.

We need to decarbonize natural gas (2050) not just electrify end-uses



Develop the market
for renewable
natural gas

Natural
Gas
 CH_4

(Methane)



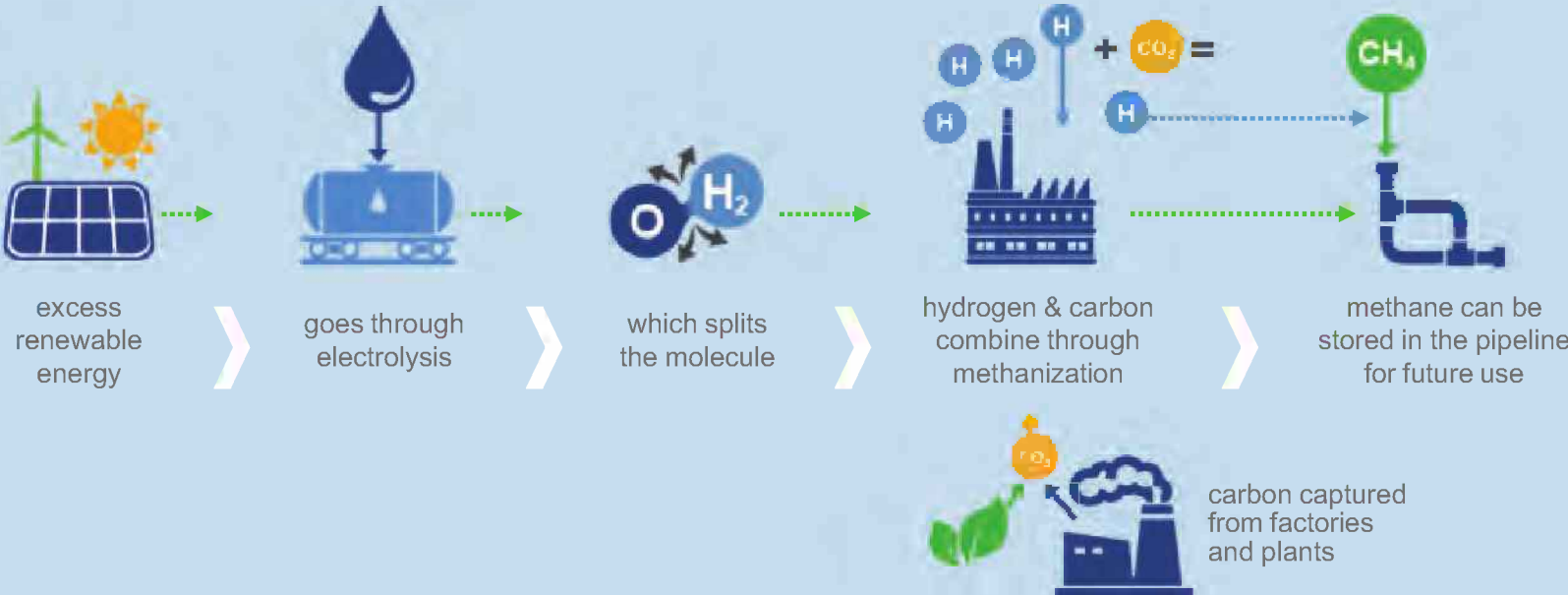
Decarbonize the
pipeline with
renewable natural
gas supplies



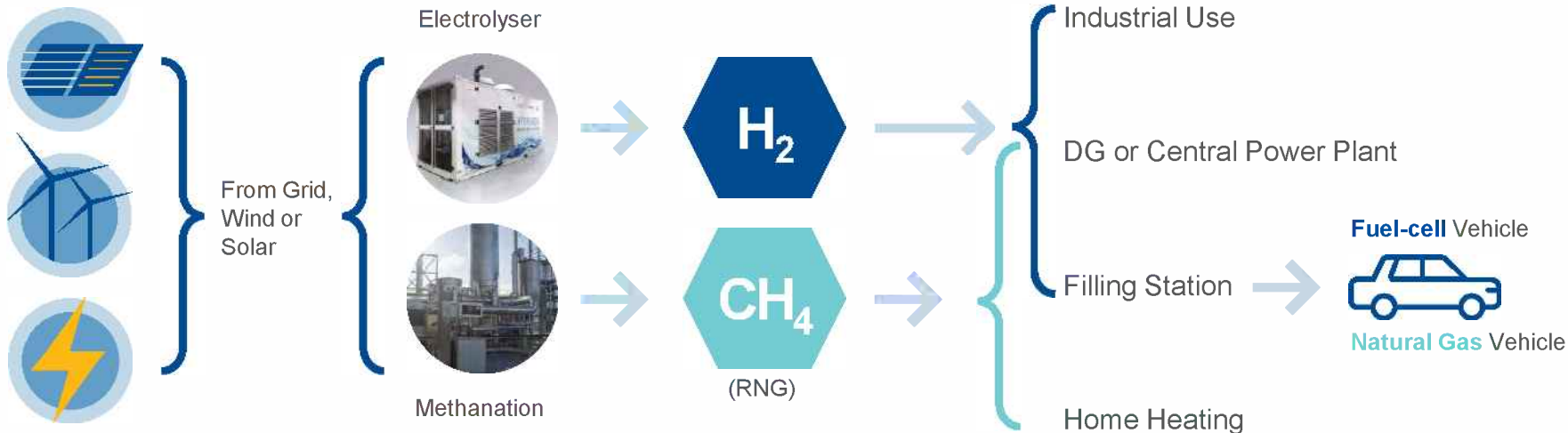
Harness Power-to-
Gas technology to
integrate electric and
natural gas grids for
long-term energy
supply and storage

Power-to-gas

converts excess renewable electricity
into renewable gas



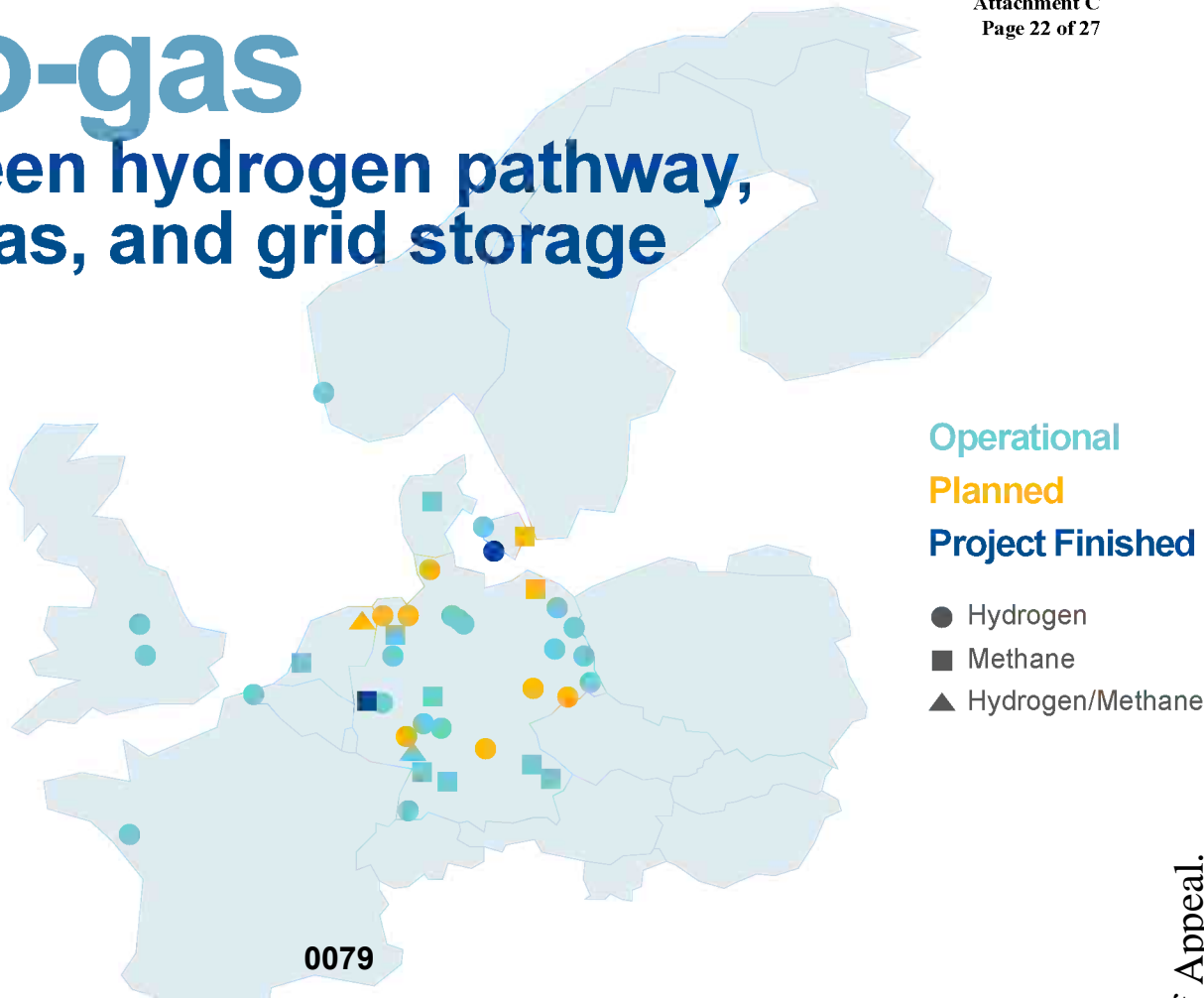
P2G creates flexibility



Power-to-gas

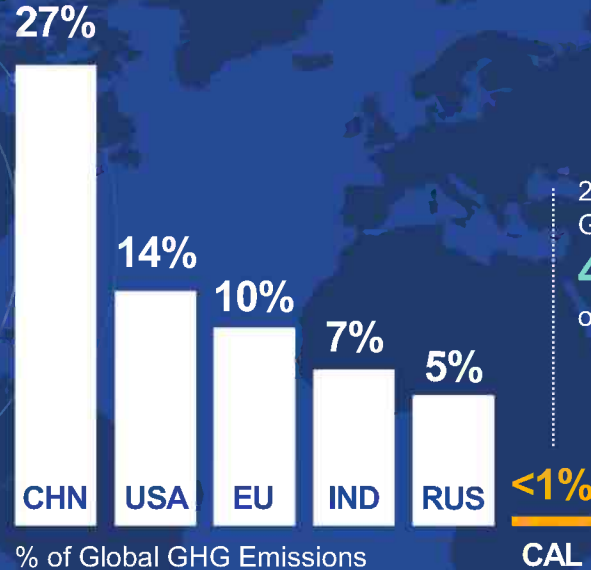
provides green hydrogen pathway,
renewable gas, and grid storage

- 70 Projects Now Launched In Europe
- 40 Projects Launched in Germany, with more in development
- 30 MW of installed capacity



Thinking globally:

Balanced Energy Solutions can have a Greater Impact



2030: Reduce
GHG emissions by
40%
of 1990 levels

How we
innovate
matters.

The point

You shouldn't have to choose between doing what's right for the environment and what your family can afford.

And with balanced energy solutions, you don't have to.

Here's what you can do



Pay attention
to the issue
and learn more



Help spread the
word with your
friends, family
and neighbors



Get involved
and let your
voice be heard

Learn more

- Californians For Balanced Energy Solutions
 - <https://c4bes.org/>
 - Non-Profit to inform energy users
 - Established to support balanced approach
 - Membership is free

Thank You

Ken Chawkins
kchawkins@semprautilities.com

0084

**Attachment D – SoCalGas Email to Local Governments with
Attached Draft Balanced Energy Resolution**

Document received by the CA 2nd District Court of Appeal.

From: Lane, Randon K <RLane2@semprautilities.com>
Sent: Wednesday, March 27, 2019 8:21 PM
To: Lane, Randon K
Subject: Model Resolution
Attachments: Model Resolution.docx

Good evening,

When I spoke to each of your councils last year about the need for Balanced Energy I was asked how you could be of help. I am asking for your support by passing this **Model Resolution Supporting Balanced Energy Solutions and Maintaining Local Control of Energy Solutions.**

I have already spoken with many of your council members and I will be following up with each of you to see if there are any questions I might be able to answer.

I understand the significance of Local Control and every cities push to maintain there own control over these types of issues.

I look forward to your support.

Thank you,

Randon Lane
Public Affairs Manager
SoCalGas
25620 Jefferson Avenue
Murrieta, California 92562

Cell: 951-830-3485
Email: rlane2@semprautilities.com



Document received by the CA 2nd District Court of Appeal.

Model Resolution Supporting Balanced Energy Solutions and Maintaining Local Control of Energy Solutions

Whereas California's energy policies are critical to reducing greenhouse gas emissions and reducing the impact of climate change on our citizens; and

Whereas the state legislature and state agencies are increasingly proposing new legislation and regulations eliminating choice of energy by mandating technologies to power buildings and public and private fleets, including transit and long-haul trucking, as a strategy to achieve the state's climate goals; and

Whereas clean, affordable and reliable energy is crucial to the material health, safety and well-being of [CITY NAME] residents, particularly the most vulnerable, who live on fixed incomes, including the elderly and working families who are struggling financially; and

Whereas the need for clean, affordable and reliable energy to attract and retain local businesses, create jobs and spur economic development is vital to our city's success in a highly competitive and increasingly regional and global marketplace; and

Whereas [CITY NAME], its residents and businesses value local control and the right to choose the policies and investments that most affordably and efficiently enable them to comply with state requirements; and

Whereas building and vehicle technology mandates eliminate local control and customer choice, suppress innovation, reduce reliability and unnecessarily increase costs for [CITY NAME] residents and businesses; and

Whereas the City understands that relying on a single energy delivery system unnecessarily increases vulnerabilities to natural and man-made disasters, and that a diversity of energy delivery systems and resources contribute to greater reliability and community resilience; and

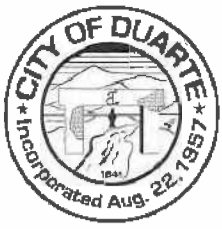
Whereas [CITY NAME] understands the need to mitigate the impacts of climate change and is committed to doing its part to help the state achieve its climate goals, but requires the flexibility to do so in a manner that best serves the needs of its residents and businesses. NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of [CITY NAME], as follows:

That the City supports balanced energy solutions that provide it with the decision-making authority and resources needed to achieve the state's climate goals and supports proposed state legislation and regulation that retains local control by allowing all technologies and energy resources that can power buildings and fuel vehicles, and also meet or exceed emissions reductions regulations.

**Attachment E – Examples of Balanced Energy Resolutions
Adopted by Local Governments**

Document received by the CA 2nd District Court of Appeal.



City of Duarte

1600 Huntington Drive | Duarte, CA 91010 | Bus. 626.357.7931 | Fax 626.358.0018 | www.accessduarte.com

May 14, 2019

Honorable Chair Denis Bertone
Energy, Environment, and Natural Resources Committee
San Gabriel Valley Council of Governments
1000 S. Fremont Avenue, Unit 42, Building A-10N, Suite 10-210
Alhambra, California 91803

RE: Balanced Energy Solutions

Dear Chair Bertone:

I understand there will be a presentation by CPUC President Michael Picker at your Special Meeting of the EENR Committee and Public Works TAC on Wednesday, May 15, 2019. I would like to share with you, the Committee, and TAC, that the City of Duarte is committed to doing our part to help the State achieve its climate goals. However, flexibility and community choice are vital to ensuring that residents and businesses can make the best decision regarding individual needs. Our hope is that the EENR Committee and Public Works TAC share some of the same concerns, and will relay those to CPUC President Picker.

On February 26, 2019, the Duarte City Council adopted Resolution No. 19-02 supporting efforts to maintain local control for energy solutions. A copy is enclosed for your reference. In summary, we believe that a single source energy solution eliminates customer choice, limits local control, creates vulnerabilities to the marketplace, and unnecessarily prohibits the use of other energy sources which also can be used to achieve climate goals.

The Duarte City Council supports balanced energy solutions that provide the decision-making authority and resources needed to achieve the State's climate goals, and supports proposed State legislation and policy that retains local control by allowing technologies that can power buildings and fuel vehicles, and meet or exceed emissions reductions regulations.

Please feel free to contact me or my staff at 626-357-7931 if we can answer any questions. Thank you for your consideration.

Sincerely,

Darrell J. George
City Manager

Enclosure – Duarte City Council Resolution No. 19-02

Document received by the CA 2nd District Court of Appeal.

19-R-02

RESOLUTION NO. 19-02

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DUARTE,
CALIFORNIA, SUPPORTING BALANCED ENERGY SOLUTIONS AND
THE MAINTAINING OF LOCAL CONTROL OF ENERGY SOLUTIONS**

WHEREAS, California’s energy policies are critical to reducing greenhouse gas emissions and reducing the impact of climate change on our citizens; and

WHEREAS, the State legislature and State agencies are increasingly proposing new legislation and regulations eliminating choice of energy by mandating technologies to power buildings and public and private fleets, including transit and long-haul trucking, as a strategy to achieve the State’s climate goals; and

WHEREAS, clean, affordable, and reliable energy is crucial to the material health, safety, and well-being of Duarte residents, particularly the most vulnerable who live on fixed incomes, including the elderly and working families who are struggling financially; and

WHEREAS, the need for clean, affordable, and reliable energy to attract and retain local businesses, create jobs, and spur economic development is vital to our City’s success in a highly competitive and increasingly regional and global marketplace; and

WHEREAS, the City of Duarte, its residents, and its businesses value local control and the right to choose the policies and investments that most affordably and efficiently enable them to comply with State requirements; and

WHEREAS, building and vehicle technology mandates eliminate local control and customer choice, suppress innovation, reduce reliability, and unnecessarily increase costs for Duarte residents and businesses; and

WHEREAS, the City of Duarte understands that relying on a single energy delivery system unnecessarily increases vulnerabilities to natural and man-made disasters, and that a diversity of energy delivery systems and resources contribute to greater reliability and community resilience; and

WHEREAS, the City of Duarte understands the need to mitigate the impacts of climate change, and is committed to doing its part to help the State achieve its climate goals, but requires the flexibility to do so in a manner that best serves the needs of its residents and businesses;

NOW, THEREFORE, the City Council of the City of Duarte, California, does hereby support balanced energy solutions that provide the decision-making authority and resources needed to achieve the State’s climate goals, and supports proposed State legislation and policy that retains local control by allowing technologies that can power buildings and fuel vehicles, and meet or exceed emissions reductions regulations.

PASSED, APPROVED, and ADOPTED this 26th day of February, 2019.

/s/ Tzeitel Paras-Caracci
Mayor Tzeitel Paras-Caracci

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF DUARTE)

I, Marla Akana, City Clerk of the City of Duarte, County of Los Angeles, State of California, hereby attest to the above signature and certify that Resolution No. 19-02 was adopted by the City Council of said City of Duarte at a regular meeting of said Council held on the 26th day of February, 2019, by the following vote:

- AYES: Councilmembers: Fasana, Kang, Nunez, Reilly, Urias, Paras-Caracci
- NOES: Councilmembers: None
- ABSENT: Councilmembers: Finlay
- ABSTAIN: Councilmembers: None

/s/ Marla Akana
City Clerk Marla Akana
City of Duarte, California

Document received by the CA 2nd District Court of Appeal.



May 14, 2019

Honorable Chair Denis Bertone
Energy, Environment and Natural Resources Committee
San Gabriel Valley Council of Governments
1000 S. Fremont Avenue, Suite 10-210
Alhambra, CA 91803

Delivered via EMAIL

RE: BALANCED ENERGY SOLUTIONS

Dear Chair Bertone:

I understand there will be a presentation by CPUC President Michael Picker at your Special Meeting of the EENR Committee and Public Works TAC on Wednesday May, 15, 2019. I would like to share with you, the Committee and TAC, that Diamond Bar is committed to doing our part to help the state achieve its climate goals. However, flexibility and community choice are vital to ensuring that residents and businesses can make the best decision regarding individual needs. Our hope is that the EENR Committee and Public Works TAC share some of the same concerns and will relay those to CPUC President Picker.

On April 16, 2019, the Diamond Bar City Council adopted Resolution No. 2019-10 supporting efforts to maintain local control for energy solutions. A copy is attached for your reference. In summary, we believe that a single source energy solution eliminates customer choice, limits local control, creates vulnerabilities to the marketplace, and unnecessarily prohibits the use of other energy sources which also can be used to achieve climate goals.

Mandating all electrical appliances in new buildings is also a significant change that will be reflected in Title 24 and implemented through the State Building Codes by Community Development, Planning and Building Departments in most of our cities. It is requested that the EENR Committee also seek input from Planning TAC in addition to the Public Works TAC, as it will be the Planning and Building Staff that will be on the front lines being forced to implement these new regulations.

Carol Herrera
Mayor

Steve Tye
Mayor Pro Tem

Andrew Chou
Council Member

Ruth M. Low
Council Member

Nancy A. Lyons
Council Member

City of Diamond Bar | 21810 Copley Drive Diamond Bar CA 91765-4178
www.DiamondBarCA.gov | 909.839.7000 Fax 909.861.3117

0091

Document received by the CA 2nd District Court of Appeal.

EENR Committee
Balanced Energy Solutions
May 14, 2019
Page 2

Please feel free to contact me or my Staff at 909.839.7010 if we can answer any questions.
Thank you for your consideration.

Sincerely,


Daniel Fox
City Manager

Attachment: City Council Resolution No. 2019-10, Balanced Energy Solutions

cc: City Council
David Liu, Public Works Director
Marisa Crefer, Executive Director/CEO, SGVCOG
Rene Guerrero, Chair, PW TAC, SGVCOG
Craig Hensley, Chair, Planning TAC
Robert Cruz, Public Affairs Manager, So Cal Gas

Document received by the CA 2nd District Court of Appeal.

RESOLUTION NO. 2019- 10

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF DIAMOND BAR SUPPORTING EFFORTS TO
MAINTAIN LOCAL CONTROL OF ENERGY SOLUTIONS**

WHEREAS California's energy policies are critical to reducing greenhouse gas emissions and reducing the impact of climate change; and

WHEREAS the state legislature and state agencies are increasingly proposing new legislation and regulations eliminating choice of energy by mandating single source technologies to power buildings and public fleets, including transit, as a strategy to help achieve the state's climate goals; and

WHEREAS the City of Diamond Bar, its residents and businesses, value local control and the right to choose the policies and investments that most affordably and efficiently enable them to comply with state requirements; and

WHEREAS single source building and vehicle technology mandates eliminate local control and customer choice, suppress innovation, reduce reliability and unnecessarily increase costs for Diamond Bar residents and businesses; and

WHEREAS relying on a single energy delivery system unnecessarily increases vulnerabilities to natural and man-made disasters, and that a diversity of energy delivery systems and resources contribute to greater reliability and community resilience; and

WHEREAS the City of Diamond Bar is committed to doing its part to help the state achieve its climate goals, but requires the flexibility to do so in a manner that best serves the needs of its residents and businesses.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Diamond Bar does hereby support balanced energy solutions that provide local control authority, and opposes proposed state legislation and policy that eliminate such local control or mandates single energy technologies, to achieve the state's climate goals.

PASSED, APPROVED, AND ADOPTED this 16th day of April, 2019.



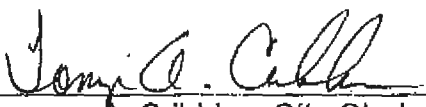
Carol Herrera, Mayor

Document received by the CA 2nd District Court of Appeal.

ATTEST:

I, Tommye A. Cribbins, City Clerk of the City of Diamond Bar, California, do hereby certify that the foregoing Resolution was duly and regularly passed, approved and adopted by the City Council of the City of Diamond Bar, California, at its Regular meeting held on the 16th day of April 2019, by the following Roll Call vote:

AYES: COUNCILMEMBERS: Chou, Low, Lyons, MPT/Tye,
M/Herrera
NOES: COUNCILMEMBERS: None
ABSENT: COUNCILMEMBERS: None
ABSTAIN: COUNCILMEMBERS: None



Tommye A. Cribbins, City Clerk
City of Diamond Bar

Document received by the CA 2nd District Court of Appeal.

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF KINGS, STATE OF CALIFORNIA

IN THE MATTER OF SUPPORTING
BALANCED ENERGY SOLUTIONS
AND MAINTAINING LOCAL CONTROL
OF ENERGY SOLUTIONS /

RESOLUTION NO. 19-029

WHEREAS, California’s energy policies are critical to reducing greenhouse gas emissions and reducing the impact of climate change on our citizens; and

WHEREAS, the state legislature and state agencies are increasingly proposing new legislation and regulations eliminating choice of energy by mandating technologies to power buildings and public and private fleets, including transit and long-haul trucking, as a strategy to achieve the state’s climate goals; and

WHEREAS, clean, affordable and reliable energy is crucial to the material health, safety and well-being of the residents of the County of Kings, particularly the most vulnerable, who live on fixed incomes, including the elderly and working families who are struggling financially; and

WHEREAS, the need for clean, affordable and reliable energy to attract and retain local businesses, create jobs and spur economic development is vital to the County’s success in a highly competitive and increasingly regional and global marketplace; and

WHEREAS, the County, its residents, and businesses value local control and the right to choose the policies and investments that most affordably and efficiently enable them to comply with state requirements; and

WHEREAS, building and vehicle technology mandates eliminate local control and customer choice, suppress innovation, reduce reliability and unnecessarily increase costs for County residents and businesses; and

WHEREAS, the County understands that relying on a single energy delivery system unnecessarily increases vulnerabilities to natural and man-made disasters, and that a diversity of energy delivery systems and resources contribute to greater reliability and community resilience; and

WHEREAS, the County understands the need to mitigate the impacts of climate change and is committed to doing its part to help the state achieve its climate goals, but requires the flexibility to do so in a manner that best serves the needs of its residents and businesses.

NOW, THEREFORE, IT IS HEREBY RESOLVED as follows:

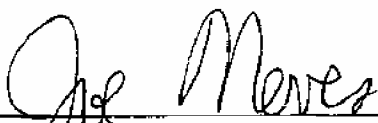
1. That the Kings County Board of Supervisors supports balanced energy solutions that provide it with the decision-making authority and resources needed to achieve the state’s

Document received by the CA 2nd District Court of Appeal.

climate goals and supports proposed state legislation and regulation that retains local control by allowing all technologies and energy resources that can power buildings and fuel vehicles, and also meet or exceed emissions reductions regulations.

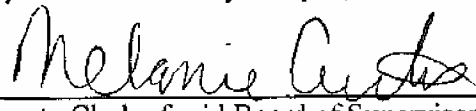
The foregoing Resolution was adopted upon motion by Supervisor Fagundes, seconded by Supervisor Verboon, at a regular meeting held on April 2, 2019, by the following vote:

AYES: Supervisors Fagundes, Verboon, Valle, Pedersen, Neves
NOES: None
ABSENT: None
ABSTAIN: None



Chairperson of the Board of Supervisors
County of Kings, State of California

IN WITNESS WHEREOF, I have set my hand this 2nd day of April, 2019.



Deputy Clerk of said Board of Supervisors

Document received by the CA 2nd District Court of Appeal.

BEFORE THE BOARD OF SUPERVISORS COUNTY OF TULARE, STATE OF CALIFORNIA

IN THE MATTER OF APPROVE)
RESOLUTION IN SUPPORT OF) Resolution No. 2019-0339
BALANCED ENERGY SOLUTIONS)
)

WHEREAS, California’s energy policies are critical to reducing greenhouse gas emissions and reducing the impact of climate change on our citizens; and

WHEREAS, the state legislature and state agencies are increasingly proposing new legislation and regulations eliminating choice of energy by mandating technologies to power buildings and public and private fleets, including transit and long-haul trucking, as a strategy to achieve the state’s climate goals; and

WHEREAS, clean, affordable and reliable energy is crucial to the material health, safety and well-being of Tulare County residents, particularly the most vulnerable, who live on fixed incomes, including the elderly and working families who are struggling financially; and

WHEREAS, the need for clean, affordable and reliable energy to attract and retain local businesses, create jobs and spur economic development is vital to our city’s success in a highly competitive and increasingly regional and global marketplace; and

WHEREAS, Tulare County, its residents and businesses value local control and the right to choose the policies and investments that most affordably and efficiently enable them to comply with state requirements; and

WHEREAS, building and vehicle technology mandates eliminate local control and customer choice, suppress innovation, reduce reliability and unnecessarily increase costs for County residents and businesses; and

WHEREAS, the County understands that relying on a single energy delivery system unnecessarily increases vulnerabilities to natural and man-made disasters, and that a diversity of energy delivery systems and resources contribute to greater reliability and community resilience; and

WHEREAS, Tulare County understands the need to mitigate the impacts of climate change and is committed to doing its part to help the state achieve its climate goals, but requires the flexibility to do so in a manner that best serves the needs of its residents and businesses.

NOW, THEREFORE BE IT RESOLVED, that the Tulare County Board of Supervisors support balanced energy solutions that provide it with the decision-making authority and resources needed to achieve the state’s climate goals and supports proposed state legislation and regulation that retains local control by allowing all technologies and energy resources that can power buildings and fuel vehicles, and also meet or exceed emissions reductions regulations.

Document received by the CA 2nd District Court of Appeal.

UPON MOTION OF SUPERVISOR SHUKLIAN, SECONDED BY SUPERVISOR TOWNSEND, THE FOLLOWING WAS ADOPTED BY THE BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD May 7, 2019, BY THE FOLLOWING VOTE:

AYES: SUPERVISORS CROCKER, VANDER POEL, SHUKLIAN, VALERO AND TOWNSEND
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE



ATTEST: JASON T. BRITT
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: *Mercedes Llamas*
Deputy Clerk

Approved a resolution supporting balanced energy solutions and maintaining local control of energy solutions.

BOS
05/07/2019
ML



**Board of Supervisors
 COUNTY OF TULARE
 AGENDA ITEM**

BOARD OF SUPERVISORS

- KUYLER CROCKER
District One
- PETE VANDER POEL
District Two
- AMY SHUKLIAN
District Three
- EDDIE VALERO
District Four
- DENNIS TOWNSEND
District Five

AGENDA DATE: May 7, 2019 - REVISED

Public Hearing Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Published Notice Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Advertised Published Notice	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Meet & Confer Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Personnel Resolution attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
CONTACT PERSON: Julieta Martinez PHONE: 559.636.5000				

SUBJECT: Approve resolution in support of balanced energy solutions

REQUEST(S):

That the Board of Supervisors:
 Approve a resolution supporting balanced energy solutions and maintaining local control of energy solutions.

SUMMARY:

SoCalGas has requested that the Tulare County Board of Supervisors adopt a resolution supporting balanced energy solutions. State regulators at the California Public Utilities Commission have launched a proceeding to determine how to reduce greenhouse gas emissions from buildings to meet state climate goals. Some state regulators are advancing a singular pathway. SoCalGas support a more balanced approach to building decarbonization and is asking the Board to support that effort. A one page summary of the issue is included for further background information.

FISCAL IMPACT/FINANCING:

There is no Net County Cost to the General Fund.

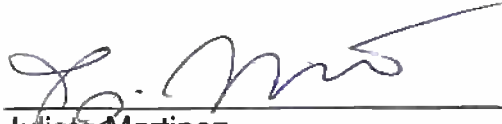
LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

Approve resolution in support of balanced energy solutions is linked to the Quality of Life initiative – Promote public health and welfare, educational opportunities, natural resource management and continued improvement of environmental quality.

Document received by the CA 2nd District Court of Appeal.

SUBJECT: Resolution in support of balanced energy solutions
DATE: May 7, 2019

ADMINISTRATIVE SIGN-OFF:



Julieta Martinez
Chief of Staff

cc: County Administrative Office

Attachment(s) SoCalGas One Page Summary

Document received by the CA 2nd District Court of Appeal.



Building Decarbonization

Addressing Building Emissions

State regulators at the California Public Utilities Commission have launched a proceeding to determine how to reduce greenhouse gas emissions from buildings to meet state climate goals. The proceeding has far-reaching implications for our choice of the energy and appliances we use, for energy affordability and reliability.

While there are a number of different ways to reduce building emissions, some state legislators and regulators are advancing a singular pathway called electrification. Electrification means converting all existing natural gas end uses in buildings to electricity, including space and water heating, cooking, and commercial and industrial equipment.

Those supporting electrification contend that, since electricity is increasingly generated with renewable resources, it is the only power source that should be available to consumers. This approach is too simplistic and not likely to be successful in achieving California's goal of carbon neutrality by 2045.

SoCalGas, consumer and business advocacy groups support a more balanced approach to building decarbonization that considers the environment, customer choice, affordability and reliability. We feel that the State should use all the resources and tools it has available to address climate change.

Renewable Natural Gas: Cost-Effective Decarbonization

SoCalGas, along with academics and researchers, believe that by introducing renewable natural gas into the existing pipeline system (and in the future, carbon-neutral hydrogen), we can decarbonize buildings while preserving customer choice and making sure that every family can afford California's clean energy future.

Renewable natural gas is produced from renewable resources, such as landfills and waste water treatment plants, as well as biomass sources, including animal waste, crop residue and food waste. Collecting gas from these sources to create renewable fuel puts organic waste to beneficial use and reduces traditional fossil fuel use. Renewable natural gas is also complementary to other renewable energy sources, like solar and wind, since it is available day and night to make the entire energy system cleaner and more reliable.

If SoCalGas replaces just 16 to 20 percent of traditional fossil natural gas with renewable gas resources, it would be up to 2 to 3 times more cost effective in reducing greenhouse gas emissions than electrification. This would help keep energy affordable. And it would be less disruptive for customers. They could continue to use the kind of energy they prefer. Customers also would not have to make electrical upgrades or replace appliances or equipment.

Advancing Balanced, Inclusive Policies

We believe state regulators should strike a balance and pursue more inclusive solutions that address climate change through use of renewable electricity, renewable natural gas, natural gas, hydrogen and fuel cells.

Document received by the CA 2nd District Court of Appeal.

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF KERN, STATE OF CALIFORNIA**

In the matter of:

Resolution No. 2019-104

**SUPPORT FOR BALANCED ENERGY
SOLUTIONS AND MAINTAINING LOCAL
CONTROL**

I, KATHLEEN KRAUSE, Clerk of the Board of Supervisors of the County of Kern, State of California, certify that the following resolution, on motion of Supervisor Gleason, seconded by Supervisor Maggard, was duly passed and adopted by the Board of Supervisors of the County of Kern at an official meeting on the 30th day of April, 2019, by the following vote:

AYES: Gleason, Scrivner, Maggard, Couch, Perez

NOES: None

ABSENT: None



KATHLEEN KRAUSE
Clerk of the Board of Supervisors
County of Kern, State of California


Deputy Clerk

RESOLUTION

Section 1. WHEREAS:

- (a) California's energy policies are critical to reducing greenhouse gas emissions and reducing the impact of climate change on our citizens; and
- (b) the State Legislature and state agencies are increasingly proposing new legislation and regulations eliminating choice of energy by mandating technologies to power buildings and public and private fleets, including transit and long-haul trucking, as a strategy to achieve the state's climate goals; and

- (c) clean, affordable and reliable energy is crucial to the material health, safety and well-being of Kern County residents, particularly our most vulnerable, including the elderly who live on fixed incomes and working families who often live paycheck to paycheck; and
- (d) the need for clean, affordable and reliable energy to attract and retain local businesses, create jobs and spur economic development is vital to our County's success in a highly competitive and increasingly regional and global marketplace; and
- (e) the County of Kern, its residents and businesses value local control and the right to choose the policies and investments that most affordably and efficiently enable them to comply with state requirements; and
- (f) building and vehicle technology mandates eliminate local control and customer choice, suppress innovation, reduce reliability and unnecessarily increase costs for Kern County residents and businesses; and
- (g) the County of Kern understands that relying on a single energy delivery system unnecessarily increases vulnerabilities to natural and man-made disasters, and that a diversity of energy delivery systems and resources contribute to greater reliability and community resilience; and
- (h) the County of Kern understands the need to mitigate the impacts of climate change and is committed to doing its part to help the state achieve its climate goals, but requires the flexibility to do so in a manner that best serves the needs of its residents and businesses.

Section 2. IT IS RESOLVED by the Board of Supervisors of the County of Kern, State of California, as follows:

1. The County supports balanced energy solutions that maintain local decision-making authority to achieve the state's climate goals and supports proposed state legislation and regulation that retains local control by allowing all technologies and energy resources that meet or exceed emissions reductions regulations to be used to power buildings and fuel vehicles.
2. The Clerk of the Board shall transmit copies of this Resolution to the following:

State Senator Shannon Grove
State Capitol, Room 305
Sacramento, CA 95814

State Senator Melissa Hurtado
State Capitol, Room 2054
Sacramento, CA 2054

Assembly Member Vince Fong
Capitol Office, Room 2002
Sacramento, CA 94249

Assembly Member Rudy Salas
Capitol Office, Room 4016
Sacramento, CA 94249

Assembly Member Tom Lackey
Capitol Office, Room 2174
Sacramento, CA 94249

Assembly Member Devon Mathis
Capitol Office, Room 2111
Sacramento, CA 94249

Robert Duchow
Southern California Gas Company
3701 Pegasus Drive, Suite 114
Bakersfield, CA 93308-2559

Neil Black
California Bioenergy
324 S. Santa Fe Street, Suite A
Visalia, CA 93292

COPIES FURNISHED:
<i>See above</i>
<i>5/3/2019 (TD)</i>

**Attachment F – Emails from Robert Cruz, SoCalGas Public Affairs
Manager, to Tim Sandoval, Mayor of City of Pomona,
with Attachments**

Document received by the CA 2nd District Court of Appeal.

To: tim_sandoval@ci.pomona.ca.us[tim_sandoval@ci.pomona.ca.us]
From: Cruz, Robert
Sent: Thur 1/31/2019 12:12:55 PM
Subject: IMPORTANT: Balanced Energy Model Ordinance and Other Items
[Model Ordinance Aug 2018-1.docx](#)

Tim, good afternoon.....It was great meeting with you and catching up!

Here is the model reso.entitled "Maintaining Local Control of Energy Resolutions" we discussed and you were going o schedule a meeting with you, Linda and myself. Please keep me posted.

You were going to issue an invite to me to be on your new Mayor's Business Advisory Council. I look forward to serving with this team and supporting ypopur efforts to improve the City of Pomona!

And finally you were going to develop and send me an "official" request to support your inaugural Neighborhood Adoption Program! Please be sure to get that to me soon so I can earmark some funds for that effort!

Thank you and let me know what else I can do to support your overall efforts to improve the quality of life for Pomonans!

Regards,
Robert Cruz

Get [Outlook for iOS](#)

From: Cruz, Robert <rcruz1@semprautilities.com>
Sent: Thursday, January 31, 2019 12:01 PM
To: Cruz, Robert
Subject: Balanced Energy Model Ordinance

Model Ordinance Aug 2018.docx

[OBJ]

Get [Outlook for iOS](#)

Model Resolution for Maintaining Local Control of Energy Solutions

Whereas California's energy policies are critical to reducing greenhouse gas emissions and reducing the impact of climate change on our citizens; and

Whereas the state legislature and state agencies are increasingly proposing new legislation and regulations eliminating choice of energy by mandating technologies to power buildings and public and private fleets, including transit and long-haul trucking, as a strategy to achieve the state's climate goals; and

Whereas clean, affordable and reliable energy is crucial to the material health, safety and well-being of [CITY NAME] residents, particularly the most vulnerable, who live on fixed incomes, including the elderly and working families who are struggling financially; and

Whereas the need for clean, affordable and reliable energy to attract and retain local businesses, create jobs and spur economic development is vital to our city's success in a highly competitive and increasingly regional and global marketplace; and

Whereas [CITY NAME], its residents and businesses value local control and the right to choose the policies and investments that most affordably and efficiently enable them to comply with state requirements; and

Whereas building and vehicle technology mandates eliminate local control and customer choice, suppress innovation, reduce reliability and unnecessarily increase costs for [CITY NAME] residents and businesses; and

Whereas the City understands that relying on a single energy delivery system unnecessarily increases vulnerabilities to natural and man-made disasters, and that a diversity of energy delivery systems and resources contribute to greater reliability and community resilience; and

Whereas [CITY NAME] understands the need to mitigate the impacts of climate change and is committed to doing its part to help the state achieve its climate goals, but requires the flexibility to do so in a manner that best serves the needs of its residents and businesses. NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of [CITY NAME], as follows:

That the City supports balanced energy solutions that provide it with the decision-making authority and resources needed to achieve the state's climate goals and opposes proposed state legislation and policy that eliminate local control by mandating technologies that can be used to power buildings and fuel vehicles, and also meet or exceed emissions reductions regulations.

To: tim_sandoval@ci.pomona.ca.us[tim_sandoval@ci.pomona.ca.us]; Anthony Duarte[anthonyd@regionalchambersgv.com]; Jorge Marquez [Redacted]; Rose Calderon [Redacted]; Joe Rocha[jrocha@ci.azusa.ca.us]; Joe Rocha[jrocha@azusaca.gov]
From: Cruz, Robert
Sent: Mon 4/15/2019 11:48:19 AM
Subject: Need your Support!
[C4BES JOIN CLEAN Final 021419-4.pdf](#)

All, Good afternoon. I have been asked by our senior leadership team to identify some key Latino leaders that might consider supporting the current Californians For Better Energy Solutions effort. Please review that attached letter and let me know if we can count on your support and you will consider to be a part of this effort.

Please let me know if you have any questions and thank you in advance for your consideration and leadership!

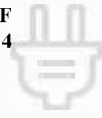
Regards,
Robert Cruz

Get [Outlook for iOS](#)

From: Cruz, Robert <rcruz1@semprautilities.com>
Sent: Monday, April 15, 2019 12:38 PM
To: Cruz, Robert
Subject: Need your Support!

Get [Outlook for iOS](#)

Document received by the CA 2nd District Court of Appeal.



Last year special interests and state officials tried to outlaw the use of natural and renewable gas first in LA County, then state-wide! Together, we beat the CPUC’s proposed moratorium on winter gas hook-ups, and then turned around AB 3232, a bill originally designed by building electrification advocates to mandate the construction of “zero emission” buildings.

There is a well-orchestrated campaign designed to pass mandates to tell builders what to build, restaurants how to cook, businesses how to operate facilities, local governments how to set building standards and homeowners how to heat homes and prepare the family meals. These anti-gas forces are not giving up. In 2019 they are escalating their “electric-only” campaign, not just at the legislature, but now at the state’s energy and environmental agencies, the California Public Utilities Commission (CPUC), the California Air Resources Board (CARB) and the California Energy Commission (CEC). These days, anti-gas fervor and commentary is also witnessed at every board meeting of the South Coast AQMD.

If this “electric-only” mandate monopoly is successful, then residential, commercial and industrial energy choice will be gone, energy costs will increase, already high housing costs will skyrocket, and energy reliability will be jeopardized. In addition, businesses and industry will be forced to raise prices to pay for costly mandates or leave the state jeopardizing thousands of jobs. Ironically, banning combustion of gas will set back California’s efforts to reduce air pollution and fight climate change.

We believe gas users and providers must respond.

We have formed [Californians for Balanced Energy Solutions \(C4BES\)](#) to educate gas users and the public on this future agenda and to rally support for the crucial role that natural gas, and increasingly renewable gas, plays in California’s energy future, and its peoples’ daily lives. The availability of natural and renewable gas provides Californians with energy choice, affordability, and reliability for our economic well-being and quality of life. And it has and will continue to contribute to the state’s effort to reduce emissions to address the challenges of climate change.

C4BES is not an “anti-electric” crusade. On the contrary it is a pro energy choice campaign. California needs smart, balanced policies that value diverse energy sources including electricity and gas not misguided one-size-fits-all mandates.

C4BES is building a [broad coalition](#) that includes families, local government, commercial and industrial gas users, for-profit and nonprofit housing developers, community organizations, healthcare providers, and schools and other institutional facilities, agriculture, and labor all of whom rely on gas energy, and seek to continue to rely on gas, while still making a difference in our environment. We embrace energy choice. Electricity is not the only acceptable form of energy.

Won’t you answer the call? Please join **Californians for Balanced Energy Solutions** to promote energy choice, energy affordability, and energy reliability. We believe balanced energy solutions are essential for our environment, our economy and our daily lives.

Become a member by visiting www.C4BES.org/join.

Sincerely,

Matt Rahn

Chair, Californians for Balanced Energy Solutions (C4BES)

Document received by the CA 2nd District Court of Appeal.

Attachment G – Screenshot of Email Dated April 29, 2019 from Naomi Barnes, Managing Director, Natural Gas Initiative at Stanford University, Re: SoCalGas seeking consultant on decarbonization of California

Document received by the CA 2nd District Court of Appeal.

From: Naomi L. Boness <naomi.boness@stanford.edu>
Date: Mon, Apr 29, 2019 at 3:14 PM
Subject: SoCalGas seeking consultant on decarbonization in California
To: Naomi L. Boness <naomi.boness@stanford.edu>

Dear Stanford Energy colleagues,

As you know, California is having public policy debate about the future role of natural gas and the outlook for renewable or low-carbon natural gas resources. Last year, SoCalGas (a Stanford Natural Gas Initiative affiliate member) engaged Navigant to conduct a technical analysis of:

- Potential greenhouse gas (GHG) emissions reductions from building electrification
- Estimated amount of renewable gas (RG) needed to match reductions under different scenarios
- Projected combined annual cost for consumer utility and appliance costs in each scenario
- Cost-effectiveness of each GHG emissions reduction strategy under different assumptions.

The Navigant report (attached) quantified the amount of RG needed to supply SoCalGas' retail customers to decarbonize gas at a similar pace as the electric supply. That is, how much RG would have to be supplied so building end uses have the same GHG footprint regardless of whether they use or gas or electric appliances. This prompted a response (attached) from the Sierra Club attacking the study.

SoCalGas is seeking a highly regarded energy resource scientist or economist to weigh in and address Sierra Club's various claims. This could be in the form of a letter or op-ed piece, possibly followed by further research, if needed, and a peer reviewed paper on this topic in the not too distant future.

Please let me know if any of you would be interested in taking on this challenge, and feel free to forward within the Stanford community.

Best,

Naomi

Naomi Boness, Ph. D.

Managing Director, Natural Gas Initiative

Stanford University

office: Mitchell Bldg, Rm. 415

phone: (+1) 650-736-2716

mobile: (+1) 925-404-9511

email: naomi.boness@stanford.edu

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

**MOTION TO COMPEL RESPONSES FROM
SOUTHERN CALIFORNIA GAS COMPANY TO QUESTION 8 OF
DATA REQUEST CALADVOCATES-SC-SCG-2019-05
(NOT IN A PROCEEDING)**

I. INTRODUCTION

Pursuant to Public Utilities (Pub. Util.) Code §§ 309.5(e)¹ and 314,² and Rule 11.3³ of the California Public Utilities Commission’s (Commission’s) Rules of Practice and Procedure, the Public Advocates Office at the California Public Utilities Commission moves to compel production in response to Question 8 of Data Request

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.”

(DR) No. CalAdvocates-SC-SCG-2019-05 served on Southern California Gas Company (SoCalGas).

As described in prior related briefing,⁴ the Public Advocates Office is currently investigating SoCalGas' funding of political lobbying activities, including, among other things, whether and to what extent ratepayer money was used to found and support Californians for Balanced Energy Solutions (C4BES).⁵ In furtherance of this investigation, the Public Advocates Office served SoCalGas with DR No. CalAdvocates-SC-SCG-2019-05 on August 13, 2019.⁶ SoCalGas refused to provide responsive documents in response to Question 8 of this DR.⁷

The Public Advocates Office requires this information in order to perform its duties and considers SoCalGas' non-response to Questions 8 to be in violation of SoCalGas' duty to comply with its obligations under Pub. Util. Code §§ 309.5(e) and 314. The Public Advocates Office met with SoCalGas multiple times in conformance with Rule 11.3(a) to attempt to resolve this dispute informally; however, the parties reached an impasse and this motion became necessary. SoCalGas must be compelled to comply with the law and provide fully responsive documents in response to Question 8

⁴ See Exhibit 1, *Motion to Compel Further Responses from Southern California Gas Company to Data Request - CalAdvocates-SC-SCG-2019-04* (August 14, 2019); Exhibit 2, *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* (August 26, 2019); Exhibit 3, *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)* (September 9, 2019). The attachments to the filings have been omitted because these filings are voluminous and the attachments are not directly relevant to the current dispute, but the attachments can be provided upon request.

⁵ 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. 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).

⁶ See Exhibit 4, *Data Request (DR) CalAdvocates-SC-SCG-2019-05*, dated August 13, 2019, at 4.

⁷ See Exhibit 5, *Southern California Gas Company's Responses to Data Request CalAdvocates-SC-SCG-2019-05*, dated August 27, 2019, at 8.

within 24 hours of the ruling on this motion. The Public Advocates Office submits this motion to compel to the Commission’s President⁸ and respectfully requests an expeditious ruling addressing the legal issues on the merits as this investigation has been unnecessarily and repeatedly delayed by SoCalGas’ obstructive tactics.

II. BACKGROUND

A. Impetus for the Public Advocates Office’s Current Inquiries

As discussed in the Public Advocates Office’s prior motion to compel in this matter relating to DR CalAdvocates-SC-SCG-2019-04, on May 13, 2019, C4BES filed a Motion for Party Status in Rulemaking (R.)19-01-011 in which C4BES represented that it is “a coalition of natural and renewable natural gas users.”² C4BES did not disclose that it has any affiliation with SoCalGas in its Motion for Party Status. On May 14, 2019, 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*, in which it alleged that SoCalGas founded and funded C4BES.¹⁰ On May 29, 2019, the Public Advocates Office, C4BES, and SoCalGas separately filed responses to Sierra Club’s motion to deny party status to C4BES. In its response to Sierra Club’s motion to deny party status, the Public Advocates Office stated that it would be investigating the allegations raised by Sierra Club.¹¹

On May 23, 2019, the Public Advocates Office issued Data Request Number Public Advocates Office-SCG051719 to SoCalGas regarding its involvement with

⁸ Pursuant to Pub. Util. Code § 309.5(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. Because DR CalAdvocates-SC-SCG-2019-05 was not issued pursuant to any open Commission proceeding, there is no assigned Commissioner. As a result, the motion to compel must be decided by the Commission’s President.

² See *C4BES Motion for Party Status in R.19-01-011 filed* (May 13, 2019).

¹⁰ 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).

¹¹ 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* (filed May 29, 2019), at 2.

C4BES. This data request was issued outside of R.19-01-011, and the investigation into SoCalGas' involvement with C4BES is not within the scope of any current proceeding. SoCalGas' response to the Public Advocates Office's data request provides evidence that SoCalGas has been using ratepayer money to start and fund C4BES.¹² The Public Advocates Office issued additional Data Requests to further investigate this matter. Each of these data requests has also been issued outside of R.19-01-011 and is not within the scope of any current proceeding.

B. Previous Discovery Dispute

On July 19, 2019, the Public Advocates Office issued DR CalAdvocates-SC-SCG-2019-04 to SoCalGas. SoCalGas provided a response on August 2, 2019, which contained redacted documents in response to Items 1 and 5 of the Data Request. On August 14, 2019, after meeting and conferring in an attempt to resolve the matter informally with SoCalGas, the Public Advocates Office submitted a *Motion to Compel Further Responses from Southern California Gas Company to Data Request - CalAdvocates-SC-SCG-2019-04* to then-Commission President Picker's office.¹³ The Public Advocates Office's motion sought unredacted documents in response to Items 1 and 5 in DR CalAdvocates-SC-SCG-2019-04, pursuant to the Public Advocates Office's ability to seek information from entities regulated by the Commission under Pub. Util. Code §§ 309.5(e) and 314.¹⁴

On August 26, 2019, SoCalGas submitted *Response of SoCalGas to August 14, 2019 Motion to Compel Further Responses from Southern California Gas Company to*

¹² See R.19-01-011, *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), at 2.

¹³ See Exhibit 1. Commission President Marybel Batjer subsequently referred the matter to Chief Administrative Law Judge Anne Simon for ruling, who in turn referred the matter to Administrative Law Judge Regina DeAngelis.

¹⁴ Subsequently, but prior to Judge DeAngelis' ruling, SoCalGas provided an amended response to Item 5 and, therefore, the Public Advocates Office no longer sought this information via the motion to compel submitted on August 14, 2019.

*Data Request – CalAdvocates – SC-SCG-2019-04.*¹⁵ On September 9, 2019, the Public Advocates Office filed a *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.*¹⁶

In its response to Item 1 of DR CalAdvocates-SC-SCG-2019-04, SoCalGas had redacted information on a Work Order Authorization (WOA) relating to shareholder funds. The Public Advocates Office sought an unredacted response to Item 1 of DR CalAdvocates-SC-SCG-2019-04.¹⁷ SoCalGas argued that the information sought in the Public Advocates Office’s motion in response to Item 1 was “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)[¹⁸]” because it is related to shareholder funds, not ratepayer funds.

On September 10, 2019, Administrative Law Judge DeAngelis granted the Public Advocates Office’s motion to compel (September 10, 2019 Ruling).¹⁹

C. Current Discovery Dispute

On August 13, 2019, prior to the filing of the first motion to compel in this matter, the Public Advocates Office served SoCalGas with DR CalAdvocates-SC-SCG-

¹⁵ See Exhibit 2.

¹⁶ See Exhibit 3. Chief Administrative Law Judge Simon granted the Public Advocates Office permission to file this reply in an email ruling on September 5, 2019. See Rule 11.1(f).

¹⁷ The Public Advocates Office also referenced SoCalGas’ recalcitrance related to Question 8 in its September 9 reply, although Question 8 was not specifically the subject of the August 14 motion. See Exhibit 3 at 9-10.

¹⁸ 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.

¹⁹ See Exhibit 6, *Administrative Law Judge’s Ruling in the Discovery Dispute Between Public Advocates Office and Southern California Gas Company, August 2019 (Not in a Proceeding)*, dated September 10, 2019.

2019-05.²⁰ This Data Request included the following question, with SoCalGas' August 27, 2019 response indicated below²¹:

QUESTION 8:

Provide all contracts (and contract amendments) covered by the WOA which created the BALANCED ENERGY IO.²²

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.

On September 11, 2019, after Judge DeAngelis granted the August 14, 2019 Motion to Compel, the Public Advocates Office contacted SoCalGas in an attempt to obtain an updated response to Question 8, given that SoCalGas' grounds for refusing to answer Question 8 were implicitly rejected in the September 10, 2019 Ruling. The Public Advocates Office sought to avoid the extreme waste of Commission resources in seeking judicial intervention on a legal issue that had already been decided. SoCalGas responded that it was "unable to find support for [the Public Advocates Office's] rationale in ALJ DeAngelis's September 10 ruling."²³ In an attempt to resolve this dispute without resorting to judicial intervention, and in conformance with Rule 11.3(a), the parties engaged in a meet and confer regarding Question 8 on September 16, 2019.

²⁰ See Exhibit 4, Data Request (DR) CalAdvocates-SC-SCG-2019-05, dated August 13, 2019, at 4.

²¹ See Exhibit 5, Southern California Gas Company's Responses to Data Request CalAdvocates-SC-SCG-2019-05, dated August 27, 2019, at 8.

²² The Work Order Authorization (WOA) created the Balanced Energy Internal Order (IO). The Balanced Energy IO is an account set up to track the costs of SoCalGas' Energy Policy and Strategy team associated with "balanced energy."

²³ See Exhibit 7, which provides the Public Advocates Office's emails dated September 11 and 12, 2019, and SoCalGas' email responses, dated September 12 and 13, 2019.

During the September 16, 2019 meet and confer, the Public Advocates Office and SoCalGas were unable to resolve the dispute. SoCalGas contended that the contracts requested in Question 8 were not the subject of the August 14, 2019 motion to compel and that the contracts are distinguishable from the WOA at issue in the previous motion to compel because the WOA was partially responsive to the question asked, whereas the contracts that are the subject of Question 8 are allegedly 100% shareholder funded.

Also during the September 16, 2019 meet and confer, the Public Advocates Office stated that one of the reasons it sought these contracts was to verify whether they were shareholder or ratepayer funded. The Public Advocates Office did not intend to imply that this was the only reason for its request, and also mentioned that the Public Advocates Office and ratepayers have an interest in the cost and non-cost aspects of these contracts, such as the scope of the work related to “balanced energy” as described by the WOA. At the conclusion of the meeting, the Public Advocates Office agreed to meet with some of SoCalGas’ accounting staff to see if it could better understand SoCalGas’ accounting processes, in the hopes that such understanding would help the Public Advocates Office gain a better understanding of how the Balanced Energy IO was created.

The meeting with SoCalGas’ accountants, with counsel present, occurred on September 27, 2019. SoCalGas provided an overview of its general accounting processes and procedures and answered specific questions regarding certain accounting procedures and notations. During the meeting, SoCalGas expressed its belief that the meeting was intended to resolve the dispute regarding Question 8. The Public Advocates Office explained that its good faith belief was that the meeting would be helpful in understanding the context behind SoCalGas’ accounting practices, and helpful for understanding the context for both Question 8 and Question 13.²⁴ However, Question 8 was still in dispute, and the Public Advocates Office reiterated that it is entitled to the

²⁴ At the September 27, 2019 meeting, the parties also discussed information related to Question 13 of DR CalAdvocates-SC-SCG-2019-05, which had been in dispute. As a result of this discussion, SoCalGas agreed to submit a revised response to Question 13, which it did on October 2, 2019. The Public Advocates Office felt that the revised response sufficiently answered the question and therefore Question 13 is no longer in dispute.

documents requested pursuant to both statute and Commission decisions. While this meeting provided further context and understanding of SoCalGas' internal accounting procedures, it did not obviate the need for documents in response to Question 8.²⁵

On October 2, 2019, the parties met once again to discuss Question 8. The Public Advocates Office again reiterated that it needed the contracts in response to Question 8 in order to continue its investigation. SoCalGas repeated its assertion that because the contracts were fully shareholder funded, reviewing the contracts would not assist the Public Advocates Office in its statutory duty. The Public Advocates Office repeated its position that this matter had been argued in the prior motion to compel and decided by Judge DeAngelis. The Public Advocates Office also responded that, as a general matter, it is not required to divulge the purpose of its discovery because it is entitled to these documents per statute and Commission decision as argued in its original motion to compel. However, to further clarify its position to SoCalGas, the Public Advocates Office explained that, among other things, the investigation was seeking information on how the activities related to the contracts in Question 8 may have affected ratepayers' interests in issues such as achieving a least-cost path to meeting the state's decarbonization goals. At the conclusion of the meeting, the parties agreed they were at an impasse on this issue.

III. DISCUSSION

A. This Issue Has Been Previously Decided By Judge DeAngelis

Initially, this motion to compel should not be necessary because SoCalGas' justification for refusing to provide the contracts in response to Question 8 has been rejected by Judge DeAngelis. In opposing the August 14, 2019 motion to compel, SoCalGas largely relied on its arguments that neither Pub. Util. Code § 309.5(e) nor § 314 provided the Public Advocates Office with the authority to seek information related

²⁵ See Exhibit 8, Public Advocates Office email dated September 27, 2019.

to shareholder-funded activities.²⁶ SoCalGas is relying on the same reasoning here—that because the contracts are purportedly shareholder funded, they are beyond the Public Advocates Office’s statutory purview. However, the Public Advocates Office argued, successfully, that its authority to obtain information from regulated entities related to the scope of its work is broad and two-fold. This authority is derived from both Pub. Util. Code §§ 309.5(e) and 314, and neither contains the type of limitation suggested by SoCalGas. Adopting SoCalGas’ interpretation of these statutes would severely curtail the ability of the Public Advocates Office, and the Commission in general, to access information in a way that is not supported by law.

In the September 10, 2019 Ruling, Judge DeAngelis stated that after reviewing the motion, response, and reply, the motion to compel was granted.²⁷ If she had found that *any* of SoCalGas’ arguments had merit, she would not have granted the motion.

Further, despite SoCalGas’ attempt to distinguish Question 8 from the question regarding the WOA at issue in the August 14, 2019 motion to compel, the legal issue is not substantively different. While this is a different data request, the underlying reasoning for SoCalGas’ refusal to disclose the documents is identical—that this information relates solely to shareholder funds and is therefore undiscoverable by the Public Advocates Office. That SoCalGas considered portions of the WOA responsive, in contrast to the contracts at issue here, which SoCalGas considers wholly unresponsive, does not mean the two issues are substantively different. On the contrary, the two issues are the same: SoCalGas withheld information in the WOA because it related to shareholder funds²⁸; here, SoCalGas is withholding the contracts because they are allegedly shareholder funded. Because Judge DeAngelis granted the August 14, 2019

²⁶ See Exhibit 2, at 5-6, 9-10.

²⁷ See Exhibit 6 at 2.

²⁸ The WOA, when created, directed that costs be recorded in ratepayer funded accounts. Only after the Public Advocates Office discovered via data requests that these costs were being booked to ratepayer accounts did SoCalGas direct their accounting department to move these costs to a shareholder funded account. *SoCalGas Modified Response to DR Number Public Advocates Office-SCG051719* (served Aug. 13, 2019).

motion to compel and implicitly rejected SoCalGas’ reasoning for withholding information related to shareholder funds, this issue has already been decided and in accordance with that ruling, this motion should also be granted.

B. The Public Advocates Office is Entitled to the Information it Seeks under Pub. Util. Code §§ 309.5(e) and 314.

To reiterate the Public Advocates Office’s previously argued position, the Public Advocates Office is entitled to the information requested, and SoCalGas as a regulated entity is obligated to provide the information pursuant to both statute and Commission decision. This statutory right to inspect the documents of any public utility includes records related to shareholder funding.

As explained in Decision (D.) 01-08-062, “[The Public Advocates Office’s] rights to seek information from entities regulated by this Commission . . . principally arise from two statutes—Pub. Util. Code. §§ 314 and 309.5.”²⁹ Under § 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...” Under § 314, as staff of the Commission, the Public Advocates Office may inspect the “accounts, books, papers and 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”

Pub. Util. Code § 309.5(e) contains no limitation on the type of information that may be sought by the Public Advocates Office in the pursuit of its statutory duties and it clearly allows for discovery of information the Public Advocates Office deems necessary. The information requested is related to the Public Advocates Office’s investigation of SoCalGas’ role in political lobbying activities, including the funding and founding of C4BES. The Public Advocates Office has determined that the disclosure of the contracts requested by Question 8 is necessary to perform its duties in relation to this investigation. Pub. Util. Code § 309.5(e) clearly allows for discovery of information the Public

²⁹ D.01-08-062, at 6.

Advocates Office deems necessary. Section 309.5(e) does not limit the Public Advocates Office to only reviewing information related to ratepayer accounts. Therefore, the Public Advocates Office is entitled to this information under § 309.5(e).

Additionally, § 309.5(a) does not limit the Public Advocates Office to only inquiring into the use of ratepayer funds. Section 309.5(a) 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." While § 309.5(a) delineates the Public Advocates Office's goals, § 309.5(e) authorizes the Public Advocates Office to pursue these goals through the production of any information it deems necessary. 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.

Further, 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.³⁰ Section 314 allows the Public Advocates Office the same scope of authority as any other member of the Commission staff:

³⁰ 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.

[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.³¹

Accordingly, the ability of Public Advocates Office and the Commission, in general, to access information is not restricted to only inquiring directly into ratepayer-funded activities. 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. Therefore, the Public Advocates Office's motion to compel the production of the requested contracts in response to Question 8 should be granted in accordance with statutory and Commission authority.

C. The Public Advocates Office Has Made a Good Faith Attempt to Resolve this Dispute Prior to Filing this Motion to Compel

SoCalGas has implied during meet and confer sessions that the Public Advocates Office has not been acting in good faith. However, the Public Advocates Office has continuously acted in good faith in attempting to resolve this matter informally. The Public Advocates Office initiated email discussions and engaged in three telephonic meetings regarding Question 8. The purpose of the September 27, 2019 meeting with SoCalGas' accountants was for the Public Advocates Office to gain a better understanding of SoCalGas' internal accounting processes since SoCalGas stated that the Public Advocates Office misunderstood some of its accounting practices.³² The Public Advocates Office hoped that the September 27, 2019 meeting would lead to a greater understanding of SoCalGas' accounting processes and answer at least some of the Public Advocates Office's questions underlying Question 8. However, even after the September

³¹ D.01-08-062, at 6.

³² See Exhibit 9, emails between the Public Advocates Office dated September 12, 13, and 18, 2019.

27, 2019 meeting, the Public Advocates Office felt that it still required the contracts as requested by Question 8.³³

The Public Advocates Office need not disclose to SoCalGas the need for its requests during the course of an investigation. However, in the course of the many meet and confer meetings on this issue, the Public Advocates Office explained that it sought the contracts in order to understand more fully how the activities related to the contracts in Question 8 may have affected ratepayers' interests. The Public Advocates Office also explained that it believed this matter had already been decided by Judge DeAngelis. The Public Advocates Office explained its position and why SoCalGas had an obligation to respond to Question 8. While SoCalGas may have desired a more detailed or in-depth explanation of the Public Advocates Office's internal processes and strategy, it is not entitled to such information during a meet and confer, and the Public Advocates Office fully engaged with the meet and confer process in good faith.

D. Conclusion

The Public Advocates Office's motion to compel production in response to Question 8 should be granted, and SoCalGas should be compelled to produce responsive documents within 24 hours of the granting of this motion. This motion should be granted consistent with the Public Advocates Office's broad authority to seek information from any regulated entity for any purpose related to the scope of its work. 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. Additionally, because SoCalGas contends that the September 10, 2019 Ruling does not resolve the current dispute, the Public Advocates Office respectfully requests a ruling

³³ As stated previously, the September 27, 2019 meeting was successful in resolving the dispute regarding Question 13.

addressing the legal issues on the merits in order to avoid further unnecessary litigation on this issue.

Respectfully submitted,

/s/ REBECCA VORPE

Rebecca Vorpe

Attorney for the
Public Advocates Office

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102
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October 7, 2019

Document received by the CA 2nd District Court of Appeal.

[PROPOSED] ORDER

On October 7, 2019, the Public Advocates Office submitted a *Motion to Compel Responses from Southern California Gas Company to Question 8 of Data Request CalAdvocates-SC-SCG-2019-05 (Not in a Proceeding)* requesting that the Commission order SoCalGas to provide documents in response to Question 8 of DR CalAdvocates-SC-SCG-2019-05. Having considered the Public Advocates Office’s motion to compel and given the urgency of this request and the clear statutory authorization for the information sought pursuant to Public Utilities Code Sections 309.5(e) and 314, the Commission hereby grants the Public Advocates Office’s motion.

ORDER

SoCalGas is hereby ordered to provide documents in response to Question 8 of DR CalAdvocates-SC-SCG-2019-05. SoCalGas is ordered to comply with this order within 24 hours from the date of this ruling.

SO ORDERED.

Dated: _____, 2019

Administrative Law Judge

Document received by the CA 2nd District Court of Appeal.

EXHIBIT 4

Document received by the CA 2nd District Court of Appeal.



Public Advocates Office
California Public Utilities Commission

505 Van Ness Avenue
San Francisco, CA 94102
Phone: (415) 703-2544
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<http://publicadvocates.cpuc.ca.gov>

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

Document received by the CA 2nd District Court of Appeal.

**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.

Document received by the CA 2nd District Court of Appeal.

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.

Document received by the CA 2nd District Court of Appeal.

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.

Document received by the CA 2nd District Court of Appeal.

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.

Document received by the CA 2nd District Court of Appeal.

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.

Document received by the CA 2nd District Court of Appeal.

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.

Document received by the CA 2nd District Court of Appeal.

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.

Document received by the CA 2nd District Court of Appeal.

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.

Document received by the CA 2nd District Court of Appeal.

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.

Document received by the CA 2nd District Court of Appeal.

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.

Document received by the CA 2nd District Court of Appeal.

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.

Document received by the CA 2nd District Court of Appeal.

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.

Document received by the CA 2nd District Court of Appeal.

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."

Document received by the CA 2nd District Court of Appeal.

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.

Document received by the CA 2nd District Court of Appeal.

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.

Document received by the CA 2nd District Court of Appeal.

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.

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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.

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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.

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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.

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EXHIBIT 7

Document received by the CA 2nd District Court of Appeal.

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

Document received by the CA 2nd District Court of Appeal.

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

Document received by the CA 2nd District Court of Appeal.

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 to 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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A Semptra Energy utility

Johnny Q. Tran
Senior Counsel

Office of the General Counsel
555 West Fifth Street, Suite 1400
Los Angeles, California 90013

Tel: (213) 244-2981
Fax: (213) 629-9620
Email: jqtran@socalgas.com

October 17, 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 Pursuant to October 7, 2019 Motion to Compel Further Responses from Southern California Gas Company to Data Request – CalAdvocates – SC – SCG-2019-05 (Not in a Proceeding)*

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-2019-05 (“Motion”).

Cal Advocates’ Motion seeks an order from the President of the Commission to compel SoCalGas to produce all contracts (and contract amendments) associated with a Work Order Authorization (“WOA”) that created the 100 percent shareholder funded Balancing Energy Internal Order (“IO”). Cal Advocates’ data request was served outside of any active proceeding pursuant to Public Utilities Code (“Pub. Util. Code”) §§ 309.5(e) and 314. Cal Advocates asserts that it has broad discovery authority under Pub. Util. Code §§ 309.5(e) and 314 and that broad discovery authority requires SoCalGas to produce contracts that are entirely funded by its shareholders. Contrary to Cal Advocates’ assertions, Cal Advocates does not have unfettered access to SoCalGas’ shareholder documents. The plain language of Pub. Util. Code §§ 309.5(e) and 314 makes clear that there are limitations on Cal Advocates’ discovery authority. Here, Cal Advocates has exceeded that authority.

First, Cal Advocates has not been delegated authority by the Commission under Pub. Util. Code § 314 in order to invoke the statutory rights under said code section.

Second, while Cal Advocates’ discovery authority is broad under Pub. Util. Code § 309.5(e) – it is not unfettered. Cal Advocates’ discovery authority is limited to information “necessary to perform its duties.”¹ Here, Cal Advocates has failed to clearly articulate how

¹ Pub. Util. Code § 309.5(e).

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SoCalGas' 100 percent shareholder contracts are necessary for Cal Advocates to perform its statutory duties.

Third, to permit Cal Advocates to inspect shareholder information and documents whenever it so pleases without requiring a showing that the information and document is necessary for Cal Advocates to perform its statutory duties as required by Pub. Util. Code § 309.5(e) could have negative consequences on a utility's constitutionally-protected rights including its First Amendment right to free speech.²

Finally, Cal Advocates failure to meet and confer in good faith pursuant to Commission's Rule of Practice and Procedure, Rule 11.3(a) and shifting theories for needing SoCalGas' 100 percent shareholder contracts deprives SoCalGas of adequate due process.

I. BACKGROUND

Cal Advocates asserts that it "is currently investigating SoCalGas' funding of political lobbying activities, including, among other things, whether and to what extent ratepayer money was used to found and support Californians for Balance Energy Solutions (C4BES)."³ This investigation was initiated based on activity in the Building Decarbonization Rulemaking (R.19-01-011). Cal Advocates alleges that in furtherance of its investigation, Cal Advocates served a series of data requests outside of any active proceeding. The information related to the prior series of data requests are detailed in Cal Advocates' prior motion to compel, SoCalGas' response, and Cal Advocates' reply.⁴

The data request that is the subject of this Motion demands that SoCalGas "[p]rovide all contracts (and contract amendments) covered by the [Work Order Authorization] which created 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,

² It may also violate SoCalGas' Fourth Amendment rights as the demand for 100 percent shareholder contracts exceeds Cal Advocates' statutory authority. Courts have held that "commercial privacy interests" are protected under the Fourth Amendment, and that a government agency infringes such rights if its investigation exceeds the agency authority. *See v. City of Seattle*, 387 U.S. 541, 544 (1967) (recognizing Fourth Amendment protections for commercial privacy rights); *Brovelli v. Superior Ct. of L.A. Cnty.*, 56 Cal. 2d 524, 529 (1961) (examining whether demand for inspection is "one which the agency demanding production is authorized to make.")

³ Public Advocates Office's Motion to Compel Further Responses from Southern California Gas Company to Data Request – CalAdvocates-SC-SCG-2019-05 (October 7, 2019) ("Motion") at 2.

⁴ *See Attachment A, Cal Advocates Motion to Compel Further Responses from Southern California Gas Company to Data Request - CalAdvocates-SC-SCG-2019-04* (August 14, 2019); *Attachment B, 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* (August 26, 2019); *Attachment C, 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 – Cal Advocates-SC-SCG-2019-04 in the Discovery Dispute Between Public Advocates Office and Southern California Gas Company, August 2019 (Not in a Proceeding)* (September 9, 2019).

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 work related to promoting and supporting a balanced energy approach to achieving California's environmental goals.

On August 27, 2019, SoCalGas objected to the requests as follows:

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.

On September 16, 2019, SoCalGas and Cal Advocates met and conferred regarding Question 8. Based on the meet and confer, it was SoCalGas' understanding that the reason Cal Advocates were seeking the contracts was to verify whether the contracts are ratepayer or shareholder funded. SoCalGas explained that the contracts will not have that information and in order to verify the funding source, Cal Advocates will need to understand SoCalGas' accounting process. The parties had a subsequent meet and confer on September 27, 2019 whereby SoCalGas' accounting personnel provided Cal Advocates an overview of SoCalGas' accounting processes and procedures to explain how ratepayer and shareholder costs are tracked and funded. Despite SoCalGas personnel answering Cal Advocates' questions, Cal Advocates continued to demand the production of the contracts.

On October 2, 2019, SoCalGas and Cal Advocates had another meet and confer. SoCalGas explained that the September 27 meet and confer should have adequately explained SoCalGas' accounting processes and procedures in order to clarify how the costs tracked in the Balanced Energy IO are shareholder funded. SoCalGas again explained that seeing the actual contracts will not provide Cal Advocates with information as to how the contracts and associated invoices are funded. SoCalGas requested that Cal Advocates explain how seeing the contracts is necessary to fulfill its statutory duties. Cal Advocates asserted that it is entitled to the documents given its broad authority and did not need to provide SoCalGas with a rationale as to why it needed the documents. After SoCalGas asserted that Cal Advocates are not meeting and conferring in good faith and Cal Advocates' continued refusal to provide the rationale would violate SoCalGas' due process rights, Cal Advocates stated that in addition to determining whether the contracts are shareholder or ratepayer funded, it wanted to review the contracts' scope of work to determine whether SoCalGas' shareholders are taking positions that are inconsistent with State policy.

On October 4, 2019, SoCalGas' regulatory case manager left a voicemail message for Cal Advocates to request further discussions to see if there was a way the parties could bridge the gap pertaining to the request for contracts. Without any further meet and confer, Cal Advocates filed its Motion on October 7, 2019. In its Motion, Cal Advocates states for the first time that it is entitled to these contracts to determine how shareholder funded contracts may have affected ratepayers' interests to achieving a least-cost path to meeting the State's decarbonization goals.

It is important to note that contracts are not specific to a WOA and when materials or services are provided under a contract, invoices would then be paid using appropriate accounting information (e.g. cost centers, internal orders, etc.). A single contract may be utilized by multiple organizations, programs, or initiatives. Accordingly, on October 16, 2019, SoCalGas produced contracts that have services or materials utilized by both the Balanced Energy IO and ratepayer funded accounts.⁵ Since ratepayers have utilized the services or materials under these contracts, these contracts are likely within the purview of Cal Advocates. Even though some of the contracts produced are not within Cal Advocates' stated purpose of their investigation (SoCalGas' funding of political lobbying activities), in the interest of transparency, SoCalGas produced them to Cal Advocates. However, SoCalGas maintains its objections as it relates to contracts that are 100 percent shareholder funded. As such, the only contracts in dispute are the contracts that are 100 percent shareholder funded.

II. DISCUSSION

A. Cal Advocates Has Not Been Delegated the Appropriate Authority Under Pub. Util. Code § 314

Cal Advocates asserts it is entitled to the shareholder information under Pub. Util. Code § 314. Cal Advocates argues that Pub. Util. Code §314 is broad in scope and that Cal Advocates has the same scope of authority as any other member of the Commission staff. SoCalGas agrees that Pub. Util. Code § 314 is broad in scope. SoCalGas also agrees that under certain circumstances Cal Advocates may have the same scope of authority as other members of Commission staff. However, Cal Advocates does not have the same scope of authority as a Commissioner or an officer of the Commission.

According to the clear language of the statute: "Any person, other than a commissioner or an officer of the commission, demanding to make any inspection shall produce, under the hand of seal of the commission, authorization to make the inspection." It is undisputed that Cal Advocates is not a Commissioner. To SoCalGas' knowledge Cal Advocates is also not an officer of the Commission. Therefore, in order to avail itself of the broad discovery rights under Pub. Util. Code § 314, Cal Advocates must be delegated the authority by a Commissioner or an officer of the Commission and "produce, under hand and seal of the commission, authorization to make the inspection."

The Commission has determined that under Pub. Util. Code § 314 "the powers it describes can and *must be delegated to be effective*."⁶ The Commission delegates its authority in a variety of contexts and through various means. For example, the Commission has delegated its authority to Commission staff as part of Order Instituting Investigations⁷ and through letters and

⁵ See Attachment D, *E-mail dated October 16, 2019*.

⁶ D.05-06-033, at 41 (emphasis added).

⁷ See Order Instituting Investigation on the Commission's Own Motion to Determine Whether Southern California Gas Company's and Sempra Energy's Organizational Culture and Governance Prioritize Safety (U904G) (issued June 27, 2019) at 14 ("... the Commission hereby confirms that under Pub. Util.

subpoenas signed by an officer of the Commission.⁸ However, SoCalGas is not aware of any delegation of authority to Cal Advocates that pertains to this series of data requests. Cal Advocates has not produced any delegation of authority pursuant to Pub. Util. Code § 314, and therefore, cannot rely on Pub. Util. Code § 314.

B. Cal Advocates' Discovery Rights Under Pub. Util. Code § 309.5(e) Are Not Unfettered

Cal Advocates argues that it has broad discovery authority and is entitled to SoCalGas' shareholder funded contracts under Pub. Util. Code § 309.5(e).⁹ However, the plain language of Section 309.5(e) makes clear that Cal Advocates does not have unlimited rights and authority.

Pub. Util. Code § 309.5(e) provides that "[the] division may compel the production or disclosure of any information that it deems *necessary to perform its duties* from any entity regulated by the commission."¹⁰ It is clear from the language of the statute that Cal Advocates' discovery rights are limited to that information that it deems necessary to perform its duties. Commission decisions have also recognized limitations on Cal Advocates' discovery rights.¹¹ Cal Advocates' duties are defined in Pub. Util. Code § 309.5(a), which 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. (Emphasis Added.)

Based on Pub. Util. Code §§ 309.5(e) and 314, Cal Advocates' discovery rights are limited to its statutory duties to represent and advocate on behalf of utility ratepayers and to obtain the lowest possible rate consistent with reliable and safe service. Here, Cal Advocates has failed to clearly articulate how obtaining SoCalGas' 100 percent shareholder funded contacts are necessary for Cal Advocates to perform those statutory duties. Instead Cal Advocates asserts in

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.") available at

<http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=306870841>.

⁸ D.05-06-033, at 43 (The Commission's Executive Director delegated his authority to the Consumer Protection and Safety Division through letters and subpoenas that he signed.)

⁹ Motion, at 2.

¹⁰ Pub. Util. Code § 309.5(e) (emphasis added).

¹¹ D.07-03-014, at 220 (upholding that plain language of the statute which limited DRA's discovery authority).

a meet and confer, and repeats in the Motion,¹² that it is not required to provide a rationale as to how the contracts are necessary to perform its statutory duties. Cal Advocates improperly attempts to expand its scope of authority contravening the express language of Pub. Util. Code § 309.5(e). It is black letter law in California that when interpreting a statute, “[w]e begin with the plain language of the statute, affording the words of the provision their ordinary and usual meaning and viewing them in their statutory context, because the language employed in the Legislature’s enactment generally is the most reliable indicator of legislative intent.’ The plain meaning controls if there is no ambiguity in the statutory language.”¹³ There is no ambiguity in the statute. It is clear from the plain language of the statute that there are limitations on Cal Advocates’ rights. Cal Advocates cannot simply read out the limitation of the statute to suit its purpose.

Cal Advocates first asserted that the contracts were necessary for it to determine whether ratepayer or shareholder funds were used to fund the contracts. After SoCalGas explained its accounting practices to Cal Advocates describing how ratepayer and shareholder costs are funded and that seeing the actual contracts will not serve that purpose, Cal Advocates expressed an additional reasoning for wanting the contracts -- it needed the contracts to determine whether SoCalGas shareholders are taking positions that are inconsistent with State policy. This reasoning is too general and vague for anyone to determine how the contracts are necessary for Cal Advocates to perform its statutory duties. Permitting Cal Advocates to meet its statutory requirements through such general and vague justifications would obliterate the statutory limitation.

In its Motion, Cal Advocates asserts, for the first time, that it needs SoCalGas’ 100 percent shareholder funded contracts to determine how these contracts may have affected ratepayers’ interests to achieving a least-cost path to meeting the State’s decarbonization goals.¹⁴ This reasoning is also vague and ambiguous. Because this reasoning was provided for the first time in the Motion, SoCalGas was not able to meet and confer in order to clarify what Cal Advocates meant by this reasoning.

Cal Advocates has not clearly articulated how obtaining the 100 percent shareholder contracts is necessary to perform its statutory duties. Without this information, the Commission cannot determine whether Cal Advocates is in fact appropriately exercising its authority under Pub. Util. Code § 309.5(e).

C. Permitting Cal Advocates Overly Broad Discovery May Chill SoCalGas’ Shareholders First Amendment Rights

¹² Motion, at 8.

¹³ *Poole v. Orange Cty. Fire Auth.*, 61 Cal. 4th 1378, 1384–85 (2015) citing to *People v. Cornett* 53 Cal.4th 1261, 1265 (2012).

¹⁴ Motion at 8.

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It is clear that utilities are entitled to the full protection of the First Amendment of the United States Constitution.¹⁵ The First Amendment not only protects the right to free speech but also the right to petition. Lobbying the government is a “fully protected” right under the First Amendment.¹⁶ The Ninth Circuit Court of Appeal held that it is unconstitutional when a government official’s actions, even while conducting an investigation, “would chill or silence a person of ordinary fitness from future First Amendment activities.”¹⁷ “It is axiomatic that when the actions of government officials so directly affect citizens’ First Amendment rights, the officials have a duty to take the least intrusive measures necessary to perform their assigned functions.”¹⁸

In *White v. Case*, the Department of Housing and Urban Development (“HUD”) officials were investigating whether a group of individuals that opposed and lobbied against a conversion of a motel into a multi-family housing unit for the homeless engaged in unlawful discriminatory practices.¹⁹ During the course of the investigation, HUD officials took certain actions that the Court deemed to be excessive in breadth including “directing individuals under threat of subpoena to produce all their publications, minutes of relevant meetings, correspondences with other organizations, and the names and address, and telephone numbers of persons who were involved in or had witnessed the alleged discriminatory conduct.”²⁰ The Court found that the breadth of HUD’s investigation and the measures the officials took bore no relationship to the purpose of the investigation.²¹ The Court held that HUD officials’ excessive actions would have chilled or silenced a person of ordinary firmness from engaging in future First Amendment activities.²²

Similarly here, Cal Advocates states in its Motion that it is “currently investigating SoCalGas’ funding of political lobbying activities, including, among other things whether and to what extent ratepayer money was used to found and support Californians for Balanced Energy Solutions (C4BES)”²³ and that its discovery requests are in furtherance of that investigation. Cal Advocates also stated it needed the contracts to determine whether SoCalGas’ shareholders are taking positions that are not consistent with State policy. Therefore, it is clear that Cal Advocates is investigating matters that affect SoCalGas’ shareholders’ First Amendment rights. As such, Cal Advocates must take the least intrusive measures necessary to perform its assigned functions. However, as SoCalGas has explained, obtaining SoCalGas’ 100 percent shareholder contracts are not the least intrusive means since the contracts themselves will not indicate

¹⁵ *Pacific Gas & Elec. Co. v. Pub. Utilities Comm’n of California*, 475 U.S. 1, 17, n. 14 (1986) (plurality opinion); *Consolidated Edison Co. of N.Y. v. Pub. Serv. Comm’n of N.Y.*, 447 U.S. 530, 534 n.1; *Pacific Gas & Elec. Co. v. Pub. Utilities Comm’n*, 85 Cal. App. 4th 86, 93 (2000).

¹⁶ *F.T.C. v. Superior Court Trial Lawyers Ass’n*, 493 U.S. 411, 426 (1990).

¹⁷ *White v. Lee*, 227 F.3d 1214, 1228 (9th Cir. 2000).

¹⁸ *Id.* at 1237.

¹⁹ *Id.* at 1222.

²⁰ *Id.* at 1237-1238.

²¹ *Id.* at 1238.

²² *Id.* at 1229.

²³ Motion, at 2.

whether they are ratepayer or shareholder funded. This would require an accounting exercise reviewing ratepayer accounts, not shareholder accounts, to see what payments are made from those ratepayer accounts. Contracts that are 100 percent shareholder funded bear no relationship to the purpose of Cal Advocates investigation.

Further, Cal Advocates' assertion that it is entitled to the contracts to determine whether SoCalGas' shareholders are taking positions that are not consistent with State policy is not relevant to the question of whether SoCalGas is funding political lobbying activities with ratepayer or shareholder funds. As such, Cal Advocates' demand that SoCalGas produce all 100 percent shareholder funded contracts and amendments is excessive in breadth similar to the actions of HUD's officials that chilled speech. The information in these contracts contain some of the same information as the HUD officials' request such as names, addresses, and telephone numbers of those involved with the contracts. This is particularly concerning in this case since Cal Advocates has previously provided documents that it received as part of this series of data requests to third parties and some of the documents have been posted on social media.²⁴

Therefore, if Cal Advocates is demanding the 100 percent shareholder funded contracts to determine whether the contracts were shareholder or ratepayer funded, then the contracts will not achieve that function. If Cal Advocates is demanding the contracts to determine whether SoCalGas' shareholders are taking actions that are not consistent with State policy, which SoCalGas denies, such actions are unconstitutional as it would have a chilling effect on SoCalGas' shareholders' First Amendment rights.

D. Cal Advocates Failed to Meet and Confer in Good Faith and Deprived SoCalGas Due Process.

As described above, Cal Advocates did not meet and confer in good faith as required by Commission Rules of Practice and Procedure, Rule 11.3(a). Rule 11.3(a) requires a party to meet-and-confer "in a good faith effort to informally resolve the dispute" prior to filing a motion to compel.²⁵ The Commission's Discovery: Custom and Practice Guidelines elaborates:

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.²⁶

Cal Advocates has not met and conferred in good faith to resolve the discovery dispute. Cal Advocates refusing to discuss the link or nexus to how the inquiry falls within the scope of

²⁴ See Attachment B, *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 (August 26, 2019)*, Attachment A: *Twitter publications*.

²⁵ Commission's Rules of Practice and Procedure, Rule 13(a).

²⁶ Discovery: Custom and Practice Guidelines at 1 (available at: http://docs.cpuc.ca.gov/word_pdf/REPORT/117475.pdf).

Cal Advocates' statutory duties and then subsequently providing vague and ambiguous reasoning are not good faith efforts to meet and confer.

Moreover, Cal Advocates providing its reasoning that it needs SoCalGas' 100 percent shareholder funded contracts to determine how these contracts may have affected ratepayers' interests to achieving a least-cost path to meeting the State's decarbonization goals for the first time in its Motion²⁷ deprives SoCalGas of an opportunity to meet and confer as to this reasoning and deprives SoCalGas of the ability to understand and respond to this motion in violation of SoCalGas' due process rights. The Commission has recognized that a utility is entitled to procedural and substantive due process.²⁸ Where, as here, a party is "kept in the dark about the specific charges" made against them, it is a "charade" and "does not serve the public interest."²⁹ In addition to Cal Advocates' general, vague and ambiguous justifications, Cal Advocates shifting theories for needing the contracts deprives SoCalGas of adequate due process. In these circumstances, Courts have reversed Administrative Law Judge's findings on the grounds that the respondent was not accorded adequate due process.³⁰ Cal Advocates' failure to meet and confer in good faith violated SoCalGas' due process rights and is sufficient grounds for the Commission to deny the Motion.

E. This Motion has not been Implicitly Decided in Judge DeAngelis' Prior Ruling.

Cal Advocates claims in its Motion that "this matter had been argued in the prior motion to compel and decided by Judge DeAngelis."³¹ However, in Cal Advocates' reply related to its previous motion to compel, Cal Advocates expressly stated that this exact data request "is not the subject of the pending Public Advocates Office's Motion..."³² Further, Cal Advocate also admits, Judge DeAngelis' Ruling did not state the rationale for granting the motion to compel.³³ Instead, Cal Advocates contends that SoCalGas' arguments were *implicitly rejected* in Judge DeAngelis' September 10, 2019 Ruling³⁴ and if there was any merit to SoCalGas' arguments, Judge DeAngelis would have granted the motion.³⁵ This is entirely speculative. There is no support for the statement that the current discovery dispute was implicitly rejected and decided in the prior ruling. On the contrary, the current data request at issue here was specifically not

²⁷ Motion, at 8.

²⁸ D.86-01-025, *Re Pacific Gas and Elec. Co.*, 20 CPUC 2d 210, 1986 WL 1300926 (Cal.P.U.C.) (1986).

²⁹ *Rosenblit v. Superior Court*, 231 Cal.App. 3d 1434, 1448 (1991)

³⁰ *Smith v. State Bd. of Pharmacy*, 37 Cal.App.4th 229, 232, 245 (1995) (The Court reversed a California State Board of Pharmacy's administrative law judge's decision revoking a pharmacist license on the grounds that respondent was deprive his due process when the Board changed their theory of the case during the hearings.)

³¹ Motion, at 8.

³² See Attachment C, *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 – Cal Advocates-SC-SCG-2019-04 in the Discovery Dispute Between Public Advocates Office and Southern California Gas Company, August 2019 (Not in a Proceeding)* (September 9, 2019), at 9.

³³ See Motion, Exhibit 6.

³⁴ Motion, at 6.

³⁵ Motion, at 9.

included in the prior motion by Cal Advocates. Judge DeAngelis' prior ruling was on a different data request seeking different information with different facts. Here, the data requests are more intrusive and could have broader implications such as chilling SoCalGas' shareholders First Amendment rights.

F. Cal Advocates Request that SoCalGas Produce Documents within 24 Hours of the Ruling on the Motion is Arbitrary.

Cal Advocates requests that SoCalGas be ordered to produce the documents within 24 hours of the ruling on the Motion is arbitrary. This data request is outside the scope of any proceeding. Cal Advocates has not provided any justification for requesting such a short production schedule. Cal Advocates has not presented any pressing need for the contracts. Due to the invasiveness of Cal Advocates data request, should the Commissioner or the assigned Administrative Law Judge grant the Motion, SoCalGas requests that the ruling provide SoCalGas at least two weeks to file an appeal with a concurrent motion to stay enforcement of the ruling.

III. CONCLUSION

Based on the foregoing, Cal Advocates' Motion should be denied. Cal Advocates relies on two statutory provisions to demand SoCalGas' 100 percent shareholder funded contracts. However, neither Pub. Util. Code §§ 309.5(e) or 314 supports Cal Advocates' assertions that it is entitled to the contracts. Further, permitting Cal Advocates to inspect SoCalGas' 100 percent shareholder funded contracts would be unconstitutional as it would have a chilling effect on SoCalGas' shareholders' First Amendment rights.

Submitted on behalf of SoCalGas,

/s/ Johnny Q. Tran

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Attachments A-D

Document received by the CA 2nd District Court of Appeal.

ATTACHMENT A

Cal Advocates Motion to Compel with Attachments (8/14/19)

Document received by the CA 2nd District Court of Appeal.



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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 confidentially 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

Kerriann Sheppard
Attorney for the
Public Advocates Office

California Public Utilities Commission
300 Capitol Mall, 4th Floor
Sacramento, CA 95814
Telephone: (916) 327-6771
Email: Kerriann.Sheppard@cpuc.ca.gov

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.”

ATTACHMENT 1
PUBLIC ADVOCATES OFFICE DATA REQUEST

CalAdvocates-SC-SCG-2019-04

Document received by the CA 2nd District Court of Appeal.



Public Advocates Office
California Public Utilities Commission

505 Van Ness Avenue
San Francisco, CA 94102
Phone: (415) 703-2544
Fax: (415) 703-2057

<http://publicadvocates.cpuc.ca.gov>

PUBLIC ADVOCATES OFFICE DATA REQUEST
No. CalAdvocates-SC-SCG-2019-04

Date: July 19, 2019

Response Requested: **Friday, August 2, 2019**

To: [Redacted]
Regulatory Affairs for SoCalGas

Phone: [Redacted]
Email: [Redacted]

[Redacted]
Attorney for SoCalGas

Phone: [Redacted]
Email: [Redacted]

From: **Stephen Castello**
Analyst for the
Public Advocates Office

Phone: (415) 703-1063
Email: Stephen.Castello@cpuc.ca.gov

Kerriann Sheppard
Attorney for the
Public Advocates Office

Phone: (916) 327-6771
Email: Kerriann.Sheppard@cpuc.ca.gov

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,” “SCE,” 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. 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.
2. Please provide the SoCalGas policy regarding who approves internal control documents and what types of personnel have the delegated authority to provide direction to the accounting department regarding the recording of costs.
 3. Provide the name and title of the SoCalGas employee who made the original determination regarding how Californians for Balanced Energy Solutions (C4BES) costs should be recorded in SoCalGas accounts.
 4. Provide the name and title of the SoCalGas employee who authorized the instruction to have the journal entry for C4BES executed 6/14/19, referenced in response to Data Request (No. CalAdvocates-SC-SCG-2019-03).
 5. 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).

END OF REQUEST

ATTACHMENT 2
SOCALGAS' RESPONSE TO
CalAdvocates-SC-SCG-2019-04

**ORDER INSTITUTING RULEMAKING ON BUILDING DECARBONIZATION
(R.19-01-011)**

SOUTHERN CALIFORNIA GAS COMPANY

(DATA REQUEST CALADVOCATES-SC-SCG-2019-04)

DATE RECEIVED: July 19, 2019

DATE RESPONDED: August 2, 2019

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

RESPONSE 1:

On July 25, 2019, at SoCalGas' request, SoCalGas and Cal Advocates held a meet-and-confer call. At that time, Cal Advocates clarified that "internal control documents" as used by Cal Advocates in this data request refers to internal documents providing instructions as to how the company controls for accounting costs, e.g., policies and procedures. With that understanding, SoCalGas responds as follows.

- a. The paying of invoices follows a formal process that is controlled by the accounting system (SAP). Supply Management enters into SAP the executed Purchase Order (PO), which includes terms, dollars, and date range. Invoices are presented in two ways: email or mail. The system matches the request to a valid PO and dollar amount. Then the system routes to the contact on the invoice. The invoice contact person then enters the correct accounting codes and approves the invoice. The system requires approvals from the person with proper authority amount before the invoice posts in SAP. The payment of the invoice is based on when the invoice is

**ORDER INSTITUTING RULEMAKING ON BUILDING DECARBONIZATION
(R.19-01-011)**

SOUTHERN CALIFORNIA GAS COMPANY

(DATA REQUEST CALADVOCATES-SC-SCG-2019-04)

DATE RECEIVED: July 19, 2019

DATE RESPONDED: August 2, 2019

received and the Payment Terms in the SAP system. SoCalGas follows its Approval and Commitment Policy regarding entering commitments. A copy of this policy is provided herewith. A Work Order Authorization Form (WOA) was processed to create the Balanced Energy Internal Order (IO). The cost center 2200-2441 existed prior to 2017.

- b. No changes were made to the Balanced Energy Internal Order. Accounting and Finance (A&F) received direction to change the recording of costs associated with Standard Services Agreement No. 5660052135.
- c. Please refer to the attached WOA to create the IO.
- d. N/A.

Document received by the CA 2nd District Court of Appeal.

**ORDER INSTITUTING RULEMAKING ON BUILDING DECARBONIZATION
(R.19-01-011)**

SOUTHERN CALIFORNIA GAS COMPANY

(DATA REQUEST CALADVOCATES-SC-SCG-2019-04)

DATE RECEIVED: July 19, 2019

DATE RESPONDED: August 2, 2019

QUESTION 2:

Please provide the SoCalGas policy regarding who approves internal control documents and what types of personnel have the delegated authority to provide direction to the accounting department regarding the recording of costs.

RESPONSE 2:

On July 25, 2019, at SoCalGas' request, SoCalGas and Cal Advocates held a meet-and-confer call. At that time, Cal Advocates clarified that "internal control documents" as used by Cal Advocates in this data request refers to internal documents providing instructions as to how the company controls for accounting costs, e.g., policies and procedures. With that understanding, SoCalGas responds as follows.

See the attached document *SEU Approval and Commitment Policy*.

Please note that we expect this policy will be augmented with a specific protocol to delineate activities that are not ratepayer funded. In order to avoid the retroactive application of subjectivity, where activities or time are to be split between shareholder and ratepayer funds, an allocation will be required at the outset of the designation and time and expenses will be required to be tracked accordingly.

Document received by the CA 2nd District Court of Appeal.

**ORDER INSTITUTING RULEMAKING ON BUILDING DECARBONIZATION
(R.19-01-011)**

SOUTHERN CALIFORNIA GAS COMPANY

(DATA REQUEST CALADVOCATES-SC-SCG-2019-04)

DATE RECEIVED: July 19, 2019

DATE RESPONDED: August 2, 2019

QUESTION 3:

Provide the name and title of the SoCalGas employee who made the original determination regarding how Californians for Balanced Energy Solutions (C4BES) costs should be recorded in SoCalGas accounts.

RESPONSE 3:

As stated in response to Question 1 of Data Request No. CalAdvocates-SC-SCG-2019-03, it was intended that work and expenses related to founding and supporting the organization that came to be known as C4BES would not be ratepayer funded and instead would be shareholder funded; this was determined by Sharon Tomkins, Vice President, Strategy and Engagement. While the means of effectuating the shareholder funding were being determined and created (i.e., the Balanced Energy IO), the funds were recorded to Cost Center 2200-2441 as a default because that is the cost center for the group that worked on this matter.

Document received by the CA 2nd District Court of Appeal.

**ORDER INSTITUTING RULEMAKING ON BUILDING DECARBONIZATION
(R.19-01-011)**

SOUTHERN CALIFORNIA GAS COMPANY

(DATA REQUEST CALADVOCATES-SC-SCG-2019-04)

DATE RECEIVED: July 19, 2019

DATE RESPONDED: August 2, 2019

QUESTION 4:

Provide the name and title of the SoCalGas employee who authorized the instruction to have the journal entry for C4BES executed 6/14/19, referenced in response to Data Request (No. CalAdvocates-SC-SCG-2019-03).

RESPONSE 4:

The decision to effectuate the intent of having costs related to founding and supporting the organization that came to be known as C4BES be shareholder funded by authorizing the 6/14/19 journal entry was made by Sharon Tomkins, Vice President, Strategy and Engagement.

Document received by the CA 2nd District Court of Appeal.

**ORDER INSTITUTING RULEMAKING ON BUILDING DECARBONIZATION
(R.19-01-011)**

SOUTHERN CALIFORNIA GAS COMPANY

(DATA REQUEST CALADVOCATES-SC-SCG-2019-04)

DATE RECEIVED: July 19, 2019

DATE RESPONDED: August 2, 2019

QUESTION 5:

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).

RESPONSE 5:

Written authorization for the June 14, 2019 journal entry regarding C4BES was communicated by email. Please refer to the attached email (*Accounting – JE Summary Email*).

Document received by the CA 2nd District Court of Appeal.



CAU APPROVAL AND COMMITMENT POLICY

TOPIC:	Approval and Commitment Policy	EFFECTIVE DATE: 12/29/2010 REVISION DATE: 11/11/2015 REVIEW DATE: 11/11/2015
POLICY APPLICATION:	Employees of SDG&E and SoCalGas	
POLICY OFFICER:	CAU Controller & CFO	
POLICY QUESTIONS:	Financial Systems & Business Controls	
ETHICAL CONCERNS:	Ethics and Compliance Helpline	

Information Type: Internal

POLICY

This 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 San Diego Gas & Electric Company ("SDG&E") and Southern California Gas Company ("SoCalGas") or collectively the California Utilities ("CAU") and Pacific Enterprises.

Definitions

A **commitment** is *any* legal obligation that binds CAU to a future payment, course of action or behavior with another party, internal or external.

Commitments may be financial or non-financial. Examples of financial commitments may include capital projects, expansions or new phases of existing capital projects, investments, acquisitions, divestitures, guarantees, borrowings and credit arrangements, contracts and agreements to purchase or sell goods and services, legal settlements, purchase orders, invoice approvals and employee reimbursements. Examples of non-financial commitments include letters of intent, memorandums of understanding, consent decrees, confidentiality agreements and non-compete agreements. See Appendix A for further information on types of commitments.

A **cash disbursement** is the actual issuance of a check or execution of a wire transfer or any other electronic transfer of funds. Approvers are responsible and required to perform a sufficient review of applicable invoices and supporting documentation to ensure goods and services have been received, and that the amounts to be disbursed are in agreement with applicable terms and conditions of the governing purchase order or other contractual agreement.

Ordinary course of business (OCB) or base business covers the usual transactions, customs and practices of CAU that maintain existing assets, services and business lines that are governed by the California Public Utilities Commission (CPUC) through a General Rate Case (GRC) or by the Federal Energy Regulatory Commission (FERC) through a Transmission Ownership Tariff filing. The term "base business" shall refer to this type of business activity under this policy.

Examples of commitments and disbursements in base business include: (See Appendix A for additional examples)

- Capital commitments, refundable or non-refundable expense commitments (or a combination of both), and cash disbursements associated with base business activities
- Other regulatory cost recovery programs such as Demand-Side Management (DSM), Catastrophic Event Memorandum Account (CEMA), Pipeline Safety Enhancement Program (PSEP), Advance Metering Infrastructure (AMI) and other routine advice letter filings which would be considered base business



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- Note that the initial approval to file a new program with the Commission does not make the new program a base business program. Please see on page 6 the section that starts out “**Regulatory Filing Approval**” for details on new programs that first require obtaining regulatory approval.
- Replacement, modification or relocation of any *existing* asset covered by the regulatory processes mentioned above for the purpose of maintaining or enhancing operating efficiency or productivity. This includes but is not limited to utility distribution, transmission, generation or storage system assets (e.g., poles, wires, mains, services, substations, and metering and regulating stations), real estate, Information Technology (IT) software or telecommunication equipment
- Construction of any *new* distribution and transmission system assets if used to serve electric and natural gas customers within the utility service area and which does not require a Permit to Construct (PTC) or a Certificate for Public Convenience and Necessity (CPCN) regulatory filing at the CPUC or other special regulatory filing.
- Borrowings through loan, credit and other arrangements that are subject to standing CAU Board of Directors resolutions
- In order for an activity to fall into the base business category, the disbursement or commitment must be included in the annual budget and/or 5-year business plan prior to seeking approval (either specifically identified or considered within a general pool that may be subject to budget reprioritization within a functional area). Note that the typical divisional budget provides flexibility to the divisions to re-direct its resources to address base business requirements. Thus it is permitted for the divisions to redirect their budgets to deal with newly discovered higher priority items rather than what was originally budgeted or described in the GRC process. However, neither the annual budget or capital spending plan and the 5-year business plan are considered an approval of a commitment even if an individual project or commitment is separately identified. Therefore, an approved budget or capital spending plan does not eliminate the need for approval under this policy.
- None of Pacific Enterprises’ disbursements or commitments will be classified as base business.

Not in ordinary course of business, incremental projects or non-base business are all capital and non-capital commitments and disbursements that are considered non-recurring or incremental rate base additions. This would include any commitment for a business activity or initiative not governed by a CPUC GRC and/or a FERC Transmission Ownership Tariff filing. The term “non-base business” shall refer to this type of business activity under this policy.

Examples of commitments and disbursements in non-base business include: (See Appendix A for additional examples):

- Business activities, including all capital and non-capital projects, currently not governed by the CPUC through a GRC or FERC Transmission Ownership Tariff filing
- Expansions or new phases of existing capital projects not governed by the CPUC through a GRC or FERC Transmission Ownership Tariff filing
- New information technology projects to develop systems and software that add significant functionality to existing systems and applications
- Borrowings through loan, credit and other arrangements that are not subject to standing CAU Board of Directors resolutions

Administrative approvals refer to subsequent approval of SDG&E and SoCalGas cash disbursements or execution of contracts associated with an already approved base business or non-base business commitment evidenced by a Work Order Authorization (WOA) or an Authorization for Expenditure (AFE). Administrative approvals generally involve contracts, invoices, vouchers, wire transfer forms and other standard business forms. This also includes invoices, vouchers and wire transfers for energy procurement payments made on behalf of ratepayers, for both gas and power purchases. All administrative commitments should be incorporated in the annual budget and/or 5-year business plan; it is the responsibility of the administrative approver to ensure this compliance.

See Appendix A for further information on types of commitments.

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General Requirements

- This policy is specific to CAU.
- The Boards, officers and employees of CAU are responsible for entering into and formally approving commitments.
- References in this policy to the Sempra Energy Board of Directors are related to an oversight review function rather than a formal approval.
- Entering into any commitment or disbursing CAU funds prior to receiving required approvals from the appropriate level of management, or review by or notification to the Sempra Energy Board of Directors when required is prohibited.
- Certain commitment types have additional approval levels and procedures, which are addressed in other specific CAU policies (see Appendix A which references those policies).
- Generally, financial commitment values are determined by taking the aggregate amount of all associated project disbursements excluding any reimbursements that may be received from a third party.
- Dividing financial commitments to circumvent approval levels is prohibited.
- Commitments must be in writing; verbal commitments are not permitted.
- Commitment authorization is valid for operations or services within the approver's functional area of responsibility, unless otherwise delegated.
- A commitment is not valid until it has been approved by the highest authorization level required.
- Approver signatures on any document evidencing a commitment, execution of a commitment or a cash disbursement related to an already approved commitment must be with their full name clearly printed. It is recommended that commitment approvers include the following:
 - Name and signature
 - Date of approval
 - Title
 - Employee identification number
 - Coding for accounting purposes (account, cost center, internal order, etc.)
 - Designation of whether the commitment is base business or non-base business

Commitment and Cash Disbursement Authority Approved by CAU Board Resolutions

The CEO, President, COO and each Vice President (including officer titles of "Chief" and "Senior Vice President") of CAU is authorized, per the SDG&E and SoCalGas Board of Directors resolutions dated May, 21, 2010, to enter into commitments on behalf of CAU, including without limitation the execution of contracts, agreements, orders, acceptances, regulatory filings and other obligations relating to the purchase, lease or sale of property, goods or services by CAU. (Note that the use of "chief" in this Approval and Commitment Policy is restricted to "officer" job titles.)

Commitment and Approval Matrix

The Approval Matrix below provides the commitment approval authority limits approved by the SDG&E and SoCalGas Board of Directors in a table format. Note that this table does not include specific commitment authority for procurement commitments in the OCB for electricity and natural gas to supply electric generation facilities and core customers, and for electric or gas capacity, energy transmission capacity or transportation services (Energy Procurement Commitments). Those authorization and approval requirements are addressed in Appendix F of the SDG&E's and SoCalGas' Market Approval and Credit Policy (MACP).

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CAU APPROVAL MATRIX

<i>Authorization Level</i>	<i>Base Business</i>	<i>Non-Base Business</i>	<i>Administrative Approvals (3) & (4)</i>
SRE Board of Directors	\$300 million or more (1) \$100 to \$300 million (2)	\$300 million or more (1) \$100 to \$300 million (2)	N/A
Boards of SDG&E and SoCalGas	Over \$50 million	Over \$15 million	N/A
CEO, President or COO	\$50 million	\$15 million	No limit
Chiefs, Senior Vice Presidents and Vice Presidents (Officers)	\$30 million	\$15 million	\$50 million
Directors	\$1 million	\$1 million	\$1 million
Managers	\$250,000	\$250,000	\$500,000
Supervisors	\$100,000	\$100,000	\$100,000

- (1) Sempra Energy Board of Directors Review Requirements - Any commitment by CAU of \$300 million or greater other than procurement commitments in the OCB must be reviewed by the Sempra Energy Board of Directors before making such commitment.
- (2) Sempra Energy Board of Directors Notification Requirements - Any commitment by CAU greater than \$100 million but less than \$300 million other than procurement commitments in the OCB must be brought to the attention of the Sempra Energy Board of Directors at its next regularly scheduled meeting.
- (3) Payments for invoices greater than \$10,000 (per transaction) must be supported by an approved purchase order.
- (4) Invoice payments without a valid internal order will apply the approval limits under the non-base business category.

- **Non-financial commitments (except confidentiality agreements)** at CAU must be approved by an officer. These non-financial commitments shall be, in the opinion of the approving officer, in the OCB. Non-financial commitments that, in the opinion of the approving officer, are not in the OCB shall be elevated for approval by the CEO, President or COO before the commitment is made.
- Confidentiality agreements at CAU for either OCB or non-OCB are to be approved by an officer over the functional area associated with the stand-alone confidentiality agreement.

Cost Increases

Cost increases may require re-review or re-approval of a commitment **based on the revised total estimate-to-complete** cost, not the incremental costs:

- If revised base or non-base commitments exceed 110% of the original commitment amount but are less than \$300 million, then re-approval is required in accordance with the CAU Approval Matrix above. An updated WOA and, when appropriate, an updated Technical Review is also required.
- If revised base or non-base CAU commitments were originally less than \$300 million and therefore not previously reviewed by the Sempra Energy Board of Directors, but are later expected to equal or exceed \$300 million due to cost revisions, then the revised commitment must be reviewed by the Sempra Energy Board of Directors before the commitment is made.
- If revised base or non-base commitments 1) originally approved at a level of \$300 million or more, and 2) for which originally estimated totals to complete are expected to be exceeded by any amount, notification shall be

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made to the Sempra Energy Board of Directors and the respective CAU Board of Directors at their next respective regularly scheduled meetings.

- Reviews completed by the Sempra Energy Board of Directors shall be documented on an AFE.

Administrative approvals for payments for invoices and contracts related to base business or non-base business commitments with an approved AFE/WOA (see below) may only be authorized up to 110% of the approved commitment amount, without seeking re-authorization of the initially approved AFE/WOA. Contract change orders must also be considered cumulatively in determining the total cost amount (See the CAU [Procurement Policy](#) for details related to approving individual contract change orders). If anticipated cost increases exceed the 110% threshold of the initially approved base business and non-base business commitment, then a supplemental AFE/WOA is required to obtain re-approval of the revised total costs based on the approval levels in the appropriate base business or non-base business commitment classification in which the original authorization was received. If a total project is comprised of multiple sub-projects, the proposal should include a list of the sub-projects and the commitment amount associated with each sub-project. For approved projects that contain multiple sub-projects, the 110% threshold applies to the total project approval and not to each sub-project individually.

Evidence of Review and Approval - Work Order Authorization (WOA) or Authorization for Expenditure (AFE)

For internal control documentation purposes, commitment approvals must be in writing.

- A **Work Order Authorization (WOA)** is a utility form that summarizes and documents the approval of a base business or non-base business commitment. These forms are required for commitments that are less than \$300 million.
- **Authorization for Expenditure (AFE)** is a form that summarizes and documents the approval of a base business or non-base business project commitment. AFEs are required for commitments of \$300 million or greater that require Sempra Energy Board of Directors review.
- **Blanket Work Orders** are used for recurring and routine types of plant property additions, replacements, purchases and retirements. Blanket work orders may include but are not limited to, maintenance work performed in conjunction with addition, removal and replacement work. Blanket work orders may be used to combine low cost projects that are similar in nature and result in a used or useful asset. At SDG&E, these work orders are addressed in the permanent WO process commonly referred to as the "Blanket Budget Work Orders" process. At SoCalGas, similar to SDG&E's permanent WO process, blanket work orders are more focused on an annual spending authorization and not on a budgetary process.
- The dollar value for approval purposes should be based on CAU's potential maximum obligation under the commitment. Project financing should generally not reduce the commitment amount for approval purposes. Capitalized labor costs should always be considered in total project costs.
- A separate WOA or AFE may be prepared for discrete phases of a project that require successive approvals. For example, costs for feasibility studies and permitting of a project could be submitted separately; a second WOA or AFE would be prepared for construction costs once a decision is made to go forward. In that case, the second WOA or AFE should include the initial development expenditures to capture total project costs.

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Additional Review and Approval Requirements

Technical/Economic Reviews are required for all base business WOA's or AFE's greater than **\$30 million**, all non-base business WOA's and AFE's greater than **\$15 million**, and for all administrative approvals for any WOA's or AFE's over **\$50 million**. The purpose is to ensure that certain functional groups that provide oversight can provide input before the commitment is approved. When presented for approval, the WOA or AFE must show evidence of technical/economic reviews by, at a minimum, the CAU Legal, Corporate Tax, CAU Accounting and CAU Planning departments. Reviews by other technical areas, such as Regulatory, Environmental, Risk Management, Human Resources or Treasury, may also be warranted, depending on the type of project.

It is the responsibility of the WOA or AFE originator to ensure that all appropriate reviews, approvals and notifications are completed, and satisfactory documentation and original WOA or AFE form is kept on file by the CAU Controller's organization.

Commitments that require review by the **Sempra Energy Board of Directors** (for commitments of **\$300 million or greater**) must have a senior executive sponsor and an AFE must be presented with supporting materials.

A new WOA or AFE must be completed when cost increases exceed an original WOA or AFE by 10% or greater.

Legal & Technical Review Requirements for Contracts

It is the responsibility of a contract originator to review draft documents and assumptions with an officer or senior representative from key technical areas for risk management purposes, for contracts either in or not in the OCB. Any recommendations resulting from legal or technical reviews should be incorporated into the contract or clearly disclosed to the executive approving the contract. The following are examples of areas that should be consulted:

Legal	Regulatory	Environmental	Affiliate Compliance	Human Resources
Procurement	Tax	Accounting	Financial Reporting	Corporate Planning
Real Estate	Finance	Treasury	Risk Management	Communications

CAU's own technical areas are appropriate to use; otherwise Corporate Center's technical areas should be consulted.

If a contract initially totals \$20 million or greater, the reviews must be evidenced by completion of an [Internal Reviewer Checklist \(IRC\)](#).

- The IRC requires CAU Legal, CAU Accounting and Corporate Tax review signoffs at a minimum, and requires the contract originator or approver to confirm other technical areas that were consulted, or indicate they were not applicable to the contract.
- The IRC is to remain as an attachment to a contract after review comments have been resolved and the contract signed.

Any significant policy implications arising from a proposed contractual commitment should be reviewed by the CAU Law Department and, if consistent with the materiality terms herein, be referred to the approving officer for review.

Regulatory Filing Approval is required prior to making regulatory filings for any projects requiring federal or state regulatory agency approval that may result in a new base business or non-base business commitment. Approval is limited to providing authorization to submit a regulatory filing to ensure that the appropriate level of SDG&E or SoCalGas management, or both if a joint filing, have acknowledged and accepted the potential impact of a new commitment prior to the regulatory body imposing such a commitment. A favorable decision by the regulator to proceed should not be construed as authorization to proceed with the project. Approval for the project or initiative must still be obtained in accordance with this policy. Once regulatory approval has been received, then the program/project requires the WOA or AFE approval, which will reflect the changes in the program/project from the

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regulatory process, as well as updated cost estimates. Please see the approval and commitment procedures for more details on the required documents and reviews.

Business Unit Review is required for commitments originated by CAU's shared services organizations that will be charged to other business unit(s). The shared service department is responsible for obtaining the appropriate level of approval from the impacted business units. This is especially important if the amount charged exceeds the approval amount authority of the highest shared service personnel in the shared service department performing the service. This Business Unit Review is required for commitments requiring Senior Vice President/Vice President approval or higher per the above CAU Approval Matrix. When presented for approval, the WOA or AFE must indicate it has been reviewed with a senior officer or representative of the business unit(s) being charged.

Blanket WO commitments may be excluded from the technical/economic review requirements.

Delegations

- Only CAU (Vice Presidents and higher) may delegate their approval authority to other employees or agents of the Company.
- The CEO, President, COO and each Vice President (including Chiefs and Senior Vice Presidents) of the CAU may delegate authority to execute commitments to officers, employees or other agents of the Company.
- The CEO, President, COO and each Vice President (including Chiefs and Senior Vice Presidents) of the CAU may delegate authority to authorize payments, without limitation, in compliance with all commitments entered into pursuant to this policy and commitments that are the subject of separate resolutions adopted by the CAU Board of Directors.
- The CEO, President, COO, CFO, Treasurer and Controller may delegate authority to borrow funds from banks and financial institutions in accordance with bank line and commercial paper agreements.
- Establishing a delegation or making subsequent changes requires completion of the [Delegation of Authority](#) form. Delegation of Authority forms may cover a single delegatee or a group of delegates, as may be appropriate.
- When delegating, proper segregation of duties must be considered for internal control purposes.
- Approval authority that has been delegated to an individual cannot then be delegated by the delegatee to another individual.
- Officers may not delegate approval authority for operations or services that are not within their operational or functional areas of responsibility.
- Original signed delegation forms need to be submitted to the respective Accounts Payable and/or Cash Management departments with a copy retained by the delegator and delegatee. All delegations must state the dollar amount delegated and the nature and duration of the delegation.
- When a delegator leaves his or her position, delegations do not immediately terminate, but remain in effect to allow a smooth transition. Accounts Payable and Cash Management will provide the delegator's successor a three month period to determine whether to continue the existing delegations (via signing or initialing the inherited delegations) or void some or all of them.
- All delegations authority for the delegatee automatically terminates upon a delegatee leaving the position he or she occupied at the time the delegation was made.
- Shared service officers may delegate their approval authority only to other employees within their functional shared service organizations.
- Delegations in excess of \$5 million require approval from the CAU's Controller & CFO.
- When CAU's Controller & CFO is the delegator and approver, a peer or superior must sign off as the oversight approval.
- Delegations in excess of \$10 million require approval from the inline requesting department's SVP.

Deviation from the Policy

Any deviation from this policy requires approval from the CAU Controller & CFO.

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Policy Questions

Discuss questions or concerns with your immediate supervisor, the CAU Controller & CFO, or representatives from the Financial Systems and Business Controls department.

Records Retention Guidance

For guidance as to the appropriate retention period for records related to this policy, please refer to the Standard Records Series on the [SDG&E](#) or [SoCalGas](#) Records Management intranet and [Information Management policy](#).

Related Policies, Guidelines & Information

Each of these is found on *UtiliNet* within the policy website.

- **Business Conduct Guidelines**
- [Information Management policy](#)
- [Employee Business Expense Policy](#)
- [Corporate Travel Policy](#)
- [Employee Recognition & Gifting Policy](#)
- [Notification of Claims & Approval of Settlements Policy](#)
- [Field Business Card Policy](#)
- Guarantees – Sempra BOD resolution
- [Petty Cash Policy](#)
- [Spot Cash Awards Policy](#)
- [Contributions Policy](#)
- [Political Activities Policy](#)
- [Procurement Policy](#)
- [Occupancy Policy](#)
- [Corporate Card Policy](#)
- [Retiree and Former Employee Rehire Policy](#)
- [AFE form](#)
- [Commitment Matrix](#)
- [Delegation of Authority Form](#)
- [Internal Reviewer Checklist](#)
- [SDG&E Work Order Authorization Form](#)
- [SoCalGas Work Order Authorization Form](#)
- [SDG&E Market Activity and Credit Policy \(MACP\)](#)
- [SoCalGas Market Activity and Credit Policy \(MACP\)](#)



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Appendix A – Detailed Commitment Types

Commitment Type	Other Applicable Policies and Considerations	Commitment Type	Sempra BOD Review or Notification ¹
Financial Commitments			
New capital projects – Base Business		Base	Y
New capital projects – Non-Base Business		Non-Base	Y
Expansions or new phases of existing capital projects – Base Business		Base	Y
Investments – Base Business		Base	Y
Investments – Non-Base Business		Non-Base	Y
Cash investments	See Cash Investment Policy	N/A	
Investments in joint ventures or partnerships		Non-Base	Y
Business or asset acquisitions		Non-Base	Y
Business or asset divestitures		Non-Base	Y
Procurement of goods and services in the ordinary course of business (“OCB”)		Base	
Procurement of goods and services not in the OCB		Non-Base	Y
Contracts and agreements for the purchase or sale of goods and services in the OCB	See respective Procurement Policy	Administrative with supporting WOA or AFE	
Contracts and agreements for the purchase or sale of goods and services <u>not</u> in the OCB	See respective Procurement Policy	Administrative with supporting WOA or AFE	Y
Service or consulting contracts with former employees	See Retiree and Former Employee Rehire Policy	N/A	
Service or consulting contracts with former executives or directors that exceed \$100K or a 12-month term	See Retiree and Former Employee Rehire Policy	COO	Sempra BOD review required
Payment of invoices in the ordinary course of business	See respective Procurement Policy	Administrative with supporting WOA or AFE	
Payment of invoices for approved capital projects	See respective Procurement Policy	Administrative with supporting WOA or AFE	
Payment of intercompany invoices for shared services		Administrative	
Blanket purchase orders (Capital or Non-Capital)	See respective Procurement Policy	Administrative	
Payroll & Benefits Payments		Administrative	
CPUC and FERC Mandated Programs		Base*	
Energy Procurement Transactions (Settlements and Invoicing)		Administrative	
Federal Retrofit Program		Base*	
Tax Payments		Base	
Franchise Fees		Administrative	

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Commitment Type	Other Applicable Policies and Considerations	Commitment Type	Sempra BOD Review or Notification ¹
Insurance Contracts and Policy Renewals		Base	
Governmental Turnkey Program		Base*	
ISO Payments		Administrative	
Pipeline Capacity Rights Payments		Administrative	
SONGS O&M, Capital and Decommissioning		Base*	
Unsecured Credit Lines to Customers		Administrative	
Vehicle Leases		Administrative	
Real Estate Right-of-Way and Easements		Administrative	
Investments within CPUC Approved RD&D Program	See RD&D Investment Approval Guidelines	Administrative	
Master lease agreements		Non-Base	
EFT or Wires for Tax Payments		Administrative	
Customer Refunds and Credits	Revenue Management Approval Authority Policy		
Energy Procurement Transactions – Trading, etc.	See SDG&E or SoCalGas Market Approval and Credit Policy		
Employee Expense Reimbursements	See Employee Business Expense Policy		
Employee Travel Reimbursements	See Corporate Travel Policy		
Employee Recognition	See Employee Recognition & Gifting Policy		
Spot Cash Awards	See Spot Cash Award Policy		
Political Contributions	See Political Activities Policy		
Charitable Contributions	See Contributions Policy		
Bank loans		Base	Subject to standing BOD Resolution
Interest rate swap and similar hedging arrangements	See Treasury Hedging Policy	N/A	
Borrowing and credit arrangements		Base	
Option purchases		Non-Base	
Capital lease agreements		Non-Base	Y
Ordinary lease agreements and renewals		Administrative	
CAU guarantees	Subject to approval by the CAU CEO, CFO or Controller and one VP	Non-Base	
Major regulatory filings		Base *	
Activities within a non-regulated utility subsidiary		Non-Base	
Tax settlement payments	See Notification of Claims and Approval of Settlements Policy	N/A	
Legal settlements		N/A	
Other liability settlements		N/A	
Usage of field business credit cards	See Field Business Card Policy	N/A	
Usage of corporate credit cards	See Corporate Credit Card Policy	N/A	
Non-Financial Commitments	<ul style="list-style-type: none"> • Non-Financial Commitments (except for confidentiality) 		
Confidentiality agreements			

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Commitment Type	Other Applicable Policies and Considerations	Commitment Type	Sempra BOD Review or Notification ¹
(Mutual non-disclosure agreements or Non-disclosure agreements (NDA))	agreements) at CAU must be approved by an officer. These non-financial commitments shall be, in the opinion of the approving officer, in the OCB. Non-financial commitments that, in the opinion of the approving officer, are not in the OCB shall be elevated for approval by the CEO or President before the commitment is made. <ul style="list-style-type: none"> Confidentiality agreements at CAU for either OCB or non-OCB are to be approved by an officer over the functional area associated with the stand-alone non-disclosure agreement. 		
Non-Compete agreements			
Letters of intent			
Memorandums of understanding			
Heads of agreements			
Consent decrees			
Settlements and release agreements	See Notification of Claims and Approval of Settlements Policy	N/A	

¹Sempra Energy Board notification is required for CAU commitments of \$100 million or greater, up to \$300 million. CAU commitments of \$300 million or greater require Sempra Energy Board review.

*All regulatory programs must be approved at either base business or non-base business level prior to program spending. Upon approval, the cash disbursement associated with the approved base business or non-base business regulatory program will fall under administrative approval of this policy.

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Appendix B – Frequently Asked Questions

Question	Answer
#1 What is the appropriate method for documenting commitment approvals?	Approvals must be documented in writing using a WOA. An AFE is required for commitments that are \$300 million or greater. For all other commitments, employees can manually or, if appropriate, electronically sign invoices, contracts or other documents to document their written approval. Signature stamps cannot be used as evidence of approval of any commitments.
#2 Is approval authority confined to an employee's functional area?	Authority is generally limited by an employee's position and area of functional responsibility. Shared services employees have approval authority for disbursements related to the shared service provided to the respective business units or company entities.
#3 Can approvals be delegated to non-shared services employees outside their operational or functional areas?	Delegations to employees outside their operational or functional areas, whether shared or non-shared, are only permitted between officers. There will be cases when an officer is not available to timely sign a document in their operational or functional area but may delegate their approval to another officer. This permits the officers to work as a team to ensure effective operations.
#4 Who maintains the Delegation of Authority forms?	The original Delegation of Authority forms must be submitted with an original signature to the appropriate Accounts Payable group and/or Cash Management group, as may be applicable. Copies should be retained by the delegator and delegate.
#5 Can I delegate approval authority to an independent contractor?	Only if that independent contractor is also an agent. To determine whether an agency exists please consult the Human Resources Department or the Commercial Law Department.
#6 Are invoice approvals necessary if a contract has already been executed and approved?	Yes. Invoice approvals acknowledge that services have been rendered, goods have been received and that the invoice is consistent with the approved contract. Approval signatures are required by the authorization levels for administrative approvals established in the policy.
#7 If a commitment is made as part of a legal settlement, what category does it fall under?	Commitments related to a legal settlement would generally be categorized as non-base business. All legal settlement commitments are also subject to the Notification of Claims and Approval of Settlements Policy, and MUST be referred to the Law Department for review and determination of significance.
#8 What distinguishes base business from non-base business projects as it pertains to generating facilities, software, real estate or telecommunication equipment?	Projects that are required to <i>operate, maintain and/or enhance safety, reliability, productivity or efficiencies</i> of existing assets are base business. Some base business examples include replacing the equipment at an existing generation plant; upgrading existing software under the normal software maintenance plans; turning on a new module or functionality of an existing application (e.g. new SAP modules); reconfiguration of existing

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real estate facilities; and replacement of telecommunication equipment under regular maintenance plans.

Non-base business projects are not in the normal course of business with respect to operating, maintaining and/or enhancing productivity or efficiency of existing assets. Non-base business projects *expand* current generation capacity, *implement new* functionality, or *expand or replace* facilities, software or telecommunication equipment with new products. Some non-base business examples include: acquiring a new generation facility or increasing capacity of an existing one; replacing or expanding existing software system with a new, unrelated software system; a real estate capital lease for a new facility; significant upgrades to an existing facility, or a new telecommunication system or the enterprise wide expansion of current telecommunication equipment.

#9 What is the definition of a Director, Manager and a Supervisor for purposes of the approval limits?

- Directors are usually so named in their title, but must also be on the Leadership List, as maintained by Human Resources. Some positions do not include "Director" in the title, yet they have Director level authority. Examples include counsels within the Law Department.
- To have Manager level authority, a position must have "Manager" in the title AND have at least one direct report. Manager titles without direct reports have no approval authority under this policy.
- Supervisors may have various titles (e.g., Team Leads) and must have at least one direct report to have approval authority under this policy.

#10 What is a blanket work order and how does it get approved?

Blanket work orders represent the estimated annual spending for commitments that are considered recurring and routine work. These blanket work orders are considered base business commitments and typically include work associated with:

- Capital - Plant property, additions, replacements, purchases and retirements.
- O&M - Maintenance work performed in conjunction with addition, removal, and replacement work.
- Combining low cost projects that are similar in nature and result in a used or useful asset.

In addition, third party billing, vendor invoices, contracts, and other commitments/transactions associated with an already approved blanket work order will be considered administrative approval transactions under this policy. All blanket work orders approved prior to the effective date of this policy will be deemed appropriately approved and scoped out of the current policy.

#11 If a shared service employee requests a delegation of authority for a shared service project and he/she reports to a non-shared

For shared service projects, a VP is typically assigned to lead the project. Although a shared service employee's official reporting structure may potentially remain with a non-shared service VP, the delegation of authority must be signed by the assigned shared service VP. To the

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service VP, who should sign the delegation of authority?

extent the shared service VP's approval authority is exceeded, then a special delegation must be approved by the CEO, President, or COO (COO approval applicable to SoCalGas only) overseeing the shared service area.

#12 If a shared service project has commitments (e.g., Facilities, Information Technology) that will be direct-charged to a business unit, who should review and approve the total commitment?

Shared service commitments must be reviewed by the business unit being direct-charged. A business unit review requires a senior officer or representative of the impacted business unit to review the WOA or AFE. Upon review and concurrence by each impacted business unit, the appropriate shared service employee level must approve the aggregate amount of the commitment for all business units being charged under non-base business. All subsequent commitments associated with this non-base business approval will be approved as an administrative approval transaction by the appropriate level.

#13 If a commitment involves separate SDG&E and SoCalGas contracts that in the past have been approved and are currently being administered by a shared service department reporting to a non-shared service VP, who should approve the commitment?

All commitments that relate to a specific business unit must at a minimum, receive a business unit review and concurrence from a senior management representative or delegate from the business unit that may potentially be direct-charged. If the appropriate approval level involves a:

- **Non-shared service** employee, then the commitment amounts must be separated to seek the appropriate approvals from each business unit involved.
- **Shared service** employee, then along with the business unit review and concurrence; both business unit commitments can be combined for approval by the appropriate level shared service employee.

#14 What are the approval requirements for projects that have multiple phases?

A separate WOA or AFE may be prepared for discrete phases of a project that require successive approvals. For example, costs for feasibility studies and permitting of a project could be submitted separately; a second WOA or AFE would be prepared for construction costs once a decision is made to go forward. In that case, the second WOA or AFE must include the initial development expenditures, in order to capture total project costs and the dollar value to determine the appropriate approval will be the total project cost.

#15 What are the approval or re-approval requirements for commitments that exceed the originally approved amounts?

For any approved commitment, at the time that management believes that the actual project costs will exceed the approved WOA or AFE amount by 10% or more, a supplemental WOA or AFE must be prepared. Re-approvals are to use the same base business or non-base business classification that was used for the original authorization based on the revised total project cost to determine the appropriate authorization levels. *A copy of any revised AFE of \$100 million or more for base business or non-base business should be sent to the CAU Controller & CFO, Financial & Strategic Analysis department and the Corporate Planning Department, with related presentation materials.*

- If the expected cost increase is greater than 10%, the revised WOA or AFE must be re-approved. However, for capital

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CAU APPROVAL AND COMMITMENT POLICY

projects \$250,000 or less, a revised approval is required when total costs are expected to exceed the approved level by 20%. The approval level required is based on the revised total project cost, not the incremental costs.

- For commitments initially reviewed by the Sempra Energy Board of Directors, cost increases in excess of the original amount must be brought to the Sempra Energy Board's attention at its next regularly scheduled meeting.

#16	What is a FEWA and how is it properly approved?	Field Extra Work Authorizations (FEWAs) are authorizations granted by a utility contract administrator to an external construction crew to facilitate the timely performance of additional work needed to complete a construction project. To the extent FEWAs do not exceed the originally approved contract commitment; they are excluded from the scope of this policy. However, if the total of the approved invoices exceed the authorized commitment amount of the contract, a contract amendment must be processed to increase the approved commitment amount. If management believes the actual project costs will exceed the originally approved WOA or AFE amount by 10%, a new WOA or AFE must be prepared and approved at the revised aggregate amount of the commitment.
#17	Are AFEs required for administrative approval transactions?	No. Administrative approvals should be accompanied by an already approved base business or non-base business commitment that has been documented using a WOA, AFE or blanket work order.
#18	What is considered a base business vs. non-base business IT commitment?	IT activities associated with base business commitments involve upgrading, replacing or expanding the use of an existing system. In comparison, non-base business IT commitments are associated with initiatives designed/intended to add new functionality to the existing systems and/or applications.
#19	What is considered a special regulatory filing under base business commitments?	Special regulatory filings may include a Permit to Construct (PTC) or a Certificate for Public Convenience and Necessity (CPCN) regulatory filing at the CPUC or other miscellaneous advice letter filings for commitments that are considered non-routine in nature for a utility business.
#20	What business activities qualify as being currently budgeted in the approved annual and 5-year business plan under base business?	A business activity is not required to be specifically identified in a line item budget in order to qualify as being budgeted in an approved annual or 5-year business plan. These business activities may be associated with a budgeted general cost pool or associated with a budget of a functional area of the company (e.g. electric transmission; electric distribution; or gas transmission, etc.). Business activities that qualify may be subject to budget reprioritization and must be considered routine in nature or similar to activities within that specific functional area in order to be considered budgeted.
#21	Why must the base business	The purpose is to ensure that budgeted funds are available to pay the

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CAU APPROVAL AND COMMITMENT POLICY

commitments be associated with the annual budget or the 5-year plan?

commitment being entered into by either SDG&E or SoCalGas. This in turn assists the organization to meet its forecasted earnings targets. Note that the Division Budgets in general are designed to cover the expected costs related to running the base business. In addition, these Divisional Budgets may include forecasted costs to implement specifically identified programs arising from the CPUC GRC process or from the FERC Ownership Transmission process. However, if higher priorities arise than those identified in the regulatory processes then the budgets can be re-directed or re-prioritized to address the new higher priority, as long as the new activity is considered part of base business.

#22 Do base business commitments have to be associated with programs specified in the GRC filing?

No, the GRC grants resources based on a point in time, however the regulatory process recognizes that opportunities, challenges and priorities are constantly changing, and that utility management is permitted to deal with these changes by re-prioritizing these resources. It is up to utility management to operate the base business within the GRC-approved resources.

#23 What category do transactions relating to a qualifying facility (QF) contract fall under?

Generally, all commitments will start as either a base business or non-base business commitment. Upon approval, the subsequent cash disbursement or transactional execution of these commitments (e.g. invoice payments, or contracts under an approved WOA or AFE, etc.) will be considered administrative approvals. The exception to this general treatment is the execution or renewal/extension of energy procurement contracts. All contracts that are newly negotiated or up for renewal/extension will fall under the MAC policy. Although the execution or renewals/extensions of QFs will fall outside of the scope of this policy, the subsequent payments or settlement of the QF contract will fall under administrative approvals.

#24 Which commitment category is subject to the requirement of obtaining an IRC form?

All commitments governed by this policy are potentially subject to an IRC. An IRC is required for all commitments subject to a technical/economic review and that are required to be approved at the COO; CEO or higher level. The following are the thresholds that necessitate a signed and completed IRC form:

- **Base Business:** \$30 million or more
- **Non-Base Business:** \$15 million or more
- **Administrative Commitment:** \$50 million or more

#25 Are there any special approvals required if the technical review of a commitment indicates that resulting transactions is a variable interest entity (VIE) and requires consolidation under ASC 810?

Yes, additional steps are necessary if CAU is deemed to be the primary beneficiary of a VIE that then requires SDG&E to consolidate the entity. The lower of the fair market value or ninety percent of the payments over the term of the agreement is to be provided to the Planning and Budget department, since the consolidation may change CAU capital structure and that in turn may impact earnings. The Planning and Budget department is to determine the potential impact and notify the Corporate Treasury department, since this can also impact the SE consolidate capital structure and that may impact borrowing capabilities.

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CAU APPROVAL AND COMMITMENT POLICY

In some cases consolidation may not be the result of the review but rather the result is that the entity is to be treated as a capital lease. The same notification to the CAU Planning and Budget department is required, as well as notification to the Corporate Treasury department, since recording the capital lease and the corresponding liability can also impact the capital structure at both the CAU and at SE consolidated.

- #26 Do investments in partnerships or joint ventures where our equity investment is less than \$300 million require review by the Sempra Energy Board of Directors? If the total overall project value is \$300 million or greater, then Sempra Energy Board of Director review is required. If the total overall project value is greater than \$100 million but less than \$300 million, then Sempra Energy Board of Director notification is required. The total overall project value should include the total unlevered cost of the project.
- #27 If a previously reviewed capital project is expanded, is Sempra Energy Board of Directors review required? If the capital project expansion was previously considered and included as part of the original capital project which was reviewed by the Sempra Energy Board, then no additional Board review is required. If the project expansion was not previously included and the total expansion cost is \$300 million or more, then Sempra Energy Board of Director review is required. If the project expansion was not previously included and the total expansion cost is greater than \$100 million, then Sempra Energy Board of Director notification is required.
- #28 Is Sempra Energy Board of Directors review required for new phases of a previously approved capital project? Multiple phases of a capital project with interdependency should not be treated separately to avoid the dollar thresholds that require review from the Sempra Energy Board of Directors or Board notification. In those instances, all interdependent phases should be evaluated on a combined basis for determining the required level of approval. If there are multiple phases of a capital project that are individually discrete, and if the total cost of a new phase is \$300 million or more, then Sempra Energy Board of Director review is required; if the total cost is greater than \$100 million but less than \$300 million, then Board notification is required.
- #29 When do commitments for new business ventures that are outside the CAU's strategic plan require review by the Sempra Energy Board of Directors? If the commitment for a new business venture that is outside the CAU's strategy exceeds \$100 million, then Sempra Energy Board of Directors review is required.
- #30 If I am a director, manager or supervisor, how do I determine whether I have legal authority or not to make a commitment on behalf of the CAU? Check to see if a properly authorized Delegation of Authority form was issued to you by an officer, or check with the Law Department. You must have legal authority before entering into a commitment. From a legal authority perspective, only officers of CAU (Vice Presidents and higher) have been granted authority to enter into commitments by the CAU Board of Directors, subject to delegation. Directors, managers and supervisors must have that authority delegated to them by an authorized officer. Delegation of Authority forms may cover a single delegatee or a group of delegatees, as may be appropriate.
- #31 How do I notify the Sempra For new commitments or cost increases requiring Sempra Energy Board

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CAU APPROVAL AND COMMITMENT POLICY

Energy Board of Directors of new commitments or cost increases when required?

notification, submit the supporting information, including any required AFE, to the Sempra Energy Corporate Secretary's Office for inclusion in Sempra Energy's "Monthly Operating Report" (sometimes referred to as the "Key Operating Issues Report"), which is provided to the Board. Alternatively, the Corporate Secretary may place the required notification on the agenda for discussion at the next regularly scheduled Board meeting.

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20222.000

WORK ORDER AUTHORIZATION FOR SEMPRA ENERGY UTILITIES					COMPANY CODE	Work Order No:																					
Field names with ALL CAPITAL letters are required.					2200	CAPITAL <input type="checkbox"/> O&M <input checked="" type="checkbox"/>																					
TITLE BALANCED ENERGY					Thomas Bros.	WR/DPSS Number:																					
DATE PREPARED: 3/21/2019 EST. START DATE: 1/1/2019 EST. COMPLETION DATE: 12/31/2024					BUDGET CODE:		BILLING CODE: NC 0%																				
RESPONSIBLE COST CENTER: 2200-2204					Phase 1	Phase 2	Prelim Eng Survey (Ferc 163)																				
ORGANIZATION: Customer Service					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																				
OPERATING AREA/DISTRICT: GCT					OPERATING REGION: Headquarters (39)																						
COUNTY: Los Angeles MUNICIPALITY:					Billable to: Affiliate <input type="checkbox"/>	Third Party <input type="checkbox"/>	Sending Order <input type="checkbox"/>																				
TECHNICAL/ECONOMIC PROJECT REVIEWS*					Comments regarding Technical/Economic Project Review:																						
<input type="checkbox"/> Legal By: Date: <input type="checkbox"/> Tax By: Date: <input type="checkbox"/> Accounting By: Date: <input type="checkbox"/> Planning By: Date:					<input type="checkbox"/> Reference Approval and Commitment Policy: <input type="checkbox"/> CATEGORY 1 Base Business CATEGORY 2 Non-base Bus.																						
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VP, SCG Strategy + Eng					Date:																						
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RECEIVED
 MAR 28 2019
 By _____

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ATTACHMENT 3
SOCALGAS' RESPONSE TO
CalAdvocates-SC-SCG-2019-04

Document received by the CA 2nd District Court of Appeal.

Re: Meet and Confer Conference Call Re SoCalGas DR Responses and Confidentiality Designations

SK Sheppard, Kerriann
Today, 11:21 AM

   Reply all | 

 Buch, Daniel; Castello, Stephi+3 more 

Ms 



Thank you for your email in response to our meet and confer conference call. We appreciate your willingness to provide the employee names and remove the confidentiality designations from the vendor names. However, you provided the emails initially with your response alleging that they were responsive to our data request. Therefore, we have a right to request that you provide the full and unredacted email chain. The same applies to the WOAs as there is no privilege to withhold shareholder information from the Public Advocates Office and in fact you provided no authority to support that claim. Your objection based on relevance is not supported by law or the Commission decisions you have cited. You have acknowledged that the Public Advocates Office has broad authority pursuant to Pub. Util. Code Sections 309.5 and 314. None of which permits a company to withhold information based on relevance.

We reviewed the authorities cited in your email and find that they are not applicable to the matter at hand.

You are hereby urged to comply with our request for the unredacted WOAs and to provide the full email string with the exception of any information pursuant to the attorney client privilege provided you submit a valid privilege log.

Regards,

Kerriann Sheppard
Counsel for the Public Advocates Office
(916)327-6771

From: 
Sent: Tuesday, August 13, 2019 11:32:56 AM
To: Buch, Daniel <Daniel.Buch@cpuc.ca.gov>; Sheppard, Kerriann <Kerriann.Sheppard@cpuc.ca.gov>; Castello, Stephen <Stephen.Castello@cpuc.ca.gov>; Osman, Ayat <Ayat.Osman@cpuc.ca.gov>
Cc: 
Subject: RE: Meet and Confer Conference Call Re SoCalGas DR Responses and Confidentiality Designations

Document received by the CA 2nd District Court of Appeal.

Good Morning,

This email follows our meet-and-confer yesterday, wherein we agreed to provide updated data request responses (and corollary attachments and confidentiality declarations) to remove certain confidentiality designations (of vendor names) and redactions (employee names would be highlighted instead of redacted). We further agreed to provide a privilege log (although, as I noted during the call, the email string was removed because it was not responsive to the question posed). These items are still being prepared. Although we do not anticipate meeting your noon deadline, we are working diligently on these items and expect to send them over to you today via FTP.

We did not reach agreement on a couple of items.

1. You requested that we remove confidentiality designations from the contract pricing that was provided in response to your data requests. You cited D.06-06-066 as support that contract pricing is no longer confidential once a contract is signed. I reviewed D.06-06-066, *Interim Opinion Implementing Senate Bill No. 1488, Relating to Confidentiality of Electric Procurement Data Submitted to the Commission*, and find it inapplicable to SoCalGas: “This is the first of two decisions we anticipate in this proceeding. In this first phase, we have examined our approach to confidentiality *in the context of electricity procurement by investor-owned utilities (IOUs) and energy service providers (ESPs).*” (D.06-06-066 at 3 (emphasis added.)) Rather, D.17-09-023, the Decision adopting General Order (GO) 66-D, is the controlling decision that applies to SoCalGas: “‘*Modified D.06-06-06*’ is a citation to Decision 06-06-066, as modified by D.07-05-032, which addresses confidentiality *in the context of energy procurement information.*” (D.17-09-023, Appendix A at 2 (emphasis added); *see also id.* at 4 (“There are limited circumstances when the requirements of this Section do not apply. First, information subject to the requirements of Modified D.06-06-066 is exempted from the requirements of this Section and may continue to be submitted consistent with the requirements of that decision.”)) When we spoke you had not yet had an opportunity to review the decision we cited in our confidentiality declarations (the first of which was submitted June 14, 2019) to support our confidential designation of negotiated third-party vendor pricing information: D.11-01-036. I encourage you to review that decision as it supports designating as confidential contract prices and terms specifically negotiated with a vendor, and does not support that negotiated pricing becomes public once the contract is signed.
2. You also requested that we provide the redacted dollar amounts on the Work Order Authorization (WOA) submitted in response to DR-04 on the grounds that (a) the WOA was initially funded with ratepayer funds and (b) the CPUC’s Rule 10 relevance requirement does not apply to inquiries by the Public Advocates Office. 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. While the grant of authority

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under Section 309.5 is, indeed, broad (“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.”), we do not see how the amount of shareholder funding allocated to a fully shareholder funded account dedicated to supporting balanced energy for, *inter alia*, affordability and customer choice reasons falls within the scope of that authority. *See, e.g.*, D.06-03-003.

██████████ | Senior Counsel
Southern California Gas Company
Tel. ██████████

From: Buch, Daniel <Daniel.Buch@cpuc.ca.gov>
Sent: Monday, August 12, 2019 8:50 AM
To: ██████████; Sheppard, Kerriann <Kerriann.Sheppard@cpuc.ca.gov>;
Castello, Stephen <Stephen.Castello@cpuc.ca.gov>; Osman, Ayat <Ayat.Osman@cpuc.ca.gov>
Cc: ██████████
Subject: [EXTERNAL] Re: Meet and Confer Conference Call Re SoCalGas DR Responses and Confidentiality Designations

Thanks for accommodating ██████████. And yes, I don't think this will take more than 10-15 minutes.

Best,
Dan

From: ██████████
Sent: Monday, August 12, 2019 8:16:50 AM
To: Buch, Daniel <Daniel.Buch@cpuc.ca.gov>; Sheppard, Kerriann <Kerriann.Sheppard@cpuc.ca.gov>;
Castello, Stephen <Stephen.Castello@cpuc.ca.gov>; Osman, Ayat <Ayat.Osman@cpuc.ca.gov>
Cc: ██████████
Subject: RE: Meet and Confer Conference Call Re SoCalGas DR Responses and Confidentiality Designations

Good Morning,

No problem, we (██████████ and me) will call in at 9:30. Please note that I have a hard stop at 9:55 so I can get to my other appointment. I think that should still be enough time.

██████████ | Senior Counsel
Southern California Gas Company
Tel. ██████████

From: Buch, Daniel <Daniel.Buch@cpuc.ca.gov>
Sent: Sunday, August 11, 2019 12:21 PM
To: Sheppard, Kerriann <Kerriann.Sheppard@cpuc.ca.gov>; Castello, Stephen

Document received by the CA 2nd District Court of Appeal.

<Stephen.Castello@cpuc.ca.gov>; Osman, Ayat <Ayat.Osman@cpuc.ca.gov>

Subject: [EXTERNAL] RE: Meet and Confer Conference Call Re SoCalGas DR Responses and Confidentiality Designations

Hi all,

Apologies for the late notice, but I need to push the start of this meeting to 9:30 due to an unavoidable conflict. Thanks in advance for your understanding and looking forward to our discussion tomorrow at 9:30.

Best,
Dan

-----Original Appointment-----

From: Sheppard, Kerriann <Kerriann.Sheppard@cpuc.ca.gov>

Sent: Friday, August 09, 2019 11:04 AM

To: Sheppard, Kerriann; Buch, Daniel; Castello, Stephen; Osman, Ayat;

Subject: Meet and Confer Conference Call Re SoCalGas DR Responses and Confidentiality Designations

When: Monday, August 12, 2019 9:00 AM-10:00 AM (UTC-08:00) Pacific Time (US & Canada).

Where:

This meet and confer conference call will be to discuss the following:

1. Redacted documents provided in response to DR 4.
2. Making various DR responses public which were previously marked as confidential by SoCalGas.

The call-in details are provided below.

Call-in Number: 866-715-4776

Participant Code: 2504776

Thank you,

Kerriann Sheppard
Counsel for the Public Advocates Office
(916)327-6771

This email originated outside of Sempra Energy. Be cautious of attachments, web links, or requests for information.

This email originated outside of Sempra Energy. Be cautious of attachments, web links, or requests for information.

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ATTACHMENT 4
SOCALGAS' RESPONSE TO
CalAdvocates-SC-SCG-2019-04

Document received by the CA 2nd District Court of Appeal.

Re: Meet and Confer Conference Call Re SoCalGas DR Responses and Confidentiality Designations

SK

Today, 11:21 AM

   Reply all | 

 Buch, Daniel; Castello, Stephi+3 more 

Ms. 

Thank you for your email in response to our meet and confer conference call. We appreciate your willingness to provide the employee names and remove the confidentiality designations from the vendor names. However, you provided the emails initially with your response alleging that they were responsive to our data request. Therefore, we have a right to request that you provide the full and unredacted email chain. The same applies to the WOAs as there is no privilege to withhold shareholder information from the Public Advocates Office and in fact you provided no authority to support that claim. Your objection based on relevance is not supported by law or the Commission decisions you have cited. You have acknowledged that the Public Advocates Office has broad authority pursuant to Pub. Util. Code Sections 309.5 and 314. None of which permits a company to withhold information based on relevance.

We reviewed the authorities cited in your email and find that they are not applicable to the matter at hand.

You are hereby urged to comply with our request for the unredacted WOAs and to provide the full email string with the exception of any information pursuant to the attorney client privilege provided you submit a valid privilege log.

Regards,

Kerriann Sheppard
Counsel for the Public Advocates Office
(916)327-6771

From: 

Sent: Tuesday, August 13, 2019 11:32:56 AM

To: Buch, Daniel <Daniel.Buch@cpuc.ca.gov>; Sheppard, Kerriann <Kerriann.Sheppard@cpuc.ca.gov>; Castello, Stephen <Stephen.Castello@cpuc.ca.gov>; Osman, Ayat <Ayat.Osman@cpuc.ca.gov>

Cc: 

Subject: RE: Meet and Confer Conference Call Re SoCalGas DR Responses and Confidentiality Designations

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Document received by the CA 2nd District Court of Appeal.

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██████████ Senior Counsel
Southern California Gas Company
Tel. ██████████

From: Buch, Daniel <Daniel.Buch@cpuc.ca.gov>
Sent: Monday, August 12, 2019 8:50 AM
To: ██████████ Sheppard, Kerriann <Kerriann.Sheppard@cpuc.ca.gov>;
Castello, Stephen <Stephen.Castello@cpuc.ca.gov>; Osman, Ayat <Ayat.Osman@cpuc.ca.gov>
Cc: ██████████
Subject: [EXTERNAL] Re: Meet and Confer Conference Call Re SoCalGas DR Responses and Confidentiality Designations

Thanks for accommodating ██████████. And yes, I don't think this will take more than 10-15 minutes.

Best,
Dan

From: ██████████
Sent: Monday, August 12, 2019 8:16:50 AM
To: Buch, Daniel <Daniel.Buch@cpuc.ca.gov>; Sheppard, Kerriann <Kerriann.Sheppard@cpuc.ca.gov>;
Castello, Stephen <Stephen.Castello@cpuc.ca.gov>; Osman, Ayat <Ayat.Osman@cpuc.ca.gov>
Cc: ██████████
Subject: RE: Meet and Confer Conference Call Re SoCalGas DR Responses and Confidentiality Designations

Good Morning,

No problem, we ██████████ will call in at 9:30. Please note that I have a hard stop at 9:55 so I can get to my other commitment. I think that should still be enough time.

██████████ | Senior Counsel
Southern California Gas Company
Tel. ██████████

From: Buch, Daniel <Daniel.Buch@cpuc.ca.gov>
Sent: Sunday, August 11, 2019 12:21 PM
To: Sheppard, Kerriann <Kerriann.Sheppard@cpuc.ca.gov>; Castello, Stephen

Document received by the CA 2nd District Court of Appeal.

<Stephen.Castello@cpuc.ca.gov>; Osman, Ayat <Ayat.Osman@cpuc.ca.gov>; [REDACTED]

Subject: [EXTERNAL] RE: Meet and Confer Conference Call Re SoCalGas DR Responses and Confidentiality Designations

Hi all,

Apologies for the late notice, but I need to push the start of this meeting to 9:30 due to an unavoidable conflict. Thanks in advance for your understanding and looking forward to our discussion tomorrow at 9:30.

Best,
Dan

-----Original Appointment-----

From: Sheppard, Kerriann <Kerriann.Sheppard@cpuc.ca.gov>

Sent: Friday, August 09, 2019 11:04 AM

To: Sheppard, Kerriann; Buch, Daniel; Castello, Stephen; Osman, Ayat; [REDACTED]

Subject: Meet and Confer Conference Call Re SoCalGas DR Responses and Confidentiality Designations

When: Monday, August 12, 2019 9:00 AM-10:00 AM (UTC-08:00) Pacific Time (US & Canada).

Where:

This meet and confer conference call will be to discuss the following:

1. Redacted documents provided in response to DR 4.
2. Making various DR responses public which were previously marked as confidential by SoCalGas.

The call-in details are provided below.

Call-in Number: 866-715-4776

Participant Code: 2504776

Thank you,

Kerriann Sheppard
Counsel for the Public Advocates Office
(916)327-6771

This email originated outside of Sempra Energy. Be cautious of attachments, web links, or requests for information.

This email originated outside of Sempra Energy. Be cautious of attachments, web links, or requests for information.

Document received by the CA 2nd District Court of Appeal.

PROPOSED ORDER

On August 13, 2019, the Public Advocates Office submitted a *Motion to Compel Further Responses from Southern California Gas Company [SoCalGas] to Data Request - CalAdvocates-SC-SCG-2019-04* (DR SC-SCG-2019-04) requesting that the Commission order SoCalGas to submit unredacted responses to Items 1 and 5 of DR SC-SCG-2019-04. Having considered the Public Advocates Office’s motion to compel and given the urgency of this request and the clear statutory authorization for the information sought pursuant to Public Utilities Code Sections 309.5(e) and 314, the Commission hereby grants the Public Advocates Office’s Motion to Compel.

ORDER

SoCalGas is hereby ordered to provide the unredacted responses to Items 1 and 5 of the Public Advocates Office’s DR SC-SCG-2019-04. SoCalGas is ordered to comply with this order within 24 hours from the date of this ruling.

SO ORDERED.

Dated: _____, 2019

MICHAEL PICKER

Document received by the CA 2nd District Court of Appeal.

ATTACHMENT B

SoCalGas' Response to Cal Advocates Motion to Compel
with Attachments (8/26/19)

Document received by the CA 2nd District Court of Appeal.



Avisha A. Patel
Senior Counsel

555 W. 5th Street
Los Angeles, CA 90013
(213) 244-2954
Facsimile: (213) 629-9620
apatel@semprautilities.com

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.

Document received by the CA 2nd District Court of Appeal.

- 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

Attorney for:

Southern California Gas Company

555 W. 5th Street, Suite 1400

Los Angeles, CA 90013

Telephone: (213) 244-2990

Facsimile: (213) 629-9620

Email: apatel@semprautilities.com

Attachments A-F

Attachment A
Twitter publications



Matt Vespa @missionvespa · Aug 1

"If you're willing to lie about little things, why wouldn't you mislead about the big things." @ORA_California on @socalgas. @californiapuc - a reckoning is overdue.



SoCalGas Admits Funding 'Front' Group in Fight for Its Future

The battle for California's carbon-free future might one day come to your kitchen stove, but right now it's at the state Public Utilities Commission, w...
kqed.org

2

10

21



Matt Vespa @missionvespa · Jul 8

Want a step-by-step guide to forming fossil fuel front group? Check out @socalgas contract with consulting firm to establish @CA4BES (which then intervened in @californiapuc proceeding with no disclosure of @socalgas relationship).

@ORA_California filing efile.cpuc.ca.gov/FPSS/000013641...

The tasks outlined below shall connect with these goals:

- Identifying the legal and administrative steps required to establish the organization.
- Reviewing available public opinion research and developing the organization's messages and themes.
- Developing a website, related social media, and other collateral materials highlighting those messages and providing a portal for recruitment of supporters.
- Identifying and confirming participation from an inaugural board of directors numbering at least twelve (12).
- Developing the rollout strategy to introduce the organization to the public and media.
- Developing and executing the initial organizational announcement (e.g. press conference).
- Identifying resources needed for ongoing management of the organization.





Matt Vespa
@missionvespa

Follow

Stall tactics from the loser of the clean energy transition. @socalgas lobbying cities to oppose state efforts to move away from fossil fuels in name of "local control." All-electric homes benefit health, climate and the economy. Gas homes benefit . . . SoCalGas.

From: Lane, Karolin G. <lane.k@soocalgas.com>
Sent: Wednesday, March 27, 2019 8:21 PM
To: Lane, Karolin G.
Subject: Model Resolution
Attachments: Model Resolution.docx

Good evening,
When I spoke to each of your council last year about the need for Balanced Energy I was asked how you could be of help. I am asking for your support in passing the Model Resolution Supporting Balanced Energy Solutions and Maintaining Local Control of Energy Solutions.

I have already spoken with many of your council members and I will be following up with each of you to see if there are any questions I might be able to answer.

I understand the significance of Local Control and every stress push to maintain their own control over these types of issues.

I look forward to your support.

Thank you,

Karolin Lane
Public Affairs Manager
SoCalGas
21622 Jefferson Avenue
Murietta, California 94552

Cell: 916.887.3422
Email: karolin@soocalgas.com



Whereas the state legislature and state agencies are increasingly proposing new legislation and regulations eliminating choice of energy by mandating technologies to power buildings and public and private fleets, including transit and long haul trucking, as a strategy to achieve the state's climate goals; and

Whereas affordable and reliable energy is crucial to the material health, safety and well-being of [redacted] residents, particularly the most vulnerable, who live on fixed incomes, including the elderly and working families who are struggling financially; and

Whereas the need for clean, affordable and reliable energy to attract and retain local businesses, create jobs and spur economic development is vital to our city's success in a highly competitive and increasingly regional and global marketplace; and

Whereas [redacted] residents and businesses value local control and the right to choose the policies and investments that most affordably and efficiently enable them to comply with state requirements; and

Whereas building and vehicle technology mandates eliminate local control and customer choice, suppress innovation, reduce reliability and unnecessarily increase costs for [redacted] residents and businesses; and

Whereas the City understands that relying on a single energy delivery system unnecessarily increases vulnerabilities to natural and man-made disasters, and that a diversity of energy delivery systems and resources contribute to greater reliability and community resilience; and

Whereas [redacted] understands the need to mitigate the impacts of climate change and is committed to doing its part to help the state achieve its climate goals, but requires the flexibility to do so in a manner that best serves the needs of its residents and businesses. NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of [redacted] as follows:

3:44 PM - 13 Jun 2019

5 Retweets 13 Likes



1 Reply 5 Retweets 13 Likes



Matt Vespa @missionvespa · Jun 13

@californiapuc - you know they try to pass these lobbying costs to customers right?

1 Reply 1 Retweet 1 Like



Document received by the CA 2nd District Court of Appeal.

Attachment C

Email dated July 16, 2019

Document received by the CA 2nd District Court of Appeal.

From: [REDACTED]
To: [REDACTED]
Cc: [REDACTED]
Subject: [EXTERNAL] Data Request - No. CalAdvocates-SC-SCG-2019-03 - Due JULY 18
Date: Tuesday, July 16, 2019 1:30:09 PM
Attachments: [Data Request - CalAdvocates-SC-SCG-2019-03.pdf](#)

Hi [REDACTED]

Please find the attached data request No. CalAdvocates-SC-SCG-2019-03. Please note the expedited response date July 18, 2019.

If you have any questions, please contact me by email or at the phone number below.

Best,

[REDACTED] Regulatory Analyst
Public Advocates Office
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
[REDACTED]

This email originated outside of Sempra Energy. Be cautious of attachments, web links, or requests for information.

Document received by the CA 2nd District Court of Appeal.

Attachment D

Email dated August 9, 2019

Document received by the CA 2nd District Court of Appeal.

[REDACTED]

From: [REDACTED]
Sent: Friday, August 9, 2019 9:16 AM
To: [REDACTED]
Subject: RE: Meet and Confer Request Re Confidentiality Designation and Declaration Re Data Requests

Hi [REDACTED]

I hadn't realized you'd intended this meeting to include others -- I only provided my availability in response to your first message yesterday. Can you please let me know who you expect to join us and I will see if I can get the appropriate people available at 9 am also? Thanks.

[REDACTED] | Senior Counsel
Southern California Gas Company
[REDACTED]

-----Original Message-----

From: [REDACTED]
Sent: Friday, August 9, 2019 9:13 AM
To: [REDACTED]
Subject: [EXTERNAL] Re: Meet and Confer Request Re Confidentiality Designation and Declaration Re Data Requests

Hi [REDACTED]

I am scheduling the conference call for Monday at 9:00 am - 10 am.

Please confirm that this time still works for you and I will be sending you a conference line shortly.

Thanks,

[REDACTED]

> On Aug 8, 2019, at 9:36 PM, [REDACTED] wrote:

>
> Sorry [REDACTED]
>
> I just realized you provided a time. I will check with my clients and get back to you.

> [REDACTED]

>
>
>> On Aug 8, 2019, at 5:29 PM, [REDACTED] wrote:

>>

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>> I can be available tomorrow (Friday) between 12:15 and 1; or on Monday, right now I can do any time before 10 and after 11:15.

This email originated outside of Sempra Energy. Be cautious of attachments, web links, or requests for information.

Document received by the CA 2nd District Court of Appeal.

Attachment E

Email dated August 13, 2019

Document received by the CA 2nd District Court of Appeal.

[Redacted]

From: [Redacted]
Sent: Tuesday, August 13, 2019 3:42 PM
To: [Redacted]
Cc: [Redacted]
Subject: RE: Meet and Confer Conference Call Re SoCalGas DR Responses and Confidentiality Designations
Attachments: Cal PA-04 Modified.zip; Cal PA-01 Modified.zip; Cal PA-02 Modified.zip; Cal PA-03 Modified.zip

Good Afternoon,
Per the e-mail below and the meet and confer held yesterday, please find attached the modified responses to our previous four data requests regarding the building decarbonization proceeding. Note if nothing was modified we did not re-send. Let me know if you have any questions.
Sincerely,

[Redacted]
Regulatory Affairs
[Redacted]

From [Redacted]
Sent: Tuesday, August 13, 2019 11:33 AM
[Redacted]

Subject: RE: Meet and Confer Conference Call Re SoCalGas DR Responses and Confidentiality Designations

Good Morning,

This email follows our meet-and-confer yesterday, wherein we agreed to provide updated data request responses (and corollary attachments and confidentiality declarations) to remove certain confidentiality designations (of vendor names) and redactions (employee names would be highlighted instead of redacted). We further agreed to provide a privilege log (although, as I noted during the call, the email string was removed because it was not responsive to the question posed). These items are still being prepared. Although we do not anticipate meeting your noon deadline, we are working diligently on these items and expect to send them over to you today via FTP.

We did not reach agreement on a couple of items.

- (1) You requested that we remove confidentiality designations from the contract pricing that was provided in response to your data requests. You cited D.06-06-066 as support that contract pricing is no longer confidential once a contract is signed. I reviewed D.06-06-066, *Interim Opinion Implementing Senate Bill No. 1488, Relating to Confidentiality of Electric Procurement Data Submitted to the Commission*, and find it inapplicable to SoCalGas: “This is the first of two decisions we anticipate in this proceeding. In this first phase, we have examined our approach to confidentiality *in the context of electricity procurement by investor-owned utilities (IOUs) and energy service providers (ESPs).*” (D.06-06-066 at 3 (emphasis added.)) Rather, D.17-09-023, the Decision adopting General

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Order (GO) 66-D, is the controlling decision that applies to SoCalGas: “*Modified D.06-06-06*’ is a citation to Decision 06-06-066, as modified by D.07-05-032, which addresses confidentiality *in the context of energy procurement information.*” (D.17-09-023, Appendix A at 2 (emphasis added); *see also id.* at 4 (“There are limited circumstances when the requirements of this Section do not apply. First, information subject to the requirements of Modified D.06-06-066 is exempted from the requirements of this Section and may continue to be submitted consistent with the requirements of that decision.”)) When we spoke you had not yet had an opportunity to review the decision we cited in our confidentiality declarations (the first of which was submitted June 14, 2019) to support our confidential designation of negotiated third-party vendor pricing information: D.11-01-036. I encourage you to review that decision as it supports designating as confidential contract prices and terms specifically negotiated with a vendor, and does not support that negotiated pricing becomes public once the contract is signed.

- (2) You also requested that we provide the redacted dollar amounts on the Work Order Authorization (WOA) submitted in response to DR-04 on the grounds that (a) the WOA was initially funded with ratepayer funds and (b) the CPUC’s Rule 10 relevance requirement does not apply to inquiries by the Public Advocates Office. 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. While the grant of authority under Section 309.5 is, indeed, broad (“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.”), we do not see how the amount of shareholder funding allocated to a fully shareholder funded account dedicated to supporting balanced energy for, *inter alia*, affordability and customer choice reasons falls within the scope of that authority. *See, e.g.*, D.06-03-003.

Senior Counsel
Southern California Gas Company

From: _____
Sent: Monday, August 12, 2019 8:50 AM
To: _____
Subject: [EXTERNAL] Re: Meet and Confer Conference Call Re SoCalGas DR Responses and Confidentiality Designations

Thanks for accommodating _____. And yes, I don't think this will take more than 10-15 minutes.

Best,

From: _____
Sent: Monday, August 12, 2019 8:16:50 AM
To: _____

Document received by the CA 2nd District Court of Appeal.

Cc: [REDACTED]
Subject: RE: Meet and Confer Conference Call Re SoCalGas DR Responses and Confidentiality Designations

Good Morning,

No problem, we [REDACTED] (and me) will call in at 9:30. Please note that I have a hard stop at 9:55 so I can get to my other commitments [REDACTED] at should still be enough time.

[REDACTED] Senior Counsel
Southern California Gas Company
Tel. [REDACTED]

From [REDACTED]
Sent: Sunday, August 11, 2019 12:21 PM
To: [REDACTED]
Subject: [EXTERNAL] RE: Meet and Confer Conference Call Re SoCalGas DR Responses and Confidentiality Designations

Hi all,

Apologies for the late notice, but I need to push the start of this meeting to 9:30 due to an unavoidable conflict. Thanks in advance for your understanding and looking forward to our discussion tomorrow at 9:30.

Best,
[REDACTED]

-----Original Appointment-----
From: [REDACTED]
Sent: Friday, August 09, 2019 11:04 AM
To: [REDACTED]
Subject: Meet and Confer Conference Call Re SoCalGas DR Responses and Confidentiality Designations
When: Monday, August 12, 2019 9:00 AM-10:00 AM (UTC-08:00) Pacific Time (US & Canada).
Where:

This meet and confer conference call will be to discuss the following:

1. Redacted documents provided in response to DR 4.
2. Making various DR responses public which were previously marked as confidential by SoCalGas.

The call-in details are provided below.

Call-in Number: 866-715-4776

Participant Code: 2504776

Thank you,

[REDACTED]

Counsel for the Public Advocates Office

[REDACTED]

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This email originated outside of Sempra Energy. Be cautious of attachments, web links, or requests for information.

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From: [REDACTED]
Sent: Thursday, June 13, 2019 2:42 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Accounting- JE Summary

Regarding the Marathon invoices, 50% from August 1, 2018 – present (so September 1, 2018 invoice through July 1, 2019 invoices)

[REDACTED] | Senior Counsel
Southern California Gas Company
Tel. [REDACTED]

From: [REDACTED]
Sent: Thursday, June 13, 2019 2:35 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Accounting- JE Summary

[REDACTED]

Thanks for the quick chat and clarification on the JE. We're pulling the labor for Ken and George (per distribution below) plus add Ken's expenses that was sent to me. Please send me the date parameter for Marathon so we can finalize the 50% portion to JE as well.

- August 2018 – December 2018: 2% of Minter time; 10% of Chawkins time
- January 2019 – June 14, 2019: 3 hours of Minter time; 10% of Chawkins time

Follow-up questions:

- The 50% of the Marathon Invoices that are ratepayer funded – what is the funding source? (GRC-_____) See context below:
- August 2018-January 2019 Marathon Invoices – please provide

Thanks,
[REDACTED]

Truncated due to applicability of attorney-client privilege

Document received by the CA 2nd District Court of Appeal.

**BEFORE THE PUBLIC UTILITIES
COMMISSION OF THE STATE OF CALIFORNIA
DECLARATION OF GEORGE MINTER
REGARDING CONFIDENTIALITY OF CERTAIN DATA**

I, George Minter, do declare as follows:

1. I am George Minter, Regional Vice President for External Affairs and Environmental Policy for Southern California Gas Company (“SoCalGas”). I have reviewed the “Accounting-JE Summary Email Confidential.” In addition, I am personally familiar with the facts and representations in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or information and belief.

2. I hereby provide this Declaration in accordance with Decision (“D.”) 17-09-023 and General Order (“GO”) 66-D to demonstrate that the confidential information (“Protected Information”) provided in the Response submitted concurrently herewith and as described in specificity in Attachment A is within the scope of data protected as confidential under applicable statutory provisions including, but not limited to, Public Utilities Code (“PUC”) § 583, Govt. Code § 6254(k) and/or GO 66-D.

3. In accordance with the statutory provisions described herein, the Protected Information should be protected from public disclosure.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this August 13, 2019, at Los Angeles, California.

Document received by the CA 2nd District Court of Appeal.



George Minter
Regional Vice President
External Affairs and Environmental
Policy

ATTACHMENT A

Confidentiality Justification for Protected Information as Provided in the Response

(Confidential Protected Information provided in the documents in response to this data request have been highlighted)

Location of Data	Description of Data	Legal Citations	Narrative Justification
Highlighted portions of "Building Decarb – Privilege Log" and "Accounting- JE Summary Email Confidential"	Employee information (i.e. name, signature, contact information).	CPRA Exemption, Gov't Code § 6254(c) (disclosure of which would constitute an unwarranted invasion of personal privacy)	Disclosing staff names in conjunction with other identifying information such as e-mail addresses, home addresses and telephone numbers could pose a risk to staff safety. Additionally, disclosure of such information increases the risks of cyber attacks, incessant robo-calls, and malicious emails.

Document received by the CA 2nd District Court of Appeal.

Date / Time	Author	Addressee(s)	Description of Document	Privilege / Protection Asserted
June 10, 2019 11:20 AM	[REDACTED]	To: [REDACTED]	Email communication concerning data request response	Attorney-client communication
June 10, 2019 2:51 PM	[REDACTED]	To: [REDACTED] cc: [REDACTED]	Email communication concerning data request response	Attorney-client communication; attorney work product (at direction of counsel)
June 10, 2019 3:12 PM	[REDACTED]	To: [REDACTED] cc: [REDACTED]	Email communication concerning data request response	Attorney-client communication; attorney work product (at the direction of counsel)
June 11, 2019 11:52 AM	[REDACTED]	To: [REDACTED] cc: [REDACTED]	Email communication concerning data request response	Attorney-client communication; attorney work product (at the direction of counsel)
June 11, 2019 12:02 PM	[REDACTED]	To: [REDACTED] cc: [REDACTED]	Email communication concerning data request response	Attorney-client communication
June 11, 2019 12:10 PM	[REDACTED]	To: [REDACTED] cc: [REDACTED]	Email communication concerning data request response	Attorney-client communication
June 11, 2019 12:23 PM	[REDACTED]	To: [REDACTED] cc: [REDACTED]	Email communication concerning data request response	Attorney-client communication

June 12, 2019 10:11 AM	[REDACTED]	To: [REDACTED] cc: [REDACTED]	Email communication concerning data request response	Attorney-client communication; attorney work product (at the direction of counsel)
June 12, 2019 10:21 AM	[REDACTED]	To: [REDACTED] cc: [REDACTED]	Email communication concerning data request response	Attorney-client communication
June 13, 2019 11:22 AM	[REDACTED]	To: [REDACTED] cc: [REDACTED]	Email communication concerning data request response	Attorney-client communication

Attachment F

Email dated August 13, 2019

Document received by the CA 2nd District Court of Appeal.

From: [REDACTED]
To: [REDACTED]
Subject: [EXTERNAL] RE: Checking on Receipt?
Date: Tuesday, August 13, 2019 3:47:36 PM

Hi [REDACTED]

I see the email on my end and I will check all the files now. I see 4 attachments (.zip files). I will let you know if there are any issues, but looks like everything came through just fine. Thanks for confirming. Have a good evening!

Best,
[REDACTED]

From: [REDACTED]
Sen
To: [REDACTED]
Subject: Checking on Receipt?

Hi [REDACTED]

I just sent an e-mail with the requested information today. Can you let me know that you did indeed receive it. I want to double check because of the attachments size.

Thank you,

[REDACTED]
Regulatory Affairs
[REDACTED]

This email originated outside of Sempra Energy. Be cautious of attachments, web links, or requests for information.

Document received by the CA 2nd District Court of Appeal.

**BEFORE THE PUBLIC UTILITIES
COMMISSION OF THE STATE OF CALIFORNIA
DECLARATION OF JASON W. EGAN
REGARDING CONFIDENTIALITY OF CERTAIN DATA**

I, Jason W. Egan, do declare as follows:

1. I am Jason W. Egan, Director of Regulatory Affairs Special Projects for Southern California Gas Company (“SoCalGas”). I have reviewed the e-mail attachments C, D, E and F as part of SoCalGas’ response to the Public Advocates Office Motion to Compel. In addition, I am personally familiar with the facts and representations in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or information and belief.

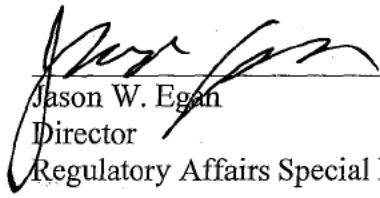
2. I hereby provide this Declaration in accordance with Decision (“D.”) 17-09-023 and General Order (“GO”) 66-D to demonstrate that the confidential information (“Protected Information”) provided in the Response submitted concurrently herewith and as described in specificity in Attachment A is within the scope of data protected as confidential under applicable statutory provisions including, but not limited to, Public Utilities Code (“PUC”) § 583, Govt. Code § 6254(k) and/or GO 66-D.

3. In accordance with the statutory provisions described herein, the Protected Information should be protected from public disclosure.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this August 26, 2019, at Los Angeles, California.

Document received by the CA 2nd District Court of Appeal.



Jason W. Egan
Director
Regulatory Affairs Special Projects

Document received by the CA 2nd District Court of Appeal.

ATTACHMENT A

Confidentiality Justification for Protected Information as Provided in the Response

(Confidential Protected Information provided in the documents in response to this data request have been highlighted)

Location of Data	Description of Data	Legal Citations	Narrative Justification
Highlighted gray portions of e-mail attachments C, D, E and F.	Employee information (i.e. name, signature, contact information).	CPRA Exemption, Gov't Code § 6254(c) (disclosure of which would constitute an unwarranted invasion of personal privacy)	Disclosing staff names in conjunction with other identifying information such as e-mail addresses, home addresses and telephone numbers could pose a risk to staff safety. Additionally, disclosure of such information increases the risks of cyber attacks, incessant robo-calls, and malicious emails.

Document received by the CA 2nd District Court of Appeal.

ATTACHMENT C

Cal Advocates Reply to SoCalGas' Response re Motion to Compel
with Attachments (9/9/19)

Document received by the CA 2nd District Court of Appeal.

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 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

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.

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 Agreement No. 5660052135 (between SoCalGas and Marathon

³ Response at 9.

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.²

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.

² 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 authorized to administer oaths may examine under oath

[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

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.

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.

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

Additionally, SoCalGas repeats its argument that "neither ratepayer funds nor ratepayers are implicated" by the amount of shareholder funding.²⁰ As explained above,

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."

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."

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, 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

²¹ Motion, Attachment 3, 4.

²² See Response at 6-8.

²³ Attachment A at 8.

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

Rebecca Vorpe

Attorney for the
Public Advocates Office

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102
Telephone: (415) 703-4443
Email: rebecca.vorpe@cpuc.ca.gov

September 9, 2019

²⁴ See Response at 2-4.

ATTACHMENT D

E-Mail dated October 16, 2019

Document received by the CA 2nd District Court of Appeal.

From [REDACTED]
Sent: Wednesday, October 16, 2019 6:42 PM
To: Castello, Stephen <Stephen.Castello@cpuc.ca.gov>
Subject: DR-05, Q8

Hello Stephen,
I just sent an e-mail through our electronic data transfer system due to the size. Please let me know if you do not get it or if you are not able to open the attachments.
Sincerely,

[REDACTED]
Regulatory Affairs
213-244-5354
[REDACTED]

Document received by the CA 2nd District Court of Appeal.

Delivery Information

To Stephen Castello
Cc [REDACTED]
Bcc tariffs@socalgas.com
Subject SoCalGas Response - DR-05 Q8

Date available 10/16/2019 06:39 PM
Date expires
Password assigned No
Notify when recipients access this delivery First time
Notify when recipients download files Do not notify
Notify when recipient deletes No
Access status 4 recipient(s) have not accessed the delivery

Secure message

Hi Stephen,

Regarding DR 5 Question 8, SoCalGas is providing via electronic data transfer due to the large file sizes responsive documents pertaining to contracts that are utilized by both the Balanced Energy IO and ratepayer funded accounts. Please note that a number of these documents contain confidential information and are provided pursuant to PUC Section 583, GO 66-D, D.17-09-023 and the accompanying declaration. To provide some additional clarification, contracts are not specific to a WOA. A single contract may be utilized by multiple organizations, programs, or initiatives. Materials and services provisioned under a contract are paid by the appropriate account, as determined by the employee who obtained the materials and services. Attached are contracts that have been utilized by both the Balanced Energy IO and ratepayer funded accounts; however, based on SoCalGas' previously stated objections, SoCalGas is not producing contracts that are exclusively shareholder funded.

Sincerely,

[REDACTED] Regulatory Affairs

Notification message

Package name SoCalGas Response - DR-05 Q8
Tags
Description

Files

<input type="checkbox"/>	File name	Date created	Size
<input type="checkbox"/>	 Signed Confidentiality Declaration_DR-05 Q8.pdf	10/16/2019 06:39 PM	224.4 KB
<input type="checkbox"/>	 DR-05 SoCalGas Response.zip	10/16/2019 06:39 PM	1,455.6 MB

Total: 1,455.8 MB

Download As Zip

PROOF OF SERVICE

I, Ashley Moser, declare as follows:

I am employed in the County of San Francisco, State of California, I am over the age of eighteen years and am not a party to this action; my business address is 555 Mission Street, Suite 3000, San Francisco, CA 94105-0921, in said County and State. On March 8, 2021, I served the following document(s):

PETITION FOR WRIT OF REVIEW, MANDATE, AND/OR OTHER APPROPRIATE RELIEF, MOTION FOR EMERGENCY STAY OR OTHER INJUNCTIVE RELIEF, DECLARATION OF JULIAN W. POON, AND PROPOSED ORDER, AND MEMORANDUM OF POINTS AND AUTHORITIES; IMMEDIATE RELIEF REQUESTED BY TUESDAY, MARCH 16, 2021 OF ORDER BY CALIFORNIA PUBLIC UTILITIES COMMISSION TO PRODUCE CONSTITUTIONALLY PROTECTED MATERIAL

EXHIBITS TO THE PETITION FOR WRIT OF REVIEW, MANDATE, AND/OR OTHER APPROPRIATE RELIEF (VOLUMES 1-10)*

on the parties stated below, by the following means of service:

<p>California Public Utilities Commission</p> <p>Rachel Peterson Executive Director 505 Van Ness Avenue, San Francisco, CA 94102 415-703-3808 Rachel.Peterson@cpuc.ca.gov</p> <p>Arocles Aguilar General Counsel 505 Van Ness Avenue, San Francisco, CA 94102 415-703-2015 Arocles.Aguilar@cpuc.ca.gov</p>	<p>California Advocates</p> <p>Elizabeth Echols Director 505 Van Ness Avenue, San Francisco, CA 94102 415-703-2588 elizabeth.echols@cpuc.ca.gov</p> <p>Darwin Farrar General Counsel 505 Van Ness Avenue, San Francisco, CA 94102 415-703-1599 darwin.farrar@cpuc.ca.gov</p> <p>Traci Bone Counsel 505 Van Ness Avenue, San Francisco, CA 94102 415-703-2048 traci.bone@cpuc.ca.gov</p>
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*Volume 10 was not served on California Advocates for reasons discussed in Petitioner’s Application for Leave to File Under Seal, but was served by messenger service to the California Public Utilities Commission and the Court of Appeal.

- BY MESSENGER SERVICE:** I placed a true copy in a sealed envelope or package addressed to the persons at the addresses listed above and provided them to a professional messenger service for delivery before 5:00 p.m. on the above-mentioned date.
- BY ELECTRONIC SERVICE THROUGH TRUEFILING:** I caused the documents to be electronically served through TrueFiling.
- BY ELECTRONIC SERVICE:** On the above-mentioned date at _____ [a.m./p.m] , I caused the documents to be sent to the persons at the electronic notification addresses as shown above.

- (STATE)** I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on March 8, 2021.



Ashley Moser