

SOUTHERN CALIFORNIA GAS COMPANY
(DATA REQUEST CALADVOCATES-SK-SCG-2020-01)
DATE RECEIVED: JANUARY 24, 2020
DATE SUBMITTED: FEBRUARY 7, 2020

In response to Questions 1 and 2 of SK-SCG-2019-01, SoCalGas states “[t]he consultant’s work is shareholder funded.” The “consultant’s work” is in reference to the approximately \$10,000 in consultant charges identified in SoCalGas’ response to Questions 3 and 4 of HB-SCG-2019-13.

QUESTION 1:

1. Has the referenced “consultant’s work” always been booked to shareholder funded accounts?
 - a. Please provide all journal entries for the referenced consultant contract showing the account charged and any transfers of charges between accounts.

RESPONSE 1:

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 and 314. The consultant’s work is shareholder funded. The information requested would reveal relationships and strategic business choices made by SoCalGas and others with whom it associates and chill the exercise of SoCalGas’ and other’s constitutional rights. See *e.g., NAACP v. Alabama* (1958) 357 U.S. 449, 462; *Perry v. Schwarzenegger* (9th Cir. 2010) 591 F.3d 1147, 1160. The appropriateness of the disclosure of this information is the subject of an appeal being reviewed by the full Commission. Subject to the above, and without waiving its objection, SoCalGas responds as follows:

Although the consultant charges have always been charged to the Balanced Energy internal order (IO) and the intent in setting up that IO was that it be shareholder funded, due to an inadvertent accounting error, the balanced energy IO was not initially properly designated as a shareholder account. That error was identified and fixed. See the response to question 4.

Journal entries related to the consultant charges are below. There were \$474.16 in expenses paid to the consultant related to the same scope of work. Through an inadvertent error, the consultant was paid two \$10,000 payments. SoCalGas is endeavoring to recover the second \$10,000 payment from the vendor and the amount has been removed to a receivable account. Pursuant to its objection, SoCalGas has not provided the vendor name in the first screenshot.

Posting Date	Ref. document number	Order	Cost Element	Cost element name	Val/COArea Crcy	Aux. acct assignment_1	Offsetting acct no.
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9/5/2019	1901415826	300796601	6220600	SRV-CONSULTING-OTHER	10,000.00	CTR 2200-2204	██████████
10/1/2019	1901419493	300796601	6220600	SRV-CONSULTING-OTHER	474.16	CTR 2200-2204	██████████
10/1/2019	1901419500	300796601	6220600	SRV-CONSULTING-OTHER	10,000.00	CTR 2200-2204	██████████

Posting Date	Ref. document number	Order	Cost Element	Cost element name	Val/COArea Crncy	Aux. acct assignment_1	Offsetting acct no.	Name
2/5/2020	10015014	300796601	6220600	SRV-CONSULTING-OTHEI	-10,000.00	CTR 2200-2204	4999969	Transfer to Correct Acct.

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Question 2 of SK-SCG-2019-01 requests SoCalGas to provide any and all documentary evidence that the above referenced consultant costs were charged to shareholders. In response to Question 2 of SK-SCG-2019-01, SoCalGas provides a screenshot of a table labeled “Display Invoice 1766820 (1/3),” and SoCalGas states “The consultant charges were charged to IO 30076601, Balanced Energy, which is shareholder funded.”¹

QUESTION 2:

Please provide any and all documentary evidence that the cost of the \$10,000 were charged to shareholders.

RESPONSE 2:

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 and 314. The consultant’s work is shareholder funded. The information requested would reveal relationships and strategic business choices made by SoCalGas and others with whom it associates and chill the exercise of SoCalGas’ and other’s constitutional rights. See *e.g., NAACP v. Alabama* (1958) 357 U.S. 449, 462; *Perry v. Schwarzenegger* (9th Cir. 2010) 591 F.3d 1147, 1160. The appropriateness of the disclosure of this information is the subject of an appeal being reviewed by the full Commission. SoCalGas objects to this request as overbroad in seeking “any and all documentary evidence.” Subject to the above, and without waiving its objection, SoCalGas responds as follows:

Please see SoCalGas’ Response to Question 2 of SK-SCG-2019-01. In addition, please see the below regarding the \$474.16 in expenses, which were charged to the Balanced Energy IO. The second \$10,000 was also charged to the Balanced Energy IO and SoCalGas is seeking repayment of that amount by the vendor. Pursuant to its objection, SoCalGas has redacted the vendor name, vendor ID, and the description of the activity.



¹ The correct IO is 300796601. (Emphasis added.)

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G/L Account	6220600	<input type="checkbox"/> V-CONSULTING-OTHER
Company Code	2200	Southern California Gas
		Doc. no. 1901419500
Line Item 2 / Debit entry / 40		
Amount	10,000.00	USD
Tax Code	I0	
Tax Jur.	CALOSCNTYLOS	
Additional Account Assignments		
Business Area	3000	
Cost Center	2200-2204	
	Order	300796601
	Plant	
Purchasing Doc.		0
Quantity	0.000	
Assignment	20191001	
Text		Long text

G/L Account	6220600	<input type="checkbox"/> V-CONSULTING-OTHER
Company Code	2200	Southern California Gas
		Doc. no. 1901419493
Line Item 2 / Debit entry / 40		
Amount	474.16	USD
Tax Code	I0	
Tax Jur.	CALOSCNTYLOS	
Additional Account Assignments		
Business Area	3000	
Cost Center	2200-2204	
	Order	300796601
	Plant	
Purchasing Doc.		0
Quantity	0.000	
Assignment	20191001	
Text		Long text

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G/L Account	6220600	<input type="checkbox"/> V-CONSULTING-OTHER
Company Code	2200	Southern California Gas
		Doc. no. 1901415826
Line Item 2 / Debit entry / 40		
Amount	10,000.00	USD
Tax Code	I0	
Tax Jur.	CALOSCNTYCNT	
Additional Account Assignments		
Business Area	3000	
Cost Center	2200-2204	Order 300796601
		Plant <input type="text"/> 
Purchasing Doc.	<input type="text"/> 0	
Quantity	0.000	<input type="text"/>
Assignment	20190905	
Text	<input type="text"/>	

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QUESTION 3:

Please provide any and all documentary evidence that the \$10,000 was the full amount of the charges associated with the consultant's work.

RESPONSE 3:

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 and 314. The consultant's work is shareholder funded. The information requested would reveal relationships and strategic business choices made by SoCalGas and others with whom it associates and chill the exercise of SoCalGas' and other's constitutional rights. See e.g., *NAACP v. Alabama* (1958) 357 U.S. 449, 462; *Perry v. Schwarzenegger* (9th Cir. 2010) 591 F.3d 1147, 1160. The appropriateness of the disclosure of this information is the subject of an appeal being reviewed by the full Commission. SoCalGas objects to this request as overbroad in seeking "any and all documentary evidence." Subject to the above, and without waiving its objection, SoCalGas responds as follows:

Through an inadvertent error, the consultant was paid two \$10,000 payments. SoCalGas is endeavoring to recover the second \$10,000 payment from the vendor. There were also \$474.16 in expenses paid to the consultant related to the same scope of work.

Vendor	[REDACTED]															
Company Code	2200															
Name	[REDACTED]															
City	[REDACTED]															
St	Account	CoCd	Type	DocumentNo	Reference	Doc..Date	Amount in local cur.	PBk	Assignment	Pstng Date	Entry Date	Check number	PayT	Blinc Date	Pmnt date	Date
		2200	KR	1901415826	INV-000062	08/28/2019	10,000.00-		[REDACTED]	09/05/2019	09/05/2019	2008386	ND00	08/28/2019	08/28/2019	09/11
		2200	KS	1901419493	INV-000064	09/04/2019	474.16-		[REDACTED]	10/01/2019	10/01/2019	2020703	ND30	09/27/2019	10/27/2019	11/04
		2200	KS	1901419500	000062	08/28/2019	10,000.00-		[REDACTED]	10/01/2019	10/01/2019	2020703	ND30	09/27/2019	10/27/2019	11/04
		2200					20,474.16-									
		2200					20,474.16-									
Vendor	*															
Company Code	*															
Name	*															
City	*															
St	Account	CoCd	Type	DocumentNo	Reference	Doc..Date	Amount in local cur.	PBk	Assignment	Pstng Date	Entry Date	Check number	PayT	Blinc Date	Pmnt date	Date
***							20,474.16-									

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QUESTION 4:

Please provide any and all documentary evidence that charges to IO 30076601 are shareholder funded.

RESPONSE 4:

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 and 314. The consultant’s work is shareholder funded. The information requested would reveal relationships and strategic business choices made by SoCalGas and others with whom it associates and chill the exercise of SoCalGas’ and other’s constitutional rights. See e.g., *NAACP v. Alabama* (1958) 357 U.S. 449, 462; *Perry v. Schwarzenegger* (9th Cir. 2010) 591 F.3d 1147, 1160. The appropriateness of the disclosure of this information is the subject of an appeal being reviewed by the full Commission. SoCalGas objects to this request as overbroad in seeking “any and all documentary evidence.” Subject to the above, and without waiving its objection, SoCalGas responds as follows:

See response to question 5. The Balanced Energy internal order (IO) 300796601 was created in March 2019 for tracking all costs associated with Balanced Energy activities and the intent was to make it a shareholder funded IO. However, an incorrect settlement rule was set up for this IO to FERC 920.0 A&G Salaries, consequently, the costs initially settled to the incorrect FERC account. On September 21, 2019, the SoCalGas Accounting Controller and Accounting Director met with the Strategy, Engagement & Chief Environmental Officer, and confirmed that the Balanced Energy activities should be classified as FERC 426.4 - Expenditures-Civic & Related Activities/Lobbying Costs.

The settlement rule was corrected on October 30, 2019 with an effective date of November 1, 2019. Accounting booked retroactive adjustments in November and December 2019 to correct the FERC account balances.

Order	300796601		BALANCED ENERGY									
Plan settlement			Version	2	Plan version 2 - FERC Dist							
Plan - Settlement Rules												
Cat	Settlement Receiver	Receiver Short Text	%	Equivalence no.	Sett...	No.	From...	From ...	To P..	To Fisc...	First Used	Last Used
CTR	F920000G	A&G SALARIES	100.00	0	PER	1	3	2019	9	2019	009/2019	009/2019
CTR	F426400G	EXP-CIVIC & RELATED	100.00	0	PER	2	10	2019	16	9999	012/2019	012/2019

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Order	300796601		BALANCED ENERGY									
Plan settlement			Version	2	Plan version 2 - FERC Dist							
Plan - Settlement Rules												
Cat	Settlement Receiver	Receiver Short Text	%	Equivalence no.	Sett...	No.	From...	From ...	To P...	To Fisc...	First Used	Last Used
CTR	F920000G	A&G SALARIES	100.00	0	PER	1	3	2019	9	2019	009/2019	009/2019
CTR	F426400G	EXP-CIVIC & RELATED	100.00	0	PER	2	10	2019	16	9999	012/2019	012/2019

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QUESTION 5:

Please describe in narrative form how SoCalGas accounts for, tracks, and distinguishes shareholder funded IOs and ratepayer funded IOs.

RESPONSE 5:

During the development of the general rate case (GRC) forecasts, it is sometimes necessary to remove incurred costs so that ratepayers are not funding activities that should be borne by shareholders. There are three main ways that SoCalGas is able to do this for internal orders. The first way is the FERC account that the internal order settles to. Certain FERC accounts such as 426.4 are automatically excluded from the financial information provided to the GRC teams for analysis. Secondly, all internal orders associated with a regulatory account are assigned a unique refundable code. For example, non-GRC refundable programs such as Energy Efficiency are assigned a unique refundable code so that it may be automatically excluded from the financial information provided to the GRC teams for analysis. Third, specific internal orders associated with activities that should be excluded from the GRC may be separately identified by specific internal order number as in the case of the Aliso Incident related expenses that were removed from the TY2019 GRC as ordered by the TY2016 GRC Final Decision (D.) 16-06-054, Ordering Paragraph (OP) 12.

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QUESTION 6:

Please provide any and all documentary evidence that shows SoCalGas will not seek to recover charges made to IO 30076601 in the next General Rate Case.

RESPONSE 6:

SoCalGas objects to this request as overbroad in seeking “any and all documentary evidence.” Subject to the above, and without waiving its objection, SoCalGas responds as follows:

See responses to questions 4 and question 5. The Balanced Energy IO has a FERC designation that will result in its automatic exclusion from the financial information provided to the GRC teams for analysis in its next General Rate Case. SoCalGas will not seek to recover charges made to IO 300796601 in the next General Rate Case.

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QUESTION 7:

Was the invoice for the “consultant’s work” matched to a purchase order?
a. If yes, please provide the purchase order.

RESPONSE 7:

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 and 314. The consultant’s work is shareholder funded. The information requested would reveal relationships and strategic business choices made by SoCalGas and others with whom it associates and chill the exercise of SoCalGas’ and other’s constitutional rights. See *e.g.*, *NAACP v. Alabama* (1958) 357 U.S. 449, 462; *Perry v. Schwarzenegger* (9th Cir. 2010) 591 F.3d 1147, 1160. The appropriateness of the disclosure of this information is the subject of an appeal being reviewed by the full Commission. Subject to the above and without waiving its objections, SoCalGas responds as follows:

No, the invoice for the consultant’s work was not matched to a purchase order.

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QUESTION 8:

Please provide the name(s) and title(s) of the SoCalGas employee who signed the contract with the consultant on SoCalGas' behalf.

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 and 314. The consultant's work is shareholder funded. Subject to the above, and without waiving its objections, SoCalGas responds as follows:

There was not a written contract between SoCalGas and the consultant.