

SOUTHERN CALIFORNIA GAS COMPANY

(DATA REQUEST CALADVOCATES-TB-SCG-2021-03)

Date Received: March 12, 2021

Date Submitted: March 22, 2021 – Qs 2, 4

Date Submitted: March 26, Qs 1, 3, 5-7

Date Submitted: March 31, Qs 8-10

GENERAL OBJECTIONS AND OBJECTIONS TO “INSTRUCTIONS”

1. SoCalGas objects to the Instructions and Definitions submitted by Cal Advocates on the grounds that they are overbroad and unduly burdensome. Special interrogatory instructions of this nature are expressly prohibited by California Code of Civil Procedure Section 2030.060(d). SoCalGas further objects to the Instructions to the extent they purport to impose requirements exceeding that required by CPUC General Order 66-D or the Discovery Custom and Practice Guidelines provided by the CPUC.
2. SoCalGas objects to the Data Request’s on the grounds that the deadline is contradictory. Cal Advocates says in the instructions that the response is due within ten business days, which would be March 26, 2021. But it sets a deadline of March 22, 2021, which is the sixth business day.
3. The highlighted sentence in the second paragraph under “General” states that if SoCalGas “acquire[s] additional information after providing an answer to any request, [it] must supplement [its] response following the receipt of such additional information.” SoCalGas objects to this instruction on the grounds that it is a continuing interrogatory expressly prohibited by Code of Civil Procedure § 2030.060(g), has no basis in the Commission’s Rules of Practice and Procedure, and exceeds that required by the Discovery Custom and Practice Guidelines provided by the CPUC.
4. The highlighted paragraph under “Responses” purports to require SoCalGas identify “the person providing the answer to each question and his/her contact information.” SoCalGas objects to this instruction because it has no basis in the Commission’s Rules of Practice and Procedure and exceeds that required by the Discovery Custom and Practice Guidelines provided by the CPUC.
5. The highlighted portion of the paragraph under “Requests for Clarification” purports to require SoCalGas to notify Cal Advocates “within five (5) business days” if “a request, definition, or an instruction is unclear”; the highlighted paragraph under “Objections” purports to require SoCalGas to “submit specific objections, including the specific legal basis to the objection . . . within five (5) business days”; and the highlighted portion of the paragraph under “Assertions of Privilege” in the “Instructions” section of this Request further purports to require SoCalGas to “assert any privilege for documents responsive to this data request . . . within five (5) business days.” SoCalGas objects to these requirements as unduly burdensome and unreasonable as SoCalGas cannot determine which aspects of the Request need clarification, formulate objections or identify privileged information and documents until SoCalGas has otherwise completed its investigation and prepared its response to the Request.
6. The highlighted paragraph under “Assertions of Confidentiality” purports to require SoCalGas, “[i]f it assert[s] confidentiality for any of the information provided,” to

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“please identify the information that is confidential with highlights and provide a specific explanation of the basis for each such assertion.” SoCalGas objects to this request the extent it purports to impose requirements exceeding the process for submitting confidential information to the Commission outlined in GO 66-D § 3, has no basis in the Code of Civil Procedure or the Commission’s Rules of Practice and Procedure, and exceeds that required by the Discovery Custom and Practice Guidelines provided by the CPUC.

7. The first highlighted paragraph under “Signed Declaration” purports to require SoCalGas to provide “a signed declaration from a responsible officer or an attorney under penalty of perjury that [SoCalGas has] used all reasonable diligence in preparation of the data response, and that to the best of [his or her] knowledge, it is true and complete.” SoCalGas objects to this instruction because it has no basis in the Code of Civil Procedure or the Commission’s Rules of Practice and Procedure, and exceeds that required by the Discovery Custom and Practice Guidelines provided by the CPUC. SoCalGas further objects to the extent it purports to limit SoCalGas from amending its responses should additional information be later discovered. SoCalGas reserves its right to amend its responses to these requests should additional information relevant to SoCalGas’s responses is discovered at a later date.
8. SoCalGas objects to the second highlighted paragraph under “Signed Declaration” to the extent it purports to impose requirements exceeding the process for submitting confidential information to the Commission outlined in GO 66-D § 3, has no basis in the Code of Civil Procedure or the Commission’s Rules of Practice and Procedure, and exceeds that required by the Discovery Custom and Practice Guidelines provided by the CPUC. SoCalGas further objects to this paragraph as unduly interfering with the attorney-client relationship and forcing waiver of the attorney-client privilege and attorney work product doctrines. This violates Evidence Code sections 954, 955, 915, and 912, and exceeds the power of the Commission by seeking to modify the legislatively mandated privilege. It further violates Cal. Code Civ. Pro. sections 128.7, 2018.030(a), and 2031.250(a), and as such exceeds the power of the Commission by setting rules in conflict with statute.
9. SoCalGas will produce responses only to the extent that such response is based upon personal knowledge or documents in the possession, custody, or control of SoCalGas, as set forth in the California Public Utilities Commission (“Commission or CPUC”) Rules of Practice and Procedure. SoCalGas’s possession, custody, or control does not include any constructive possession that may be conferred by SoCalGas’s right or power to compel the production of documents or information from third parties or to request their production from other divisions of the Commission.

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10. SoCalGas objects to the definition of “you,” “your(s),” “Company,” “SCG,” and “SoCalGas” to the extent it seeks information from Sempra Energy. The responses below are made on behalf of SoCalGas only.

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NONREFUNDABLE O&M (Q. 1 – 3)

In DATA REQUEST CALADVOCATES-SC-SCG-2019-05, Q. 13 Cal Advocates asked: “Is nonrefundable O&M ratepayer funded?”

On August 27, 2019, SoCalGas responded: “SoCalGas objects to this question as being vague, ambiguous, and overly broad. Subject to and without waiving the foregoing objections, SoCalGas responds as follows: SoCalGas understands this request to pertain to the Balanced Energy IO. The costs and activities tracked by the Balanced Energy IO are not funded by ratepayers.” This answer is unresponsive.

The following questions 1-3 seek to understand generally how the term “nonrefundable O&M” is used by SoCalGas for accounting purposes. These questions do not pertain specifically to the Balanced Energy IO and should not be construed as such.

QUESTION 1:

Please describe what the phrase “nonrefundable O&M” means for purposes of SoCalGas accounting instructions when that phrase is included on a Work Order.

RESPONSE 1:

SoCalGas objects to this question as being vague, ambiguous, and overly broad. SoCalGas also objects to this preamble as a misstating the factual record and argumentative.

SoCalGas and Cal Advocates met and conferred on the response to

CalAdvocates-SC-SCG-2019-05 (DR 5), Question 13 on September 27, 2019. SoCalGas then supplemented its answer on October 2, 2019.

Without waiving the General Objections and the Objections to the Instructions and the specific objections above, SoCalGas responds as follows:

For the purposes of SoCalGas accounting, “nonrefundable O&M” means costs that are not expected to be recovered through a mechanism outside of the general rate case. Costs expected to be recovered through a mechanism outside of the general rate case may, for example, be associated with a balanced, or “refundable” program, and therefore recorded in a balancing account. As noted in response to CalAdvocates-SC-SCG-2019-05 (DR 5), Question 13, balancing accounts are commonly referred to as “refundable” accounts. A balancing account is an account used to match the collection of actual revenues against actual costs after an adjustment for unanticipated changes in expenditures. Refundable O&M refers to O&M costs that are subject to balancing account treatment. Alternatively, non-refundable O&M refers to O&M costs not subject to balancing account treatment.

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In most cases, the phrase “nonrefundable O&M” is not included on a Work Order. As noted in the work order authorization instructions provided in CalAdvocates-TB-SCG-2020-04 (15th in series), field #15 “Regulatory Program/User Defined Field” is the area designated to identify an internal order/project as a balanced program. If this box is left blank, the costs associated with the order would be considered nonrefundable O&M, i.e., not associated with a balanced program.

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QUESTION 2:

If the phrase “All costs should be nonrefundable O&M” was included in a Work Order, would it be understood by accounting staff to require them to book all costs associated with the Work Order to a below the line account?

RESPONSE 2:

SoCalGas objects to this request on the grounds that it has been asked and answered. Without waiving this objection, the General Objections and the Objections to the Instructions, SoCalGas responds as follows:

Please refer to the responses to data request CalAdvocates-SC-SCG-2019-05 (Question 13), as amended on October 2, 2019. As explained in that response and during SoCalGas’ and CalPA’s September 27, 2019 meet and confer regarding SC-SCG-2019-05, Q8, non-refundable O&M can be either ratepayer funded or shareholder funded. As such, if the phrase “All costs should be nonrefundable O&M” was included in a Work Order, it does not dictate that the associated costs should be recorded to a below the line account. As noted in WOA instructions provided in response 1 above, the FERC account listed on the WOA dictates which account to record the associated costs to.

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QUESTION 3:

Please provide all Work Orders initiated from January 1, 2017 to February 28, 2021 that contain any of the following phrases:

- a. nonrefundable O&M
- b. non-refundable O&M
- c. nonrefundable operations and maintenance
- d. non-refundable operations and maintenance
- e. nonrefundable operations & maintenance
- f. non-refundable operations & maintenance

RESPONSE 3:

SoCalGas objects to this Request as overly burdensome as it would require SoCalGas to examine approximately 1,300 SoCalGas internal O&M workorders initiated from January 1, 2017 to February 28, 2021, some of which are located at the Company's Gas Company Tower location which is currently difficult to access in light of the current COVID-19 pandemic. Without waiving this objection, the General Objections and the Objections to the Instructions, SoCalGas responds as follows:

As noted in the response to Question 2 above, it is the FERC account listed on the WOA that dictates which account to record costs to, not whether the phrase "nonrefundable O&M" or a variation of that phrase, is included.

There are approximately 1,300 SoCalGas internal O&M workorders initiated from January 1, 2017 to February 28, 2021, (refer to attached listing – "Response 3"). This attached listing includes all O&M WOAs opened during the requested timeframe. Please note that some of these WOAs are hard copies maintained at the Company's Gas Company Tower location and will take time to obtain in light of the current COVID-19 pandemic there is not an automated process to search for the verbiage identified in this request. In order to respond to this request, each WOA will need to be reviewed to determine if the verbiage identified in this question is mentioned on the WOA. SoCalGas requests that you indicate which of the WOAs on the attached list you would like to review and then copies can be provided for your review. It is possible that capital work orders could contain the term "nonrefundable O&M."

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AUDIT PREPARATION (Q.4 – 10)

QUESTION 4:

Please provide all accounting instructions provided to SoCalGas accounting staff associated with the Balanced Energy Internal Order, also known as IO 300796601 (Balanced Energy IO).

RESPONSE 4:

SoCalGas objects to this request to the extent it has already been asked and answered. Without waiving this objection, the General Objections and the Objections to the Instructions, SoCalGas responds as follows:

Our Accounting staff follows the published policies when establishing new work orders.

Please refer to the responses to data request CalAdvocates-SC-SCG-2019-04 (Question 2) in which the SEU Approval and Commitment Policy. In response to data request CalAdvocates-TB-SCG-2020-04 (Questions 7 and 8) SoCalGas provided the Work Order Authorization Instructions and the SoCalGas Approval and Commitment Procedures which outline the standardized process and accounting procedures for approval and documentation of disbursements and financial commitments. In addition, see the FERC Uniform System of Accounts, FERC Gas Chart of Accounts, SEU FERC Subaccounts for SoCalGas and SoCalGas Approval and Commitment Policy document which replaces the SEU Approval and Commitment Policy for SoCalGas, all of which were submitted in data request CalAdvocates-TB-SCG-2021-02 (Question 5).

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QUESTION 5:

Please identify the SoCalGas staff who approved recording costs associated with the Balanced Energy IO to FERC Account No. 920 and any documentation regarding the recording instructions.

RESPONSE 5:

SoCalGas objects to this request to the extent it has already been asked and answered. Without waiving this Objection, the General Objections and the Objections to the Instructions, SoCalGas responds as follows:

The Balanced Energy WOA was approved by Alan Caldwell and Sharon Tomkins; however, as stated in response to data request CalAdvocates-SK-SCG-2020-01 Question 4, “an incorrect settlement rule was setup for this IO to FERC 920.0 A&G Salaries, consequently, the costs initially settled to the incorrect FERC account.” It was subsequently verbally communicated that the Balanced Energy activities should be classified as FERC 426.4 by Vice President of Accounting and Finance and Vice President of Strategy and Engagement. Please note that SoCalGas’s response to CalAdvocates-SK-SCG-2020-01 Question 4 contains different titles for the two employees involved in the verbal communications. This response refers to the same two employees but contains the correct titles at the time of the verbal communication.

See the Balanced Energy WOA submitted by SoCalGas in data request CalAdvocates-SC-SCG-2019-04 (Question 1) and subsequently submitted in an e-mail dated September 12, 2019.

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QUESTION 6:

Please identify the SoCalGas staff who approved recording costs associated with the Balanced Energy IO to FERC Account No. 426.4 and any documentation regarding the recording instructions.

RESPONSE 6:

SoCalGas objects to this request to the extent that it has already been asked and answered. Without waiving this objection, the General Objections and the Objections to the Instructions, SoCalGas responds as follows:

Sharon Tomkins. In response to data request CalAdvocates-SK-SCG-2020-01 Question 4, SoCalGas stated “an incorrect settlement rule was setup for this IO to FERC 920.0 A&G Salaries, consequently, the costs initially settled to the incorrect FERC account.” It was subsequently verbally communicated that the Balanced Energy activities should be classified as FERC 426.4 by Vice President of Accounting and Finance and Vice President of Strategy and Engagement. Please note that SoCalGas’s response to CalAdvocates-SK-SCG-2020-01 Question 4 contains different titles for the two employees involved in the verbal communications. This response refers to the same two employees but contains the correct titles at the time of the verbal communication.

See the screen shot below, which is the FERC accounting of Balance Energy Internal Order. It shows that from date of creation in March 2019 through September 2019, the FERC accounting was FERC 920. Starting October 2019 to present the FERC accounting is FERC 426.4. All costs prior to October 2019 was reclassified via journal entries from FERC 920 to FERC 426.4



Cat	Settlement Receiver	Receiver Short Text	%	Equivalence no.	Se... No.	Fro...	From...	To ...	To Fl...	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	002/2021	002/2021

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QUESTION 7:

Please provide all Work Orders to which Marathon Communications invoices have been charged between January 1, 2017 and February 28, 2021.

RESPONSE 7:

SoCalGas objects to this request to the extent that it has been asked and answered. Without waiving this objection, the General Objections and the Objections to the Instructions, SoCalGas responds as follows:

See the Balanced Energy WOA submitted by SoCalGas in data request CalAdvocates-SC-SCG-2019-04 (Question 1) and subsequently submitted in an e-mail dated September 12, 2019.

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QUESTION 8:

Please provide all Work Orders to which Imprenta Communications Group invoices have been charged between January 1, 2017 and February 28, 2021.

RESPONSE 8:

SoCalGas objects to this request to the extent that it has been asked and answered. Without waiving this objection, the General Objections and the Objections to the Instructions, SoCalGas responds as follows:

The below table shows the internal orders in which Imprenta Communications invoices have charged between the requested timeframe.

300347245	CARE OUTREACH
300347265	DAP - ADVERTISING (MASS MEDIA)

The CARE and DAP WOAs are either located at the Gas Company Tower or an off-site storage facility. Due to Covid-19 restrictions, SoCalGas will update the response as needed at a future date.

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QUESTION 9:

SoCalGas' August 13, 2019 response to Data Request CALPA-SCG-051719, Q 4 represented that all costs associated with certain contracts SoCalGas has with Marathon Communications and Imprinta Communications Group would be paid by shareholders.

Please:

- a. Identify by contract number the specific contracts SoCalGas was referring to in this data response; and
- b. Provide accounting documentation demonstrating that all invoices associated with these contracts have been booked to shareholder accounts.

RESPONSE 9:

SoCalGas objects to this request to the extent that it has been asked and answered. Without waiving this objection, the General Objections and the Objections to the Instructions, SoCalGas responds as follows:

- a. The contract referred to in SoCalGas' response to Data Request CALPA-SCG-051719, Q 4 was agreement #5660052135 between SoCalGas and Marathon.

As stated in SoCalGas' response to Data Request CALPA-SCG-051719, Q 4 SoCalGas does not have a direct contractual relationship with Imprinta Communications pertaining to C4BES. SoCalGas had a contractual relationship with Marathon Communications Incorporated, who contracted with Imprinta Communications.

- b. See attachment "Response 9b_Confidential." The attachment contains information that is *Confidential and Protected Material pursuant to PUC Section 583, GO 66-D, D.17-09-023.*

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QUESTION 10:

SoCalGas' August 13, 2019 response to Data Request CALPA-SCG-051719, Q 3 represented that "all of George Minter's and Ken Chawkins's time from May 1, 2018 through the present would be shareholder funded" For the period May 1, 2018 to February 28, 2021, please:

- a. Identify by FERC account number all accounts where such costs have been booked;
- b. Identify whether the costs identified in response to Question 10.a include pension and benefits; and
- c. If these costs do not include pension and benefits, please quantify the cost to SoCalGas of these employees' pensions and benefits for the period May 1, 2018 to February 28, 2021, broken down by year.

RESPONSE 10:

SoCalGas objects to this request to the extent that it has already been asked and answered. Without waiving this objection, the General Objections and the Objections to the Instructions, SoCalGas responds as follows:

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

a. Minter's productive time was initially booked to FG9200002200. Subsequent journal entries were made to reclass his time to the Balanced Energy IO 300796601 which now settles to FERC 426.4 (below-the-line).

Chawkins' productive time was initially booked to FG9200002200 and FG9307002200. Subsequent journal entries were made to reclass his time to the Balanced Energy IO 300796601 which now settles to FERC 426.4 (below-the-line).

In the interest of transparency, [REDACTED]

[REDACTED] that were charged to FG9200002200 and has been reclassified to FERC 426.4 (below-the-line).

b. No

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c. See attached response “Response 10c_Confidential.” The attachment contains information that is *Confidential and Protected Material pursuant to PUC Section 583, GO 66-D, D.17-09-023.*