

NDC-SEU DATA REQUEST-008
SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8
DATE RECEIVED: APRIL 3, 2018
DATE RESPONDED: APRIL 20, 2018

1. The utility response to NDC-01 Q9 indicates that in 2014, “additional FTEs” were needed in the Supplier Diversity team to address Supplier Relationship Management workload. Then in 2015, “the two additional FTEs transitioned back into other functions within Supply Management.”

a. Please confirm that in 2014, only two additional FTEs were added to the Supplier Diversity team. If this is incorrect, please explain how many FTEs were actually added in 2014 and why.

b. Why were the two FTEs transition back into other functions within Supply Management in 2015? What functions were they transitioned into?

c. Is “Supplier Relationship Management” or substantially similar work still within the scope of the Supplier Diversity team?

Utilities Response 1:

a. Confirmed. In 2014, two FTEs were moved from the Policy and Integration organization to the Supplier Diversity team to manage the Supplier Relationship Management (SRM) program.

b. In 2015, the two FTEs supporting the SRM program were moved back to the Policy and Integration organization to concentrate on a centralized support organization for supplier engagement.

c. No, Supplier Diversity is not managing the SRM programs.

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2. Why is the supplier diversity spending goal for SoCalGas (38%) lower than the goal for SDGE (40%)?

Utilities Response 2:

Each utility company sets its own supplier diversity spending goals based on discussions that take place with each department. These discussions include planned projects by each department, prior year spend and projected spend and prior year results. Once this information is collected, a stretch goal is agreed upon with the DBE advisor and the department head.

Although SCG has a stretch goal of 38%, we have exceeded the 40 percent mark for the last six years with the exception of 2016, when our results were 35 percent. SDG&E has exceeded the 40 percent mark for the last 5 years.

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3. Why have SoCalGas and SDGE not raised their supplier diversity spending goals for the upcoming GRC period?

Utilities Response 3:

SoCalGas and SDG&E supplier diversity stretch goals are reviewed and set on an annual basis. Each utility company determines its own supplier diversity spending goals based on discussions that take place with each department. These discussions include planned projects by each department, prior year and projected future spend and prior year results.

In recent years we have begun to look at the overall quality of our program. We look at the value and impact our supplier diversity program is having on our communities and also how we can grow the capacity of our current diverse suppliers and recruiting more qualified new suppliers. Our goals are set accordingly and are not arbitrarily increased.

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4. What are the greatest challenges for the utilities in increasing their supplier diversity spending?

Utilities Response 4:

Please see the responses to questions 2 and 3 above for an explanation as to how our goals are set. Both SDG&E and SCG are currently working on major infrastructure improvement projects that require highly specialized and skilled contractors. One of our challenges is identifying diverse companies that possess these specialized skills that are required to work on our infrastructure. Finding and developing companies that can perform this type of work requires time. Regulations and high-risk services drive insurance requirements that can create barriers of entry for many large and small companies, not just diverse businesses. High commercial general liability insurance requirements are one of our largest barriers to performing certain scopes of work in our service territories.

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5. How are the utilities attempting to address challenges to increasing their supplier diversity spending?

Utilities Response 5:

We are working with a number of our key diverse suppliers to partner with our larger prime suppliers that are working on large capital projects. These prime suppliers provide coaching and mentoring programs to these diverse companies that help build capacity to allow them to eventually take on prime contracting roles.

We are working with our Community-Based Organizations (CBOs) and business organizations to educate and enhance their knowledge of the type of work our utilities are performing and upcoming projects. In the past, these organizations have served as a pipeline for recruiting and vetting WMDVLGBT business enterprises. By working more closely with these organizations and enhancing their knowledge of our operations, they will be better equipped to effectively identify and vet suppliers who have the skills and capabilities to perform work for us.

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6. Why do Supplier Diversity labor costs for 2016 indicate only 0.7 FTEs? (SCG-22-WP at 40).

Utilities Response 6:

Historical FTEs, as reflected in 2016, were reduced to adjust for employees that were working on the Aliso Canyon Incident. Please see the Direct Testimony of Andrew E. Steinberg (SCG-12) for details of how Aliso Canyon costs are reflected in the case. These employees resumed their routine supplier diversity workload upon returning from their temporary assignment.

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7. How many FTE's were actually in SoCalGas' Supplier Diversity department in 2017? How many FTE's are currently in SoCalGas' Supplier Diversity department?

Utilities Response 7:

SoCalGas' Supplier Diversity department had 4.5 FTEs for 2017. The department is currently staffed at five people.

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8. How many FTE's were actually in SDGE's Supplier Diversity department in 2017? How many FTE's are currently in SDGE's Supplier Diversity department?

Utilities Response 8:

SDG&E had 5 FTEs in the Supplier Diversity department in 2017. Currently SDG&E has 4 FTEs and 1 vacancy to get filled in May 2018.

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9. How is a Disadvantaged Community (DAC) defined, as used in SoCalGas and SDGE Customer Service related testimony?

Utilities Response 9:

Both SDG&E and SoCalGas typically utilize the CalEPA definition of Disadvantaged Community (DAC) using the California Communities Environmental Health Screening Tool (“CalEnviroScreen”). CalEnviroScreen was developed by the Office of Environmental Health Hazard Assessment to identify communities in California most burdened by pollution from multiples sources and most vulnerable to its effects, taking into account socioeconomic characteristics and underlying health status. Disadvantaged communities are identified by census tract and are those that scored at or above the 75th percentile.

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10. How is the effectiveness of ongoing communications to minority customers currently tracked, measured, and evaluated at each of the utilities? Also describe any surveys and the results that SDGE or SoCalGas have used to evaluate understanding among non-English language and multicultural customers since 2012 (SDGE-19 at LCD-37). Explain how the utilities currently “measure customer knowledge and awareness across different key demographic and socio-economic segments” (SCG-20-R at ASC-21).

Utilities Response 10:

SDG&E: Communications to minority and in-language communications are measured in the same manner as English language communications. For digital communications, the standard measures of open rates (email), click through and use of website (time on site, bounce rate, etc.) are used to evaluate effectiveness. For traditional communications using primarily print publications and direct mail, visits to websites listed as “calls to action” and reply cards are used for measurement. The majority of minority and in-language communications in recent years have been in support of the Customer Assistance programs (CARE/ESA) or the more recent TOU Default Pilot, both of which are funded through proceedings other than GRC.

There were no Multicultural and Language surveys conducted between 2012 and 2017.

Please refer to the response to NDC-SEU-DR-006, Question 7 for the criteria and metrics SDG&E uses to evaluate the effectiveness of the current marketing and outreach efforts specifically or primarily targeted toward minority and low-income ratepayers.

SoCalGas: Please see the response of SoCalGas to NDC-SEU-DR-006, Question 5. SoCalGas evaluates and measures the effectiveness of all communications by tracking the performance of campaign messaging tactics uniformly across all customer sectors. Analysis of metrics and performance for each media channel are conducted at the culmination of the campaign, and results of the analysis are considered during the planning of following campaign strategies.

As necessary, SoCalGas conducts quantitative and qualitative customer research and data analysis to evaluate and anticipate customer needs and expectations. Every two years (2012, 2014, and 2016), SoCalGas conducts a mandated Pipeline Awareness research study with customers to assess awareness of SoCalGas natural gas pipeline safety information. Metrics may include incidence of awareness, sources of awareness, and specific messages recalled. For this study, results from customers who take the survey in Spanish are compared to results of customers who take the survey in English.

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11. How much has SoCalGas spent on Communications Campaign Analysis or similar activities each year since 2012? How has SoCalGas measured the effectiveness of these activities?

Utilities Response 11:

SoCalGas does not track communication campaign analysis costs at this level. Generally, campaign analysis costs are included in the overall campaign cost and cannot be broken out separately. SoCalGas has spent approximately \$95k on the mandated Pipeline Awareness research study since 2012 (approximately \$30K per year in 2012, 2014 and 2016). Please see SoCalGas' response to NDC-SEU-DR8, Question 10 regarding how SoCalGas has measured effectiveness of these activities.

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12. What type of Communications Campaign Analyses does SoCalGas plan to use in the upcoming GRC period? How does it differ from previous Communications Campaign Analyses or similar activities used since 2012?

Utilities Response 12:

SoCalGas will continue conducting communication campaign analysis of metrics and their performance, as stated in response to NDC-SEU-DR8, Question 10, to determine reach, effectiveness and overall engagement of campaign messaging tactics used. Specific to each campaign, the strategic approach of future communications and campaign efforts may be modified based on analysis of campaign performance year over year.

In addition to these activities, SoCalGas is requesting resources as stated in Exhibit SCG-20-R, beginning at ASC-20, line 28 through ASC-21, line 19, to expand in this area by conducting yearly qualitative analysis to measure knowledge and awareness around topics such as natural gas safety, conservation communications, and program offerings and their benefits in our DACs across different demographic and socio-economic segments. Information from this analysis will be used for campaign planning.

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13. How much has SoCalGas spent on Spanish Communication Campaign Analysis or similar activities each year since 2012? How has SoCalGas measured the effectiveness of these activities?

Utilities Response 13:

Costs related to targeted campaign analysis on topics such as Spanish communications are included in the overall campaign cost and cannot be broken out separately. For example, for the mandated Pipeline Awareness research study, cost for the analysis of the Spanish-language subgroup results are included in the overall study cost, discussed in the response to NDC-SEU-DR8, Question 11, and cannot be broken out separately. Please see SoCalGas' response to NDC-SEU-DR8, Question 10 regarding how SoCalGas has measured effectiveness of campaign activities.

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14. What type of Spanish Communication Campaign Analyses does SoCalGas plan to use in the upcoming GRC period? How does it differ from previous Spanish Communication Campaign Analyses or similar activities used since 2012?

Utilities Response 14:

SoCalGas will continue conducting communication campaign analysis of metrics and their performance, as stated in response to NDC-SEU-DR8, Question 10, to determine reach, effectiveness and overall engagement of campaign messaging tactics, including tactics applied to channels that target spanish-speaking customers. Specific to each campaign, the strategic approach of future communications and campaign efforts may be modified based on analysis of campaign performance year over year.

SoCalGas expects to continue conducting the mandated pipeline awareness research study, which includes the Spanish-language subgroup comparison. Aside from the pipeline awareness research study, SoCalGas does not conduct regular Spanish campaign analysis. SoCalGas is requesting resources as stated in Exhibit SCG-20-R, page ASC-21, lines 15 to 19, to expand in this area by conducting yearly Spanish-language qualitative analysis to better understand customer knowledge and awareness around topics such as natural gas safety, crisis, and conservation communications, among the growing Spanish dominant population. Information from this study will be used for campaign planning.

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15. For each year since 2012, describe the actionable plans that have resulted from Communication Campaign Analyses, and the effect upon marketing to minority customers.

Utilities Response 15:

Since 2012, SoCalGas has targeted all customers, including minority groups, through various mass marketing campaigns, which have included the General Safety campaign, Customer Assistance Programs campaign and Winter conservation campaign. Campaigns are evaluated year-over-year where creative strategies have changed from campaign to campaign. SoCalGas has executed and deployed modifications to communications tactics that target Spanish-speaking, Asian and African-American audiences as a result of this evaluation and have included varying tactics across print, radio, signage, video, mobile, out-of-home, traditional broadcast, sponsorships and customer collateral modes of communication.

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16. SoCalGas states that the Digital Engagement team requires additional resources in order to achieve, among other things, increased video productions to target DACs (SCG-20-R at ASC-22)

- a. How much will be budgeted specifically to produce videos that target DACs?
- b. What topics will videos that target DACs cover?
- c. What languages will videos targeting DACs be available in?
- d. Where will videos targeting DACs be accessible?

Utilities Response 16:

- a. Please refer to Exhibit SCG-20-R, Table AC-10, which begins on page ASC-18. The Digital Engagement portion of the request begins on page ASC-19.
- b. SoCalGas has many tariffed products and services that can assist low-income customers and residents of DACs. Paperless billing to reduce postage fees, how to locate authorized payment locations, and our level pay plan that provides consistent monthly bill amounts are some examples that may be included. The final video topics are yet to be defined and could include those topics or others that inform our DACs on program offerings, benefits, and climate change impacts.
- c. English and Spanish language versions are anticipated, additional language needs will be assessed once the final content is defined.
- d. SoCalGas expects that the videos will be accessible through www.socalgas.com and www.youtube.com.

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17. The decision in the Sempra 2016 GRC approve funding to support rate reform and time-of-use marketing and outreach activities.

- a. How much did SoCalGas and SDGE each budget towards rate reform and time-of-use marketing and outreach activities for the 2016 GRC period?
- b. Did SoCalGas and SDGE implement all their planned rate reform and time-of-use marketing and outreach activities? If not, for the activities not implement, explain why not, and specify the amount that was budgeted for those activities.

Utilities Response 17:

- a. SDG&E forecasted and was authorized \$2 million (in BY 2013\$) in the TY 2016 GRC case (D.16-06-054) to educate customers on rate education topics.

Rate reform and time-of-use are electric rate activities and are not applicable to SoCalGas' GRC. As such, SoCalGas did not request any funds in the TY 2016 GRC to support these activities nor have these activities been forecasted in the SoCalGas TY 2019 GRC period.

- b. Of the \$2M forecast authorized for 2016, approximately \$300,000 was spent. The underspending was primarily due to the fact that rate reform progressed at a slower pace than was initially anticipated, resulting in changes in timing and subsequent delays in overall implementation of major rate reform Marketing Education & Outreach (ME&O) activities. Rate education communications have previously included messaging around the tier collapse (4 tiers to 2 tiers), seasonal price changes, tips and solutions, and the introduction of the High Usage Charge (HUC). Due to the shift in timing and regulatory approvals, many of the communications slated for 2016 did not begin their deployment until mid to late 2017.

Going forward, the remaining \$1.7 million budget will be used to build upon previous communication efforts undertaken during the 2015 – 2017 timeframe. Communications and outreach activities supported by the GRC authorization will continue to create awareness and understanding with both business and residential customers regarding ongoing changes occurring with rates, including TOU peak period changes (11am to 6pm on-peak time period moving to 4pm to 9pm), the variety of pricing plan options for both business and residential customers, HUC for residential customers and Net Energy Metering (NEM) customer education. Messaging will focus primarily on awareness and education around rate changes and choices customers have that can give them better control over their bills. Tactics will include direct communications (mail and email),

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Utilities Response 17 Continued:

educational brochures, on-bill messaging/bill inserts, website, videos, outbound call campaigns to vulnerable and hard-to-reach customers, community presentations and events with Community Based Organizations (CBOs), partner materials and workshops.

For SoCalGas, please refer to the response to Question 17(a) above.

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18. Provide further details on the Multicultural and Language Survey (SDGE-19 at LCD-37).

- a. How was the \$115,000 cost estimate calculated?
- b. How will the survey target audiences such as Chinese, Filipino, Vietnamese and African Americans?
- c. How will the survey inform the new multicultural campaign scheduled to launch in 2019?

Utilities Response 18:

- a. The estimated cost for the Multicultural and language survey of \$115,000 was based on the opinion of experts in the industry who have conducted similar studies.
- b. SDG&E will work with the multicultural research supplier selected to develop the survey targeting strategy.
- c. The survey will be leveraged to develop insights to better communicate with multicultural audiences. Based on the results of the survey and other research data, the campaign will be adapted to the findings, which may include alteration to messaging, graphics, mode of communication and timing.

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19. Provide further details on the Multicultural Campaign (SDGE-19 at LCD-38).

- a. How was the \$450,000 cost estimate calculated? Describe the prior campaigns that provide the historical figures that are the basis of estimated costs.
- b. How were the target Asian languages (Vietnamese, Chinese, Tagalog) selected?

Utilities Response 19:

- a. The \$450,000 estimate was based on historical campaign spending for efforts that reached ethnic audiences, defined as African-American, Spanish speaking and the predominant Asian languages in the region. A key model for these costs are the efforts focused on promoting CARE and Energy Savings Assistance (ESA) programs.

As provided in ORA-SDGE-131-CY3, Q8, below is a table of the cost estimates:

Multicultural Campaign	Cost Forecast in Constant 2016 (\$000)
Agency Planning	\$35
Media Planning	\$25
Creative Development	\$50
Spanish Radio	\$35 per quarter X 4 = \$140
Multilanguage Newspaper Advertising	\$20 per quarter X 4 = \$80
Multilanguage Digital Banner Ads	\$30 per quarter X4 = \$120
Total	\$450

- b. The Asian languages were selected based on various sources showing the largest groups of languages in the region. Sources included: <https://statisticalatlas.com/county/California/San-Diego-County/Languages> and <https://datausa.io/profile/geo/san-diego-county-ca/#demographics> The Company also considered the range of languages provided through local established media channels.

A screenshot from Statisticalatlas.com is shown below:

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Utilities Response 19:-Continued

