

**R.13-11-005**

**Order to Show Cause Against Southern California Gas Company Issued December 2, 2019**

# **Sierra Club Exhibit**

## **Exhibit SC-13**

**Sierra Club-011\_SoCalGas Response (Oct. 27, 2020)**

**ORDER INSTITUTING RULEMAKING CONCERNING ENERGY EFFICIENCY ROLLING  
PORTFOLIOS, POLICIES, PROGRAMS, EVALUATION, AND RELATED ISSUES**

**(R.13-11-005)**

**SOUTHERN CALIFORNIA GAS COMPANY**

**(DATA REQUEST SIERRA CLUB-SOCALGAS-11)**

**DATE RECEIVED: OCTOBER 13, 2020**

**DATE SUBMITTED: OCTOBER 27, 2020**

---

**QUESTION 1:**

Please refer to SoCalGas' Revised Response to Sierra Club's Eighth Set of Data Requests, dated October 9, 2020.

- a. Please explain what a "cost center" is, and what purpose cost centers serve in SoCalGas' accounting system.
- b. Please explain what an "internal order" (or "IO") is, and what purpose IOs serve in SoCalGas' accounting system.

**RESPONSE 1:**

- a. A "cost center" is an object that represents the lowest organizational level of responsibility for a budget. The cost center addresses "who" in the organization bought the material or service.
- b. An "internal order" (or "IO") is an object that tracks the program, project and FERC account identifier for the transaction. Normally used to plan, collect, and settle costs of internal jobs and tasks. The internal order addresses "why" the charge was incurred or the reason for the expense. SoCalGas has two general types of internal orders known as statistical and real internal orders. Internal orders that start with FG are statistical orders that represent a single FERC account. Internal orders that start with 300xxxxxx are real internal orders that may settle to one or more FERC accounts.

**ORDER INSTITUTING RULEMAKING CONCERNING ENERGY EFFICIENCY ROLLING PORTFOLIOS, POLICIES, PROGRAMS, EVALUATION, AND RELATED ISSUES**

**(R.13-11-005)**

**SOUTHERN CALIFORNIA GAS COMPANY**

**(DATA REQUEST SIERRA CLUB-SOCALGAS-11)**

**DATE RECEIVED: OCTOBER 13, 2020**

**DATE SUBMITTED: OCTOBER 27, 2020**

---

**QUESTION 2:**

Please refer to SoCalGas' Revised Response to Sierra Club's Eighth Set of Data Requests, Question 2(b) and 2(e), dated October 9, 2020. For each of the following cost centers, please state:

- a. The purpose of the cost center;
- b. Whether SoCalGas collects any portion of the funds attributed to that cost center from ratepayers through its general rate cases;
- c. Whether SoCalGas collects any portion of the funds attributed to that cost center from ratepayers through the DSMBA;
- d. Whether the cost center is fully shareholder-funded.

Cost centers:

- 2200-2396
- 2200-2609
- 2200-2441
- 2200-2362
- 2100-4004
- 2200-1212
- 2200-2288

**RESPONSE 2:**

SoCalGas objects to this request to the extent it effectively seeks to pre-litigate the next General Rate Case (GRC). The allocations and valuations requested are not litigated until the next GRC where the 5-year historical period of actual costs is examined. As such, this request, in its current scope, is premature because the ultimate funding for the activities has not yet been determined or "allocated." As noted in the TY2019 GRC workpapers, not all costs recorded to the cost centers are requested for recovery from ratepayers. During the development of the GRC forecasts, it is sometimes necessary to remove incurred costs to further ensure that ratepayers are not funding activities that should be borne by shareholders. SoCalGas reserves the right to supplement, clarify or amend the following response due to its vague and premature nature in pre-litigating GRC activities. Without waiving these objections, SoCalGas responds as follows: For the purposes of this data request response, the purpose listed in the table below, is the cost center name as it was when the TY 2019

**ORDER INSTITUTING RULEMAKING CONCERNING ENERGY EFFICIENCY ROLLING PORTFOLIOS, POLICIES, PROGRAMS, EVALUATION, AND RELATED ISSUES**

**(R.13-11-005)**

**SOUTHERN CALIFORNIA GAS COMPANY**

**(DATA REQUEST SIERRA CLUB-SOCALGAS-11)**

**DATE RECEIVED: OCTOBER 13, 2020**

**DATE SUBMITTED: OCTOBER 27, 2020**

GRC was filed in October 2017 or the current name, for those cost centers that may not have existed at the time the TY 2019 GRC was filed. For the “GRC Funding” column and the “DSMBA Funding” column, SoCalGas bases its response on cost recovery information from its latest GRC and posted expenses to internal orders established to track DSMBA activities, as well as whether costs for years not covered by the last GRC are currently in accounts designated as Above-the-Line (“ATL”) or Below-the-Line (“BTL”).

<b>Cost Center</b>	<b>Purpose</b>	<b>GRC Funding</b>	<b>DSMBA Funding</b>	<b>Fully Shareholder Funded*</b>
2200-2396	Energy & Environmental Policy	Yes	Note 1	No
2200-2609	State Regulatory Affairs	Not presented**	No	No
2200-2441	Regional VP External Affairs & Environmental Strategy	Yes	No	No
2200-2362	Legal – Commercial & Environmental	Yes	No	No
2100-4004	State Government Affairs (SDG&E cost center)	No	No	Yes
2200-1212	Director of Environmental Policy	Not presented***	No	No
2200-2288	Environmental Affairs	Yes	No	No

Note 1: Cost Center 2200-2396 recorded minimal amounts to the DSMBA in years 2015 and 2016. Since that time, there have been no costs associated with this cost center recorded in the DSMBA.

\* Sierra Club’s question only requests information on whether specific cost centers are “fully shareholder funded.” SoCalGas notes that some of the cost centers above have costs assigned to both ATL and BTL designated accounts.

\*\*Cost Center 2200-2609 was not opened until after the TY 2019 GRC workpaper framework had been determined, thus it was not presented in the TY 2019 GRC. Costs associated with this cost center are currently assigned to accounts designated as both BTL and ATL.

\*\*\*Cost Center 2200-1212 was retired in 2005, so it was inactive at the time the TY 2019 GRC workpaper framework was determined and was later reactivated, thus it was not presented in the TY 2019 GRC. Costs associated with this cost center are currently designated as both BTL and ATL.

**ORDER INSTITUTING RULEMAKING CONCERNING ENERGY EFFICIENCY ROLLING  
PORTFOLIOS, POLICIES, PROGRAMS, EVALUATION, AND RELATED ISSUES**

**(R.13-11-005)**

**SOUTHERN CALIFORNIA GAS COMPANY**

**(DATA REQUEST SIERRA CLUB-SOCALGAS-11)**

**DATE RECEIVED: OCTOBER 13, 2020**

**DATE SUBMITTED: OCTOBER 27, 2020**

---

**QUESTION 3:**

Please refer to SoCalGas' Revised Response to Sierra Club's Eighth Set of Data Requests, Question 2(b) and 2(e), dated October 9, 2020. For each of the following IOs, please state:

- a. The purpose of the IO;
- b. Whether SoCalGas collects any portion of the funds attributed to that IO from ratepayers through its general rate cases;
- c. Whether SoCalGas collects any portion of the funds attributed to that IO from ratepayers through the DSMBA;
- d. Whether the IO is fully shareholder-funded.

IOs:

- IO 300645966
- IO 300645944
- IO 300801286
- IO 300808809
- IO FG4264002200
- IO FG92000002200
- IO FC4264002100
- IO FG9080002200

**RESPONSE 3:**

SoCalGas objects to this request to the extent it effectively seeks to pre-litigate the next General Rate Case (GRC). The allocations and valuations requested are not litigated until the next GRC where the 5- year historical period of actual costs is examined. As such, this request, in its current scope, is premature because the ultimate funding for the activities has not yet been determined or "allocated." As noted in the TY2019 GRC workpapers, not all costs recorded to the cost centers are requested for recovery from ratepayers. During the development of the GRC forecasts, it is sometimes necessary to remove incurred costs to further ensure that ratepayers are not funding activities that should be borne by shareholders. SoCalGas reserves the right to supplement, clarify or amend the following response due to its

**ORDER INSTITUTING RULEMAKING CONCERNING ENERGY EFFICIENCY ROLLING PORTFOLIOS, POLICIES, PROGRAMS, EVALUATION, AND RELATED ISSUES**

**(R.13-11-005)**

**SOUTHERN CALIFORNIA GAS COMPANY**

**(DATA REQUEST SIERRA CLUB-SOCALGAS-11)**

**DATE RECEIVED: OCTOBER 13, 2020**

**DATE SUBMITTED: OCTOBER 27, 2020**

vague and premature nature in pre-litigating GRC activities. Without waiving these objections, SoCalGas responds as follows: IO 300645966 was provided in error in response to Sierra Club’s Eighth Set of Data Requests, Question 2(b) and 2(e), the correct IO is 300645944. For the purposes of this data request response, the purpose listed in the table below, is the IO name as it was when the TY 2019 GRC was filed in October 2017 or the current name, for those IOs that may not have existed at the time the TY 2019 GRC was filed. For the “GRC Funding” column and the “DSMBA Funding” column, SoCalGas bases its response on cost recovery information from its latest GRC and posted expenses to internal orders established to track DSMBA activities, as well as whether costs for years not covered by the last GRC are currently in accounts designated as ATL or BTL.

<b>Internal Order</b>	<b>Purpose</b>	<b>GRC Funding</b>	<b>DSMBA Funding</b>	<b>Fully Shareholder Funded</b>
300645944	Gas Sustainability Initiative	Yes	No	No
300801286	Billed Services from SoCalGas to SDG&E for CEC/CARB Support	Not presented**	No	No
300808809	CA Energy Comm Title 24; 2022 Cycle	Not presented***	No	Yes
FG4264002200	Expenditures-Civic & Related Activities	No	No	Yes
FG9200002200	Administrative and General Salaries	Yes	No	No
FC4264002100	Expenditures For Certain Civic Political	No	No	Yes
FG9080002200	Account Management	Yes	No	No

\*\*IO 300801286 wasn’t opened until 2019, so it wasn’t presented in the TY 2019 GRC. Costs associated with this IO are currently assigned to accounts designated as ATL.

\*\*\*IO 300808809 wasn’t opened until 2020, so it wasn’t presented in the TY 2019 GRC. This IO settles to FERC 426.4 and is currently designated as BTL.