



A  Sempra Energy utility

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October 12, 2016

Mr. Robert Oglesby
Executive Director, California Energy Commission
1516 9th Street, Ms-39
Sacramento, CA 95814-5512

RE: Energy Commission Invitation Letter to Participate in an Energy Commission Sponsored CEUS Project

Dear Mr. Oglesby:

In a letter from the California Energy Commission (CEC) to SoCalGas, dated August 18, 2016, the CEC describes the obligation of SoCalGas under Title 20, Section 1343 of the California Code of Regulations to support the CEC in its effort to carry out energy demand forecasting research, including a Commercial Energy Use Survey (CEUS) for the purpose of profiling commercial customers and their use of electricity and natural gas.

This regulation allows for two ways that SoCalGas can fulfill its obligation: 1) by sponsoring the research itself and providing the results to the CEC (Section 1343(b)-(e)) or 2) by accepting an invitation from the CEC to participate in a CEC sponsored research effort for the same purpose of profiling commercial customers and their energy usage (Section 1343(f)(1)).

The above-referenced CEC letter extends an invitation to SoCalGas to participate in the 2016 CEUS under the above-mentioned option 2 of Title 20 regulation, Section 1343(f)(1).

Option 2 imposes two requirements on the participant utility. First, the project sponsor may ask for funding from the participating utility in an amount determined by the CEC to be reasonably necessary to fulfill the data collection objectives of the research project. Second, the participating utility must provide certain customer-specific information which is necessary to carry out tasks associated with designing the survey, developing a sampling plan, and analyzing collected data.

For the first requirement, the CEC's invitation letter states that it has spending authority of \$13 million to fund a statewide 2016 CEUS. For the second requirement, SoCalGas acknowledges the need to provide customer-specific information from its billing system for sampling design and sampling purposes, with a clear understanding that the data will be kept confidential. SoCalGas' forecasting staff

will work closely with Commission staff to determine which data elements are needed and then provide these data under Title 20 regulations, Section 2505(a)(5)(B)(1), which automatically grants confidentiality for these data.

SoCalGas hereby selects participation option 2, as put forth in Title 20, Section 1343(f)(1), and looks forward to working with Commission staff to inform the development of the 2016 CEUS.

Sincerely,

A handwritten signature in black ink that reads "Lisa Alexander". The signature is written in a cursive, flowing style.

Lisa Alexander
Vice President, Customer Solutions & Communications
Southern California Gas Company

cc:

Dan Skopec, Vice President of Regulatory Affairs
Eugene Mitchell, Vice President of State Government Affairs
Ron van der Leeden, Director of Regulatory Affairs
Sharim Chaudhury, Manager of Rates and Analysis
Mark Ciminelli, Demand Analysis Office, California Energy Commission

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO CA 95814-5512
www.energy.ca.gov



August 18, 2016

Mr. Daniel Skopec
Vice President of Regulatory Affairs

Ms. Lisa Alexander
Vice President, Customer Solution and Communication

Mr. Ronald van der Leeden
Director, Regulatory Affairs-SCG

Southern California Gas Company
555 W. 5th Street
Los Angeles, CA 90013

Dear Mr. Skopec, Ms. Alexander, and Mr. van der Leeden:

The California Energy Commission (Energy Commission) would like to notify Southern California Gas Company (SoCalGas) of the opportunity to participate in survey research that will provide information on commercial energy use and meet SoCalGas' data collection obligations to support energy demand forecasting work at the Energy Commission. All major California utilities are required under state law (California Code of Regulations, Title 20, section 1343)¹ to provide the Energy Commission with a commercial sector survey and related analyses elements every four years. In lieu of meeting these obligations through a utility-sponsored effort, section 1343(f) permits a utility to join certain types of Energy Commission-sponsored research projects.

The Energy Commission has spending authority of \$13 million to fund the California Commercial End-Use Survey (CEUS), a survey of electricity and natural gas customers of the state's six largest energy utilities. The design phase of the CEUS will begin in September and may include developing representative samples of commercial facilities owned or operated by natural gas customers in the SoCalGas service area. A similar letter has been sent to San Diego Gas & Electric (SDG&E). If SDG&E participates, the CEUS will likely start work in their service area for the design and pretest phase before moving into SoCalGas.

The purpose of this letter is to invite SoCalGas to participate in the CEUS and provide certain data regarding its commercial electricity and natural gas customers. This request necessitates submitting customer-specific information that your utility possesses as a result of your billing functions, including, but not limited to:

- Complete natural gas customer records needed to design, select, and properly weight an agreed upon comprehensive sample of the commercial sector.
- Individual billing and energy consumption histories with all available detail for sampled accounts for natural gas for each calendar year over the term of the contract, and for up to one year after the contract concludes.

¹ All references hereafter are to Title 20 of the California Code of Regulations unless otherwise specified.

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Additionally, Energy Commission staff will need assistance from SoCalGas staff and major account representatives to maximize customer participation in the survey.

Since these data are by their nature customer-specific, they qualify for the automatic designation of confidential records as described in the confidentiality provisions of the Energy Commission's data collection regulations (Section 2505(a)(5)(B)(1)). Energy Commission staff will assist SoCalGas in obtaining complete confidentiality protection for information used in the CEUS.

The Energy Commission will provide the following support to ensure the successful administration of this study:

- All required funding for data collection and analysis in SoCalGas' service areas.
- Staff resources for contract administration and management.

Furthermore, SoCalGas staff will be invited to work together with the Energy Commission and ADM Associates, Inc. to refine project objectives and develop the commercial survey design and implementation plan. The Energy Commission will share a comprehensive set of contract deliverables with SoCalGas, as well as project results for its customers.

To request to participate in the CEUS, please respond to me in writing no later than 60 days from the date of this letter. In your response, please indicate that you are requesting to participate in the CEUS in lieu of the commercial sector requirements contained in section 1343(b)-(e), and that you agree to comply with the participation requirements in this letter and in section 1343(f)(1). After your request to participate in the CEUS is approved, Energy Commission staff and SoCalGas will work together to develop a research plan, which will include more detailed participation and schedule requirements. We look forward to working with you to develop this research plan.

I hope for your cooperation in conducting the CEUS to provide valuable data for all concerned. If you have questions about this request, please contact Mark Ciminelli, Demand Analysis Office, at (916) 654-4765.

Thank you for your cooperation in this important project.

Sincerely



Robert P. Oglesby
Executive Director

cc: Mr. Sharim Chaudhury
Manager, Rates and Analysis Group
Southern California Gas Company
555 W. 5th Street
Los Angeles, CA 90013

Mark Ciminelli
Demand Analysis Office

STATE OF CALIFORNIA

STATE ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

[PROPOSED] RESOLUTION OF THE ENERGY COMMISSION APPROVING
SOUTHERN CALIFORNIA GAS COMPANY'S REQUEST TO USE THE
DATA COLLECTION AND ANALYSES COMPLIANCE OPTION

WHEREAS, California Code of Regulations, Title 20, Section 1343(b)–(e) requires certain Utility Distribution Companies (UDCs) to submit to the California Energy Commission (Energy Commission) survey plans, surveys, and reports relating to end-users in the residential, commercial, and industrial major customer sectors; and

WHEREAS, California Code of Regulations, Title 20, Section 1343(f), provides a data collection and analyses compliance option whereby UDCs may participate in projects that the Energy Commission identifies, including the California Commercial End-Use Survey (CEUS), in lieu of the commercial, residential, and/or industrial sector requirements of California Code of Regulations, Title 20, Section 1343(b)–(e); and

WHEREAS, pursuant to the California Code of Regulations, Title 20, Section 1343(f)(2), the Executive Director of the Energy Commission notified Southern California Gas Company (SoCalGas) on August 18, 2016, of the opportunity to use the data collection and analyses compliance option by participating in the CEUS in lieu of the commercial sector requirements contained in California Code of Regulations, Title 20, Section 1343(b)–(e); and

WHEREAS, pursuant to the California Code of Regulations, Title 20, Section 1343(f)(3)(A), SoCalGas responded in writing on October 12, 2016, to the Executive Director's notification, requesting to use the data collection and analyses compliance option and agreeing to participate in the CEUS and to provide customer-specific information from its billing system; and

WHEREAS, the Energy Commission has considered all correspondence submitted on this matter.

THEREFORE BE IT RESOLVED, that the Energy Commission approves SoCalGas's request to use the data collection and analyses compliance option; and

THEREFORE BE IT FURTHER RESOLVED, that SoCalGas is exempt from the commercial sector requirements in California Code of Regulations, Title 20, Section 1343(b)–(e), until four years from the effective date of this Resolution, provided that it complies

with the participation and compliance requirements in California Code of Regulations, Title 20, Section 1343(f) and in the Executive Director's August 18, 2016 notification; and

THEREFORE BE IT FURTHER RESOLVED, that the Energy Commission directs the Executive Director to take, on behalf of the Energy Commission, all actions reasonably necessary to implement this Resolution including, but not limited to:

- Notifying SoCalGas that the Energy Commission approved its request to use the data collection and analyses compliance option; and
- Directing staff to develop a Research Plan, which will contain detailed participation and schedule requirements and will identify the information and data that SoCalGas must submit.

CERTIFICATION

The undersigned Secretariat to the Energy Commission does hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted at a meeting of the California Energy Commission held on November 9, 2016.

AYE:

NAY:

ABSENT:

ABSTAIN:

Cody Goldthrite
Secretariat