

**SOUTHERN CALIFORNIA GAS COMPANY
ENERGY SAVINGS ASSISTANCE AND CALIFORNIA ALTERNATE RATES FOR
ENERGY PROGRAMS & BUDGETS FOR PROGRAM YEARS 2021-2026**

(A.19-11-006)

(CALADVOCATES-ESA-CARE-KS6-SCG02)

DATE RECEIVED: FEBRUARY 26, 2020

PARTIAL RESPONSE SUBMITTED: MARCH 11, 2020

**REMAINDER RESPONSES SUBMITTED: MARCH 19, 2020 (QUESTIONS 4 and
QUESTIONS 5)**

QUESTION 1:

Please provide all internal and external audit reports of SoCalGas ESA and CARE programs conducted since June 2019.

RESPONSE 1:

There are no internal or external audit reports to provide for SoCalGas ESA and CARE programs since June 2019.

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QUESTION 2:

Please provide descriptions and documentation of any changes SoCalGas made to policies or procedures due to audit findings over the past 4 years.

- a) State which findings caused which changes, and
- b) State the basis for each change (why it was a reasonable result of the findings).

RESPONSE 2:

SoCalGas has had one audit within the requested time period where findings led to changes in policies or procedures.

The external audit was conducted for both CARE and ESA Programs by the State Controller's Office (SCO), and covered January 1, 2013 through December 31, 2015. The exit conference for the audit was conducted in May 2017, and the final report was issued in 2018.

ESA Program: The SCO audit did not identify any issues.

CARE Program:

- a) The SCO audit found that two of the 15 CARE program customer files tested lacked adequate documentation regarding eligibility through categorical enrollment. The documentation provided did not clearly indicate that the customers were currently participating in a categorical program that granted them eligibility for the CARE program.

In June 2017, in response to this audit finding, SoCalGas modified its customer communications and internal procedures relating to proof of eligibility requirements of Medi-Cal and other CPUC-approved programs for post enrollment verification (PEV). SoCalGas currently requires that the customer submit a current letter of eligibility with a date clearly shown or a Benefits Identification card with a valid issuance date. Either

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document must show a date that is within the last 12 months. By making this process modification, SoCalGas addressed the audit finding and recommendation to make sure that customers participating in the CARE program have appropriate documentation of their eligibility in Medi-Cal or other categorical eligibility programs for PEV. See attached internal procedures documents (CARE Acceptable PEV Documents handout and CE Verification Guidelines) as well as the PEV letter sent to customers and FAQ document. The highlighted sections were updated to ensure compliance with categorical eligibility requirements.

- b) The basis for the modification was that SoCalGas' CARE program agreed with the recommendation made by the SCO. The recommendation stated that to ensure compliance with categorical eligibility requirements, SoCalGas' CARE program should obtain sufficient, appropriate documentation from CARE customers to clearly demonstrate current participation in a CPUC-approved program.

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QUESTION 3:

Please provide documentation or evidence of the effectiveness of internal controls instituted as part of the abovementioned policies and procedures.

RESPONSE 3:

SoCalGas ensures the effectiveness of internal controls instituted as part of the above-mentioned policies and procedures through regular internal quality control efforts conducted by CARE Program processing and administration personnel. As a part of these efforts, CARE Program staff verifies that sufficient, appropriate documentation is obtained from CARE customers to clearly demonstrate current participation in a CPUC-approved public assistance program.

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QUESTION 4:

Please describe the key performance indicators (KPI) SoCalGas used in the previous ESA/CARE programs cycle (2016-2020).

RESPONSE 4:

ESA Program:

SoCalGas' ESA Program uses various metrics to track the performance of the ESA Program. These metrics include the ones published in SoCalGas' low-income monthly reports and are consistently shared with SoCalGas leadership and targeted for improvement as part of management performance goals. Additional metrics are generated for internal use and for program and contractor performance management, including the below general areas:

- SoCalGas measures the amount of "pipeline" program activity through several quantities, the most consistently tracked of which is Pending Utility Authorization (PUA) Treated Homes. This figure is defined as the number of newly treated homes represented on invoices that have been submitted by ESA Program contractors to SoCalGas, that have not yet been reviewed and approved for payment. Since May 2019, SoCalGas has provided this figure monthly to the Energy Division (ED) in the course of updating the ED on progress toward achieving its 2020 Goal.
- SoCalGas' ESA Program is contractually required to pay every correctly submitted ESA Program invoice within 30 days of receipt. Review of ESA Program invoices is a detailed process performed by SoCalGas' ESA Program operations team, and some metrics are used to measure progress against this requirement. In particular, SoCalGas notes on a daily basis the dollar value of all invoices processed the prior day, as well as the total dollar value of all invoices pending review. These figures are reviewed by the processing team supervisors, but are not systematically stored.

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- Analogous to the metrics tracked at the full program level in monthly reports, SoCalGas measures individual contractor performance using contractor-specific treated unit counts, including first-time units and percent first-time, in order to gauge contractor capacity and success in advancing program goals. SoCalGas also monitors work quality metrics including inspection pass rates by contractor. On a per-contractor basis, SoCalGas tracks total contract values against paid dollars, PUA dollars, and the estimated dollar value of work tracked in the HEAT database but not yet documented and invoiced for payment. These contractor metrics are shared within the ESA Program operations team.

CARE Program:

- SoCalGas monitors the monthly production of CARE Program clerks. Tallies are compiled that show the number of applications each clerk processes and completes each month, broken down by application type (self-certification, re-certification, and post enrollment verification). These tallies are primarily used for coaching and measuring employee performance.

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QUESTION 5:

Please provide the ESA and CARE KPI results from the previous ESA/CARE program cycle (2016-2020).

- a) In addition to the annual ESA and CARE KPI, provide any narratives describing the trends or values that SoCalGas may consider relevant.

RESPONSE 5:

ESA Program:

The below table shows month-end PUA Treated Units for each month since March 2019. Results of the PUA Treated Units indicator show that SoCalGas' pipeline activity varies from month to month, as processing resources are adjusted to meet the volume of activity.

<u>Pending Utility Approval (PUA):</u>			
Pipeline			
Total Pipeline 2019-2020	<i>First Time Pipeline</i>	<i>Go Back Pipeline</i>	<i>Total Pipeline</i>
Mar-19	2,531	2,706	5,237
Apr-19	2,136	1,803	3,939
May-19	3,054	2,739	5,793
Jun-19	3,279	3,241	6,520
Jul-19	4,147	3,909	8,056
Aug-19	4,538	4,035	8,573
Sep-19	5,916	4,078	9,994
Oct-19	7,321	4,477	11,798
Nov-19	5,588	3,536	9,124
Dec-19	11,046	5,090	16,136
Jan-20	4,806	2,783	7,589

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Feb-20	4,638	2,394	7,032
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For invoice processing, SoCalGas consistently meets the net-30 days contractual payment requirement. Please see table below showing daily invoice processing volume and total invoice value pending processing. Results of the daily invoice processing volume indicator show that SoCalGas processing resources are highly variable day-to-day, but are generally adequate at this time to sustain program volume.

Amounts of Invoices Processed, February 01, 2020 to March 15, 2020		
Date	Daily Amount Processed	Total Invoices Pending Processing
02/05/20	\$348,461.63	\$3,127,673.50
02/07/20	\$540,874.52	\$3,023,767.40
02/11/20	\$111,050.03	\$3,951,588.19
02/12/20	\$405,108.09	\$4,226,031.49
02/13/20	\$314,443.26	\$4,379,144.46
02/20/20	\$312,883.30	\$4,623,985.61
02/21/20	\$465,598.98	\$4,673,088.85
02/24/20	\$326,408.36	\$4,583,318.66
02/25/20	\$589,188.39	\$4,657,068.17
02/28/20	\$350,450.23	\$4,527,602.98
03/04/20	\$374,880.23	\$3,726,115.28
03/05/20	\$455,947.39	\$4,555,243.33
03/06/20	\$551,741.50	\$4,963,872.99
03/12/20	\$452,707.12	\$4,539,401.84
03/13/20	\$219,059.21	\$4,957,096.07

Please refer to the Attachment A: Contractor Pass Rates – Raw Data for inspection pass rates for program years 2015 through 2019.

Please refer to Attachment B: ESAP 2019 Contractor Treatment Data for the monthly contractor treated unit results by go-back and first-time, and percent first-time, for

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program year 2019. Results of tracking contractor metrics including percent first-time treatment by contractor demonstrate that some contractors have been more successful than others in implementing program initiatives. These results have led to SoCalGas seeking to identify best practices of better-performing contractors, and to identify barriers that have hindered the more poorly performing contractors.

CARE Program:

Please see Attachment C: Tally by TPID for CARE monthly tallies for 2016 – 2020. Results of these tallies do not show any definitive trends as it does not include information such as the number of days or hours each employee worked on these tasks in a given month.

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QUESTION 6:

Please describe the KPIs SoCalGas will use in its ESA and CARE programs during program years 2021-2026.

- a) State the basis for selecting these KPIs.
- b) Describe any changes from KPIs used in 2016-2020, including why a particular KPI is being added or modified.

RESPONSE 6:

- a) SoCalGas has proposed metrics and indicators in its application, per the guidance decision D.19-06-022, Attachment A. SoCalGas proposed goals, indicators, and metrics that are measurable and based on available data. In Section II C of the Prepared Direct Testimony of Mark Aguirre and Erin Brooks, four metrics and one indicator are described:
 - Average energy savings per household (metric)
 - Average comfort improvements per household (metric)
 - Participant benefits from measures installed (indicator)
 - ESA Program participation levels (metric)
 - Portfolio energy savings (metric)

In addition, SoCalGas expects to continue to monitor contractor performance and payment processing in the same manner as it does in the current program cycle, and described in Question 4.

- b) The added metrics and indicators are in compliance with D.19-06-022.

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QUESTION 7:

Please describe any KPIs used in 2016-2020 that SoCalGas proposes to stop using, and why.

RESPONSE 7:

SoCalGas does not expect to stop using any of the current metrics or indicators described in the above response to Question 4. However, changes may occur as a result of new program rules, for instance, if after 2020 the program no longer seeks to distinguish “first time” customers from go-backs, then metrics based on that distinction will no longer be tracked in its monthly reports.