Clay Faber  
Director, CA & Federal Regulatory  
San Diego Gas & Electric  
8330 Century Park Court  
San Diego, CA 92123-1548  
Email: cfaber@semprautilities.com

Subject: Request for Approval of Advice Letter 3035-E

Dear Mr. Faber:


Background

SDG&E originally filed its Compliance Plan in AL 2822-E. The Commission addressed AL 2822-E and issued Resolution E-4874 on August 18, 2016, which required SDG&E to resubmit SDG&E’s Compliance Plan in accordance with D.12-12-036.

D. 12-12-036 established the Code of Conduct, and requires that utilities submit a Compliance Plan for Commission approval. The purpose of this Compliance Plan is to ensure that an Independent Marketing Division (IMD) set up to market or lobby on Community Choice Aggregator (CCA) issues does not violate the Code of Conduct and that any communications that could be construed as marketing or lobbying under D.12-12-036 are funded exclusively by utility shareholders. The Compliance Plan is also required to demonstrate that the IMD is functionally and physical separate from the utility’s ratepayer-funded utility business.

SDG&E filed an application for rehearing (AFR) of Resolution E-4874 on September 19, 2016.

The AFR is pending before the Commission.

On November 17, 2016, SDG&E refiled its revised Compliance Plan as a Supplemental Advice Letter 2822-E-A.

On November 17, 2016, SDG&E refiled its revised Compliance Plan as a Supplemental Advice Letter 2822-E-A. On the next day, November 18, 2016, Energy Division directed SDG&E to make a procedural adjustment. Instead of using a Supplemental Advice Letter (AL 2822-E-A), Energy Division directed SDG&E to refile the Compliance Plan as a new advice letter, and...
SDG&E did so by filing Advice Letter 3008-E on November 21, 2016. Energy Division rejected AL 3008-E on December 27, 2016 because it did not comply with Ordering Paragraphs 5, 6, 7, and 8 of Resolution E-4874.

Protests

AL 3035-E was protested by: Dianne Jacob, Supervisor of the Second Supervisorial District of San Diego County, CalCCA, and the Joint Parties of Shell Energy, AReM, LEAN Energy U.S., Sierra Club, and Climate Action Campaign.

1) Dianne Jacob, Supervisor of the Second Supervisorial District of San Diego County

Supervisor Dianne Jacob submitted a letter to President Picker expressing her continued opposition to San Diego Gas and Electric’s intent to form an independent marketing division. Supervisor Jacob noted that CCA provides ratepayers with an option to select their energy provider, and creates competition in the market. Supervisor Jacob stated that that SDG&E’s real intent is to derail the formation of a Community Choice Aggregator before it even has a chance to prove its success in San Diego County. The letter did not address any specific issues with the advice letter.

2) CalCCA

CalCCA protests the advice letter on the grounds that it fails to remedy the flaws specifically identified in the Disposition Letter, and for failing to comply with SB 790, the CCA Code of Conduct, and Resolution E-4874. Specifically, CalCCA noted that SDG&E’s proposed Compliance Plan fails to demonstrate the “holistic review” of shared services, as required by Resolution E-4874.

CalCCA requested that the Commission order SDG&E to disclose all marketing and lobbying, as defined by the Code of Conduct (COC), that SDG&E and Sempra Services Corporation have engaged in without a Commission-approved Compliance Plan. CalCCA also requested that the Commission order SDG&E and Sempra Services Corporation to cease and desist all marketing until SDG&E’s Compliance Plan is approved by the Commission.


The Joint Parties protest the advice letter on two grounds.

First, the joint parties assert that SDG&E’s amended Compliance Plan fails to comply with Resolution E-4874 respecting the treatment of “shared services.”

Second, the Joint Parties claim that SDG&E’s amended Compliance Plan fails to describe the accounting for “shared services.” The Joint Parties state that approving this amended compliance plan would give SDG&E a “blank check” to implement accounting procedures at another date. The Joint Parties cite to page three of the amended Compliance Plan, which states, “The Procedures will be posted on the SDG&E Intranet prior to the start of marketing or lobbying.” The Joint Parties ask the Commission to reject SDG&E’s advice letter and direct SDG&E to provide its proposed accounting protocols and “Transaction Procedures” for Commission approval.
SDG&E’s Response to the Protests

SDG&E filed a response to the protests on February 24, 2017.

SDG&E stated that only the Joint Parties challenged the adequacy of SDG&E’s language in AL 3035-E. SDG&E asserted that it fulfilled the shared services requirements of Resolution E-4874 by stating the following in its Compliance Plan:

“SDG&E will not share with its Division affiliate, employees or agents (including contractors or consultants) who are themselves engaged in marketing or lobbying, as determined by an examination of job functions.”

SDG&E contended that this examination of job functions relates to the function of the individual and not just their title.

Discussion and Disposition

The CCA Code of Conduct prescribed by the CPUC in D12-12-036 governs the conduct of the IOUs relative to CCAs.

Supervisor Jacob correctly identified in her letter that CCA provides ratepayers an option to select their energy provider and creates competition in the market. Supervisor Jacob also objected to the formation of an Independent Marketing Division on the grounds that SDG&E’s real intent is to derail the formation of a Community Choice Aggregator. However, the rules and requirements for forming an Independent Marketing Division set forth in the Code of Conduct do not factor in the intent of the Investor Owned Utility. Instead, the Code of Conduct governs the conduct of the IOU respective to CCAs. As a result, SDG&E’s intent in forming an Independent Marketing Division is not relevant to the assessment of their Compliance Plan.

SDG&E’s Compliance Plan does state that shared services will be reviewed and “determined by an examination of job functions”. A review of job function is substantially the same thing as the holistic review of job functions required in Resolution E-4874.

CalCCA and the “Joint Parties” asserted that the Compliance Plan does not provide for the “holistic review” of shared services. However, although SDG&E does not use the word “holistic” in their plan, the plan does state that shared services will be reviewed and “determined by an examination of job functions.” A review of job function is substantially the same thing as the holistic review of job functions required in Resolution E-4874.

The “Joint Parties” also protested the Advice Letter on the grounds that SDG&E failed to describe the accounting for shared services. The “Joint Parties” noted that in the amended

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1 AL 3035-E, page 6.
2 AL 3035-E, page 6.
Compliance Plan, SDG&E states that: "The Procedures will be posted on the SDG&E intranet prior to the start of marketing or lobbying." The Joint Parties maintain that this creates a lack of transparency regarding the accounting protocols to be employed for the transfer of shared services costs to the IMD. Additional reporting regarding the implementation of SDG&E's functional review of shared services being required in this disposition letter will reveal if SDG&E's accounting protocols have sufficient transparency or not.

**Energy Division finds that SDG&E has appropriately incorporated a review of job functions in the shared services section of its Compliance Plan.**

The Joint Parties contend that SDG&E's amended Compliance Plan fails to comply with Resolution E-4874 respecting the treatment of "shared services."

Resolution E-4874 Ordering Paragraph 7 states:

> San Diego Gas and Electric Company shall not share with its Independent Marketing Division, employees or agents (including contractors or consultants) who are themselves involved in marketing or lobbying. "Involved in marketing or lobbying" shall be interpreted by review of the job functions of the personnel in question."

In Resolution E-4874, Energy Division explained the rationale for this requirement of holistic review of the job functions. Resolution E-4874 stated:

> Because the language of COC Rule 13 specifically prohibits the sharing of personnel that "are themselves engaged in marketing or lobbying" and does not specify the departments or titles of such personnel, we are concerned that unless the job functions are used in complying with this COC, it would circumvent the purpose of the COC. If job functions are not used as the determinant, the electric corporation could use certain titles such as communications, public affairs, or regulatory relations for personnel actually engaged in lobbying or marketing.

Consequently, the prohibition against sharing of personnel that "are themselves engaged in marketing or lobbying" shall be interpreted by a holistic review of the job functions of the personnel in question. This review will focus on the duties and responsibilities of the personnel, not merely their title or department.

In the amended Compliance Plan, SDG&E stated that "shared services" would be reviewed by job function. The Compliance Plan states:

> SDG&E shall not share with its Division affiliate, employees or agents (including contractors or consultants) who are themselves engaged in marketing or lobbying, as determined by an examination of job functions.

**Energy Division finds that additional reporting regarding the implementation of SDG&E's functional review of shared services will be necessary.**

Upon review of this advice letter, Energy Division finds that additional reporting regarding the implementation of SDG&E's functional review of shared services will be necessary to determine

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5 Compliance Plan, page 3.
6 Resolution E-4874, page 23.
7 Resolution E-4874, page 15.
8 AL 3035-E, page 6.
whether and how SDG&E had actually implemented its examination of job functions of shared services.

In order to ensure that SDG&E and Sempra Services Corporation do not share personnel who have engaged in marketing or lobbying, Energy Division requires SDG&E to report to Energy Division the following information every 6 months in an Information Compliance Filing, beginning within 30 days of the issuance of this disposition letter.

1) A list of all personnel in Sempra Services Corporation that also currently work for SDG&E.

2) For each individual identified in (1), a description of the individual’s role(s) at SDG&E, including title, department, and primary responsibilities.

3) A justification as to why each individual identified in (1) has been deemed to not have engaged in “marketing or lobbying.”

Subject to SDG&E’s compliance with the reporting requirement above, Energy Division finds the Advice Letter consistent with the requirements set forth in Resolution E-4874 and D.12-12-036.

Upon review of this advice letter, Energy Division finds that it is consistent with the requirements set forth in Resolution E-4874 and D.12-12-036.

Advice Letter 3035-E is approved, subject to SDG&E’s compliance with the reporting requirements above.

Sincerely,

Edward Randolph,
Director, Energy Division
January 27, 2017

ADVICE LETTER 3035-E
(U 902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SUBJECT: SDG&E'S SUBMISSION OF REQUIRED COMPLIANCE PLAN PURSUANT TO DECISION (D.) 12-12-036 AND RESOLUTION E-4874

PURPOSE/DISCUSSION

Pursuant to Ordering Paragraph (OP) 2 of Resolution E-4874 issued on August 18, 2016, this Advice Letter (AL) filing modifies SDG&E's Compliance Plan filed via AL 2822-E on November 20, 2015. AL 2822-E contained a Compliance Plan (or Plan), as required by D.12-12-036, related to communications that may include the subject of Community Choice Aggregation (CCA). The Plan ensured that any communications that could be construed as marketing or lobbying under D.12-12-036 are funded exclusively by shareholders of an entity that is functionally and physically separate from the utility's ratepayer-funded divisions.

SDG&E's Compliance Plan filed with AL 2822-E was timely protested by several parties; SDG&E replied to the protests on December 17, 2015. On December 18, 2015, the Energy Division (ED) suspended AL 2822-E for an initial 120 days and on April 14, 2016 they issued a further 180 day suspension. The ED issued several data requests and held a conference call for additional clarification (SDG&E’s responses are included as appendices to E-4874). On June 13, 2016, Draft Resolution E-4874 was noted on the Commission's Daily Calendar and was placed on the Commission's agenda for August 18, 2016. Resolution E-4874 was issued on August 19, 2016.

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1 On November 16, 2016, SDG&E filed its revised compliance plan, as required by Resolution E-4874, as Supplemental Advice Letter 2822-E-A. On November 18, 2016, the Energy Division directed SDG&E to refile the revised compliance plan as a new Advice Letter. On November 21, 2016, SDG&E filed Advice Letter 3008-E; however, on December 27, 2016, the Energy Division rejected Advice Letter 3008-E, alleging that the compliance plan included with Advice Letter 3008-E did not comply with Ordering Paragraphs 5, 6, 7 and 8 of Resolution E-4874. This Advice Letter, including the revised compliance plan reflected as Attachment A, hereto, explicitly addresses Ordering Paragraphs 5 through 8 of Resolution E-4874.

2 The City of San Diego, Climate Action Campaign and the Sierra Club, Marin Clean Energy and the City of Lancaster (collectively, the “CCA Parties”), The Alliance for Retail Energy Markets (“AReM”), LEAN Energy US, Shell Energy North America, the San Diego Energy District, Senator Marty Block, the City of Solana Beach, the City of Del Mar and San Diego County Supervisor Dianne Jacob.
2016. SDG&E filed an application for rehearing (AFR) of Resolution E-4874 on September 19, 2016. The AFR is pending Commission action. The attached Plan (Attachment A) has been revised to comply with Resolution E-4874. SDG&E reserves the right to modify the Plan further to comply with subsequent action by the Commission or a reviewing court.

Consistent with OP 2 of Resolution E-4874, SDG&E here files a revised Compliance Plan, via a Tier 2 advice letter, reflecting information contained in the data request responses and the OPs of E-4874, pursuant to Code of Conduct Rule 22 a).

**COMPLIANCE PLAN REVISIONS**

SDG&E is incorporating its Compliance Plan revisions pursuant to OP 2 of Resolution E-4874. SDG&E notes it filed an application for rehearing of Resolution E-4874 on September 19, 2016.

SDG&E’s Compliance Plan revisions contain the inclusion of its responses to data requests to demonstrate its compliance with the Community Choice Aggregation Code of Conduct Compliance Plan as well as compliance with the Green Tariff Shared Renewables marketing requirements as well as the ordering paragraphs of Resolution E-4874. See revisions to Procedures and Mechanisms for Ensuring Compliance for Rules 2, 4, 13 and 23. SDG&E has also inserted the required statement for its Green Tariff Shared Renewables Marketing Plan in the Procedures and Mechanisms for Ensuring Compliance for Rule 2. Finally, SDG&E has modified certain sections of the Compliance Plan to more explicitly address Ordering Paragraphs 5, 6, 7 and 8 of Resolution E-4874.

**EFFECTIVE DATE**

Pursuant to OP 2 of E-4874, SDG&E is filing this Tier 2 (effective after staff approval) advice letter, subject to Energy Division disposition pursuant to General Order (GO) 96-B. SDG&E respectfully requests that this filing be approved on February 27, 2017, 31 calendar days from the date of this filing.

**PROTEST**

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received no later than February 16, 2017, which is within 20 days of the date this Advice Letter was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of the Energy Division at EDTariffUnit@cpuc.ca.gov. It is also requested that a copy of the protest be sent via electronic
mail to SDG&E on the same date it is mailed or delivered to the Commission (at the addresses shown below).

       Attn: Megan Caulson  
       Regulatory Tariff Manager  
       E-mail: mcaulson@SempraUtilities.com

**NOTICE**

A copy of this filing has been served on the utilities and interested parties shown on the attached list, including interested parties in R.12-02-009 and R.03-10-003 and by providing them a copy hereof, either electronically or via the U.S. mail, properly stamped and addressed.

Address changes should be directed to SDG&E Tariffs by e-mail at SDG&ETariffs@semprautilities.com.

________________________________________________________________________

Clay Faber  
Director - CA & Federal Regulatory
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<td>☑ ELC</td>
<td>Phone #: (858) 654-1748</td>
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<td>☐ GAS</td>
<td>E-mail: <a href="mailto:mcaulson@semprautilities.com">mcaulson@semprautilities.com</a></td>
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**EXPLANATION OF UTILITY TYPE**

ELC = Electric  
GAS = Gas  
PLC = Pipeline  
HEAT = Heat  
WATER = Water

Advice Letter (AL) #: 3035-E

Subject of AL: SDG&E Notice of Intent to form an Independent Marketing Division and Submission of Required Compliance Plan Pursuant to Decision (D.) 12-12-036

Keywords (choose from CPUC listing): Compliance, Marketing, CCA

AL filing type: ☑ Monthly ☐ Quarterly ☐ Annual ☑ One-Time ☐ Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.12-12-036

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: 2822-E, 3008-E

Summarize differences between the AL and the prior withdrawn or rejected AL: Please see attached.

Does AL request confidential treatment? If so, provide explanation: 

Resolution Required? ☑ Yes ☐ No  
Tier Designation:  ☑ 1 ☐ 2 ☐ 3  
Requested effective date: 2/27/17  
No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division  
San Diego Gas & Electric
Attention: Tariff Unit  
Attention: Megan Caulson
505 Van Ness Ave.,  
8330 Century Park Ct, Room 31F
San Francisco, CA 94102  
San Diego, CA 92123
EDTariffUnit@cpuc.ca.gov  
mcaulson@semprautilities.com

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1 Discuss in AL if more space is needed.
General Order No. 96-B
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

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SDG&E Advice Letter 3035-E
Attachment A

SDG&E Community Choice Aggregation Code of Conduct
Compliance Plan
SDG&E Community Choice Aggregation Code of Conduct Compliance Plan
Implementing Rules Adopted in D.12-12-036

November 20, 2015, as modified November 21, 2016 and January 26, 2017, to comply with Resolution E-4874
I. INTRODUCTION

In accordance with Rule 22.b.i. of the California Public Utilities Commission’s (“CPUC”) Community Choice Aggregation Code of Conduct rules (CCA COC) adopted in D.12-12-036, issued on December 28, 2012, San Diego Gas & Electric Company (“SDG&E”) hereby submits a Compliance Plan (“Plan”) apprising the CPUC that SDG&E has an existing affiliate company, Sempra Services Corporation, that may engage in speech that could trigger the application of the CCA COC. To be clear, SDG&E has not established an Independent Marking Division (“IMD” or “Division”). SDG&E uses the term IMD or Division, herein, to be consistent with the term as it is used in P.U. Code 707, Decision 12-12-036 and the CCA COC. The Division (sometimes referred to herein as “Division affiliate”) shall be responsible for all marketing and lobbying (as those terms are defined within the Rules) concerning community choice aggregation. The 2017 Plan will be effective as of February 27, 2017, pursuant to Rule 22.

The filing of this Plan and implementation of the procedures and mechanisms delineated herein is not meant to constitute a waiver of any legal rights that SDG&E may have to file for rehearing or seek judicial review of any CPUC decision promulgating, interpreting, or applying the CCA COC. While the CCA COC rules raise several First Amendment issues and are in various places ambiguous and susceptible to multiple interpretations, this Plan, upon its approval, brings SDG&E into compliance with reasonable interpretations wherever such vagueness or ambiguity prevails, without waiving SDG&E’s right to raise legal issues pertaining to the CCA COC rules themselves.

The Introduction to this Plan summarizes the compliance mechanisms and guidelines central to SDG&E’s Affiliate Transaction Rule (“ATR”) compliance effort, which will also be used to ensure compliance with the CCA COC. Thereafter, the Plan presents a rule-by-rule discussion of the procedures and mechanisms that SDG&E has developed to help ensure compliance with the CCA COC.

A. LEVERAGING THE AFFILIATE TRANSACTION COMPLIANCE FUNCTION TO ENSURE COMPLIANCE WITH COMMUNITY CHOICE AGGREGATION CODE OF CONDUCT

To execute diligent, thorough, and systematic implementation of the CCA COC throughout the company, SDG&E will leverage the Affiliate Transaction Rule Compliance functions that already exist within SDG&E to implement this Plan.

The Chief Administrative Officer is the Chief Compliance Officer of SDG&E and the Vice President – Controller & Chief Financial Officer serves as the Affiliate Compliance Officer for SDG&E. SDG&E will report any CCA COC issues to the Compliance Officers and its Board of Directors as is already the case for ATR issues.

SDG&E’s Affiliate Compliance Department (“ACD”) will be responsible for managing SDG&E’s compliance with the CCA COC. The ACD already provides education, direction, and oversight of all matters pertaining to the ATRs and will do the same for the CCA COC. Additionally, ACD will be responsible for timely filing of any reports related to the CCA COC.
ACD resolves policy issues and directs the utility’s ATR compliance efforts on a day-to-day basis and will do the same for the CCA COC. Compliance policy matters may be brought to the Corporate Compliance Committee for final determination.

ACD provides guidance and/or interpretations and responds to inquiries related to the ATRs, including providing assistance in the resolution of affiliate compliance issues received through Helplines, e-mail, internal publications, intranet and internet web sites to facilitate compliance efforts and will do the same for the CCA COC. The information available includes a verbatim copy of the ATRs, CPUC decisions, SDG&E’s ATR Compliance Plan, a listing of compliance coordinators, and compliance-related procedures, forms, training materials, and recent filings and, upon approval of this Advice Letter, will also include copies of this CCA COC Compliance Plan. The Advice Letter containing SDG&E’s ATR Compliance Plan was posted on SDG&E’s internet web site under the “Rates and Regulations” link when it was filed and the same will be done with regard to this Advice Letter.

To facilitate affiliate compliance at the division or department level, SDG&E has designated Affiliate Compliance Coordinators (“Coordinators”) to act as the first point of contact for compliance efforts within their division or department. These Coordinators also serve as liaisons by addressing compliance issues with the ACD related to their division or department and relaying ACD guidance to their groups. At least once per year, coordinators representing Sempra Energy Corporate Center and SDG&E meet with ACD staff to discuss areas of concern, share best practices, and gain further knowledge of compliance matters. As needed, Corporate Center and SDG&E will host joint coordinators’ meetings to address common affiliate compliance issues (e.g. CPUC audits). Upon approval of this Advice Letter, the CCA COC will be included within the compliance activities of SDG&E’s Coordinators.

The ACD personnel for SDG&E currently consists of a Project Manager, who reports to the Regulatory Business Manager of the Federal Regulatory and ACD, who reports to the Director – Enterprise Risk Management. This Director reports directly to the Vice President - Energy Risk Management & Compliance. This Vice President then reports to SDG&E’s Vice President and General Counsel, who reports to SDG&E’s President. This organizational structure may change from time to time; however, SDG&E does not intend to revise the Compliance Plan to reflect such changes.

In addition, SDG&E will undertake these activities to implement the CCA COC:

1. SDG&E will continue to cooperate with and assist local governments considering Community Choice Aggregation by providing necessary information and responding to requests for factual information.

2. If CCA is implemented within SDG&E’s service territory, SDG&E will work to ensure that all of SDG&E’s CCA program obligations are met, including automatic enrollment of customers that do not opt out, providing necessary information to the CCA and its agents, and providing billing services as required by relevant CCA laws, tariffs, and decisions.
3. If a CCA program is implemented within SDG&E’s service territory, SDG&E will work with the CPUC and any such CCA to assure that customers requesting information receive clear and accurate responses so they can make well-informed decisions that may impact their energy bills.

4. Employees of SDG&E governed by these CCA COC will receive regular notice of the documents that describe these CCA COC and their obligations hereunder.

5. Consistent with SDG&E’s training practices under the ATRs, annual training and reminders will be provided to all non-represented employees of SDG&E and the Division in conjunction with ongoing ATR training programs. SDG&E will also offer training to contractors and consultants consistent with their training under the ATRs. When needed, SDG&E and the Division affiliate will provide training to targeted employee groups to sensitize them to the requirements of this CCA COC. SDG&E and the Division affiliate shall also conduct audits and compliance reviews to ensure the CCA COC rules are being followed. (See Resolution E-4874, Ordering Paragraph (“OP”) 8).

6. The Division will be staffed by personnel who do not have access to non-public SDG&E information, whose day-to-day activities will not be managed by SDG&E management, whose labor and overhead expenses will be charged to accounts paid for by Sempra Corporation shareholders and who will be located at premises that are physically separate from SDG&E. These personnel will be trained on the requirements of the CCA COC, including the functional and physical separation requirements of the CCA COC.

7. All costs for personnel, services, physical plant, equipment, supplies, and other overhead incurred by the Division will be charged to accounts paid for by SDG&E Corporation shareholders. Existing below-the-line accounting CCA COC already address these requirements, and these will be supplemented with new Community Choice Aggregation Division Transactions Procedures prior to the start of any marketing or lobbying activities by the Division.

8. Electrical corporate support services that meet the shared services definition in the ATR will be provided to the Division. This will primarily be corporate oversight and related compliance and other permitted shared services. All permitted corporate support services rendered to a Division will be charged to SDG&E shareholders in accordance with the Community Choice Aggregation Division Transactions Procedures. The Procedures will be posted on the SDG&E Intranet prior to the start of marketing or lobbying.

9. SDG&E will charge a one-time 25% transfer fee for each non-clerical Utility employee transferred to work for the Division as provided in Rule 16(b) and will comply with all other requirements of Rule 16 regarding movement of employees to the Division.
10. Detailed training will be completed to make sure that any Division is not given access to competitively sensitive information to comply with Rule 5.

11. If a Division is formed, detailed additional information concerning its activities will be provided quarterly as required by Rule 4 below.

In the following pages, each Rule adopted by the CPUC is shown in bold type. Following each Rule, in normal type, is SDG&E’s description of its plan to assure compliance with the Rule.

Respectfully submitted on November 21, 2016, as amended on January 26, 2017, to comply with Resolution E-4874.

**Community Choice Aggregation Code of Conduct and Expedited Complaint Procedures**

**CCA COC of Conduct for Electrical Corporations Relative to Community Choice Aggregation Programs**

1) The following definitions apply for the purposes of these CCA COC:

   a) “Market” means communicate with customers, whether in oral, electronic, or written form, including but not limited to letters, delivery of printed materials, phone calls, spoken word, emails, and advertising (including on the Internet, radio, and television), regarding the electrical corporation’s and community choice aggregators’ energy supply services and rates. Marketing under this definition does not include the following:

      i) Communications provided by the electrical corporation throughout all of its service territory to its retail electricity customers that do not reference community choice aggregation programs.

      ii) Communications that are part of a specific program that is authorized or approved by the California Public Utilities Commission (CPUC), including but not limited to customer energy efficiency, demand response, SmartMeterTM, and renewable energy rebate, or tariffed programs such as the California Solar Initiative and other similar CPUC-approved or authorized programs. (See Decision (D.) 08-06-016, Appendix A.

      iii) Provision of factual answers about utility programs or tariffs, including but not limited to rate analyses, in answer to the questions of individual customers.

   b) “Lobby” means to communicate whether in oral, electronic, or written form, including but not limited to letters, delivery of printed materials, phone calls, spoken word, emails, and advertising (including on the Internet, radio, and television), with public officials or the public or any portion of the public for the purpose of convincing a government agency not to participate in, or to withdraw from participation in, a community choice aggregation program.
Lobbying under this definition does not include

i) Provision of factual answers about utility programs or tariffs, including but not limited to rate analyses, in answer to questions from a government agency or its representative.

ii) Provision of information to potential Community Choice Aggregators related to Community Choice Aggregation program formation CCA COC and processes.

c) “Promotional or political advertising” means promotional or political advertising as defined in 16 U.S.C. Sec. 2625(h).

d) “Competitively sensitive information” means non-public information and data specific to a utility customer which the utility acquired or developed in the course of its provision of utility services. This includes, without limitation, information about which customers have or have not chosen to opt out of community choice aggregation service. (See D.97-12-088, App. A, Part I.D.)

Procedures and Mechanisms for Ensuring Compliance

Rule 1.a through Rule 1.d requires no compliance action.

2) No electrical corporation shall market or lobby against a community choice aggregation program, except through an independent marketing division that is funded exclusively by the electrical corporation's shareholders and that is functionally and physically separate from the electrical corporation's ratepayer-funded divisions. (See Pub. Util. Code § 707(a)(1).)

Procedures and Mechanisms for Ensuring Compliance

SDG&E has not, and will not market against any CCA, and has and will continue to limit its communications with public officials or the public or any portion of the public on the subject of CCA to the provision of factually accurate information in response to CCA questions, and to be neutral when asked about SDG&E’s stance on Community Choice Aggregation.

The Division affiliate will pursue marketing and lobbying activities related to CCAs and this Division affiliate is funded exclusively by the electric corporation’s shareholder and is functionally and physically separate from the electric corporation’s ratepayer-funded divisions.

The Division affiliate will be treated as a “Rule II.B” affiliate within the meaning of the ATRs (See Resolution E-4874, OP 5). Without waiving any rights relative to any other provision of the

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1 The language from D.08-06-016, Appendix A has been modified to cover the conduct of electrical corporations relative to consideration and formation of community choice aggregation programs, as required by Cal. Pub. Util. Code § 707(a). All statutory references are to the California Public Utilities Code unless otherwise stated.
Plan, SDG&E expressly reserves the right to modify this provision to comply with subsequent action by the Commission or by a reviewing court.

The Division affiliate shall comply with the logo/disclaimer rules of Affiliate Transactions Rule V.F. (Id. at OP 6).

SDG&E shall not share with its Division affiliate, employees or agents (including contractors or consultants) who are themselves engaged in marketing or lobbying, as determined by an examination of job functions. (Id. at OP 7).

SDG&E has provided and will continue to provide CCA COC training to all employees or agents (including contractors or consultants) that are hired to be engaged in communications with public officials or the public on behalf of SDG&E. SDG&E will expand its training so SDG&E non-represented employees are aware of the CCA COC and comply with this Plan. (See id. at OP 8 and Section I.A.5. of this Plan). A copy of this Compliance Plan will be available to all employees of SDG&E via the SDG&E intranet. See Rule 4 through Rule 10 for compliance processes related to the Division maintaining functional separation from the electrical corporation’s ratepayer-funded divisions.

See Rule 11 for compliance processes related to maintaining physical separation from the electrical corporation’s ratepayer-funded divisions.

**SDG&E’s Green Tariff Shared Renewables Marketing Plan**

SDG&E will comply with the CCA COC, as it relates to the Green Tariff Shared Renewables (GTSR) marketing, consistent with AL 2744-E, which was approved by Resolution E-4734 on October 1, 2015. (Id. at OP 13). Pursuant to Decision (“D.”) 15-01-051, SDG&E is obligated to perform outreach for its GTSR Program. SDG&E recognizes that “all selective marketing in current or potential CCA territories is prohibited.” (Id. 153).

3) **Not later than July 1, 2013, and annually thereafter, each electrical corporation and any community choice aggregator (CCA) or CCAs within its service territory shall prepare and distribute jointly to the customers within the CCA boundaries a neutral, complete, and accurate written comparison of their average tariffs for each customer class, sample bills for a mutually agreed amount of usage under residential tariffs, and generation portfolio contents. This comparison shall be distributed to all customers within the CCA boundaries. In addition, the CCA and electrical utility shall prepare a neutral, complete, and accurate comparison of all their tariffs, sample bills under those tariffs, and generation portfolio contents, and post these comparisons on their Web sites. The information posted on these Web sites containing will be updated within 60 days after any tariff changes. The comparison of average tariffs will refer customers to this Web site for more complete information.**

   a) **The electrical corporation and CCA(s) shall share equally the costs of the design, preparation, and distribution of the notice to customers, as well as the design and preparation of the detailed tariff comparison to be posted on**
their Web sites. Each entity will be responsible for its own costs for posting the detailed tariff comparison in its Web site.

b) The Commission’s Public Advisor’s office must review and approve the wording of the comparison before it is distributed to customers, and by this final approval shall resolve any disputes about the contents of the written notice or Web site contents that the CCA and utility cannot resolve informally.

Procedures and Mechanisms for Ensuring Compliance

SDG&E will cooperate with these CCA COC provisions should CCA tariffs be developed within its service territory.

4) The cost of an electrical corporation's independent marketing division’s use of support services from the electrical corporation's ratepayer-funded divisions shall be allocated to the independent marketing division on a fully allocated embedded cost basis, supported by detailed public reports of such use. For this purpose, fully allocated embedded cost basis means a fully loaded cost basis (i.e., the sum of all direct costs and all appropriately allocated indirect costs and overhead costs; transfers from the utility to its independent marketing division of goods and services not produced, purchased or developed for sale by the utility will be priced at fully loaded costs plus 5% of direct labor cost). These calculations shall be supported by public reports of such use. These reports shall be filed quarterly with the Commission’s Energy Division as an information only filing, no later than one month after the end of each quarter, and shall be made available on the utility’s website at the same time. (See § 707(a)(2), D.97-12-088, App. A, Part V.H.5.)

Procedures and Mechanisms for Ensuring Compliance

When support services are used between SDG&E and the Division affiliate, SDG&E will follow the pricing provisions in this Rule, as well as maintain required supporting documentation to comply with reporting requirements.

SDG&E will file a quarterly report with the Energy Division and make it available on its website. The report will be filed no later than one month after the end of each quarter, for as long as the Independent Marketing Division exists. (See Resolution E-4874 at OP 12).

5) An electrical corporation's independent marketing division shall not have access to competitively sensitive information. (See §707(a)(3).)

Procedures and Mechanisms for Ensuring Compliance

The Division will not be permitted access to the electrical corporation’s competitively sensitive information as defined in Rule 1, which is non-public information and data specific to a utility customer that the utility acquired or developed in the course of its provision of utility services.
This includes, without limitation, information about which customers have or have not chosen to opt out of community choice aggregation service.

Note that non-customer specific, non-public utility information may be shared on an exclusive basis with the Division affiliate, subject to their obligation to not act as a conduit to other affiliates, if the information is: (1) necessary to perform support services; and (2) does not create an opportunity for an unfair competitive advantage. Any non-public utility information that does not meet the above criteria cannot be shared with an affiliate unless such information is contemporaneously posted.

To reduce the risk of sharing non-public utility information that may contain competitively sensitive information, Division is on a separate information system network and is not permitted access to SDG&E’s information network and SDG&E is permitted access to the information network used by the Division affiliate.

An annual communication will be issued to all SDG&E employees and employees of the Division directing them to comply with this Rule. SDG&E will also provide training, as necessary, to targeted groups affected by the CCA COC. (See discussion following Rule 2 above).

6) No electrical corporation shall recover the costs of any direct or indirect expenditure by the electric utility for promotional or political advertising, including advertising distributed in billing envelopes or by other means, from any person other than the shareholders or other owners of the utility. (See Pub. Util. Code §707(a)(5).)

Procedures and Mechanisms for Ensuring Compliance

The Division is a stand-alone affiliate and will incur all costs associated with promotional or political advertising in compliance with Rule 6. These costs will then be billed to SDG&E and recorded below-the-line to clearly demonstrate that the shareholders incurred the costs.

7) An electric corporation shall provide access to utility information, rates and services to community choice aggregators on the same terms as it does for its independent marketing division. (See D.97-12-088, App. A, Part III.B.1.)

Procedures and Mechanisms for Ensuring Compliance

The Division affiliate will obtain all of the information that is used in its operations from public sources, such as the internet, or through studies that they conduct on their own, with no assistance from SDG&E. SDG&E personnel will receive training not to provide any utility information regarding rates and services to the Division affiliate.

8) An electrical corporation shall not provide access to market analysis reports or any other types of proprietary or non-publicly available reports, including but not limited to market, forecast, planning or strategic reports, to its independent marketing division. (See D.97-12-088, App. A, Part III.E.)
Procedures and Mechanisms for Ensuring Compliance

The Division affiliate will obtain all market analysis reports that are used in its operations from public sources, such as the internet, or through studies that they conduct on their own, with no assistance from SDG&E. SDG&E personnel will receive training not to provide any market analysis reports or any other types of proprietary or non-publicly available reports to the Division affiliate.

9) An electrical corporation shall refrain from: 1) speaking on behalf of a CCA program; 2) giving any appearance of speaking on behalf of any CCA program; or 3) making any statement relating to the community choice aggregator’s rates or terms and conditions of service that is untrue or misleading, and that is known, or that, by the exercise of reasonable care, should be known, to be untrue or misleading.

Procedures and Mechanisms for Ensuring Compliance

SDG&E will comply with Rule 9’s requirements by providing training, in conjunction with Section I.A.5., hereof, that specifically addresses that all employees and hired agents (including contractors and consultants) of SDG&E shall refrain from:

- Speaking on behalf of any CCA program;
- Giving any appearance of speaking on behalf of any CCA program; or
- Making any statement relating to the community choice aggregator’s rates or terms and conditions of services that is untrue or misleading, and that is known, or through the exercise of reasonable care, should be known, to be untrue or misleading.

10) An electrical corporation and its independent marketing division shall keep separate books and records. (See D.97-12-088, App. A, Part V.B.)

Procedures and Mechanisms for Ensuring Compliance

SDG&E and its Division affiliate maintain separate accounting books and records. SDG&E follows and will continue to follow USOA and GAAP standards. The accounting books and records of SDG&E and its Division affiliates are open for examination by the CPUC pursuant to Pub. Util. Code §§314(b) and 701.

11) An electrical corporation shall not share office space equipment, services, and systems with its independent marketing division, nor shall an electrical corporation access the computer or information systems of its independent marketing division or allow its independent marketing division to access its computer or information systems, except to the extent appropriate to perform shared corporate support functions. Physical separation required by this rule shall be accomplished by having office space in a separate building, or, in the alternative, through the use of separate
elevator banks and/or security-controlled access. (See D.97-12-088, App. A, Part V.C.)

Procedures and Mechanisms for Ensuring Compliance

As of the filing of this report, SDG&E’s headquarters are located at the Century Park facility in San Diego. No Division affiliate personnel share this facility. Division affiliate personnel are located at Sempra Energy’s Headquarters building.

Information Technology:

The SDG&E Data Center houses the majority of Information Technology (“IT”) production processing operations.

The SDG&E Data Center is a stand-alone facility, specifically constructed and maintained to house computer technology services and related activities in a high security environment. The utility-operated facility provides computer technology services for the utilities and Corporate Center. The SDG&E Data Center provides support for permissible shared services (under Rule 13), such as employee timekeeping, payroll, materials management and accounting functions. To ensure compliance with the Rules for electronic corporation and Division affiliate separation, the Utility information systems adhere to the following measures:

Office Space:

Affiliate personnel are not allowed physical access to the SDG&E Data Center without escort. The Division affiliates operate their own independent IT organization and data center for affiliate information systems. The Division affiliates’ Data Center is located at Sempra Energy’s Headquarters building. With the exception of shared service Facilities Management staff, utility employees cannot access the covered affiliates Data Center without escort.

Shared Services:

The Utility network maintains physical and logical security controls to ensure that affiliates can only view, input and export permissible information. Utility employees do not have access to the Division affiliates’ network. Likewise, the Division affiliate does not have access to the utility’s network.

Systems:

The Utility IT network is separated from the Division affiliate network by security controls designed to physically and logically isolate the Utility and the Division affiliates’ systems and information. Additionally, employees receive training on the Division Rules educating and raising awareness to prevent access to non-sharable systems.
Utility employees are not permitted to have access to the Division affiliate network. Likewise, the Division affiliate is not permitted to access the utility’s network.

SDG&E and the Division affiliate each maintain their own systems including separate contracts and licenses, directories, server hardware and software, and desktop hardware and software. Communications systems such as e-mail, directories and collaboration tools are also separated. Certain permissibly shared, corporate-wide infrastructure systems served under a single Master Agreement can also be used for all Sempra Energy companies.

Utility and the Division affiliate’s IT organizations may communicate intermittently in the administration of technology issues associated with company-wide oversight and governance activities, (e.g. training, IT employee development initiatives, etc.)

Internal guidelines are in place to manage the limited connectivity between the Utility network and the Division affiliate’s network for access to allowable shared services. These guidelines are approved by representatives of SDG&E IT; the Division affiliate’s IT and ACD and is subject to audit by the Sempra Energy Audit Services Department.

12) An electrical corporation and its independent marketing division may make joint purchases of goods and services, other than purchases of electricity for resale. The electrical corporation shall ensure that all joint purchases are priced, reported, and conducted in a manner that permits clear identification of the portions of such purchases made by the Utility and its independent marketing division, and in accordance with these CCA COC. (See D.97-12-088, App. A, Part V.D.)

Procedures and Mechanisms for Ensuring Compliance

SDG&E’s Supply Management Department procures products and services (other than those associated with the traditional utility merchant function) as a Rule 13 support service for SDG&E and the Division affiliates. Supply Management trains its contracting agents that they may not jointly procure goods and services associated with the traditional utility merchant function. Any joint purchases will follow the shared service billing procedures that are in-place for billing a covered affiliate under the Affiliate Transaction Rules and will be fully loaded.

13) As a general principle, an electrical corporation may share with its independent marketing division joint corporate oversight, governance, support systems and support personnel; provided that support personnel shall not include any persons who are themselves involved in marketing or lobbying. Any shared support shall be priced, reported and conducted in accordance with applicable Commission pricing and reporting requirements. As a general principle, such joint utilization shall not allow or provide a means for the transfer of competitively sensitive information from the electrical corporation to the independent marketing division, create the opportunity for preferential treatment or unfair competitive advantage, lead to customer confusion, or create significant opportunities for cross-subsidization of the independent marketing division. (See D.97-12-088, App. A, Part V.E.)
Procedures and Mechanisms for Ensuring Compliance

Properly structuring the shared services to ensure separation between the SDG&E and all affiliates, including the Division affiliate, is a significant step in ensuring compliance with the Rules, however, SDG&E does not rely upon structure alone. All shared services employees must affirm their understanding of the Rules and acknowledge that they will comply with the anti-conduit provisions as part of annual training, which includes community choice aggregation, in addition to the Affiliate Transaction Rules. Taken together, these actions demonstrate full compliance with the requirements of Rule 13.

For purposes of this Rule, SDG&E considers that shared services include, but are not limited to: payroll, taxes, shareholder services, insurance, financial reporting, financial planning and analysis, corporate accounting, corporate security, human resources (compensation, benefits, employment policies), employee records, regulatory affairs, legal and pension management. The CPUC acknowledged in D.98-08-035 that the list of permissible shared services presented in Rule V.E is not exhaustive. Communications and public affairs, for instance, may also be shared.

Some of the key areas currently being shared between each utility, Sempra Energy and affiliates include, Audit Services, Controller department (including Utility Accounting, as well as Affiliate Transaction and CCA COC Compliance Department), Corporate Tax, Corporate Relations, Corporate Security, Finance, Legal, Human Resources, Information Technology, Investor Relations, Risk Analysis & Management, Supply Management, and Treasury.

Services that are currently shared with the Division affiliate are charged at fully loaded allocated costs to the Division affiliate at month-end and recorded “below-the-line” on SDG&E’s financial statements. Allowable shared services that are not currently shared will be direct-charged to affiliates on an as-needed basis and recorded “below-the-line” on SDG&E’s financial statements. Division personnel will not be permitted access to competitively sensitive information as outlined in Rule 5.

SDG&E has been ordered to expand the term “personnel” to include not only employees, but all agents, including contractors and consultants. Accordingly, SDG&E will not share its Independent Marketing Division employees or agents (including contractors or consultants) who are themselves involved in marketing or lobbying (Resolution E-4874, OP 7).
14) An electrical corporation shall apply tariff provisions in the same manner to the same or similarly situated entities if there is discretion in the application of the provision.

Procedures and Mechanisms for Ensuring Compliance

SDG&E will comply with Rule 14’s requirements by applying tariff provisions to the Division affiliate in the same manner to the same or similarly situated entities if there is discretion in the application of the provision.

15) Except as permitted in Rule 13 of this Code of Conduct, employees of an electrical corporation’s independent marketing division shall not otherwise be employed by the electrical corporation. (See D.97-12-088, App. A, Part V.G.1.)

Procedures and Mechanisms for Ensuring Compliance

SDG&E interprets Rule 15 to apply to employees of SDG&E, and not to consultants/contractors or employees of temporary third-party agencies. SDG&E includes anti-conduit provisions in all contracting templates to address consultants/contractors or temporary third-party agency personnel who perform work for both the utility and its affiliates.

The Division will be a separate affiliate and employees cannot be employed by the Division affiliate and SDG&E at the same time. The only exceptions that permit SDG&E employees to provide services to the Division affiliate are: 1) for shared services provided in Rule 13; and 2) for SDG&E officers to be on the Board of the Division affiliate to provide the purpose and oversight governance to the Division affiliate. Note that D.97-12-088, App. A, Part V.E. included restrictions on the use of Utility officers but Rule 13 excluded these restrictions. The SDG&E employees that fall into the two exception categories will be trained not to be conduits of competitively sensitive information and not to provide utility information concerning rates and services. Additionally personnel that perform services under the two exceptions will be trained to charge the time they support to Division affiliate to be billed to the Division affiliate. The appropriate loaders and overheads will be added to the direct costs being billed to ensure that there is no cross-subsidization by ratepayers.

16) All employee movement between the independent marketing division and other divisions of the electrical corporation shall be consistent with the following provisions:

a) An electrical corporation shall track and report to the Commission all employee movement between the independent marketing division and other divisions of the electrical corporation. The electrical corporation shall report this information annually pursuant to our Affiliate Transaction Reporting Decision, D.93-02-016, 48 CPUC2d 163, 171-172 and 180 (Appendix A, Section I and Section II H.).

b) Once an employee of an electrical corporation becomes an employee of the independent marketing division, the employee may not return to another division of the electrical corporation for a period of one year. In the event
that such an employee returns to another division of the electrical corporation after the one year period, such employee cannot be retransferred, reassigned, or otherwise employed by the independent marketing division for a period of two years. Employees transferring to the independent marketing division are expressly prohibited from using competitively sensitive information gained from the electrical corporation, to the benefit of the electrical corporation or to the detriment of community choice aggregators. Any electrical corporation employee transferring to the independent marketing division shall not remove or otherwise provide information to the independent marketing division which the independent marketing division would otherwise be precluded from having pursuant to these CCA COC. An electrical corporation shall not make temporary or intermittent assignments, or rotations to its independent marketing division. (See D.97-12-088, App. A, Part G.)

c) When an employee of a utility is transferred, assigned, or otherwise employed by the independent marketing division, the independent market division shall make a one-time payment to the utility in an amount equivalent to 25% of the employee’s base annual compensation, unless the utility can demonstrate that some lesser percentage (equal to at least 15%) is appropriate for the class of employee included. This transfer payment provision will not apply to clerical workers. (D.97-12-088, App. A, Part V.G.2.c.)

Procedures and Mechanisms for Ensuring Compliance

SDG&E tracks all employees who transfer between the utility, Sempra Energy and its affiliates, including the Division affiliate, and will report the additional Division affiliate information annually to the Commission in its Affiliate Transactions Report. This will include transfers from and to the Division affiliate.

SDG&E will comply with Rule 16.b’s “residency” requirements, as well as the requirement that prohibits the use of “loaned labor” to the Division affiliate. Note that under the Affiliate Compliance Transaction Rules “loaned labor” is permitted to non-Energy Marketing Affiliates. SDG&E also monitors all transfers between the utility, Sempra Energy and its affiliates, including the Division affiliate and that transfer fees are paid in accordance with this Rule. SDG&E has established a distinct account for recording all transfer fees pursuant to Rule 16.c.

17) Neither electrical corporations nor their marketing divisions can offer to provide, or provide, any goods, services, or programs to a local government or to the customers within a local government’s jurisdiction on the condition that the local government not participate in a community choice aggregation program, or for the purpose of inducing the local government not to participate in a community choice aggregation program.

This restriction applies regardless of whether the goods, services, or programs are funded by ratepayers or shareholders. This restriction also applies to any plan
whereby the utility would pay someone else to provide such goods, services, or programs.  (See Resolution E-4250, OP 4.) This restriction does not apply to optional rates, programs, and services authorized or approved by the Commission that are only available to bundled service customers.

**Procedures and Mechanisms for Ensuring Compliance**

SDG&E will comply with Rule 17’s requirements not to use any goods, services, or programs to influence governmental agencies not to participate in aggregation programs.

18) An electrical corporation shall not, through a tariff provision or otherwise, discriminate between its own customers and those of a CCA in matters relating to any product or service that is subject to a tariff on file with the Commission. An electrical corporation shall not condition or tie the provision of any product, service, or rate agreement to a customers’ participation or non-participation in a CCA program. This restriction does not apply to optional rates, programs, and services authorized or approved by the Commission that are only available to bundled service customers.

**Procedures and Mechanisms for Ensuring Compliance**

SDG&E will comply with Rule 18 and strictly enforce tariff provisions when discretion is not permitted

19) Electrical corporations shall not make available to their customers any mechanism for opting out of community choice aggregation programs unless requested to do so by the CCA.  (See D.10-05-050, OP 1.)

**Procedures and Mechanisms for Ensuring Compliance**

SDG&E will comply with Rule 19 and not make available to their customers any mechanism for opting out of the community choice aggregation programs.

20) Electrical corporations may not refuse to make economic sales of excess electricity to a community choice aggregation program, nor refuse in advance to deal with any community choice aggregation program in selling electricity because it is a community choice aggregation program.  (See Resolution E-4250, OP 5).

**Procedures and Mechanisms for Ensuring Compliance**

SDG&E will comply with Rule 20 and will not refuse to make economic sales of excess electricity to a community choice aggregation program, nor refuse in advance to deal with any community choice aggregation program in selling electricity because it is a community choice aggregation program.
21) The electrical corporation shall maintain a log of all new, resolved, and pending complaints submitted in writing relating to services provided for the CCA and CCA customers. The log shall be subject to review by the CCA and the Commission, and shall include the date each issue was received; the customer's name, address, and Service Account ID number if the issue is in relation to a specific customer; a written description of the complaint; and the resolution of the complaint, or the reason why the complaint is still pending.

Procedures and Mechanisms for Ensuring Compliance

SDG&E will comply with Rule 21 and establish a log of all new, resolved, and pending complaints submitted in writing related to services provided for the CCA and CCA customers. The log will be available for review by the CCA and the Commission. The required information will be included in the log. This information on the log will be maintained for three years from the date that the complaint has been resolved.

22) No later than March 31, 2013, each electrical corporation that intends to market or lobby against a CCA shall submit a compliance plan demonstrating to the Commission that there are adequate procedures in place that will preclude the sharing of information with its independent marketing division that is prohibited by these CCA COC, and is in all other ways in compliance with these CCA COC. The electrical corporation shall submit its compliance plan as a Tier 1 advice letter to the Commission's Energy Division and serve it on the parties to this proceeding. The electrical corporation’s compliance plan shall be in effect between the submission and Commission disposition of the advice letter.

a) An electrical corporation shall submit a revised compliance plan thereafter by Tier 2 advice letter served on all parties to this proceeding whenever there is a proposed change in the compliance plan for any reason. Energy Division may reject the Tier 2 advice letter and require resubmission as a Tier 3 advice letter if Energy Division believes the change requires an additional level of review.

b) An electrical corporation that does not intend to lobby or market against any community choice aggregation program shall file a Tier 1 advice letter no later than March 31, 2013, stating that it does not intend to engage in any such lobbying or marketing.

(i) If such an electrical corporation thereafter decides that it wishes to lobby or market against any community choice aggregation program, it shall not do so until it has filed and received approval of a compliance plan as described above, with its compliance plan filed as a Tier 2 advice letter with Energy Division. (See D.97-12-088, App. A, Part VI.A.)

c) Any CCA alleging that an electrical corporation has 1) violated the terms of its filed compliance plan or 2) has engaged in lobbying and/or marketing
after filing an advice letter stating that it does not intend to conduct such activities, may file a complaint under the expedited complaint procedure authorized in § 366.2(c)(11).

Procedures and Mechanisms for Ensuring Compliance

SDG&E makes this Tier 2 Advice Letter filing in compliance with this Rule.

23) Beginning in 2015 and every other year thereafter, the Commission’s Executive Director shall have audits prepared by independent auditors verifying that each electrical corporation was in compliance with the CCA COC set forth herein during the preceding two years. The Commission shall have the auditor serve a copy of the audit report on each party to this proceeding, and publish the audit at the same time on the Commission’s website. The Energy Division shall send an invoice to each electrical corporation for payment of auditor expenses. The cost of audits of utilities that form an independent marketing division according to these CCA COC shall be at shareholder expense. Audits of non-marketing electrical corporations shall be at ratepayers’ expense, but audit costs will be charged to shareholders if the audit finds a violation of the restrictions on their operations. (See D.06-12-029, App. A-1, Part VI.C.)

Procedures and Mechanisms for Ensuring Compliance

Rule 23 requires no compliance action at this time. SDG&E will follow this rule and cooperate with the Energy Division and its independent auditors during the audit. The Division affiliate will pay for the cost of the audit and will then bill these costs to SDG&E. SDG&E will record these costs below-the-line to ensure that Sempra Energy’s corporate shareholders are responsible for these costs.

Commencing in 2017, SDG&E will be subject to the Code of Conduct compliance audit for calendar years 2015 and 2016, and biennial audits thereafter, so long as the IMD continues to operate. (See Resolution E-4874, OP 9 and OP 10).

SDG&E has been ordered to file a report with the Energy Division detailing the amount of spending and shareholder funding of the Independent Marketing Division. This report is due by March 31, beginning in 2017, covering the previous calendar year, and is required to be published on SDG&E’s website. These reports are to continue annually until March 21, 2019, unless the Commission decides to extend them. (See Resolution E-4874, OP 11). SDG&E believes this requirement is unlawful to the extent it seeks information about an affiliate’s shareholder expenditures that have no bearing on SDG&E or ratepayer funds. SDG&E will comply with this requirement until it is reversed by the Commission or a reviewing court.
CCA COC Regarding Enforcement Procedures

24) A complaint filed pursuant to §366.2(c)(11) by an existing or prospective community choice aggregator or community choice aggregation program alleging a violation of an electrical corporation’s obligation to cooperate fully with community choice aggregators or community choice aggregation programs, or any other provision of §366.2 or §707, shall be resolved in no more than 180 days following the filing of the complaint.

This deadline may only be extended under either of the following circumstances:

a) Upon agreement of all of the parties to the complaint.

b) The commission makes a written determination that the deadline cannot be met, including findings for the reason for this determination, and issues an order extending the deadline. A single order pursuant to this subparagraph shall not extend the deadline for more than 60 days.

25) The complaint shall be filed pursuant to Commission CCA COC for complaints (Article 4 of the Commission’s Rules of Practice and Procedure), except to the extent provided otherwise herein. The complainant shall serve the complaint on the defendant electrical corporation, and the complaint shall be accompanied by documentary evidence, prepared testimony supporting the complaint, and a declaration affirming that the complainant has made a good faith attempt to meet and confer with the defendant electrical corporation in an attempt to resolve the dispute informally.2 In the caption under the blank docket number, the complaint shall specifically state that the expedited procedures adopted in these CCA COC are applicable to the case by the following language: (Subject to CAA expedited complaint procedures).

26) Unless otherwise specified by the assigned Commissioner or Administrative Law Judge, answers to complaints filed by a CCA under these procedures shall be filed and served within 15 days of the date the complaint is filed, and shall be accompanied by documentary evidence and prepared testimony supporting the answer. All parties to the complaint shall respond to related discovery requests on an expedited basis.

27) The assigned Commissioner or Administrative Law Judge (ALJ) shall set the matter for evidentiary hearing for 30 to 45 days after the initiation of the proceeding or as soon as practicable after the Commission makes the assignment.

28) Unless otherwise directed by the assigned ALJ, three business days before the scheduled beginning of hearings, parties shall file a joint case management statement. This statement shall include any agreements or stipulations by the

2 Service by complainant will help expedite the proceeding. The Commission will also perform service, as required by Pub. Util. Code §1704. (See also Rule 4.3 of the Commission’s Rules of Practice and Procedure.)
parties that narrow the issues since the filing of testimony, an updated discussion of the issues to be resolved, a proposed order of witnesses for hearing, any other information parties believe the Commission would find useful for the efficient disposition of the case, and any other information that may be required by the assigned ALJ.

29) In its expedited adjudication of the complaint, the Commission may impose fines, injunctive relief, or grant any other appropriate remedy without the initiation of a separate Order Instituting Investigation. (§366.2(c)(9), §366.2(c)(10), §§ 366.2(c)(11), 701, 702, 2100-2109.)

Procedures and Mechanisms for Ensuring Compliance

If a complaint is filed against SDG&E under the CCA COC, SDG&E will follow all provisions of CCA COC Rules 24-29.