

**ORA DATA REQUEST  
ORA-SCG-DR-057-SWC  
SOCALGAS 2016 GRC – A.14-11-004  
SOCALGAS RESPONSE**

**DATE RECEIVED: FEBRUARY 6, 2015  
DATE RESPONDED: FEBRUARY 23, 2015**

**Exhibit Reference:** SCG-14

**Subject:** Supply Management

**Please provide the following:**

1. In data request ORA-SCG-DR-036-SWC, question 4, ORA requested more information about the Supplier Relationship Management system enhancements (Exhibit SCG-14, page RDH-4).
  - a. Explain the Consulting Support cost of \$0.122 million.
  - b. SoCalGas provided details that SoCalGas was invoiced for \$250,000 on 12/06/2013 for the Power Advocate Supplier Intelligence. Provide the date the \$250,000 was paid and recorded.
  - c. Is the Power Advocate Supplier Intelligence license/system good for three years since the end date is “12/31/2016?”
  - d. Did SoCalGas pay for Consulting Support in 2013? If yes, how much?
  - e. Did SoCalGas pay for Consulting Support in 2014? If yes, how much?

**SoCalGas Response:**

- a. Consulting Support Cost of \$.122 million will be used to retain a consultant that will further enhance the utilization of our Power Advocate Supplier Intelligence Module. A consultant will be used to provide system customization for the various industries and companies that will be tracked in our SRM program. This same consultant will also be used to build out our Supplier Diversity module which is part of the overall Supplier Intelligence Module.
- b. This invoice was paid on 1/17/2014. This expense was posted and recorded on 12/23/2013. Please see the screen print below.

The screenshot displays the SAP 'Display Document: Line Item 001' interface. The main window shows the following details:

- Vendor:** 95810 POWER ADVOCATE INC
- Company Code:** 2200 Southern California Gas
- Address:** 179 LINCOLN STREET BOSTON
- G/L Acc:** 2120000
- Doc. no.:** 5100810007
- Line Item 1 / Invoice / 31:** Amount 250,000.00 USD, Tax Code 10
- Additional Data:** Bus. Area, Disc. base 250,000.00 USD, Disc. amount 0.00 USD, Days/percent 45 0.000 % 0 0.000 % 0, Bline Date 12/06/2013, Fixed, Invoice ref., Pmt Method, Payment Ref., Clearing 01/17/2014 / 2001954536, Assignment 5660030426

A secondary window titled 'Document Header: 2200 Company Code' is open, showing:

- Document Type:** RS Readsoft - LIV
- Doc. Header Text:**
- Branch number:** 818-002
- Number of Pages:** 0
- Reference:** 818-002
- Document Date:** 12/06/2013
- Posting Date:** 12/23/2013
- Posting Period:** 12 / 2013
- Currency:** USD
- Ref. Transactn:** RMRP Invoice receipt
- Reference key:** 58042454022013
- Log System:** PRDCLNT200
- Entered by:** TPHML
- Parkeed by:**
- Entry Date:** 12/23/2013
- Time of Entry:** 13:58:15
- TCode:** MIRO
- Changed on:** 12/24/2013
- Last update:**
- Ledger Grp:**
- Ledger:**
- Ref key(head) 1:**
- Ref key 2:**

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**Response to Question 1 (Continued)**

- c. Yes the term of the agreement is from 1/1/2014 to 12/31/2016.
- d. SoCalGas did not pay for consulting support in 2013.
- e. SoCalGas did not pay for consulting support in 2014.

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2. SoCalGas' response to ORA-SCG-DR-036-SWC, question 4(b) states "Purchase of Supplier Intelligence module from Power Advocate is a recurring expense. This amount is an increase over 2013 spend and will be renewed at the end of 2016 for an additional 3 years."
  - a. Did SoCalGas forecast \$250,000 for the Power Advocate Supplier Intelligence Module and \$122,000 for Consulting Support in 2016?
  - b. Since the Power Advocate Supplier Intelligence Module is going to be renewed at \$250,000 in 2016 for an additional 3 years, explain why this expense is a recurring expense in 2017 and 2018.
  - c. Explain why the \$122,000 for Consulting Support is a recurring expense in 2017 and 2018.

**SoCalGas Response:**

- a. Yes, these amounts were forecast in 2016.
- b. The \$250,000 is renewed every three years. The agreement will renew on 1/1/2017.
- c. This is a one-time expense and will not be renewed.

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3. In Exhibit SCG-14, page RDH-iv, SoCalGas is requesting an increase of \$210,000 in Supplier Diversity for Technical Assistance and mentor protégé programs. SoCalGas says that currently there are four 10-week courses offered to accommodate a large waiting list.
- a. How many classes were offered in 2013 and 2014?
  - b. Provide a description of the 10-week courses.
  - c. How are the 10-week courses conducted (i.e., on-line courses, taught by instructors in classrooms, etc.)?
  - d. Provide the number of attendees in 2013 and 2014.
  - e. How often do participants have to take the 10-week course (one-time, annually, every three years, etc.)?
  - f. Provide a copy of the waiting list for the 10-week course.
  - g. How many people can SoCalGas accommodate in each 10-week course?
  - h. Provide a breakdown of the \$210,000 into labor and non-labor expenses.
  - i. Provide a breakdown of the \$210,000 with a description of each expense.

**SoCalGas Response:**

- a. There were two classes offered in 2013 and two classes offered in 2014.
- b. Mastering Business Growth (MBG) is a Tier 1 program targeted at suppliers that have been in business less than three years and have under \$1 million in revenue. The overall goal of MBG is to help selected business owners and their organizations become successful utility suppliers by providing them with necessary growth tools as well as opportunities for one-on-one coaching, peer networking and targeted matchmaking with SoCalGas representatives. Workshops cover such topics as developing a business plan, finance and accounting, human resources management, business law, operations, contracting, risk management, technology and marketing.
- c. Course is taught by instructors in a classroom.

d.

2013	Los Angeles	119 registrants	51 attendees
2013	Orange County	82 registrants	58 attendees
2014	Chatsworth	59 registrants	31 attendees
2014	Los Angeles	94 registrants	44 received

- e. Participants only need to attend one time. Some attendees request to attend again but very specific modules like Finance and marketing and if they missed a class they can make up a missed module.

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**Response to Question 3 (Continued)**

- f. The accompanying attachment, is *considered confidential pursuant to PU Code Section 583 & General Order 66-C* - 'ORA-SCG-057-SWC\_3f CONFIDENTIAL.docx'.
- g. Currently the scheduled classes can accommodate 40 people but we can have slightly more, depending on space.
- h. 100% non-labor expenses. These non-labor expenses include the fees of the outside consultant and direct cost reimbursement expenses such as binders, tabs mileage, meals. There are no internal labor charges.
- i. \$199,500 - Consulting & Instructional;  
\$10,500 - Course Materials and Expenses.