Decision 16-06-046 June 23, 2016

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Southern California Gas Company (U904G) For Approval of The Branch Office Optimization Process.	Application 13-09-010 (Filed September 16, 2013)

DECISION GRANTING, IN PART, AND DENYING IN PART, SOUTHERN CALIFORNIA GAS COMPANY'S REQUEST FOR PERMISSION TO CLOSE SIX BRANCH OFFICES

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DECISION GRANTING, IN PART, AND DENYING IN PART, SOUTHERN CALIFORNIA GAS COMPANY'S REQUEST FOR PERMISSION TO CLOSE SIX BRANCH OFFICES

Summary

This decision grants, in part, the request of Southern California Gas Company to close certain branch offices. The decision grants the request to close the Bellflower, Monrovia, and Santa Monica branch offices. The decision also grants Southern California Gas Company's request to close the Palm Springs branch office following successful implementation of a process for identification verification consistent with Fair & Accurate Credit Transaction Act requirements that does not require customers to appear in-person or fax identification documents to Southern California Gas Company. This decision denies Southern California Gas Company's request to close the Santa Barbara and San Luis Obispo branch offices.

This decision requires Southern California Gas Company to provide customers with notice of the closures.

This proceeding is closed.

1. Procedural History

Southern California Gas Company (SoCalGas) currently operates 47 branch offices throughout its service territory at which customers can pay their utility bills, request that service be turned on or off, provide identity verification, resolve billing and other service issues, restore service following discontinuation of service, and request information regarding various programs. On September 16, 2013, SoCalGas filed Application (A) 13-09-010, its Application for Approval of The Branch Office Optimization Process, to align their customer service channels by closing six of its current 47 branch offices and requesting that the Commission entertain future branch closures through a Tier-2 Advice Letter

process rather than an application.[1] The branch office optimization process utilizes a three-tiered evaluation process to assess whether any branch offices should be considered for closure, including identifying "underutilized" branch offices by reviewing transaction trend data, applying "low-income screens," to remove from consideration offices that are primarily frequented by low-income customers, and eliminating from consideration any branch office without at least two Authorized Payment Locations (APLs) located within a three-mile radius.

On September 19, 2013, Resolution ALJ 176-3322 preliminarily determined that this proceeding is a ratesetting matter and found that hearings were necessary. Protests were timely filed by the Utility Workers Union of America (UWUA), The Utility Reform Network (TURN) and the Office of Ratepayer Advocates (ORA). A joint protest was also timely filed by The Greenlining Institute (Greenlining) and the Center for Accessible Technology (CforAT). SoCalGas filed a reply to the protests on October 28, 2013.

On December 3, 2013, a prehearing conference (PHC) took place in San Francisco to establish the service list, discuss the scope, and develop a procedural timetable for the proceeding. On December 3, 2013, UWUA filed a Motion to Dismiss (Motion) A.13-09-010, arguing that the application and supporting testimony failed to comply with the legal standard for branch office closure established by the Commission in Decision (D.) 92-08-038, and as a result, violated Public Utilities Code Section 451[2] by denying customers adequate service.

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[1] The branch offices proposed for closure include Bellflower, Monrovia, Palm Springs, San Luis Obispo, Santa Barbara and Santa Monica.

[2] All section references are to the Public Utilities Code.

On March 7, 2014, the assigned Commissioner and assigned Administrative Law Judge (ALJ) issued a Scoping Memo and Ruling. The Scoping Memo and Ruling denied UWUA's Motion, finding that SoCalGas' application was responsive to D.08-07-46 and consistent with D.92-08-038.[3] On March 28, 2014, ORA, CforAT, TURN, and UWUA served testimony. Reply testimony was served on April 28, 2014.

Six public participation hearings (PPHs) were held during May and June, 2014; one in each community in which SoCalGas proposes to close a branch office. An evidentiary hearing was held on June 10, 2014. Consistent with ALJ Halligan's instructions at the evidentiary hearing, SoCalGas served sur-rebuttal testimony on June 24, 2014. The sur-rebuttal testimony was admitted into the record via email ruling approving the procedure for addressing sur-rebuttal testimony, issued on July 1, 2014.

Opening briefs were filed on August 6, 2014, and Reply Briefs were filed on August 20, 2014. The proceeding was submitted upon receipt of Reply Briefs.

A Proposed Decision (PD) in the instant proceeding was mailed for public review and comments on December 15, 2015, and placed on the Commission's January 14, 2016 Agenda as Item 20. On December 22, 2015, SoCalGas filed a motion to supplement the record of the instant proceeding. In its motion, SoCalGas stated that it has implemented, and plans to implement, new technological solutions to eliminate the need for its customers to present identity verification documentation in person or via facsimile. SoCalGas requested the opportunity to introduce this evidence into the record now, rather than wait to

[3] Scoping Memo and Ruling at p. 4.

file an Advice Letter following a final decision. SoCalGas argues that this evidence, the Supplemental Testimony of Michael Baldwin (Attachment A to the Motion), is relevant and should be included in evidence to ensure that the Commission has a full and factual record upon which to render a final decision.[4]

On January 6, 2016, TURN and CforAT jointly submitted a response to SoCalGas' motion. On that same date, UWUA also filed a response to SoCalGas' motion. On January 14, 2016, Item 20 was withdrawn from the Commission's Agenda in order to allow time to address the issues raised in the pending motion. Neither TURN, CforAT, nor UWUA are opposed SoCalGas's motion; however, they each argue that the PD should not be changed.

On February 9, 2016, the instant Application was reassigned from ALJ Julie Halligan to ALJ W. Anthony Colbert. On February 22, 2016, the assigned ALJ issued a ruling setting aside submission, reopening the record and granting the motion to supplement the record with the Supplemental Testimony of Michael Baldwin for SoCalGas and the Supplemental Testimony of Emma Huerta for the UWUA (Appendix A to their Response). Parties filed comments on the supplemental testimony on March 4, 2016, and reply comments on March 14, 2016.

In accordance with Pub. Util. Code § 1701.5(a), the Commission extended the statutory deadline for this proceeding.[5]

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[4] Motion of SoCal Gas to Supplement Record, at 2.

[5] *See* D.15-088-043, D.15-10-051, D.15-12-052, D.16-02-027 and, D.16-04-043.

2. Background

SoCalGas bears the burden of demonstrating that its proposal to close six branch offices is reasonable and consistent with its legal obligation, pursuant to Section 451 of the Public Utilities Code, to furnish its customers with "such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities, ... as are necessary to promote the safety, health, comfort and convenience of its patrons, employees and the public."

The Commission has previously considered SoCalGas' requests regarding branch office closures in several proceedings. In D.92-08-038, the Commission ordered SoCalGas to reopen twelve branch offices that SoCalGas had previously closed, finding that the closures had a disproportionate effect on minorities and the poor and the elderly. The Commission also found that the offices had been closed without sufficient notice and adequate alternatives, resulting in a serious diminution in quality of service.

In D.97-04-031, the Commission approved the closure of two branch offices located in Fullerton and Irvine. In D. 08-07-046, the Commission denied SoCalGas' request to close seven "low-transaction/high-cost" branch offices located in Covina, Monrovia, Pasadena, San Luis Obispo, Santa Barbara, Santa Fe Springs, and Santa Monica, finding that "the proposal to close branch offices is problematic for low income customers."[6] D.08-07-046 also imposed a moratorium on San Diego Gas & Electric Company (SDG&E) and SoCalGas "precluding any further branch office closures or new authorized payment locations within payday lenders."[7] The Commission stated that SoCalGas should

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[6] D.08-07-046 at p. 21.

[7] Exhibit ORA-1, citing D.08-07-046 at O.P. 11.

separately apply to close individual offices in the future or revisit the issue in the next General Rate Case (GRC).

In these prior decisions addressing branch offices, the Commission has generally considered two factors. First, the Commission has considered whether customers would have reasonably comparable alternatives to the level of service offered by a branch office if the branch office were to close.[8] The Commission has previously stated, for example, that APLs should be as conveniently located as the utility branch offices. The Commission also considered the extent to which customers would have reasonably comparable alternatives for receiving the services provided by the branch offices other than receipt of payments.

The Commission also questioned whether the impact of closing branch offices would fall disproportionately on customers who are low-income, elderly, or who have disabilities. D.08-07-046 explained:

> The reality is that some customers are more expensive to service than others: we cannot presume all to have internet bill-paying capability or even checking accounts. Therefore, we must find a way to serve these customers' needs for bill payment, customer service, and information. The traditional branch offices serve these functions.[9]

In this proceeding, SoCalGas must meet its burden of proof by demonstrating that the closure of its branch offices in Bellflower, Monrovia, Palm Springs, San Luis Obispo, Santa Barbara, and Santa Monica is reasonable and in the best interest of its customers and that such closure will not disproportionately impact vulnerable customers.

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[8] D.92-08-038, 1992 Cal. PUC LEXUS 563, at 17-18.

[9] D.08-07-046, at 20-21.

3. SoCalGas' Request

SoCalGas currently operates 47 branch offices, which provide customers the option to pay their bills in-person, inquire about accounts and utility programs, and complete other service transactions. In A.13-09-010, SoCalGas requests authority to close six of those branch offices that it deems "low-transaction / high cost." SoCalGas states that as a responsible service provider, it is incumbent upon it to provide quality service to customers while operating as efficiently as possible. SoCalGas explains that a continuing decline in branch office transactions and the continuing high cost of branch office services prompted it to develop the Branch Office Optimization Process to evaluate branch office performance.

SoCalGas reports that as of 2012, 92% of customers use self-service options for payment transactions and 98% of customers use self-service options for non-payment transactions.[10]

SoCalGas explains that the volume of branch office and APL transactions, both payments and service orders, across its 47 branch offices have declined from 2005 to 2012:

[10] SoCalGas Reply Brief at 15.

Table SCG-MB-1
Total Branch Office and APL Payment Transactions
And Service Orders
2005-2012[11]

Transaction Type	2005	2006	2007	2008	2009	2010	2011	2012
Branch Payments	5,231,284	5,135,454	4,870,539	4,833,117	4,261,945	4,211,886	3,868,425	3,628,491
Service Orders	105,987	94,562	86,845	80,303	73,956	134,127	114,590	99,796
APL Payments	3,365,139	3,200,031	2,995,339	2,934,347	2,848,893	2,961,440	3,148,035	3,005,048

SoCalGas notes that payment transactions at branch offices and APLs have fallen 31% and 11%, respectively, since 2005. According to SoCalGas, the increase in APL payments in 2010 and 2011 is due to temporary branch office closures that took place to complete the Americans with Disabilities Act (ADA) upgrades at several branch offices and the addition of Walmart to SoCalGas' APL network. And, although service order transactions declined from 2005 to 2009, they peaked in 2010 due to Fair and Accurate Credit Act (FACTA) requirements[12] that were implemented in the branch offices on November 2, 2009. The FACTA rules require customers, in cases where identity cannot be validated electronically by the Customer Contact Center, to present identification documents at a branch office or fax such information to SoCalGas' Credit and

[11] SCG-01, Table SCG-MB-1, at 5.

[12] Exhibit SCG-01-at 5: FACTA is federal consumer-rights law that is intended to reduce the risk of identity theft by regulating how consumer account information is handled by creditors and financial institutions.

Collections department, resulting in more customers conducting business at branch offices in 2010 (compared to earlier years).

Despite the temporary increase associated with the FACTA requirements, SoCalGas reports that customer service order volumes have been declining across the 47 existing branch offices.

Table SCG-MB-4
Branch Office Service Order Transactions
2005-2012

	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Service Orders	105,987	94,562	87,112	80,303	73,956	134,127	114,590	99,796
Avg Service Orders/Day	426	380	348	320	296	534	457	399
Avg Service Orders/Day/Office	9	8	7	7	6	11	10	8

Historically, service orders have comprised approximately 2-3% of branch office volumes. In 2010, walk-in service orders increased due to FACTA implementation, but "SoCalGas expects that these order volumes will return to pre-2010 levels following the implementation of technology enhancements that will minimize the need to process these transactions in branch offices."[13] SoCalGas states that it is working to implement technological solutions to meet the FACTA requirements that would minimize a customer's need to visit a branch office.[14]

SoCalGas also believes that service orders will continue to decline as customers migrate to self-service options, noting that beginning in 2012, SoCalGas customers were allowed to process service orders (turn-ons, closes,

[13] Exhibit SCG-01 at 9.

[14] Exhibit SCG-01 at 6.

and transfers) through My Account on the SoCalGas website. Eleven percent of all service orders in 2012 were processed online through My Account. In addition, 38% of payment extensions in 2012 were processed by customers using self-service options, with this percentage rising to 50% during the fourth quarter of 2012 (the peak heating season).

Of the average service orders per day processed by the 47 branch offices in 2013, SoCalGas reports that the Monrovia Branch Office processed an average of six service orders per day, the Palm Springs Branch Office processed approximately six service orders per day, the Santa Barbara Branch Office processed approximately five service orders per day, the Bellflower Branch Office processed approximately four service orders per day, and the Santa Monica Branch Office processed approximately one service order per day. The San Luis Obispo Branch Office does not generally process service orders – on average just one service order per week is processed by the San Luis Obispo branch office.[15]

4. Proposed Branch Office Optimization Process

SoCalGas describes its Branch Office Optimization process as a mechanism to identify branch offices that should be closed because they are "underutilized and cost-ineffective."[16] The proposed Branch Office Optimization Process is a three-step process to evaluate the utilization of branch offices, with a focus on low-income customers, as well at the availability and location of effective and comparable service alternatives. First, SoCalGas identified "underutilized"

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[15] A.13-09-010 at 5.

[16] *Id.* at 2.

branch offices by reviewing transaction trend data and applying four transaction trend criteria to identify underutilized branch offices. Next, after identifying underutilized branch offices, SoCalGas applied three low-income screens to exclude branch offices that are primarily frequented by low-income customers. Third, SoCalGas applied a proximity screen to ensure that any potentially closed branch office has at least one APL located within a three-mile or less radius of the existing office.[17] SoCalGas would also "use its best efforts to maintain a minimum of two APLs within a three-mile radius of any closed branch office."[18] The four transaction criteria, three low-income screens and proximity screen comprise the Branch Office Optimization Process.

Because in-person payments account for the largest volume of all branch office transactions, SoCalGas first assessed the cost-effectiveness of the branch offices based on the volume of in-person customer payments. SoCalGas analyzed in-person payment trends for each of its 47 branch offices, identifying branch offices in which:

1. The total number of in-person payments that trended downward from 2005 to current.
2. The total number of in-person payments from 1995 to current that decreased by 50% or more.
3. The total number of annual in-person payments was less than or equal to the median of all transactions.
4. The total number of annual in-person payments is in the bottom 25% of all branch offices.

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[17] Exhibit SCG-02 at pp 18-19 (modifying SoCalGas' original proposal for a five-mile radius).

[18] *Id.*

Based on these four criteria, 39 of the 47 offices were excluded from further consideration, leaving eight branch offices which showed low customer transaction levels.[19]

SoCalGas then applied three low-income screens to the eight remaining branch offices to avoid disproportionately impacting low-income, disabled, or elderly customers as follows:

1. Because California Alternate Rates for Energy (CARE) customers are representative of the lowest income customers served by SoCalGas, SoCalGas excluded from consideration those branch offices in areas in which the median household income is below the 2013 CARE income guidelines.[20]
2. SoCalGas next screened to exclude those branch offices in which the percentage of cash transactions are greater than or equal to 72% - the median number of cash payments for all branch offices in 2012. This cash payment screen excludes those offices in which the percentage of cash payments is high, to avoid disproportionate impacts on customers who do not have bank accounts.
3. The third screen excludes branch offices in areas in which the percentage of unique CARE customers using the branch offices is greater than the 2012 branch office median of 66.6%.[21]

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[19] Exhibit SCG-01 at 11.

[20] To determine which branch offices are located in predominately low-income communities, SoCalGas first identified the median income levels and average household sizes for all zip codes that comprise at least 5% of the total payment transaction volumes for each branch office, based on Nielsen's 2012 Report. SoCalGas then identified the corresponding CARE average household sizes and associated average household CARE income maximums for each of the branch offices. (Exhibit SCG-01 at 16).

[21] SoCalGas defines a unique CARE customer as a single CARE customer that makes one or more payments at a branch office in a given year.

SoCalGas maintains that its three low-income screens will also mitigate impacts to its disabled and elderly customers "because disabled and elderly customers are disproportionately more likely to be low-income customers,[22]

The Bellflower, Monrovia, Palm Spring, Santa Barbara, Santa Monica, and San Luis Obispo branch offices remained as candidates for closure after the three low-income screens were applied. The results of the low-income screens are presented in Table 2, below.

Table 2: Branch offices Meeting the Low-Income Screen[23]

	% Median Income above 2013 CARE Income Guidelines	% Cash Payments (72% Median)	% Unique CARE Customers (66% Median)
Bellflower	11%	62%	60%
Monrovia	71%	44%	45%
Palm Springs	1%	62%	57%
San Luis Obispo	29%	38%	41%
Santa Barbara	52%	62%	46%
Santa Monica	67%	59%	42%

SoCalGas states that all six branch remaining offices are located in communities in which the median household income exceeds the 2013 CARE income guidelines. All six branch offices also met the second screen; for each of the six remaining branch offices, the percentage of cash payments comprised less than the branch office median of 72%. Finally, fewer than 66.1% of the customers who utilized the six remaining branch offices were unique CARE customers.

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[22] *Id.* at 13.

[23] SoCalGas Opening Brief at 19.

Finally, to address concerns regarding customers who remit their payments in person, SoCalGas' proposed Branch Office Optimization Process utilizes a screen to consider the proximity of each proposed closed branch office to an APL excluding those branch offices that do not have at least two APLs were within a three-mile radius.[24] SoCalGas maintains that the three-mile radius is a reasonable distance within and around an existing branch office as it relates to customer travel, access to public transportation and travel time.

All six branch offices proposed for closure currently have at least two APLs within a three-mile radius with the exception of San Luis Obispo. When the application was filed, San Luis Obispo had two APLs within a three-mile radius. However, after being notified that John's 76 APL did not comply with the ADA; SoCalGas discontinued use of this APL. SoCalGas is currently seeking a replacement, but notes that it does not believe adding a second APL is essential given that the San Luis Obispo branch office only processes on average 40 payments per day. SoCalGas believes that the San Luis Obispo branch office does not receive enough payments to incent one APL, and has had difficulty maintaining multiple APLs in San Luis Obispo due to the low volume of in-person payment transactions.[25] In lieu of a second APL, SoCalGas proposes to locate a payment kiosk and ring-down telephone inside Pacific Gas and Electric Company's (PG&E) San Luis Obispo branch office. This would provide customers with an in-person payment option and the ability to contact the customer contact center for assistance.

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[24] SoCalGas initial proximity screen required a branch office subject to closure to be within a five-mile radius of at least one APL.

[25] Opening Brief at 23, citing SCG 04 at 1.

SoCalGas explains that, based on its application of the transaction trend criteria, the six branch offices slated for closure: 1) process significantly fewer payments compared to all branch offices; 2) have seen payment volumes decline over the long term; 3) have seen payment volumes decline significantly in the intermediate term; and 4) have payment volumes that are in the bottom 25% of all branch offices.

SoCalGas maintains that the closure of the six branch offices is in the best interest of the majority of its' customers because the costs to maintain the offices outweigh the benefits provided.

5. Cost Savings

SoCalGas states that, on average, the six branch offices proposed for closure process a combined total of 25,042 in-person payments a year, which translates to 102 payments per day. SoCalGas further states that it takes 30 seconds to process one payment, therefore the six branch offices average a total of 51 minutes per day processing in-person payments. The six branch offices also process less than four non-payment transactions on average per day, which each take three to five minutes to process, resulting in less than 20 minutes per day occupied processing customer service orders. Combined, the six offices process 71 minutes of payment and non-payment transactions per day, while customers incur the costs to staff and maintain these branches for 8 hours of work per day.

SoCalGas states that processing payments at the six branch offices costs $1.375 million per year. Compared to the average cost of each transaction over

all 47 branch offices of $3.35, the cost to process transactions at the six offices proposed for closure ranges from $4.49 to $10.83 per transaction.

Table 3 – Cost to process Payments at the Six Branch Offices[26]

Average for all branches	$3.35
Bellflower	$5.61
Monrovia	$8.95
Palm Springs	$6.89
San Luis Obispo	$10.83
Santa Barbara	$7.07
Santa Monica	$4.49

Payment Channel Transaction Costs

Self-service Payment	$0.01
Mail Payment	$0.10
APL	$0.62
Branch Office Payment	$3.35

SoCalGas states that the majority of the ongoing cost savings associated with closing the six branch offices would result from the reduction of the 11 full-time equivalent employee positions that currently staff these offices: six full-time employees and one full-time vacancy, along with four Full-Time Equivalent (FTEs) consisting of part-time employees and virtual lead support. Ongoing labor reductions, assuming closure of six offices, would total $984,170.

[26] Exhibit SCG 01-at 27-28.

Annual facility expense to operate and maintain the six offices is $96,964. Armored transportation service to retrieve money from the branch offices, security expenses, and various other non-labor expenses total $129,046. Ongoing non-labor expense reductions total $474,432. Assuming that 75% of the bill payments from closed branch offices would move to APLs results in an offsetting cost increase of $82,620, SoCalGas would also realize a one-time cost avoidance of $2 million in capital expenditures if the four branch offices were not remediated. The full-year effect of all six branch office closures would result in a future cost savings benefits of approximately $321,204. The first year net savings would be adjusted based on the effective date of the office closures.

SoCalGas proposes to track and record the ongoing Operation and Maintenance (O&M) savings after each branch office closure and the costs to achieve each closure. The net savings would be credited to SoCalGas' Core Fixed Cost Account (CFCA) for refund to customers in connection with SoCalGas' annual regulatory account balance update filing for rates effective January 1 of the following year. The adjustment to the CFCA would continue until the net savings resulting from branch offices closures are incorporated in SoCalGas' GRC.

SoCalGas states that it would minimize the impacts to affected employees by taking steps to place the affected six full-time employees in regular, full-time positions elsewhere in the company, as well as employees whose position or work location might be affected by the choices of the displaced branch employees. Part-time employee positions would be reduced through attrition.

In D.08-07-046, the Commission approved a Memorandum of Understanding (MOU) between SoCalGas, SDG&E, and Disability Rights Advocates, which included a plan to ensure that the utilities would take

reasonable steps to remove barriers at branch offices and to ensure that APLs provide appropriate access to allow utility customers with disabilities to complete utility-related transactions. Specifically, the plan required SoCalGas to engage a consultant to survey branch offices and identify barriers, then develop and implement a plan to remove such barriers in accordance with ADA. D.13-05-010 approved a second MOU between SoCalGas/SDG&E and CforAT, which retained the obligation to process access to branch offices and APLs. The initial MOU agreed to delay action for four of the offices, Monrovia, San Luis Obispo, Santa Barbara and Santa Monica, due to SoCalGas' request to close those offices. The branch offices have been remediated as required by the ADA, with the exception of the Monrovia, San Luis Obispo, Santa Barbara and Santa Monica branch offices that are the subject of this proceeding. If SoCalGas' request to close these four branch offices is granted, the cost of remediation for these four offices would be avoided.

6. Customer Notice

SoCalGas proposes to distribute advance notices to customers in the affected communities, as well as to customers who have utilized the six branch offices proposed for closure in the last six months. The notices would be distributed a minimum of 60 days prior to closure and would advise customers that the offices would be closing. The notices would explain each of SoCalGas' payment and service options and will provide customers with website links and telephone numbers to assist them in learning about the alternative payment and service options at their disposal. SoCalGas intends to provide customers at minimum two and up to three full billing cycles to adjust how they pay their bills and obtain service and information from SoCalGas.

SoCalGas proposes to provide notices using the following forms of communications:

- Notice/ad in local publications
- Direct Mail
- Flyers –including directions to nearby APLs
- Branch Office signage/Posters – including directions to nearby APLs
- Customer Contact Center
- Voice Response Unit
- Socalgas.com

SoCalGas proposes to make the information available in English and Spanish, and analyze zip code data to determine if the notice information should be made available in other languages.

Finally, after reviewing intervenor testimony, SoCalGas withdrew its request that the Commission permit SoCalGas to utilize the Tier 2 Advice Letter process for any future requests to close branch offices. SoCalGas agrees to file an application for any future requests to close branch offices.

7. Party Responses to SoCalGas' Application

7.1. ORA

ORA supports the closure of four of the six branch offices, but opposes closure of the Santa Barbara and San Luis Obispo branch offices. According to ORA, for customers with needs covered by the ADA, the closure of the Santa Barbara and the San Luis Obispo offices will impose undue hardships due to the distance to the nearest remaining branch offices. The nearest branch office to Santa Barbara is in Oxnard, 38 miles away from the Santa Barbara office, and the nearest branch office to San Luis Obispo is in Santa Maria, 30 miles away from

the San Luis Obispo office.[27] ORA maintains that although the number of visitors to these two offices is declining, particularly in San Luis Obispo, there are still significant numbers who conduct their utility business in person.[28] ORA also notes that the Santa Barbara office has experienced almost a doubling of service orders from 2005-2012, rising from 672 to 1305 service orders.[29]

ORA also notes that if the Commission approves SoCalGas' request to close any of the branch offices, SoCalGas should remove the expenses of running such offices from its rate base when the offices are closed and no longer "used and useful."

ORA agrees that SoCalGas should be required to use the application process to request any future branch office closures and states that while SoCalGas should be free to use its proposed Branch Office Optimization process in the future, the Commission should not be bound by the results of the Branch Office Optimization Process in making the determination of whether or not a branch should be closed.

7.2. TURN / CforAT

TURN and CforAT recommend that the Commission deny SoCalGas' request for authority to use the Branch Office Optimization Process to select branch offices for closure. TURN and CforAT also recommend that the Commission deny SoCalGas' request to close six branch offices.

TURN notes that SoCalGas must demonstrate in this proceeding that: 1) customers who currently use the branch offices proposed for closure will receive

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[27] ORA Opening Brief at 4.

[28] Exhibit ORA 1 at 9 and footnote 17, citing SCG-01 at 23, Table SCG-MB-12.

[29] *Id.*, at 9.1

reasonably comparable service in their absence; and 2) the proposed closure will not disproportionately impact customers who are low-income, elderly, or who have disabilities. TURN/CforAT states that the Commission must not consider only the needs of "all of SoCalGas' customers" but must consider specifically the impact on and needs of the customers who use the branch offices, particularly those who are low-income or otherwise vulnerable. TURN further states that SoCalGas must meet its burden of proof with a preponderance of evidence.

TURN/CforAT maintains that the branch office process is fundamentally flawed for three reasons. First, it fails to consider the needs, preferences, and convenience of those customers who actually use the branch offices. Second, it would permit the closure of a branch office that primarily serves customers who are low-income, elderly, or have disabilities, contrary to the Commission's guidance in D.92-08-038 and D.08-07-046. Third, its approach to branch office alternatives is overly narrow and simplistic. While the data generated by SoCalGas in applying the branch office process could certainly be germane to the consideration of potential branch office closures, the process itself is ill-suited to establishing, or creating a presumption that a branch office satisfying the three-tiered filtering process is "underutilized and cost-ineffective."[30]

TURN states that SoCalGas concluded that the proposed branches are underperforming without considering the experiences of customers and that it wasn't until TURN highlighted this oversight that SoCalGas decided to talk to its customers about their experiences.

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[30] TURN OB at 8.

According to TURN, the record in the proceeding demonstrates that customers value the benefits they receive from the opportunity to communicate in-person with utility employees, noting that despite the fact that there are more than six times as many APLs as branch offices across SoCalGas' service territory, (300 compared to 47), branch offices receive a greater share of payments than APLs.[31]

TURN also notes that the "Branch Office Intercept Study" conducted by SoCalGas, found that "[o]verall customer satisfaction was very high for all of the six branch office locations proposed for closure, with a range of 88 percent to 96 percent of customers surveyed reporting being very satisfied by their visit."[32]

TURN argues that SoCalGas' three low-income screens would still result in the closure of branch offices that serve far more low income customers than are represented in SoCalGas' customer body in general, resulting in a disproportionate impact to low-income customers and a utility "unable to effectively meet the needs of those customers who do use the [branch] offices.[33]

If the Commission decides to approve the request to close branch offices, TURN/CforAT recommend that the Commission affirm that any future requests should be filed in an application and specify the information that should be included in that application.

7.3. Greenlining

Greenlining suggests that although many branch offices are used less frequently, they are still being utilized, often for very important customer

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[31] TURN Opening Broief at 9, citing Exhibit TURN -04 at 16.

[32] Exhibit SCG-02, Attachment C at 3 and 18.

[33] TURN Reply Brief at 2.

transactions.[34] Greenlining maintains that closing branch offices will necessarily cause harm to some customers, and therefore the Commission must balance this harm against the cost of maintaining offices that are underutilized. Greenlining is concerned that SoCalGas' screen for selecting offices for closure using the Branch Office Optimization Process selects the best candidates for closure relative to the rest of SoCalGas offices, with each round of closures resulting in another set of offices identified for potential closure.

Greenlining also requests that the Commission adopt additional notification requirements to ensure that the information reaches as many customers as possible, suggesting that a significant non-English population exists if the zip codes within a five mile radius of the branch office include more than 5% of people who use a language other than English.

7.4. Utility Workers Union of America (UWUA)

The UWUA maintains that SoCalGas' request must be denied because it fails to meet the requirements of D.92-08-038 and D.08-07-046. In particular, UWUA argues that the Commission, through these two decisions, established a requirement that the utility must conduct a specific customer impact assessment prior to closing any branch offices, and that the failure to address customer impacts from the customer's perspective is a fatal flaw in SoCalGas' proposal. UWUA also argues that its "vision of customer service, a one-stop customer service policy," reflects long-standing Commission policy, as articulated in D.92-08-038 and reiterated in D.08-07-046.

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[34] Greenlining -01 at 2.

UWUA maintains that customers should receive one-stop service at branch offices for all their needs as customers. UWUA takes issue with SoCalGas' reporting of transactions in multi-purpose visits, suggesting that SoCalGas' transaction statistics are suspect and inaccurate. UWUA also states that it conducted customer surveys at the branch offices proposed for closure and found significantly different transaction results than those reported by SoCalGas. UWUA states that certain of its members, "acting as SOS (Save our Services), have attempted to give customers a voice on the issue. Beginning on January 17 [2014] and continuing through February 28 the UWUA/SOS engaged personally with customers as they were leaving branch offices in each of the six communities slated to lose their branch office, and several other communities and we listened to their concerns."[35]

UWUA also takes issue with the lack of in-language capability at APLs, the lack of ring-down phones, and the lack of a secure 24/7 drop-box for payments. Essentially, UWUA argues that SoCalGas, and this Commission, must consider the cost to the customer associated with the closed offices. UWUA also suggests that SoCalGas' My Account website is not an adequate and comparable substitute for customers, because it is only in English. In addition, My Account, and other self-service payment options require a customer to have a bank account, which is not always the case. UWUA also suggests that service through SoCalGas' Customer Contact Center frequently results in long delays, a low level of service metric (LOS),[36] and customer frustration. UWUA witness Salas states that SoCalGas forecasted a relatively low level of service, 71% for the Customer

[35] UWUA Reply Brief at 12.

[36] "Level of Service" is defined at the percentage of calls answered within one minute.

Contact Center, in its last GRC. According to UWUA, this level of service is insufficient, noting that SoCalGas previously attempted to achieve a much higher level of service when that was a benchmark for reward or penalty under performance-based ratemaking.

UWUA states that low-income, elderly and limited-English speaking customers disproportionately utilize branch offices and will see deterioration in service if the branch offices are closed.

8. Discussion

The Commission has previously considered two factors in evaluating whether the closure of a branch office is reasonable and consistent with the utility's obligation to provide service that is "adequate, efficient, just and reasonable…, including facilities… necessary to promote the safety, health, comfort and convenience of its patrons, employees and the public." First, we have considered whether customers would have reasonably comparable alternatives to the level of service offered by a branch office, and second, we have considered whether the impact of closing branch offices would fall disproportionately on customers who are low-income, elderly, or who have disabilities.[37]

It is clear from D.92-08-038 and D.08-07-046 that the Commission wants SoCalGas to ensure that its most vulnerable customers, those that are low-income, elderly, and/or disabled, continue to have access to the customer service options that they need, and that any proposal by SoCalGas to close branch offices specifically considers the effects of such closure on these customer

[37] TURN Opening Brief at 5, citing D.92-08-038, 1992 Cal.PUCLEXUS 563 at 14; D.08-07-046 at 20-21.

segments. As the Commission noted in D.08-07-046, "The reality is that some customers are more expensive to serve than others: we cannot presume all to have internet bill-paying capability or even checking accounts. Therefore, we must find a way to serve the customers' needs for bill payment, customer service, and information."[38]

The record in this proceeding demonstrates that the utilization of branch offices has decreased significantly over the past decade and is likely to continue to decrease. Technology has changed the way that customers interact with their utilities. At the time D.92-08-028 was issued, far fewer options existed for customers to pay their bills or contact their utility. Today, internet access, online banking, cellular telephone access and other wireless technologies provide customers with many self-service payment options that did not exist previously.

The majority of customers have migrated to self-service payment options since D.92-08-038 and D.08-07-046 were issued and do not utilize the branch offices for payment or other transactions.

Customers have a number of other adequate, reasonably comparable means to remit payment, obtain account information, and receive service assistance. Customers can conduct payment and service transactions using SoCalGas' My Account, toll-free Customer Contact Center, and Interactive Voice Response (IVR) options, each of which is available 24 hours per day/seven days per week. Payment transactions can be made using an APL, My Account, home banking, direct debit, credit card, electronic check, mail or pay by phone.[39] Customers may arrange for direct/automatic withdrawal from their bank

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[38] D.08-07-046 at 20-21.

[39] Exhibit SCG -02 at 13.

account, or Pay by Phone through SoCalGas' IVR unit at no charge. Customers may also make payments through My Account on the SoCalGas website at no charge. Customers who do not choose online access may pay with direct withdrawals from their checking accounts, or over the phone through their checking account. Customers may provide a debit card, credit card, or check routing and account number via the IVR or internet through Bill Matrix for a fee of $1.50.

Compared to the branch offices, which are open from 8 a.m. to 5 p.m. on weekdays, the Customer Contact Center is available 24 hours a day, seven days a week. Many APLs are also open longer hours than branch offices, including evenings and weekends. Payments made at APLs are recorded to the customer's account hourly during the week. For customers paying late, the APL process is the same as that of branch office: the APL provides a receipt to the customer that can be shown to a SoCalGas field representative to avoid shut-off.

SoCalGas' Customer Contact Center provides service in six languages and also offers a language line, which provides access to many other languages as needed. Non-English speaking customers can only be assisted at certain branch offices if they speak Spanish and the Customer Contact Representative (CCR)/Cashier at that branch office also speaks Spanish. Otherwise, language assistance available at the branch offices is limited to ring-down phone line access to the Customer Contact Center.

SoCalGas has demonstrated that the majority of customers, including low-income customers, do not use branch offices. In 2012, 53.3% of customers used a self-service option for bill payment (home banking, direct debit, debit card, credit card, Automated Clearing House, Pay by Phone, My Account), 34.4% of

customers used mail,[40] and 5.5% of customers used an APL. Only 6.8% of customers used a branch office for payment or other transactions in 2012.

In 2012, over 98% of non-payment transactions were placed using the Customer Contact Center, My Account, or IVR.[41] Of the 5.7 million non-payment transactions occurring in 2012, only 99,796, or 1.7%, were conducted at one of the 47 branch offices. Of those, only 5,801 non-payment transactions were conducted at one of the six branch offices proposed for closure.[42]

This declining number of branch office transactions necessitates review by SoCalGas for efficiency and cost-effectiveness. As with all its other business operations, we expect SoCalGas to operate its branch offices efficiently, and closely analyze those operations that are no longer necessary or cost-effective. With this application, SoCalGas states that it has reviewed the number of customers who continue to use branch offices to determine if the amount of money that ratepayers are paying to provide those offices is worth the expense, or if there are alternatives available.

We do not consider SoCalGas' request to decrease the in-person service available to its customers lightly. Comments at the six PPHs ranged from statements of total opposition to SoCalGas' request on the one hand, to support for SoCalGas' request on the other hand. Several commenters at each PPH were SoCalGas employees and were understandably concerned about the potential closures. Others expressed concern that many customers, particularly elderly and non-English speaking customers, are neither technology savvy nor able to

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[40] Reply Brief at 26.

[41] Exhibit SCG -02 at 6.

[42] Exhibit SCG-02 at 6.

handle lengthy online or telephone customer support queues. The importance of in-person contact was frequently mentioned as a concern. For example, several speakers explained that for low-income customers lacking bank accounts, or older customers, in-person contact remains their preferred method of contact with the utility.

UWUA asks us to deny SoCalGas request because it is inconsistent with D.08-07-046 and D.92-08-038. Specifically, UWUA argues that D.92-08-038 essentially adopted a "one-stop" customer service requirement dictating that SoCalGas' branch offices offer the full panoply of services, including payment receipt, information and field services to all customers. UWUA further argues that restricting access to customer service representatives is a deprivation of service, and that the alternatives offered by SoCalGas including APLs, online payment through My Account, mail, and Customer Contact Center communications are inadequate to address customer service and information needs.

We disagree. We find in D.92-08-038 and D.08-07-046 no explicit requirement for a "one-stop" customer service. Contrary to the assertions of UWUA, the Commission has not defined adequate service as the "one-stop" concept supported in UWUA. In fact, in D.13-05-010 and D.07-05-058, the Commission found that it was reasonable to close two SoCalGas branch offices, and nine PG&E branch offices, respectively. More recently, the "one-stop" service concept was refuted in D.13-05-010, which denied a UWUA request to staff all branch offices with CCRs. In that decision, we found that almost all transactions at the branch offices involve payment transactions and that the number of transactions at branch offices were declining, and a telephone is available at the branch office to connect to SoCalGas' call center in the event the

staff at the branch office cannot assist the customer.[43] We further determined that to upgrade the positions at the branch offices, when most of the transactions can be handled by the existing branch office staff did not make sense.[44]

Moreover, the Commission may change and update its policies and precedent, after appropriate notice and opportunity to be heard, and frequently must do so to address changing conditions and technologies, so long as the new policy is consistent with P.U. Code Section 451.

UWUA also argues that SoCalGas' proposed Branch Office Optimization process does not appropriately consider the four factors of utility service "adequacy, just, reasonable and efficient," or demonstrate an understanding of "… the value of these services to the customer and the costs and burden borne of customers when these services are discontinued."[45] [46] UWUA argues that this understanding is essential to the determination of whether SoCalGas' request is just and reasonable.

UWUA also asserts that SoCalGas' application reflects "decades of deliberate understaffing - substitution of cashiers with limited training for CCRs, fully trained and authorized to perform a variety of customer service functions."[47] According to UWUA, the application also represents a "systematic attempt to under-report service order transactions, and that this is the primary

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[43] D.13-05-010 at 527.

[44] *Id.*

[45] 45 PUC 2d at 309.

[46] *Id*. at 310.

[47] UWUA OB at 21.

reason for the low service order number in the San Luis Obispo branch office."[48] UWUA alleges that SoCalGas' testimony under-reports the number of transactions associated with multi-purpose visits, and is therefore inaccurate. To address this concern, UWUA conducted customer surveys at the six branch offices proposed for closure and found significantly different transaction results than those reported by SoCalGas. UWUA states that certain of its members, "acting as SOS (Save our Services), have attempted to give customers a voice on the issue. Beginning on January 17 [2014] and continuing through February 28, the UWUA/SOS engaged personally with customers as they were leaving branch offices in each of the six communities slated to lose their branch office, and several other communities and we listened to their concerns."[49] UWUA states that they "spoke with and requested that customers fill out a survey about branch office services on 8 days." The survey document used was attached as Appendix B to UWUA witness Null's testimony, Exhibit UWUA-02. A review of the blank survey form reveals that the survey was not intended to represent an unbiased or objective evaluation of the customer's experience. The survey is titled "Save our Services Campaign" and among the options customer may select to describe the purpose for their visit are: "Get information "Face to Face" about my gas service from a real person," "Pay my gas bill, gas installation or construction, and get a receipt from the Gas company instead of an agency" and "I would like to help keep this office open – COUNT ME IN!"[50]

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[48] UWUA OB at 22.

[49] UWUA Reply Brief at 12.

[50] *Id.*

Our review of the evidence and competing data points lead us to find that SoCalGas' transaction numbers reflect a more accurate representation of the number of branch office activity.

Nevertheless, we are concerned that SoCalGas' Branch Office Optimization Process did not initially include a study of the reasons why customers utilize branch offices over other payment and service options. Such a study of all branches would have provided SoCalGas with valuable information in deciding alternative options for customers. TURN correctly notes that SoCalGas did not decide to talk to its customers at the six branch offices about their experience until TURN/CforAT highlighted the fact that SoCalGas had not actually investigated why customers use branch offices as opposed to other customer service channels, and even then, the investigation only included the six branch offices proposed for closure, and did not survey customers at the remaining branch offices.

In response to TURN's assertion that it had not investigated why customers use branch offices, SoCalGas contracted with an independent third party research firm, Davis Research, to interview customers who frequent the six branch offices.[51] The resulting Branch Office Intercept Study (Branch Office Study) reported the results of a series of questions related to their customer experience.[52] Although the majority of customers questioned responded that

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[51] SCG-02 at 16. The Branch Office Study consisted of customers being interviewed in person after they completed a transaction at one of the six branch locations proposed for closure. The survey took an average of 10 minutes and customers were offered a $5 gift card to Starbucks Coffee in appreciation for their participation. Surveys were conducted on April 11, 14, and 16, 2014. 406 total interviews were conducted.

[52] *Id.*, at Attachment C.

they were very satisfied with the level of service provided by the branch offices, most of those customers indicated that they were visiting the branch office for a payment transaction.

A primary concern expressed at the PPHs was that the branch offices provide a place where customers without a bank account can pay their bills in cash or where customers can pay their bills at the last minute to avoid shut-off. TURN argues that customers inclined to make payments in person prefer to do so at a branch offices instead of an APL, based on the fact that although there are 300 APLs and only 47 branch offices, branch offices receive a greater share of in-person payments than APLs.[53] UWUA argued that APL service is generally inferior to branch office service because APLs may not be ADA compliant, may be located in dangerous or less desirable areas, and may subject customers to pressure related to the APL's other business lines. However, upon cross-examination, UWUA's witness Null admitted that she had "familiarity with the ADA" and "has not visited all of the APLs and was not familiar with them." Similarly, UWUA's witness Huerta also had not visited all the APLs and had "no basis of knowledge regarding ADA compliance."[54]

In response to concerns expressed by TURN and CforAt regarding the ability of the APLs to handle the additional transactions that are likely to result if nearby branch offices are closed, SoCalGas notes that based on an estimated 75% migration rate from branch office payments to APL payments and the number of APLs that support the six branch offices proposed for closure, the existing APLs are well positioned to absorb the daily payment volumes which range from 9 to

[53] Exhibit TURN 04 at 16.

[54] SCG -03 at 9. RT 366:2.

32 payments per day. SoCalGas also notes that APLs have a financial incentive to remain available to handle an increased volume of transactions, as they are compensated based on the volume of transactions.

The record shows that APLs accept cash payments and will provide a receipt for payment that a customer can provide to a SoCalGas field representative, if necessary, to avoid shut-off. Moreover, APLs are frequently available for longer hours and on the weekend. Payments are updated hourly during the week and are credited to the customer's account. Last-minute payments can also be made online or through Pay-by-Phone or Bill Matrix, although these methods require a non-cash payment. We find that the APL alternatives are reasonably comparable to the services provided by the branch offices with respect to payment transactions. The proximity screen of a three-mile radius is also reasonable.

The three low-income screens will mitigate impacts to low-income, disabled, and elderly customers to some extent, by eliminating from consideration those branch offices that are frequented principally by low-income customers, however, they do not eliminate the potential to negatively impact some amount of customers who are low-income, elderly, or who have disabilities. As pointed out by TURN, approximately 33% of SoCalGas' residential customers are eligible for CARE.[55] TURN explains that the six branch offices proposed for closure serves a higher proportion of CARE customers (41-60%) than the overall population statistics warrant (33%), the closure of any of these offices will more heavily impact the CARE population.[56]

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[55] TURN Opening Brief at 12, citing Exhibit TURN-04 at 14.

[56] Exhibit TURN-04 at 13.

While it is true that most CARE customers pay their bills by mail or through a self-service option, some do still use the branch offices. In fact, as TURN notes, 14% of the utility's CARE customers paid their bills exclusively at one of the 47 branch offices in 2012, and another 19% made payments at a combination of one of the 47 branch offices and other self-service payment channels.[57] In addition, TURN notes that although SoCalGas' branch office optimization process attempts to eliminate from closure offices "located in areas in predominately low-income communities,"[58] at least two of the affected offices are in communities with median incomes close to the CARE threshold: Palm Springs (1% above median) and Bellflower (11% above median).

While APLs provide an adequate substitute for bill payment, they cannot serve as a substitute for service orders or transactions that require access to customer information. Absent the availability of a branch office, customers must contact SoCalGas through the IVR system, the Customer Contact Center, or online for service order requests or customer information. UWUA and TURN/CforAT maintain that the Commission should reject SoCalGas' request because some customers continue to prefer the branch offices. We must consider the impacts on all SoCalGas' customers and balance that with the decline in usage at many of these offices. Reasonably comparable alternatives now exist for most transactions. As UWUA notes, in D.07-05-058, which approved a settlement concerning a PG&E proposal to close all 84 "front offices," the Commission found that "it is in the public interest to close these [nine] front counters, with the resultant savings passed through to PG&E's ratepayers, only if

[57] Exhibit TURN -04-at 14.

[58] Exhibit SCG -01 at 26.

the customers who use these nine front counters have reasonably comparable alternatives."[59] D.07-05-058 concluded that "the uncontested settlement is in the public interest because it permits PG&E to reduce costs and rates by closing nine front counters with relatively few transactions while ensuring that customers directed affected by closure receive reasonably comparable service through alternate means."[60]

SoCalGas takes issue with the fact that TURN/CforAT and UWUA do not "provide any alternatives to address the issue of underutilized, cost-inefficient branch offices"[61] and that these parties "seem to suggest that the Commission should reject any branch office closure if just one low-income customer is inconvenienced."[62] However, the burden is not on TURN/CforAT or UWUA to show that any branch offices should or should not be closed. That remains SoCalGas' burden.

We find that most of SoCalGas' proposed screens are thoughtful and assist in preventing disproportionate impacts to low-income, disabled, and elderly customers. Although 541,694 customers out of SoCalGas' 1. 6 million-member CARE population used one of the 47 branch offices at least once during the year along with other payment methods, only 6,017 unique CARE customers used one of the six branch offices *exclusively* to pay their bills.[63] We agree with SoCalGas that the CARE population is therefore not disproportionately impacted, since less

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[59] D.07-05-058 at 14-15.

[60] *Id.*

[61] SoCalGas Reply Brief at 1.

[62] *Id.* at 2.

[63] Exhibit SCG-02 at 12.

than 0.4% of the total CARE population will be impacted by the closure of certain offices. The record further demonstrates that, on average, the six branch offices process approximately 71 minutes of payment and non-payment transactions per day.[64]

However, although service orders represent a very small percentage of transactions at the branch offices, the branch offices provide the only opportunity for in-person, non-payment transactions. While the transaction trend data provided by SoCalGas demonstrates the continual decline in use of the branch offices, the data also demonstrates that these offices are still utilized by some customers. And, while the majority of these customer visits are for purposes of bill payment, some customers continue to seek out the branch offices for other needs. Visits to provide proof of identify required by FACTA remain necessary if the customer does not provide a social security number or if the customer's name and social security number do not match Credit Bureau information, unless a customer chooses to fax proof of identity to SoCalGas.

Currently, for FACTA compliance, customers may be required to either visit a branch office or fax identification documents to SoCalGas if the customer does not provide a social security number or if the customer's name and social security number do not match Credit Bureau information. SoCalGas is working towards providing alternative methods for customers to validate their identities that would not require a visit to a branch office or fax, but as of the date of reply briefs in this proceeding, that is still a work in progress. For this service, an APL or the Customer Contact Center are not adequate substitutes at this time. The

[64] SoCalGas Opening Brief at 25.

record is not clear regarding whether a branch office staffed only by a cashier, such as San Luis Obispo, is able to provide identity verification for customers. For example, UWUA witness Null states that "cashiers do not have document validation in their job description."[65]

SoCalGas has sufficiently demonstrated that the level of transactions, both payment transactions and service orders, at certain branch offices have declined to the point where the cost of operating those offices is no longer justified by the number of customer visits. Significant numbers of customers have migrated to other methods of interacting with the utility. As of the date of testimony in this proceeding, approximately 93.2% of all customer payment transactions occurred through other means, including self-service transactions such as My Account, home banking, direct debit, debit card, credit card, and pay by phone, as well as mail payments and APLs. As transactions at branch offices continue to decline, we should reasonably expect SoCalGas to review its customer service channels and propose changes where appropriate.

While we disagree with the TURN/CforAT implication that we cannot close a branch office even it is used by only a few customers, we cannot ignore the fact that the record shows that some customers still prefer to use the branch offices for transactions, the majority of which are payment transactions. Neither the transaction data nor the Branch Office Survey indicate with any degree of reliability the reason these customers prefer the branch offices. The transaction data also indicates that branch office visits for most customers tend to be

[65] Exhibit UWUA-02 at 12.

relatively infrequent. Without more customer-specific data, we are reluctant to permit SoCalGas to close all of the branch offices requested.

8.1. Branch Office Closures Considered

8.1.1. Bellflower

Payment transactions at the Bellflower branch office have fallen 61% from between 1995 and 2012, declining from 70,722 transactions in 1995 to 33,155 transactions in 2012. The Bellflower branch received payment transactions from 5,717 unique CARE customers, and only 442 of those unique CARE customers utilized the branch office as their only payment channel. The other unique CARE customers also utilized a combination of the available APLs, electronic, mail or web payment options. The next closest branch office is the Compton branch office, located six miles away. There are six APLs within a three-mile radius of the Bellflower branch office. SoCalGas' request to close the Bellflower branch office is granted.

8.1.2. Monrovia

Payment transactions at the Monrovia branch office fell by 76% between 1995 and 2012, resulting in as few as 19,789 in-person payment transactions in 2012. Of those transactions, only 2,320 were cash transactions associated with unique CARE customers. Of those, only 837 cash transactions were conducted by unique CARE customers for whom the branch office was their only payment channel. The Monrovia branch processed approximately six non-payment transactions per day during 2012. The Monrovia branch office is located within a three-mile radius of three APLs, all of which are accessible to public

transportation.[66] The next closest branch office is the Pasadena branch office, located nine miles away. SoCalGas' request to close the Monrovia branch office is granted.

8.1.3. Santa Monica

Payment transactions at the Santa Monica branch office have declined 67% from 1995 to 2012, resulting in 39,789 transactions in the year 2012. Of those transactions, only 4,553 were cash transactions associated with unique CARE customers, and only 1,834 of those were cash transactions from unique CARE customers who utilized the branch office as their only payment channel.[67] As an alternative to the branch office for cash and other payment transactions, the Santa Monica branch office has four APLs within a three-mile radius that are accessible to SoCalGas customers who utilize public transportation. The Santa Monica branch office also processes approximately one non-payment transaction per week. For non-payment and payment transactions, the next closest branch office is the Crenshaw branch office, located 11 miles away. SoCalGas' request to close the Santa Monica branch office is granted.

8.1.4. Palm Springs

According to SoCalGas, payments at the Palm Springs branch office decreased by 57% from 1995 to 2012, from 49,135 transactions in 1995 to 25,346 transactions in 2012. Of the 2.3 million unique CARE customer payment transactions processed by all 47 branch offices in 2012, the Palm Springs branch office processed 4,223 or 0.2%. Of those, only 1,314 unique CARE customers

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[66] Exhibit SCG-01 at 15.

[67] Exhibit SCG-01, at 12.

utilized the branch office as their only method of payment. The other unique CARE customers used a combination of the available APLs, electronic, mail and web payment options. The Palm Springs currently has four APLs within a three-mile radius.

Of these annual transactions, approximately six transactions per day are non-payment transactions. [68] Although limited, with 1,612 service orders placed in 2012, Palm Springs had the highest level of service order transactions among the offices proposed for closure, likely due to FACTA compliance efforts. This ongoing demand for in-person service, combined with the 21-mile distance and travel time to the next closest branch office in Indio, support retention of this branch office until a successful technological solution exists that eliminates the need for customers to present identity verification documentation in person. SoCalGas may file a Tier 2 Advice Letter describing the FACTA compliance process and requesting approval to implement the proposed technological solution and close the Palm Springs branch office. SoCalGas' request to close the Palm Springs branch office is granted, pending a Commission approval (via Tier 2 Advice Letter) and implementation of a technological solution that eliminates the need for customers to present identify verification documentation in person.

8.1.5. San Luis Obispo

The record is less clear regarding the services provided by the San Luis Obispo branch office. At first impression, it would seem the most likely candidate for closure because it has seen the fewest transactions of any branch

[68] Exhibit SCG-01 at 12.

office. The San Luis Obispo branch office already conducts few payment transactions and even fewer service orders. While there are still customers utilizing the San Luis Obispo branch office, they are very few. SoCalGas reports that there are on average 40 payments taken per day at the San Luis Obispo office, and that, as a result, the San Luis Obispo office has less than an hour of work per day related to in-person payments and service orders while ratepayers currently fund the office for eight hours per day.

However, the distance between the San Luis Obispo branch office and the next closest office, Santa Maria, is 30 miles, which would place a substantial burden on customers who needed access to in-person service, particularly low-income customers or customers with needs covered by ADA. And, as noted by TURN/CforAT, the San Luis Obispo branch office currently does not meet SoCalGas' own criteria regarding the necessary number of APLs within a three-mile radius, and it has the highest proportion of customers who have used an alternative method of payment in the past but who still choose to pay in person at the branch office. And, despite the fact that the San Luis Obispo branch office is only staffed by a cashier, SoCalGas' own Branch Office Study found that one-half of the customers contacted visited San Luis Obispo for other purposes.

SoCalGas' request to close the San Luis Obispo Office is denied.

8.1.6. Santa Barbara

Several factors favor retention of the Santa Barbara branch office. The Santa Barbara office is located 38 miles from the next closest branch office. This distance would require an estimated 42 minutes travel time by car and a much longer travel time on public transportation, assuming that a public transportation alternative option exists. And, although the service order

amounts have generally declined across all branch offices and are expected to continue to decline, the service order amounts at the Santa Barbara office have risen since 2005. It is possible that this increase is temporary, as SoCalGas claims, but pending a successful technological solution to the need to provide identity verification documents in person, we cannot assume that the service order numbers will immediately decline. Therefore, although SoCalGas has demonstrated that comparable alternatives exist for bill payment and many service order needs, SoCalGas has not demonstrated that there is no need for an occasional in-person customer service visit.

Therefore, SoCalGas' request to close the Santa Barbara branch office is denied.

We therefore conclude that it is reasonable to close four of the six branch offices proposed for closure (Bellflower, Monrovia, Palm Springs and Santa Monica), with the cost savings passed on to SoCalGas' ratepayers, after certain conditions are met. We find that reasonable alternatives exist for all of the services provided by these branch offices. In addition to the other reasonable alternatives, the Bellflower, Monrovia and Santa Monica branch office are only located 6, 9, and 11 miles away, respectively, from the next nearest branch office. The Palm Springs branch office is located 21 miles from the nearest branch office. As noted by ORA, for the few low-income, elderly, or disabled customers who use one of the four branch offices approved for closure, an alternative branch office is sufficiently close as to permit an occasional visit if needed for identity verification or other services.

While we find that the closure of the Bellflower, Monrovia and Santa Monica offices will not result in disproportionately negative impacts on low-income, elderly or disabled customers nor will the closure of the Palm Springs

branch office following satisfactory implementation of an alternative method of identity verification, any future proposal to close additional branch offices must include specific additional information to evaluate the potential impact to those customers.

Going forward, we are concerned that should SoCalGas request authority to close additional branch offices, customers may be asked to travel even farther distances to conduct the occasional in-person transaction. Therefore, prior to filing a future application to close branch offices, SoCalGas must conduct a careful study on the impacts to low-income customers, elderly and disabled customers. This study should include, at a minimum, prior written notification to all customers of its intention to study and request a branch office closure, and must include in its request, any comments received in response to this notification.

For any future application, SoCalGas should also contact customers to determine how they traveled to the branch offices (e.g., on foot, car, public transportation, for-hire transportation) and how far they traveled. SoCalGas should also attempt to screen for impacts on elderly and disabled customers specifically, instead of relying on low-income status as a proxy.

Customer service should not decline as a result of the closure of any branch offices, and we adopt certain reporting requirements to assist in monitoring the level of service provided so that we may act quickly if customer service were to deteriorate. We find SoCalGas' statement that "the level of service testimony provided by UWUA is not relevant" particularly troubling, since the level of service is the primary measure available to SoCalGas to measure the service quality provided by the Customer Contact Center. To the extent that a reduction in branch offices can be expected to drive customers to

greater utilization of its APLs, Customer Contact Center, My Account, and other customer service channels, SoCalGas must ensure that the service provided by those alternative channels remains reasonable. In order to ensure that this alternative to the branch offices remains adequate, SoCalGas shall track and report on the level of service provided by its IVR, Customer Call Center and My Account prior to and following the closure of the branch offices approved in this decision. SoCalGas must include, with any future request to close branch offices, an analysis of the performance of its IVR and Customer Contact Center, including wait times, call times, and complaints, both prior to and after the closure of the branch offices approved herein. This level of service report should be included as part of SoCalGas' next GRC as well as any future request to close branch offices.

All parties generally agree with the Customer Notification Plan proposed by SoCalGas. Since the application was filed, SoCalGas has suggested modifications to its Customer Outreach and Education Plan, and states that its Branch Office Optimization Process includes a plan whereby "local community organizations, who represent the interests of these customers, will reach out to inform and educate these customers about alternative options by which they can interact with SoCalGas."[69] SoCalGas admits that this plan was not completely developed in testimony or at the evidentiary hearing, and has evolved in response to concerns expressed by other parties such as Greenlining. SoCalGas proposes to:

> "work with community-based organizations and faith based organizations to engage and educate customers that may require

[69] Exhibit SCG-02 at 23.

> assistance and information of services following branch office closures. During the first six months after a branch office closure, SoCalGas proposes to employ CBOs and FBOs[70] to communicate with affected customers regarding the branch office closures and to explain and assist with service alternatives. Specifically before branch office closures, SoCalGas will train CBOs and FBOs about the many options customers have to conduct utility business. "[71]

TURN/CforAT dismiss SoCalGas' Customer Outreach and Education Plan because it was not fully developed at the time of testimony or the evidentiary hearings. We find that SoCalGas' evolving plan to be an improvement over the original plan that appropriately reflects the concerns express by parties and demonstrates SoCalGas' willingness to work with parties to improve the Branch Office Optimization process and review to the benefit of SoCalGas' customers.

For example, SoCalGas stated that "it has identified the unique 6,017 CARE customers who use one of the six branch offices exclusively" and that "these customers for sure would be the target of our outreach and education program to meet with these customers either through mail and/or in person."

SoCalGas did not identify the cost of the improved Customer Outreach and Education effort, other than to state that its estimates "were between one and ten dollars" per customer and that "if we had to reach out to each and every one of these 6,000 customers at a ten dollar rates, we're talking $60,000." SoCalGas also did not identify the type of Community-Based Organizations (CBO)/Faith Based Organizations (FBOs) to be employed and/or trained, but indicated that it has reached out to the local CBOs and FBOs in the areas of proposed branch

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[70] Faith-Based Organizations

[71] Exhibit SCG -02 at 23.

office closure and has "commitments from 13 CBOs and FBOs across the six potentially impacted communities to assist customers" should it receive approval.[72] These CBOs and FBOs would provide customer assistance on how to pay their bill or place service orders, how to request payment arrangement or extension, and how to validate identity. They will also provide information on SoCalGas' program and service offerings such as CARE, Energy Savings Assistance Programs, Low Income Home Energy Assistance Program, Gas Assistance Fund, Energy Efficiency rebates and third party notification services as well as information on braille appliance markings, braille bills, TTY-TDD, ADA-compliant APLs and other branch offices.[73]

We find SoCalGas' proposal to work with CBOs and FBOs reasonable. The Outreach and Education Plan should include, along with the proposals to train CBOs and FBOs, a means of providing interested customers with information regarding transportation options to the nearest branch office, as well as to the nearest APLs. The plan should also include a process for identifying any additional languages that should be used to communicate the branch office closures to customers.

SoCalGas shall track and record the ongoing O&M savings after each branch office closure and the costs to achieve such closure. The net savings shall be credited to SoCalGas' CFCA. Branch office-related outreach costs shall be funded through the existing GRC revenue requirement.

SoCalGas shall conduct an ADA audit for those APLs supporting any branch office being closed. This would be in addition to the 10% APL surveys

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[72] Exhibit SCG-03 at 5.

[73] *Id.*

that SoCalGas conducts each year.[74] These additional audits would be funded out of SoCalGas' existing revenue requirements.

Our approval of the closure of certain branch offices should not create a presumption that the Branch Office Optimization process, as proposed, necessarily demonstrates that particular branch offices should be closed. As discussed above, our concerns with the branch office optimization process center on the fact that the process does not produce sufficient information regarding specific customer needs and preferences. In addition, until there is a clear demonstration by SoCalGas that there is no possible need for customers to visit a branch office, any analysis of branch office closures should consider the proximity of the next nearest branch office.

SoCalGas withdrew its initial request to file future requests by Advice Letter and has agreed to file an application for any future requests.

In this application, TURN objected to SoCalGas' transaction analysis on the basis that any transaction evaluation will necessarily identify offices from the highest number of transaction to the lowest number of transactions relative to their peers, and the office(s) with the lowest number of transactions should not be automatically deemed cost-ineffective simply by comparison. TURN has raised a legitimate concern regarding the branch office process that we will review closely in any future requests to close branch offices. For any future requests, SoCalGas should not rely primarily on transaction reviews or screens that compare one branch office to another and instead focus on an absolute decline in transactions of all types, branches in areas with income below CARE

[74] Exhibit SCG-03 at 3.

eligibility, and branches that service more than an identified percentage of CARE, disabled, or senior customers.

Although we decline to adopt UWUA's requirement that SoCalGas convene a working group to propose a customer service plan for in-person service and other service modalities as an element of its next general rate case, SoCalGas must describe, in its GRC filing, its proposal for meeting its customer service obligations consistent with Section 451, identification of its performance standards and actual performance metrics for the Customer Contact Center. SoCalGas must also include a report on the number and types of complaints received regarding all customer service channels.

9. Supplemental Testimony

Through the supplemental testimony of Mr. Baldwin, SoCalGas states that when it filed its Application in September 2013, its Information Technology Department was working to implement technological advances to FACTA requirements that would minimize a customer's need to visit a branch office. Since then, SoCalGas states that it has implemented a new verification method that significantly reduces the need for customers to visit a branch office to verify their identification. In addition Mr. Baldwin states that SoCalGas is working to implement a new method that will eliminate the need for customers with certain technological capabilities to visit a branch office for identification verification purposes.[75]

Specifically, Mr. Baldwin states that SoCalGas has introduced an alternative method to allow customers to validate their identity through a set of

[75] Baldwin Supplemental Testimony at 1:19-2, 2:1-4

challenge questions in instances when a customer does not have a social security number or when the customer's name and social security number do not match credit bureau information. SoCalGas argues that this new method provides customers with the convenience of allowing identity validation via the phone, rather than visiting a branch office or faxing in identification documents to SoCalGas' Credit and Collection Department. SoCalGas states that it also intends to introduce new technology, offered by both Experian and Equifax, that enables customers to take a photograph of their identification documentation and securely transmit that information to its Credit and Collections Department. SoCalGas estimates this new technology will be operational by early May 2016.[76]

Through its witness, Emma Huerta, UWUA agrees that Mr. Baldwin's supplemental testimony accurately describes a procedure implemented by SoCalGas in Summer 2015. Ms. Huerta further acknowledges that the procedure can be used in some cases to verify identity while avoiding an in-person visit to a branch office. Ms. Huerta does not disagree with the assertion that as many as half of FACTA customers can interact remotely through the second step procedures using the challenge questions, although she notes that the customer population of Palm Springs, which includes many temporary visitors from other countries, may have a lower proportion of customers whose FACTA verification can be accomplished through the challenge questions. However, Ms. Huerta notes that there are a number of customers who cannot use the "challenge

[76] Baldwin Supplemental Testimony at 2:5-21, 3:1-2

question" procedure at all. For those customers there is not an available substitute for an in-person visit to a branch office to establish identity.[77]

UWUA notes that the testimony of Mr. Baldwin refers to "technological" approaches that SoCalGas may implement in the near future. UWUA goes on to contend that without details and experience it is impossible even to speculate how effective these technological approaches might be in serving vulnerable customers. Finally, UWUA states that if the PD is re-issued with a permission to close the Palm Springs office, the closure should be effectuated after all of the FACTA substitutes for in-person verification are detailed and evaluated through an advice letter.

In comments on the supplemental testimony, TURN/CforAT argue that Mr. Baldwin's testimony fails to demonstrate that SoCalGas has eliminated the need for customers to present identity verification documents in person. TURN/CforAT also note that customers appear to need a smart phone in order to take advantage of the option to securely transmit a photograph of their identification documentation to SoCalGas' Credit and Collections Department, making it unclear how many customers would benefit from this new technological option.

We appreciate the additional information provided by SoCalGas in its supplemental testimony, as well as the information provided by UWUA and TURN/CforAT. We decline to modify our determination concerning SoCalGas' Palm Springs Office. As stated in SoCalGas' supplemental testimony, approximately 50% of customers who attempted to validate their identity using

[77] Huerta Supplemental Testimony at 2-3.

the challenge question method were unsuccessful, most of which were immigrants or young adults who do not have credit or other relevant history from which to draw upon.[78] The other proposed method to enable customers to send a photograph of their identification documentation is expected early May 2016.[79] Although we commend SoCalGas for taking steps to improve accessibility and reduce the need for in-person visits to the Palm Spring Branch Office in the future, we conclude that the proposed verification methods have not yet demonstrated a successful technological solution that eliminates the need for customers to present identity verification in person. As indicated, supra, SoCalGas may file a Tier 3 Advice Letter describing the FACTA compliance process and requesting approval to implement the proposed technological solution and close the Palm Springs branch office in the future.

10. Comments on Proposed Decision

11. The proposed decision of the ALJ in this matter was mailed to the parties in accordance to Section 311 of the Public Utilities Code and comments were allowed under Ruled 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed by the Utility Workers Union of America and SoCalGas filed comments on June 13, 2016. The Greenlining Institute (Greenlining) filed reply comments on June 17, 2016 and SoCalGas filed reply comments on June 20, 2016. In response to the comments and reply comments we have revised §8.14, Conclusion of Law #2 and Ordering Paragraph #2 of the PD. There are no other changes to the PD. Assignment of Proceeding

Carla J. Peterman is the assigned Commissioner and W. Anthony Colbert is the assigned ALJ in this proceeding.

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[78] Baldwin Supplemental Testimony at 2.

[79] *Id* at 6.

Findings of Fact

1. The closure of branch offices will result in the diversion of some number of utility transactions to the SoCalGas' Customer Contact Center.

2. The closure of branch offices will result in the diversion of some number of utility transactions to APLs, online payment options, and mail payments.

3. APLs have a financial incentive to accommodate more, rather than fewer utility payment transactions.

4. SoCalGas has already received authorization to pay for Americans with Disabilities Act barrier removal for its branch offices.

5. To comply with FACTA requirements, a customer may currently be required to either visit a branch office or fax identification documents to SoCalGas if the customer does not provide a social security number or if the customer's name and social security number do not match Credit Bureau information.

6. The San Luis Obispo Branch Office has been staffed by a cashier since the year 2000.

7. Service order transactions which require customer information not available to a cashier cannot be conducted at the San Luis Obispo Branch Office.

8. The San Luis Obispo branch office receives on average 40 payment transactions per day and less than one service order transaction per week.

9. Closure of the Bellflower, Monrovia, Santa Monica and Palm Springs branch offices may increase the distance a customer needs to travel to reach the next nearest branch office if necessary.

10. The next closest branch office to the Bellflower, Monrovia, and Santa Monica branch offices are located 6, 9 and 11 miles away, respectively.

11. The next closest branch office to the Palm Springs office is in Indio, 21 miles away from the Palm Springs branch office.

12. Palm Springs had the highest level of service order transactions among the offices proposed for closure.

13. The next closest branch office to the San Luis Obispo branch office is in Santa Maria, 30 miles away.

14. The next closest branch office to the Santa Barbara branch office is in Oxnard, 38 miles away from the Santa Barbara branch office.

15. The need for access to a physical branch office has become less important for the majority of customer transactions with the advent of online access and wireless technologies that provide 24/7 access to SoCalGas' Customer Contact Center, My Account and IVR system.

16. Some customers prefer internet-based and call center contacts with the utility, while other customers prefer in-person contact at branch offices.

17. The need for some degree of in-person contact with a SoCalGas customer service representative remains, particularly where FACTA requirements continue require identity verification that cannot always be performed online or over the telephone.

18. SoCalGas has plans to provide identity verification options that do not require either a fax or an in-person visit if the customer does not provide a social security number or if the customer's name and social security number do not match Credit Bureau information.

Conclusions of Law

1. SoCalGas should be authorized to close the Monrovia, Santa Monica, and Bellflower branch offices.

2. SoCalGas should be authorized to close the Palm Springs branch office after customers have the option of addressing FACTA compliance without the need for an in-person branch offices visit if the customer does not provide a social security number or if the customer's name and social security number do not match Credit Bureau information.

3. SoCalGas may file a Tier 2 Advice Letter proposing to close the Palm Springs branch office upon completion and implementation of a FACTA compliance process that eliminates the need for customers to present identity verification in person.

4. SoCalGas should not be authorized to close the Santa Barbara or San Luis Obispo branch offices.

5. The closure of the Bellflower, Monrovia, Santa Monica and Palm Springs branch offices is in the public interest because it permits SoCalGas to reduce costs by closing four branch offices with relatively few transactions while ensuring that customers affected by the closure have access to reasonably comparable service through alternate means.

6. The closure of the Bellflower, Monrovia, Santa Monica and Palm Springs branch offices will not disproportionately impact low-income, elderly or disabled customers, because those customers will continue to have access to reasonably comparable customer service through alternate means.

7. In order to ensure that the Customer Call Center remains an adequate alternative to the branch offices, SoCalGas should be required to track and report on the level of service provided by its IVR, Customer Call Center and My Account prior to and following the closure of the branch offices approved in this decision. SoCalGas should be required to include this level of service report as part of its next GRC as well as in any future request to close branch offices.

8. The Customer Notification Plan proposed by SoCalGas is reasonable and provides sufficient notice to customers that may be impacted by the closure of one or more branch offices.

9. The Customer Outreach and Education Plan proposed by SoCalGas is reasonable and will assist those customers impacted by the branch office closure.

10. Any notices to customers regarding a branch office closure should include information regarding alternatives to all potential branch office transactions, and include the location and public transportation options for nearby APLs as well as the next nearest branch office.

11. This proceeding should be closed.

O R D E R

IT IS ORDERED that:

1. Southern California Gas Company is authorized to close the Bellflower, Monrovia, and Santa Monica branch offices within six months of this decision, following implementation of the Customer Notification and Customer Outreach and Education Plans.

2. Southern California Gas Company (SoCalGas) is authorized to close the Palm Springs branch office, contingent upon Commission approval, via a Tier 2 Advice Letter, of a technology solution that eliminates the need for customers to present identity verification documentation to SoCalGas by fax or in-person. .

3. Southern California Gas Company's request to close the Santa Barbara and San Luis Obispo branch offices is denied.

4. Southern California Gas Company shall track and record the ongoing Operation and Maintenance savings after each branch office closure as well as the costs to achieve such closure. The net savings shall be credited to Southern California Gas Company's Core Fixed Cost Account.

5. Branch office-related Outreach and Education Plan costs shall be funded through Southern California Gas Company's existing revenue requirement.

6. Southern California Gas Company (SoCalGas) shall conduct an Americans with Disabilities Act audit for those Authorized Payment Locations supporting any branch office being closed. These audits are in addition to the 10% Authorized Payment Location surveys that SoCalGas currently conducts each year. The additional audits shall be funded through SoCalGas' existing revenue requirement.

7. Southern California Gas Company's Branch Office Outreach and Education Plan shall include, along with the proposals to train Community-Based Organizations and Faith Based Organizations, a means of providing interested customers with information regarding transportation options to the nearest branch office, as well as to the nearest Authorized Payment Location.

8. For each of the four branch offices that Southern California Gas Company (SoCalGas) may close, SoCalGas shall maintain at least two Authorized Payment Locations within a three-mile radius of the branch office. SoCalGas shall encourage the Authorized Payment Locations to provide multilingual staff appropriate to the languages spoken in that area and stock brochures describing SoCalGas programs available to customers.

9. For any future proposal to close branch offices, Southern California Gas shall include in its showing data illustrating how customers formerly served by the four branch offices approved for closure by this decision received comparable payment and service order transaction services after the closure of the branch offices. These data shall include transaction volumes at Authorized Payment Locations located near the closed branch offices before and after the closure. These data shall also include the level of service performance of the

Interactive Voice Response Unit, Customer Contact Center and My Account before and after the closures.

10. Southern California Gas Company (SoCalGas) shall include, in its next General Rate Case application, its proposal for meeting its customer service obligations consistent with Public Utilities Code Section 451, including identification of its performance standards and actual performance metrics for the Customer Contact Center. SoCalGas shall also include a report on the number and types of complaints received regarding all customer service channels.

11. Prior to filing a future application to close branch offices, Southern California Gas Company must conduct a study on the impacts to low-income customers, elderly and disabled customers. This study should include, at a minimum, prior written notification to all customers of its intention to study and request a branch office closure, and must include in its request, any comments received in response to this notification.

12. Southern California Gas Company shall conduct a survey, within two years following the closure of the branch offices authorized in this decision, to determine the percentage of customers who use the remaining 43 branch offices and the reasons why they use the branch offices. The results of this survey shall be included in the utility's General Rate Case and as part of any future proposal to close branch offices.

13. Application 13-09-010 is closed.

This order is effective today.

Dated June 23, 2016, at San Francisco, California.

MICHAEL PICKER
President
MICHEL PETER FLORIO
CATHERINE J.K. SANDOVAL
CARLA J. PETERMAN
LIANE M. RANDOLPH
Commissioners