

ATTACHMENT 1

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of San Diego Gas & Electric
Company (U 902 M) for Authorization to
Close Certain Branch Offices.

A.21-11-017
(Filed November 22, 2021)

**SETTLEMENT AGREEMENT OF SAN DIEGO GAS & ELECTRIC COMPANY
(U 902 E), THE PUBLIC ADVOCATES OFFICE, AND THE UTILITY REFORM
NETWORK REGARDING SAN DIEGO GAS & ELECTRIC COMPANY'S
APPLICATION FOR AUTHORIZATION TO CLOSE CERTAIN BRANCH OFFICES**

Pursuant to Rule 12.1 of the California Public Utilities Commission's ("CPUC" or "Commission") Rules of Practice and Procedure ("Rules"), San Diego Gas & Electric Company ("SDG&E"), the Public Advocates Office at the California Public Utilities Commission ("Cal Advocates"), and The Utility Reform Network ("TURN") (collectively, the "Settling Parties") enter into this Settlement Agreement (or "Agreement") regarding SDG&E's Application for Authorization to Close Certain Branch Offices ("Application").

I. GENERAL RECITALS

- 1.1 On November 22, 2021, SDG&E filed its Application for Authorization to Close Certain Branch Offices, namely, the Downtown San Diego Branch Office and the National City Branch Office, Application ("A.") 21-11-017.
- 1.2 The Application requested an expedited schedule under Commission Rule of Practice and Procedure 2.9. On November 23, 2021, SDG&E filed a Motion for Maintenance of the Status Quo, requesting that SDG&E be permitted to keep the two branch offices subject to the Application closed while the Commission considered SDG&E's Application.

- 1.3 Administrative Law Judge (“ALJ”) Jason Jungreis granted SDG&E’s Motion to Maintain the Status Quo on December 17, 2021.
- 1.4 Protests were timely filed by TURN and Cal Advocates. Pacific Gas and Electric Company timely filed a response to the Application.
- 1.5 SDG&E timely filed a reply to all filed protests on January 3, 2022.
- 1.6 Pursuant to the ALJ Jungreis’ December 22, 2021, ruling, a prehearing conference was held on Tuesday, January 11, 2022, to determine the parties, discuss the scope, the schedule, and other procedural matters.
- 1.7 On January 19, 2022, Assigned Commissioner Clifford Rechtschaffen issued a scoping memo and ruling that granted SDG&E’s request for an expedited proceeding schedule and set forth the issues in the proceeding as:
 - 1.7.1 Does the Application satisfy all of the requirements of the Public Utilities Code and all applicable Commission Rules, General Orders, and Decisions?
 - 1.7.2. Should the SDG&E Downtown San Diego branch office be permanently closed and if so, are mitigations necessary to address customer impacts?
 - 1.7.3. Should the SDG&E National City branch office be permanently closed and if so, are mitigations necessary to address customer impacts?
 - 1.7.4. Would the closures of the branch offices result in unmitigated impact on the achievement of the Commission’s Environmental and Social Justice Action Plan? And,
 - 1.7.5. May SDG&E apply for authorization of possible branch office closure requests through a General Order 96-B Advice Letter process?

- 1.8 On January 31, 2022, TURN served prepared direct testimony. Although Cal Advocates did not file prepared direct testimony, it reserved the right to participate in briefing.
- 1.9 On February 14, 2022, SDG&E served prepared rebuttal testimony.
- 1.10 On February 8, 2022, ALJ Jungreis issued a Ruling Regarding Evidentiary Hearing and Other Matters, and on February 17, 2022, ALJ Jungreis issued a Ruling Providing Opportunity for Further Motion for Evidentiary Hearing Briefing that identified the procedure and requirements for the parties to file a Motion for Evidentiary Hearings and to submit evidence into the record. These Rulings required the parties to follow the requirements, among others, of the Commission's Rules of Practice and Procedure Rule 13.9.
- 1.11 In accordance with the Commission's Rules of Practice and Procedure Rule 13.9, the parties met and conferred on February 22, 2022, and engaged in extensive settlement negotiations over the next several weeks.
- 1.12 On March 11, 2022, Applicant, on behalf of itself, Cal Advocates and TURN served a notice on all parties of a settlement-in-principle, and, pursuant to the Commission's Rules of Practice and Procedure Rule 12.1(b), noticed an initial settlement conference, which was held on March 18, 2022.
- 1.13 This Settlement Agreement represents a compromise from the litigation positions of the various parties to the Settlement Agreement, resulting from the fully developed evidentiary record and extensive negotiations among the parties. The Settling Parties have evaluated the impacts of the various proposals in this proceeding and desire to resolve all issues, beginning with a Commission decision

adopting the Settlement Agreement, in accordance with the terms of the Agreement.

- 1.14 The Settling Parties agree that the record in this proceeding has been fully developed to allow the Commission to determine that this Agreement is just and reasonable, consistent with the law, in the public interest, and should be adopted.
- 1.15 The Settling Parties believe that the Settlement is reasonable in light of the whole record, consistent with the law, and in the public interest.

II. SETTLEMENT AGREEMENT PROVISIONS

2.1 General

2.1.1 All proposals in SDG&E's Application and supporting testimony shall be adopted as specified below.

2.2 Branch Office Closure

- 2.2.1 The Settling Parties agree that SDG&E's Downtown San Diego Branch Office and National City Branch Office may permanently close on July 1, 2022.
- 2.2.2 SDG&E agrees to maintain its current drop boxes, which provide a payment channel for customers, at the Downtown San Diego and National City Branch Office locations through and including August 31, 2022. Drop box access at SDG&E's remaining four branch office locations, which are not encompassed by the Application's request for permanent closure, will remain unchanged and available to SDG&E customers.

2.3 Outreach and Communications

2.3.1 SDG&E agrees to post notices informing customers of the Downtown San Diego Branch Office and National City Branch Office permanent closure. Such notice will be posted in a prominent location visible to the public: (a) at the two branch offices subject to closure until August 31, 2022, and (b) at SDG&E's remaining branch offices locations for a twelve (12) month period beginning July 1, 2022. The notices will be provided in both English and Spanish.

2.3.2 SDG&E agrees to also provide notice of the permanent Downtown San Diego Branch Office and National City Branch Office closure via email and regular mail to the active customers identified by SDG&E in its Application (17,218 customers). The 17,218 customers reflect those customers who had visited one of the two Branch Offices subject to the Application in the 12-month period prior to SDG&E's branch office closure due to the COVID-19 pandemic on March 23, 2020, or had visited those Branch Office locations (drop box) within the 12-months after those offices had been closed due to the pandemic (hereinafter referred to as "Customers Subject to the Application"). The notices will be provided in both English and Spanish.

2.3.3 The Settling Parties agree that the content of the notice to be posted at the branch offices and sent by email, or by regular mail where no valid email address is available to SDG&E, to active Customers Subject to the Application will include:

- 2.3.3.1 A statement that SDG&E has received Commission authorization to permanently close the Downtown San Diego and National City Branch Office locations and the closure date;
 - 2.3.3.2 A list of available alternative channels for payment and non-payment transactions, including the name and address of the nearest locations of Authorized Payment Locations (“APLs”) and drop boxes for the local community served by the Downtown San Diego Branch Office or National City Branch Office location, as applicable;
 - 2.3.3.3 Customer Service contact phone number(s) and website addresses for additional information and customer support; and
 - 2.3.3.4 General description of and reference to a local Community-Based Organization (“CBO”) that provides outreach and services within the communities served by the Downtown San Diego Branch Office or National City Branch Office location, as applicable, and reference to “211 San Diego,” for assistance and referrals.
- 2.3.4 SDG&E agrees that prior to posting and communication to active Customers Subject to the Application, it will provide a draft communication for review and comment by the Settling Parties. The Settling Parties agree that TURN and Cal Advocates will have an opportunity to provide comments on the draft communication, and SDG&E will make reasonable efforts to accommodate reasonable

comments by the Settling Parties prior to finalizing the communication; however, SDG&E will have final determination on the content of the communication to its customers.

2.4 Customer Service Channels

2.4.1 SDG&E agrees to reasonably maintain diverse channels that provide customers with multiple and efficient ways to meet their payment and non-payment transaction customer service needs. These may include, but are not limited to APLs, mail, SDG&E Customer Care Center, MyAccount, Bill Matrix or other third party that accepts credit or debit card payment transactions, and Home Banking.

2.4.2 SDG&E agrees to maintain the same number of APLs serving the local community where the closed Branch Office location formerly resided. Should one or more of the APLs in those Downtown San Diego and National City communities drop out or are terminated from the existing APL network, for a period of three (3) years, beginning July 1, 2022, SDG&E will use reasonable efforts to replace the leaving APL with another APL within a 3-mile radius of the closed Branch Office location. SDG&E will maintain and update the channels used to publish new APL information (name, address and hours of operation) relating to any replacement APL serving the Downtown San Diego and National City communities.

2.5 Reporting On Active Customers Subject to the Application

2.5.1 SDG&E agrees to submit a Tier 1 Advice Letter under the Commission's General Order 96-B procedures to report: (a) in the first quarter of 2024, data for the period July 1, 2022 through December 31, 2023, and (b) in the first quarter of 2025, data for the calendar year 2024, the following data:

2.5.1.1 Payment Transaction data by percentage of active Customers Subject to the Application utilizing each available payment channel (*i.e.*, APLs, Bill Matrix, Branch Offices, mail, Home Banking, MyAccount). The data will be further segregated to show the channel percentage utilized by such customers enrolled in SDG&E's California Alternate Rates for Energy ("CARE"), Family Electric Rate Assistance ("FERA") and Medical Baseline programs, and all other customers. SDG&E further agrees to separately report the percentage of active Customers Subject to the Application utilizing the Market Creek Branch Office location where reporting on the percentage of branch office channel use.

2.5.1.2 Non-payment Transaction data for turn-on and turn-off requests by percentage of active Customers Subject to the Application utilizing each of the nonpayment channels (*i.e.*, SDG&E Customer Care Center, Chat, Mobile App, Interactive Voice Recognition ("IVR") and SDG&E website). The data will be further segregated to show the channel percentage utilized by

such customers enrolled in SDG&E's CARE, FERA and Medical Baseline programs, and all other customers.

2.5.1.3 For the end-date of each reporting period, the percentage of active Customers Subject to the Application that are in arrears (*i.e.*, more than 30 days past due on the last bill), have been disconnected for non-payment, and have made zero payments in the period subject to the report. This data will be segregated by former Downtown San Diego Branch Office customers and former National City Branch Office customers.

2.5.1.4 A list of the existing APLs as at the end-date of each reporting period.

2.5.1.5 For the end-date of each reporting period, an updated template containing the information found in the CBO Reporting Template utilized in the Rulemaking 21-02-014 proceeding.

2.6 Future Requests for Authorization to Close Branch Office(s)

2.6.1 The Settling Parties agree to support SDG&E's request to make future request(s) for authorization to close a branch office utilizing a General Order 96-B Tier-2 Advice Letter process.

2.6.2 SDG&E agrees that it will not submit an Advice Letter requesting closure of the Market Creek Branch Office earlier than December 31, 2023.

2.6.3 SDG&E agrees that it will not submit an Advice Letter requesting closure of its other Branch Offices earlier than one (1) year from the date that

SDG&E has re-opened such branch offices, which are currently closed due to the COVID-19 pandemic.

2.6.4 The Settling Parties agree that, subject to Commission approval, SDG&E's Advice Letter submission, if any, would abide by the following requirements:

2.6.4.1 Notice Periods:

2.6.4.1.1 SDG&E agrees to contact relevant stakeholders (*e.g.*, Cal Advocates, TURN and Center for Accessible Technology) at least ninety (90) days prior to submitting its branch office closure request Advice Letter to discuss the proposed branch office closure request and provide such stakeholders with an opportunity for comment;

2.6.4.1.2 SDG&E agrees that it will not submit its Advice Letter less than sixty (60) days prior to its proposed branch office(s) closure date.

2.6.4.1.3 SDG&E agrees that it will notify customers who have conducted a payment or non-payment transaction at the branch office subject to the closure request within the last 12 months. Such notice will be made at least 60 days prior to the Advice Letter submission requesting the branch office closure.

2.6.4.1.4 Such notice to customers will be made by email, or direct mail for those customers for whom SDG&E does not have a valid email, posting, and publication, in the prevalent languages for the local area (bilingual or multilingual), and contain prominent statements about the proposed closure, request customer feedback and comments on the proposed closure, and provide the Commission's 1-800 telephone number.

2.6.4.2 Advice Letter Content: SDG&E will consider the data and factors included in its reporting obligation under Paragraph 2.5 to inform its request in any Advice Letter under this Paragraph. SDG&E further agrees that its Advice Letter will describe:

2.6.4.2.1 The customer notice provided to customers concerning the proposed closure;

2.6.4.2.2 The opportunity for customers to comment on the proposed closure, and the nature of any response or feedback received from customers and/or local officials;

2.6.4.2.3 The alternative service channels available to customers in the local community served by the branch office(s); and

2.6.4.2.4 Contain an accurate listing of the APL alternatives that serve the local areas in proximity to the branch office(s) under consideration for closure.

2.6.4.2.5 To the extent not already captured in Paragraph 2.6.4.2 and sub-parts, SDG&E will also provide the same type of data that supported its A.21-11-017.

III. ADDITIONAL TERMS AND CONDITIONS

- 3.1 Performance. The Settling Parties agree to perform diligently, and in good faith, all actions required or implied hereunder, including, but not necessarily limited to, the execution of any other documents required to effectuate the terms of this Settlement Agreement, and the preparation of exhibits for, and presentation of witnesses at, any required hearings to obtain the approval and adoption of this Settlement Agreement by the Commission. No Settling Party will contest this Settlement Agreement in any proceeding, or in any other forum, or in any manner before this Commission, the recommendations contained in this Settlement Agreement. It is understood by the Settling Parties that time is of the essence in obtaining the Commission's approval of this Settlement Agreement and that all Settling Parties will extend their best efforts to ensure its adoption by the Commission.
- 3.2 Signature Date. This Agreement shall become binding as of the last signature date of the Settling Parties.
- 3.3 Binding, Non-Precedential Effect. This Settlement Agreement is not intended by the Settling Parties to be precedent for any other proceeding, whether pending or instituted in the future. The Settling Parties have assented to the terms of this Settlement Agreement only to arrive at the Settlement embodied in this Settlement Agreement. Each Settling Party expressly reserves its right to

advocate, in current and future proceedings, positions, principles, assumptions, arguments, and methodologies that may be different than those underlying this Settlement Agreement. The Settling Parties expressly declare that, as provided in Rule 12.5 of the Commission's Rules of Practice and Procedure, this Settlement Agreement is intended to be binding on all parties to the proceeding, but should not be considered as a precedent for or against them.

3.4 Indivisibility. This Settlement Agreement embodies compromises of the Settling Parties' positions in this proceeding. No individual term of this Settlement Agreement is assented to by any Settling Party, except in consideration of the other Settling Parties' assents to all other terms. Thus, the Settlement Agreement is indivisible, and each part is interdependent on each and all other parts. Any party may withdraw from this Settlement Agreement if the Commission, or any court of competent jurisdiction, modifies, deletes from, or adds to the disposition of the matters settled herein. The Settling Parties agree, however, to negotiate in good faith regarding any Commission-ordered changes to restore the balance of benefits and burdens, and to exercise the right to withdraw only if such negotiations are unsuccessful.

3.5 Reservation of Rights. Since this Settlement Agreement represents a compromise by them, the Settling Parties have entered into each stipulation contained in this Settlement Agreement on the basis that the stipulation not be construed as an admission or concession by any Settling Party regarding any fact or matter of law at issue in this proceeding. Should this Settlement Agreement not be approved in its entirety by the Commission, the Settling Parties reserve all rights to take any

position whatsoever with respect to any fact or matter of law at issue in this proceeding.

- 3.6 Conflict of Terms. The Settling Parties agree to support adoption of SDG&E's proposal, as described in SDG&E's Application and supporting testimony, with the modifications described in the Settlement Agreement. In the event of a conflict between the terms of the Settlement Agreement and SDG&E's Application and supporting testimony, the terms of the Settlement Agreement shall control.
- 3.7 Entire Agreement. The Settling Parties acknowledge that the positions expressed in the Settlement Agreement were reached after consideration of all positions advanced in all the testimony sponsored in the proceeding by all parties. This document sets forth the entire agreement of the Settling Parties on all issues in this proceeding. The Settlement Agreement supersedes all prior agreements, commitments, representations, and discussions between the Settling Parties. The terms and conditions of this Settlement Agreement may only be modified in writing subscribed by all Settling Parties.
- 3.8 Compromise of Disputed Claims. This Agreement represents a compromise of disputed claims between the Settling Parties. The Settling Parties have reached this Agreement after considering the possibility that each Party may or may not prevail on any given issue. The Settling Parties assert that this Agreement is reasonable, consistent with the law, and in the public interest.
- 3.9 Non-Waiver. None of the provisions of this Settlement Agreement shall be considered waived by any Party unless such waiver is given in writing. The

failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this Settlement Agreement or to take advantage of any of their rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

- 3.10 Effect of Subject Headings. Subject headings in this Settlement Agreement are inserted for convenience only and shall not be construed as interpretations of the text.
- 3.11 Governing Law. This Agreement shall be interpreted, governed and construed under the laws of the State of California, including Commission decisions, orders and rulings, as if executed and to be performed wholly within the State of California.
- 3.12 Counterparts. This Settlement Agreement may be executed in counterparts by the different Settling Parties hereto with the same effect as if all Settling Parties had signed one and the same document. All such counterparts shall be deemed to be an original and shall together constitute one and the same Settlement Agreement.

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The undersigned represent that they are authorized to sign on behalf of the Party represented, for the purposes of this Settlement Agreement.

SAN DIEGO GAS & ELECTRIC COMPANY

THE PUBLIC ADVOCATES OFFICE AT THE CALIFORNIA PUBLIC UTILITIES COMMISSION

By:  _____

By: _____

Title: Senior VP
Date: April 4, 2022

Title:
Date: April 4, 2022

THE UTILITY REFORM NETWORK

By: _____

Title:
Date: April 4, 2022

The undersigned represent that they are authorized to sign on behalf of the Party represented, for the purposes of this Settlement Agreement.

SAN DIEGO GAS & ELECTRIC COMPANY

THE PUBLIC ADVOCATES OFFICE AT THE CALIFORNIA PUBLIC UTILITIES COMMISSION

By: _____

By:  _____

Title:
Date: April 4, 2022

Title: Deputy Director
Date: April 4, 2022

THE UTILITY REFORM NETWORK

By: _____

Title:
Date: April 4, 2022

The undersigned represent that they are authorized to sign on behalf of the Party represented, for the purposes of this Settlement Agreement.

SAN DIEGO GAS & ELECTRIC COMPANY

THE PUBLIC ADVOCATES OFFICE AT THE CALIFORNIA PUBLIC UTILITIES COMMISSION

By: _____

By: _____

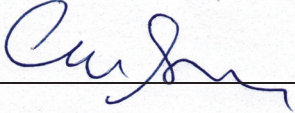
Title:

Title:

Date: April 4, 2022

Date: April 4, 2022

THE UTILITY REFORM NETWORK

By:  _____

Title: Staff Attorney

Date: April 4, 2022

(END OF ATTACHMENT 1)