

Application No: A.19-11-006  
Exhibit No: \_\_\_\_\_  
Witness: Verduzco, Octavio

Application of Southern California Gas  
Company (U904G) for Approval of Low-  
Income Assistance Programs and Budgets  
for Program Years 2021-2026

Application 19-11-006  
(Filed November 4, 2019)

**PREPARED REBUTTAL TESTIMONY OF OCTAVIO VERDUZCO ON BEHALF OF  
SOUTHERN CALIFORNIA GAS COMPANY**

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

October 9, 2020

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**PREPARED REBUTTAL TESTIMONY OF  
OCTAVIO VERDUZCO**

3 **I. INTRODUCTION**

4 The purpose of my prepared rebuttal testimony on behalf of Southern California Gas  
5 Company (“SoCalGas”) is to respond to certain proposals and alternative recommendations  
6 submitted by parties in their prepared direct testimonies filed on September 4, 2020. Based on  
7 strong support for the majority of SoCalGas’ proposals, with limited opposition, SoCalGas  
8 respectfully requests the California Public Utilities Commission (“Commission”) approve the  
9 proposed PY 2021-2026 California Alternate Rates for Energy (“CARE”) and Energy Savings  
10 Assistance (“ESA”) Programs as set forth in the Application A.19-11-006.

11 My rebuttal testimony specifically responds to the following:

12 The prepared direct testimony of Stanley Kuan, of the Public Advocates Office (“Cal  
13 Advocates”) recommends:

- 14 • IOUs should establish two-way data sharing partnerships with government  
15 agencies to prevent CARE non-response attrition.<sup>1</sup>

16 The prepared direct testimony of Sunne Wright McPeak, of the California Emerging Technology  
17 Fund (“CETF”) recommends:

- 18 • Funding education and outreach regarding affordable broadband is within the  
19 scope of the proceeding.
- 20 • Every Applicant IOU be ordered to inform all their CARE/ESA customers and  
21 other eligible low-income consumers about available reduced-cost affordable  
22 broadband offers in their marketing, education, and outreach efforts (including  
23 direct mailings, bill inserts, and website pages) and provide referrals to CETF-  
24 designated community based organization (“CBOs”).<sup>2</sup>

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<sup>1</sup> Prepared direct testimony of Stanley Kuan on behalf of the Public Advocate’s Office (“Cal Advocates”) at pp. 2-7.

<sup>2</sup> Prepared direct testimony of Sunne Wright McPeak on behalf of CETF at 4.

- Requests the Commission require the IOU to refer their unconnected low-income consumers to a CETF-funded CBO.
- Requests the Commission to require that IOU's add a link to CETF-provided and Commission-approved websites where a user may put in their address and zip code and find affordable broadband offers available in the user's area.

In addition, SoCalGas responds to the questions posed in Commissioner Genevieve Shiroma's Ruling in Response to the May 22, 2020 All-Party Meeting on California Alternate Rates for Energy Outreach in Light of COVID.<sup>3</sup>

**II. CAL ADVOCATE'S RECOMMENDATION TO ESTABLISH TWO WAY DATA SHARING WITH GOVERNMENT AGENCIES IS NOT FEASIBLE AND MAY ULTIMATELY DECREASE CARE PARTICIPATION**

Cal Advocates recommends that the IOUs establish an online, two-way data sharing system with government agencies to provide recertification assistance for utility customers.

Data exchange with federal government agencies such as the Social Security Administration and the U.S. Department of Agriculture, as recommended by Cal Advocates, raises several issues that may have the effect of deterring and decreasing program participation.

The Inadmissibility on Public Charge Grounds (the "Public Charge Rule") issued by the Department of Homeland Security ("DHS") in August 2019 and made effective October 15, 2019, makes it easier for immigration officials to deny applications for permanent residency or temporary visas to immigrants if they are deemed "more likely than not" to become a public charge.<sup>4</sup> The Public Charge Rule prescribes "how DHS will determine whether an alien applying for admission or adjustment of status is inadmissible to the United States...because he or she is likely at any time to become a public charge."<sup>5</sup> Consistent with the Field Guidance on

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<sup>3</sup> Assigned Commissioner's Ruling in Response to May 22, 2020 All-Party Meeting on California Alternate Rates for Energy Outreach in light of COVID (June 15, 2020).

<sup>4</sup> [84 Fed. Reg. 41,292 \(Aug. 14, 2019\)](#).

<sup>5</sup> *Id.*

1 | Deportability and Inadmissibility on Public Charge Grounds, DHS considers local general  
2 | assistance programs to be public benefits.<sup>6</sup> It is likely that local general assistance programs  
3 | include such programs as CARE and ESA. Consequently, there is a risk that sharing customer  
4 | data with federal agencies may make immigrant customers afraid that  
5 | automatic enrollment in CARE would make them subject to the Public Charge Rule,  
6 | compromising their immigration status. This may have the unintended effect of decreasing  
7 | utilization and participation in the CARE program.

8 |         Additionally, establishing two-way data sharing would require that IOUs provide  
9 | customers the ability to “opt out” of this data sharing. In order to provide this option, SoCalGas  
10 | would need to add the required opt-out language and option on all CARE applications and  
11 | verification requests. This would be administratively burdensome, but more importantly, deter  
12 | eligible customers from enrolling in the program. The opt-out language would require SoCalGas  
13 | to list each government agency and entity that would have access to the customer’s information  
14 | as well as provide the customer the opportunity to opt out of sharing their information with each  
15 | agency and/or entity.

16 |         The availability of resources required to implement such capabilities would be another  
17 | major concern. Government agencies may not have sufficient resources available nor adequate  
18 | information technology (“IT”) systems in place to allow for an online, two-way data sharing  
19 | system with each IOU. Furthermore, the IT system upgrades required to allow for compatibility  
20 | and integration between organizations can be time consuming and costly.

21 |         SoCalGas has concerns regarding cybersecurity and protection of customer data and must  
22 | adhere to internal operating policies. First, SoCalGas would need to review and approve the

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<sup>6</sup> Field Guidance on Deportability and Inadmissibility on Public Charge Grounds, 64 Fed. Reg. 28, 689 (May 26, 1999)

1 customer privacy and cybersecurity procedures and protocols at each government agency prior to  
2 any sharing of customer information. Second, before sharing customer information, SoCalGas'  
3 internal policies require the company to conduct risk assessments, third-party reviews to assess  
4 protective measures, cybersecurity risk assessments, and data sharing agreements to protect  
5 shared customer data. SoCalGas also adheres to the provisions of the California Consumer  
6 Privacy Act ("CCPA") which sets forth certain requirements when sharing or collecting  
7 customer data. Finally, SoCalGas' internal policies require that in order for customer data to  
8 reside outside the organization, it must also perform a system scan and thorough review of assets  
9 to ensure the integrity of each agency's system. Government agencies would also need to enter  
10 into a formal non-disclosure agreement ("NDA") with each utility as well as agree to the  
11 CPUC's audit procedures and policies.

12 Finally, the CPUC has no jurisdiction to require federal agencies to enter into a data  
13 sharing agreement with the IOUs as well as comply with the accompanying Commission  
14 oversight. Assuming the IOUs were willing participants, the two-way data sharing process  
15 would require the willingness, involvement and cooperation of all parties. The IOUs have had  
16 limited success to date in engaging government agencies in data sharing agreements due to the  
17 numerous administrative and technical barriers involved, and Cal Advocates does not present  
18 any new information indicating these barriers have been resolved or that the government  
19 agencies are willing and equipped to enter into this kind of agreement.

1 **III. CETF RECOMMENDATIONS FOR IOUS TO PROVIDE REFERRALS**  
2 **REGARDING AFFORDABLE BROADBAND TO CETF-DESIGNATED CBOS**  
3 **SHOULD BE ADDRESSED IN A DIFFERENT PROCEEDING**

4 The IOUs entered jointly into settlement discussions with CETF to promote affordable  
5 broadband messaging in communications to low income customers. The parties have agreed to  
6 the following in principle as part of a joint stipulation proposal with CETF.

- 7 • Add a telephone number and link to everyoneon.org from a relevant location on  
8 the company web site
- 9 • Integrate broadband discount messaging twice annually in existing direct mail  
10 letters or email newsletters – assumes this work can be done for minimal cost and  
11 IOUs receive CPUC approval to use CARE program marketing funds
- 12 • Incorporate CETF materials in the ESA education kits
- 13 • Educate CBOs by inviting CETF to speak/present at a minimum of one CBO  
14 Marketing, Education, and Outreach (“ME&O”) event annually
- 15 • Any incremental costs above and beyond, for items such as translation services,  
16 would be funded by CETF
- 17 • Any other proposed co-marketing or co-promotions would require CETF funding  
18 and need to be reviewed and mutually agreed upon by CETF and each IOU  
19 individually<sup>7</sup>

20 This settlement will remove further affordable broadband discussions from this  
21 proceeding. Any ongoing discussions should take place within the recently issued Order  
22 Instituting Rulemaking (OIR) Regarding Broadband Infrastructure Deployment and to Support  
23 Service Providers in the State of California.<sup>8</sup> The OIR address California Governor Gavin  
24 Newsom’s Executive Order N-73-201 issued on August 14, 2020.<sup>9</sup> Governor Newsom’s  
25 Executive Order directed state agencies to bridge the digital divide and ordered 15 specific

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<sup>7</sup> Specifics of this agreement will be detailed in the final executed Joint Stipulation.

<sup>8</sup> Proposed Decision, Order Instituting Rulemaking Regarding Broadband Infrastructure Deployment and to Support Service Providers in the State of California.

<sup>9</sup> Executive Order N-73-201 available at: <https://www.gov.ca.gov/wp-content/uploads/2020/08/8.14.20-EO-N-73-20-text.pdf>.

1 actions of these agencies to increase access to broadband in the areas of Mapping and Data,  
2 Funding, Deployment, and Adoption.<sup>10</sup> Of relevance to low income customers, the Order (a)  
3 requires the creation of new State Broadband Action Plan by December 31, 2020, (b) requests  
4 the CPUC to develop tools for low-income individuals and social service organizations to easily  
5 identify and subscribe to affordable broadband plans; and (c) assists in bridging the “digital  
6 divide” by encouraging expanded access to state-of-the-art technologies for rural, inner-city,  
7 low-income, and disabled Californians.<sup>11</sup>

8 **IV. RESPONSE TO ASSIGNED COMMISSIONER IN RESPONSE TO CARE ALL**  
9 **PARTY MEETING<sup>12</sup>**

10 As directed in the June 15, 2020 Assigned Commissioner’s Ruling in Response to the  
11 May 22, 2020 All-Party Meeting on CARE for Energy Outreach in Light of COVID, SoCalGas  
12 provides responses to the questions posed therein.

13 SoCalGas interprets CARE education and outreach channels as excluding mass media (i.e.  
14 advertising, direct mail, email, etc.). As such, SoCalGas’ CARE education and outreach  
15 channels are predominantly partnerships with various Community and Faith-Based  
16 Organizations (CBOs and FBOs) as well as outreach events with the purpose of educating and  
17 enrolling customers onto CARE.

18 SoCalGas tracks CARE enrollments by organization, by unique source codes comprising  
19 of numbers or alpha-numeric combinations assigned to each. Partnering with CBOs and FBOs  
20 have historically been a significant component of SoCalGas’ outreach strategy for CARE. CBOs  
21 are trusted resources within their communities and are instrumental in helping educate and enroll

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<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> Assigned Commissioner’s Ruling in Response to May 22, 2020 All-Party Meeting on California Alternate Rates for Energy Outreach in light of COVID (June 15, 2020).

1 hard-to-reach customers who are typically more difficult to reach due to a variety of reasons  
2 including, but not limited to, physical disabilities, visual or hearing impairments, or limited  
3 English proficiency. Outreach event tactics include attending community events such as street  
4 fairs, health clinics and festivals. At outreach events, program specialists will distribute  
5 Customer Assistance materials and also provide source-coded CARE applications. It is important  
6 to note that while some of these events aren't conducive to easily enrolling customers, oftentimes  
7 customer feedback from these events provides SoCalGas the opportunity to continuously  
8 improve messaging, tactics and strategies in real-time. Past learnings from these events have  
9 allowed SoCalGas to create marketing and outreach materials that are sensitive to language and  
10 cultural differences. COVID-19 has added the extra challenge of the cancellation of traditional  
11 events and brick-and-mortar CBO activities. SoCalGas has had to improvise and utilize virtual,  
12 video-teleconferencing-type informational sessions with its community partners, to help with  
13 engagement of its customers during these challenging times. SoCalGas is also currently working  
14 on a digital, source code-fillable application which will eventually be sent to CBOs to help  
15 customers enroll online over their devices, while being able to track the origin.

16 Last, organizations we partner with provide monthly activity reports to which SoCalGas  
17 compiles and uses to in our monthly reports filed with the CPUC.

18 **A. What Best Practices Can Be Implemented to Support Community-Based**  
19 **Organization Capitation Work to Result in More CARE and FERA**  
20 **Enrollments, Including in Populations Newly Eligible for The Programs Due**  
21 **To COVID?**

22 To support SoCalGas' CARE capitation agencies and CBOs to result in more CARE  
23 enrollments, including populations newly eligible for programs due to COVID, SoCalGas is  
24 accepting electronic signatures on CARE applications from their authorized capitation agencies  
25 through its internal data transfer site in addition to traditional postal services.

1 In June 2020, SoCalGas sent participating capitation agencies a notification in the mail  
2 along with revised CARE applications and posters regarding the new income guidelines effective  
3 June 1, 2020 to May 31, 2021. The CARE application, specifically designed for capitation  
4 agencies and CBOs, is also available on its website. This CARE brochure has a dedicated field  
5 to populate the agency's assigned source code for tracking purposes. For CBOs interested in  
6 becoming a new SoCalGas authorized capitation agency, the capitation application is also  
7 available on socialgas.com. Once accepted, training is provided to all new capitation agencies.  
8 Existing SoCalGas CARE capitation agencies and CBOs can also simply contact the CARE  
9 program manager regarding retraining sessions or webinars.

10 SoCalGas is also in the process of implementing virtual enrollment for authorized CARE  
11 capitation agencies, CBOs, and third-party contractors. Authorized CARE capitation agencies  
12 would be able to submit the enrollment application directly on socialgas.com and receive credit  
13 for the successful enrollment.

14 **B. How Does Your Utility Track and Evaluate the Effectiveness of Its Various**  
15 **CARE Education and Outreach Channels, And How Is This Information**  
16 **Incorporated into The Overall Education and Outreach Strategy?**

17 SoCalGas interprets CARE education and outreach channels as excluding mass media (i.e.  
18 advertising, direct mail, email, etc). As such, SoCalGas' CARE education and outreach channels  
19 are predominantly partnerships with various Community and Faith-Based Organizations (CBOs  
20 and Faith Based Organizations ("FBOs")) as well as outreach events with the purpose of  
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23 of assigned numbers or alpha-numeric combinations. Partnering with CBOs and FBOs has  
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25 trusted resources within their communities and are instrumental in helping educate and enroll

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13 to help with engagement of its customers during these challenging times. SoCalGas is also  
14 currently working on a digital, source code-fillable application which will eventually be sent to  
15 CBOs to help customers enroll online over their devices, while being able to track the origin.

16 Last, SoCalGas partners with organizations who provide monthly activity reports for  
17 tracking outreach events, which SoCalGas compiles and uses in the company's monthly reports  
18 filed with the CPUC.

## 19 **V. STATEMENT OF QUALIFICATIONS**

20 My name is Octavio Verduzco. My business address is 555 West Fifth Street, Los  
21 Angeles, California, 90013. I am employed at SoCalGas as the California Alternate Rates for  
22 Energy (CARE) and Customer Assistance Programs Manager. My principal responsibility is to  
23 manage SoCalGas' CARE, Medical Baseline and Gas Assistance Fund Programs. In addition, I  
24 manage the Community Outreach efforts for Low Income Programs.

1 I joined SoCalGas in 2010 and since then have managed various teams in the Marketing  
2 Communications, Social Media and Research areas of the company. As the Marketing  
3 Communications/Research Manager, I was responsible for developing integrated marketing  
4 campaigns in support of Energy Efficiency, Customer Assistance, Energy Upgrade California  
5 and other programs. I have provided prior written testimony in support of the 2013-2014  
6 Statewide Marketing Education and Outreach program.

7 Prior to SoCalGas, I held various account manager positions at several advertising  
8 agencies with an emphasis on marketing to the Hispanic population. I received a bachelor's  
9 degree in Business Administration from Woodbury University in Burbank, CA.

10 I have previously testified before the California Public Utilities Commission.