

'National' utility goes after SoCalGas' customers

There's a so-called "national utility" that's already serving some of SoCalGas' customers—and is after more.

Utilicorp—or its brand name "EnergyOne"—doesn't have much respect for utility service territories. It already provides utility-related services in 45 states to customers of all sizes—from single-family residents to large power generators.

One of EnergyOne's activities is marketing energy in states where it doesn't own any wires or pipes. For example, here in our service territory, Utilicorp buys gas for thousands of core customers under its Broad Street Oil and Gas Co.

subsidary. Broad Street is a participant in the Core Aggregation Transportation program, which allows other companies besides SoCalGas to buy gas for our customers.

One of EnergyOne's niches is to sell energy and consolidate billing services for all chains of a single national account. For example, it

sells gas to over 300 Service Merchandise stores (the largest jewelry retailer in the U.S.) across the country.

Other activities of EnergyOne include billing services for 2,200 Bank of America branches. And it'll sell electricity once states deregulate their retail markets.

But now Utilicorp is after more. Just ask **Bob Zaricor**, field operations supervisor in Pacific region.

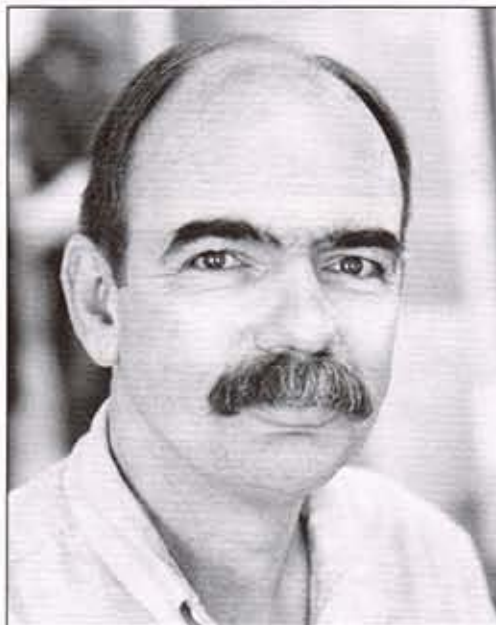
"I got called at home by a company doing phone surveys," Zaricor said. "The company eventually said it was representing EnergyOne."

The survey company asked him about

utilities—about deregulation, prices, and whether he would be interested in a different way to get utility services.

"I was asked if I'd be interested in a plan that would guarantee a 10% savings on my gas and electricity bills if I were to switch to EnergyOne," Zaricor said. "The plan offered to consolidate my gas and electric bill,

"EnergyOne" provides utility-related services in 45 states to customers of all sizes. It markets energy in states where it doesn't own wires or pipes. It offers billing services to companies, including Bank of America. It'll sell electricity once states deregulate their retail markets. And it wants to do more in Southern California.



Bob Zaricor, field operations supervisor in Pacific region, said that EnergyOne called him (through a survey company) and asked if he would be interested in saving money on his gas and electric bills by allowing EnergyOne to perform billing, meter reading, appliance adjustments, and other utility services.

and EnergyOne would do its own billing, meter reading, appliance adjustments and other services."

Such a plan couldn't take place without approval from the California Public Utilities Commission. However, if enough people indicated an interest in this plan, then the PUC would probably listen to the proposal.

"The PUC was agreeable to the Core Aggregation Transportation program when a private company proposed the idea," said **Chuck Rooney**, director of

business strategy in Public Policy and Law. "And if EnergyOne gets enough of a positive response from the people it's surveying, it will probably get a receptive ear from the PUC."

The mission statement of EnergyOne—which supposedly every employee knows by heart—is to be the energy provider of choice wherever consumers have the power to choose. "The company wants to be the CNN of the energy business," Rooney said.

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PE earnings up in third quarter

Pacific Enterprises reported a 17 percent increase in earnings per share for the third quarter in 1995 (compared to third quarter of 1994) with net income of \$47 million, or 55 cents per share of common stock. For the same period a year ago, PE had net income of \$42 million, or 47 cents per share.

The primary reason for the consolidated earnings improvement has been the higher earnings of the core business, Southern California Gas Co., according to PE Chairman **Bill Wood**. For the first nine months of 1995, PE had net income of \$137 million, or \$1.57 per share, compared to \$122 million, or \$1.37

per share, for the same period a year ago.

Consolidated results included third quarter net income of \$48 million for The Gas Company, compared with \$43 million for the same period a year ago. For the first nine months of 1995, The Gas Company reported earnings of \$146 million, compared with \$127 million for the first nine months of 1994. The higher Gas Company earnings were primarily due to an increase in the 1995 authorized return on equity to 12 percent, up from 11 percent in 1994. The Gas Company also benefited from cost-saving measures.

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'Chip thieves' caught at Gas Company Tower

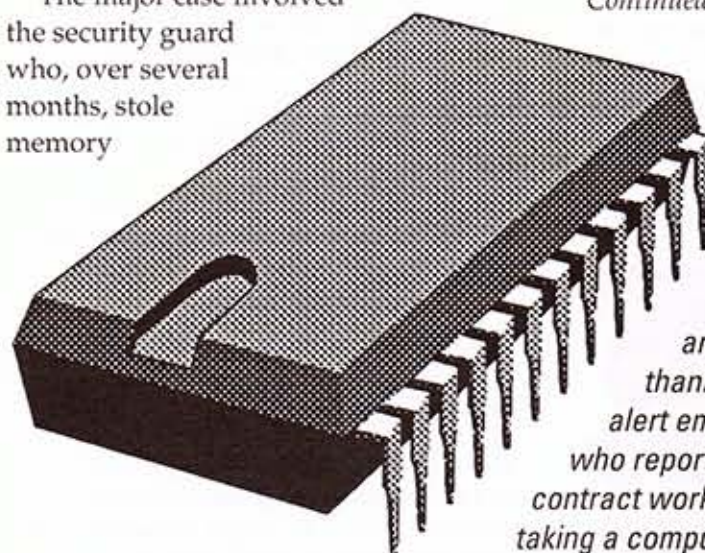
One computer chip thief has been convicted, and a second recently arrested, for stealing memory chips from personal computers at The Gas Company Tower.

Both thieves were SoCalGas contract employees — one a security guard and the other a part-time computer technician.

The major case involved the security guard who, over several months, stole memory

chips from gas company computers on a variety of floors during the restacking of the tower. A joint investigation by Special Agents **Steve Day** and **Tom Chiarenza** resulted in identification of the thief who is believed responsible for stealing more than \$25,000 worth of computer chips.

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One 'chip thief' was arrested thanks to two alert employees who reported a contract worker who was taking a computer apart.

Pipeline crews learn new skills by tackling big change



Photos by Mike Marshall

After 12 years in customer operations, Brian Reilly got his first chance to work on a 24-inch pipe—a size that usually had been “transmission turf.”

“It’s a great experience,” he said. “It’s a very different type of job with different types of rewards.”

Reilly, a field supervisor in Northern region, is still in customer operations. But he now has the opportunity to work on new projects and develop new skills, thanks to a recent handoff between transmission and the customer regions.

The handoff is known as the “backbone transfer” project. This project helped the transmission regions focus their efforts and resources on most of the largest and longest pipelines on the system—especially the so-called “trunk lines,” which connect with the interstate transmission pipelines. As a result, responsibilities for about 486 miles of pipelines that had been part of the transmission system—and even a 24” diameter pipeline is too “small” in some cases—are being handed off to the customer regions.

And Reilly’s new pipeline project is just one result of the backbone transfer. The job is a 12-mile replacement project that stretches from Culver City in Pacific region to the San Fernando Valley in Northern region.

Things are different on large pipeline jobs in dense city areas, Reilly said. He’ll have to prepare for the job by taking a welding inspection course (provided by transmission). He’s also working more closely with district managers, who inform various public groups on the status of the project.

Also, unlike jobs using plastic pipe, you can’t expect to bend 24” steel pipe around all the fiber optics lines, water lines, telephone lines and other substructures.

“You’d be amazed at all the lines that are under the streets in this area—and what you have to do to get around them,” Reilly said.

Earnings

Continued from page 1

Operating revenues for Pacific Enterprises totaled \$528 million for the third quarter of 1995, compared with \$591 million for the same quarter last year. For the first nine months of 1995, operating revenues totaled \$1.7 billion, compared with \$1.9 billion for the same period in 1994. The weighted average number of common shares outstanding for the first nine months of 1995 slightly increased to 82.2 million, compared with 81.9 million for the same period a year ago.

Contractors and work crews (above) lift an old section of pipe out of the street and prepare to insert a new section. At right, Lennie McCarty, operations training instructor in energy distribution services, turns on a Williamson Fitting valve, which shuts off gas to a section of pipe so that crews can cut into the pipe and replace it.



CLASSIFIED ADS

AD POLICY

Any employee or retiree of a Pacific Enterprises company may submit an ad. Company policy states that personal, outside business activities are not to be conducted during work hours and should not involve the use of company facilities, equipment or materials at any time. Ads should contain the full name of an employee or retiree. Other names are unacceptable. Ads must include home phone number; ads for car pools or retirement events may include company extension. Only one ad per employee will be accepted every other week. Deadline is every Wednesday. Ad limit is 25 words. Ads must be submitted in writing (please print or type) and mailed to **SendOUT**, Classified Ads, m.l. 28E1, faxed to (213) 244-4408 or e-mailed to Carlene Harvey. Ads must be resubmitted each time publication is desired. The editor reserves the right to reject or edit any ad.

CALENDAR

Northern Region Holiday dinner/dance, Dec. 2, Red Lion Resort, Santa Barbara, \$15/person due Nov. 20. Linda Poindexter, (818) 701-3235.
Holiday boutique, St. Anthony’s School in San Gabriel, Dec. 2 & 3, space avail to sell your crafts and goodies, reserve now. Angie Carillo, (818) 572-8274.

AUTOS

’93 Pontiac Grand Am GT, 5-sp, 4-cyl, 39,000 mi, quad 4 eng, 100,000 mi ext warranty transferable, p/w&l, anti-lock brakes, a/c, cruise, am/fm stereo cass, tinted windows, \$10,500 obo. Jose Palacio, (818) 575-3336.
’29 Ford Model A sedan, V-6, current registration & YOM plates, \$4,000. Susan Mitchell, (909) 245-2796.

FOR SALE

Dishwasher, Magic Chef, Almond, \$75. G. Frazier, (909)481-9954.
Twin beds, wood frames w/new mattress & box springs, \$50 ea. Terrie Ramirez, (310) 908-7161.
Dining room set, table w/2 leaves & 4 chairs, solid maple, excel cond, \$200. Ron Solar, (818) 355-4824.
Marquis diamond solitaire, 1 carat in Tiffany setting, \$2,000 obo. Annette Olivas, (213) 264-8051, aft 6 p.m.
Gas range, Wedgewood, 1950s model, white w/chrome top, 36” wide, very good cond, \$285. Walt Kelly, (818) 346-1148.

RENTALS

Arrowhead Lake home, sleeps 7, \$130/wkend, \$325/wk, holidays extra. Gene Oliver, (818) 968-4151.
Bass Lake home, sleeps 8, fully equipped, near lake & town, snow skiing, boating, hiking, swimming, fishing, \$75/night, 2-night min, pics avail. Mary Mendoza, (310) 949-2859.

Mammoth Lakes 1-bdrm condo, all amenities, \$80/night wkdays, \$110/wkends for 4 people. Sandy/Norm McMullen, (310) 430-3130.

Palm Springs area, 4-bdrm, 3 1/2-ba home, spa, fully equipped, \$300/wkend. Lucy Heredia, (818) 303-4858.

Van Nuys, 3-bdrm, 2-ba home in quiet neighborhood, pool, covered patio, family rm w/frpl, 2-car garage, avail late Nov. or early Dec. Jeff Catanzaro, (818) 780-1414

Garden Grove room for rent, pool, Jacuzzi, full privileges, no drugs, near Garden Grove Base, \$345/mo + 1/4 utilities & \$250 dep. Mariel Macievic, (714) 373-2248.

North Hills, 2-bdrm, 1 1/2-ba townhomes, a/c, 2 ldry rms, 24-hr security, 15 min. to Chatsworth, \$550/mo incl water. Jesus Barragan, (818) 895-8086.

Tujunga, 2-bdrm, 1-ba home, new in & out, a/c, ldry rm hookup, gardener, no pets, \$825/mo. Anthony Vacca, (818) 353-4340.

REAL ESTATE

Via Verde, 3-bdrm, 2-ba, 10 yrs old, corner lot, a/c, security, sprinklers, \$219,000. Larry Smith, (909) 599-7786.

CAMPERS & TRAILERS

Cab-over camper, 12 ft., sleeps 4, jacks, fits full-size truck w/8 ft. bed, \$500. Burnie Presho, (714) 968-0856.

WANTED

Dog run, portable run approx 24’ long by 6’ wide by 6’ high with or without top. Dawn Pepper, (818) 994-8982.

MISCELLANEOUS

Mary Kay cosmetics. Graciela Frazier (909)481-9954.”

Custom framing & matting, black art, prints, posters, limited editions & your own art work, portraits avail from photos, color pencil or oil. Bill Lilly, (310) 989-6806.

Gallery art at affordable prices, orig oils, reproductions & limited editions on canvas, custom framing, all styles & images upon request. Linda Blanchard, (909) 982-3999, eves.

Termite control & eradication, licensed, bonded & insured, for all your termite control needs, ask for your **SendOUT** discount. Pat Bonham, (800) 660-8909.

Roofing, repair or re-cover, free est, licensed & insured. Boyd Smith, (818) 332-5873.

New Year’s Eve dinner party package, \$25 to \$150 incl 1-night stay at the Renaissance Hotel near LAX, given by Chuck’s Sound & Video, \$35 dep due by Dec. 1. Angela Griffin, (909) 305-8340.

Custom tile & marble setter, kitchens, bathrooms, floors, free est. Tom Quiroz, (310) 860-4724.

Video productions, weddings, birthday & anniversary celebrations, video photo albums, I shoot or custom edit your footage, sound & captions. Jim Consolato, (818) 335-0844.

Kwanzaa & Christmas cards, 1996 black history calendars & gifts. Stephanie Johnson, (818) 798-9018.

Room additions, remodeling, earthquake retrofitting, licensed contractor. Olga/Gabriel Meza, (213) 265-1247.

GG Italy Shoes in Garden Grove, SAS, Nickels, Proxy’s & more. 10% discount to SoCalGas employees, ID required. Mark Kang, (714) 530-2300.

Real estate sales, if you are interested in buying or selling a home in the San Gabriel Valley area, I can help. Bill Park, realtor, Century 21, Alosta, (818) 938-9592.

Party rentals, make your party a success with Moonbouncers, snocone machines, hot dog warmers, helium tanks, canopies, etc. Discount to all SoCalGas employees. Tim Pearce, (909) 421-8733.

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Union press release prompts response from employee

Last month, Utility Workers Union Local #132 issued a news release about a temporary failure of a meter and reg station. The release, excerpted below, made several accusations about Gas Company practices. After reading this release, a meter and regulator technician chose to write a response, which is reprinted below:

My name is **Dave Zelman**. I've been with The Gas Company since 1973 and spent 13 years in the meter and reg unit.

A recent press release put out by our union about an overpressurization of a reg station in Palm Desert contains many false statements. I'd like to respond to three of them here.

"Stoves, heaters and water heaters may erupt into large fires because these appliances are designed to function with 1/3 lb of gas and now may be receiving 40 lbs or more." My response: Even if a regulator station fails, there's a backup safety system to prevent increases in gas pressure in home appliances. This backup system is primarily the house regulator at the meter.

"This [incident] was inevitable due to the reduction of maintenance

of the regulator stations and the pipeline systems." My response: The company's maintenance at reg stations is basically the same as it has been for years. We do annual pressure inspections of every reg station. The one cutback we made is that we no longer do internal inspections every five years. These inspections, in my opinion, were unnecessary. All our current reg station and pipeline maintenance procedures meet or exceed PUC and Dept. of Transportation regulations.

"In an effort to increase profits, SoCalGas has also hired poorly trained contractors to install these highly sensitive regulator stations." My response: The contractors that do this work are very well trained. They have to pass the same welding training course that's required of gas company



welders.

Like many fellow gas company employees, I take pride in my job. I find it offensive when the union makes public statements that make us look like we are incompetent in what we do for a living.

I called the union three times asking to speak with someone about the union's news release. I never got called back.

Dave Zelman is a meter and regulator technician in Northern region.

Business & Industry News

A copy of the full text of any item can be obtained by calling the Information Center/Library at ext. 244-5197.

SAN DIEGO LOOKS TO DELIVER GAS IN MEXICO

San Diego Gas & Electric Co. plans to build and operate, together with other companies, a natural gas distribution network serving mainly the north Mexican city of Mexicali, SDG&E President Thomas Page said. He added that SDG&E had linked up with the Mexican firm Proxima SA de CV and Pacific Enterprises International for the project. The Mexicali project will provide gas via Southern California Gas Co., Once the Mexican government awards a permit, it will take four to six months to get authorization to build the distribution network and three to six months more for the construction of a gas pipeline. (Reuters, 11/8) [1]

PG&E FORMS NEW BUSINESS UNIT

Pacific Gas & Electric Co. (PG&E) formed a new electric generation business unit to operate all of the generating plants owned by the utility in its service territory. In a press release, PG&E also said it formed an electric transmission business unit to operate its high-voltage transmission system in the service territory. PG&E operates hydroelectric, fossil fuel, geothermal and nuclear-powered generating units in its Northern and Central California service territory. (Dow Jones, 11/8) [2]

LAST NUCLEAR PLANT ABOUT TO BE LICENSED

The Nuclear Regulatory Commission is about to license the last nuclear power plant still being built. Critics call it a white elephant that long ago should have been mothballed, while supporters wonder why it's taken so long. First proposed in 1972, the Watts Bar Reactor is expected to soon begin loading reactor fuel and conduct low-power tests. It could be in full operation by next spring. The \$6.8 billion reactor represents the longest struggle to license a nuclear power plant in U.S. history. The Tennessee Valley Authority pushed ahead to put the plant in operation, although earlier this year it abandoned plans for three other nuclear reactors. (Associated Press, 11/8) [3]

CHEVRON INCREASES LNG SALES TO JAPANESE UTILITIES

Chevron announced that effective April 1, 1996, it will increase sales of liquefied natural gas (LNG) from the North West Shelf Gas Project (NWSGP) by more than 83,000 metric tons per year. The LNG is sold to eight major electric and gas utilities in Japan. "We have placed considerable emphasis on maximizing revenue from our assets while maintaining reliable and safe operations," said Richard Matzke, president of Chevron Overseas Petroleum. "One successful example of this emphasis is the increase of production capacity by 25% over the past six years," he added. (PR Newswire, 11/9) [4]

'Chip' thieves

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Subsequently, Security called in local law enforcement officers, who prepared a search warrant for the contract employee's residence. Other computer-related parts were also found at his home. The thief, who was arrested by the L.A. Police Dept., pleaded guilty to stealing chips from company computers and has been sentenced to a one-year prison term.

The second chip thief was caught in the act by computing services staff in late October. This thief, a computer contract employee, initially claimed to be working on an assigned job. However, a suspicious supervisor double-checked.

According to Computing Services Manager Gene Mack in EDS, this incident demonstrates the importance of challenging people working on computers. "Two of our employees, Rick Gonzales and Phil Talamantes really took the initiative to catch this guy by asking several pointed questions and then calling Security."

Mack pointed out that computer memory chips can be easily removed by someone who knows what he's doing. "A good technician can open up a machine, pull out the chips and have it closed up in five minutes. Since memory is worth \$40 or more a megabyte, a machine with 8 or 16MB of RAM represents an attractive target for a thief."

In coming months, computer specialists will have to work on well over 1,000 machines to prepare them for the new Customer Information System. Mack cautions that since there will be many contract employees involved in this effort, it will remain important to challenge a computer specialist if there is any reason for suspicion.

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Northern pursues creative new product ideas

The 10 "don'ts" for generating new product ideas

1. "Get the right answer."
2. "That's not logical."
3. "Follow the rules."
4. "Be practical."
5. "Avoid ambiguity."
6. "To err is wrong."
7. "Play is frivolous."
8. "That's not my area."
9. "Don't be foolish."
10. "I'm not creative."

"True business capital is not only money but thought," according to the New Product Development (NPD) business unit. And when NPD talks to other business units about developing new product ideas, it talks about the value of thought.

"It's easy to underestimate the role of creativity in a company," said Northern Region Manager **Steve Bennett**.

"Creativity is really the lifeblood of the new product development process."

Northern region developed a list of 10 "don'ts" (see box at left) as a tool to encourage creativity. "The don'ts are meant to remove some of the limitations that may be a part of our thinking processes," Bennett said.

Northern region is sponsoring a contest for all its employees to come up

with new product ideas for the NPD group. Employees who submit any of the top three original ideas to NPD will each win \$200 in prizes.

Spearheading the contest are District Manager **Cathy Maguire** and District Operations Manager **Rick Haenel**.

Bennett said that all the regions have an objective to support the delivery of new products and services into the marketplace. "We hope this contest will make it more fun for employees to participate," he said.

Depending on the outcome of the contest, other regions may consider starting their own new product idea contests to encourage employee involvement in developing new products and services.



Job seeker asks to sail the Pacific with PE

The name "Pacific Enterprises" can mean many things, and to one job seeker it means a seafaring company. Human Resources recently received a letter from a young man in Great Britain asking PE for a career at sea (see below). Personnel Manager Craig Wert wrote him back explaining PE's main lines of business and added, "Having served in the U.S. Navy at one point in my life, I can appreciate the appeal of a sailor's life."

"It is my wish to have a seagoing career and it is with this in mind that I am writing to your goodself for any relevant information that you could send to me.

"I am very interested in joining your company as a cadet, on deck, with the view to eventually studying towards the masters certificate. I believe that you may be in a position to offer a

sponsorship/placement.

"I am a healthy male, 16 years of age, and I consider myself to be responsible and mature with above average intelligence. I am not afraid of hard work...My father and his father before him both had careers in shipping and so I have grown up in an environment where shipping was the focal point.

"I look forward to hearing from you."

EnergyOne: Pursues SoCalGas' customers

"We expect competitive pressures in our business to increase. But we will fight to retain the services and the outstanding market share we have—and we'll fight for growth."

—**DEBRA REED**
Senior Vice President
Energy Distribution
Services

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Rooney added that EnergyOne is banking on the idea that more and more traditional utility services will be open to competition. "It's trying to get a foothold in as many markets as possible, so that customers will be familiar with them as opportunities develop."

How much headway will EnergyOne make in Southern California?

"That depends on how successful we are at becoming a world class energy services company," said **Debra Reed**, senior vice president of Energy Distribution Services. "We expect competitive pressures in our

business to increase. But we will fight to retain the services and the outstanding market share we have—and we'll fight for growth."

Reed said that we have to continuously examine our services and our costs to make sure that we're competitive. "When given a choice, our customers must see us as their preferred provider of energy services," she said.

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