Company: Southern California Gas Company (U 904 G)
Proceeding: 2024 General Rate Case
Application: A.22-05-015
Exhibit: SCG-15-R-2E

REVISED

PREPARED DIRECT TESTIMONY OF

BERNARDITA M. SIDES

(CUSTOMER SERVICES – OFFICE OPERATIONS)

SECOND ERRATA

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

~~August 2022~~June 2023

TABLE OF CONTENTS

SUMMARY

TABLE BMS-1
Test Year 2024 Summary of Total O&M Costs
In 2021 $ (000s)

CS - OFFICE OPERATIONS (in 2021$)			
O&M	**2021 Adjusted-Recorded ($000)**	**Estimated TY 2024 ($000)**	**Change ($000)**
Non-Shared	79,118	83,892	4,774
Shared	4,346	4,556	210
Total O&M	**83,464**	**88,41348**	**4,94984**

TABLE BMS-2
TY 2024 Summary of Total IT Capital Costs
In 2021 $ (000s)

CS - OFFICE OPERATIONS (in 2021$)			
Capital	**Estimated 2022 ($000)**	**Estimated 2023 ($000)**	**Estimated TY 2024 ($000)**
Total CAPITAL	**14,520**	**20,657**	**15,763**

For Test Year (TY) 2024, Southern California Gas Company (SoCalGas) requests $88.448 million to support the activities within Customer Services - Office Operations (CSOO) to deliver safe, secure, efficient, reliable, and effective service through the Customer Contact Centers (CCC), Branch Offices and Authorized Payment Locations (APL), Billing & Payments, Credit and Collections, and other related customer service supporting functions. Costs reflect efforts to continuously improve operations while developing or enhancing SoCalGas's capabilities to be responsive to the following:

- A diverse customer base with evolving expectations regarding their available options to contact SoCalGas;
- Customer preference as to how they can pay and receive their bills;
- An increased volume of safety-related customer calls and orders;
- Heightened focus on protecting customer data as well as compliance with data privacy mandates and standards; and
- Increased responsiveness to customer feedback and improved service levels.

This focus is reflected in a TY 2024 forecast, which is $4.984 million (approximately 6%) higher than CSOO Base Year (BY) 2021 adjusted recorded expenditures.

Significant changes between BY 2024 and TY 2021 as follows:

- Increased CCC Operations and Support costs due to call volumes expected to return to pre-pandemic levels with the expiration of the disconnection moratorium in September 2021, and the resumption of standard credit and collections activities.[1]
- Increased Credit and Collections costs for collection agency commissions and incremental postage as return to normal operations is expected for 2022-2024. Notices were suspended beginning in March 2020 due to the COVID-19 disconnection moratorium which expired in September 2021.[2]
- Increased Branch Offices and Remittance Processing labor costs as all 43 offices fully reopened in July 2021, after being closed for over 15 months in compliance with the State's safety protocols for the COVID-19 pandemic to ensure the safety of its customers and employees.
- Increased Branch Offices and Remittance Processing non labor costs related to obsolete equipment replacements and Americans with Disabilities Act (ADA) accessibility efforts.
- Net reduction of Remittance Processing paper, printing, and postage costs from increased adoption of paperless billing.

My testimony also includes a request for funding an uncollectible rate based on a ten-year average and business justification for Information Technology (IT) Capital projects that deliver an improved customer experience, replace obsolete technology, deliver operational efficiency, and comply with regulatory mandates.

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1 SoCalGas Advice Letter 5913, Discontinuance of Emergency Customer Protections to Support California Customers During the COVID-19 Pandemic Pursuant to Resolution M-4842 *available at:* https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/5913.pdf.

2 *See* SoCalGas Advice Letter Advice No. 5768-A, Compliance of Southern California Gas Company with Extension of Emergency Customer Protections to June 30, 2021 to Support Customers During the COVID-19 Pandemic Pursuant to Resolution M-4849, *available at*: https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/5768-A.pdf. *See also* Decision (D.) 21-06-036 at 50 (Ordering Paragraph (OP) 1) (suspending disconnections through September 2021).

SECOND ERRATA REVISED PREPARED DIRECT TESTIMONY OF BERNARDITA B. SIDES (CUSTOMER SERVICES – OFFICE OPERATIONS)

I. INTRODUCTION

A. Summary of Customer Services – Office Operations Costs and Activities

My testimony supports the TY 2024 forecasts for operations and maintenance (O&M) costs for both non-shared and shared services, and capital costs for the forecast years 2022, 2023, and 2024, associated with the Customer Services – Office Operations area for SoCalGas. Table BMS-3 summarizes my sponsored costs.

TABLE BMS-3
Test Year 2024 Summary of Total O&M Costs
In 2021 $ (000s)

CS - OFFICE OPERATIONS (in 2021$)			
O&M	**2021 Adjusted-Recorded ($000)**	**Estimated TY 2024 ($000)**	**Change ($000)**
Non-Shared	79,118	83,892	4,774
Shared	4,346	4,556	210
Total O&M	**83,464**	**88,41348**	**4,94984**

TABLE BMS-4
TY 2024 Summary of Total IT Capital Costs
In 2021 $ (000s)

CS - OFFICE OPERATIONS (in 2021$)			
Capital	**Estimated 2022 ($000)**	**Estimated 2023 ($000)**	**Estimated TY 2024 ($000)**
Total CAPITAL	**14,520**	**20,657**	**15,763**

CSOO provides customer contact and revenue cycle services to meet the needs of SoCalGas's diverse customer base served through 5.9 million active meters. CSOO also provides shared support to San Diego Gas & Electric Company (SDG&E) for some bill delivery, payment processing and Credit & Collections functions. The Scope of CSOO activities includes the following:

- Specific shared services are discussed in Shared Costs - Section V
- Customer Contact Center Operations & Support
- Branch Offices and Authorized Payment Locations
- Billing Services
- Measurement Data Operations

- Credit and Collections
- Remittance Processing (Bill Printing)
- Postage
- Customer Services Office Operations Technology & Support
- Uncollectible Rate
- Business Justification for IT Capital Projects that support Customer Services - Office Operations areas

B. Support To and From Other Witnesses

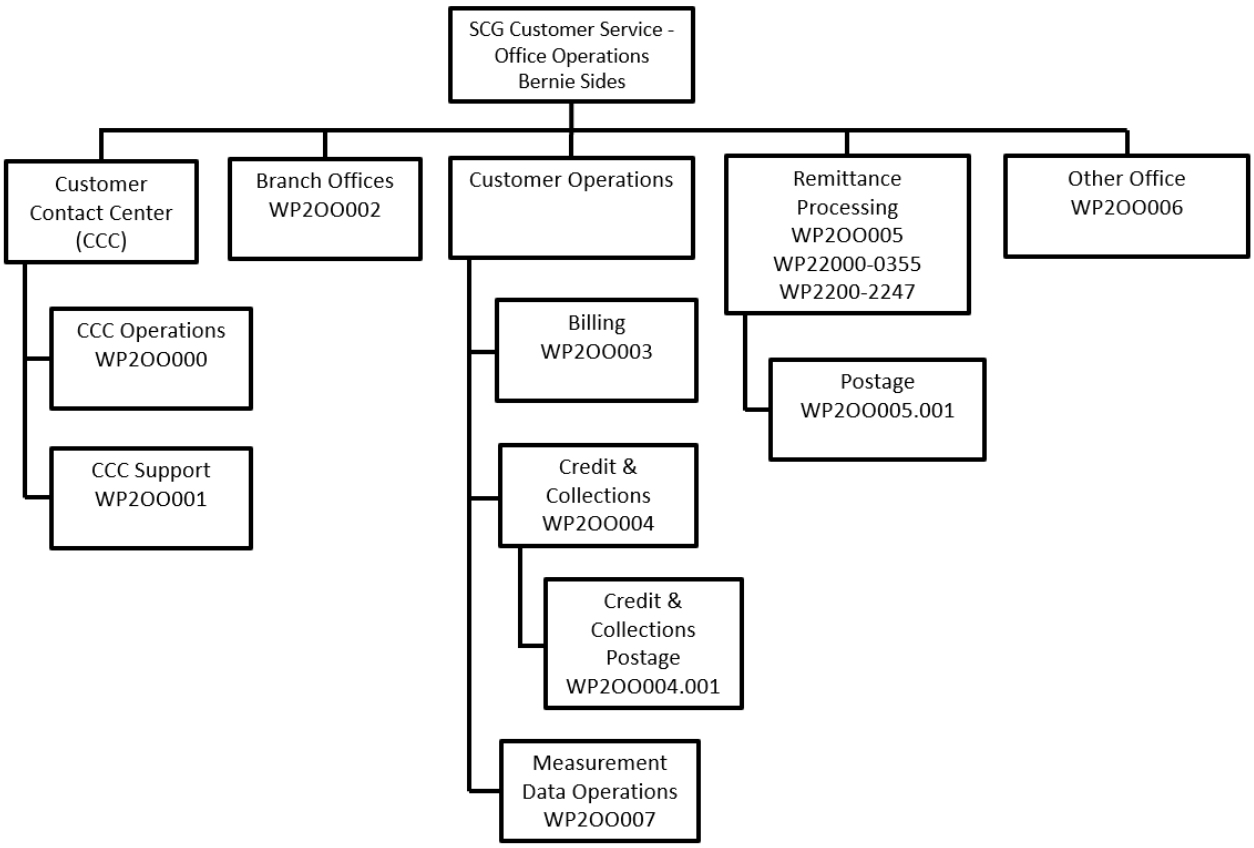
My testimony also references the testimony and workpapers of several other witnesses, either in support of their testimony or as referential support for mine.

- Risks and factors included in the Risk Assessment Mitigation Phase (RAMP) Report are covered in the RAMP to GRC Integration testimony of R. Scott Pearson & Gregory S. Flores (Exhibit (Ex.) Ex. SCG-03/SDG&E-03, Ch. 2).
- CSOO related miscellaneous revenues, including the basis for the forecasted revenues and the projected revenues, are covered in the Miscellaneous Revenues testimony of Jackie Roberts (Ex. SCG-37).
- Shared Services is covered in the Shared Services & Shared Assets Billing, Segmentation, & Capital Reassignments testimony of Angel N. Le and Paul D. Malin (Ex. SCG-30).
- Information Technology (IT) costs for systems and technology that supports CSOO operations are discussed by William J. Exon (Ex. SCG-21, Ch. 2).
- CSOO related memorandum accounts are covered in the Regulatory Accounts testimony of Rae Marie Yu (Ex. SCG-38).
- Customer forecast is covered in the Gas Customer Forecast testimony of Scott Wilder (Ex. SCG-35).

C. Organization of Testimony

My cost forecasts support the Company's goal of providing safe, secure, reliable, and efficient gas service to customers, as well as complying with all federal, state local and California Public Utility (CPUC) regulations. The CSOO cost forecasts also support SoCalGas's focus on continuous improvement from a safety, reliability, security, cost efficiency, and customer experience perspective. All requested O&M and capital expenses are described in detail in the remaining sections of my testimony, which is organized as depicted in Table BMS-5.

TABLE BMS-5
CSOO Testimony Organization



II. RISK ASSESSMENT MITIGATION PHASE INTEGRATION

Certain costs supported in my testimony are driven by activities described in SoCalGas and SDG&E's May 17, 2021, Risk Assessment Mitigation Phase (RAMP) Report.[3] Table BMS-6 provides a summary of the RAMP-related costs supported in my testimony:

[3] Please refer to the testimony of Messrs. Pearson and Flores (Ex. SCG-03/SDG&E-03, Ch. 2) for more details regarding the utilities' RAMP Report.

TABLE BMS-6
Summary of RAMP O&M Costs
In 2021 $ (000s)

RAMP Report Chapter	BY 2021 Embedded Costs	TY 2024 Total	TY 2024 Estimated Incremental
RAMP Risks			
Chapter SCG-Risk-3: Incident Related to the Medium Pressure System (Emergency Calls C27)	2,855	2,972	117
SCG-Risk-5: Incident Involving an Employee (Workplace Violence Prevention Programs C10)	105	105	0
Sub-Total RAMP Risk Costs	**2,960**	**3,077**	**117**
SCG-CFF-5: Physical Security (Contract Security)	158	158	0
Sub-Total RAMP CFF Costs*	**158**	**158**	**0**
Total RAMP Risk Costs	**3,118**	**3,235**	**117**

*CFF-related information in accordance with the March 30, 2022, Assigned Commissioner Ruling in A.21-05-011/-014 (cons.) is provided in the RAMP to GRC Integration testimony of Messrs. Pearson and Flores (Ex. SCG-03/SDG&E-03, Ch. 2)

A. Risk Overview

As summarized in Table BMS-6 above, my testimony includes costs to mitigate the safety-related risks and cross-functional factors included in the RAMP report. These risks and factors are further described in Table BMS-7 below:

TABLE BMS-7
RAMP Risk Chapter Description

SCG-Risk-3: Incident Related to the Medium Pressure System (Excluding Dig-in)	The risk of damage caused by a medium pressure system (maximum allowable operating pressure (MAOP) at or lower than 60 psig) failure event, which results in serious consequences such as injuries, fatalities, or outages and includes consequences beyond the customer meter.
SCG-Risk-5: Incident Involving an Employee	The risk of an employee or customer safety incident that causes serious injuries or fatalities while on duty.
SCG-CFF-5: Physical Security	Multitude of risks such as theft, robbery, burglary, vandalism, sabotage, terrorism, and trespassing, which may result in a gas leak, fire, explosion, and/or operational outages.

The testimony of RAMP to GRC Integration witness Messrs. Pearson and Flores describes all the risks and factors included in the RAMP report and the process utilized for RAMP to GRC integration.

B. GRC Risk Controls and CFF Activities

Table BMS-8 below provides a narrative summary of the forecasted RAMP-related activities that I sponsor in my testimony.

TABLE BMS-8
Summary of RAMP Risk and CFF Activities

RAMP ID	Activity	Description
SCG-Risk-3-C27	Emergency Calls	Customers call SoCalGas's Customer Contact Center (CCC) to request service for many different reasons, including potential gas leaks and other emergency orders. The CCC is often the first point of Company contact for emergencies, providing a critical support role in the safety of the SoCalGas system and the public's well-being.
SCG-Risk-5-C10	Workplace Violence Prevention Programs – Contract Security	SoCalGas employs contract security (security guards) to secure and protect assets and people at its 43 Branch Office locations.
SCG-CFF-5-2	Contract Security	SoCalGas employs contract security (security guards) to secure and protect assets and people at its 43 Branch Office locations.

Table BMS-9 below provides a summary of the forecasted RAMP-related activities by workpaper.

TABLE BMS-9
RAMP Activity O&M Forecasts by Workpaper (In 2021 $)

Workpaper	RAMP ID	Description	BY2021 Embedded Base Costs (000s)	TY2024 Estimated Total (000s)	TY2024 Estimated Incremental (000s)	GRC RSE
200000.000	SCG-Risk-3 - C27	Emergency Calls	2,855	2,972	117	0*
200002.000	SCG-CFF-5 - 2	Contract Security	158	158	0	0*
200002.000	SCG-Risk-5 - C10	Workplace Violence Prevention Programs	105	105	0	591
Total			**3,118**	**3,235**	**117**	

*An RSE was not calculated for this activity

These activities are discussed further below in Section IV.A.1 and Section IV.C.1 as well as in my workpapers.

The RAMP risk mitigation efforts are associated with specific actions, such as programs, projects, processes, and utilization of technology. For each of these mitigation efforts, an evaluation was made to determine the portion, if any, that was already performed as part of historical activities (*i.e.*, embedded base costs) and the portion, if any, that was incremental to base year activities. Furthermore, for the incremental activities, a review was completed to determine if any portion of incremental activity was part of the workgroup's base forecast methodology. The result is what SoCalGas considers to be a true representation of incremental increases over the base year.

My incremental request supports the ongoing management of these risks that could pose significant safety, reliability, and financial consequences.

C. BMS Changes from RAMP Report

As discussed in more detail in the RAMP to GRC Integration testimony of Messrs. Pearson and Flores (Ex. SCG-03/SDG&E-03, Ch. 2), in the RAMP Proceeding, the Commission's Safety Policy Division (SPD) and intervenors provided feedback on the Companies' 2021 RAMP Reports. Appendix B in Ex. SCG-03/SDG&E-03, Ch. 2 provides a complete list of the feedback and recommendations received and the Companies' responses.

Other than as discussed below, the RAMP-related activities described in my GRC testimony are consistent with the activities presented in the 2021 RAMP Report. General changes to risk scores or Risk Spend Efficiency (RSE) values are primarily due to changes in the Multi-Attribute Value Framework (MAVF) and RSE methodology, as discussed in the RAMP to GRC Integration testimony.

Changes from the 2021 RAMP Report presented in my testimony, including updates to forecasts and the amount and timing of planned work, are summarized as follows:

- In response to stakeholder feedback received in the RAMP Proceeding, SoCalGas performed additional tranching analysis at a more granular level for some of the risk mitigations described in my testimony.[4] SoCalGas identified Meter and

[4] "Tranching" refers to a logical disaggregation of a group of assets (physical or human) or systems into subgroups with like characteristics for purposes of risk assessment. D.18-12-014 at 18.

Beyond the Meter as an additional tranche for Incidents Related to the Medium Pressure System risk mitigations and Non-Vehicle Incidents as an additional tranche for Incident Involving an Employee risk mitigations.

- The mitigation of Emergency calls (SoCalGas-Risk-3 C27) was updated in the GRC to reflect updated call volume assumptions. Accordingly, the GRC forecasted costs have decreased compared to the 2021 RAMP Report.

III. SUSTAINABILITY AND SAFETY CULTURE

Sustainability at SoCalGas focuses on continuous improvement, innovation, and partnerships to advance California's climate objectives incorporating holistic and sustainable business practices and approaches. SoCalGas's sustainability strategy, ASPIRE 2045, integrates five key focus areas across the Company's operations to promote the public interest, and the wellbeing of utility customers, employees, and other stakeholders.[5] Please refer to the Sustainability and Climate Change Policy Volume testimony of Michelle Sim and Naim Jonathan Peress (Exhibit SCG-02) for a more detailed discussion of SoCalGas's sustainability and climate policies.

Safety is foundational to SoCalGas and SoCalGas's sustainability strategy. As the nation's largest gas distribution utility, the safety of SoCalGas's customers, employees, contractors, system, and the communities served has been – and will remain – a fundamental value for the Company and is interwoven in everything SoCalGas does. This safety-first culture is embedded in every aspect of SoCalGas's business. The tradition of providing safe and reliable service spans 150 years of the Company's history and is summarized in SoCalGas's Leadership Commitment statement, which is endorsed by the entire senior management team:

> *SoCalGas leadership is fully committed to safety as a core value. SoCalGas's Executive Leadership is responsible for overseeing reported safety concerns and promoting a strong, positive safety culture and an environment of trust that includes empowering employees to identify risks and to "Stop the Job."*

SoCalGas's approach to safety is one of continuous learning and improvement where all employees and contractors are encouraged and expected to engage in areas of opportunity for

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[5] SoCalGas, *ASPIRE 2045 - Sustainability and Climate Commitment to Net Zero* (March 2021), *available at*: https://www.socalgas.com/sites/default/files/2021-03/SoCalGas_Climate_Commitment.pdf.

learning and promote open dialogue where learning can take place. To learn about SoCalGas's overall safety approach please see the Safety & Risk Management Systems testimony of Neena N. Master (Ex. SCG-27).

The activity described in this testimony advances the state's climate goals and aligns with SoCalGas's sustainability priorities.

Adoption of paperless billing

SoCalGas is encouraging and forecasting increased adoption of customer paperless billing which is reducing the amount of paper, printing, and postage. Going paperless reduces deforestation, decreases the amount of waste that is disposed into landfills, reduces energy consumption, and helps lessen the impact of climate change. The reduction of shipping and billing statements and return envelopes further lessens the impact on climate change by reducing emissions from the shipping industry.

IV. NON-SHARED COSTS

"Non-Shared Services" are activities that are performed by a utility solely for its own benefit. Corporate Center provides certain services to the utilities and to other subsidiaries. For purposes of this general rate case, SoCalGas treats costs for services received from Corporate Center as Non-Shared Services costs, consistent with any other outside vendor costs incurred by the utility. Table BMS-10 summarizes the total non-shared O&M forecasts for the listed cost categories.

TABLE BMS-10
Non-Shared O&M Summary of Costs
In 2021 $ (000s)

CS – OFFICE OPERATIONS (in 2021$)			
Customer Service Office Operations	**2021 Adjusted Recorded (000s)**	**TY 2024 Estimated (000s)**	**Change (000s)**
1. CCC Operations	24,726	26,828	2,102
2. CCC Support	8,676	8,991	315
3. Branch Offices	9,649	12,246	2,597
4. Billing Services	5,057	5,178~~214~~	121~~57~~
5. Measurement Data Operations (MDO)	1,150	1,098	(52)
6. Credit & Collections	4,784	5,934	1,150

7. Credit and Collections Postage	251	760	509
8. Remittance Processing	5,959	7,083	1,124
9. Remittance Processing Postage	12,760	9,550	(3,210)
10. CS - Other Ops	6,106	6,188	82
Total	**79,118**	**83,892**	**4,774**

A. Customer Contact Center (CCC) Operations

TABLE BMS-11
TY 2024 Summary of CCC Operations Costs
In 2021 $ (000s)

CS – OFFICE OPERATIONS			
Shown in Thousands of 2021 Dollars			
A. Customer Service Office Operations	**2021 Adjusted Recorded**	**TY 2024 Estimated**	**Change**
1. CCC Operations	24,726	26,828	2,102

1. Description of Costs and Underlying Activities

SoCalGas handles over 10 million annual contacts for residential, commercial, and industrial customers through Customer Service Representatives (CSRs) as well as automated self-service systems. CSRs and automated systems are available to handle customer interactions 24 hours per day, 365 days per year. SoCalGas offers multi-lingual communications through its CCCs as well as language translation services through a third-party provider to support the needs of a diverse customer base.

The CCC handles a variety of customer service needs with the largest volume of interactions consisting of billing and payment inquiries as well as customer-requested service orders. As described in the RAMP section of my testimony, the CCC is generally the first point of company contact for emergencies; as such it provides a critical support role in the safety of the SoCalGas system and the public's well-being.

SoCalGas has two physical CCC locations: San Dimas and Redlands. As a result of the COVID-19 pandemic, CSRs are also able to work remotely. The San Dimas and Redlands CCC facilities accommodate approximately 150 and 100 CSRs respectively, and 200 CSRs work remotely. The CCCs are complex operations, utilizing communications hardware and software technology to ensure customer accessibility, and to assist SoCalGas with forecasting call volume,

optimizing staffing levels and conducting data analysis on customer interaction behaviors and experiences.

SoCalGas CCC Operations expenses cover the cost of:

- Answering customer telephone calls
- Responding to other customer account related inquiries

Customers are directed to call the CCC for all emergencies, and emergency calls receive top priority in the CSR call queue. The CCC is prepared to discern and triage the different types of emergencies in order to communicate appropriately with customers and field order dispatch to ensure that appropriate field personnel are dispatched in response to each situation. CSRs are trained to respond to multiple types of emergencies that normally fall within the following main categories:

- General Leaks – at appliances, at gas meters, inside structures-source unknown, ignited leaks, among others
- Outside Leaks- damaged gas lines or meters, dying vegetation, among others
- Carbon Monoxide (CO) – customers experiencing symptoms or not, CO safety checks, CO Alarm/Detectors activated or not, among others
- Miscellaneous Leak-Related issues – Odor Fade, appliance recalls, among others
- Other Urgent Situations – water heater not cycling off (water steaming), bomb threats, among others

While San Dimas and Redlands serve as a physical location for CSRs, it is one "virtual" contact center, and these locations serve as back-up sites to one another in the case of an emergency and if CSRs are having connection issues from their remote location. Calls are routed to the first available CSR at either site. SoCalGas CSRs provide telephone service in six languages: English, Spanish, Cantonese, Korean, Mandarin and Vietnamese. SoCalGas provides services in other languages through a third-party language line. SoCalGas also provides services for the hearing-impaired.

The CCC supports the diverse and evolving interaction preferences of SoCalGas customers by expanding and enhancing advanced interaction channels while also continuing to serve customers who wish to interact via traditional CSR live person telephone calls. For example, customers increasingly contact SoCalGas via online channels for specific customer service-related inquiries. The CCC works in collaboration with the Customer Strategy and Engagement department to respond to service-related communications through online channels.

CCC Operations costs consist primarily of labor and reflect the number of Full Time Equivalents (FTEs) required for the customer contact activities described above. FTE needs are dictated by the number of customer contacts (primarily calls) requiring CSR assistance as well as length of call or average handle time (AHT), level of service (LOS), and CSR utilization factors (Agent Occupancy). SoCalGas makes use of workforce planning software that leverages the above inputs to calculate the number of FTEs required to support the projected level of work. Finally, a "shrinkage" factor is applied to the FTE requirements to account for paid time that is not spent handling customer contacts (e.g., vacation, breaks, lunch, holidays, sick time, and training).

The calculations for estimated expenses are included in my workpapers (Ex. SCG-15-WP 2OO000.000).

a. RAMP Mitigations

RAMP-related costs for CCC Operations include costs related to emergency calls. Customers call SoCalGas's CCC to request service for many different reasons, including potential gas leaks and other emergency orders. As it is often the first point of Company contact for emergencies, the CCC provides a critical support role in the safety of the SoCalGas system and the public's well-being. Gas leak calls are given top priority, and customer service representatives are trained to identify the different types of emergencies and manage calls so that appropriate field personnel are sent.

Table BMS-12 below provides the RAMP activity, its respective cost forecasts, and the RSE for this workpaper. For additional details on these RAMP activities, please refer to my workpapers (Ex. SCG-15-WP 2OO000.000).

TABLE BMS-12
RAMP Activity O&M Forecasts by Workpaper
In 2021 Dollars ($000)

Workpaper	RAMP ID	Activity	2021 Embedded-Recorded	TY 2024 Estimated	Change	GRC RSE*
200000.000	SCG-Risk-3-C27	Emergency Calls	2,855	2,972	117	0

*An RSE was not calculated for this activity

2. Forecast Method

A Base Year forecasting methodology was applied to project CCC Operations O&M costs. The Base Year is appropriate because 2021 represents the most recent recorded labor and non-labor costs and was chosen because it reflects the most current departmental processes and technologies. 2021 Base Year customer contact volumes reflect impact of the COVID-19 pandemic, the COVID-19 Emergency Disaster Relief disconnection moratorium[6], and reduction of non-essential service orders. Resumption of collection activities are reflected in the forecast. The forecast was built using call center workforce management software and based on projected call volume, level of service[7] (LOS), average handle time (AHT), agent occupancy and shrinkage.

3. Cost Drivers

The change in SoCalGas CCC Operations' TY 2024 estimated expenses compared to BY 2021 adjusted-recorded expenses are primarily based on anticipated increased call volume and increased level of service (LOS). Table BMS-11 above shows the change from BY 2021 adjusted-recorded expenses to TY 2024 estimated expenses. Table BMS-13 below summarizes the changes in CCC Operations expenses.

TABLE BMS-13
TY 2024 Incremental Changes to CCC Operations
In 2021 $ (000s)

	2021/2024 Change $(000)	Labor	Non-Labor	FTE
CCC Operations	**2,102**	**1,949**	**153**	**23.3**
Increase in CSR call volume	1,949	1,949		23.3
Work from home and Wi-Fi allowance	153		153	

[6] D.19-07-015; Res. M-4842; Res. M-4849; D.21-11-014; SoCalGas Advice 5604-B *available at* https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/5604-B.pdf.

[7] Percent of customer calls answered with 60 seconds (i.e., 50% LOS means that 50% of CSR handled calls were answered within 60 seconds after call was placed in CSR call queue).

a. Increase in CSR call volume

SoCalGas is requesting an incremental $1,949,000 for 23.3 CSRs based on anticipated increased call volume handled within a targeted level of service (LOS). SoCalGas is expecting call volumes to return to 2019 pre-pandemic levels with the expiration of the disconnection moratorium and resumption of credit and collections activities in 2022 with post-COVID-19 economic conditions in our service territory. SoCalGas makes use of workforce planning software that leverages the above inputs to calculate the number of FTEs required to support the projected level of work. Finally, a "shrinkage" factor is applied to the FTE requirements to account for paid time that is not spent handling customer contacts (e.g., breaks, lunch, training, holidays, vacation, and sick time). The calculated required FTEs are then offset by forecasted technology benefits as outlined in my workpaper (SCG-15-WP 200000.000).

b. Work from home and Wi-Fi allowance

SoCalGas is requesting an incremental $153,000 for non-labor costs related to employee work from home and high-speed Wi-Fi allowance as outlined in the Company's union collective bargaining agreement (CBA).[8]

B. Customer Contact Center Support

TABLE BMS-14
TY 2024 Summary of CCC Support Costs
In 2021 $ (000s)

CS – OFFICE OPERATIONS			
Shown in Thousands of 2021 Dollars			
B. Customer Service Office Operations	**2021 Adjusted Recorded**	**TY 2024 Estimated**	**Change**
2. CCC Support	8,676	8,991	315

1. Description of Costs and Underlying Activities

CCC Support provides the necessary services to keep CCC operations efficient and productive. It includes the following major functions:

- Forecasting call volumes, planning, and scheduling CSRs to support the forecast levels of customer contact

[8] During the course of the proceeding union contracts may be updated and new union contracts may be signed. SoCalGas will update labor and non-labor forecasts to reflect new and updated union contracts at another available opportunity.

- Developing training materials and conducting training for CSRs and other support staff
- Interpreting policy, developing, and updating CCC procedures and CSR reference material
- Following up on all CPUC telephone referrals and informal/formal CPUC complaints
- Answering written customer correspondence regarding customer account activity
- Conducting data and trend analysis and managing continuous improvement initiatives
- Developing a CCC technology strategy and collaborating with Information Technology (IT) to ensure the technology supports operations objectives
- Monitoring customer experience for CSR and Interactive Voice Recognition (IVR) customer contact channels to identify improvement opportunities and ensure channel consistency

SoCalGas CCC Support TY 2024 estimated expenses are based on the BY 2021 adjusted-recorded expenses. The changes in costs for CCC Support reflect evolving customer interaction preferences and the resulting requirements to manage the increased complexity of customer interactions with SoCalGas. They also reflect incremental activities to better understand how customers interact with the CCC (and the experience they receive) in order to improve service quality as well as drive incremental efficiency. The calculations for estimated expenses are included in my workpapers (Ex. SCG-15-WP 2OO001.000).

2. Forecast Method

A Base Year forecasting methodology was applied to project CCC Support O&M costs. The Base Year is appropriate because 2021 represents the most recent recorded labor and non-labor costs and most accurately reflects the expense level of the current departmental activity. Adjustments for full-year staffing were added to the Base Year to represent forecasted expenses in the Test Year. The non-labor primarily consists of annual software maintenance, cloud service costs, and telecommunications costs.

3. Cost Drivers

The cost drivers behind this forecast are identified in Table BMS-15.

TABLE BMS-15
TY 2024 Incremental Changes to CCC Support
In 2021 $ (000s)

	2021/2024 Change $(000)	Labor	Non-Labor	FTE
CCC Support	**315**	**315**		**3**
Increase in staffing	315	315		3

a. Increase in staffing

SoCalGas is requesting an incremental $315,000 for three FTE management positions. Two of these positions were vacant in 2021 due to hiring staffing delays and will be needed in the future due to the anticipated increase in call volumes and CSRs. SoCalGas is also requesting one incremental Technology Project Manager position which will be responsible for supporting innovation advancements in cloud services, analytics, and automation capabilities to further improve legacy contact center infrastructure.

C. Branch Offices

TABLE BMS-16
TY 2024 Summary of Branch Offices Costs
In 2021 $ (000s)

CS – OFFICE OPERATIONS			
Shown in Thousands of 2021 Dollars			
C. Customer Service Office Operations	**2021 Adjusted Recorded**	**TY 2024 Estimated**	**Change**
3. Branch Offices	9,649	12,246	2,597

1. Description of Costs and Underlying Activities

SoCalGas currently operates 43 branch offices throughout its service territory that provide customers the option to pay their bills in-person, inquire about accounts, and complete other customer service transactions. Approximately 98% of all branch office transactions are related to bill payments. Branch offices are open from 9:00 a.m. to 5:00 p.m., Monday through Friday, and employ approximately 80 full-time and 43 part-time employees.

SoCalGas also provides customer payment services through a network of authorized payment locations (APLs). These APLs provide similar payment services for SoCalGas customers and offer convenient locations and extended hours with no transaction fee to the

customer. SoCalGas has enhanced access to APLs by expanding the APL network to over 350 locations, including more than 135 Walmart store locations in the SoCalGas service territory.

a. Description of RAMP Mitigations

RAMP-related costs for ~~CCC Operations~~Branch Office locations include costs related to contract security. SoCalGas employs contract security (security guards) to secure and protect assets and people at its 43 Branch Office locations. Security personnel are located at critical facilities and other work locations. Security personnel are used to complement and supplement existing security measures. Security personnel can also provide increased security capabilities as an overt deterrence during security incidents, or emergencies. Security personnel may be deployed permanently at a facility based on criticality, facility population, compliance, etc. or temporarily based on the threat environment, criminal activity, and/or past incidents.

Table BMS-17 below provides the RAMP activities, their respective cost forecasts, and the RSEs for this workpaper. For additional details on these RAMP activities, please refer to my workpapers (Ex. SCG-15 WP 2OO002.000).

TABLE BMS-17
RAMP Activity O&M Forecasts by Workpaper
In 2021 $ (000)

Workpaper	RAMP ID	Activity	2021 Embedded-Recorded	TY 2024 Estimated	Change	GRC RSE
200002.000	SCG-Risk-5-C10	Workplace Violence Prevention Programs - Contract Security	105	105	0	591
200002.000	SCG-CFF-5-2	Contract Security	158	158	0	0*
		Sub-Total	**263**	**263**		

*An RSE was not calculated for this activity.

2. Forecast Method

A Base Year forecasting methodology was applied to project Branch Office O&M costs. This method is appropriate because the Base Year reflects estimated costs to sustain branch office operations at current service levels. Although branch office transaction volumes are declining at some locations, branch offices are staffed at optimal levels to provide service during current operating hours, and labor costs are not projected to decline. The majority of non-labor expenses are also fixed and not sensitive to transaction volume reductions.

3. Cost Drivers

The change in SoCalGas Branch Office Operations' TY 2024 estimated expenses compared to BY 2021 adjusted-recorded expenses are primarily based on the full reopening of Branch offices, which were closed for some of the year in 2021, due to the COVID-19 pandemic. SoCalGas is also requesting $77,000 for the replacement of Payment Entry Processing (PEP) scanners and printers due to obsolescence of 10+ year old equipment. Table BMS-16 above shows the change from BY 2021 adjusted-recorded expenses to TY 2024 estimated expenses. Table BMS-18 below summarizes the changes in Branch Offices expenses.

TABLE BMS-18
TY 2024 Incremental Changes to Branch Offices
In 2021 $ (000s)

	2021/2024 Change $(000)	Labor	Non-Labor	FTE
Branch Offices	**2,597**	**2,520**	**77**	**31**
Staffing at full complement	2,520	2,520		31
Equipment replacement	77		77	

a. Staffing at full complement

SoCalGas is requesting an incremental $2,520,000 for 31 FTEs to return to normal staffing levels and operations after temporary branch office closures due to the COVID-19 pandemic. SoCalGas's 43 branch offices were temporarily closed to the public for 15 months in compliance with the State's safety protocols for the COVID-19 pandemic to ensure the safety of its customers and employees. SoCalGas continued to process drop-off payments with a reduced staff. Due to a significant reduction in staffing hours many of SoCalGas's part-time employees were furloughed until the branch offices were re-opened to the public in July 2021. Requested costs above are to restore a full complement of required staffing after temporary closure.

b. Equipment replacement

SoCalGas is requesting an incremental $77,000 for the replacement of Payment Entry Processing (PEP) scanners and printers due to obsolescence of 10+ years. SoCalGas is requesting to replace 180 obsolete units.

D. Billing Services

TABLE BMS-19
TY 2024 Summary of CCC-Operations Costs
In 2021 $ (000s)

CS – OFFICE OPERATIONS			
Shown in Thousands of 2021 Dollars			
D. Customer Service Office Operations	**2021 Adjusted Recorded**	**TY 2024 Estimated**	**Change**
4. Billing Services	5,057	5,178~~214~~	121~~57~~

1. Description of Costs and Underlying Activities

Billing Services is responsible for calculating bills and maintaining accurate customer account information. Billing Services at SoCalGas consists of two distinct organizations: (1) billing for residential and small commercial and industrial customers (Mass Market Billing); and (2) billing for large commercial and industrial customers (Major Market Billing).

Mass Market Billing activities primarily consist of processing billing exceptions and maintaining accurate customer account records. Each bill is subjected to an electronic test, before it is mailed, where the billing system validates the accuracy of the bill by comparing current usage to historic usage. The majority of customer bills pass the accuracy validation test and are issued automatically. Bills that fail accuracy validation tests require further manual review and adjustment by the Mass Market Billing group. These are classified as billing exceptions. Similar to the bill validation process, completed field service orders are also subjected to an electronic test to ensure the accuracy of customer account data. Service orders that fail these validations cannot be routinely processed and must be manually resolved by the Mass Market Billing group.

Major Market Billing provides services to non-core Commercial & Industrial (C&I) customers, wholesale customers, California producers, core transport agents, marketers and customers with special negotiated arrangements or complex metering configurations. It also generates billings for the Natural Gas Vehicle (NGV) rate, for monthly gas balancing, storage, and backbone transportation service, as well as processes the enrollment and termination of customers on the core aggregation transportation (CAT) program. Billing large accounts requires the gathering and validation of billing input data, and the processing of complex bill calculations, in compliance with authorized tariffs. For special negotiated contract arrangements, the billing process requires extensive manual intervention and manipulation due to the uniqueness of the

individual contracts. The calculations for estimated expenses are included in my workpapers (Ex. SCG-15-WP 2OO003.000).

2. Forecast Method

A Base Year forecasting methodology was applied to project Billing O&M costs. The Base Year represents the most recent recorded labor and non-labor costs and most accurately reflects the expense level of the current departmental activity which is expected to continue going forward. Adjustments to reflect full year staffing levels and meter growth were then made to the Base Year to represent forecasted expenses in the Test Year.

3. Cost Drivers

The major impacts on the Billing Services TY 2024 expenses are described below in Table BMS-20. SoCalGas forecasts a TY 2024 increase of $12157,000 from 2021 recorded-adjusted costs.

TABLE BMS-20
TY 2024 Incremental Changes to Billing Services
In 2021 $ (000s)

	2021/2024 Change $(000)	Labor	Non-Labor	FTE
4. Billing Services	**12157**	**12157**		**1.59**
Adjustments for full year staffing	92	92		1.2
Meter growth	2965	2965		0.37

a. Adjustments for full year staffing

SoCalGas is requesting an incremental $92,000 for 1.2 FTEs to account for multiple positions that incurred partial recorded expenses in BY 2021, two Contracts and Compliance Analyst/Advisor, an Administration Associate, and a Major Markets Billing Analyst II.

The Contracts and Compliance positions manage the contracts that allow our customers to participate in various programs. These contract terms and conditions are routinely validated, maintained, and renewed if required. The contract information then becomes an essential part of the calculations used in the billing process. These positions will also provide assistance with answering contract questions as well as helping our customers establish their non-core meters.

The Administration Associate position supports various administrative activities some of which include: scheduling meetings and meeting resources, updating and managing vendor

agreements, payment of invoices, procuring materials and supplies, accounting for and reporting on unique expenditures, supporting the paperless\remote office environment by assisting in the management of electronic files as well as the conversion of various file formats to and from MSOffice documents.

The Major Market Billing Analyst position generates bills for SoCalGas's non-core Commercial & Industrial (C&I) customers, wholesale customers, California producers, NGV customers, core transport agents, marketers and customers with special negotiated arrangements or complex metering configurations. This position also provides assistance to our customers by answering questions or concerns regarding their bill.

b. Meter growth

SoCalGas is requesting an incremental $\$2965$,000 (0.37 FTEs) for a Customer Billing Analyst Level 5 due to a forecasted increase in billing due to meter growth. Meter growth is an important element used to forecast the number of billing exemptions in future years. Each metered facility in our Customer Information System (CIS) will receive monthly meter reads and consumption data that must pass a series of validations for completeness and accuracy. Each metered facility has an opportunity for maintenance orders and/or customer move orders that also must pass a series of validations. Items that fail validation will produce a billing exception. As new meters enter the system there is an expectation that these meters will produce billing exceptions at or about the same rate or ratio as existing meters have in the past.

E. Measurement Data Operations (MDO)

TABLE BMS-21
TY 2024 Summary of MDO Costs
In 2021 $ (000s)

CS – OFFICE OPERATIONS			
Shown in Thousands of 2021 Dollars			
E. Customer Service Office Operations	**2021 Adjusted Recorded**	**TY 2024 Estimated**	**Change**
5. Measurement Data Operations (MDO)	1,150	1,098	(52)

1. Description of Costs and Underlying Activities

MDO monitors and maintains accurate and timely usage measurement reporting to support SoCalGas and SDG&E Major Markets Billing functions for almost 1,322 large gas volume meters. SoCalGas directly bills SDG&E for any costs to perform MDO services on

behalf of SDG&E, so this is not a shared service cost center. These meters are equipped with communication devices that enable meter usage data to be collected and transmitted electronically. MDO also receives and processes measurement and gas quality data from other electronic devices such as storage field meters, producer meters, supplier meters and company facility meters. In addition, MDO is responsible for the processing of the monthly British Thermal Unit (BTU) averages used to bill all customers, both in the Customer Information System (CIS) and the Specialized Customer Billing System (SCBS). The calculations for estimated expenses are included in my workpapers (Ex. SCG-15-WP 2OO007.000).

2. Forecast Method

A Base Year forecasting methodology was applied to project MDO O&M costs. The Base Year represents the most recent recorded labor and non-labor costs and was chosen because it reflects the most current departmental processes and technologies. For labor costs, adjustments were made to the forecast years to maintain full year staffing levels. For non-labor costs, adjustments were made to the forecast years to reduce telecommunication costs associated with MDO measurement equipment utilizing digital wireless technology.

3. Cost Drivers

Table BMS-21 above shows the change from 2021 adjusted-recorded expenses to TY 2024 estimated expenses. Table BMS-22 details the major impacts on the MDO TY 2024 expenses. SoCalGas proposes a TY 2024 increase of $53,000 for 0.7 FTEs in labor costs and a reduction of $105,000 in non-labor from BY 2021 adjusted-recorded costs.

TABLE BMS-22
TY 2024 Incremental Changes to MDO
In 2021 $ (000s)

	2021/2024 Change $(000)	Labor	Non-Labor	FTE
Measurement Data Operations	**(52)**	**53**	**(105)**	**0.7**
Adjustments for full year staffing in MDO	53	53		0.7
Reduction in telecommunication costs - MDO Measurement Equipment Leveraging Digital Wireless Technology	(105)		(105)	

a. Adjustments for full year staffing

SoCalGas is requesting an incremental $77,000 to account for the full year amount for two Measurement Analyst positions that incurred partial year recorded expenses in BY 2021. These incremental forecasted expenses are then offset by ($24,000) due to removing overtime that occurred in the Base Year that was used to support these partially vacant positions. These positions support the MDO process with the collection and processing of gas measurement and gas quality data to facilitate non-core customer billing, storage field operations and accounting activities. This information is reviewed and validated in order to ensure that accurate data is available for these processes.

b. Reduction in telecommunication costs - MDO Measurement Equipment Leveraging Digital Wireless Technology[9]

SoCalGas is forecasting a decrease of $105,000 in telecommunication costs associated with upgrading non-core customer measurement equipment to communicate over digital wireless communications versus telephone analog hardlines. The MDO group incurred approximately $152,000 in telecommunication costs in the Base Year specifically attributable to telecommunications expenses. With the adoption of digital wireless technology, the MDO group anticipates that it can achieve a reduction in its telecommunication costs of approximately $105,000 by the Test Year. These planned reductions are primarily attributed to the decrease in the number of telephone analog hardlines used for each measurement device. Communication over a digital wireless network has a lower overall cost. The remaining telecommunication costs will primarily be used to support a small number of measurement devices that cannot be converted due to technology constraints.

F. Credit and Collections

TABLE BMS-23
TY 2024 Summary of Credit and Collections Costs
In 2021 $ (000s)

CS – OFFICE OPERATIONS			
Shown in Thousands of 2021 Dollars			
F. Customer Service Office Operations	**2021 Adjusted Recorded**	**TY 2024 Estimated**	**Change**
6. Credit and Collections	4,784	5,934	1,150

[9] Transforming Our Business (TOB) is a process improvement effort at SoCalGas, undertaken to support SoCalGas' mission to build the cleanest, safest, most innovative energy company in America.

1. Description of Costs and Underlying Activities

Credit and Collections establishes and implements policies and procedures to ensure authorized credit and collections-related tariff rules are followed and collections activity is effectively performed. Credit and Collection services at SoCalGas consists of two distinct organizations: (1) credit and collections for residential and small commercial and industrial customers ("Mass Market Credit and Collections"); and (2) credit and collections for large commercial and industrial customers ("Major Market Credit and Collections").

Mass Markets Credit and Collections activities include accounts receivable management reporting and analysis, credit process review and improvement, management of outside collection agencies, final bill collection, credit investigations (e.g., customers with previous bad debt attempts to sign-up for new service), identification (ID) validations and bankruptcy processing. Regular analysis and reporting of key credit metrics drive credit risk guidelines (e.g., account securitization, bill extension and payment arrangement terms) as well as individual customer credit decisions. These activities are critical in assessing credit risk exposure and managing bad debt expense. Credit and Collections also plays an important role in protecting consumers from identity theft by administering, implementing, and supporting provisions of The Fair and Accurate Credit Transactions Act[10], ID validation, and ID theft processes.

Prior to 2021, the Major Market Credit and Collections group was a shared service utilized by several departments at both SoCalGas and SDG&E. Starting in 2021, the group stopped all support of SDG&E activities and became a non-shared cost center supporting only SoCalGas activities. In anticipation of this change, the group reduced its staff of Credit and Collection Analysts by half in 2020. This includes reductions in the Senior Credit and Collection Analyst and Principal Credit and Collection Analyst positions from 8 to 4 and 2 to 1, respectively. However, the group continues to support its SoCalGas areas of responsibilities including, but not limited to: Gas Acquisition, Contracted Marketer program, Core Transport Agent program, Capacity Products, California Producers, and Large Commercial and Industrial Customers. This support includes several activities, some of which are included below:

- Establishing and monitoring credit
- Mitigating credit risk

[10] Fair and Accurate Credit Transactions Act, 15 U.S.C. § 1681 (2003).

- Maintaining collateral
- Negotiating contract credit terms
- Monitoring accounts receivable
- Performing collections activity

Collection activity includes working with Account Representatives on delinquent accounts for primarily the non-core market, contacting customers on delinquencies, making payment arrangements when necessary, and scheduling with field personnel to terminate service when appropriate. In addition, the group is typically involved in the review of contracts and tariffs that require credit provisions as well as the review of the SoCalGas's use of various credit instruments such as Parental Guarantees, Letters of Credit, Surety Bonds, and other credit mitigation agreements.

2. Forecast Method

A Base year forecasting methodology was applied to project Credit and Collections O&M costs as it most accurately reflects the expense level of the current departmental activity. Adjustments for full year staffing and processes to support operational efficiency in post COVID-19 pandemic collection activities were added to represent forecasted expenses. The non-labor expenses primarily consist of collection agency fees and credit reporting agency fees.

3. Cost Drivers

The Table BMS-23 above shows the overall change from BY 2021 adjusted-recorded expenses to TY 2024 estimated. Table BMS-24 below shows the incremental changes between the BY 2021 adjusted-recorded expenses and the TY 2024 forecast. The calculations for estimated expenses are included in my workpapers (Ex. SCG-15-WP 2OO004.000).

TABLE BMS-24
TY 2024 Incremental Changes to Credit and Collections
In 2021 $ (000s)

	2021/2024 Change $(000)	Labor	Non-Labor	FTE
Credit and Collections	**1,150**	**499**	**651**	**5.1**
Increase to full staffing	383	383		4.2
Collection Notice Insert	27		27	
Collection agency expenses	522		522	
Vendor agreement	102		102	
Adjustments for full year staffing	116	116		0.9

a. Increase to full staffing

SoCalGas is requesting an incremental $383,000 due to hiring delays in filling temporary vacancies (due to retirements, employee movements, etc.) in BY 2021. The COVID-19 Emergency Disaster Relief disconnection moratorium that began in March 2020 and remained in effect through September 2021[11] reduced the collections workload, which resulted in postponement in hiring replacements for employees that left the department. With the expiration of the disconnection moratorium, credit and collection activities are expected to return to pre-pandemic volume of work. The requested cost is to restore full complement of required staffing. Adjustment is related to the following positions which due to the aforementioned reasons above incurred partial costs in 2021: Project Manager 1, Technical Advisor 1, Project Specialist, Collections Supervisor, Collections Clerks, Performance Advisor, and Collections Manager. These positions performed activities such as: The Project Manager oversees the operations support team which consists of the Technical Advisor and Project Specialists. As a team they handle projects related to CPUC mandates, to ensure compliance and determine how SoCalGas's' work force will carry out the mandate, procedurally or with system changes. The Collections Supervisor manages the Collections Clerks. The Clerks are the frontline employees that answer customer calls and try to resolve any collections related issues for active and closed accounts. The Supervisor oversees the work of the Clerks, ensuring the work is processed correctly according to rules and procedures. The Performance Advisor helps strategize the most efficient ways to process the work that the Clerks perform. The Advisor works on quality assurance, focusing on compliance, and coaching tips for the Supervisors and Clerks to maximize efficiency. The Collections Manager is responsible for the collective team.

b. Collection Notice Insert

SoCalGas is requesting an incremental $27,000 of non-labor for annual cost of printing Collection Notice Inserts that was not incurred in 2021 (due to the COVID-19 disconnection moratorium) but will resume in 2022.

[11] Res. M-4842; Res. M-4849; SoCalGas Advice 5604-B *available at* https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/5604-B.pdf. *See also* D.21-06-036 at 50 (OP 1) (suspending disconnections through September 2021).

c. Collection agency expenses

SoCalGas is requesting an incremental $522,000 of non-labor for collection agency expenses (i.e., anticipated incremental cost of commissions to be paid to collection agencies based on 2019 pre-COVID-19 actuals as volume of work) that is expected to increase to pre-pandemic levels after the expiration of the disconnection moratorium. Account referrals to collection agencies were suspended in March 2020 due to the disconnection moratorium and is expected to restart in the third quarter of 2022.

d. Vendor agreement

SoCalGas is requesting an incremental $102,000 of non-labor for incremental cost of signing a vendor agreement (rate increased at renewal by 49% for 'Connect Check' service) based on 2019 pre-COVID actuals. This vendor service allows SoCalGas to validate the customer's identity to ensure compliance with the Fair and Accurate Credit Transactions Act (FACTA) red flag rules.[12]

e. Adjustments for full year staffing

SoCalGas is requesting an incremental $116,000 to account for positions that incurred partial year recorded expenses in BY 2021. These positions include the Major Markets Credit and Collections Manager and a Senior Credit and Collection Analyst. The Manager is responsible for establishing Major Markets Credit & Collection policies as well as creating the framework needed to implement these policies, and for maintaining a set of internal controls to ensure the proper reporting of financial information. The Major Markets Credit and Collections Senior Analyst position will work on establishing credit and performing collection follow-up for our customers. This can include tasks such as: performing financial analysis, including industry and business sector review; assisting customers with various options for collateral, including Letters of Credit, Parental Guarantees and Surety Bonds; assisting customers with credit and payment questions; and monitoring of SoCalGas's customer portfolio.

f. Residential Disconnection Protection Memorandum Account (RDPMA)

The RDPMA is an interest-bearing memorandum account recorded on SoCalGas's financial statements. The purpose of this account is to record the incremental costs associated

[12] Red flags are defined as relevant indicators of a possible risk of identity theft. SoCalGas uses a credit reporting agency to instantly validate identity electronically.

with implementing the customer protections required by D.20-06-003.[13].All costs since inception have been recorded in the Residential Disconnection Protection Memorandum Account (RDPMA) and are detailed in Table BMS-25 below. The costs recorded by SoCalGas are in compliance with D.20-06-003[14], are reasonable and should be approved by the Commission.

TABLE BMS-25
Residential Disconnection Protection Memorandum Account (RDPMA)

Year	O&M	Capital	Total
2020	338,197		338,197
2021	759,464	3,804,517	4,563,981
Total	**1,097,661**	**3,804,517**	**4,902,178**

g. Residential Disconnection Memorandum Account (RDMA)

The RDMA is an interest-bearing memorandum account recorded on SoCalGas's financial statements. The purpose of this account is to record all incremental costs associated with the Residential Disconnection Settlement Agreement approved in D.14-06-036[15]. All O&M costs since inception have been recorded in the Residential Disconnection Memorandum Account (RDMA) and are detailed in Table BMS-26 below. The costs recorded by SoCalGas are in compliance with D.14-06-036[16], are reasonable and should be approved by the Commission.

TABLE BMS-26
Residential Disconnection Memorandum Account (RDMA)

Year	O&M
2014	1,422
2015	4,538
2016	1,316
Total	**7,276**

[13] D-20-06-003 at 165 (OP 95); *See also* SoCalGas Advice Letter 5672, Establishment of the Residential Uncollectible Balancing Account (RUBA) and Residential Disconnection Protections Memorandum Account (RDPMA), Pursuant to Decision (D.) 20-06-003.

[14] *Id*.

[15] D.14-06-036 at 14 (OP 1).

[16] D.14-06-036 Attach. A at 5.

h. Emergency Customer Protections Memorandum Account (ECPMA)

The ECPMA is an interest-bearing memorandum account recorded on SoCalGas's financial statements.[17] The purpose of this account is to record the incremental costs associated with complying with providing residential and non-residential emergency customer protections.[18] All O&M costs since inception have been recorded in the Emergency Customer Protections Memorandum Account (ECPMA) and are detailed in Table BMS-27 below. The costs recorded by SoCalGas are in compliance with D.18-08-004[19], are reasonable and should be approved by the Commission.

TABLE-27
Emergency Customer Protections Memorandum Account (ECPMA)

Year	O&M
2020	135,660
2021	151,305
Total	**286,965**

i. Wildfires Customer Protections Memorandum Account (WCPMA)

The WCPMA is an interest-bearing memorandum account recorded on SoCalGas's financial statements.[20] The purpose of this account is to record all incremental costs incurred by SoCalGas associated with providing residential and non-residential emergency customer protections as a result of the 2017 wildfires.[21] All O&M costs since inception have been recorded in the Wildfires Customer Protections Memorandum Account (WCPMA) and are detailed in Table BMS-28 below. This account also includes Customer Protection costs related to

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[17] SoCalGas Advice Letter Advice Letter 5350-G, Establishment of the Emergency Customer Protections Memorandum Account (ECPMA) Pursuant to O.P. 3 of D.18-08-004, *available at*: https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/5350.pdf.

[18] D.18-08-004 at 22 (OP 3); Res. M-4833; Res. M-4835.

[19] *Id.* at 22-23 (OP 3-4).

[20] SoCalGas Advice Letter Advice Letter 5222-A, Emergency Residential Customer Protections for October Wildfire Victims at p. 6, *available at*: https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/5222-A.pdf.

[21] Res. M-4833; Res. M-4835.

SoCalGas's Emergency Disaster Relief Program (EDRP), one of which is bill forgiveness for eligible customer accounts. SoCalGas will discontinue billing to customers' accounts where the residential or nonresidential unit is destroyed or damaged and uninhabitable. SoCalGas reviews each impacted customer accounts for possible bill forgiveness, and when eligible a zero-dollar closing bill will be issued. These costs recorded by SoCalGas are in compliance with Decision 18-08-004 are reasonable and should be approved by the Commission.[22]

TABLE BMS-28
Wildfires Customer Protections Memorandum Account (WCPMA)

Year	O&M	EDRP Customer Protections	Total
2017	1,471		1,471
2018	17,835	57,354	75,189
2019		19,149	19,149
2020		250	250
Total	**19,306**	**76,753**	**96,059**

G. Credit and Collections Postage

TABLE BMS-29
TY 2024 Summary of Credit and Collection Postage
In 2021 $ (000s)

CS – OFFICE OPERATIONS			
Shown in Thousands of 2021 Dollars			
G. Customer Service Office Operations	**2021 Adjusted Recorded**	**TY 2024 Estimated**	**Change**
7. Credit and Collection Postage	251	760	509

1. Description of Costs and Underlying Activities

Credit and Collections postage expenses include the cost of mailing collection notices.

2. Forecast Method

A Base Year forecasting methodology was applied to project Credit and Collections Postage O&M costs. This method is most appropriate because the Base Year recorded postage is an accurate representation of current postage expense and activity.

[22] D.18-08-004 at 22-23 (OP 3-4).

3. Cost Drivers

The number of Credit and Collection notices is expected to increase as collection notices were suspended beginning in March 2020 due to the Emergency Disaster Relief COVID-19 disconnection moratorium which continued through September 30, 2021, but collection notices are expected to resume in 2022. Table BMS-30 below summarizes the changes in Credit and Collection Postage expenses. The calculations for estimated expenses are included in my workpapers (Ex. SCG-15-WP 2OO004.001).

TABLE BMS-30
TY 2024 Incremental Changes to Credit and Collections Postage
In 2021 $ (000s)

	2021/2024 Change $(000)	NSE Non-Labor
Credit and Collections Postage	**509**	**509**
Increase in postage expenses	509	509

a. Increase in postage expenses

SoCalGas is requesting an incremental $509,000 of non-labor for the incremental cost of mailing collection notices after notices were suspended beginning in March 2020 due to the COVID-19 disconnection moratorium. This forecast is based on 2019 pre-COVID actuals, with the removal of residential deposit letters which are no longer applicable[23], as volume is expected to increase to pre-pandemic levels after the expiration of the disconnection moratorium in September 2021.

H. Remittance Processing

TABLE BMS-31
TY 2024 Summary of Remittance Processing Costs
In 2021 $ (000s)

CS – OFFICE OPERATIONS			
Shown in Thousands of 2021 Dollars			
H. Customer Service Office Operations	**2021 Adjusted Recorded**	**TY 2024 Estimated**	**Change**
8. Remittance Processing	5,959	7,083	1,124

[23] The IOUs are prohibited from requiring an establishment of service deposit or reestablishment of service deposit. *See* D.20-06-003 at 147 (OP 8-9).

1. Description of Costs and Underlying Activities

Remittance Processing provides printing and inserting services for customer bills, notices, letters, and other customer correspondence as well as management support for payment processing activities. Expenses include the labor costs associated with these activities as well as non-labor costs for paper stock, bill forms, envelopes, stationery items, printer and inserter machine maintenance and associated consumable supplies. SoCalGas provides electronic bill presentment and payment services (EBPP) through the SoCalGas MyAccount website where customers can access their current and historical billing statements. SoCalGas also provides electronic bill delivery through multiple bill consolidation networks (consolidators) that allow customers to receive SoCalGas electronic bills at the website of their financial institution. Consolidator vendors charge SoCalGas a fee for each electronic bill delivered and the consolidator vendor costs paid by SoCalGas are included in this area.

2. Forecast Method

A Base Year forecasting methodology was applied to project Remittance Processing O&M costs. These costs are driven by the volumes of bills, notices and payments which are impacted by meter growth described in the testimony of Mr. Wilder (Ex. SCG-35) as well as customer choice of billing and payment channels. For these reasons, the Base Year 2021 is used as basis to forecast TY 2024, plus adjustments for cost increases and savings from these activities.

3. Cost Drivers

Table BMS-31 above shows the change from 2021 adjusted-recorded expenses to TY 2024 estimated expenses. Table BMS-32 below details the major impacts on Remittance Processing forecasted in TY 2024. SoCalGas forecasts a TY 2024 increase of $1,124,000 in expenses from 2021 adjusted-recorded costs.

TABLE BMS-32
TY 2024 Incremental Changes to Remittance Processing
In 2021 $ (000s)

	2021/2024 Change $(000)	Labor	Non-Labor	FTE
Remittance Processing	**1,124**	**956**	**168**	**10.5**
Staffing at full complement	671	671		7.5
Increased workload	85	85		1.0
Incremental Advisor positions	200	200		2.0
Vendor fees decrease	(61)		(61)	
Savings from combined electronic bills	(381)		(381)	
ADA accessibility efforts	610		610	

a. Staffing at full complement

SoCalGas is requesting an incremental $671,000 for 7.5 FTEs (Mail Equipment Operators Level-2 responsible for bill insertions) which are a combination of employees' intermittent (Long-Term Disability) LTD time off, temporarily assigned to capital projects, and delay in filling vacancies.

b. Increased workload

SoCalGas is requesting an incremental $85,000 of labor for one FTE, Lead Computer Operator Level-4 for bill printing, due to increased workload from SDG&E. SoCalGas is bringing in-house SDG&E documents previously outsourced to a third-party including collections, billing, and Medical Baseline correspondence to reduce SDG&E's cost to print.

c. Incremental Advisor positions

SoCalGas is requesting an incremental $200,000 for two Advisor positions needed for enhanced financial reporting requirements including: enhanced bank reconciliation responsibilities, US Postage account balancing, enhanced invoice tracking for chargeback purposes to other departments, increased requests for cost estimates of company initiatives and capital projects. In addition, enhanced monitoring of payment transactions is required as recommended to the director of Remittance Processing by Internal Audit due to an increase in fraudulent activities in the MyAccount payment channel.

d. Vendor fees decrease

SoCalGas provides electronic bill delivery through multiple bill consolidation networks (consolidators) that allow customers to receive SoCalGas electronic bills at the website of their financial institution. In the past few years bill delivery in this channel has been declining due to customers choosing other bill delivery options. Consolidator vendors charge SoCalGas a fee for each electronic bill delivered. SoCalGas is projecting vendor fee savings of $61,000 due to reduced volumes.

e. Savings from combined electronic bills

SoCalGas provides electronic bill presentment and payment services (EBPP) through the SoCalGas MyAccount website where customers can access their current and historical billing statements. SoCalGas is projecting savings of $381,000 due to reduced printing and bill forms and envelope costs.

f. ADA accessibility efforts

To further enhance the accessibility for our disabled customers, SoCalGas proposes to add $610,000 for costs to identify and correct remaining or emergent accessibility issues including improving the accessibility of the PDF Accessible bills presented in MyAccount as well as various forms and documents on socalgas.com. These improvements are in accordance with the Joint Accessibility Proposal adopted in D.19-09-051~~our Memorandum of Understanding with The Center for Accessible Technology (CforAT)~~.[24]

[24] ~~The Memorandum of Understanding ("MOU") is an agreement on mutually acceptable outcomes to certain access issues. In that MOU, SoCalGas agreed to certain efforts such that our Branch Offices and third-party payment locations are accessible, and to improve certain customer communication. OP 1 of D. 13-05-010, approved the MOU as follows: "The February 24, 2012, joint motion, filed by the Center for Accessible Technology, San Diego Gas & Electric Company, and Southern California Gas Company, requesting that the Memorandum of Understanding between these three entities attached to that joint motion be approved and adopted."~~Under the Joint Accessibility Proposal, SDG&E and SoCalGas propose to commit to certain terms designed to improve accessibility of facilities and services. D.19-09-051 adopted the Joint Accessibility Proposal as follows "Therefore, in view of all of the above, we conclude to the Joint Accessibility Program, as described in Exhibit 265, should be adopted."

I. Remittance Processing Postage

TABLE BMS-33
TY 2024 Summary of Remittance Processing Postage
In 2021 $ (000s)

CS – OFFICE OPERATIONS			
Shown in Thousands of 2021 Dollars			
I. Customer Service Office Operations	**2021 Adjusted Recorded**	**TY 2024 Estimated**	**Change**
9. Remittance Processing Postage	12,760	9,550	(3,210)

1. Description of Costs and Underlying Activities

Remittance Processing Postage expenses include the cost of mailing customer bills, notices, letters, and other customer correspondence. The calculations for estimated expenses are included in my workpapers (Ex. SCG-15-WP 2OO005.001).

2. Forecast Method

A Base Year forecasting methodology was applied to project Remittance Processing Postage O&M costs. Postage for bill delivery includes postage for paper bills and notices mailed through the United States Postal Service (USPS). The postage expense depends on postage rates which are determined by the USPS and the volume of paper bills and notices which are impacted by customer growth as well as electronic bill adoption levels. For these reasons, Base Year 2021 is used as the basis to forecast TY 2024, plus adjustments for postage rate changes for paper bills and notices mailed through USPS and savings from paperless billing (MyAccount) and electronic bill delivery to customers' home banking websites.

3. Cost Drivers

Table BMS-33 above shows the change from BY 2021 adjusted-recorded expenses to TY 2024 estimated expenses, while the major impacts on the Remittance Processing Postage TY 2024 expenses are identified in Table BMS-34 below. SoCalGas forecasts a TY 2024 reduction of $3.2 million in Non-Standard Escalation non-labor from 2021 adjusted-recorded costs.

TABLE BMS-34
TY 2024 Incremental Changes to Remittance Processing Postage
In 2021 $ (000s)

	2021/2024 Change $(000)	**NSE Non-Labor**
Remittance Processing Postage	**(3,210)**	**(3,210)**

	2021/2024 Change $(000)	NSE Non-Labor
Increase due to meter growth	211	211
Postage required due to rate change	4	4
Postage savings from combined electronic bills due to growth	(3,410)	(3,410)
Postage savings from combined electronic bills due to rate change	(15)	(15)

a. Increase due to meter growth

SoCalGas is requesting an incremental $211,000 due to an anticipated increase in paper bills resulting from forecasted meter growth. Meter growth numbers are consistent with the testimony of Mr. Wilder and described in his testimony (Ex. SCG-35).

b. Postage required due to rate change

SoCalGas is requesting an increase of $4,000 in postage expense for mailing of paper bills, due to a postage rate change.

c. Postage savings from combined electronic bills due to growth

SoCalGas is requesting a $3,410,000 reduction in postage due to anticipated increase in customer paperless adoption.

d. Postage savings from combined electronic bills due to rate change

SoCalGas is requesting a $15,000 reduction in postage due to anticipated increase in customer paperless adoption.

J. Customer Service Other Office Operations and Technology

TABLE BMS-35
TY 2024 Summary of Customer Service Other Office Ops and Technology Costs
In 2021 $ (000s)

CS – OFFICE OPERATIONS			
Shown in Thousands of 2021 Dollars			
J. Customer Service Office Operations	**2021 Adjusted Recorded**	**TY 2024 Estimated**	**Change**
10. Customer Service Other Office Ops and Technology	6,106	6,188	82

1. Description of Costs and Underlying Activities

The Customer Service Other Office Operations and Technology is comprised of the following groups:

Customer Operations Technology

Customer Operations Technology serves as a business liaison with IT to support customer related systems and data. The group provides business systems support including:

- Business requirements definition, analysis, and prioritization
- Quality assurance, user acceptance and regression testing of applications
- Responding to and coordinating with IT on system issues
- Compiling and publishing system change release notes
- Administering user access and privileges to customer applications
- Facilitating internal requests for data from customer systems

Customer Service Technology and Project Management

Customer Service Technology and Project Management helps ensure that customer related IT projects deliver the intended business value in alignment with the priorities of the Customer Services and Customer Solutions organizations. The group develops and manages the governance and standards for customer service technology projects, and monitors and reports on project status. Specifically, the group facilitates and supports the following activities:

- Oversight for all Customer Services activities
- Monitor and track financial performance
- Project identification, prioritization, and approval
- Business case development
- Significant risk and issue tracking
- Cross project dependency identification and management
- Schedule and budget tracking
- Change control
- Project close-out and transition to ongoing business support
- Consolidated project status reporting

Customer Data Privacy

Customer Data Privacy helps ensure that customer data is protected. The group develops and manages the risk of consumer privacy and working with SoCalGas's Legal,

Cybersecurity and Operations departments to help ensure compliance with privacy laws and mandates. Specifically, the group facilitates and supports the following activities:

- Data privacy protection.
- Outreach and training for employees, vendors and other third parties on ways to protect customer data that comply with Federal and State laws and CPUC directives.
- Managing a process to comply with the California Consumer Privacy Act.
- Managing a privacy impact assessment process that is required for capital technology projects to ensure data privacy and data security controls are fully incorporated into technology implementations.
- Overseeing the development of an annual privacy report to be filed with the commission in compliance with D.12-08-045[25]
- Administering an independent privacy audit of customer energy usage data with each application year of the Company's GRC cycle beginning in 2014 in compliance with D.12-08-045[26]
- Assessing Regulatory, State and Federal rule/law changes to explain customer privacy impacts.
- Mitigating risk of loss of customer data.
- Overseeing an online customer usage data request and release process as ordered in the Energy Data Access Decision (D.14-05-016)[27]

2. Forecast Method

A Base Year forecasting methodology was applied to project Customer Services Other Office Operations and Technology O&M costs. The Base Year method is appropriate because it reflects the growing level of support required as the number of technology projects increases. It also reflects the increased support required as the complexity of customer technology applications has grown. These costs are not reflected in historical averages but are planned to continue in the forecast years.

3. Cost Drivers

Table BMS-35 above shows the change from 2021 adjusted-recorded expenses to TY 2024 estimated expenses. The major impacts on the Customer Service Other Office Ops and Technology TY 2024 expenses are identified in Table BMS-36 below.

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[25] D.12-08-045 at 47 (OP 3).

[26] *Id.*

[27] D.14-05-016 at Attach. A.

TABLE BMS-36
TY 2024 Incremental Changes to Customer Service Other Office Ops and Technology
In 2021 $ (000s)

	2021/2024 Change $(000)	Labor	Non-Labor	FTE
CS Other Office Ops and Technology	**82**	**1,544**	**(1,462)**	**14.0**
Decrease in professional services	(1,561)		(1,561)	
Labor adjustments	1,544	1,544		14.0
Software licenses	99		99	

a. Decrease in professional services

SoCalGas is forecasting professional services decrease of $1,561,000 related to:

- $177,000 decrease in consulting spend as one-time initiative, SharePoint development and support for Customer Services, finishes in 2022.
- $428,000 decrease of one-time additional postage expense for Winter Direct Mail postcards incurred in 2021 and not applicable 2022-2024.
- $301,000 decrease in contracted services as additional consulting for the 2024 GRC will no longer be needed in the financial analysis group.
- $267,000 non-labor resources reductions. Resources provided data governance, management, data request fulfillment, and project specialist functions within the organization and their roles will be filled internally.
- $225,000 decrease related to CPUC mandated Privacy/Security controls assessment. This CPUC required review occurs every GRC cycle and the next review will be planned after this GRC cycle.
- $163,000 non-labor reduction. Resources are responsible for managing the SoCalGas Customer Privacy program including compliance responsibilities for Tariff Rule 42[28], the California Consumer Privacy Act, Building Benchmarking state law and municipal ordinances, Customer Privacy Risk Management, Privacy Incident Management and Privacy Consultations on new processes and systems and this role will be filled internally.

b. Labor adjustments

SoCalGas is forecasting a labor increase of $1,544,000 related to:

- $16,000 accounts for the effect of a full year of Business Manager Labor Costs. Ten percent of time was charged to the California Consumer Privacy Act - CCPA memorandum account during the prior year. The Business Manager is responsible for managing business applications support for MyAccount and Customer

[28] Rule 42 sets forth the requirements for privacy and security protections for energy usage data.

Programs application and for setting the direction for the SoCalGas Customer Privacy Program.

- $51,000 reflects the full year salary of an analyst hired in the financial analyst group in mid-2021 for GRC support and financial performance activities.
- $110,000 for additional Senior Business Analyst to help evaluate the financial and operational impacts of major business and regulations, support General Rate Case (GRC), Risk Assessment and Mitigation Phase (RAMP), Risk Spending Accountability Report (RSAR), and other regulatory proceedings and filings and financial performance activities.
- $101,000 for additional Senior Business Analyst to help evaluate the financial and operational impacts of major business and regulations. To support GRC, RAMP, RSAR, and other regulatory proceedings and filings.
- $141,000 for Data Governance Management Lead full year vacancy. This vacancy was supplemented by contract labor. The Data Governance Management Lead performs day to day operations of data governance management and guidance to team, prioritizes data requests and fulfillment lifecycles, and acts as subject matter expert on customer data.
- $97,000 for Business Analyst for Data Governance Management team full year vacancy. Vacancy was supplemented by contract labor. The Business Analyst performs day-to-day operations on data governance and management activities, including but not limited to managing data requests and fulfillment. The Business Analyst also provides consultations on data reporting and creates and maintains various customer Power Business Intelligence (BI) dashboards.
- $78,000 for Project Specialist for PMO full year vacancy. This vacancy was supplemented by contract labor. The Project Specialist resource performs project specialist coordination for PMO (Project Management Office) that manages portfolio of customer services projects. Activities include but not limited to meeting coordination, meeting minutes, onboarding of resources, task tracking, creation of presentation materials, and SharePoint sites administration.
- $120,000 related to labor shift from refundable and various capital projects in base year to O&M in forecast years. Adjustments include PM3-$30K, 2 Business Analysts - at $50K, and PM2 at $40K
- $45,000 related to full year effect for Business Systems Analyst (BSA I). This position provides business application support for the MyAccount online application that customers use to view, pay, and transact business with SoCalGas online.
- $78,000 related to labor shift from refundable and various capital projects in base year to O&M in forecast years. Resources include supervisor estimated at $65K (~50%), and various analyst resources with a combined total of $13K. Staff, among other things, perform day-to-day operations to support various business units: Billing, Collections and Finance, branch offices, Payment Entry Processing (PEP), requirements development, system and regression testing on CIS

application changes, and acts as conduit between business operations units and technology teams.

- $45,000 related to labor shift from refundable and various capital projects in base year to O&M in forecast years. Supervisor resource at $45K (base salary estimated at ~$150K) performs day to day operations to support various business units: Billing, Collections and Finance, branch offices, PEP, requirements, development, system and regression testing on CIS application changes, and acts as conduit between business operations units and technology teams.

- $29,000 related to labor shift from refundable and various capital projects in base year to O&M in forecast years. Resources include supervisor estimated at $23K (base salary estimated at ~116K) plus various combination of resources combining to about $6K. Staff, among other things, perform day-to-day operations to support various business units: Customer Contact Center, Field Operations, Customer Assistance Programs, requirements development, system and regression testing on CIS application changes, and acts as a conduit between business operations units and technology teams.

- $54,000 related to labor shift from refundable and various capital projects in base year to O&M in forecast years. Resources include supervisor estimated at $46K (base salary estimated at ~116K) plus various combination of resources combining to about $8K. Staff, among other things, perform day-to-day operations to support various business units: Customer Contact Center, Field Operations, Customer Assistance Programs, requirements development, system and regression testing on CIS application changes, and acts as a conduit between business operations units and technology teams.

- $100,000 related to labor shift for one Technical Advisor at $100K from refundable project in Base Year to O&M forecast. Business application support for building benchmarking to comply with State Law and Local City Ordinances.

- $279,000 related to one full year staff to support the Customer Data Privacy Department. Privacy PM3 Labor cost of $160K; 7 months of Privacy Advisor labor adjustment of $67K; 7 months of Privacy Analyst labor cost adjustment of $52K. The Privacy Manager is responsible for managing the SoCalGas Customer Privacy program including compliance responsibilities for Tariff Rule 42, the California Consumer Privacy Act, Building Benchmarking state law and municipal ordinances, Customer Privacy Risk Management, Privacy Incident Management and Privacy Consultations on new processes and systems.

  The Privacy Advisor is responsible for managing internal customer privacy risk through the Privacy Impact assessments for large capital projects, leading external and internal audit activities and supporting other privacy consultations related to pending privacy laws, new processes, and new technology applications.

  The Privacy Analyst responsibilities include fulfilling consumer requests for deleting data, requests for data reports, reviewing privacy incidents and offering remediation recommendations to management. This position also supports education and outreach efforts for the SoCalGas Customer Privacy Program.

- $200,000 for two additional business systems analysts to support the Customer Privacy Program for the compliance activities required by the California Consumer Privacy Act (CCPA) which went into effect January 1, 2020[29]; additional California Attorney General Regulations that went into effect on August 14, 2020 [30] and ramp up activities for the California Privacy Rights Act (CPRA) which goes into effect January 1, 2023.[31] Compliance Activities include but are not limited to fulfilling consumer rights requests, CCPA training, maintaining an inventory of personal information and any updates to the CCPA policy. Additional activities and more work necessitated additional headcount to be able to comply with the new law and regulations.

c. Software licenses

SoCalGas is requesting $99,000 for software licenses required for a new data governance application. The new data governance tool is intended to provide meta data management, data definition, catalog of Personal Identifiable Information (PII) information, data business rules, data quality assurance, and other processes/functions for data governance needs.

d. California Consumer Privacy Act Memorandum Account (CCPAMA)

The CCPAMA is an interest-bearing memorandum account recorded on SoCalGas's financial statements.[32] Pursuant to D.19-09-026, the purpose of this account is to record the incremental costs associated with complying with consumer privacy obligations as required by

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[29] The California Consumer Privacy Act of 2018 is a privacy law effective January 1, 2020.[1] The CCPA requires companies to provide customers (on request) what Personal Information ("PI") of the customer is collected, whether it is sold to other companies, and to require companies to cease collecting or selling information if requested.[2] The CCPA requires SoCalGas to notify customers at the point of collection whose data is shared for research purposes.[3]

[1] Civil (Civ.) Code §§ 1798.100 *et seq*; AB 375, Stats. 2017-2018, ch. 55; SB 1121, Stats. 2018, ch. 735.[2] Civil Code § 1798.110(a). [3] Civil Code § 1798.100(b).

[30] The California Attorney General mandated additional regulations on August 14, 2020, that included requiring stricter customer validations, and updates to the CCPA Policy, CCPA Notice at Collection, and the CCPA Deletion Report. Other changes included adding the Sources of Information to the Disclosure Report and fully masking sensitive personal information in the Right to Know report.

[31] California Privacy Rights Act, Cal. Civ. Code § 1798.100 (2020). The CPRA (California Privacy Rights Act) is an expansion of the CCPA (California Consumer Privacy Act) implemented Jan 1, 2020. CPRA seeks to protect more types of privacy information, provide additional rights for consumers, establish an oversight entity, and detail rights specific to minors.

[32] See SoCalGas Advice Letter Advice Letter 5522-G, Establishment of the California Consumer Privacy Act Memorandum Account Pursuant to Ordering Paragraph 1 of Decision (D.) 19-09-026 *available at*: https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/5522.pdf.

Assembly Bill (AB) 375.[33] All costs since inception have been recorded in the California Consumer Privacy Act Memorandum Account (CCPMA) and are detailed in Table BMS-37 below. The costs recorded by SoCalGas are in compliance with D.19-09-026 [34], are reasonable and should be approved by the Commission.

TABLE BMS-37
California Consumer Privacy Act Memorandum Account (CCPAMA)

Year	O&M	Capital	Total
2019	79,319	2,664,408	2,743,727
2020	161,601	436,074	597,675
2021	92,369	838,705	931,074
Total	**333,289**	**3,939,187**	**4,272,476**

V. SHARED COSTS

As described in the testimony of Ms. Le and Mr. Malin (Ex. SCG-30), Shared Services are activities performed by a utility shared services department (i.e., functional area) for the benefit of: (i) SDG&E or SoCalGas, (ii) Sempra Energy Corporate Center, and/or (iii) any affiliate subsidiaries. The utility providing Shared Services allocates and bills incurred costs to the entity or entities receiving those services.

Table BMS-38 summarizes the total shared O&M forecasts for the listed cost categories.

TABLE BMS-38
Shared O&M Summary of Costs
In 2021 $ (000s)

CS – OFFICE OPERATIONS (in 2021$)			
Customer Service Office Operations	**2021 Adjusted Recorded (000s)**	**TY 2024 Estimated (000s)**	**Change (000s)**
1. Payment Processing	3,848	4,058	210
2. Manager of Remittance Processing	498	498	0
Total	**4,346**	**4,556**	**210**

[33] D.19-09-026 at 14 (OP 1); AB 375 (Chau, 2018) *available at*: https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB375

[34] *Id*.

I am sponsoring the forecasts on a total incurred basis, as well as the shared services allocation percentages related to those costs. Those percentages are presented in my shared services workpapers, along with a description explaining the activities being allocated. See Ex. SCG-15-WP 2200-2247 and SCG-15-WP 2200-0355. The dollar amounts allocated to affiliates are presented in our Shared Services Policy and Procedures testimony. See testimony of Ms. Le and Mr. Malin (Ex. SCG -30).

A. Payment Processing

TABLE BMS-39
TY 2024 Summary of Payment Processing Costs
In 2021 $ (000s)

CS – OFFICE OPERATIONS			
Shown in Thousands of 2021 Dollars			
K. Customer Service Office Operations	**2021 Adjusted Recorded**	**TY 2024 Estimated**	**Change**
1. Payment Processing	3,848	4,058	210

1. Description of Costs and Underlying Activities

Payment Processing (2200-0355) expenses cover the cost of processing payments mailed to SoCalGas and SDG&E through the USPS as well as electronic payments received through home banking, electronic data interchange, wire transfers and electronic pay programs, including direct debit, pay-by-phone, and MyAccount.

Additional functions performed by Payment Processing include handling returned checks, investigating payments received without associated account information, processing of all miscellaneous non-gas revenues (e.g., oil lease revenues), and responding to payment inquiries from banking institutions and authorized payment locations.

2. Forecast Method

A Base Year forecasting methodology was applied to project Payment Processing O&M labor and non-labor costs. The costs fluctuated from 2017 through 2020. However, 2021 cost levels were similar to historical averages and are a good representation for the forecast because they are in-line with the workgroup's TY 2024 estimated expenses with the exception of the increased labor to support complexity in the administration of electronic payment channels.

3. Cost Drivers

Table BMS-39 above shows the change from 2021 adjusted-recorded expenses to TY 2024 estimated expenses. Table BMS-40 below details the major impacts on the Payment

Processing forecasted in TY 2024. SoCalGas forecasts a TY 2024 increase of $210,000 in expenses from 2021 adjusted-recorded costs.

TABLE BMS-40
TY 2024 Incremental Changes to Payment Processing
In 2021 $ (000s)

	2021/2024 Change $(000)	Labor	Non-Labor	FTE
Payment Processing	**210**	**210**		**2.5**
Staffing at full complement	39	39		0.5
Additional resource needs due to increased complexity	171	171		2.0

a. Staffing at full complement

SoCalGas is requesting an incremental $39,000 for 0.5 FTEs which are a combination of employees' intermittent LTD time off and delay in filling vacancies.

b. Additional resource needs due to increased complexity

SoCalGas is requesting an incremental $171,000 for two Payment Control Clerk Level 4 positions due to increased complexity in the administration of electronic payments. Initially customers sign up for electronic payments through their bank using their current bill account number. However, a large number of customers move residences every year and their bill account changes and they do not update their account information when sending their payments. The payments must be applied to customers' accounts manually which increases SoCalGas operational costs and the need for additional labor.

B. Manager of Remittance Processing

TABLE BMS-41
TY 2024 Summary of Manager of Remittance Processing Costs
In 2021 $ (000s)

CS – OFFICE OPERATIONS			
Shown in Thousands of 2021 Dollars			
L. Customer Service Office Operations	**2021 Adjusted Recorded**	**TY 2024 Estimated**	**Change**
2. Manager of Remittance Processing	498	498	0

1. Description of Costs and Underlying Activities

Manager of Remittance Processing (2200-2247) primary responsibilities include the management of the strategy and policy for the overall customer bill presentment and payment processing channels for both SoCalGas and SDG&E. For customer billing, this includes bill printing and inserting as well as all electronic bill presentment channels. For payment processing, this includes mail, walk-in including branch offices and authorized payment locations, as well as all customer self-service electronic payment channels.

2. Forecast Method

A Base Year forecasting methodology was applied to project Manager of Remittance Processing O&M costs. BY 2021 cost levels were similar to historical averages and a good representation for the forecast because they are in-line with the workgroup's TY 2024 estimated labor expenses with no changes anticipated.

3. Cost Drivers

SoCalGas TY 2024 forecasted costs for Manager of Remittance Processing shared services O&M are unchanged from the BY 2021 adjusted-recorded expense level as illustrated by Table BMS-41 above.

VI. UNCOLLECTIBLE RATE

SoCalGas is requesting to increase the authorized uncollectible expense rate from the current authorized rate of 0.278% to 0.310%. SoCalGas's proposed rate is based on a ten-year rolling average of actual and reserve write-offs for the period of 2012 through BY 2021.

SoCalGas believes that the use of a ten-year period is most appropriate because a shorter period (i.e., three-year average) fails to reflect the full range of the potential impacts of economic and cyclical variables experienced by SoCalGas. The volatility or cyclical nature of the uncollectible rate depends on macroeconomic, microeconomic, and regional economic factors that are difficult to quantify and the variability of seasonal energy bills (colder winters mean higher natural gas bills for heating). However, the precise incremental impact to the uncollectible rate due to each of the independent variables (and in some cases collinear variables) is difficult to quantify and correlate. Nevertheless, a larger energy bill means that a greater proportion of customers will have difficulty paying and therefore increases the likelihood of an uncollectible expense. The ten-year average of the uncollectible rate implicitly includes the unpredictability of

such economic related factors, energy bill related variability and credit practice changes whether mandated or voluntarily instituted.

TABLE BMS-42
Uncollectible Rates

SoCalGas Financial[35] Uncollectible Data 2012 – 2021			
Year	**Recorded Uncollectible Expense**	**Sales Revenue**	**Uncollectible Rate**
	(a)	**(b)**	**(a) / (b)**
2012	$10,139,901	$2,882,147,983	0.352%
2013	$7,405,734	$3,216,271,102	0.230%
2004	$12,230,561	$3,254,695,218	0.376%
2015	$12,221,528	$3,013,508,275	0.406%
2016	$7,717,198	$3,183,737,152	0.242%
2017	$8,313,873	$3,348,540,458	0.248%
2018	$6,241,915	$3,336,236,847	0.187%
2019	$6,886,698	$4,110,383,026	0.168%
2020	$18,146,524	$4,300,185,120	0.422%
2021	$21,555,175	$5,079,275,917	0.424%
10-year average (2012 – 2021)	**$110,859,107**	**$35,724,981,098**	**0.310%**

VII. CAPITAL

SoCalGas's CSOO testimony sponsors several capital projects that are important to achieve the objective of providing safe, secure, efficient, reliable, and effective service. This section identifies these capital projects and provides a description and business rationale for each project. For the CSOO sponsored capital projects, estimated capital expense requests are included in the testimony of witness William J. Exon (Ex. SCG-21). Table BMS-43 summarizes the total capital forecasts for 2022, 2023 and 2024, and Table BMS-44 below provides the project details.

[35] In the prior GRC TY 2019, the rate was calculated using the operational method.

TABLE BMS-43
Capital Expenditures Summary of Costs
In 2021 $ (000s)

CS – OFFICE OPERATIONS	Estimated 2022	Estimated 2023	Estimated 2024
Shown in Thousands of 2021 Dollars			
IT Capital Projects, Annual Estimated Total	$14,520	$20,657	$15,763

TABLE BMS-44
Capital Expenditures Summary of Costs
In 2021 $ (000s)

IT Capital Wp Number	**Project Description**	**2022**	**2023**	**2024**
00754Q	Centralized Customer Data Management	1,753	1,871	1,471
00754V	CCC Technology Modernization	1,253	12,512	2,141
00754T	Advanced Meter HeadEnd and Meter Data Management System Next-Generation (AclaraONE)	0	0	12,006
00754K	Gas Measurement and Analysis System (GMAS)	3,361	4,839	0
00754D	Senate Bill 711 Bill Volatility Project	1,497	1,182	0
00755D	Project Monaco	649	159	0
00754A	Speech Analytics and Workforce Management Upgrades	3,729	0	0
00754M	Major Market to Cloud (M2C) - Billing Viewer	1,175	0	51
00754I	Advanced Meter HeadEnd and Meter Data Management System (MDMS) Refresh	412	0	0
00755K	Intelligent Workload Distribution (IWD)	173	0	0
00786L	CQMX Replacement	518	94	94
	Total	**14,520**	**20,657**	**15,763**

1. Centralized Customer Data Management

The forecast for Centralized Customer Data Management for 2022, 2023 and 2024 are $1,753,000, $1,871,000, and $1,471,000, respectively.

The purpose of the Centralized Customer Data Management project is to implement more rigorous governance and management practices in support of analytics and customer data

privacy. It will also provide a more holistic view and management data lifecycle: who, how, and where data is consumed, compiled, stored, and secured across the data landscape in the company. This is required to meet all privacy, cybersecurity, and California Consumer Privacy Act requirements in addition to consistency on regulatory and third-party reporting.

Project benefits include:

- Provide a clear and holistic view of customer data across the company
- Increase rigor on customer data governance
- Advance analytic capabilities to support major initiatives
- Centralize, standardize, automate, and secure data access and other requests
- Streamline CPUC, audit, and CCPA responses
- Confirm customer data transfers to authorized third parties comply with all privacy, cybersecurity and CCPA requirements, including maintaining records of all customer data transferred for audit and CCPA response purposes

The specific details regarding this project's cost can be found in the capital workpapers of Mr. Exon (Ex. SCG-21-CWP, WP 00754Q).

2. CCC Technology Modernization[36]

The forecast for CCC Technology Modernization for 2022, 2023 and 2024 are $1,253,000, $12,512,000, and $2,141,000 respectively.

The purpose of the CCC Technology Modernization project is to replace the on-premise contact center technology platforms with a cloud solution to reduce technology complexity and improve maintainability and reliability. This will provide customers a resilient, reliable, cross channel services (voice, chat, email, SMS, IVR), Artificial Intelligence (AI), and natural language processing (NLP) enabled customer experience.

Additional information regarding the CCC Technology Modernization is found in the capital workpapers. (See SCG-21-CWP 00754V). The CCC Technology Modernization mitigates safety risks identified in the 2021 RAMP Report: SCG-CFF-4 Foundational Technology Systems – 2. Accordingly, this cost in its entirety, aligns with a RAMP activity.

For the CCC Technology Modernization, Table BMS-45 below shows the TY 2024 forecast dollars associated with the activities in the 2021 RAMP Report.

[36] Transforming Our Business (TOB) is a process improvement effort at SoCalGas, undertaken to support SoCalGas' mission to build the cleanest, safest, most innovative energy company in America.

TABLE BMS-45
RAMP Activity Capital Forecasts by Workpaper
In 2021 $ (000s)

Workpaper	Risk Chapter	ID	Description	2022 Estimated RAMP Total	2023 Estimated RAMP Total	2024 Estimated RAMP Total
00754V	SCG-CFF-4	2	Network & Voice System Resiliency	1,253	12,512	2,141

Project benefits include:

- Reduce complexity and improve maintainability and reliability by migrating contact center technology platforms from premise to cloud
- Provide the foundation to create conversational IVR, chatbots and textbots agent assist with underlying AI and NLP technologies
- Provide consistent, predictive, personalized cross channel (voice, chat, email, SMS, IVR) enabled user experience to customers
- Enable agent mobility via softphone, and simplify the deployment and support for work-from-home agents
- Expand supportability to the agents from other departments including SoCalGas Billing, Credit and Collection departments on the consolidated cloud environment
- Provide optimized and consolidated dashboards and reports for both real-time and historical views

The specific details regarding this project's cost can be found in the capital workpapers of Mr. Exon (Ex. SCG-21-CWP, WP 00754V).

3. Advanced Meter HeadEnd and Meter Data Management Next-Generation (AclaraONE)

The forecast for Advanced Meter HeadEnd and Meter Data Management for 2022, 2023, and 2024 are $0, $0, and $12,006,000, respectively.

The purpose of the Advanced Meter HeadEnd and Meter Data Management Next-Generation (AclaraONE) project is to modernize SoCalGas Advanced Meter systems by upgrading HeadEnd and Meter Data Management System (MDMS) to the next generation of Aclara technology, AclaraONE, to meet SoCalGas business demands and support the company's cloud strategy.

The project will upgrade the Advanced Meter (AM) HeadEnd and MDMS applications to the next generation of Aclara's software product, AclaraONE. Many Advanced Meter roadmap items and business opportunities such as Data Collector Units (DCUs), end-to-end encryption,

and support for upgraded Meter Transmission Units (MTUs), methane and cathodic protection have hard dependency with AclaraONE. The project will also modernize the Advanced Meter back-office systems to allow for active IT and vendor support and to meet future SoCalGas business demands.

Additional information regarding the Advanced Meter Head End and Meter Data Management System Next-Generation (AclaraONE) is found in the capital workpapers. See SCG-21-CWP-00754T. The Advanced Meter Head End and Meter Data Management System Next-Generation (AclaraONE mitigates safety risks identified in the 2021 RAMP Report: SCG-CFF-4 Foundational Technology Systems – 4. Accordingly, this cost in its entirety, aligns with a RAMP activity.

For the Advanced Meter Head End and Meter Data Management System Next-Generation (AclaraONE), Table BMS-46 below shows the TY 2024 forecast dollars associated with the activities in the 2021 RAMP Report.

TABLE BMS-46
RAMP Activity Capital Forecasts by Workpaper
In 2021 $ (000s)

Workpaper	Risk Chapter	ID	Description	2022 Estimated RAMP Total	2023 Estimated RAMP Total	2024 Estimated RAMP Total
00754T	SCG-CFF-4	4	Gas Operations Systems Resiliency	0	0	12,006

Project benefits include:

- Mitigate interruption of billing process or safety incidents resulting from outdated AM technologies
- Enable AM systems to meet future SoCalGas business demands in billing and safety areas
- Modernize AM systems to allow for active IT and vendor support
- Allow AM related business opportunities and roadmap items to be realized as planned
- Support company's cloud strategy by moving MDMS into the cloud

The specific details regarding this project's cost can be found in the capital workpapers of Mr. Exon (Ex. SCG-21-CWP, WP 00754T).

4. Gas Measurement and Analysis System (GMAS)

The forecasts for SoCalGas's Gas Measurement and Analysis System Project for 2022, 2023 and 2024 are $3,361,000, $4,839,000, and $0, respectively.

The Measurement Collection System (MCS) collects gas volumes and gas quality data for both SoCalGas and SDG&E Commercial and Industrial gas customers. MCS is a client server application used to validate and process electronically collected gas measurement data. MCS provides measurement data to support multiple critical business areas, including major markets billing for SoCalGas and SDG&E, gas acquisition, accounting, supplier daily trading in Envoy, gas control, gas storage, and CPUC reporting. Approximately two thirds of the gas flowing through SoCalGas pipes is measured through MCS, making MCS a critical system.

This project started in 2021 and implements a solution leveraging a Meter Data Management System package that replaces the MCS.

Project benefits include:

- Provide business process redesign to improve business processes
- Eliminate technical debt by implementing up-to-date software and infrastructure
- Align with gas industry standards and more accurately calculate corrected volumes and energy with additional blending of Renewable Natural Gas (RNG) and Hydrogen

The specific details regarding this project's cost can be found in the capital workpapers of Mr. Exon (Ex. SCG-21-CWP, WP 00754K).

5. Senate Bill 711 Bill Volatility Project

The forecast for Senate Bill 711 Bill Volatility Project for 2022, 2023, and 2024 are $1,497,000, $1,182,000, and $0, respectively.

Senate Bill 711 allows the CPUC to review and revise baseline quantities and define additional baseline seasons in order to minimize bill volatility for residential customers.[37] Baseline changes have been moved to the Tri-Annual Cost Allocation Proceedings (TCAP).[38]

The goal of this project is to meet the legislation's requirements by making system and business process changes including:

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[37] SB 711 (Hill, 2017), *available at*: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB711.

[38] *Id.*

- Update the seasonal baseline allowance
- Add a new baseline season
- Design and produce a visual representation of usage and cost per tier and usage comparison on the residential customer billing statement.

Project benefits include:

- Compliance: compliance with SB 711
- Customer Experience: improved customer experience so residential customers can receive bills that are simple and transparent, and a graphical visual presentation of usage and costs to facilitate minimizing residential bill volatility

The specific details regarding this project's cost can be found in the capital workpapers of William J. Exon (Ex. SCG-21-CWP, WP 00754D).

6. Project Monaco

The forecast for Project Monaco for 2022, 2023 and 2024 are $649,000, $159,000, and $0, respectively.

SoCalGas's bank solution is changing. With this change, SoCalGas Customer Services banking functions, including general integrations with SoCalGas Customer Information System (CIS), MyAccount and Branch Office Payment Entry Processing (PEP) will need to be updated to continue daily operations.

Project benefits include:

- Locked-in pricing for the next 5 years removing the risk of ad hoc bank fee increases
- Enhanced customer service support and quarterly reviews to help address concerns involving delays, adjustments, and payment inquiries ultimately impacting SoCalGas customers
- Additional bank products and services that offer SoCalGas customers access to their refunds and rebates via electronic funds transfers (EFT) versus a paper check sent by mail
- Enhanced fraud protections reducing SoCalGas exposure to fraudulent online schemes

The specific details regarding this project's cost can be found in the capital workpapers of Mr. Exon (Ex. SCG-21-CWP, WP 00755D).

7. Speech Analytics and Workforce Management Upgrades[39]

The forecast for Speech Analytics and Workforce Management Upgrades for 2022, 2023 and 2024 are $3,729,000, $0, and $0, respectively.

This project started in 2020 and supports enhancement to the Customer Contact Center to gain better call insights to help drive further reductions in average handle time. Contact Centers utilize the Workforce Management tool for resource scheduling and forecasting, submitting payroll on behalf of the Customer Service Representatives (CSR), and submitting online schedule requests.

The benefits of this project include reduced average handle time as a result of coaching, metrics, and other incentives. This project also offers visibility into the reasons for unusually high talk time and reduction in average handle time as a result of coaching and performance management.

The specific details regarding this project's cost can be found in the capital workpapers of Mr. Exon (Ex. SCG-21- CWP, WP 00754A).

8. Major Market to Cloud (M2C) - Billing Viewer

The forecast for M2C - Bill Viewer for 2022, 2023, and 2024 are $1,175,000, $0, and $51,000 respectively.

This project started in 2021 and is part of a multi-phase project. This phase pertains to the Bill Viewer migration to cloud. It also provides cross browser capacity for Customer Contract System (CCS) and Core Aggregator Transportation (CAT) applications.

Project benefits include:

- Improve customer satisfaction with optimized navigation for ease of access of frequently accessed modules and faster time to market for new features and maintenance releases
- Eliminate vulnerability exposure by updating to modern technology and capability to respond quickly and independently, and adopt robust security inherently supported by cloud platforms
- Align with Company cloud strategy on application agility, resiliency, and availability by deploying to cloud

[39] Transforming Our Business (TOB) is a process improvement effort at SoCalGas, undertaken to support SoCalGas' mission to build the cleanest, safest, most innovative energy company in America.

- Reduce potential for future tech debt as it leverages technology advances and innovation to realize current and future business capabilities

The specific details regarding this project's cost can be found in the capital workpapers of Mr. Exon (Ex. SCG-21-CWP, WP 00754M).

9. Advanced Meter HeadEnd and Meter Data Management System (MDMS) Refresh

The forecast for Advanced Meter HeadEnd and MDMS Refresh 2021 for 2022, 2023 and 2024 are $412,000, $0, and $0, respectively.

This project started in 2020 and refreshes the Advanced Meter (AM) HeadEnd and MDMS applications and the underlying near end of support server and database technologies so that optimal performance and reliability of these business-critical applications continue meeting current and future business demands. The vendors' mainstream support for AM server operating systems and database technologies has ended and extended support will end in July 2022.

Additional information regarding the Advanced Meter HeadEnd and Meter Data Management System (MDMS) Refresh is found in the capital workpapers. See SCG-21-CWP 00754I. The Advanced Meter HeadEnd and Meter Data Management System (MDMS) Refresh mitigates safety risks identified in the 2021 RAMP Report: SCG-CFF-4 Foundational Technology Systems – 4. Accordingly, this cost in its entirety aligns with a RAMP activity.

For the Advanced Meter HeadEnd and Meter Data Management System (MDMS) Refresh, Table BMS-47 below shows the TY 2024 forecast dollars associated with the activities in the 2021 RAMP Report.

TABLE BMS-47
RAMP Activity Capital Forecasts by Workpaper
In 2021 $ ($000s)

Workpaper	Risk Chapter	ID	Description	2022 Estimated RAMP Total	2023 Estimated RAMP Total	2024 Estimated RAMP Total
00754I	SCG-CFF-4	4	Gas Operations Systems Resiliency	412	0	0

Project benefits include:

- Reduce risk of billing process interruptions or safety incidents
- Increase active vendors' support for business-critical AM HeadEnd and MDMS applications

- Provide reliable and accurate AM data for core and non-core billing purposes
- Provide reliable, timely, and accurate pressure data for safety monitoring
- Provide reliable and accurate AM data for safety analytics

The specific details regarding this project's cost can be found in the capital workpapers of Mr. Exon (Ex. SCG-21-CWP, WP 00754I).

10. Intelligent Workload Distribution (IWD)[40]

The forecast for Intelligent Workload Distribution for 2022, 2023 and 2024 are $173,000, $0, and $0, respectively.

Back-office work is distributed manually on a daily basis by respective department supervisor or team leads for the following departments: Billing, Credit and Collections. Back-office work includes CIS Work Queue (WQ). The business faces many challenges and risks in assigning back-office work manually.

This project started in 2020 and the goal is to leverage Genesys Intelligent Workload Distribution (IWD) technology in order to efficiently route and prioritize back-office work to available clerks and analysts.

Project benefits include:

- Automated means for work distribution
- With the deployment of this solution, the business will have access to agent performance metrics for back-office work. Departments can use this information to create and monitor Key Performance Indicators (KPIs) in real time for CIS Work Queues.

The specific details regarding this project's cost can be found in the capital workpapers of Mr. Exon (Ex. SCG-21-CWP, WP 00755K).

11. CQMX Replacement

The forecast for CQMX Replacement for 2022, 2023 and 2024 are $518,000, $94,000, and $94,000, respectively. This project replaces end of support CQMX software with a new solution and retains the ability to manifest the mail and continue receiving USPS postage discounts which benefits the ratepayers. Savings are created through pre-sorting of mail according to USPS standards.

[40] Transforming Our Business (TOB) is a process improvement effort at SoCalGas, undertaken to support SoCalGas' mission to build the cleanest, safest, most innovative energy company in America.

The specific details regarding this project's cost can be found in the capital workpapers of Mr. Exon (Ex. SCG-21-CWP, WP 00786L).

VIII. CONCLUSION

Customer Services - Office Operations (CSOO) O&M and Capital project justifications were carefully developed and reviewed and represent a projection of the level of funding necessary to support SoCalGas's customer service and safety focus for the GRC term.

In summary, these forecasts reflect sound judgment to continuously support and enhance the safe, secure, reliable, and efficient operation of the SoCalGas CSOO business unit at a reasonable cost. The Commission should adopt the forecasted expenditures discussed in this testimony because they are prudent and reasonable.

This concludes my prepared direct testimony.

IX. WITNESS QUALIFICATIONS

My name is Bernardita Maria Sides. My business address is 1050 Overland Ct, San Dimas, California 91773. I am employed by Southern California Gas Company (SoCalGas) as the Director of the Customer Contact Center. I have been employed by SoCalGas for over 20 years and have held positions of increasing responsibility in several departments including Human Resources Research and Assessment, Labor Relations, Operational Excellence Program, Advanced Meter Program, Customer Services Field training, and Customer Contact Center. I received a Bachelor of Science degree in Psychology in 1994 and a Master of Science in Industrial/Organizational Psychology in 1996 from California State University, San Bernardino. I have not previously testified before the Commission.

APPENDIX A
GLOSSARY OF TERMS

APPENDIX A

Glossary of Terms

Acronyms	Definition
ACOR	Atmospheric Corrosion
AFUDC	Allowance for Funds Used During Construction
AL	Advice Letter
AM	Advanced Meter
AMI	Advanced Metering Infrastructure
AMIBA	Advanced Metering Infrastructure Balancing Account
AMO	Advanced Meter Operations
ARCOS	Area Resource Call Out System
ARSO	Area Resources Scheduling Operations
BY	Base Year
CBA	Collective Bargaining Agreement
CCC	Customer Contact Center
CFR	Code of Federal Regulations
CGBMA	Core Gas Balancing Memorandum Account
CGI	Can't Get In
CIS	Customer Information System
CPUC	California Public Utilities Commission
CSF	Customer Services Field
CSF&AMO	Customer Services Field & Advanced Meter Operations
D.	Decision
DART	Data Analysis Reporting Tool
DAS	Data Aggregation System
DCU	Data Transmission Unit
DCU	Data Collector Unit
DOT	Department of Transportation
EPM	Electronic Pressure Monitor

Acronyms	Definition
ETR	Energy Technician-Residential
FTE	Full-Time Equivalent
GOS	Gas Operations
GPS	Global Positioning Satellite
GRC	General Rate Case
GRSD	Geographical Route Study
HiPPOS	High-Performance Processing Operational System
IFS	Industrial and Financial Systems
IS	Information Security
IT	Information Technology
KPI	Key Performance Indicator
MDMS	Meter Data Management System
MDT	Mobile Data Terminals
MSA	Meter Set Assembly
MTU	Meter Transmission Unit
NEMO	Network Exceptions Management & Operations
O&M	Operations & Maintenance
OFO	Operational Flow Order
OII	Order Instituting Investigation
OIR	Order Instituting Rulemaking
OP	Ordering Paragraph
OSHA	Occupational Safety and Health Administration
PACER	Portable Automated Centralized Electronic Retrieval
PFM	Petition for Modification
PMO	Program Management Office
PPE	Personal Protective Equipment
QA	Quality Assurance
RAMP	Risk Assessment Mitigation Phase
SDG&E	San Diego Gas & Electric

Acronyms	Definition
SMS	Short Message Service
SoCalGas	Southern California Gas
SQTA	Scheduled Quantity Trading Automation
TY	Test Year
V&S	Vacation & Sick
WFM	Workforce Management
WOA	Work Order Authorization
MAVF	Multi-Attribute Value Framework
RSE	Risk Spend Efficiency