

Company: Southern California Gas Company (U 904 G)  
Proceeding: 2024 General Rate Case  
Application: A.22-05-015/-016 (cons.)  
Exhibit: SCG-216

**REBUTTAL TESTIMONY OF**  
**BRIAN C. PRUSNEK**  
**(CUSTOMER SERVICES - INFORMATION)**

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



**May 2023**

**TABLE OF CONTENTS**

I. SUMMARY OF DIFFERENCES .....1

II. INTRODUCTION .....1

    A. CAL ADVOCATES .....3

    B. TURN.....4

    C. CEJA.....5

    D. INDICATED SHIPPERS.....5

III. GENERAL REBUTTAL .....6

IV. REBUTTAL TO PARTIES’ O&M PROPOSALS.....6

    A. NON-SHARED SERVICES O&M .....6

        1. Total Non-Shared O&M .....7

        2. Strategic Communications and Engagement .....9

        3. Customer Solutions.....13

V. REBUTTAL TO PARTIES’ CAPITAL PROPOSALS .....17

    A. DISPUTED CAPITAL IT PROJECTS .....17

VI. CONCLUSION.....17

  

APPENDIX A – GLOSSARY OF TERMS ..... BCP-A-1

**REBUTTAL TESTIMONY OF  
BRIAN C. PRUSNEK  
(CUSTOMER SERVICES - INFORMATION)**

**I. SUMMARY OF DIFFERENCES**

**Table BP-1  
Comparison of SoCalGas and Other Intervenors  
Test Year (TY) 2024 Operations & Maintenance (O&M) Expenses**

<b>TOTAL O&amp;M - Constant 2021 (\$000)</b>			
	<b>Base Year</b>	<b>Test Year</b>	<b>Change to Base Year 2021</b>
SOCALGAS	<b>21,647<sup>1</sup></b>	<b>27,177</b>	<b>5,530</b>
CAL ADVOCATES <sup>2</sup>	<b>21,647</b>	<b>4,415<sup>3</sup></b>	<b>(17,232)</b>
TURN	<b>21,647</b>	<b>23,763</b>	<b>2,116</b>
CEJA	<b>21,647</b>	<b>21,647</b>	<b>0</b>
INDICATED SHIPPERS	<b>21,647</b>	<b>25,966</b>	<b>4,319</b>

Represents total Customer Services – Information proposed O&M reductions. Also refer to the rebuttal testimony of SoCalGas Ex. SCG-245.

**II. INTRODUCTION**

This rebuttal testimony regarding Southern California Gas Company’s (SoCalGas, the Company) request for Customer Services – Information (CS-I) addresses the following testimony from other parties:

<sup>1</sup> A reduction to the Base Year (BY) 2021 and TY 2024 forecast presented in testimony is being made in the amount of \$48,000 to reflect the revision previously made in August 2022. (See Ex. SCG-16-WP-R (Revised Workpapers to Direct Testimony of Brian C. Prunsek on behalf of SoCalGas) at 6.).

<sup>2</sup> Cal Advocates submitted two chapters of testimony relevant to Customer Services. (See Ex. CA-10 (Direct Testimony of Mariana Campbell on behalf of Cal Advocates), March 27, 2023; Ex. CA-23C-WP (Direct Testimony of Stephen Castello on behalf of Cal Advocates), March 27, 2023.) The positions taken by Cal Advocates in Mr. Castello’s testimony, which relate exclusively to Cal Advocates’ assertion that SoCalGas should have its revenue requirement reduced due to political advocacy activities, are addressed in Ex. SCG-245 (Rebuttal Testimony of Sara Mijares on behalf SoCalGas). As noted below in footnote 3, however, the impacts of Mr. Castello’s proposal, as it relates to Customer Services – Information, are reflected in my Summary of Differences, Table BP-1.

<sup>3</sup> Cal Advocates does not specify their total recommended TY 2024 forecast for Customer Services – Information. SoCalGas has first applied the 80% reduction recommended in Ex. CA-23, and then further reduced by the amount recommended in CA-10, based on Cal Advocates’ proposal in Ex. CA-23. (See Ex. CA-23C-WP (Stephen Castello) at 2, 6; Ex. CA-10 (Mariana Campbell) at 7-8. Calculation: \$27,177 million x 20% = \$5,423 million; \$5,423 - \$1,020 million = \$4,415 million.

- 1 • The Public Advocates Office of the California Public Utilities  
2 Commission (CPUC, Commission) (Cal Advocates) as submitted by  
3 Ms. Mariana Campbell (Exhibit CA-10)<sup>4</sup>, dated March 27, 2023.
- 4 • The Utility Reform Network (TURN), as submitted by David Cheng  
5 (Exhibit TURN-09)<sup>5</sup>, dated March 2023.
- 6 • California Environmental Justice Alliance (CEJA) as submitted by  
7 Matthew Vespa, Sara Gersen, Sasan Saadat, and Rebecca Barker (Exhibit  
8 CEJA-01)<sup>6</sup>, dated March 2023.
- 9 • Indicated Shippers (IS)<sup>7</sup>, as submitted by Michael P. Gorman (Exhibit IS-  
10 02), dated March 2023.

11 As a preliminary matter, the absence of a response to any particular issue in this rebuttal  
12 testimony does not imply or constitute agreement by SoCalGas with the proposal or contention  
13 made by these or other parties. The forecasts contained in SoCalGas’s direct testimony,  
14 performed at the project level, are based on sound estimates of its revenue requirements at the  
15 time of testimony preparation.

16 SoCalGas’s mission is to provide customers the Cleanest, Safest, and Most Innovative  
17 Energy Infrastructure Company in America.<sup>8</sup> With customers at the center, SoCalGas is  
18 committed to all aspects of customer service, including how the Company educates customers  
19 and the tools provided to them, customer communication and outreach, customer assistance  
20 programs, conservation, safety and reliability of the natural gas system, and programs to help  
21 customers manage their energy usage more efficiently and effectively. Additionally, Customer  
22 Services-Information services include account management services for residential, small and  
23 medium business, commercial, and industrial customers; clean transportation; energy markets;  
24 and, for the advancement of decarbonization, greenhouse gas emissions (GHGs) reductions and

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<sup>4</sup> Ex. CA-10 (Mariana Campbell).

<sup>5</sup> Ex. TURN-09 (Prepared Testimony of David Cheng on behalf of TURN), March 27, 2023.

<sup>6</sup> Ex. CEJA-01 (Prepared Testimony of Matthew Vespa, Sara Gersen, Sasan Saadat, and Rebecca Barker on behalf of California Environmental Justice Alliance), March 27, 2023.

<sup>7</sup> Ex. IS-02 (Direct Testimony of Michael P. Gorman), March 27, 2023.

<sup>8</sup> 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](https://www.socalgas.com/sites/default/files/2021-03/SoCalGas_Climate_Commitment.pdf).

1 improvement to local air quality through supporting cleaner transportation, renewable gas  
2 options and the emerging hydrogen economy. These commitments require Customer Services -  
3 Information to respond to regulations and regulatory requirements, implement changes to  
4 business processes, increase customer data analysis and protections, update technology to  
5 synchronize with customers' preferred forms of communication and business process changes,  
6 and adequately train employees to implement changes in work processes. Additional funding  
7 will be required over the next several years to support these commitments and requirements.  
8 Therefore, approval of the estimated total TY costs associated with the Customer Services –  
9 Information organization, proposed in SoCalGas's direct testimony (Ex. SCG-16) is fundamental  
10 to the Company's ability to meet the needs of customers.

11 In the intervenor testimony addressing Customer Services-Information costs, some  
12 intervenors recommend small reductions, and no intervenor opposed the business justification for  
13 the Customer Services – Information capital Information Technology (IT) projects. SoCalGas  
14 disagrees with some of the tactics recommended for the small reductions as outlined below.

15 **A. Cal Advocates**

16 Cal Advocates submitted testimony on March 27, 2023 and takes the following position<sup>9</sup>:

- 17 • Cal Advocates (Campbell) takes issue with SoCalGas's test year  
18 forecast for nonlabor expenses associated with the Customer  
19 Solutions Innovative Kitchen Management Pilot Project. Cal  
20 Advocates recommends a Non-Shared Services forecast of \$26.207  
21 million which is \$1.02 million lower than SoCalGas's TY 2024  
22 forecast of \$27.227 million, claiming the pilot only benefits certain  
23 customers in the commercial and food industry.<sup>10</sup>
- 24 • Cal Advocates (Campbell) does not take issue with SoCalGas's  
25 forecasts for the following CS-Information categories: Strategy  
26 Communications and Engagement, and Customer Programs and  
27 Assistance.<sup>11</sup>

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<sup>9</sup> Ex. CA-10 (Campbell) at 48-51.

<sup>10</sup> *Id.* at 7, 51.

<sup>11</sup> *Id.* at 49.

- Cal Advocates does not oppose SoCalGas’s business justification for any of the proposed capital projects and finds SoCalGas’s forecast reasonable.<sup>12</sup>

**B. TURN**

TURN submitted testimony on March 27, 2023 and takes the following position<sup>13</sup>:

- TURN claims the Strategic Communications and Engagement team is currently engaging in all the incremental activities included in the 2024 forecast, and that the forecast for 2022 of \$10.412 million was overstated and the organization was underspent by \$2.637 million in 2022.<sup>14</sup>
- TURN claims the Customer Solutions team is currently engaging in all the incremental activities included in the 2024 forecast, and that the forecast for 2022 of \$11.074 million was overstated and the organization was underspent by \$1.583 million for the 2022 forecasted year.<sup>15</sup>
- TURN takes no issue with SoCalGas’s 2024 TY forecast for Customer Programs & Assistance of \$4.108 million.<sup>16</sup>
- TURN does not oppose SoCalGas’s business justification for any of the proposed capital IT projects.<sup>17</sup>

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<sup>12</sup> *Id.* at 7, 49

<sup>13</sup> Ex. TURN-09 (David Cheng) at 16-18.

<sup>14</sup> *Id.* at 16-17.

<sup>15</sup> *Id.* at 17-18.

<sup>16</sup> TURN did not address SoCalGas’s TY forecast of \$4.108 million for Customer Programs and Assistance. (*See* Ex. SCG-16 (Brian Prusnek) at 13, Table BP-7.)

<sup>17</sup> TURN did not address SoCalGas’s stated business justifications for capital IT project. (*See* Ex. SCG-16 (Brian Prusnek) at 50-53.)

1           **C.     CEJA**

2           CEJA submitted testimony on March 27, 2023, and takes the following position:

- 3           •       CEJA recommends that the Commission deny SoCalGas’s
- 4                     requested \$5.53 million increase in Customer Service costs,<sup>18</sup>
- 5                     stating the primary use of this department is to promote hydrogen
- 6                     and other alternative fuel end uses and projects such as SoCalGas’s
- 7                     Hydrogen Home. CEJA furthers states this is promotional
- 8                     advertising, and the costs should be borne by SoCalGas
- 9                     shareholders.<sup>19</sup>
- 10          •       CEJA does not oppose SoCalGas’s business justification for any of
- 11                     the proposed capital IT projects.<sup>20</sup>

12           **D.     INDICATED SHIPPERS**

13           Indicated Shippers submitted testimony on March 27, 2023, and takes the following

14           position<sup>21</sup>:

- 15          •       Indicated Shippers recommends removing \$1.211 million for the
- 16                     Clean Fuels Transportation Program, claiming the costs are not
- 17                     related to providing natural gas service. However, Indicated
- 18                     Shippers takes no other issue with the remaining incremental costs
- 19                     in the Customer Solutions area.<sup>22</sup>
- 20          •       Indicated Shippers takes no issue with SoCalGas's TY 2024
- 21                     forecast for the following areas:
- 22                     ○       Strategic Communications & Engagement, \$11.444
- 23                               million.<sup>23</sup>

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<sup>18</sup> Ex. CEJA-01 (Matthew Vespa) at 4.

<sup>19</sup> *Id.*

<sup>20</sup> CEJA did not address SoCalGas’s stated business justifications for capital IT project. (*See* Ex. SCG-16 (Brian Prusnek) at 50-53.)

<sup>21</sup> Ex. IS-02 (Michael P. Gorman) at 9.

<sup>22</sup> *Id.* at 9, Schedule MPG-2 at 1.

<sup>23</sup> Indicated Shippers did not address SoCalGas’s TY forecast of \$11.444 million for Strategic Communications & Engagement. (*See* Ex. SCG-16 (Brian Prusnek) at 13, Table BP-7.)

- Customer Programs & Assistance, \$ 4.108 million.<sup>24</sup>
- Indicated Shippers does not oppose SoCalGas’s business justification for any of the proposed capital IT projects.<sup>25</sup>

**III. GENERAL REBUTTAL**

SoCalGas’s forecasts reflect sound judgment and represent the impact from regulatory expectations to continuously provide safe, compliant, resilient, reliable, affordable, and efficient gas service to customers. The TY 2024 recommendations made by Cal Advocates, TURN, CEJA, and Indicated Shippers are incomplete and unreasonable. Cal Advocates, TURN, CEJA, and Indicated Shippers ignore ongoing work and future activities described in SoCalGas’s direct testimony (Ex. SCG-16). SoCalGas analyzed each cost category and associated drivers to determine future expectations and associated cost forecasts necessary to operate in the future environment that this General Rate Case examines.

**IV. REBUTTAL TO PARTIES’ O&M PROPOSALS**

**A. Non-Shared Services O&M**

The non-shared O&M costs for Customer Service – Information includes costs for Strategic Communications and Engagement, Customer Programs & Assistance and Customer Solutions organizations. Each area is discussed separately.

**Table BP-2  
Comparison of SoCalGas and Other Intervenors  
TY 2024 Operations & Maintenance (O&M) Expenses**

<b>NON-SHARED O&amp;M - Constant 2021 (\$000)</b>			
	<b>Base Year 2021</b>	<b>Test Year 2024</b>	<b>Change to Base Year 2021</b>
SOCALGAS	21,647	27,177	5,530
CAL ADVOCATES <sup>26</sup>	21,647	4,415	(17,232)
TURN	21,647	23,763	2,116
CEJA	21,647	21,647	0
INDICATED SHIPPERS	21,647	25,966	4,319

<sup>24</sup> TURN did not address SoCalGas’s TY forecast of \$4.108 million for Customer Programs and Assistance. (See Ex. SCG-16 (Brian Prusnek) at 13, Table BP-7.)

<sup>25</sup> Indicated Shippers did not address SoCalGas’s stated business justifications for capital IT project. (See Ex. SCG-16 (Brian Prusnek) at 50-53.)

<sup>26</sup> Includes reductions indicated in both Ex. CA-10 (Mariana Campbell) and Ex. CA-23C (Stephen Castello).



1                   **1. Total Non-Shared O&M**

2                   **a. CEJA**

3                   CEJA recommends that SoCalGas’s requested \$5.53 million increase in Customer  
4 Service - Information costs be denied, stating that the “primary use of this department is to  
5 promote hydrogen other alternative fuel end uses and projects such as its Hydrogen Home, which  
6 constitute promotional advertising, the costs of which are properly borne by SoCalGas  
7 shareholders.”<sup>27</sup> CEJA further states this promotional advertising, and the costs should be borne  
8 by SoCalGas shareholders.<sup>28</sup> CEJA takes issue with the Test Year O&M forecast for all three  
9 areas of Customer Service - Information that includes Strategic Communications and  
10 Engagement, Customer Programs and Assistance, and Customer Solutions.<sup>29</sup>

11                   SoCalGas strongly disagrees with CEJA's statements that the primary purpose of the  
12 Customer Service - Information organization is to advertise for hydrogen alternative fuel end  
13 uses. SoCalGas provided detailed explanations of activities performed by the CS-Information  
14 organization throughout direct testimony. CEJA ignores this and instead misunderstands and  
15 misrepresents the primary objective of these organizations. CEJA makes their recommendations  
16 based on the incorrect assumption that all proposed incremental activities are to promote  
17 hydrogen alternative fuel uses. This is false and misleading. As stated in SoCalGas’s direct  
18 testimony (Ex. SCG-16):

19                   ...these services include providing customer focused and timely  
20 communications regarding environmental and climate policies,  
21 conservation, safety and reliability of the natural gas system, and programs  
22 to help customers manage their energy usage more efficiently and  
23 effectively. Additionally, CS-I services include account management  
24 services for residential, small and medium business, commercial and  
25 industrial customers; clean transportation; energy markets; and, for the  
26 advancement of decarbonization, greenhouse gas emissions (GHGs)  
27 reductions and improvement to local air quality through supporting

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<sup>27</sup> Ex. CEJA-01 (Matthew Vespa) at 4.

<sup>28</sup> *Id.*

<sup>29</sup> Ex. CEJA-01 (Matthew Vespa) at 4, fn. 14.

1 cleaner transportation, renewable gas options and the emerging hydrogen  
2 economy.<sup>30</sup>

3 Further, CEJA's recommendation is not consistent with State policy that approves and  
4 directs the use of hydrogen to combat regional air pollution and climate change. Hydrogen is  
5 key to achieving net zero emissions by 2045 consistent with California's progress to reach its net  
6 zero emissions goal, which is set forth pursuant to Senate Bill (SB) 100, SB 32, SB 350, and  
7 related regulations. SoCalGas's hydrogen position is also supported by Governor Jerry Brown's  
8 Executive Order B-48-18, which calls for 200 hydrogen fueling stations by 2025.<sup>31</sup> Further  
9 discussion and support for SoCalGas's hydrogen position is discussed in the Clean Energy  
10 Innovations Rebuttal Testimony, (Ex. SCG-212).<sup>32</sup>

11 As such, SoCalGas disagrees with CEJA's recommendation because the proposed  
12 incremental activities will not be realized without incremental funding. These new activities, as  
13 described in SoCalGas's direct testimony (Ex. SCG-16), include:

- 14 • Expanding safety communication and outreach methods to engage  
15 and educate customers and contractors;
- 16 • Increasing education for natural gas safety, appropriate appliance  
17 use, carbon monoxide poisoning awareness, and earthquake  
18 preparedness by customers;
- 19 • Incremental non-labor dollars to account for increased costs driven  
20 by Energy Savings Assistance Natural Gas Appliance Testing, in  
21 compliance with Commission directives;
- 22 • Providing additional creative services, graphic design, scheduling,  
23 and production of printed and electronic material necessitated by  
24 increased communications activities;
- 25 • Enhancing research and analysis to help better inform customer  
26 communication preferences, service offerings, content, and trends;

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<sup>30</sup> Ex. SCG-16 (Brian C. Prusnek) at BCP-1.

<sup>31</sup> Office of the Governor of the State of California, Executive Order B-48-18, January 26, 2018, available at: <https://www.library.ca.gov/wp-content/uploads/GovernmentPublications/executive-order-proclamation/39-B-48-18.pdf>.

<sup>32</sup> Ex. SCG-212 (Rebuttal Testimony of Armand Infanzon), May 2023.

- 1 • Expanding digital/social media and text messaging to
- 2 communicate relevant information across more media channels;
- 3 • Expanding safety communication and outreach methods to engage
- 4 and educate customers and contractors;
- 5 • Increasing support and awareness for renewable gas projects and
- 6 offerings; and
- 7 • Responding and educating customers on clean transportation
- 8 products in the heavy-duty trucking, hydrogen fuel vehicles,
- 9 natural gas vehicles, and other transportation sectors.

10 CEJA’s assumption of the Customer Services – Information organization is inaccurate  
11 and invalid, and should not be used to determine the appropriate funding for Customer Services  
12 specific activities and costs. SoCalGas has demonstrated that its forecasting assumptions are  
13 reasonable and justified. The Commission should adopt SoCalGas’s forecast as reasonable.

14 **2. Strategic Communications and Engagement**

15 **a. Cal Advocates**

16 Cal Advocates does not take issue with SoCalGas’s forecast for Strategic  
17 Communications and Engagement.<sup>33</sup> The Commission should adopt SoCalGas’s forecast as  
18 reasonable.

19 **b. TURN**

20 TURN takes issue with the 2024 Test Year O&M forecast for Strategic Communications  
21 and Engagement and Customer Solutions citing a lack of justification for incremental activities  
22 and assumes that SoCalGas is already engaged in them.<sup>34</sup> TURN further states the forecast for  
23 2022 of \$10.412 million was overstated and the organization was underspent by \$2.637 million  
24 in 2022.<sup>35</sup>

25 TURN states Strategic Communications and Engagement has not provided clear and  
26 convincing evidence to increase funding for all of these activities that SoCalGas is already  
27 engaged in.<sup>36</sup> TURN misunderstands that the new and expanded activities described in

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<sup>33</sup> Ex. CA-10 (Mariana Campbell) at 48-49.

<sup>34</sup> Ex. TURN-09 (David Cheng) at 16.

<sup>35</sup> *Id.* at 17.

<sup>36</sup> *Id.*

1 SoCalGas's direct testimony (Ex. SCG-16) are additional activities not previously captured in  
2 historical costs and are necessary to meet the needs and expectations of customers in TY 2024.  
3 Furthermore, the lower spend in 2022, addressed by TURN, is attributable to normal variations  
4 in spending over the General Rate Case (GRC) cycle. TURN's statement is without merit as the  
5 incremental activities are described in direct testimony. SoCalGas disagrees with TURN's  
6 recommendation because the incremental activities will not be realized without incremental  
7 funding. These activities, as described in direct testimony and below, include additional  
8 investments in cybersecurity, cloud application infrastructure, and web services, enhanced  
9 customer communications and breakthrough creative content, increased internal  
10 communications, renewed software licensing fees to support customer research, and updated  
11 messaging, photography, and video assets.

12 **i. SoCalGas Websites and Online Tools**

13 Additional investment in cybersecurity, cloud application infrastructure, web services and  
14 resources are required so that SoCalGas's digital channels can remain available, stable, and  
15 protected from cyber-attacks. These expanded investments will extend cybersecurity services  
16 and provide resources to proactively monitor digital infrastructure and protect customer data  
17 from cyber-attacks that steal data and make websites unavailable to customers. SoCalGas is  
18 seeing a 6.4% year over year average increase in online customer activity on the Company's  
19 websites, and with the accelerated use of SoCalGas's digital channels in recent years, it is  
20 imperative the Company provides a secure, stable, and robust platform for customers to engage  
21 with SoCalGas.

22 With the amplified use of digital channels, there comes a rise in cyber security dangers.<sup>37</sup>  
23 Recent investments in cybersecurity services and resources allowed SoCalGas to maintain a  
24 99.95% site uptime. Cybersecurity tools have stopped over 50 million suspicious requests made  
25 to the SoCalGas website over the last year. If SoCalGas cannot continue investing in  
26 cybersecurity services and resources, cloud-based applications and customer self-service tools  
27 will become more vulnerable to cyber-attacks which are becoming more sophisticated. The  
28 result is increased downtime and the unavailability of SoCalGas's websites and customer self-  
29 service tools which impacts the ability for customers to interact with the Company. Customers

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<sup>37</sup> Ex. SCG-16 (Brian C. Prusnek) at BCP-24.

1 would not have access to mandated safety, regulatory, educational, and utility service-related  
2 information online to help them manage cost and gas usage. Furthermore, customers would not  
3 be able to report gas leaks, conduct transactions online, and their personal information would be  
4 unprotected from cyber criminals who could take over customer online accounts and conduct  
5 other fraudulent activities.

## 6 **ii. Customer Communications**

7 Customer communications includes educational campaigns, direct mail, outreach events,  
8 and sponsorships, which are some examples of how SoCalGas does its part in providing  
9 customers awareness of important safety and utility information. Messages related to public  
10 safety, customer services, programs, and environmental impacts all utilize communication tactics  
11 that provide individuals and businesses the details necessary to make informed decisions about  
12 their energy use and awareness to the role of natural gas.

13 Currently SoCalGas uses traditional advertising channels like TV, radio, billboards, print,  
14 and social media to reach broad audiences. TURN's recommendation to disallow incremental  
15 customer communications funding would impact the level of enhanced customer  
16 communications SoCalGas would be able to provide. The Company's ability to increase the  
17 effectiveness of communications to targeted customers and develop communication campaigns  
18 that leverage technology advancements and digitally optimize to deliver timely and relevant  
19 content and in a variety of languages such as English, Spanish, and various Asian languages  
20 would be lost. Additionally, the development of engaging, breakthrough creative content would  
21 be limited and SoCalGas would not be able to effectively align with the evolving customer  
22 communications needs and expectations to provide engaging and culturally relevant content that  
23 is available on a variety of digital media channels.

## 24 **iii. Internal SoCalGas Communications**

25 Internal communications provide channels and resources that are dedicated to allowing  
26 continued communications and updates between executives and SoCalGas's 8,000+ employees,  
27 as well as critical information about safety, employee-specific news about SoCalGas's business,  
28 infrastructure updates, key initiatives about clean energy, and business operations. TURN's  
29 recommended funding reduction would paralyze the department's ability to produce the  
30 necessary information to keep employees engaged and informed about company initiatives and  
31 critical information to effectively do their jobs and run SoCalGas's business.

1 **iv. Customer Insights & Analytics**

2 Customer research has become, and will remain, an important part of improving all  
3 aspects of customer service. The majority of the request in this area is for technology and  
4 software licensing fees that allow data capture and analysis on Voice of the Customer programs.  
5 TURN’s recommended disallowance would eliminate the department’s ability to collect and  
6 analyze customer feedback related to their service and other interactions with the Company.  
7 SoCalGas relies on this customer feedback to make customer service improvements that directly  
8 benefit ratepayers. The reduction would essentially prevent the organization from being able to  
9 conduct customer research, including mandated research projects such as California Alternate  
10 Rates for Energy (CARE), Energy Savings Assistance Program (ESAP), and Safety.

11 **v. Energy Resources Center Messaging, Photo and Digital**  
12 **Assets**

13 With over 1000 annual Energy Resource Center (ERC) events that SoCalGas conducts to  
14 educate its customers and employees, there is a significant opportunity to provide information  
15 through messaging on wall banners and graphics on to ways to save energy, money on natural  
16 gas bills and the safe use of natural gas. It is important that this messaging be updated to be  
17 relevant. Tours given throughout the ERC by SoCalGas staff are often punctuated with  
18 information contained on the wall banners and graphics. In addition, photography and video  
19 content created internally is used by SoCalGas to support communication of important  
20 information on ways to save energy, money on natural gas bills, and the safe use of natural gas to  
21 its customers and employees. Demand for updated photography and video assets continues to  
22 grow by approximately 20% or more each year.

23 **vi. Creative Services – Creative Design**

24 Creative Services creates design solutions and produces the collateral that is required to  
25 keep SoCalGas’s customers informed and engaged on various updates on a number of topics,  
26 including safety, customer assistance programs, energy efficiency, and clean energy initiatives.  
27 A funding reduction in this area would result in a reduced workforce and greatly impact the  
28 team’s ability to produce the volume of materials that are necessary to keep customers informed  
29 on important information. Customers rely on this information to stay safe, stay informed about  
30 programs that can help manage their energy usage, and for help in providing bill solutions.  
31 Customers would be unable to receive the necessary information they need to make informed  
32 decisions for their households.

1           TURN’s recommended disallowance of \$2.253 million for Strategic Communications  
2 and Engagement O&M<sup>38</sup> should be rejected and the Commission should adopt SoCalGas’s  
3 forecast as reasonable.

### 4                           **3.       Customer Solutions**

#### 5                                   **a.       Cal Advocates**

6           Cal Advocates recommends adjusting the shared forecast for Customer Solutions by  
7 removing nonlabor expenses associated with the Innovative Kitchen Management Pilot Project.<sup>39</sup>  
8 However, Cal Advocates fails to mention the funding reduction of \$1.024 million related to this  
9 program for the TY 2024 reflects a decrease to the pilot scope from 100 commercial kitchen sites  
10 to 25 commercial kitchen sites.<sup>40</sup>

11           Cal Advocates claims that the project will only benefit certain customers in the  
12 commercial and food industry. Cal Advocates takes issue with the Test Year O&M forecast for  
13 the Kitchen Innovative Management Pilot. Cal Advocates states that the pilot program is a  
14 burden on residential customers and that it is improper to request ratepayer funds to pay for this  
15 type of pilot project without presenting any incentive and clear benefits to residential and other  
16 than Commercial and food industry.<sup>41</sup>

17           SoCalGas disagrees with Cal Advocates assumption, as the project will lead to benefits  
18 for several types of customer segments including residential customers as stated in SoCalGas’s  
19 direct testimony (Ex. SCG-16).<sup>42</sup> The Innovative Kitchen Management Test and Learn Project’s  
20 purpose is to identify and measure relatively small amounts of fugitive methane emissions within  
21 the commercial food service sector. This process motivates the repair or replacement of  
22 problematic apparatuses and components. The project provides information allowing for a better  
23 understanding of the contributors to inefficiency, including the effects of aging appliances,  
24 improper installation practices, maintenance, cleanliness, etc. The data and knowledge collected  
25 from the project is not isolated to the commercial food service sector. Results will serve as a  
26 compass in the exploration of other opportunities to identify and mitigate ambient methane

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<sup>38</sup> Ex. TURN-09 (David Cheng) at 17.

<sup>39</sup> Ex. CA-10 (Mariana Campbell) at 7, 51.

<sup>40</sup> Ex. SCG-16-WP-R (Prusnek) at 28.

<sup>41</sup> Ex. CA-10 (Mariana Campbell) at 51.

<sup>42</sup> Ex. SCG-16 (Brian C. Prusnek) at BCP-47.

1 emissions in other areas, i.e., residential, hospital, learning institutions, hotels, industries, etc.  
2 The Innovative Kitchen Management Test and Learn Project benefits residential customers in  
3 various other areas described below.

4 **i. GHG Reduction**

5 In April 2022, the Environmental Protection Agency (EPA) released a report on US total  
6 greenhouse gas (GHG) emissions. The report indicated the total GHG emission was 5,981  
7 million tons of CO<sub>2</sub>. In 2020, 13% of GHG emissions were from the commercial (7%) and  
8 residential (6%) sectors.<sup>43</sup> Direct emissions from these sectors include space heating, cooking,  
9 water heating, steam generation, and behind-the-meter gas leaks (includes valves, pipelines and  
10 appliances). In 2022, the California Air Resource Board reported that the commercial sector  
11 contributed 6% of GHG Emissions, while the residential sector contributed 8%.<sup>44</sup>

12 GHG reduction realized from the Innovative Kitchen Management Test and Learn  
13 Project and its potential progeny will contribute to California’s carbon neutral goal.  
14 Methodologies utilized in the implementation of the Innovative Kitchen Management Pilot for  
15 identifying and measuring ambient methane emissions will be used as a baseline approach to  
16 other areas, i.e., residential and other commercial segments. For example, the propensity model  
17 to identify customers more likely to exhibit ambient appliance leaks in the food service industry  
18 can be extrapolated for use in other segments. While modification can be limited to the actual  
19 usage data in the development of the model, the formula will remain the same. Inflation and  
20 Restaurant Costs affect everyone.

21 U.S. restaurants, faced with higher operating costs, are raising menu prices at a much  
22 faster pace than previously observed.<sup>45</sup> Restaurants work hard to maintain reasonable profits,  
23 resulting in potential delays with regard to important equipment maintenance checks. Problems

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<sup>43</sup> Environmental Protection Agency: *Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2020 – Executive Summary*, at ES-21, available at: <https://www.epa.gov/system/files/documents/2022-04/us-ghg-inventory-2022-chapter-executive-summary.pdf>.

<sup>44</sup> California Air Resources Board, *Current California GHG Emission Inventory Data* (2022 Edition), available at: <https://ww2.arb.ca.gov/ghg-inventory-data>.

<sup>45</sup> Alaska Journal of Commerce, *Alaska Journal Inflation on the Menu as US Restaurants Pass on Soaring Costs*, June 30, 2021, available at: <https://www.alaskajournal.com/2021-06-30/inflation-menu-us-restaurants-pass-soaring-costs#:~:text=U.S.%20restaurants%2C%20faced%20with%20higher%20food%20and%20labor,5%20percent%20in%20the%20past%20few%20weeks%20alone.>



1 such as incomplete combustion can be a result of improperly maintained equipment, resulting in  
2 unfavorable release of gases to the environment and higher utility procurement costs. Owners  
3 may not realize the effects of incomplete combustion on utility bills automatically passing those  
4 costs on to their patrons. The Innovative Kitchen Management Test and Learn project is a tool  
5 that identifies these inefficiencies and mitigates the attendant problems, thereby avoiding cost  
6 increases that must pass to the eventual consumer.

7 **ii. Safety**

8 The Innovative Kitchen Management Test and Learn Project is collecting low level  
9 emission data from various types of natural gas equipment with an eye toward developing a  
10 methane emission “predictive model”. This model will provide the ability to anticipate leakage  
11 and remediate problems before they occur. This will, in the future, allow the same effort to be  
12 applied to all users as the anticipated expansion to residential and other commercial assets flows  
13 from this origin. This project provides the ability to not only save resources and money but will  
14 undoubtedly make for a safer and cleaner environment.

15 **b. TURN**

16 TURN takes issue with the Test Year 2024 O&M forecast for Customer Solutions,  
17 claiming that SoCalGas has not provided clear and convincing evidence to increase funding for  
18 all of these activities that SoCalGas is already engaged in.<sup>46</sup> Additionally, TURN states that  
19 2022 recorded spending was lower than forecasted by \$1.583 million.<sup>47</sup> TURN misunderstands  
20 that the new and expanded activities described in SoCalGas’s direct testimony (Ex. SCG-16) are  
21 additional activities not previously captured in historical costs and are necessary to meet the  
22 needs and expectations of customers in TY 2024. Furthermore, TURN’s statement regarding a  
23 lower spend in the 2022 forecast year points to nothing more than normal variation in spending  
24 over the GRC cycle.

25 SoCalGas disagrees with TURN’s recommended reductions because without the  
26 incremental funding requested, the incremental activities will not be realized. These new  
27 activities, as described in SoCalGas’s direct testimony (Ex. SCG-16) include:

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<sup>46</sup> Ex. TURN-09 (David Cheng) at 17.

<sup>47</sup> *Id.*

- 1 • Climate change policies – Supporting the State’s climate change policy  
2 initiatives directly impact all customer segments. Natural gas customers  
3 need guidance, support, and online tools to help align their energy needs  
4 with the current environmental policies,
- 5 • Customer demand from a continuing increase in the number of customers  
6 that operate hydrogen fuel cell vehicles (FCVs), hydrogen fueling stations,  
7 renewable natural gas vehicles (RNGVs) and RNGV fueling stations  
8 requiring customer information, education, training and associated  
9 products and services,
- 10 • Hydrogen economy/Carbon Capture Utilization and Storage,  
11 • Renewable gas interconnections and tariffs (Rule 45 & SB 1440), and  
12 • Commercial Benchmarking and Public Disclosure Program.

13 TURN’s recommended disallowance of \$1.211 million for Customer Solutions O&M  
14 should be rejected and the Commission should adopt SoCalGas’s forecast as reasonable.

15 **c. Indicated Shippers**

16 Indicated Shippers takes issue with SoCalGas’s TY 2024 forecast for Customer Solutions  
17 and recommends removing \$1.211 million associated with the Clean Fuels Transportation  
18 Program, claiming the costs are not related to providing natural gas service.<sup>48</sup> However,  
19 Indicated Shippers takes no issue with the remaining incremental costs in the Customer Solutions  
20 area.

21 Indicated Shippers argues that the implementation of the Clean Transportation Program  
22 customer information and education on the topic of new and existing Clean Transportation-  
23 related products and services are not directly providing gas delivery service and therefore should  
24 not be funded.<sup>49</sup>

25 SoCalGas asserts that the Commission committed to providing reasonable funding for  
26 such utility customer education programs<sup>50</sup>, and previously reviewed and approved of these

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<sup>48</sup> Ex. IS-02 (Michael P. Gorman) at 9, Schedule MPG-2.

<sup>49</sup> Ex. IS-02 (Michael P. Gorman) at 9.

<sup>50</sup> Decision (D.) 05-05-010 at 13, 15 (Finding of Fact 4).

1 programs in previous GRCs.<sup>51</sup> Furthermore, Indicated Shippers contradicts their own argument  
2 by referencing Section 399.20(f)(2)(D) of the Public Utilities Code in its intervenor testimony.  
3 Section 399.20(f)(2)(D) states, “[t]he Commission shall encourage gas and electrical  
4 corporations to develop and offer programs and services to facilitate development of in-state  
5 biogas for a broad range of purposes.”<sup>52</sup> As was stated in my direct testimony, the Clean  
6 Transportation group plays a key role in facilitating the increasing transition from diesel-fueled  
7 vehicles to cleaner RNGVs in the transportation sector, as well as the expansion of private and  
8 public RNGV stations.

9 As such, Indicated Shippers’ argument is inconsistent with previous GRC decisions and  
10 the Public Utilities Code and should be rejected. SoCalGas has demonstrated that its forecasting  
11 assumptions are reasonable and justified. The Commission should adopt SoCalGas’s forecast as  
12 reasonable.

## 13 **V. REBUTTAL TO PARTIES’ CAPITAL PROPOSALS**

### 14 **A. Disputed Capital IT Projects**

15 No party disputed the business justifications for capital IT projects provided within  
16 Customer Service Information. SoCalGas has demonstrated that its business justifications are  
17 reasonable and justified. The Commission should adopt SoCalGas’s capital IT projects forecast  
18 as reasonable.

## 19 **VI. CONCLUSION**

20 For the reasons described above, the intervening parties (Cal Advocates, TURN, CEJA,  
21 and Indicated Shippers) have failed to show their proposals are valid or superior  
22 recommendations that should be adopted by the Commission. Any reduction to SoCalGas’s TY  
23 2024 forecast for Customer Services – Information is unwarranted and should be rejected.

24 This concludes my prepared rebuttal testimony.  
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<sup>51</sup> D.19-09-051 at 359.

<sup>52</sup> Pub. Util. Code § 399.20(f)(2)(D).

**APPENDIX A**  
**GLOSSARY OF TERMS**

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**GLOSSARY OF TERMS**

<b><u>ACRONYM</u></b>	<b><u>DEFINITION</u></b>
ACCUMA	Avoided Cost Calculator Update Memorandum Account
ACT	Advanced Clean Trucks
AR	Account Representative
BY	Base Year
Cal Advocates	The Public Advocates Office of the California Public Utilities Commission
CARE	California Alternate Rates for Energy
CEJA	California Environmental Justice Alliance
CEP	Customer Experience Project
CPUC	California Public Utilities Commission
D	Decision
EPA	Environmental Protection Agency
ERC	Energy Resource Center
ESAP	Energy Savings Assistance Program
Ex	Exhibit
FVC	Fuel Cell Vehicle
GHG	Greenhouse Gas
GRC	General Rate Case
IS	Indicated Shippers
IT	Information Technology
O&M	Operations and Maintenance
RNGV	Renewable Natural Gas Vehicle
SB	Senate Bill
SDG&E	San Diego Gas & Electric Company
Sempra	Sempra Energy
SoCalGas	Southern California Gas Company
TURN	The Utility Reform Network
TY	Test Year
WP	Workpaper