

Company: Southern California Gas Company (U 904 G)
Proceeding: 2024 General Rate Case
Application: A.22-05-015/-016 (cons.)
Exhibit: SCG-28-R-E

REVISED
PREPARED DIRECT TESTIMONY OF
ABIGAIL M. NISHIMOTO
(PEOPLE AND CULTURE DEPARTMENT)

ERRATA

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



~~August 2022~~ May 2023

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Appendix A – Glossary of Terms

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SUMMARY

TY 2024 Summary of Total O&M Costs

PEOPLE AND CULTURE DEPARTMENT (In 2021 \$)			
	2021 Adjusted- Recorded (000s)	Estimated TY¹ 2024 (000s)	Change (000s)
Total Non-Shared Services	44,56444,850	48,61049,297	4,0464,447
Total Shared Services (Incurred)	324	324	0
Total O&M	44,88845,174	48,93449,621	4,0464,447

TY 2024 Summary of Total IT Capital Costs

INFORMATION TECHNOLOGY (in 2021\$)			
Capital	Estimated 2022 (\$000)	Estimated 2023 (\$000)	Estimated TY 2024 (\$000)
Total IT Capital	6,705	7,503	7,582

Summary of Requests

Southern California Gas Company's (SoCalGas or the Company) forecasted Test Year (TY) 2024 General Rate Case (GRC) request for the People and Culture Department is \$49.6 million as compared to 2021 adjusted recorded of \$45.2 million, for an increase of \$4.4 million. Refer to Table AN-1. The People and Culture Department costs included in this request are gross direct operations and maintenance (O&M) costs prior to any reassignments. This testimony also provides the business justification for four information technology (IT) capital projects. Below is a summary of requests for the People and Culture Department:

- Additional personnel are requested throughout the Human Resources group to support expanded responsibilities related to changing regulations and compliance needs, a larger SoCalGas workforce, and new initiatives.
- Funding is requested over the next three years to update database capabilities, complete digitization, and validate assessments and testing.

¹ Due to errors discovered after rebuttal testimony (Ex. SCG-228), SoCalGas corrected the adjusted recorded costs for 2017-2021 and the estimated TY 2024 forecast to remove non-GRC costs. The correction is also reflected in the SoCalGas People & Culture Department errata workpapers (Ex. SCG-28-WP-R-E).

- Workers Compensation and Long-Term Disability costs were a significant portion of the overall increase. These cost increases are due to labor and non-labor escalation and medical premium escalation.
- Non-labor and personnel funding is requested to support the Diversity, Equity, and Inclusion components of the SoCalGas sustainability strategy.
- The Performance Management and Organizational Strategy team has Risk Assessment Mitigation Phase (RAMP) related requests for additional personnel to help identify and overcome workforce gaps in critical roles within the organization.

**ERRATA REVISED PREPARED DIRECT TESTIMONY OF
ABIGAIL NISHIMOTO
(PEOPLE AND CULTURE DEPARTMENT)**

I. INTRODUCTION

A. Summary of People and Culture Department Costs and Activities

My testimony supports the Test Year 2024 forecasts for operations and maintenance (O&M) costs for both non-shared and shared services, and the business justification for IT capital costs for the forecast years 2022, 2023, and 2024 associated with the People and Culture Department for SoCalGas. Table AN-1 summarizes my sponsored costs and Table AN-2 summarizes the IT Capital project costs for which I sponsor the business justification.

**TABLE AN-1
TY 2024 Summary of Total O&M Costs**

PEOPLE AND CULTURE DEPARTMENT (In 2021 \$)			
Shown in Thousands of 2021 Dollars	2021 Adjusted- Recorded (000s)	TY 2024 Estimated (000s)	Change (000s)
Total Non-Shared Services	<u>44,56444,850</u>	<u>48,61049,297</u>	<u>4,0464,447</u>
Total Shared Services (Incurred)	324	324	0
Total O&M	<u>44,88845,174</u>	<u>48,93449,621</u>	<u>4,0464,447</u>

**TABLE AN-2
TY 2024 Summary of Total Capital IT Costs**

INFORMATION TECHNOLOGY (in 2021\$)			
Capital	Estimated 2022 (\$000)	Estimated 2023 (\$000)	Estimated TY 2024 (\$000)
Total IT Capital	6,705	7,503	7,582

To advance SoCalGas's mission to become the cleanest, safest, and most innovative energy company in America, the Company requires its employees to possess the qualifications, experience, and skills necessary to perform their work safely and effectively. People and Culture is responsible for three key areas of responsibility: (1) sourcing, hiring, developing, training, and retaining employees, (2) establishing, implementing, and managing related programs, policies, and guidelines to ensure compliance and alignment to best practices, and (3) administering and managing SoCalGas's Long-Term Disability program, wellness programs, drug and alcohol testing/compliance programs, leave and absence policies, and self-insured workers' compensation program.

1 **B. Support To and From Other Witnesses**

2 My testimony also references the testimony and workpapers of several other witnesses,
3 either in support of their testimony or as referential support for mine. A quick reference list is
4 detailed below:

- 5 • Sustainability and Climate Policy testimony of Michelle Sim and Naim Jonathan
6 Peress (Exhibit (Ex.) SCG-02, Chapter 1 and Chapter 2)
- 7 • RAMP to GRC Integration testimony of R. Scott Pearson and Gregory S. Flores
8 (Ex. SCG-03/SDG&E-03, Chapter 2)
- 9 • Information Technology testimony of William J. Exon (Capital) (Ex. SCG-21,
10 Chapter), Capital Workpapers (Ex. SCG-21-CWP)
- 11 • Corporate Center - Compensation & Benefits testimony of Debbie Robinson (Ex.
12 SCG-25/SDG&E-29)
- 13 • Safety Management System testimony of Neena Master (Ex. SCG-27)
- 14 • Shared Services Billing, Shared Assets Billing, Segmentation, & Capital
15 Reassignments testimony of Angel Le and Paul Malin (Ex. SCG-30/SDG&E-34)

16 **C. Organization of Testimony**

17 My testimony is organized as follows:

- 18 • Introduction
- 19 • Risk Assessment Mitigation Phase Integration
- 20 • Sustainability and Safety Culture
- 21 • Non-Shared Costs for each department:
 - 22 ○ Human Resources
 - 23 ○ Diversity, Equity, and Inclusion
 - 24 ○ Performance Management and Organizational Strategy
 - 25 ○ Executive Offices
- 26 • Shared Costs
- 27 • Business Justification for IT Capital Projects
- 28 • Conclusion
- 29 • Witness Qualifications

II. RISK ASSESSMENT MITIGATION PHASE INTEGRATION

Certain costs supported in my testimony are driven by activities described in SoCalGas and SDG&E's respective 2021 RAMP Reports (the 2021 RAMP Reports).² The 2021 RAMP Reports presented an assessment of the key safety risks for SoCalGas and SDG&E and proposed plans for mitigating those risks. As discussed in the testimony of the RAMP to GRC Integration witnesses R. Scott Pearson and Gregory S. Flores (Ex. SCG-03/SDG&E-03, Chapter 2), the costs of risk mitigation projects and programs were translated from the 2021 RAMP Reports into the individual witness areas.

In the course of preparing the People and Culture Department GRC forecasts, SoCalGas continued to evaluate the scope, schedule, resource requirements, and synergies of RAMP-related projects and programs. Therefore, the final presentation of RAMP costs may differ from the ranges shown in the 2021 RAMP Reports. Table AN-3 provides summaries of the RAMP-related costs supported in my testimony.

TABLE AN-3
Summary of RAMP O&M Costs³

PEOPLE AND CULTURE DEPARTMENT Summary of RAMP O&M Costs (In 2021 \$)	BY 2021 Embedded Base Costs (000s)	TY 2024 Estimated Total (000s)	TY 2024 Estimated Incremental (000s)
RAMP Risk Chapter			
SCG-Risk-5 Incident Involving an Employee	1,854	1,907	53
Sub-total	1,854	1,907	53
RAMP Cross-Functional Factor (CFF) Chapter			
SCG-CFF-7 Workforce Planning / Qualified Workforce	2,030	2,393	363
Sub-total	2,030	2,393	363
Total RAMP O&M Costs	3,884	4,300	416

² See Application (A.) 21-05-011/-014 (cons.) (RAMP Proceeding). Please refer to the RAMP to GRC Integration testimony of R. Scott Pearson and Gregory S. Flores (Ex. SCG-03/SDG&E-03, Chapter 2) for more details regarding the 2021 RAMP Reports.

³ 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 R. Scott Pearson and Gregory S. Flores (Ex. SCG-03/SDG&E-03, Chapter 2).

A. RAMP Risk and Cross-Functional Factor Overview

As summarized in Table AN-3 above, my testimony includes costs to mitigate the safety-related risks and cross-functional factors (CFF) included in the RAMP report.⁴ These risks and factors are further described in Table AN-4 below:

TABLE AN-4
RAMP Risk and CFF Chapter Description

SCG-Risk-5 – Incident Involving an Employee (IIE)	The IIE risk is defined as -the risk of conditions and practices that may lead to an incident that threatens the safety of a SoCalGas employee, contractor or the public caused by non-adherence to Company policies, procedures, and programs, or by external factors.
SCG-CFF-7 – Workforce Planning/ Qualified Workforce	The Workforce Planning/Qualified Workforce CFF addresses the objective of having an appropriate number of employees with the right skills to meet business needs. Many factors impact the Company’s ability to recruit, retain, and train qualified employees.

In developing my request, priority was given to these key safety risks to assess which risk mitigation activities the People and Culture Department currently performs and what incremental efforts are needed to further mitigate these risks. While developing the GRC forecasts, SoCalGas evaluated the scope, schedule, resource requirement, and synergies of RAMP-related projects and programs to determine costs already covered in the base year and those that are incremental increases expected in the test year.

Messrs. Pearson and Flores (Ex. SCG-03/SDG&E-03, Chapter 2) discuss all the risks and CFFs included in the 2021 RAMP Reports and the RAMP to GRC integration process.

B. GRC Risk and CFF Activities

Table AN-5 below provides a narrative summary of the forecasted RAMP-related activities that I sponsor in my testimony.

⁴ Unless otherwise indicated, references to the 2021 RAMP Report refer to SoCalGas’s respective RAMP Report.

TABLE AN-5
Summary of RAMP Risk and CFF Activities

RAMP ID	Activity	Description
SCG-Risk-5-C02	Drug and Alcohol Testing Programs	SoCalGas has implemented an employee drug and alcohol testing program managed in accordance with state and federal regulations. The Company's Substance Abuse and Testing (Fitness-For-Duty and Reasonable Cause) Policy (Substance Abuse Policy), prohibits the use and/or possession of alcohol during working hours or reporting to work with alcohol, illegal drugs, or impairing prescribed controlled substances in the system.
SCG-Risk-5-C03	Employee Wellness Programs	The objective of SoCalGas's Employee wellness programs is to design comprehensive "Wellbeing" programs that reflect the Company's commitment to employees and their social communities. Further, wellness programs build a culture of health and safety at work and in personal life.
SCG-Risk-5-C09	Utilizing Industry Best Practices and Benchmarking	SoCalGas collaborates through participation in various industry groups to benchmark with other utilities, industries, and leaders in safety performance. SoCalGas benefits from building relationships with other safety leaders, accessing best practices on employee and contractor safety, and benchmarking on leading indicators and key safety program elements.
SCG-CFF-7-01	Workforce Planning / Qualified Workforce	Workforce Planning provides SoCalGas with the ability to identify, focus on, and

RAMP ID	Activity	Description
		overcome workforce gaps in critical roles within the organization. Critical roles are roles that have significant safety and operational consequences (e.g., roles in departments such as System Protection, Gas Operations, Customer Services, etc.). Workforce Planning also helps with employee development so that employees have the right skills for current and future jobs within SoCalGas.

These activities are discussed further below in Section IV.A.3., Section IV.B, and Section IV.C, as well as in my workpapers. For additional information and a roadmap, please refer to Appendix B, which contains a table identifying by workpaper the TY 2024 forecast dollars associated with activities in the 2021 RAMP Report that are discussed in this testimony.

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. 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, Chapter 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, Chapter 2 provides a complete list of the feedback and recommendations received and the Companies' responses.

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

5 **III. SUSTAINABILITY AND SAFETY CULTURE**

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

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

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

24 SoCalGas's approach to safety is one of continuous learning and improvement where all
25 employees and contractors are encouraged and expected to engage in areas of opportunity for
26 learning and promote open dialogue where learning can take place. To learn about SoCalGas's
27 overall safety approach please see the Safety & Risk Management System testimony of Neena
28 Master (Ex. SCG-27).

29 A key part of the SoCalGas sustainability strategy is a commitment to diversity, equity,
30 and inclusion. As described below, my testimony area includes requests for resources to support
31 the company's DE&I initiatives. The funds and headcount requested will support company
32 efforts around the creation and support of Employee Resource Groups, training and diversity

1 events for employees, and data and analytics reporting around diversity-related metrics. These
2 activities are aligned with the company's strategic goals focused on managing and enhancing
3 diversity, equity, inclusion, and belonging at SoCalGas.

4 Additionally, the goals and commitments of SoCalGas's Aspire 2045 initiative require an
5 agile, well-trained workforce. The Human Resources department is essential in sourcing, hiring,
6 training, and supporting employees who are equipped to meet these ambitious goals. Additional
7 headcount in targeted areas of Human Resources will allow the organization to properly staff and
8 train employees who are integral to our ability to reach sustainability goals.

9 Creating a safety culture requires the right people at the right job with the right skills.
10 The Human Resources function at SoCalGas supports the safety culture by attracting,
11 developing, and retaining employees who have the skills and abilities to operate and maintain a
12 safe and reliable system. To achieve the accountability of enhancing the safety culture, the
13 Human Resources function is responsible for performance management, organizational
14 effectiveness, and employee wellness. SoCalGas develops training plans by job classification
15 that include courses required to perform skilled work, meet company objectives, and satisfy
16 required compliance training. Each department is responsible for maintaining training plans and
17 ensuring employees complete initial and annual training requirements. Training plans are
18 maintained in SoCalGas's Learning Management System (Cornerstone) and accessed by
19 supervisors and employees through the MyInfo application. Additional information regarding
20 technical and safety training can be found in the Safety Management System testimony of Neena
21 Master (Ex. SCG-27). Maintenance of Department of Transportation (DOT) required programs
22 as well as other employee wellness campaigns are priorities of the Wellness department within
23 Human Resources. Through these various efforts, Human Resources is committed to
24 maintaining employee, contractor, customer, and public safety.

25 **IV. NON-SHARED COSTS**

26 "Non-Shared Services" are activities that are performed by a utility solely for its own
27 benefit. Sempra Energy (Sempra) provides certain services to the utilities and to other
28 subsidiaries. For purposes of this general rate case, SoCalGas treats costs for services received
29 from Sempra as Non-Shared Services costs, consistent with any other outside vendor costs
30 incurred by the utility. Table AN-6 summarizes the total non-shared O&M forecasts for the
31 listed cost categories.

TABLE AN-6
Non-Shared O&M Summary of Costs

PEOPLE AND CULTURE DEPARTMENT (In 2021 \$)			
Categories of Management	2021 Adjusted- Recorded (000s)	TY 2024 Estimated (000s)	Change (000s)
SCG Director HR Services / WC & LTD	32,680 32,965	35,647 36,258	2,967 3,293
SCG Director Labor Relations & Wellness	3,046	3,382 3,457	336 411
SCG Director Org Effectiveness	2,988	3,143	155
SCG Director Diversity, Equity and Inclusion	638	886	248
SCG Director Performance & Organizational Strategy	1,207	1,547	340
SCG Executive Offices	4,005 4,006	4,005 4,006	0
Total Non-Shared Services	44,56444,850	48,61049,297	4,0464,447

A. Human Resources Department

It is the responsibility of the SoCalGas Human Resources organization to source, develop, and retain employees with the experience, qualifications, and skills necessary to ensure the safe, reliable delivery of natural gas services to SoCalGas's 21.8 million consumers. SoCalGas's Human Resources organization is comprised of the following departments: 1) HR and Employee Services 2) Labor Relations & Wellness, and 3) Organizational Effectiveness.

1. HR & Employee Services

TABLE AN-7
Summary of HR & Employee Services Costs

SCG Director HR Services	2021 Adjusted- Recorded (000s)	TY 2024 Estimated (000s)	Change (000s)
1. SCG Director HR Services	10,833 11,118	12,172 12,457	1,339
Total	10,83311,118	12,17212,457	1,339

a. Description of Costs and Underlying Activities

The HR & Employee Services department is comprised of nine teams, including: Compensation, Employee Care Services, Ethics & Workplace Investigations, HR Business Partner, HR Research & Analysis, HR Services Operations, HRIS & ECS Systems, and Staffing.

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Compensation maintains an extensive centralized portfolio of job descriptions and undertakes a periodic review of the job descriptions to ensure internal equity and external competitiveness in job leveling. The team performs market studies so SoCalGas can provide competitive and legally compliant compensation, administer performance driven incentive rewards, and maintain effective recognition programs, all of which are a crucial element in attracting, retaining, and motivating a high performing workforce. SoCalGas's incentive programs are designed to pay for both organizational and individual performance, which helps motivate employees to perform at their best to achieve key business objectives. This team also develops Human Resources-related communications to management, supervisors, and the SoCalGas workforce.

The Employee Care Services (ECS) team is responsible for managing and administering Workers' Compensation programs, short- and long-term disability, leaves of absence, and return to work programs, including statutory leaves of absence under the federal Family Medical Leave Act (FMLA), the California Family Rights Act (CFRA), California's Pregnancy Disability Leave Law (PDL), as well as temporary modified duty placements, and reasonable accommodations under the Americans with Disabilities Act (ADA), and the California Fair Employment and Housing Act (FEHA).

ECS manages cases in a regulated, time-sensitive, and complex environment. Employee leave and absence-related benefits are delivered in an integrated manner providing employees with a single point of contact. In addition to managing and administering these programs, ECS also provides guidance to employees, supervisors, and managers on leave of absence, return-to-work, and disability-related issues. The Workers' Compensation and Long-Term Disability costs are presented in the next section of this Testimony.

iii. Ethics and Workplace Investigations

The Ethics & Workplace Investigations team is responsible for investigating complaints from employees, contractors, customers, and other sources involving alleged violations of laws, regulations, company policies (including those prohibiting discrimination, harassment, retaliation, and workplace bullying), and the company's Code of Conduct. The team also responds to all complaints submitted to the EEOC (Equal Employment Opportunity Commission) and DFEH (Dept of Fair Employment & Housing), working both autonomously and collaboratively with business leaders, Human Resources, Labor Relations, Internal Audit, Corporate Security, and Legal, and regularly interacting with employees at all levels to build understanding, transparency, and trust around the company's investigation function.

iv. HR Business Partner

The HR Business Partner team serves as the primary point of contact on strategic human resources issues for utility leadership for non-represented employees. The team includes HR Business Partners (HRBP) and HR Associates (HRA) who work closely with all organizations to ensure that the development and implementation of a strategic human resources plan aligns with the organization's short and long-term business plans. The HR Business Partner team provides coaching and guidance on complex human resource issues including employee relations, reorganizations, workforce planning, career development, and employee recognition.

HRBPs and HRAs also provide interpretation on company policies as well as compliance guidance with state and federal laws and regulations affecting employment. They further mitigate risk by responding to and conducting internal investigations on complaints involving employee relations issues and perceived inappropriate, unethical, or unfair treatment. As the technical expert on HR issues, the Business Partner team provides counsel and advises on performance management, disciplinary actions, compensation administration, and company policies. The team partners and coordinates with other HR functional departments to ensure SoCalGas receives the highest level of human resources support.

v. HR Research & Analysis

The HR Research & Analysis team is responsible for establishing and validating the appropriateness of criteria used to assess employee qualifications for jobs within SoCalGas. Pre-employment testing, such as work behavior and aptitude testing, is administered by the team. This work helps ensure that individuals hired into SoCalGas have the right skills, abilities and

1 job-related training and experience to perform their jobs effectively. The staff is also responsible
2 for the development, maintenance, and validation of assessments used for the internal and
3 external selection of applicants and to make certain that process and assessments are legally
4 compliant. This staff also conducts workforce trend analyses, forecasts workforce needs, and
5 supports leadership in conducting skills-gap analyses.

6 **vi. HR Services Operations**

7 The HR Services Operations team is responsible for the management and retention of all
8 employee personnel records. HR Services Operations maintains employee records and updates
9 records to reflect new hires, promotions, transfers, and other moves. HR Services Operations
10 also provides leadership and guidance to the organization on the administration of pay, time off
11 accruals, adjustments to job assignments, and resolution of pay issues involving employee
12 records. The department addresses adjustments to leave accruals in the timekeeping system and
13 is responsible for record management and retention of both hard and electronic copies of
14 employee records. This team is also responsible for responding to requests by employees and
15 third parties to produce employee files.

16 **vii. HRIS & ECS Systems**

17 The HR Information Systems (HRIS) team is the portion of the HRIS & ECS Systems
18 team that is a non-shared service, with the ECS Systems portion described in the Shared Services
19 section of this testimony. The system reporting duties performed by HRIS include supplying
20 reports requested by various departments across the organization, maintaining the internal bid
21 system employees utilize to apply for represented positions at SoCalGas, the application of
22 analytics to support union negotiations, and pulling data for various HR reporting and
23 benchmarking efforts.

24 **viii. Staffing**

25 The Staffing team manages the recruitment and selection of a qualified and diverse
26 workforce, while ensuring compliance with legal requirements throughout the staffing process.
27 The team conducts internal and external recruitment activities for all positions; partners with
28 colleges, veteran and disability support groups, and local communities to source qualified and
29 diverse candidates to fill job vacancies. Staffing ensures the selection and hiring process
30 complies with the legal requirements of the Equal Employment Opportunity Commission and
31 Department of Labor's Office of Federal Contract Compliance Programs (OFCCP). This

1 includes maintaining applicant tracking in accordance with the OFCCP, following DOT
2 requirements when performing pre-employment drug testing, and completing the documentation
3 required by the Department of Homeland Security (DHS). Staffing also facilitates union position
4 placements (both moves and transfers) by applying eligibility and seniority rules as specified in
5 the Collective Bargaining Agreement (CBA).

6 As part of the recruitment process, Staffing manages the company-wide relocation
7 program, which provides assistance and resources for job-related geographic moves for new, out-
8 of-area employees and internal transfers.

9 Staffing also provides guidance and support to organizations that train individuals in the
10 underserved communities of Southern California in jobs that can lead to future careers in the
11 utility industry. The team collaborates with local community partners to identify and train
12 potential candidates for highly skilled trades. Additionally, the team collaborates with
13 community-based agencies, workforce investment boards and community colleges to develop
14 classes and training programs to prepare young adults to work in the utility industry.

15 **b. Forecast Method**

16 The forecast method chosen for this category is base year recorded costs. This method
17 was selected as the recorded costs for 2021 most appropriately reflect the expected staffing levels
18 and non-labor requirements to operate this area. The drivers for using the base year recorded
19 costs methodology include:

- 20 • The function of this area has changed in recent years primarily due to increases in
21 regulatory requirements, increases in Workers Compensation and Long-Term
22 Disability cases, additional hiring, additional reporting requirements, and the
23 expansion of the Ethics & Investigations team. The base year is representative of
24 our expectations for the 2024 test year.
- 25 • This area is not heavily influenced by external factors that would require a
26 different forecast method.

27 **c. Cost Drivers**

28 For HR & Employee Services, the cost drivers behind this forecast are the labor and non-
29 labor costs for one (1) Director, seven (7) Managers, eighty-nine (89) management, and seven
30 (7) associate employees.

i. Increased Workforce

The incremental labor costs for HR & Employee Services are associated with adding the following nine (9) positions in TY 2024:

- The Compensation team plans to add one (1) Compensation Advisor at \$134,000 in labor costs to support increased workforce, optimization, continuous improvement opportunities which require new job profiles and job evaluations, and six (6) new initiatives:
 - Analysis and implementation of new Pay Equity tool
 - Analysis and implementation of new MRR structure (multi-year “Compensation Foundations” initiative)
 - Gas Acquisition Incentive Plan Analysis and Revision
 - Implementation of Job Description Xpert (JDX) across multiple divisions (multi-year initiative) including comprehensive compensation analysis
 - Engineering Focus: Implementation of Engineer Career Progression
 - Engineering Focus: Development of Engineer Pay long-term strategy
- The Employee Care Services (ECS) team plans to add one (1) Claims Associate for \$56,000 due to California Senate Bill SB1127, which reduces the timeframe for Workers’ Compensation determinations from 90 to 60 days, and results in an increase in additional reporting and shorter timeframe for investigations and payments.
- The Ethics & Workplace Investigations team plans to add one (1) Workplace Investigator at \$134,000 in labor costs to support the timely investigation of internal workplace complaints raised by employees, vendors and/or customers.
- The HR Business Partners team plans to add one (1) HR Advisor at \$134,000 in labor costs. This resource is needed to maintain appropriate ratio levels between HRAs and clients, and properly support organizational initiatives and client needs. This incremental support is required to properly support personnel and human resources issues.
- The HR Business Partners team also plans to add one (1) Part-Time Clerical resource at \$40,000 in labor costs to support ongoing employment test validation

work, such as work behavior and aptitude tests, to meet legal and professional standards.

- The HR Services Operations team plans to add one (1) additional HR Analyst at \$86,000 in labor costs due to added workload resulting from an increase in employee transactions, such as an increase in hiring. The additional HR Analyst will ensure an adequate ratio of HR staff to support clients/employees so that various employee transactions are addressed and resolved in a timely manner.
- The Staffing team plans to add one (1) Staffing Advisor at \$134,000 in labor costs and one (1) Staffing Specialist at \$86,000 in response to an increased hiring volume, and to meet the requirements to recruit, test, screen, and ultimately staff a qualified and diverse workforce. The additional staff will support the increased recruitment efforts associated with acquiring talent with the new skills required for our changing business, as SoCalGas advances the mission to build the cleanest, safest and most innovative energy company in America.

ii. Non-Represented Employee Corrective Action Tracking Database

HR Business Partners plans to add \$40,000 in non-labor costs for a vendor to build an electronic database to track non-represented employee corrective actions. Non-Represented corrective actions are not currently tracked in any existing HRIS system due to a gap in system capabilities and may lead to potential inconsistencies in the way that HRBP administers corrective actions. The new database will provide HRBP with the required information to provide a consistent and fair approach to disciplinary actions for non-represented employees.

iii. Convert Personnel Files to Digital File Room

HR Services Operations plans to add \$100,000, \$100,000, and \$150,000 in non-labor costs in 2022, 2023, and 2024, respectively, to scan all employee personnel files and related documents to a digital media format to support a digital file room as SoCalGas moves to a hybrid work environment. File digitization will improve data request delivery times and efficiency when working remotely. Additionally, the move toward digitization is in alignment with SoCalGas sustainability efforts.

iv. Pre-Hire Assessment Test Validations

HR Research & Analysis plans to add \$125,000, \$75,000, and \$75,000 in non-labor costs in 2022, 2023, and 2024, respectively, to conduct compliance driven work on the validation and maintenance of pre-hire assessments, beginning with a re-validation study for Physical Abilities testing to help ensure that all physically demanding jobs have the appropriate level of physical requirements that are deemed job-related and necessary to safely perform the job. The prior Physical Abilities test validation occurred over ten years ago, so it is imperative that the test be reappraised and updated to conform with current expectations of the job.

v. Internal Compliance Consultant

Employee Care Services plans to add \$36,000 annually in non-labor costs for a contract extension from May 2022 to May 2024 for a Compliance Consultant. This consultant is needed to ensure SoCalGas's compliance with the state of California Division of Workers' Compensation (DWC) and Office of Self-Insured Plans (OSIP) requirements. The consultant will also conduct internal reviews to measure individual and team performance in the areas of workers' compensation and medical leaves of absence.

vi. Conferences and Seminars

The HR Staffing team requests \$15,000 in non-labor costs to benefit from membership and certification in the Society for Human Resource Management (SHRM) industry-standard professional organization, and various training Staffing conferences and seminars which will provide benefits for Staffing employees to connect with other HR Staffing professionals and provide knowledge transfers from these industry-standard programs and events.

2. Labor Relations & Wellness

TABLE AN-8
Summary of Labor Relations & Wellness Costs

SCG Director Labor Relations & Wellness	2021 Adjusted-Recorded⁵ (000s)	TY 2024 Estimated⁶ (000s)	Change (000s)
SCG Director Labor Relations & Wellness	3,046	<u>3,3823,457</u>	<u>336411</u>
Total	3,046	<u>3,3823,457</u>	<u>336411</u>

⁵ Totals may include rounding differences.

⁶ Totals may include rounding differences.

1 **a. Description of Costs and Underlying Activities**

2 **i. Labor Relations**

3 Approximately one-half of the SoCalGas workforce is unionized, with several unions
4 governed by a Joint Steering Committee. The Labor Relations team is responsible for
5 developing and implementing SoCalGas’s labor strategy, maintaining positive union relations,
6 negotiating all union contracts, including the Collective Bargaining Agreement (CBA),
7 administering all union contracts, and resolving all union employee disputes, including
8 grievances, mediations, arbitrations, and National Labor Relations Board (NLRB) actions. The
9 Labor Relations team safeguards compliance with federal and state labor laws.

10 Labor Relations Advisors oversee human resources services for represented employees
11 and provide guidance to supervisors and managers of represented employees on matters
12 pertaining to the CBA. Services include Company-union relations guidance, contract
13 interpretation, dispute resolution, corrective actions, corrective actions and discharge, wage and
14 hour compliance, and collective bargaining. Labor Relations supports the Company with
15 represented employee investigation guidance, Company-union grievance hearings and
16 arbitrations, drafting and providing guidance on work rules, company policy and procedure, and
17 other business practices pertaining to represented employee business practices. Labor Relations
18 also works with other departments to ensure represented positions are appropriately leveled and
19 paid fairly. Finally, Labor Relations is critical to ensuring there are no stoppages of work which
20 could adversely affect our ability to serve our over 21 million customers.

21 **ii. Employee Assistance Program (EAP) & Wellness**

22 The EAP & Wellness team is responsible for all employee wellness services, including
23 the Employee Assistance Program (EAP), overall health and well-being for employees and their
24 families, and administering our drug and alcohol testing and compliance programs. These
25 functions are necessary to ensure SoCalGas employees have the tools needed to work safely.

26 The EAP & Wellness team promotes the adoption of a safe and healthy lifestyle to
27 employees and their families by promoting health and wellness, substance abuse education and
28 intervention, and mental health programs. The EAP & Wellness team provides a number of
29 childcare, eldercare, remote education, and mental and physical health services to SoCalGas
30 employees and their families. These programs proved essential in ensuring business continuity
31 during the recent pandemic. By motivating employees to make positive behavioral changes to

1 improve their overall health, safety and well-being, the EAP & Wellness team is crucial to
2 sustaining a long-term workforce ready to handle the daily challenges of their position and–
3 furthering our focus on safety culture. The EAP & Wellness staff educates employees through
4 in-person and virtual tools on many well-being topics, such as proper hydration, nutrition, sleep,
5 and other activities that can help prevent workplace injuries. Other healthcare programs include
6 blood pressure/biometric screenings, full-body scan screenings, and glucose/cholesterol
7 screenings, etc. to facilitate early disease detection and prevention. By investing in employee
8 health and wellness, SoCalGas believes these programs create tangible benefits in the form of
9 reduced absenteeism, lower health care costs, and greater employee productivity.

10 The EAP & Wellness team also manages and administers the Company’s drug and
11 alcohol testing programs. This team provides oversight and administration of pre-employment,
12 random, and other Department of Transportation (DOT) required drug and alcohol testing of
13 employees in positions deemed “safety sensitive” by DOT regulations.

14 The EAP & Wellness team also manages and provides support to other departments on
15 unique and sometimes complex employee issues (*i.e.*, workplace substance abuse, mental health
16 behaviors affecting job performance, threats of workplace violence or critical incidents requiring
17 EAP or other intervention).

18 **b. Description of RAMP Mitigations**

19 RAMP-related costs for Labor Relations and Wellness include costs for: (1) Drug and
20 Alcohol Testing, and (2) Wellness Programs. As described in Table AN-5 above: (1) SoCalGas
21 has implemented an employee drug and alcohol testing program managed in accordance with
22 state and federal regulations. The Company’s Substance Abuse and Testing (Fitness-For-Duty
23 and Reasonable Cause) Policy (Substance Abuse Policy) prohibits the use and/or possession of
24 alcohol during working hours or reporting to work in the possession of or impaired by alcohol,
25 illegal drugs, or impairing prescribed medications, and (2) the objective of SoCalGas’s
26 Employee wellness program is to design comprehensive “wellbeing” programs that reflect the
27 Company’s commitment to employees and their families. Further, wellness programs build a
28 culture of health and safety at work and in personal life. It also creates an understanding of the
29 incremental impact that a comprehensive wellbeing program can have on helping SoCalGas
30 continue its high performance and achievement of organizational goals.

Table AN-9 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 SCG-28-WP 2HR005.000.

TABLE AN-9
RAMP Activities by Workpaper

Workpaper	RAMP ID	Description	BY 2021 Embedded Base Costs (000s)	TY 2024 Estimated Total (000s)	Change	GRC RSE
2HR005.000	SCG-Risk-5 - C02	Drug and Alcohol Testing Programs	253	306	53	30
2HR005.000	SCG-Risk-5 - C03	Employee Wellness Programs	672	672	0	5
Total			925	978	53	

c. Forecast Method

The forecast method chosen for this category is base year recorded costs. This method was selected as the recorded costs for 2021 most appropriately reflect the expected staffing levels and non-labor requirements to operate these areas. The drivers for using the base year recorded costs methodology include:

- The functions of these areas have changed in recent years and the base year is representative of our expectations for the 2024 test year.
- This area is not heavily influenced by external factors that would require a different forecast method.

d. Cost Drivers

The cost drivers behind this forecast are the labor and non-labor costs for one (1) Director, four (4) Managers, fifteen (15) management employees and one (1) associate employee.

i. Wellness Testing and Compliance

As outlined in RAMP Chapter SCG-Risk-5, Labor Relations & Wellness plans to add \$1.105MM in non-labor costs to support ongoing Drug & Alcohol Testing, California Driver's License (CDL) verification program, contractor compliance with DOT regulations verification,

1 and to provide the additional job site inspections recommended by California Public Utilities
2 Commission (CPUC).

3 **ii. Negotiations Costs**

4 The Labor Relations team plans to add \$100,000 in labor and non-labor costs for
5 Collective Bargaining Agreement (CBA) negotiations between SoCalGas and the Unions (Utility
6 Workers Union of America [UWUA] and International Chemical Workers Council [ICWUC]) in
7 TY 2024, which include contract printing, and distribution.

8 **iii. Convert Hard Copy to Digital**

9 Labor Relations & Wellness plans to add \$100,000 in non-labor costs to scan and convert
10 paper files to a digital media format for purposes of improving access to files in a post-COVID
11 hybrid work environment. File digitization will improve data request delivery times and
12 efficiency when working remotely. Additionally, the move toward digitization is in alignment
13 with SoCalGas sustainability efforts.

14 **iv. Job Grade Evaluations**

15 Due to an agreement between SoCalGas and the Unions, Labor Relations & Wellness
16 plans to add \$30,000, \$10,000, and \$10,000 for 2022, 2023, and 2024, respectively, in required
17 non-labor costs to perform Pay Analysis of Comprehension, Knowledge and Skills (PACKS)
18 studies of various job classifications represented by the Unions. These studies evaluate various
19 job positions with the potential of releveled them to different pay grades.

20 **v. Labor Arbitrations**

21 Labor Relations & Wellness plans to add \$30,000 for non-labor costs associated with the
22 increased cost of labor arbitrations between SoCalGas and the Union.

23 **vi. Wellness Software**

24 Labor Relations & Wellness plans to add \$9,000, \$4,000, and \$4,000 in 2022, 2023, and
25 2024, respectively, for non-labor costs associated with maintaining an annual license, and adding
26 a license for Wellness software required to review employee Wellness claims.

27 **vii. Membership, Certifications, Conferences and Seminars**

28 Labor Relations & Wellness plans to add \$29,000 in non-labor costs for Society for
29 Human Resource Management (SHRM) membership and the certifications discussed below.
30 SHRM membership provides benefits for both Labor Relations and Wellness Advisors by

1 allowing them to connect with other HR professionals, engage in and knowledge transfer, and
2 learn industry best practices.

3 The non-labor costs also include Wellness Coaching Certifications and DOT/DER
4 certifications. Wellness Coaching Certification provides Wellness employees with evidence-
5 based knowledge across five major systematic processes to guide, support, and motivate
6 employees to make positive lifestyle changes. The five areas are: (1) movement fitness, (2)
7 nutrition, (3) mental and emotional wellbeing, (4) recovery and regeneration, and (5) coaching.
8 Additionally, DOT/DER certification will lead Wellness employees through the various aspects
9 of U.S. Department of Transportation (DOT) Drug & Alcohol Supervisor Training.

10 Additionally, Labor Relations and Wellness plans to attend various industry-centric
11 conferences and seminars for employee development and to engage with other industry
12 professionals. These events provide staff with opportunities to discuss topics relevant to Labor
13 Relations, Wellness, and opportunities to benefit from the expertise of other specialists in similar
14 industries.

15 **viii. New Supervisor Labor Relations Training Program**

16 Labor Relations & Wellness plans to add \$2,000 in non-labor costs to provide new
17 supervisors of represented employees with Collective Bargaining Agreement (CBA) and
18 Alternative Dispute Resolution (ADR) training. These new training programs replace prior
19 versions of training that was outsourced and not specific to the agreements in place at SoCalGas.
20 Developing in-house versions will enhance supervisor knowledge and drive a better union-
21 management relationship. Long-term, the implementation of these new in-house trainings will
22 save SoCalGas the expense of using external resources.

23 **ix. Drug and Alcohol Testing Programs**

24 As outlined in RAMP Chapter SCG-Risk-5, Wellness plans to add \$23,000, \$42,000, and
25 \$53,000 in non-labor costs in 2022, 2023, and 2024, respectively, due to anticipated increases in
26 mandated D&A Testing resulting from an increased hiring volume.

27 **x. Online Drug and Alcohol Compliance Training**

28 Labor Relations & Wellness plans to add \$33,000, \$8,000, and \$8,000 in non-labor costs
29 in 2022, 2023, and 2024, respectively, for mandatory online Drug & Alcohol DOT compliance
30 training for supervisors overseeing, and employees, in safety-sensitive classified positions.

3. Organizational Effectiveness

Table AN-10 that follows presents the costs for the Organizational Effectiveness function within the Human Resources department. The costs for Organizational Effectiveness are fully represented as non-shared services costs.

TABLE AN-10
Summary of Organizational Effectiveness Costs

SCG Director Org Effectiveness	2021 Adjusted-Recorded (000s)	TY 2024 Estimated (000s)	Change (000s)
SCG Director Org Effectiveness	2,988	3,143	155
Total	2,988	3,143	155

a. Description of Costs and Underlying Activities

The Organizational Effectiveness (OE) department provides leadership, organizational, and employee development programs, instructional design services, knowledge transfer and management programs for SoCalGas. OE consists of three departments providing services to SoCalGas: (1) Organizational Development & Talent Management, (2) Knowledge Management, and (3) Learning & Development.

i. Organizational Development and Talent Management

Organizational Development (OD) and Talent Management (TM) administer programs designed to enhance organizational performance through team interventions and culture change. OD provides services in the areas of strategic planning, organization design, team effectiveness, change management, and managerial coaching. TM is responsible for managing succession planning tools and using the information to develop employee skills for broader responsibility within the organization. In addition, the OD & TM teams manage the employee engagement survey, the development of high potential employees, and the leadership assessment processes at SoCalGas.

ii. Knowledge Management

Organizational Effectiveness as a whole is responsible for driving a culture of ongoing knowledge transfer using innovative processes and technologies. In addition to driving a broad organization-wide strategy to imbed knowledge management into the culture, Organizational Development Advisors (ODA) provide guidance and support to organizations that anticipate the turnover of key personnel. The Knowledge Management (KM) staff helps organizations identify

1 the critical skills and attributes that must be transitioned prior to the departure of key personnel.
2 Together with respective departments, ODAs develop transition plans to ensure business needs
3 are met and operational knowledge is effectively transitioned from experienced employees.

4 **iii. Learning and Development**

5 The Learning and Development team is comprised of the Employee Development (ED)
6 team and the Design & Creative Services (D&CS) team. ED designs, develops, implements, and
7 manages programs designed to enhance organizational performance through individual skill
8 development. The department uses a variety of learning and development methodologies and
9 technologies to provide programs specific to leadership development, employee development,
10 individual effectiveness, and employee coaching, seeking to close organizational performance
11 gaps at the individual employee level. ED is responsible for the selection, implementation, and
12 maintenance of learning platforms such as GetAbstract and LinkedIn Learning.

13 D&CS designs, develops, and evaluates classroom, on-line, and just-in-time training for
14 job skill acquisition and development for individual contributors, supervisors, and leadership.
15 The department is responsible for partnering with departments across the organization to create
16 and maintain relevant learning tools and programs for both technical and soft skills, including
17 but not limited to, compliance, job-specific, leadership, and soft-skills training curricula.
18 Training topics include the understanding of, and compliance with labor and employment laws,
19 business policies, safety practices and procedures, and the CBA. Technical training includes
20 course development for represented job roles (*e.g.*, call center representatives, energy
21 technicians, etc.). D&CS also designs job-skill training courses, individual development
22 programs, and evaluation processes. All design work supports SoCalGas's goals of maintaining
23 high levels of performance in safety, job-specific technical skills, leadership excellence,
24 customer satisfaction, operational excellence, and cost management.

25 **b. Description of RAMP Mitigations**

26 RAMP-related teams within OE include: (1) Knowledge Transfer, (2) Training, and (3)
27 Training – Technical non-HR.

28 As described in Table AN-5 above: (1) Knowledge Transfer includes conducting a
29 formal annual succession planning and talent review process to identify a pipeline of talent for
30 all director and officer level positions and has efforts in place to support accelerated development
31 for high potential employees. These efforts help to proactively identify and develop employees

and mitigate knowledge gaps that could lead to safety incidents; (2) Leadership training, such as the New Supervisor Onboarding Program, Leadership Training Camp, Leadership Challenge, and the Strategic Leader Development Program are necessary vehicles to communicate the Company's safety culture and to communicate the importance of the Company's safety values; and (3) Training – Technical non-HR includes revamping and redesigning current technical training on an organization-wide basis, to facilitate skills training for employees to perform their jobs safely.

Table AN-11 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 SCG-28-WP 2HR003.000.

TABLE AN-11
RAMP Activity O&M Forecasts by Workpaper

Workpaper	RAMP ID	Activity	BY 2021 Embedded Recorded (000s)	TY 2024 Estimated Totals (000s)	Change	GRC RSE*
2HR007.000	SCG-CFF-7 - 02	Knowledge Transfer	35	190	155	0
2HR007.000	SCG-CFF-7 - 03	Training	1,115	1,115	0	0
2HR007.000	SCG-CFF-7 - 04	Training - Technical non-HR	295	295	0	0
Total			1,445	1,600	155	

* An RSE value was not calculated for an activity with a "0" RSE value.

c. Forecast Method

The forecast method chosen for this category is base year recorded costs. This method was selected as the recorded costs for BY2021 most appropriately reflect the expected staffing levels and non-labor requirements to operate this area. The drivers for using the base year recorded costs methodology include:

- The function of this area has changed in recent years and the base year is representative of our expectations for the 2024 test year.
- This area is not heavily influenced by external factors that would require a different forecast method.

d. Cost Drivers

The cost drivers behind this forecast are the labor and non-labor costs for one (1) Director, two (2) Managers, and twenty (20) management employees.

i. Knowledge Transfer

As outlined in RAMP Cross-Functional Factor SCG-CFF-7, Workforce Planning/Qualified Workforce (Item 2 – Knowledge Transfer), Organizational Effectiveness plans to add one (1) Employee Development Advisor at \$134,000 in labor costs to support mitigation efforts associated with the potential knowledge loss resulting from represented employee vacancies and to identify the critical skills and attributes that must be transitioned prior to the departure of key personnel.

Additionally, Organizational Effectiveness plans to add \$11,000 in non-labor costs for the American Productivity & Quality Center (APQC) membership. This new membership will give access to a full suite of benchmarking tools, best practices, and maturity models to support Knowledge Management efforts.

ii. Leadership Training

As outlined in RAMP Cross-Functional Factor SCG-CFF-7, Workforce Planning/Qualified Workforce (Item 3 – Training), Organizational Effectiveness plans to add \$40,000 and \$40,000 in non-labor costs in 2022 and 2023, respectively, to refresh the Leadership Training Camp with more critical skill-building in the areas of psychological safety, knowledge transfer, and succession planning/development. These new focus areas were identified as a key mitigation strategy for some areas of risk outlined in the Workforce Planning risk chapter of the 2021 RAMP filing. The cost for enhancements is estimated based on prior work with outside vendors and academic institutions who have supported our leadership development programming in the past.

iii. Leadership Challenge Enhancements

As outlined in RAMP Cross-Functional Factor SCG-CFF-7, Workforce Planning/Qualified Workforce (Item 3 – Training), Organizational Effectiveness plans to add \$40,000, and \$88,000 in non-labor costs in 2022 and 2023, respectively, for Leadership Challenge enhancements. The Leadership Challenge is designed for high potential managers who are preparing for leadership positions of increased responsibility. The program focuses on preparing leaders to think about inclusivity in a way that is strategic and collaborative, and to build a psychologically safe work environment. Current material has not been updated in over five years and requires updates by our existing external partner to better align training with Company goals and initiatives, including diversity, equity and inclusion and the Company's

sustainability plan. These non-labor dollars will be used to work with our existing external partner to update material that has gone unchanged for over five years.

iv. Strategic Leader Development Program Enhancements

As outlined in RAMP Cross-Functional Factor SCG-CFF-7, Workforce Planning/Qualified Workforce (Item 3 – Training), Organizational Effectiveness plans to add \$40,000, and \$40,000 in non-labor costs in 2022 and 2023, respectively, for this program for senior leaders. The Strategic Leader Development Program provides coaching and development for SoCalGas leaders likely to be promoted to executive positions. The program focuses on developing strategic alignment skills and building cohesion and collaboration across the organization. Importantly, participants in the program apply learning to key SoCalGas initiatives to advance business goals. Considering the pace of change at SoCalGas due to Aspire 2045 goals, it's essential that leaders are aligned with the Company's strategy and gain these skills. Participants graduate from the program with a greater capacity to lead strategically, build a safety culture within their organizations, and with greater understanding of their potential impact. The funds requested will support a redesign of the program to facilitate a hybrid environment, so that more leaders can take advantage of the intensive program.

4. Diversity, Equity & Inclusion

TABLE AN-12
Summary of Diversity, Equity & Inclusion Costs

SCG Director Diversity, Equity and Inclusion	2021 Adjusted-Recorded (000s)	TY 2024 Estimated (000s)	Change (000s)
SCG Diversity, Equity and Inclusion Director	638	886	248
Total	638	886	248

a. Description of Costs and Underlying Activities

The Diversity, Equity & Inclusion (DE&I) department is responsible for developing and directing the Company-wide strategic business objectives for managing workplace diversity. Its responsibilities include the preparation of federally-required reporting on diversity data to the Equal Employment Opportunity Commission (EEOC) and OFCCP. The Diversity, Equity & Inclusion department develops and directs the Company's strategic plan, policies, and programs in this area. The department also develops and conducts training for all employees on prevention

of workplace harassment and discrimination, maintaining a respectful work environment, and other diversity-related topics. With respect to these areas of focus, the department provides coaching, counseling, and guidance to both management and union-represented employees. The Diversity, Equity & Inclusion department drives initiatives for employees to participate in voluntary, employee-led resource groups (ERGs), community conversations, informal DE&I dialogues, volunteer opportunities, and DE&I councils. Additionally, the Diversity, Equity & Inclusion department supports Sempra's enterprise-wide strategic DE&I initiatives and facilitates compliance with federally mandated affirmative action plans.

b. Forecast Method

The forecast method chosen for this category is base year recorded costs. This method was selected as the recorded costs for 2021 most appropriately reflect the expected staffing levels and non-labor requirements to operate this area. The drivers for using the base year recorded costs methodology include:

- The function of the DE&I department has expanded in recent years and the base year is representative of our expectations for the 2024 test year.
- This area is not heavily influenced by external factors that would require a different forecast method.

c. Cost Drivers

The cost drivers behind this forecast are the labor and non-labor costs for one (1) Director and three (3) management employees.

i. Diversity & Inclusion Advisors

DE&I plans to add one (1) Diversity & Inclusion Advisor, at \$134,000 in labor costs, to create and maintain up to nine (9) Employee Resource Groups (ERGs), to create DE&I employee and leadership policies, and to perform data analysis and reporting on diversity, equity and inclusion progress.

ii. Employee Resource Groups (ERGs)

DE&I plans to add \$40,000 in non-labor costs to create four (4) Employee Resource Groups (ERGs) to promote and foster Diversity, Equity & Inclusion principles for SoCalGas employees through learning and development, educational speakers, teambuilding exercises, and marketing to engage employees with community groups and staffing events. ERGs are an integral component of the SoCalGas DE&I strategy, where employees are offered an additional

1 opportunity to support one another and foster a sense of community and belonging. ERGs serve
2 to raise awareness and act as a bridge across cultural issues. They also support managerial
3 effectiveness, leadership development, and communications with employees.

4 DE&I plans to add \$20,000 in non-labor costs for an additional two (2) ERGs in TY2024.
5 In addition to the three ERGs already in existence, this would bring the total to nine (9) groups.

6 **iii. Employee Resource Groups (ERG) Summits**

7 DE&I plans to add \$15,000 in non-labor costs to hold ERG summits, with costs primarily
8 for external speakers for an annual Employee Resource Group (ERG) Summit. The goal of the
9 ERG Summit is to increase employee engagement and trust, and establish a sense of belonging
10 among employees so that they feel more connected at work, and produce higher quality work.
11 As a result, the Company anticipates that the ERG Summit will result in gains in the form of
12 improved performance, innovation, and decision-making.

13 **iv. Data and Analytics & Reporting**

14 DE&I plans to add \$25,000 in non-labor costs to provide data tracking and reporting on
15 certain DE&I metrics both as a federal requirement and voluntarily through sustainability
16 reporting. The Company seeks to enhance data and reporting capabilities in this area to better
17 understand employee composition and support transparency of information. Resources related to
18 DE&I metrics tracking will support goal-setting, goal tracking, and facilitate data analysis and
19 reporting. The DE&I team will work with an external vendor to design progress reports
20 containing key metrics in response to stakeholder requests for increased transparency on content
21 and advancement of Diversity, Equity & Inclusion strategy and goals.

22 **v. Staff Development**

23 DE&I plans to add \$10,000 in non-labor costs for DE&I staff to attend Leadership
24 Competency Development and other inclusion-specific professional development programs
25 which supports SoCalGas's Sustainability Strategy, along with \$5,000 in non-labor costs for
26 travel mileage and expenses.
27

1 **5. Workers' Compensation (WC) and Long-Term Disability (LTD)**

2 **TABLE AN-13**

3 **Summary of Workers' Compensation (WC) and Long-Term Disability (LTD) Costs**

Workers' Compensation (WC) and Long-Term Disability (LTD)	2021 Adjusted-Recorded (000s)	TY 2024 Estimated (000s)	Change (000s)
Workers Comp and Long-Term Disability	21,847	23, 475801	1,6281,954
Total	21,847	23,475801	1,6281,954

4
5 **a. Description of Costs and Underlying Activities**

6 WC benefits are mandated benefits provided to employees working in the State of
7 California who are injured on the job. Benefit amounts and processes used to manage the cases
8 of injured workers are regulated by the State. The WC function is regularly reviewed by the
9 State and the Company's internal Compliance Services department. Employees who are injured
10 on the job receive benefits through SoCalGas's self-insured WC program. Depending on the
11 injury, injured employees may receive indemnity payments including temporary disability,
12 permanent disability, and vocational rehabilitation. The costs of medical treatment, legal fees,
13 and other claim-related expenses are included in the costs presented within the supplemental
14 workpapers.

15 The Company's Long-Term Disability (LTD) Plan allows eligible employees to receive
16 income replacement benefits when they are unable to work due to a qualifying serious medical
17 condition. LTD benefits are adjusted if the employee receives, or is entitled to receive, income
18 from other deductible sources such as WC benefits, Social Security benefits, state disability
19 insurance benefits, total disability under the Pension Plan, or retirement payments. The
20 Company actively manages LTD claims to ensure that employees remain eligible for benefits
21 and return to work as soon as possible, with or without reasonable accommodations.

22 The ECS department within the HR Services function of the Human Resources
23 department at SoCalGas manages the WC and LTD programs. The costs in this section do not
24 include the personnel supporting and managing WC and LTD cases. Those costs are included in
25 Employee Care Services in the non-shared services HR Services section and in ECS Operations
26 in the shared services section of this testimony.

b. Forecast Method

The TY 2024 WC cost forecast is based on a zero-based forecast, due to a combination of methodologies. The three-year historical average of WC costs is based upon the average of recorded costs for 2019-2021 and a non-standard escalation factor driven by medical and indemnity costs described in more detail in the supplemental workpaper. The LTD costs are forecast using base year recorded and escalated for estimated changes in labor costs. This method is most appropriate because the costs are based on estimated labor escalation costs, which cannot be forecast using any of the other methods.

c. Cost Drivers

SoCalGas's TY 2024 request for WC and LTD costs of ~~\$23.475~~~~\$23.801~~MM represents a ~~\$1.628~~~~\$4.301~~MM increase from BY 2021. The primary cost drivers for the increase in WC and LTD costs are labor and non-labor escalation and medical premium escalation, described in the testimony of witness Debbie Robinson (Ex. SCG-26).

6. Performance Management and Organizational Strategy (PMOS)

TABLE AN-14
Summary of Performance Management and Organizational Strategy (PMOS) Costs

SCG Director Perf & Orgnl Strategy	2021 Adjusted-Recorded (000s)	TY 2024 Estimated (000s)	Change (000s)
SCG Director Perf & Orgnl Strategy	1,207	1,547	340
Total	1,207	1,547	340

a. Description of Costs and Underlying Activities

The Performance Management and Organizational Strategy (PMOS) department acts as an internal consultancy at SoCalGas, developing systems and processes to effectively measure and monitor workforce performance, improve operational productivity, quality, efficiency and effectiveness. PMOS fulfills this mission by providing five distinct, but related services: continuous improvement training and support, continuous improvement Project Management Office (PMO), workforce capacity planning, enterprise change management, and data analytics services. The PMOS has played a foundational role in SCG's Transforming Our Business (ToB) initiative, a large-scale, cross-functional program undertaken to support SCGs' mission to build the cleanest, safest, most innovative energy company in America. Initiatives in ToB have sought to drive better business outcomes through improvements in the planning and support of field

processes, the effective use of company data, customer interactions, and coordination across interdependent areas of the Company. Data analytics services is not covered under this testimony as its scope of responsibility is more closely tied to Information Technology. *See* Information Technology testimony of William J. Exon (Capital) (Ex. SCG-21, Chapter).

i. Continuous Improvement Project Management Office

The Continuous Improvement Project Management Office (CIPMO) team is comprised predominantly of industrial engineers who are “black belt” or “green belt” certified in Lean Six Sigma (LSS) methods and are responsible for supporting SoCalGas’s adoption of LSS continuous improvement methodology across functional areas. CIPMO leads LSS projects, facilitates LSS Kaizen continuous improvement sessions, provides ongoing support for continuous improvement initiatives, and supports the development of work standards for various operating organizations.

CIPMO manages the following efforts and their portfolios across the enterprise:

- Continuous Improvement efforts – CIPMO works directly with Directors, Managers, IT application vendors, consultants, and the SoCalGas Leadership Team to identify, assess, and implement continuous improvement initiatives throughout SoCalGas to achieve enterprise productivity improvement targets. CIPMO also shares best practices and provides advisory support to the Operations organizations. CIPMO is responsible for the management, prioritization, resource allocation, budget, governance model, analysis, project management process, and benefits realization of the continuous improvement portfolios.
- Portfolio Management – CIPMO manages the portfolio of cross functional continuous improvement projects involving Operations departments, including the intake/ideation process, assessment, design/build, deploy, and eventual transfer to operations of continuous improvement initiatives involving multiple departments using cross-functional teams.

ii. Workforce Capacity Planning

The Workforce Capacity Planning team’s scope of responsibility includes activities to ensure the appropriate number of employees with the appropriate skills are in the right place at the right time to address company- and customer-generated work. The team approaches this at

1 both an enterprise level and an individual business unit level. At the enterprise level, the team's
2 activities include: (1) integrating staffing targets into Human Resources, financial planning, fleet
3 and facility planning, and (2) assessing external hiring, attrition, and company-wide workforce
4 trends. At the business level, the team's activities include: (1) implementing workforce
5 planning models that forecast future workloads and required workforce to complete the
6 forecasted workload, and (2) developing staffing and training plans to meet the forecasted
7 workforce requirements. This dual approach informs leadership of long-term company-wide
8 resource requirements, but also allows each business unit to optimally allocate existing resources
9 to address workload demands.

10 **iii. Enterprise Change Management**

11 The Enterprise Change Management team has two areas of responsibility: (1) Coordinate
12 and facilitate Change Management training for employees so their teams and departments can
13 anticipate and overcome change impacts. Change impacts are most often related to technology
14 implementation, process redesign and organizational changes, and (2) Have a formal role within
15 project teams undergoing meaningful change impacts. In both scenarios, Change Managers
16 provide the tools, templates, and frameworks to assess, overcome and monitor ongoing change
17 impacts.

18 **b. Description of RAMP Mitigations**

19 RAMP-related costs for PMOS address the cross-function factor (CFF) of having an
20 appropriate number of employees with the right skills to meet business needs. As described in
21 Table AN-5 above, PMOS Workforce Planning activities provide SoCalGas with the ability to
22 identify, focus on, and overcome workforce gaps in critical roles within the organization. PMOS
23 Workforce Planning aligns business units with the Company's strategic goals by ensuring that
24 Human Resources (HR), Training, Fleet, and Facilities, and Business Planning can support and
25 better anticipate current and future workforce needs.

26 Table AN-15 below provides the RAMP activities and their respective cost forecasts for
27 this workpaper. For additional details on these RAMP activities, please refer to my workpapers
28 SCG-28-WP 2HR003.000.
29

TABLE AN-15
RAMP Activity O&M Forecast by Workpaper

Workpaper	RAMP ID	Activity	BY 2021 Embedded Recorded (000s)	TY 2024 Estimated Total (000s)	Change	GRC RSE*
2HR003.000	SCG-CFF-7 - 01	Workforce Planning	585	793	208	0
Total			585	793	208	

* An RSE value was not calculated for an activity with a "0" RSE value.

c. Forecast Method

The forecast method chosen for this category is base year recorded costs. This method was selected as the recorded costs for BY2021 most appropriately reflect the expected staffing levels and non-labor requirements to operate this area. The drivers for using the base year recorded costs methodology include:

- The function of this area has changed in recent years and the base year is representative of our expectations for the 2024 test year.
- This area is not heavily influenced by external factors that would require a different forecast method.

d. Cost Drivers

The cost drivers behind this forecast are the labor and non-labor costs for one (1) manager and six (6) management employees.

i. Increased Workforce

PMOS plans to add the following three (3) positions in 2022:

- Continuous Improvement plans to add one (1) Project Manager II at \$122,000 in labor costs to address the number of capital, operational and strategic initiatives across the company. The Project Manager II will be responsible for overseeing and ensuring that large-scale enterprise-wide initiatives are successfully implemented and adopted, and that value is clearly identified, realized, and built into operations creating a new, higher baseline of performance.
- Workforce Planning plans to add two (2) Sr. Business Analyst II at \$188,000 in labor costs. The Sr. Business Analyst IIs are required to meet the increasing demands from business units in ad-hoc analyses regarding headcount, attrition, hiring trends and setting headcount targets. Additionally, the Sr. Business Analyst

IIs will be responsible for implementation of additional workforce planning models, update forecasts as conditions change, lead monthly planning meetings with the business units they are assigned, and provide data and analysis to support decision-making.

B. Executive Offices

**TABLE AN-16
Summary of Executive Offices Costs**

Executive Offices	2021 Adjusted- Recorded (000s)	TY 2024 Estimated (000s)	Change (000s)
Executive Offices	<u>4,0054,006</u>	<u>4,0054,006</u>	0
Total	<u>4,0054,006</u>	<u>4,0054,006</u>	0

1. Description of Costs and Underlying Activities

The Chief Executive Officer (CEO), President, Chief Operating Officer (COO), and Chief Administrative & Diversity Officer provide executive leadership within SoCalGas (“Executive Offices”). These officers are ultimately responsible and accountable for the performance of SoCalGas. Leadership executes the direction utility employees follow in providing safe and reliable service to customers.

The CEO is the highest-ranking officer at SoCalGas. Reporting to the CEO are the President, the COO, the Chief Administrative & Diversity Officer, the VP & General Counsel, the Chief Financial Officer & Controller (CFO), the Chief Safety Officer, the Chief Talent & Culture Officer, and one (1) Executive Assistant.

The President and COO direct the activities of SoCalGas in accordance with policies, goals, and objectives established by the CEO. Reporting to the President are the VP - Communications, Local Government & Community Affairs, the VP - Strategy & Sustainability & Chief Environmental Officer, the VP - Clean Energy Innovations, and the VP - Risk Management & Chief Risk Officer, and one (1) Executive Assistant.

Reporting to the COO are the Senior Vice President & Chief Infrastructure Officer, the Senior Vice President and Chief Customer Officer, and one (1) Executive Assistant.

Costs exclude officer compensation, as defined under CPUC Resolution E-4963, pursuant to California Public Utilities Code Section 706 (as modified by Senate Bill 901).

2. Description of RAMP Mitigations

RAMP-related costs for Executive Offices include participation in various industry groups to benchmark with other utilities, industries, and leaders in safety performance. As described in Table AN-5 above: SoCalGas participates in safety benchmarking forums to compare health and safety processes and performance with others to learn how to reduce incidents, improve compliance, and discuss best management practices to improve the safety and health of the Company. The end goal is to send every employee home safely every day. Some of the key organizations the Company benchmarks against are the American Gas Association (AGA), Western Energy Institute (WEI), and American Petroleum Institute.

Table AN-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 SCG-28-WP 2HR001.000.

TABLE AN-17
RAMP Activity O&M Forecasts by Workpaper

Workpaper	RAMP ID	Activity	BY 2021 Embedded Recorded (000s)	TY 2024 Estimate d Total (000s)	Change	GRC RSE
2HR001.000	SCG-Risk-5 - C09	Utilizing Industry Best Practices and Benchmarking	929	929	0	5
Total			929	929	0	

3. Forecast Method

The forecast method chosen for this category is base year recorded costs. This method was selected as the recorded costs for 2021 most appropriately reflect the expected staffing levels and non-labor requirements to operate this area. The drivers for using the base year recorded costs methodology include:

- The function of this area has changed in recent years and the base year is representative of our expectations for the 2024 test year.
- This area is not heavily influenced by external factors that would require a different forecast method.

4. Cost Drivers

SoCalGas TY 2024 forecasted costs for Executive Offices remain unchanged from the BY 2021 adjusted-recorded expense level as illustrated by Table AN-17 above.

The cost drivers behind this forecast are the labor and non-labor costs for one (1) Vice President-HR-Chief Talent & Culture Officer and five (5) management employees. The Chief Talent & Culture Officer provides leadership and strategic direction within SoCalGas. The Chief Talent & Culture Officer's responsibilities include establishing Human Resources policy, developing labor strategy, integrating diversity, equity, inclusion, and belonging within utility culture, employee development, and employee relations. The Chief Talent & Culture Officer also has broad responsibility for enhancing employee wellness.

Non-Labor costs include the continuing cost for SoCalGas's existing American Gas Association (AGA) membership. SoCalGas believes membership in this organization is important to our business and to our customers to improve awareness regarding utility issues, promote appropriate economic development in the service territory, and promote policies that would benefit the customers and economy of the region.

V. SHARED COSTS

As described in the Shared Services Billings, Shared Assets Billing, Segmentation, & Capital Reassignments testimony of Angel Le (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, 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 AN-18 summarizes the total shared O&M forecasts for the listed cost categories.

TABLE AN-18
Shared O&M Summary of Costs

PEOPLE AND CULTURE DEPARTMENT (In 2021 \$)			
	2021 Adjusted- Recorded (000s)	TY 2024 Estimated (000s)	Change (000s)
Total Shared Services (Incurred)	324	324	0
Total O&M	324	324	0

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-28-WP. The dollar amounts allocated to affiliates are presented in our Shared Services Policy and Procedures testimony. See testimony of Angel Le (Ex. SCG-30).

A. ECS System Reporting

TABLE AN-19
Summary of ECS System Reporting Costs

PEOPLE AND CULTURE DEPARTMENT (In 2021 \$)			
(In 2021 \$) Incurred Costs (100% Level)			
A. ECS System Reporting	2021 Adjusted- Recorded (000s)	TY 2024 Estimated (000s)	Change (000s)
1. ECS System Reporting	324	324	0
Incurred Costs Total	324	324	0

1. Description of Costs and Underlying Activities

ECS System Reporting maintains and operates the electronic systems used to manage the work of Employee Care Services. Personnel within this cost center also prepare operating reports used by management to monitor the status of WC, leave and return to work activities as well as staff performance.

The ECS System Reporting costs are all shared service costs, with work performed largely for SoCalGas, but a portion of these costs are incurred on behalf of other business units, as there is no dedicated department within those business unit to provide these services.

Costs are presented at the 100% incurred level. For BY 2021, the cost allocation was SoCalGas 79.22%; SDG&E (including Desert Star) 19.69%; Sempra .75%; and Sempra affiliates .34%.

2. Forecast Method

The forecast method chosen for this category is base year recorded costs. This method was selected as the recorded costs for BY2021 most appropriately reflect the expected staffing levels and non-labor requirements to operate this area. The drivers for using the base year recorded costs methodology include:

- The function of this area has changed in recent years and the base year is representative of our expectations for the 2024 test year.
- This area is not heavily influenced by external factors that would require a different forecast method.

1 **3. Cost Drivers**

2 For ECS System Reporting, the cost drivers behind this forecast are the labor and non-
3 labor costs for the three (3) existing Management employees. SoCalGas TY 2024 forecasted
4 costs for ECS System Reporting remain unchanged from the BY 2021 adjusted-recorded expense
5 level as illustrated by Table AN-19 above.

6 **VI. BUSINESS JUSTIFICATION FOR IT CAPITAL PROJECTS**

7 Capital costs for the forecast years 2022, 2023, and 2024 for IT projects that support the
8 People & Culture Department, are sponsored by the Information Technology testimony of
9 William J. Exon (Ex. SCG-21-CWP). The purpose of this section of my testimony is to describe
10 the business rationale for these projects. Refer to Mr. Exon’s workpapers (Ex. SCG-21-CWP)
11 for the basis of the costs.

12 **A. Business Optimization**

13 **1. HR and Corporate Center Data and Application Modernization**

14 The HR and Corporate Center Data and Application Modernization project develops
15 cloud applications and data services to replace on-premise applications and processes for SCG
16 Human Resources (HR) and Sempra to improve cybersecurity compliance, system reliability,
17 and productivity.

18 This project impacts approximately 20 applications and is comprised of several parts.
19 First, the project will modernize high value cloud application opportunities and maximize the
20 value of data through self-service tools, artificial intelligence (AI) and machine learning for HR
21 and Sempra shared services. Next, the project will allow for secure and high availability to HR
22 data sources by building out “Data as a Service” and enabling self-service reporting.
23 Additionally, rebuilding the on-premise applications on the cloud will improve technology
24 lifecycle management by staying on current software versions that will increase operational
25 efficiency, and cybersecurity compliance. Lastly, improving applications for business processes
26 and implementing robotic process automation and chatbots will improve business efficiencies.

27 The forecasted capital expenditures as described in Mr. Exon’s workpapers (Ex. SCG-21-
28 CWP) support the company’s goals of digitalization and IT’s strategy for technology lifecycle
29 management.

2. HR Employee Lifecycle

The HR Employee Lifecycle project analyzes the employee lifecycle from onboarding to offboarding from a Human Resources IT (HRIT) perspective. It identifies solutions to minimize manual processes throughout this lifecycle, while improving user experience and automating key functionality. This is a shared project and will include enhancements to existing platforms.

The goals of this project are to improve employee and supervisor experience, improve security compliance, automate workflows, and reduce compliance findings. The project will impact approximately 14,500 employees.

The project has two key components: (1) It will enhance onboarding and offboarding system processes to improve ease of use, while also improving the functionality of granting and revoking access; (2) The project team will work with departments across the various systems (including My Access, Cyber-security, Compliance) to evaluate and implement enhancements and automation that will improve the employee experience and reduce compliance risks.

The forecasted capital expenditures as described in Mr. Exon's workpapers (Ex. SCG-21-CWP) support the company's goals by supporting an agile, high-performing workforce. Human Resources technology supports employees at each state of their employee lifecycle, and this project is designed to improve the employee experience by providing improvements to security, automation, and ease of use for these critical HR processes.

The forecasted capital expenditures as described in Mr. Exon's workpapers (Ex. SCG-21-CWP) support IT's strategy for technology lifecycle management.

3. Employee Care Services Workers Comp Refresh

The Employee Care Services Workers Comp Refresh plans to replace the current iVOS (Internet Valley Oak Systems) Claims system software which is 19 years old (at the time of this writing). The request proposes to replace the current iVOS software, add customizations to both match current functionality (*i.e.*, paperless office and disability calculations) and update hardware as needed.

The selected software must have an open configuration to allow the client to install or develop its own screens, business rules and/or customizations. Software will be required to support document imaging processing, dashboard reporting, workflow tasks and daily scheduled batch processing for reports, file transfers and data updates.

1 Employee Care Services (ECS) has unique processes to implement an integrated claims
2 approach within a paperless environment. With the current system having an open
3 configuration, ECS has been able to customize its screens, tables, workflows, warning
4 mechanisms, interfaces, reports and securities. ECS anticipates improved efficiencies and
5 greater user flexibility with improved technologies.

6 The forecasted capital expenditures as described in Mr. Exon's workpapers (Ex. SCG-21-
7 CWP) support the IT strategy of improved technology lifecycle management.

8 **4. HR Workforce Planning Tool**

9 Currently, there is no systematic method to capture workforce planning across the
10 companies and organizations. The Workforce Planning Tool will be a SaaS (Software as a
11 Service) solution shared by Companies that tracks the development and execution of overall
12 workforce plans incorporating human resource supply, demands and organization
13 transformations to stay current with rapidly changing industry trends. The system will
14 incorporate timely employee demographics, retention, and attrition data to monitor and adjust
15 workforce plans as needed. This provides transparency and consistency across the companies'
16 organizations.

17 The HR Workforce Planning Tool will forecast future workforce demand, the timing of
18 the demand, and the skills needed which will provide the ability to better plan for the acquisition
19 of upcoming needed human resources. Analytics will provide cross organization data that will
20 drive comprehensive strategies for resource acquisition. These strategies include employee skills
21 development and workforce recruitment strategies to close human resource and skill gaps. This
22 project will ensure that the right people and skills are in the right place at the right time,
23 supporting the company's goals of an agile, high-performing workforce.

24 The forecasted capital expenditures as described in Mr. Exon's workpapers (Ex. SCG-21-
25 CWP) support the company's strategy to have an agile, high-performing workforce.

26 **VII. CONCLUSION**

27 SoCalGas requests that the Commission adopt the O&M TY 2024 forecasts and IT
28 capital projects described in this testimony. The total TY 2024 O&M expense for the Human
29 Resources, Workers' Compensation & Long-Term Disability (shared and non-shared services),
30 Diversity, Equity, and Inclusion, Performance Management and Organizational Strategy, and
31 Executive Offices described in this exhibit total \$49.621 million dollars. As described above,

1 these expenses support the sustainability plans outlined by the company and represent a strong
2 and highly productive People & Culture organization. The activities presented in this testimony
3 support SoCalGas's goal of providing safe and affordable services to its 21.8 million customers.
4 The cost forecasts included in this exhibit are just and reasonable and should be approved by the
5 commission.

6 This concludes my prepared direct testimony.

1 **VIII. WITNESS QUALIFICATIONS**

2 My name is Abigail Nishimoto and I am currently employed by Southern California Gas
3 Company. My business address is 555 W Fifth St., Los Angeles, California, 90013. I am
4 currently the Director of Organizational Effectiveness. I oversee activities related to employee
5 development, organizational culture initiatives, talent development, and succession planning.

6 I have been employed by the company since 2019 and started as the Learning and
7 Development Manager within the Human Resources division. After 2.5 years in that role, I was
8 promoted to the Director position in September of 2021. I received my bachelor's degree from
9 Grace College in Winona Lake, Indiana in 2008, and my Master of Business Administration
10 from Biola University in La Mirada, California in 2018. Prior to joining SoCalGas, I held various
11 HR related roles in the healthcare and non-profit industries.

12 I have not testified before the Commission previously.

APPENDIX A

Glossary of Terms

APPENDIX A - GLOSSARY OF TERMS

ADA	Americans with Disabilities Act
ADR	Alternative Dispute Resolution
AGA	American Gas Association
AI	Artificial Intelligence
BY	Base Year
CBA	Collective Bargaining Agreement
CDL	California Driver's License
CEO	Chief Executive Officer
CFF	Cross-Functional Factor
CFO	Chief Financial Officer
CFRA	California Family Rights Act
CIPMO	Continuous Improvement Project Management Office
CPUC	California Public Utilities Commission
COO	Chief Operating Officer
D&CS	Design and Creative Services
DE&I	Diversity, Equity & Inclusion
DHS	Department of Homeland Security
DOT	Department of Transportation
DWC	Division of Workers' Compensation
EAP	Employee Assistance Program
ECS	Employee Care Services
ED	Employee Development
EEOC	Equal Employment Opportunity Commission
ERG	Employee Resource Group
EX.	Exhibit
FEHA	California Fair Housing and Employment Act
FMLA	Family Medical Leave Act
FTE	Full Time Equivalent
GRC	General Rate Case
HR	Human Resources

HRA	Human Resources Associate
HRBP	Human Resources Business Partner
HRIS	Human Resources Information System
HRIT	Human Resources Information Technology
ICWUC	International Chemical Workers Council
IT	Information Technology
iVOS	Internet Valley Oak Systems
KM	Knowledge Management
LSS	Lean Six Sigma
LTD	Long-Term Disability
MAVF	Multi-Attribute Value Framework
NLRB	National Labor Relations Board
NSC	National Safety Council
O&M	Operations and Maintenance
OD	Organizational Development
ODA	Organizational Development Advisor
OE	Organizational Effectiveness
OFCCP	Office of Federal Contract Compliance Programs
OSIP	Office of Self-Insured Plans
PACKS	Pay Analysis of Comprehension, Knowledge and Skills
PDL	Pregnancy Disability Leave
PMO	Project Management Office
PMOS	Performance Management and Organizational Strategy
RAMP	Risk Assessment Mitigation Phase
RSE	Risk Spend Efficiency
SaaS	Service as a Software
SCG	Southern California Gas Company
SHRM	Society for Human Resource Management
SoCalGas	Southern California Gas Company
SPD	Safety Policy Division
TM	Talent Management

TY	Test Year
U.S.	United States
UWUA	Utility Workers of America
WC	Workers' Compensation
WEI	Western Energy Institute

APPENDIX B

TABLE AN-B1

RAMP Activities by Workpaper

APPENDIX B

TABLE AN-B1
RAMP Activities by Workpaper

PEOPLE AND CULTURE DEPARTMENT						
RAMP Activity O&M Forecasts by Workpaper (In 2021 \$)						
Workpaper	RAMP ID	Description	BY 2021 Embedded Base Costs (000s)	TY 2024 Estimate d Total (000s)	Change	GRC RSE*
2HR001.000	SCG-Risk-5 - C09	Utilizing Industry Best Practices and Benchmarking	929	929	0	5
2HR003.000	SCG-CFF-7 - 01	Workforce Planning	585	793	208	0
2HR005.000	SCG-Risk-5 - C02	Drug and Alcohol Testing Programs	253	306	53	30
2HR005.000	SCG-Risk-5 - C03	Employee Wellness Programs	672	672	0	5
2HR007.000	SCG-CFF-7 - 02	Knowledge Transfer	35	190	155	0
2HR007.000	SCG-CFF-7 - 03	Training	1,115	1,115	0	0
2HR007.000	SCG-CFF-7 - 04	Training - Technical non-HR	295	295	0	0
Total			3,884	4,300	416	

* An RSE value was not calculated for an activity with a "0" RSE value.

