

Angeles Link Phase 1 Reasonableness Review Chapter 2 Workpapers: Stakeholder Engagement

I. Introduction

This workpaper provides details of the prudent and reasonable activities taken to execute Southern California Gas Company's (SoCalGas) Angeles Link Phase 1 stakeholder engagement activities in compliance with Decision (D.) 22-12-055 (Phase 1 Decision).¹

In accordance with the Phase 1 Decision, SoCalGas created a Planning Advisory Group (PAG), composed of representatives from industry, labor, academia, tribal governments, and environmental organizations and a Community Based Organization Stakeholder Group (CBOSG) that included faith-based organizations, community and economic development groups, and environmental and environmental justice organizations.² SoCalGas held a total of 27 meetings and workshops,³ as well as over 30 one-on-one meetings with members. During the course of Phase 1, over 70 organizations participated in the PAG and CBOSG.

The stakeholder engagement process created multiple opportunities to review and discuss the development of the Phase 1 Studies (i.e., Scope of Work, Technical Approach, Preliminary Data and Findings, and Draft Study) either during meetings or via written comments. Presentations, agendas, meeting summaries, attendance information, as well as responses to stakeholder feedback can be found in the quarterly

¹ Phase 1 Decision at 74-78 (Ordering Paragraphs (OP) 3(e), 3(h), 5(b), 5(d), 7, 8). The activities were scoped and conducted in compliance with the Phase 1 Decision in its entirety, which includes broader requirements than those required for cost recovery, including OP 6(m) (*id.* at 76). Phase 1 Decision OP 6 requirements to advance to Phase 2 are being addressed in A.24-12-011.

² *Id.* at 77-78 (OP 8).

³ The first PAG and CBOSG meeting was held in March 2023 and culminated in the final meeting in December 2024.



reports, which were submitted to the California Public Utilities Commission (Commission) pursuant the Phase 1 Decision.⁴

The total loaded cost associated with the stakeholder engagement activities conducted during Phase 1 is \$5.5 million in operating and maintenance (O&M) expenditures for Phase 1 activities.⁵

II. Stakeholder Engagement Costs

A combination of internal and external resources were utilized to effectively execute the stakeholder engagement activities. Direct costs for these activities reflect labor costs (e.g., internal personnel) and non-labor costs (e.g., third-party contractors and miscellaneous costs associated with supporting Angeles Link Phase 1 activities).⁶ Indirect costs reflect costs for overhead loaders.⁷ The total loaded cost for the stakeholder engagement activities is \$5.5 million. See Table 1: Stakeholder Engagement Total Costs below for additional cost details.

Table 1: Stakeholder Engagement Total Costs (in millions)

Labor	Non-Labor	Overheads	Total Loaded Costs
\$1.0	\$3.6	\$0.9	\$5.5

⁴ Phase 1 Decision at 74-75 (OP 3(h)), 77 (OP 7). The quarterly reports provided status updates on the feasibility studies during Phase 1, identified and responded to stakeholder feedback received, and attached transcripts of PAG and CBOSG meetings and materials presented at these meetings held during that quarter. The quarterly reports were submitted to the Commission and are published on SoCalGas's website at: <https://www.socalgas.com/regulatory/angeleslink>.

⁵ Expenditures for these activities were incurred from January 2023 through December 2024, with some discrete trailing charges in 2025.

⁶ See Chapter 1 (Direct Testimony of Shirley Arazi and Amy Kitson) for a description of miscellaneous costs.

⁷ See Chapter 6 (Direct Testimony of Jenny Chhuor and Michael W. Foster) for a description of overhead costs.

A. Labor Costs

Labor costs for Stakeholder Engagement total \$1.0 million and consist of support from SoCalGas personnel within the Angeles Link organization (e.g., project managers and directors) as well as personnel from other departments in areas such as general administration, regulatory and policy, and public affairs).⁸

Labor costs reflect the following activities:

- Development of stakeholder engagement process, including formation of the PAG and CBSOG groups, in coordination with the Commission's Energy Division (ED).
- Scheduled and organized stakeholder engagement meetings and workshops in alignment with the Phase 1 Decision.⁹
- Coordinated meeting logistics, including venues, virtual platforms, invites, and attendance tracking.
- Prepared for meetings or workshops, including developing meeting materials (e.g., slide decks and handouts) to support meaningful engagement.
- Coordinated with internal subject matter experts and third-party contractors to prepare technical content.
- Reviewed stakeholder feedback and meeting themes.
- Developed written responses and incorporation of feedback into ongoing study workstreams as appropriate.
- Compiled and prepared quarterly reports in alignment with Phase 1 Decision.¹⁰
- Oversaw and managed third-party contractors supporting the stakeholder engagement process.

⁸ See Chapter 1 (Direct Testimony of Shirley Arazi and Amy Kitson) for additional labor cost details.

⁹ Phase 1 Decision at 74-78 (OP 3(e), 5(d), 8).

¹⁰ *Id.* at 74-77 (OP 3(h), 6(m), 7).

B. Non-Labor Costs

Non-labor costs for Stakeholder Engagement total \$3.6 million and consist of third-party contractor costs and miscellaneous expenses. The stakeholder engagement process required contractor support for the planning, production, and post-meeting activities resulting from stakeholder meetings and workshops. Examples of non-labor cost activities include the following:

- Meeting Planning:
 - Held regular planning meetings to align on stakeholder engagement meeting logistics, roles, and responsibilities.
 - Prepared for stakeholder meetings, including presentation content.
 - Provided communications, including meeting invitations, individual follow ups to confirm participation, meeting reminders, post meeting information, milestone deliverable information, and feedback deadline information.
- Meeting Facilitation and Production:
 - Secured and managed venues for in-person and hybrid meetings, including handling venue rental agreements and confirming Americans with Disabilities Act (ADA) accessibility.
 - Managed onsite logistics, including registration tables, signage, catering, and printed materials.
 - Supported professional facilitation of meetings and workshops to foster inclusive dialogue.
 - Provided real-time transcription from a licensed court reporter and stakeholder Q&A tracking during meetings.
 - Provided technical equipment and support for hybrid meeting setups, including audio-visual services, internet connectivity, and production crew.
- Meeting Support:
 - Updated content and managed stakeholder access to the Living Library.

- Prepared post-meeting summaries reflecting meeting presentation and key feedback themes.
- Provided CBOSG Compensation¹¹ through Lee Andrews Group (LAG).
- Tracked stakeholder comments, categorized feedback, and coordinated with SoCalGas and subject matter experts (SMEs) to develop responses or integrate input into ongoing studies.
- Supported the development of quarterly stakeholder engagement reports by providing summaries of quarterly meetings and meeting materials.

The following section provides details on the third-party contracts and contract amendments necessary to conduct the stakeholder engagement activities.

In April 2023, SoCalGas awarded Arellano Associates (Arellano) a not-to-exceed (NTE) contract for \$600,000 for stakeholder engagement activities related to the PAG. In June 2023, an amendment was executed to revise the scope of services and adjust the contract amount from \$600,000 by \$135,000 to a total of \$735,000 to account for additional meeting facilitation and production costs associated with the increased number of PAG and CBOSG meetings. In October 2023, a second amendment was executed to revise the scope of services and adjust the contract amount from \$735,000 by \$233,085 to a total of \$968,085. This second amendment was made to reflect the increase in time spent planning and executing stakeholder meetings. The total cost incurred for Arellano is \$943,546.

In April 2023, SoCalGas awarded LAG a not-to-exceed contract for \$400,000 for stakeholder engagement activities related to CBOSG. In December 2023, an amendment was executed to revise the scope of services and adjust the contract amount from \$400,000 by \$135,000 to a total of \$535,000 to account for the increased meeting cadence and associated planning, staffing, and execution costs. In October 2024, a second amendment was executed to extend the term of the agreement through

¹¹ *Id.* at 77-78 (OP 8(b), 8(c)).



March 31, 2025, and adjust the contract amount from \$535,000 by \$75,000 to a total of \$610,000. The total cost incurred for LAG was \$598,415.

SoCalGas exercised due diligence throughout the Phase 1 stakeholder engagement process to minimize or avoid costs where possible. For example: Arellano and LAG were contracted on a monthly retainer rather than hourly billing, which provided predictable costs, reduced administrative overhead, increased efficiency, incentivized value, and helped control overall expenses.

SoCalGas awarded Insignia Environmental (Insignia) a contract under their existing Master Service Agreement (MSA).^{12,13} In December 2023, two tasks were added to the Insignia contract to support stakeholder engagement:

- Task 4: Meeting Preparation and Support – attend quarterly stakeholder meetings and workshops to support notetaking, post-meeting documentation and drafting technical approach and preliminary findings summary.
- Task 5: Stakeholder Comment Tracking – develop and maintain a stakeholder tracking feedback system; data entry of comments into database; prepare information for the quarterly reports; and project management.

These two tasks account for \$398,725 of the contract. The total cost incurred for these two tasks was \$249,582.

¹² Where applicable, SoCalGas entered into agreements that were set at market-based rates stemming from prior competitive solicitations (e.g. MSA) to select vetted and qualified firms and leverage their particular expertise in preparing each study.

¹³ See Chapter 4 Workpapers for contracting details and amendments.