

**APPLICATION OF INCREMENTAL FUNDING FOR CUSTOMER INFORMATION
SYSTEM REPLACEMENT PROGRAM (A.25.5.004)**

(DATA REQUEST CaIPA-SCG-006)

Date Requested: August 10, 2025, Due: September 4, 2025

QUESTION 1:

Chapter 1-Prepared Direct Testimony of Evan Goldman at EG-6 states that SoCalGas is on track to complete the Design/Build/Validate phase in Q3 2025. Please provide the following information:

- a) Updated information and supporting documentation confirming whether the Design/Build/Validate phase has been completed.
- b) Total actual costs incurred and recorded for the Design/Build/Validate phase.
- a) In the event the phase has not been completed, a detailed explanation of the reasons for the delay, current status of the phase and the revised expected completion timeline.

RESPONSE 1:

Response 1a.

The attachments include Confidential and Protected Materials provided pursuant to PUC Section 583, GO 66-D, and D.21-09-020

Please see attached email confirming that the Design/Build/Validate (DBV) phase has been completed.

- DR-006 Q1a_SG1 DBV Exit + SG2 Test Entry - Go NoGo.pdf

Response 1b.

SoCalGas does not track costs for the project by phase. Recorded costs can be provided by month, however, the month of August was not yet closed and available by the time of this response. SoCalGas will update this response with the costs by month once August costs are available.

Response 1c.

Not applicable.

**APPLICATION OF INCREMENTAL FUNDING FOR CUSTOMER INFORMATION
SYSTEM REPLACEMENT PROGRAM (A.25.5.004)**

(DATA REQUEST CalPA-SCG-006)

Date Requested: August 10, 2025, Due: September 4, 2025

QUESTION 2:

SoCalGas's Application A.25-05-004, states on page 4, that Decision 24-12-047 authorized TY 2024 O&M recovery of \$10 million and the related footnote 16 states "this amounts to \$40 million over the GRC period (2024-2027)." Please provide an extract with supporting language from D. 24-12-047 stating that \$40 million has been authorized over the GRC period from 2024 through 2027.

RESPONSE 2:

D.24-12-047 is available here: [550485071.pdf](#)

Please refer to the following pages regarding the approval of the CIS replacement program, including approval of O&M recovery of \$10 million for Test Year 2024: 503; 1062 Conclusion of Law (COL) 146 and 147.

Please refer to the following pages regarding the post-test years, which include 2025, 2026, and 2027: 909, 1085, COL 310; and 1088, Ordering Paragraph 7

In the GRC, the Commission approves a revenue request for the test year (here 2024) and the amount approved is then applied to the post-test years (here 2025, 2026, and 2027).

**APPLICATION OF INCREMENTAL FUNDING FOR CUSTOMER INFORMATION
SYSTEM REPLACEMENT PROGRAM (A.25.5.004)**

(DATA REQUEST CaIPA-SCG-006)

Date Requested: August 10, 2025, Due: September 4, 2025

QUESTION 3:

Plan & Analyze phase of the CIS Replacement Project was deferred until April 2024. Provide response to the following:

- a. Reason for the delay of the project till the second quarter of 2024.
- b. To what extent has the project delay impacted the time-line for the completion of the CIS Replacement Project.
- c. Findings from SoCalGas's conducted study on how this delay will impact the costs associated with the CIS Replacement Project
- d. How will this delay customer services?
- e. Potential risks associated with this delay, and mitigation strategies in place to address those risks.
- f. Affects of the delay on resource allocation for the CIS Replacement Project.
- g. Changes in staffing levels or budget allocations as a result.
- h. Adjustments made by SoCalGas to future milestones and deadlines for the CIS Replacement Project due to this delay

RESPONSE 3:

Response 3a.

The GRC projection of a January 2024 start date was based on high-level assumptions of the time it would take to complete pre-planning activities needed before the project could begin (for example vendor selection and contract negotiation, and hiring project team resources). The plan also assumed the Commission would issue a GRC decision by the end of 2023. Given the delay in the timing of the GRC Decision and after additional planning was completed, it was determined that an April 2024 project start date was more realistic to allow sufficient time to complete pre-planning activities, and to reduce spend (and uncertainty), prior to a GRC Decision.

Response 3b.

The project is on track to implement (go-live) in Q3 2026. The GRC forecasted timeline included a go-live in Q2 2026.

Response 3c.

SoCalGas objects to this request on the grounds that it misstates facts and/or assumes facts that do not exist. Subject to and without waving the foregoing objections, SoCalGas responds as follows:

**APPLICATION OF INCREMENTAL FUNDING FOR CUSTOMER INFORMATION
SYSTEM REPLACEMENT PROGRAM (A.25.5.004)**

(DATA REQUEST CalPA-SCG-006)

Date Requested: August 10, 2025, Due: September 4, 2025

SoCalGas has not conducted such study, however, the adjustment of the schedule to implement in Q3 2026 is not anticipated to materially impact project costs as the duration of the project remains unchanged from what was forecasted in the GRC.

Response 3d.

SoCalGas does not anticipate any delay in customer services as a result of the adjustment of the schedule to implement in Q3 2026. SoCalGas's legacy CIS system will continue to be used until the new CIS is in place.

Response 3e.

The adjustment of the schedule to implement in Q3 2026 is associated with minimal new potential risks, however, these include:

- Delays to the currently planned implementation date in Q3 could introduce Sarbanes-Oxley Act (SOX) controls risk the closer the implementation occurs to the end of the year.
- Go-live will occur closer to the end of the year which is typically is a busier time for Customer Services due to increases in calls and customer service orders associated with colder weather. If the project schedule were to delay into Q4, it would give customer services less time to learn the new system before their busy period starts.

To mitigate these risks

- Robust project management office governance processes are in place to manage scope, schedule, risks, issues and dependencies.
- High level of executive involvement across SoCalGas and vendor partners to help resolve issues and provide support to meet schedule.

Response 3f.

The timing of resource onboarding was adjusted to align with the project schedule, but the allocation of resources is not affected.

Response 3g.

Only the timing of staff onboarding and budget expenditure has changed. There are no changes in staffing levels or budget allocations.

Response 3h.

The duration of the project remains consistent with what was outlined in the GRC. Overall schedule was shifted by 3 months including the implementation date which was shifted from Q2 2026 to Q3 2026.

Refer to response to DR-005 Q.3a for the current start and end dates for each phase of the project.

**APPLICATION OF INCREMENTAL FUNDING FOR CUSTOMER INFORMATION
SYSTEM REPLACEMENT PROGRAM (A.25.5.004)**

(DATA REQUEST CalPA-SCG-006)

Date Requested: August 10, 2025, Due: September 4, 2025

QUESTION 4:

Chapter 2- Prepared Direct Testimony of April McAllaster on AM-5 explains that the \$10 million in base year 2021 dollars was escalated to 2024 values and then adjusted using the adopted 3% annual attrition rate, resulting in an imputed total authorized amount of \$46.9 million across the GRC cycle from 2024 through 2027. Please provide:

- a. Calculations showing how the \$10 million was escalated to 2024 values.
- b. 3% annual attrition rate applied to the adjusted 2024 values to reach the imputed total authorized amount of \$46.9 million for the years 2024 through 2027.
- c. Present calculations in an Excel file with associated formulas intact.

RESPONSE 4:

Response 4a-4c.

See “SoCalGas_CIS_CalPA_DR05_Q2”

**APPLICATION OF INCREMENTAL FUNDING FOR CUSTOMER INFORMATION
SYSTEM REPLACEMENT PROGRAM (A.25.5.004)**

(DATA REQUEST CaIPA-SCG-006)

Date Requested: August 10, 2025, Due: September 4, 2025

QUESTION 5:

Please confirm whether SoCalGas is recording 100% of the food/catering/meal expenses or only 50% as O&M costs

RESPONSE 5:

Expenses for food/catering/meals incurred in support of O&M activities are being recorded 100% to O&M. Costs associated with capital are recorded to capital.

**APPLICATION OF INCREMENTAL FUNDING FOR CUSTOMER INFORMATION
SYSTEM REPLACEMENT PROGRAM (A.25.5.004)**

(DATA REQUEST CalPA-SCG-006)

Date Requested: August 10, 2025, Due: September 4, 2025

QUESTION 6:

Please provide detailed information regarding the 'Other Living Expense' for SoCalGas employee listed on line 645 of Excel file "Confidential_SoCalGas_CIS_CalPA_DR03_Q3," amounting to \$1,258,10. Please respond to the following:

- a. Specific information as to what these living expenses cover.
- b. Justification of recording living expenses as O&M expense.

RESPONSE 6:

Response 6a:

This expense was for branded items (notebooks, pens, and coffee mugs) for members of the project team.

Response 6b:

Under SoCalGas's accounting policy, these materials fall under O&M.

**APPLICATION OF INCREMENTAL FUNDING FOR CUSTOMER INFORMATION
SYSTEM REPLACEMENT PROGRAM (A.25.5.004)**

(DATA REQUEST CalPA-SCG-006)

Date Requested: August 10, 2025, Due: September 4, 2025

QUESTION 7:

Excel file “Confidential_SoCalGas_CIS_CalPA_DR03_Q3,” has recorded costs for computer equipment on lines 172, 258 and 343 for the amounts \$1,737.37, \$245.69 and \$245.69 respectively. Clarify if these costs need to be capitalized.

RESPONSE 7:

These costs cannot be capitalized in accordance with SoCalGas’s Accounting Policy.

APPLICATION OF INCREMENTAL FUNDING FOR CUSTOMER INFORMATION SYSTEM REPLACEMENT PROGRAM (A.25.5.004)

(DATA REQUEST CalPA-SCG-006)

Date Requested: August 10, 2025, Due: September 4, 2025

QUESTION 8:

Excel file “SoCalGas_CIS_CalPA_DR02_Q2a,b” shows TY2024 forecast for \$15.030 million, and TY2024 escalated nominal forecast for \$16.870 million. Please explain the difference between the two forecasts and which forecast did SoCalGas use as the basis of recording 2024 costs.

RESPONSE 8:

The forecast on column “C” is the forecast presented in the GRC application. The forecast “TY2024 Escalated”, column “D”, is the amount in column “C” escalated to a 2024 value.

Both, \$15.030 million and \$16.870 million, were forecasted costs. The recorded 2024 costs for this application were the actual costs incurred during 2024.

	A	B	C	D	E
1	CIS Replacement Program		TY2024	TY2024 Escalated	2024 Actuals with V&S
2	(\$ In Thousands)				
3	O&M		Forecast \$	Nominal \$	Actuals \$
4		SoCalGas Labor	\$765	\$851	386
5		Contingency	\$206	\$229	-
6		V&S	\$171	\$190	62
7	Labor Sub-Total		\$1,142	\$1,270	\$448
8		Third Party Contractors	\$10,701	\$12,020	4,228
9		Software	\$481	\$540	3,814
10		Contingency	\$2,706	\$3,040	
11		Materials/Facilities/Other	\$0	\$0	35
12	Non-Labor	Sub-Total	\$13,888	\$15,600	8,078
13	O&M Total		\$15,030	\$16,870	\$8,526
14					
15					
16					
17	Escalation for Labor	1.1121			
18	Escalation for Non-Labor	1.1233			
19					

**APPLICATION OF INCREMENTAL FUNDING FOR CUSTOMER INFORMATION
SYSTEM REPLACEMENT PROGRAM (A.25.5.004)**

(DATA REQUEST CaIPA-SCG-006)

Date Requested: August 10, 2025, Due: September 4, 2025

QUESTION 9:

Please confirm if SoCalGas is recording Decommissioning costs for powering off the hardware, software, and other applications and systems associated with legacy CIS as O&M costs.

RESPONSE 9:

Decommissioning costs for powering off the hardware, software, and other applications and systems associated with SoCalGas's legacy CIS are not included in the O&M forecasts in this application. The application only includes costs for incremental resources to manage and coordinate decommissioning activities.