

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

**(DATA REQUEST SBUA-SCG-001)**

**Date Requested: October 13, 2025, Response Submitted: October 23, 2025**

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**QUESTION 1:** Please provide formula-enabled Excel versions of all workpapers used to support financial data shown in Exhibits SCG-1, 2, 3, and 4. Send only revised and current versions.

**RESPONSE 1:**

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

Next level details for all costs from Chapter 2 Workpapers have been provided in Response to Question 3a of CalPA DR-001, which is being provided with this response.

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**QUESTION 2:** Provide formula-enabled Excel versions for all workpapers, including Confidential, provided in response to Cal Advocates' data requests. Responses requested are found here: [A.25-05-004 – SCG Application for Incremental Funding for CIS Replacement | SoCalGas](#)

**RESPONSE 2:**

Please refer to the response to Question 1 above.

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**QUESTION 3:** Please confirm that all data requests from all parties are being posted to this link.  
[A.25-05-004 – SCG Application for Incremental Funding for CIS Replacement | SoCalGas](#) If not,  
provide any and all data responses to other parties.

**RESPONSE 3:**  
Confirmed.

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**QUESTION 4:** Please explain SCG's understanding of incrementality. Explain how incrementality is determined on a forecast basis.

- a) Explain whether SCG would refund IT expense costs after 2027 if SCG did not exceed its combined 2024 GRC and CIS incremental expense authorized costs. Provide CPUC decision references supporting SCG's explanations.

**RESPONSE 4:**

The cost forecast was calculated for the entire CIS project. For purposes of this application, the incremental funds being requested is the difference between total forecasted project cost and GRC-authorized amounts for the CIS project.

In this application, SoCalGas is requesting authority to establish a two-way balancing account to balance any differences between actual and authorized incremental costs sought in this application. SoCalGas proposes that, if the two-way balancing account has an over-collected balance (*i.e.*, recorded costs below authorized funding) upon completion of the project, the balance will be amortized in reduced transportation rates.

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**QUESTION 5:** Please provide supporting documentation in Excel format that SoCalGas has already or is forecasted to exceed its total IT O&M budget for years 2024 – 2027 consistent with authorized 2024 GRC revenues.

**RESPONSE 5:**

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Please see file provided in response 3a to data request CalPA-SCG-001.

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**QUESTION 6:** Please provide formula-enabled Excel versions of all workpapers pertaining to any testimony SCG submitted supporting the reasonableness of:

- a) Proposed staffing levels
- b) Working cash, lead-lag study, and other rate base items
- c) SoCalGas labor, contractor costs, decommissioning, software, and materials/facilities/other

If complete and accurate versions of the data requested in this question is contained within workpapers provided in question 1 of this data set, SCG may provide a reference to the location.

**RESPONSE 6:**

SoCalGas will provide a response to this request by October 28, 2025.

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**QUESTION 7:** Regarding SCG-02-R at AM-3, SCG states, “As these employees complete training activities, their roles will be backfilled by surge staffing resources.”

Provide all supporting documentation in Excel form with working formulae to support the recorded and forecast estimate of backfill resources

**RESPONSE 7:**

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**QUESTION 8:** Regarding SCG-02-R at AM-3, SCG states, “To develop a forecast for software costs, SoCalGas relied on either the actual costs in finalized contracts between SoCalGas and contractors or estimates based on quotes from contractors or the costs of similar software.”

Provide supporting documentation in Excel form with working formulas to support this forecast.

**RESPONSE 8:**

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Please see the files provided in response to question 3a and question 5 of data request CalPA-SCG-001.



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**QUESTION 9:** Regarding software costs discussed at AM-12, SCG states, “Software costs include expensed portions of SoCalGas’s contract with SAP to license and host the new CIS and other relevant ancillary software required to facilitate the Project that do not meet capitalization requirements. Software costs reflect the commercial terms agreed to between SoCalGas and its contractors, projections of future costs based on current contracts for similar software, or contractor quotes. Software costs are presented by year in Table AM-4 20 below.”

Provide SCG’s software capitalization guidelines and cite which sections that documents that software license costs should not be capitalized.

**RESPONSE 9:**

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**QUESTION 10:** SBUA recommends that SoCalGas be allowed to record incremental O&M costs to a one-way memorandum account with a hard cap. Upon completion of the project within cost caps, SoCalGas may include recovery of the balance in the new memorandum account its annual year end consolidated rate advice letter, if recorded costs are within the cap. Any amounts exceeding the cap would not be recoverable. Within this application, SoCalGas may update its requested O&M spend up to two weeks prior to submission of opening briefs to ensure that any Commission authorized cost cap will be as accurate as possible.

Please state whether this recovery mechanism, which attempts to balance ratepayer risks of overspending and SoCalGas's updated recovery request, is acceptable to SoCalGas. If it is not, please explain.

**RESPONSE 10:**

SoCalGas proposes to establish a two-way balancing account as described in [Chapter 3 - Prepared Direct Testimony of Rae Marie Q. Yu \(Regulatory Accounts\)](#), RMY-1.

The incremental costs requested in this application are prudent and necessary for the successful completion of the Project and will enable SoCalGas to better serve its customers by meeting business and technology needs.

SoCalGas is willing to continue discussions with SBUA on this topic.

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**QUESTION 11:** Please describe any outreach to commercial customers, with specification of any outreach to the lowest-usage tier of commercial customers, in connection with scoping and designing the CIS program.

**RESPONSE 11:**

The CIS Replacement Project will implement a modern software solution replacing a 30-year-old legacy system. The initial implementation is not anticipated to significantly alter the services provided to the lowest-usage tier of commercial customers. The new solution will serve as a foundation for SoCalGas to more efficiently implement new regulatory, legislative, and business driven requirements. While no direct outreach to commercial customers occurred, SoCalGas and its customers will benefit from continuous innovation, enhancements, and support inherent to modern packaged software solutions.

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**QUESTION 12:** Please identify any aspects of the CIS program and that costs requested in this application that are targeted to the needs of small commercial customers.

**RESPONSE 12:**

See response from question 11.