

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

(DATA REQUEST SBUA-SCG-002)

Date Requested: December 26, 2025, Due: January 12, 2026

QUESTION 1: Does SoCal Gas have authority under D.24-12-074 to make adjustments to its CIS information technology system that were not previously planned to better serve or meet specific billing, information, outreach or communication needs of small business customers if SoCal Gas determined that such adjustments are appropriate? Please explain SoCal Gas' understanding of the parameters of such flexibility.

RESPONSE 1:

The Commission in D.24-12-074 authorized a capital cost forecast and an O&M revenue requirement for the CIS Replacement Project based on the planned activities described in SoCalGas's testimony. In authorizing these amounts, however, the Commission did not approve or deny specific activities or activity levels. Although SoCalGas has the authority to make adjustments to its CIS Replacement Project, it must do so within its authorized amounts. SoCalGas's ability to make adjustments not previously planned and built into the project forecast and timeline is restricted by the project schedule, since SoCalGas must prioritize critical activities necessary to go live in September 2026. Once the new CIS is live, SoCalGas will continue to enhance the system given business and customer needs.

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QUESTION 2: SoCal Gas' rebuttal testimony (SCSG-05 at 17) states that contingency is "built into the following areas:

- 20% contingency on the number of training instructors equating to \$768 thousand.
- 10% contingency on 2026 and 2027 contracted Systems Integrator O&M payments to account for scope change requests equating to \$856 thousand."

Is this \$1,642,000 the only contingency amount (regardless of terminology used for such cushion, margin, reserve) included in the application? If not, please explain and calculate the total contingency.

RESPONSE 2:

Yes, the \$1,642,000 amount is the only contingency included in the application.

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QUESTION 3: SoCal Gas seeks authority to establish a two-way balancing account to record above authorized costs and seek reasonableness review of such costs.

- (a) Has SoCal Gas undertaken any analysis of the extent of above-authorized costs that it may record in such a balancing account? Please provide any workpapers concerning estimates of the extent of such above-authorized spending.
- (b) Has SoCal Gas undertaken any analysis of the specific activities or programs that may require it to incur above-authorized costs? If yes, please explain and provide any applicable workpapers.

RESPONSE 3a and 3b:

Yes, please refer to the cost estimate for the CIS replacement project “Confidential_SoCalGas_CIS_CalPA_DR01_Q3a” provided with DR SBUA-SCG-001. Based on progress and actuals, SoCalGas expects that GRC authorized funds will be fully utilized by the third quarter of 2026. This is before the anticipated completion of project stabilization phase activities in the second quarter of 2027. Activities impacted include: training employees on the new CIS, surge staffing to promote continuity of service during the training and transition to the new CIS, change management activities, decommission activities, and software licensing costs.

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QUESTION 4: SoCal Gas intends to request recovery of above-authorized amounts in the next GRC “or other authorized proceeding.” (SCG-03 at 1.) Please explain any practical, legal or other impediment faced by SoCal Gas to a requirement that it seek such recovery in the next GRC exclusively.

RESPONSE 4:

At this time SoCalGas is unaware of any practical, legal, or other impediment. SoCalGas notes, however, that if its application and request for balancing account is approved, the next opportunity to seek a reasonableness review of any above authorized amounts in a GRC would be the Test Year (TY) 2032 GRC, as SoCalGas will be filing its application for the TY 2028 GRC in May 2026, prior to completion of the CIS Replacement Project. Given the length of time between when costs will be incurred (up to 2027) and when costs will be sought, it may become more practical to seek recovery at an earlier time through a separate application. Thus, SoCalGas prefers flexibility in being able to seek any above authorized amounts in either a GRC or another authorized proceeding.