

SOUTHERN CALIFORNIA GAS COMPANY
Cal Advocates-SCG-02
(A.25-08-009) SoCalGas and Lakeside Dairy Biomethane Pilot Project Costs
Application
DATE REQUESTED: December 16, 2025
RESPONSE DUE: January 14, 2026

QUESTION 1:

In Chapter 3 of the Prepared Direct Testimony of Martiza Pacheco, Table 9 at MP-14, SoCalGas provides the Summary of Company Labor Costs without specific line-items. Table 9 generally shows that SoCalGas spent approximately \$1,161,000 on company labor, which is approximately \$457,000 over the authorized amount of \$704,000.

- a. Provide the exact dollar amount that was authorized for company labor.
 - i. Provide the date that SoCalGas requested authorization to spend funds on company labor and whether it was made via advice letter or formal application.
 - ii. Provide documentation showing where the authorized amount for labor was approved, with citation. If the authorization was pursuant to a disposition or resolution of an advice letter, provide the advice letter and the relevant authorization document.
 - iii. Indicate if there was a difference between the requested amount and the authorized amount. If there was a difference, provide the amount of the difference. If that difference is due to cost escalation, indicate where the cost escalation was requested and authorized. Provide the details of the cost escalation so that it is clear how the authorized amount is different from the requested amount.

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RESPONSE 1:

ai. An advice letter was submitted on December 13, 2018 and an amended advice letter was submitted on January 28, 2019 to request the fully loaded cost figure of \$30.141 million, which included company labor. The advice letter did not include a specific breakdown of cost categories.

aii. See response to 1.a.i. above. The Commission authorized a total \$30.141 million and did not include a specific breakdown of cost categories. Please see attached "CPUC Approval of Advice Letter 5398-G and 5398-G-A".

aiii. No. The requested amount in the Advice Letter is the authorized amount.

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QUESTION 2:

In Chapter 3 of the Prepared Direct Testimony of Martiza Pacheco at MP-14, SoCalGas states that the increase in costs for company labor was primarily due to additional engineering, project management, field operations, and construction management required to support the increase in scope of work pursuant to changes to the Project's engineering and construction. SoCalGas further states that the construction schedule was extended three times longer than estimated and that the Project encountered unforeseen site conditions, which required additional project management, construction management, and engineering oversight personnel.¹ Finally, SoCalGas states that the evolving scope changes required an increase of support for material oversight, engineering design, agency coordination, vendor interfacing, promoting a safe work environment, coordinating with contractors, and document management.

a. In an Excel spreadsheet, provide the cost that SoCalGas incurred for company labor for each of the following activities: (1) engineering, (2) project management, (3) field operations, (4) construction management, (5) engineering oversight, (6) material oversight, (7) engineering design, (8) agency coordination, (9) vendor interfacing, (10) promoting a safe work environment, (11) coordinating with contractors, and (12) document management.

i. Provide the total actual sum cost for the activities listed in Question 2.a. If the dollar amount of the sum cost in response to Question 2.a is different from the dollar amount provided in response to Question 1.b., explain the discrepancy. If there are additional activities that SoCalGas counts toward company labor that contribute to the total company labor costs, identify and describe those activities and their associate costs.

ii. In an Excel spreadsheet, provide line items that show how much SoCalGas paid for company labor for each activity listed in Question 2.a and provide the corresponding invoices. If the total cost for the line items and the invoices does not add up to the amount provided in response to Question 2.a.i., explain the discrepancy.

iii. Complete the attached spreadsheet "Data Request SCG-A2508009-12152025 Spreadsheet Delineating Costs for Company Labor."

b. Identify the labor rate for each category of employee (or contractor or agent of the company) that qualifies as company labor on the Project (e.g., project

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manager, field engineer, construction manager, engineering staff). Provide invoices that show how much SoCalGas paid each category of employee (or contractor or agent of the company) that qualifies as company labor.

RESPONSE 2:

ai. Company labor is not separately tracked according to the specific activities listed in this question. The activities listed in Question 2.a are illustrative descriptors used in testimony to explain cost drivers, not discrete accounting categories..

While SoCalGas does not separately track company labor by the specific activities listed in this question, SoCalGas provides the following attachment consisting of the following categories: 1) engineering, 2) project management, 3) field operations, 4) construction management, 5) environmental services and Land and Right of Way (L&ROW). The activities listed in this question are included within one or more of these categories.

Please refer to attachment "Data Request SCG-A2508009-12152025 Spreadsheet Delineating Costs for Company Labor," Tab 2.a.i.

This data request does not contain a question 1.b. As such, SoCalGas is unable to respond to the part of the question referencing 1.b.

aii. Please see response to question 2.a.i. and refer to attachment "Data Request SCG-A2508009-12152025 Spreadsheet Delineating Costs for Company Labor". Tab 2.a.ii. provides the line items that show how much SoCalGas paid for company labor. Column E can be used to sort by category.

aiii. Please refer to attachment "Data Request SCG-A2508009-12152025 Spreadsheet Delineating Costs for Company Labor". Tab 2.a.iii. is the spreadsheet requested to be completed.

2b. Please refer to attachment "Data Request SCG-A2508009-12152025 Spreadsheet Delineating Costs for Company Labor". Tab 2.b. provides the labor rates (min rate and max rate) of each category of employees at the time of the project. The max rate is inclusive of overtime. This document is considered Confidential in accordance with Decision ("D.") 21-09-020 and General Order ("GO") 66-D Revision 2.

Company labor is not tracked by invoices.

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QUESTION 3:

Explain the difference between the Variance of the company labor costs provided in Table 9 and the company labor Cost Impact provided in Table 10 below.

Summary of Company Labor (in \$000s)

Scope	Authorized Amount (2019) ²¹	Actual Costs	Variance
SoCalGas's Facility	704	1,161	457

Table – 10 - Company Labor Cost Impact Matrix

Cost Impact Matrix		
Scope Change	Description	Cost Impact
Additional Project Management Support for extended Construction Duration	The project scope increased as it became more defined during the detailed engineering design phase, which led to an extension of the construction schedule. As a result, additional internal company labor was required to support the extended construction duration. The majority of this increase was driven by the Project Management and Field Engineering, whose continued involvement was essential due to the project's complexity. In addition, internal support groups such as Gas Engineering provided technical assistance for addressing information inquiries throughout the construction phase.	\$164,000

- a. Explain whether the costs for the company labor activities listed in Question 2.a. are reflected in the Actual Costs provided in Table 9 at MP-14 or in the Cost Impact provided in Table 10 at MP-15. If any of the costs are reflected in both tables, indicate the amounts and the associated activities.
- b. If any part of the Actual Costs in Table 9 and the Cost Impact in Table 10 overlap, or are duplicative, indicate the amount and the description of those costs and the associated activities.

RESPONSE 3:

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- a. The costs for the company labor activities listed in Question 2.a. (as categorized in response to 2.a.i) are reflected in the Actual Costs in Table 9 and the Cost Impact in Table 10. The Actual Cost of company labor shown in Table 9 is reflective of all labor cost associated with the project through completion. Whereas, Table 10 is intended to highlight the primary labor cost impact, due to the extended construction duration (which is included in Actual Costs). In addition, Upon further review, SoCalGas identified that the labor cost impact associated with extended construction duration is approximately \$319,000. This clarification does not affect the total company labor actuals shown in Table 9. SoCalGas will amend its testimony at the next opportunity.

The remaining company labor variance is attributed to the cumulative effect of estimation assumptions versus actual execution and is not related specifically to the construction duration.

Please refer to attachment "Data Request SCG-A2508009-12152025 Spreadsheet Delineating Costs for Company Labor". Tab 3.a. for the amounts and the associated activities (by category).

- b. Please refer to Response 3a.