Company: Southern California Gas Company (U 904 G)
Proceeding: 2028 General Rate Case
Application: A.26-06-___
Exhibit: SCG-08

PREPARED DIRECT TESTIMONY OF DON WIDJAJA

(CUSTOMER SERVICES)

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

June 2026

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SUMMARY

Table DW-1
Test Year 2028 Summary of Total O&M Costs

CUSTOMER SERVICES (In 2025 $)			
Categories of Management	**2025 Adjusted-Recorded (000s)**	**TY 2028 Est. (000s)**	**Change (000s)**
Total Non-Shared Services	250,161	264,865	14,704
Total Shared Services	4,533	4,520	(13)
Total O&M	**254,694**	**269,385**	**14,691**

Summary of Requests

For Test Year (TY) 2028, Southern California Gas Company (SoCalGas) requests a total of $269.4 million, reflecting an increase of $14.7 million compared to Base Year (BY) 2025 adjusted recorded costs for Customer Services. The Operations & Maintenance (O&M) request of $269.4 million is reasonable and should be approved as it is necessary to operate the Customer Services functions that support customer needs, continued compliance with the statutorily required services, and programs provided to approximately 5.9 million customers across Southern California on a daily basis. SoCalGas requests incremental O&M funding of $14.7 million, largely driven by the following:

- $5.4 million related to increased credit and collections activities.
- $4.1 million associated with labor adjustments for compensation modernization, backfilling labor vacancies, incremental staffing, compliance with new data privacy and industry standards, and shifting labor from balanced programs and capital to O&M activities.
- $2.4 million for higher bill read orders driven by anticipated Meter Transmission Unit (MTU) battery failures.
- $2.8 million for other miscellaneous items such as flame-resistant uniforms and customer service training.

PREPARED DIRECT TESTIMONY OF DON WIDJAJA
(CUSTOMER SERVICES)

I. INTRODUCTION

A. Summary of Customer Services Costs and Activities

My testimony supports the Test Year (TY) 2028 forecasts for O&M costs for both non-shared and shared services associated with the Customer Services area for SoCalGas. Table DW-2 summarizes my sponsored costs.

TABLE DW-2
Test Year 2028 Summary of Total Costs

CUSTOMER SERVICES (In 2025 $)			
Categories of Management	**2025 Adjusted-Recorded (000s)**	**TY 2028 Est. (000s)**	**Change (000s)**
Total Non-Shared Services	250,161	264,865	14,704
Total Shared Services	4,533	4,520	(13)
Total O&M	**254,694**	**269,385**	**14,691**

Customer Services is responsible for 15 Non-Shared O&M cost categories and two Shared O&M cost categories. Non-Shared cost categories include Customer Contact Center (CCC), CCC Support, Branch Offices & Authorized Payment Locations, Billing Services, Credit and Collections, Postage, Remittance Processing, Remittance Postage, Customer Service Other Office Operations, Measurement Data Operations, Customer Services Operations, Customer Services Supervision, Customer Services Support, Customer Services Dispatch, and Customer Services Meter Set Assembly (MSA) Inspection Program. Shared cost categories include Payment Processing and Manager of Remittance Processing.

B. Organization of Testimony

My cost forecasts support SoCalGas's objective of providing safe, reliable, and efficient gas service while complying with all applicable federal, state, local, and California Public Utilities Commission (Commission or CPUC) requirements. The Customer Services cost forecasts also reflect SoCalGas's continued focus on operational improvement, cost efficiency, safety, and customer experience.

Supporting detail for the requested O&M expenses is presented in the subsequent sections of this testimony.

This testimony is organized as follows:

I. Introduction

II. Background

III. Affordability and Efficiency

IV. Non-Shared O&M Costs

V. Shared O&M Costs

VI. Regulatory Accounts

VII. Uncollectible Rate

VIII. Conclusion

IX. Witness Qualifications

C. Support To and From Other Chapters

My testimony also references the testimony and workpapers of several other chapters, either in support of their testimony or as support for mine.

- Costs associated with company fleet vehicles used by the Customer Services Field workforce are covered in the Operations Support testimony (Ex. SCG-12)
- Capital costs for meters associated with planned and routine meter changes are covered in the Gas Distribution testimony (Ex. SCG-04)
- New Business Meter Forecast and Replacement Meter Forecast is covered in the Gas Distribution testimony (Ex. SCG-04)
- Meter growth is covered in the Escalation and Gas Customer Forecast testimony (Ex.SCG-20/SDGE-24)
- The vacation and sick rate/factor and Shared Services is covered in the Shared Services testimony (Ex. SCG-22/SDGE-27)
- Information Technology (IT) costs for systems and technology that support various business units are noted appropriately in that section and referenced and discussed in the IT testimony (Ex. SCG-10/SDGE-14)
- Costs associated with memorandum accounts are covered in the Regulatory Accounts testimony (Ex. SCG-21)

II. BACKGROUND

A. Overview

The Customer Services organization is responsible for supporting approximately 5.9 million customer meters across Central and Southern California through both office-based and

field operations. These departments collectively support accurate billing, reliable customer interactions, safe service delivery, and compliance with regulatory requirements. Core office functions include the Customer Contact Center (CCC), which manages millions of annual customer interactions (including emergencies, billing inquiries, and service requests), as well as CCC Support, which handles workforce planning, training, analytics, compliance, and technology systems that enable efficient operations. Additional administrative groups such as Billings Services, Remittance Processing, and Payment Processing are responsible for calculating and issuing bills, processing payments across multiple channels, managing billing exceptions, and maintaining accurate customer account records. Complementing these groups are Credit and Collections, which manage accounts receivable, payment arrangements, and delinquency processes in accordance with regulatory rules. Customer Operations Technology and Data Privacy support systems functionality, data governance, and compliance with privacy laws.

On the field side, the Customer Services Field organization carries out front-line operational and safety functions. Many of the activities performed by Customer Services Operations are statutorily required "after-meter services" under Pub. Util. Code § 963. In addition, GO 58-A (¶ 22) implements these mandates by establishing requirements for the inspection and investigation of gas appliance conditions and customer premises safety. These teams perform essential work such as meter turn-ons and shut-offs, leak investigations, emergency response, and compliance-driven inspections, while also executing collections-related field activities. Supporting functions include Dispatch, which coordinates and schedules field work and emergency response; Supervision, which provides safety oversight, workforce management, and operational leadership across geographically dispersed service areas; and Administrative Support groups that handle reporting, coordination, and back-office operations. Additional specialized units such as Measurement Data Operations support accurate usage data for billing, and the MSA Inspection Program performs regulatory safety inspections and remediation of gas infrastructure. Together, these departments form an integrated system that delivers safe, reliable, and efficient customer service while balancing operational efficiency, regulatory compliance, and customer experience objectives.

B. Credit and Collections

SoCalGas serves approximately 5.9 million active meters across Central and Southern California. Effective credit and collections management is essential to support customer service and affordability. When bills go unpaid, uncollectible costs are ultimately shared across the broader customer base, and even modest increases can result in broad customer impacts. Accordingly, responsible collections practices, conducted within the regulatory framework, help manage socialization of bad debt costs while maintaining fairness for all customers.

The unprecedented scale of arrearages accumulated during the COVID-19 moratorium period has increased importance of, and the resource needs, of collection activities in the TY 2028 cycle compared to prior GRC cycles. Factors such as a larger backlog of delinquent accounts, implementation of Arrearage Management Plan (AMP) and related customer protections, increased coordination with collection agencies, and adherence to Commission disconnection limitations contribute to higher workload and costs.

Collections activities also play an important role in customer care and service delivery. Proactive outreach, including collection notices, payment arrangement offers, and enrollment in assistance programs can help customers address balances earlier, reducing the likelihood of service disruption and supporting more manageable outcomes.

C. Regulatory Environment Governing Collections

1. Scope of the Disconnection Moratorium

The regulatory environment shaping SoCalGas's credit and collections operations today traces directly to actions the CPUC took beginning in March 2020 in response to the COVID-19 public health emergency. On April 16, 2020, the Commission approved Resolution M-4842, which ratified emergency customer protections including a moratorium on residential electric and gas disconnections for nonpayment. On February 12, 2021, the Commission extended the Residential Disconnections Moratorium through June 30, 2021, via Resolution M-4849. Separately, on April 19, 2021, the Commission adopted Decision (D.) 21-04-015, implementing a COVID-19 disconnection moratorium for medium-large commercial and industrial customers. The residential and small business moratorium was ultimately extended through September 30, 2021, pursuant to D.21-06-036 and ordered the utilities to automatically enroll customers into payment plans.

On February 11, 2021, the Commission opened Rulemaking (R.) 21-02-014 specifically to provide relief from energy utility customer bill debt accumulated during the COVID-19 pandemic. This proceeding produced, among other things, a Low-Income Arrearage Management Plan and established the framework for the AMP programs subsequently codified in D.23-08-049. SoCalGas was an active participant in this rulemaking and has committed significant administrative resources to designing, implementing, and reporting on the associated programs.

During the period from March 2020 through September 2021, SoCalGas was prohibited from disconnecting customers for nonpayment and suspended the issuance of collection notices.[1] This represented an unprecedented disruption to normal credit and collections operations and resulted in the accumulation of substantial customer arrearages across SoCalGas's service territory.

2. Disconnection OIR – R.18-07-005

Prior to the pandemic, the Commission had already been engaged in a rulemaking specifically focused on reducing utility disconnections and improving reconnection processes. Senate Bill (SB) 598[2] required the CPUC to develop rules, policies, and regulations with a goal of reducing the statewide disconnection rate for natural gas and electric utility customers by January 1, 2024, and to analyze the impacts of utility rate increases on disconnection rates in each GRC. In response, the Commission opened R.18-07-005,[3] which has resulted in a series of decisions and ongoing proceedings that directly govern SoCalGas's collection activities.

Key decisions and actions arising from R.18-07-005 that directly affect SoCalGas's collections operations and costs in the TY 2028 GRC cycle include:

- D.18-12-013 (December 2018): Adopted initial reforms to reduce statewide disconnections for residential energy customers and improve reconnection processes.
- D.20-06-003 (June 2020): Prohibited the investor-owned utilities (IOUs) from requiring service deposits and reconnection fees for residential customers and

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1 Resolution M-4842.

2 SB 598 (Hueso, 2017), *available at*: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB598.

3 R.18-07-005, Order Instituting Rulemaking to Consider New Approaches to Disconnections and Reconnections to Improve Energy Access and Contain Costs (July 12, 2018).

adopted the Commission's benefit of service proposal. The Decision imposed rolling annual disconnection rate caps on the large IOUs.

- D.23-08-049 (August 2023): Approved 24-month AMP payment plans for residential customers, requiring utilities to offer extended payment arrangements prior to disconnection. Under this decision, customers are protected from disconnection if they are enrolled in an AMP and making required payments, and utilities must provide notice of a missed payment via text or email prior to disconnection.

- D.24-02-046 (February 2024): Authorized SoCalGas and the other large IOUs to implement Community Based Organization (CBO) Pilot programs designed to reduce residential energy service disconnections through targeted outreach and assistance.

- D.25-06-012 (June 2025): Implemented SB 1142,[4] which requires electric and gas corporations to restore service to residential customers whose service was previously terminated for nonpayment upon the customer entering into a payment arrangement even if this is a first-time disconnection and regardless of the outstanding balance owed. This decision significantly expands the population of customers eligible for reconnection without payment and has had substantial operational and cost implications for field reconnection activities, payment plan administration, and subsequent re-disconnection processes when customers fail to comply with payment arrangements.

These requirements, in total, increase the cost of SoCalGas collections activities by increasing the number of personnel required to administer eligibility and protection processes, the technology investments needed to comply with new notification and reporting mandates, and ultimately the time horizon over which accumulated arrearages can be resolved.

D. SoCalGas's Efforts to Restart Collections Activities

1. Timeline of Collections Restart

Resuming collections following the expiration of the moratorium was a multi-year effort. Moreover, SoCalGas is different than the electric utilities in that SoCalGas needs to gain on-premise access to a customer meter to disconnect service as well as reconnect service (with the addition of having an adult present for service restoration). As a result of the higher cost to operate credit and collections activities, SoCalGas approached the restart deliberately, balancing its obligation to maintain the financial integrity of the utility with its commitment to customer

[4] SB 1142 (Menjivar, 2024), *available at*: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB1142

care and the Commission's guidance on protecting vulnerable customers. Table DW-3 summarizes the key milestones in SoCalGas's collections restart timeline:

Table DW-3
SoCalGas's Collections Restart Timeline

Milestone / Date	Description
April 2020	Commission implements COVID-19 Emergency Customer Protections (Resolution M-4842). SoCalGas suspends disconnections for nonpayment and ceases issuance of collection notices.
May 2021	SoCalGas Transition Plan filed (Advice Letter (AL) 5794G).
September 2021	Residential and small business disconnection moratorium expires (D.21-06-036). SoCalGas begins outreach and enrollment efforts for CARE (California Alternate Rates for Energy), Medical Baseline, and payment arrangements, but delays full collections restart to further protect customers still economically impacted by the pandemic.
September 2023	SoCalGas resumes sending collection notices to eligible residential customers (among the last large IOUs to restart, reflecting SoCalGas's commitment to customer protection). Targeted outreach to enrolled AMP participants and customers receiving assistance programs is prioritized before notice issuance.
October 2023	SoCalGas begins residential disconnections for nonpayment for non-CARE customers with outstanding balances who have declined all available assistance options.
2023–2024	Renewed collection notice insert programs and postage volumes reflect return toward pre-pandemic activity levels.
2024–Present	SoCalGas continues collections operations under the framework established by D.23-08-049 (24-month AMP), disconnection rate caps (R.18-07-005), CBO Pilot (D.24-02-046) and SB 1142 protections implemented in D.25-06-012. Ongoing administrative ramp-up in staffing and technology to address accumulated arrearages within regulatory constraints.

2. Customer Protection Framework During Collections Restart

Along every step of its collections restart, SoCalGas has operated within a robust customer protection framework established by the Commission. Before issuing any collection notice or proceeding to disconnection, SoCalGas is required to:

- Provide advance written notice (and, under D.23-08-049, text or email notification of missed payments) before initiating disconnection proceedings.

- Offer eligible customers enrollment in the AMP, providing up to 24 months to resolve outstanding balances.
- Screen customers for eligibility in low-income assistance programs (i.e. CARE) and the Medical Baseline Program.
- Provide customers participating in CBO Pilot programs with access to targeted outreach and referrals to community resources.
- Adhere to the rolling annual disconnection rate cap applicable to SoCalGas's residential customer base.
- Comply with mandatory reconnection timelines and 24-hour reconnection rate targets set by the Commission.

These requirements have increased SoCalGas's collection/disconnection/reconnection costs by adding additional steps to the process which require additional employee time and resources. This multi-layered framework, while essential to protecting vulnerable customers, also requires significant administrative capacity: trained personnel, compliant technology platforms, active vendor management, and ongoing regulatory reporting; all of which are reflected in the collections cost requests in this GRC.

SoCalGas resumed collections through a thoughtful, multi-year approach, structuring its end-to-end activities to balance the utility's financial integrity with its commitment to customer care and the protection of vulnerable customers. This has resulted in an increase in billing exceptions processed, higher postage costs due to greater customer notification volumes, and a rise in customer inquiries.

E. Data Regarding SoCalGas's Collections Activities

1. Scale of Accumulated Arrearages

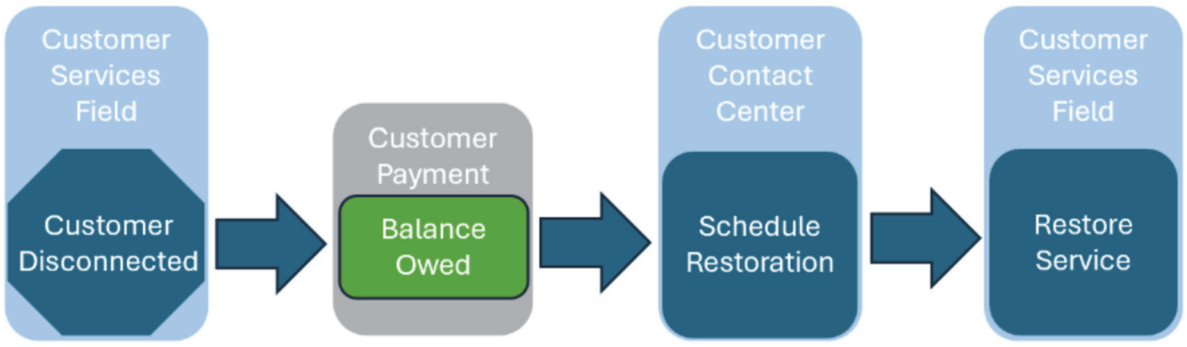
The principal driver of the collections cost forecast in this GRC is the unprecedented scale of customer arrearages attributable to (1) accumulated arrears during and immediately following the COVID-19 disconnection moratorium and (2) the cumulative and compounding effects associated with the implementation of SB 1142. During the period from March 2020 through the resumption of collections activity in mid-to-late 2023, SoCalGas customers accumulated hundreds of millions of dollars in unpaid balances. As of the submission of this testimony, SoCalGas continues to work through a substantial inventory of accounts with arrears that reflect:

- Residential customers who accumulated arrearages during the moratorium period and have not yet resolved their balances through payment, AMP enrollment, or other assistance program participation.
- Small commercial and industrial customers who accumulated arrearages during the commercial and industrial moratorium period and remain in various stages of the collections process.
- Customers on AMP plans that require ongoing monitoring, customer service support, and potential re-enrollment if payments are missed.
- Closed accounts with outstanding final bill balances requiring referrals to collection agencies for recovery or ultimately result as a write-off.
- Restoration of service without payment or arrear resolution for customers who qualify for SB 1142 protections.

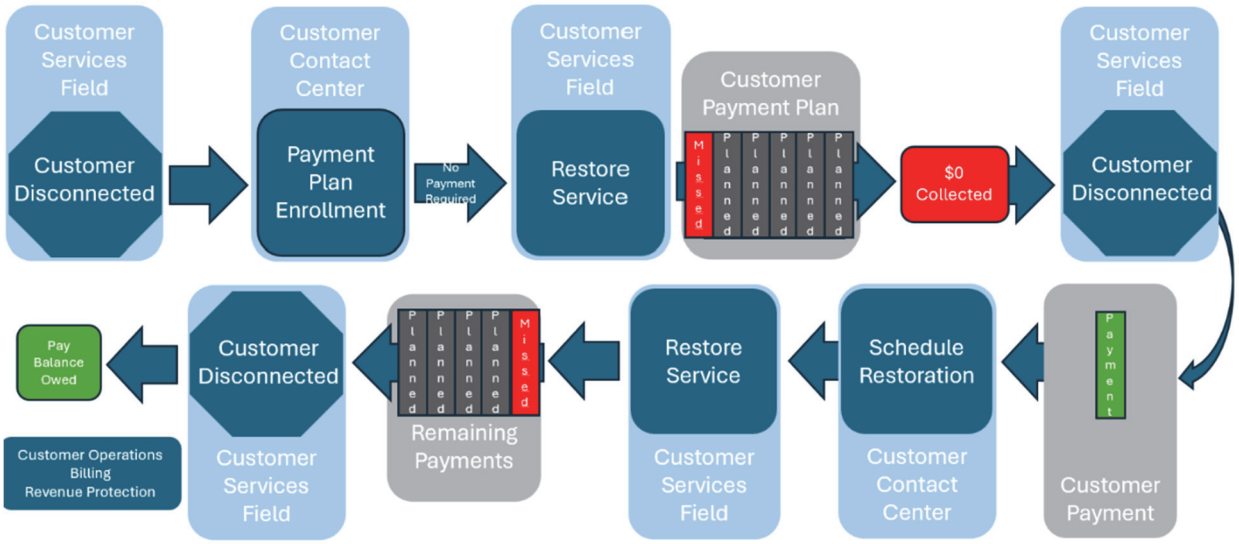
Collections and restoration costs associated with SB 1142 reflect a statutorily mandated change in the sequencing of residential service restoration that has structurally increased field and administrative activities. SB 1142 requires SoCalGas to restore service upon customer enrollment in a payment plan, rather than upon receipt of payment, eliminating the Company's prior ability to align restoration activity with arrearage recovery.

Prior to SB 1142, restoration generally occurred only after payment was received, resulting in an immediate reduction in outstanding balances. After implementation of SB 1142, restoration frequently occurs in advance of payment, resulting in a materially different activity profile that includes a disconnect for non-payment, a restoration without payment, and, in many cases, a subsequent disconnection due to payment plan default and plan termination. This statutory change has increased the number of times SoCalGas sends an employee and a truck out to each customer's home and related collection activities per affected account.

Figure DW-1
Disconnection Process: Pre-SB1142



Disconnection Process: Post-SB1142



Labor costs associated with SB 1142 include additional field crew dispatches, increased service order processing, and expanded customer service and collections workload associated with payment plan enrollment, monitoring, termination, and repeat delinquency activity. These activities occur at higher frequency as a direct result of restorations occurring without upfront payment and the elevated rate of payment plan non-performance.

Table DW-4 reflects residential restoration and payment plan performance data immediately before and since SB 1142 implementation in December 2025. The data show a high rate of payment plan non-performance and a dramatic increase in uncollectable balances.

Table DW-4
SB1142 Impacts on Residential Restoration Dollars

Month / Period	Total Paid (000s)	Total Owed (000s)	Paid vs Owed	Restorations without Payment vs Total (%)	Average Total Balance Owed on Accounts Restored Without Payment (000s)
May – December 14, 2025 (Pre-SB 1142)	$20,309	$21,494	94%	2%	$45
December 15, 2025–March 2026 (Post SB 1142)	$3,298	$13,575	25%	62%	$2,271

The data illustrates a dramatic shift in payment behavior following SB 1142 implementation. From May to December 2025 (pre-SB 1142), 94% of total amounts owed were

collected at the time of restoration, and only 2% of restorations occurred without payment. Immediately after implementation in December 2025, only 25% of the amounts owed were being collected, and 59% of all restorations occurred without any upfront payment. That elevated ratio has persisted through 2026, with 62% of monthly restorations occurring without payment, and outstanding balances on accounts restored without payment ranging from approximately $2.6 million to $2.8 million per month. Table DW-5 shows that customers having service reconnected are not completing payments plans offered. Of the 6,693 SB 1142 payment plans provided since January 2026, only 19% remain active. 69% have been terminated due to non-payment. Customers whose payment plans are terminated are subject to re-disconnection, generating a second truck roll and a subsequent restoration with payment of only the balance accrued during the plan period. The average time before termination across all plans is 35 days, confirming that a substantial portion of payment plan enrollees fail to make even early payments. This non-performance pattern directly drives the repeat disconnection and restoration activity that increases field labor costs, service order volumes, customer service workload, credit investigations, payment plans offered, and increased customer support activities at the CCC.

Table DW-5
Payment Plans Provided Due to SB 1142
(January – March 2026)

# of Plans	Provided	Active	%	Terminated	%	Avg # Days Before Termination
Q1-2026 Total	*6,693*	*1,268*	*19%*	*4,625*	*69%*	*35*
January	1,840	103	6%	1,473	80%	38
February	2,056	297	14%	1,529	74%	35
March	2,797	868	31%	1,623	58%	31

III. AFFORDABILITY AND EFFICIENCY

The Customer Service Field organization has undertaken a series of targeted, data-driven operational initiatives designed to improve service delivery while reducing costs and maximizing the use of existing resources. In 2024, SoCalGas replaced its legacy work

management system with VistaOne which enabled several initiatives by providing a unified scheduling and reporting platform. These capabilities enhanced field visibility and resource optimization, while improving productivity, reducing administrative costs, and supported scheduling of inspection and remediation work. Specifically, implementation of this technology allowed for automation of remediation routing via the inclusion of Service Level Agreements (SLAs) for work orders that eliminated a manual process. The new scheduling platform also routes system orders automatically to integrate inspection visibility and provide real time tracking of progress to complete work orders. As a result, SoCalGas was able to realize several efficiencies, including A1 response optimization in targeted districts, drive time reduction across field operations, and dispatch schedule optimization. Collectively, these efficiencies demonstrate measurable gains in productivity and affordability.

To highlight a specific example, the Customer Service Field organization introduced focused process improvements to support A1 emergency response performance in certain districts, including Bakersfield, Murrieta, Saticoy, Santa Maria, and Templeton. These improvements centered on aligning staffing levels and shift schedules with actual demand patterns, accelerating employee training to increase the number of qualified responders, and refining coverage models so that there is adequate staffing during critical hours.

These targeted actions resulted in sustained performance improvements, with A1 response rates increasing from 85.04% to 87.71% during the initial implementation period and continuing to improve to 92.5% as of October 24, 2025. By improving first-response success rates and reducing missed emergency orders, the Company minimizes repeat dispatches and inefficient rework, thereby lowering operating costs while improving service reliability.

The Customer Service Field organization also improved field productivity by reducing technician drive time between service orders through enhancements to its Mobile Workforce Management (MWM) system and routing strategies. Average drive time decreased from 17.1 minutes in 2024 to 15.1 minutes in 2025, representing a 11.7% reduction.

This reduction in non-productive travel time directly increases the time technicians can dedicate themselves to completing service work, effectively expanding labor capacity without increasing headcount. As a result, the Company can complete more orders with the same workforce, lowering per-unit service costs and improving customer wait times. These gains reflect meaningful avoided costs and more efficient utilization of labor resources.

Finally, the Customer Service Field organization undertook a comprehensive Dispatch Schedule Optimization Initiative to evaluate and realign dispatch staffing, roles, and shift coverage. This effort focused on appropriately aligning staffing levels, supervisory structure, and work distribution to operational demand while minimizing inefficiencies such as unnecessary overtime and redundancies.

Through data-driven analysis and internal execution, the Company identified opportunities to consolidate roles, rebalance workloads, and optimize shift schedules without requiring additional funding or staffing resources. Implementation of these changes resulted in reduced overtime costs, improved alignment of staffing to work order volumes, and more consistent dispatch coverage across operations. The initiative also strengthened accountability and created a scalable framework for ongoing workforce optimization, further supporting long-term efficiency and cost control.

Taken together, these initiatives demonstrate a comprehensive approach to improving operational performance by eliminating inefficiencies, optimizing workforce deployment, and leveraging existing systems and resources. By reducing non-productive time, improving emergency response effectiveness, and minimizing overtime and redundant labor, the Company has achieved measurable cost savings and avoided the need for incremental resource investments. These outcomes directly support the Company's commitment to providing safe, reliable service at the lowest reasonable cost to customers.

The CCC is also continuing to examine benefits to achieve greater operational efficiency and effectiveness, strengthen customer experience, support safety, and enhance operational resiliency, in alignment with the company's mission to provide safe, reliable, and affordable energy today while preparing for tomorrow through its cloud-first technology strategy. This includes completing the migration from multiple legacy contact center platforms to a single Genesys Cloud platform, improving the stability and resiliency of operations. Enhancements were also made to call routing, improving reliability and handling of calls. The CCC is improving agent-assist tools to support knowledge management, case management, and workflow systems, and has established the technical foundation to enable future advanced analytics and automation capabilities for call routing, workforce management, and knowledge management. Additionally, modernization of end-user computers through the replacement of legacy desktops with laptops has increased workforce agility and supported business continuity.

Supported by IT, the CCC is evaluating enhancements to the functionality and capabilities of existing agent-assist tools and digital customer service platforms to meet evolving business needs.

Additionally, in an effort to achieve lower costs, SoCalGas continues to support customer adoption of paperless billing as part of its broader efforts to improve operational efficiency and promote affordability. Paperless billing reduces the volume of printed materials, including paper bills, inserts, and return envelopes, which lowers the costs associated with paper, printing, and postage. These efficiencies help mitigate cost pressures and support customer affordability. Going paperless also provides ancillary environmental benefits, such as reduced deforestation, decreased waste sent to landfills, lower energy consumption, and a reduced contribution to climate change.

IV. NON-SHARED O&M COSTS

"Non-Shared Services" are activities that are performed by a utility solely for its own benefit. Corporate Center provides certain services to the utilities and to other subsidiaries. For purposes of this general rate case, SoCalGas treats costs for services received from Corporate Center as Non-Shared Services costs. Table DW-6 summarizes the total non-shared O&M forecasts for the listed cost categories.

TABLE DW-6
Non-Shared O&M Summary of Costs

CUSTOMER SERVICES (In 2025 $)			
Categories of Management	**2025 Adjusted-Recorded (000s)**	**TY 2028 Est. (000s)**	**Change (000s)**
A. Customer Services - Office Operations	86,856	91,809	4,953
B. Customer Services Field	163,305	173,056	9,751
Total Non-Shared Services	**250,161**	**264,865**	**14,704**

A. Customer Contact Center (CCC) – Operations - Workpaper 2OO000.000

TABLE DW-7
TY 2028 Summary of CCC Operations Costs

CUSTOMER SERVICES (In 2025 $)			
A. Customer Services – Office Operations	**2025 Adjusted Recorded (000s)**	**TY2028 Est. (000s)**	**Change (000s)**
1. CCC - Operations	27,694	29,368	1,674

1. Description of Costs and Underlying Activities

SoCalGas's CCCs manage over 10 million annual customer interactions for residential, commercial, and industrial customers, including emergency and essential orders, service orders, and billing inquiries, through Customer Service Representatives (CSRs) and automated systems operating 24/7. Funding supports labor for multilingual CSRs and emergency response training, as well as non-labor costs for technology infrastructure, remote connectivity, and third-party language services to maintain safe, reliable, and accessible customer service.

Emergency and essential service requests handled by CSRs are available 24 hours a day, 365 days a year. Non-emergency and non-essential inquiries are handled Monday through Friday, 7 am to 8 pm and Saturday, 7 am to 6 pm. Additionally, automated self-service systems are available to handle various customer interactions 24 hours a day, 365 days a year. SoCalGas's CCC offers multi-lingual communications as well as language translation services through a third-party provider to support the needs of a diverse customer base.

The CCC is generally the first point of company contact for emergencies; as such, it provides a critical support role in the safety of SoCalGas's employees, contractors, infrastructure, and the public's well-being. The CCC handles a variety of customer service needs with the largest volume of interactions consisting of billing and payment inquiries as well as customer-requested service orders.

SoCalGas has two physical CCC locations - San Dimas, CA and Redlands, CA. The workforce has also adopted a hybrid working environment where a portion of the CSRs work remotely. The San Dimas and Redlands CCC facilities accommodate approximately 66 and 72 CSRs, respectively, and 186 CSRs work remotely.

SoCalGas CCC Operations expenses cover the cost of:

- CSRs handling inbound and outbound customer telephone calls;

- CSRs responding to other customer account-related inquiries such as payment plans;
- CSR processing customer requests and follow-up actions such as service reconnections; and
- Management activities related to CCC operations.

Customers are directed to call the CCC for all emergencies, and emergency calls receive top priority in the CSR call queue. The CCC is prepared to discern and triage the different types of emergencies to communicate appropriately with customers and field order dispatch so that the appropriate field personnel are dispatched in response to each situation. CSRs are trained to respond to multiple types of emergency and essential services that normally fall within the following main categories:

- General Leaks – at appliances, at gas meters, inside structures-source unknown, ignited leaks
- Outside Leaks- damaged gas lines or meters, dying vegetation
- Carbon Monoxide (CO) – customers experiencing symptoms or not, CO safety checks, CO Alarm/Detectors activated or not
- Explosion, Fire or Injury – explosion or fire incidents, injuries, emergency response requested by fire, police, or government agencies
- Miscellaneous issues – odor fade, appliance recalls, water heater not cycling off (water steaming)

The Customer Contact Center maintains operations in two physical locations to maintain business continuity during emergencies or connectivity disruptions. CSRs provide telephone service in six languages: English, Spanish, Cantonese, Korean, Mandarin, and Vietnamese. SoCalGas also provides services in other languages through a third-party language line, as well as services for the hearing-impaired. TTY (Teletypewriter) and TDD (Telecommunications Device for the Deaf) services are also available to customers who are hearing impaired.

The CCC supports the diverse and evolving interaction preferences of SoCalGas customers by expanding and enhancing multiple customer interaction channels while also continuing to serve customers who wish to interact with a CSR. For example, customers increasingly contact SoCalGas through its automated systems: via online website, MyAccount, and the CCC IVA (Intelligent Virtual Assistant) self-service channels to check on their account balance or perform specific customer service-related inquiries and scheduling.

CCC Operations costs consist primarily of labor and reflect the number of Full Time Equivalents (FTEs) required for the customer contact activities described above. FTE needs are dictated by the number of customer contacts (primarily calls) requiring CSR assistance as well as length of call or average handle time (AHT), level of service (LOS), and CSR utilization factors (Agent Occupancy). SoCalGas makes use of workforce planning software that leverages the above inputs to calculate the number of FTEs required to support the projected level of work. Finally, a "shrinkage" factor is applied to the FTE requirements to account for paid time that is not spent handling customer contacts (e.g., vacation, breaks, lunch, holidays, sick time, and training).

2. Forecast Method

A three-year historical average forecasting methodology was applied to project CCC Operations O&M costs. The forecast is based on the most recent three years of recorded labor and non-labor costs (2023-2025) and provides a representative baseline of ongoing operations. Whereas, base year 2025 reflects a narrow point-in-time view influenced by temporary operational changes, including technology transitions.

Compared to BY 2025, the three-year average reflects the level of resources required to support expected CCC operational demand. The three-year average captures sustained customer contact volumes related to collections activity, continued meter growth, and staffing necessary to establish LOS targets. Accordingly, the forecast reflects the staffing levels needed to support these workload and service requirements.[5]

3. Cost Drivers

The change in SoCalGas CCC Operations' TY 2028 estimated expenses compared to the 2025 adjusted-recorded expenses is primarily driven by incremental training requirements necessary to support operational needs. Table DW-7 above shows the change from 2025 adjusted-recorded expense to TY 2028 estimated expenses.

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[5] The difference between the three-year average and the BY 2025 includes:
Collections call growth: 42,922 incremental calls, requiring 3.6 FTEs and $343,000
Meter growth: 8,614 incremental calls, requiring 0.7 FTEs and $67,000
Level of Service (LOS) support: 6.1 FTEs and $580,000

SoCalGas is requesting incremental training costs to support the onboarding and readiness of additional CCC FTEs required for TY 2028. During the historical period used to develop the three-year average, new hire training activity occurred in 2023 but did not continue in 2024 or 2025, resulting in a training baseline that does not reflect ongoing or future workforce needs. The forecast includes incremental training to allow for newly added FTEs to be trained and support workforce capability, quality, and operational readiness in 2028. Refer to SCG-08-WP-2OO000 CCC – Operations Supplemental Workpaper for calculation details of incremental training costs.

B. Customer Contact Center Support - Workpaper 2OO001.000

TABLE DW-8
TY 2028 Summary of CCC - Support Costs

CUSTOMER SERVICES (In 2025 $)			
A. Customer Services – Office Operations	**2025 Adjusted Recorded (000s)**	**TY2028 Est. (000s)**	**Change (000s)**
2. CCC - Support	8,491	8,347	(144)

1. Description of Costs and Underlying Activities

CCC Support funding covers activities such as forecasting call volumes, scheduling CSRs, developing training programs, updating procedures, handling CPUC complaints, responding to written customer inquiries, conducting data analysis, and managing technology strategy and customer experience improvements. These costs represent a combination of labor (staff for planning, training, compliance, and analysis) and non-labor (technology systems, software tools, and training materials) to support efficient operations and enhanced service quality.

CCC Support provides the necessary services to keep CCC operations efficient and productive. The CCC is a complex operation utilizing communications hardware and software technology to enable customer accessibility and to assist SoCalGas with forecasting call volume, optimizing staffing levels, and conducting data analysis on customer interaction behaviors and experiences.

It includes the following major functions to meet these objectives:

Workforce Management:

- Capacity planning: Forecast bi-weekly, monthly, and annual call volumes and manage CSR schedules.

- Intraday scheduling: Monitor, real-time adjustments, adherence management CSR schedule selection: Prepare, engage union and publish annual schedules.

Operations and Continuous Improvement:

- Training: Develop training materials and conduct training for CSRs and other support staff.
- Policy and process management: Interpret policy; develop and update CCC procedures and CSR reference materials; information management.
- Compliance: Information management; compliance reviews, audits, corrective actions, and implementation.
- Engage/support CPUC: Respond to all CPUC telephone referrals and informal/formal CPUC complaints.
- Manage escalated customer correspondence: Resolve and communicate escalated customer complaints and inquiries, including, but not limited to, CPUC inquiries, data requests, and executive complaints.
- Analytics: Assess data and trend analyses, identify continuous improvement opportunities and initiatives, provide quality assessments and monitor performance management.

Technology Support:

- CCC business systems strategy: Develop, manage, and oversee near-term and long-term technology systems maintenance, updates, and/or replacement plans in collaboration with IT.
- Manage business system uptime and maintenance: Includes telephony systems, cloud-based systems, multi-lingual systems, customer self-service channels, CSR desktop supports, analytics and automation systems, and major project impacts.
- Customer self-service channels: Monitor customer experience, employee experience, and collaborate with IT to address functionality, issues, backlogs, and enhancements.
- User acceptance testing: Business application testing with all system changes, corrections, resolutions, and/or enhancements.

2. Forecast Method

A three-year historical average forecasting methodology was applied to project CCC Support O&M costs. The three-year average (2023-2025) reflects the most recent recorded labor and non-labor costs and provides a representative view of current departmental activities by accounting for year-to-year variability, including fluctuations in headcount driven by

retirements and internal movements, as well as operational changes associated with technology transitions. These factors make a single base year less reflective of normalized operations.

Adjustments to the three-year average consist of the removal of technology costs that ended in June 2025 and reflecting an increase in vendor subscription fees.

3. Cost Drivers

Table DW-8 above shows the change from 2025 adjusted-recorded expense to TY 2028 estimated expenses.

a. Replacement of on-premises technologies with cloud solutions

SoCalGas reflects a reduction of $1,711,000 in CCC Support expenses due to the planned retirement of on-premises technologies that concluded in June 2025. As these technologies are no longer in service, the associated costs do not apply to future years. On-premises technologies were replaced with cloud-based technologies which are accounted for within IT. For more details, please refer to SoCalGas IT Testimony Section IV.C (Ex. SCG-10/SDGE-14, WP # B07690-Customer Experience) and/or IT workpapers (Ex. SCG-10-CWP, WP # B07690-Customer Experience).

b. Vendor fees increase

SoCalGas is requesting an incremental $300,000 to continue its annual Eccentex agent-assist subscription service. This incremental request reflects increased licensing costs following the conclusion of a five-year prepaid subscription agreement that ended in 2025. Subscription expenses now reflect standard recurring license rates. Eccentex provides real-time guidance and knowledge support that enables agents to resolve customer inquiries efficiently and consistently while maintaining compliance. Continued use of Eccentex is essential in the CCC's customer support activities, helping to improve first-contact resolution, reduce handle times, and standardize interactions that support compliance while creating a more efficient and consistent customer experience.

C. Branch Offices & Authorized Payment Locations (APL) - Workpaper 2OO002.000

TABLE DW-9
TY 2028 Summary of Branch Offices & APL Costs

CUSTOMER SERVICES (In 2025 $)			
A. Customer Services – Office Operations	**2025 Adjusted Recorded (000s)**	**TY2028 Est. (000s)**	**Change (000s)**
3. Branch Offices & Authorized Payment Locations	11,115	11,267	152

1. Description of Costs and Underlying Activities

SoCalGas currently operates 43 branch offices[6] throughout its service territory that provide customers with the option to pay their bills in person, inquire about accounts, and complete other customer service transactions. Approximately 98% of all branch office transactions are related to bill payments. Branch offices are open from 9:00 a.m. to 5:00 p.m., Monday through Friday.[7]

SoCalGas also provides customer payment services through a network of authorized payment locations (APLs). These APLs provide bill payment services for SoCalGas customers and offer convenient locations and extended hours with no transaction fee to the customer. SoCalGas has enhanced access to APLs by expanding the APL network to over 400 locations, including more than 133 Walmart store locations in the SoCalGas service territory.

2. Forecast Method

A base year forecasting methodology was applied to project Branch Office and APLs O&M costs. This method is appropriate because the base year reflects estimated costs for test year 2028 to sustain branch office operations at current service levels. Branch Office staffing levels are optimized to support current operating hours, maintain service reliability, and meet customer service needs. The majority of Branch Offices non-labor expenses are fixed and not sensitive to transaction volume. Given that A.25-05-001 is pending and the future costs

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[6] Includes Wilmington branch office which was involuntarily closed to the public effective September 10, 2024. The CPUC was notified of this involuntary branch office closure on August 22, 2024.

[7] The Company notes that Application (A.) 25-05-001 is currently pending and seeks approval to close certain branch offices. If that Application is approved, the funding levels associated with branch office operations reflected in this testimony may be modified to reflect the approved operational changes.

associated with branch office operations is uncertain, a base year forecasting method reflects known costs at this time.

3. Cost Drivers

Table DW-9 above shows the change from 2025 adjusted-recorded expenses to TY 2028 estimated expenses. An adjustment of $152,000 reflects changes in connection with the compensation modernization initiative. Please refer to the Compensation and Benefits testimony, Ex SCG-16/SDGE-20.

D. Billing Services - Workpaper 2OO003.000

TABLE DW-10
TY 2028 Summary of Billing Services Costs

CUSTOMER SERVICES (In 2025 $)			
A. Customer Services – Office Operations	**2025 Adjusted Recorded (000s)**	**TY2028 Est. (000s)**	**Change (000s)**
4. Billing Services	5,930	6,248	318
Total	**5,930**	**6,248**	**318**

1. Description of Costs and Underlying Activities

Billing Services is responsible for calculating bills and maintaining accurate customer account information. Billing Services at SoCalGas consists of two distinct organizations:

(1) Billing for residential and small commercial and industrial customers (Mass Market Billing); and

(2) Billing for large commercial and industrial customers (Major Market Billing).

Mass Market Billing activities primarily consist of processing billing exceptions and maintaining accurate customer account records. Each bill is subjected to an electronic test, before it is mailed, where the billing system validates the accuracy of the bill by comparing current usage to historic usage. Most customer bills pass the accuracy validation test and are issued automatically. Bills that fail accuracy validation tests require further manual review and adjustment by the Mass Market Billing group. These are classified as billing exceptions. Similar to the bill validation process, completed field service orders are also subjected to an electronic test to support the accuracy of customer account data. Service orders that fail these validations cannot be routinely processed and must be manually resolved by the Mass Market Billing group.

Major Market Billing provides services to non-core Commercial & Industrial (C&I) customers, wholesale customers, electric generation (EG), enhanced oil recovery (EOR), California producers, core transport agents, marketers and customers with special negotiated arrangements or complex metering configurations. It also generates billings for the Natural Gas Vehicle (NGV) rate, for monthly gas balancing, storage, and backbone transportation service, as well as provide oversight of the administration of the enrollment and termination of customers on the core aggregation transportation (CAT) program. Billing large accounts requires the gathering and validation of billing input data, and the processing of complex bill calculations, in compliance with authorized tariffs. For special negotiated contract arrangements, the billing process requires extensive manual intervention due to the uniqueness of the individual contracts. The calculations for estimated expenses are included in the workpapers (Ex. SCG-08-WP 2OO003.000).

2. Forecast Method

A base year forecasting methodology was applied to project Billing O&M costs. The base year represents the most recent recorded labor and non-labor costs and most accurately reflects the expense level of the current departmental activity which is expected to continue going forward. Adjustments to reflect full-year staffing levels and meter growth were then made to the base year to represent forecasted expenses in the test year.

3. Cost Drivers

The change in SoCalGas's Billing Services TY 2028 estimated expenses compared to BY 2025 adjusted-recorded expenses are primarily based on adjustments to reflect full year staffing levels and meter growth. Table DW-10 above shows the change from BY 2025 adjusted-recorded expenses to TY 2028 estimated expenses.

a. Incremental labor

SoCalGas's forecasted incremental labor expense is 1 FTE for a Project Specialist $96,500 to support Mass Markets billing in various billing Customer Information System support functions, including meter info update changes, BTU updates, and annexation support.

b. Collections-driven billing exceptions

Due to an increase in Collections-driven billing exceptions, Billing will require an incremental $88,370 (0.9 FTEs) for a Customer Billing Analyst Level 5 to process the 21,738 additional exceptions expected to generate per year.

c. Meter growth

SoCalGas is requesting an incremental $31,970 (0.3 FTEs) for a Customer Billing Analyst Level 5 due to a forecasted increase in billing exceptions due to meter growth[8]. Meter growth is leveraged to forecast the number of anticipated billing exceptions in future years. Each metered facility in our Customer Information System (CIS) will receive monthly meter reads and consumption data that must pass a series of validations for completeness and accuracy. Each metered facility has an opportunity for maintenance orders and/or customer move orders that also must pass a series of validations. Items that fail validation will produce a billing exception. As new meters enter the system there is an expectation that these meters will produce billing exceptions at or about the same rate or ratio as existing meters have in the past.

E. Credit and Collections - Workpaper 2OO004.000

TABLE DW-11
TY 2028 Summary of Credit and Collections Costs

CUSTOMER SERVICES (In 2025 $)			
A. Customer Services – Office Operations	**2025 Adjusted Recorded (000s)**	**TY2028 Est. (000s)**	**Change (000s)**
5. Credit and Collections	5,071	6,456	1,385
Total	**5,071**	**6,456**	**1,385**

1. Description of Costs and Underlying Activities

Credit and Collections establishes and implements policies and procedures so that authorized credit and collections-related tariff rules are followed, and collections activity is effectively performed. Credit and Collection services at SoCalGas consists of three major groupings based on customer classes: (1) residential customers, (2) small/medium commercial and industrial customers ("Mass Market Credit and Collections"); and (3) large commercial and industrial customers ("Major Market Credit and Collections").

Credit and Collections activities include accounts receivable management reporting and analysis, credit process review and improvement, management of outside collection agencies, final bill collection, credit investigations (e.g., customers with previous bad debt attempts to

[8] The witness for meter growth is Ed Martinez. Escalation and Gas Customer Forecast testimony (Ex. SCG-20/SDGE-24).

sign-up for new service), identification (ID) validations, bankruptcy processing, probate processing, and escheatment requests. Regular analysis and reporting of key credit metrics drive credit risk guidelines (e.g. account securitization, bill extension and payment arrangement terms) as well as individual customer credit decisions. These activities are critical in assessing credit risk exposure and managing bad debt expense. Credit and Collections also play an important role in protecting consumers from identity theft by administering, implementing, and supporting provisions of The Fair and Accurate Credit Transactions Act, ID validation, and ID theft processes.

Major Markets Credit and Collections support Large Commercial and Industrial Customers. This support includes several activities, some of which are monitoring accounts receivable and performing collections activity.

Collections activity includes working with Account Representatives on delinquent accounts for the non-core market. This includes contacting customers on delinquencies, making payment arrangements, and scheduling field personnel to terminate service, when appropriate.

As described in Section II above, SB 1142 (implemented via D.25-06-012) has structurally changed the sequencing of residential service restoration, requiring SoCalGas to restore service upon payment plan enrollment rather than upon receipt of payment. This has materially increased the volume and complexity of Credit and Collections activities. Specifically:

- Each affected account now generates multiple field dispatches and collections touchpoints: an initial disconnection for non-payment, a restoration upon payment plan enrollment without payment received, and in approximately 60% of cases, a re-disconnection upon payment plan termination due to non-performance.
- Of 6,684 SB 1142 payment plans provided since January 2026, 60% were terminated due to non-payment within an average of 29.1 days, requiring re-disconnection and restarting the collections cycle for those accounts.
- As of March 2026, 64% of all residential restorations occurred without any upfront payment, with outstanding balances on those accounts averaging approximately $2.8 million per month.
- The elevated frequency of repeat disconnection and restoration activity generates commensurate increases in service order processing, customer service interactions, and payment plan administration workload within the Credit and Collections function.

These SB 1142-driven costs are incremental to the already-elevated collections workload resulting from the COVID-19 moratorium arrearage backlog.

2. Forecast Method

A three-year linear trend methodology was applied to forecast Credit and Collections O&M costs as it most accurately reflects the expense level of the current year and projected increases in credit and collections activities following the ramp-up of field disconnection efforts. A three-year linear methodology provides a more stable and reasonable basis for forecasting anticipated increases in workload and non-labor obligations while avoiding over-reliance on any single year that may be unusually high or low.

3. Cost Drivers

The forecasted cost drivers are primarily associated with increased credit and collections activity resulting from the ramp-up of field disconnection efforts. With the number of customer account restoration increases, investigation is required when an account is transferred into another individual's name. Also, customer verification is necessary for disputed identity, incomplete documentation or suspected fraud. The Credit and Collections department must remain agile in updating policies and procedures in response to evolving legal and regulatory requirements.

Additional collections notice inserts are also required to support field disconnection activities, with all notices adhering to D.14-06-036 requirements. SoCalGas further anticipates increases in vendor software costs due to pricing adjustments reflected in renewed contract agreements. Incremental costs for collection agencies have been added as SoCalGas begins sending customer unpaid balances to collection agencies. Utilization of collection agencies was paused during the COVID-19 pandemic and disconnection moratorium. Table DW-11 above shows the change from BY 2025 adjusted-recorded expenses to TY 2028 estimated expenses.

SoCalGas is also requesting an incremental $609,000 of non-labor for collection agency fees. Utilization of collection agencies was paused because of the COVID-19 pandemic and CPUC disconnection moratorium. In 2024, SoCalGas began disconnection ramp-up efforts, but has not referred customers to collection agencies to recover unpaid debt balances. As detailed in II. Background on Collections, effective collections activities help keep customers' balances from growing, reduce costs associated with disconnections and ease the cost burden that is incurred by customers who pay their bills.

F. Credit and Collections Postage - Workpaper 2OO004.001

TABLE DW-12
TY 2028 Summary of Postage Costs

CUSTOMER SERVICES (In 2025 $)			
A. Customer Services – Office Operations	**2025 Adjusted Recorded (000s)**	**TY2028 Est. (000s)**	**Change (000s)**
6. Credit and Collections Postage	983	1,103	120
Total	**983**	**1,103**	**120**

1. Description of Costs and Underlying Activities

Credit and Collections postage expenses include the cost of mailing collection notices.

2. Forecast Method

A base year forecasting methodology was applied to project Credit and Collections Postage O&M costs. Postage costs for collection notices mailed through USPS are primarily driven by current mailing activity and postage rates, which are necessary to support ongoing Credit and Collections operations and required customer communications. Postage rates established by USPS have increased annually over the past five years, making the base year the most representative recorded cost level available at this time. Accordingly, adjustments based on forecasted collections activity required to support collection notices have been included in the forecast period.

3. Cost Drivers

Table DW-12 above shows the change from BY 2025 adjusted-recorded expenses to TY 2028 estimated expenses. The forecast is driven by postage cost associated with required 48-hour notices due to an increase in collection activities.

G. Remittance Processing - Workpaper 2OO005.000

TABLE DW-13
TY 2028 Summary of Remittance Processing Costs

CUSTOMER SERVICES (In 2025 $)			
A. Customer Services – Office Operations	**2025 Adjusted Recorded (000s)**	**TY2028 Est. (000s)**	**Change (000s)**
7. Remittance Processing	8,388	8,224	(164)

1. Description of Costs and Underlying Activities

Remittance Processing provides printing and inserting services for customer bills, notices, letters, and other customer correspondence as well as management support for payment processing activities. Expenses include the labor costs associated with these activities as well as non-labor costs for paper stock, bill forms, envelopes, stationery items, printer and inserter machine maintenance, and associated consumable supplies. SoCalGas provides electronic bill presentment and payment services (EBPP) through the SoCalGas MyAccount portal where customers can access their current and historical billing statements. SoCalGas also provides electronic bill delivery through multiple bill consolidation networks (consolidators) that allow customers to receive SoCalGas electronic bills at the website of their financial institution. Consolidator vendors charge SoCalGas a fee for each electronic bill delivered, and the consolidator vendor costs paid by SoCalGas are included in this area.

2. Forecast Method

A base year forecasting methodology was applied to project Remittance Processing O&M costs. These costs are driven by the volumes of bills, notices and payments which are impacted by meter growth described in the Escalation and Gas Customer Forecast testimony (Ex. SCG-20/SDGE-24) as well as customer choice of billing and payment channels. For these reasons, BY 2025 is used as basis to forecast TY 2028, plus adjustments for cost increases and savings from these activities.

3. Cost Drivers

Table DW-13 above shows the change from 2025 adjusted-recorded expenses to TY 2028 estimated expenses.

a. Savings from combined electronic bills

SoCalGas provides electronic bill presentment and payment services (EBPP) through the SoCalGas MyAccount website where customers can access their current and historical billing statements. SoCalGas is projecting savings of $164,000 due to reduced printing and bill forms and envelope costs.

b. Vendor fees decrease

SoCalGas provides electronic bill delivery through multiple bill consolidation networks (consolidators) that allow customers to receive SoCalGas electronic bills at the website of their financial institution. In the past few years bill delivery on this channel has been declining due

to customers choosing other bill delivery options. Consolidator vendors charge SoCalGas a fee for each electronic bill delivered. SoCalGas is projecting vendor fee savings of $77,000 due to reduced volumes.

c. Vendor fees increase

SoCalGas is requesting an incremental $12,000 to implement new mail sorting workflows necessitated by changes in support for the current software used to obtain optimal United States Postal Service (USPS) postage rates.

d. Stationery expense increase

SoCalGas is requesting an incremental $6,000 to address a higher demand for paper and envelope supplies associated with the mailing of customer disconnection notices, which are required to support collection operations and meet regulatory notification requirements.

H. Remittance Processing Postage - Workpaper 2OO005.001

TABLE DW-14
TY 2028 Summary of Remittance Processing Postage Costs

CUSTOMER SERVICES (In 2025 $)			
A. Customer Services – Office Operations	**2025 Adjusted Recorded (000s)**	**TY2028 Est. (000s)**	**Change (000s)**
8. Remittance Processing Postage	14,383	14,276	(107)

1. Description of Costs and Underlying Activities

Remittance Processing Postage expenses include the cost of mailing customer bills, notices, letters, and other customer correspondence. The calculations for estimated expenses are included in workpapers (Ex. SCG-08-WP 2OO005.001).

2. Forecast Method

A base year forecasting methodology was applied to project Remittance Processing Postage O&M costs. Postage for bill delivery includes postage for paper bills and notices mailed through USPS. The postage expense depends on postage rates which are determined by the USPS and the volume of paper bills and notices which are impacted by customer growth as well as electronic bill adoption levels. For these reasons, Base Year 2025 is used as the basis to forecast TY 2028, plus adjustments for postage rate changes for paper bills and notices mailed through USPS and savings from paperless billing (MyAccount) and electronic bill delivery to customers' home banking websites.

3. Cost Drivers

Table DW-14 above shows the change from BY 2025 adjusted-recorded expenses to TY 2028 estimated expenses.

a. Increase due to meter growth

SoCalGas is requesting an incremental $852,000 due to an anticipated increase in paper bills resulting from forecasted meter growth. Meter growth numbers are consistent with and described in the Escalation and Gas Customer Forecast testimony (Ex. SCG-20/SDGE-24).

b. Postage required due to rate change

SoCalGas is requesting an incremental $1,784,000 in postage expense for mailing paper bills, due to a known postage rate change.[9]

c. Postage savings from combined electronic bills due to growth

SoCalGas is reflecting a reduction of $1,560,000 in postage due to anticipated increase in customer paperless adoption.

d. Postage savings from combined electronic bills due to rate change

SoCalGas is reflecting a reduction of $1,183,000 in postage due to anticipated increase in customer paperless adoption.

I. Customer Service Other Office Operations Technology - Workpaper 2OO006.000

TABLE DW-15
TY 2028 Summary of Customer Service Other Office Operations Technology Costs

CUSTOMER SERVICES (In 2025 $)			
A. Customer Services – Office Operations	**2025 Adjusted Recorded (000s)**	**TY2028 Est. (000s)**	**Change (000s)**
9. Customer Service Other Office Operations and Technology	3,461	4,839	1,377
Total	**3,461**	**4,839**	**1,377**

[9] Postage rates reflect the Postal Regulatory Commission United States Postal Service Notice of Market-Dominant Price Change (Docket No. R2025-1), effective July 13, 2025.

1. Description of Costs and Underlying Activities

Customer Service Other Office Operations and Technology is comprised of the following groups:

a. Customer Operations Technology

Customer Operations Technology is responsible for business needs identification, prioritizing ongoing business and customer change requests, and change management to enable technical solutions for business operations.

Primary activities and responsibilities include:

- Providing strategic direction from the business to IT acting as a liaison to translate business needs into functional and technical requirements, ensuring alignment with business objectives, priorities, and operational requirements.
- Maintaining ongoing communications with stakeholders so that business and customer needs are consistently prioritized and addressed through implementation of the technical solution.
- Responding to and coordinating with IT on system issues.
- Facilitating people, process and technology changes during application updates by publishing release notes, verifying changes in production and offering training sessions.
- Fulfilling internal requests for data analysis and reports.
- Providing continuous support and resources so that staff can confidently navigate new technologies, fostering a culture of innovation and adaptability throughout the organization.
- Developing targeted training materials and programs that empower the business to effectively utilize new tools and functionalities, aligning with strategic objectives.

b. Customer Data Privacy

Customer Data Privacy helps protect customer privacy and data. The group develops and manages the risk of consumer privacy and working with SoCalGas's Legal, Cybersecurity, and Operations departments to meet compliance with privacy laws and mandates. Specifically, the group facilitates and supports the following activities:

- Data privacy protection.
- Administering outreach and training for employees, service providers, and other third parties on ways to protect customer data that comply with Federal and State laws and CPUC directives.

- Managing a consumer privacy request and fulfilment process to comply with the California Consumer Privacy Act (CCPA).
- Managing a privacy impact assessment process that is required for processing activities that present a significant risk to consumers' privacy, so that data privacy and data security controls are fully incorporated into these activities in compliance with CCPA.
- Conducting Privacy Third Party Review to support compliance with Federal and State laws, CPUC directives and to mitigate privacy risk.
- Overseeing the development of an annual privacy report to be filed with the Commission in compliance with D.12-08-045.[10]
- Administering an independent customer energy usage data privacy and security assessment to be submitted with each application year of the Company's GRC cycle beginning in 2014 in compliance with D.12-08-045.
- Assessing Regulatory, State, and Federal rule/law changes to determine customer privacy impacts.
- Mitigating risk of loss of customer data.
- Managing an online customer energy usage data request and release process as ordered in the Energy Data Access Decision (D.14-05-016).[11]
- Collaborating with Cybersecurity and Legal on Privacy Incident investigations and possible remediation efforts.
- Consulting with the business on matters related to customer data privacy and protection to meet compliance with internal policies, privacy laws, and regulatory directives.
- Administering the annual customer personal information (PI) inventory to identify and analyze the PI SoCalGas collects, processes, and stores to enable fulfilment of the CCPA privacy requests.

2. Forecast Method

A base year forecasting methodology was applied to project Customer Services Other Office Operations and Technology O&M costs as it represents the most recent recorded labor and non-labor costs and most accurately reflects the expense level of the current departmental activity. The incremental requests are appropriate because they reflect the growing dependency

[10] D.12-08-045, Ordering Paragraph (OP) 3.

[11] D.14-05-016, OP 8.

on automated solutions and a shift to digital continues. They also reflect the increased support required due to the complexity of customer technology solutions.

3. Cost Drivers

Table DW-15 above shows the change from BY 2025 adjusted-recorded expenses to TY 2028 estimated expenses. The cost drivers behind this forecast are operational dependence on automation, the accelerated adoption of enterprise product solutions and the heightened regulatory and legislated pressures surrounding customer data privacy, data governance, and advanced analytics and automation enablement. Without these forecasted increases, in labor and non-labor, there is mounting operational risk, growing backlog in defect and enhancement management, privacy impact assessment and third-party reviews that are not performed and delayed delivery of key initiatives.

The increasing emphasis on data governance and advanced analytics and automation adoption has also introduced new mandatory workstreams that cannot be absorbed with the existing capacity. Every system enhancement, integration, and data flow now requires deeper scrutiny of data quality, lineage, retention, privacy, and security controls and compliance safeguards. Additional resources are central to establishing frameworks, documentation, and controls that support both regulatory compliance and integrity across all customer operation applications.

Customer data privacy continues to be one of the most heavily regulated and high-focused areas for the organization. As new privacy laws and industry standards expand, the volume of required systems analysis, impact assessments, consent management updates, privacy-by-design reviews, access controls, and data minimization efforts have grown substantially. Any backlog in this domain presents a direct enterprise risk that cannot be mitigated without additional dedicated privacy professionals.

The combined impact of these cost drivers, complex automation dependencies, expanded product platform adoption, strengthened data governance mandates, the rapid evolution of advanced analytics and automation technologies and heightened customer privacy requirements create a structural need for increased labor and non-labor resources. The forecasted additional resources are necessary to protect the operational, regulatory, and financial risk while delivering critical business priorities without delay.

4. Labor Adjustments

SoCalGas's forecast for Customer Services Other Office Operations Technology includes the following labor adjustments:

- $413,850 related to labor shift from balanced programs and various capital projects in base year to O&M in forecast years. Adjustments include 3.1 FTE Sr Business Systems Analyst - $133,500 that provide business applications support to the customer information system referred to as CIS and online self-service portal referred to as My Account.
- $49,170 related to labor shift from balanced programs and various capital projects in base year to O&M in forecast years. Adjustment for 0.3 FTE Sr Supervisor - $149,000 that perform day-to-day operations to support various business units such as Billing, Collections, Finance, and Payment Processing, with requirements for development and end user testing on CIS. The supervisor position provides leadership and supervision to the team responsible for the CIS business application support.
- $353,000 related to labor shift from balanced projects in base year to O&M in forecast years. Adjustments include 3.3 FTE Business Systems Analyst - $106,000 that perform various day-to-day operations to support Customer Programs. These positions are responsible for investigating customer issues and working with the Business and Third-Party Application providers to implement application changes.
- $53,000 to backfill a Business Systems Analyst position mid-year that administers the Privacy Request Management System (PRMS) to process and fulfill consumer privacy requests in compliance with CCPA. Supports the Privacy Third Party Review Process. Performs Third Party website reviews and audits. Assists with the Annual Personal Information Inventory & Certification.
- $44,170 for 0.4 FTE Business Systems Analyst – II on temporary leave of absence not reflected in the base year.
- $149,000 for one additional Privacy Compliance Advisor to support the anticipated increase in privacy related regulatory requirements. The Privacy Compliance Advisor will manage the associated people, processes, and technology changes necessary to meet these evolving obligations. The increased activities and expanded regulatory scope necessitate additional staffing to meet ongoing compliance with current and future privacy regulations.
- $267,000 for two additional Privacy Analysts to support the Customer Privacy Program for the compliance activities required by CCPA, which went into effect January 1, 2020; additional California Attorney General Regulations that went into effect on August 14, 2020, and activities for the California Privacy Rights Act (CPRA) regulations which go into effect January 1, 2026. Compliance Activities include, but are not limited to, additional privacy risk assessments for

significant processing activities and reporting to CalPrivacy and automated decision-making technology requirements.

5. Professional services adjustment/decrease in contract labor

SoCalGas is forecasting professional services adjustments related to:

- ($87,000) non-labor reduction. Resource was responsible for managing the CCPA consumer privacy request and fulfilment process, assisting with the Annual PI Inventory and Certification and analysis, User Acceptance Testing for CCDM capital project, reviewing Privacy Standards, Guidelines and SharePoint Site annually.
- $59,000 increase related to the CPUC mandated customer energy usage data privacy & security assessment. This CPUC required review occurs every GRC cycle and the next review will be planned after this GRC cycle.

J. Measurement Data Operations (MDO) - Workpaper 2OO007.000

TABLE DW-16
TY 2028 Summary of MDO Costs

CUSTOMER SERVICES (In 2025 $)			
A. Customer Services – Office Operations	**2025 Adjusted Recorded (000s)**	**TY2028 Est. (000s)**	**Change (000s)**
10. Measurement Data Ops (MDO)	1,339	1,681	342
Total	**1,339**	**1,681**	**342**

1. Description of Costs and Underlying Activities

MDO monitors and maintains accurate and timely usage measurement reporting to support SoCalGas and SDG&E Major Markets Billing functions for 1,349 large gas volume customer meters. SoCalGas directly bills SDG&E for any costs to perform MDO services on behalf of SDG&E, so this is not a shared service cost center. These meters are equipped with communication devices that enable meter usage data to be collected and transmitted electronically. MDO also receives and processes measurement and gas quality data from other electronic devices such as storage field meters, producer meters, supplier meters, and company facility meters. In addition, MDO is responsible for the processing of the monthly British Thermal Unit (BTU) averages used to bill all customers, both in the Customer Information System (CIS) and the Gas Measurement and Analysis System (GMAS). The calculations for estimated expenses are included in workpapers (Ex. SCG-08-WP 2OO007.000).

2. Forecast Method

A base year forecasting methodology was applied to project MDO O&M costs. The base year represents the most recent recorded labor and non-labor costs and was chosen because it reflects the most current departmental processes and technologies. For labor costs, adjustments were made to the forecast years to maintain full year staffing levels.

3. Cost Drivers

Table DW-16 above shows the change from 2025 adjusted-recorded expenses to TY 2028 estimated expenses.

a. Adjustments for full year staffing – Measurement Analyst

SoCalGas is requesting an incremental $177,760 to account for the full year amount for 1.75 FTE Measurement Analyst positions that were not recorded expenses in BY 2025. The forecasted incremental expenses are to offset retirement of one Gas Measurement Analyst in July 2025 and for the return of 2 Gas Measurement Analysts who were allocated to support the GMAS Capital Project during 2025 for 50% of their time. These positions support the MDO process with the collection and processing of gas measurement and gas quality data to facilitate noncore customer billing, storage field operations and accounting activities. This information is reviewed and validated to validate that accurate data is available for these processes.

b. Adjustments for full year staffing – Business System Advisor

SoCalGas is requesting an incremental $83,440 to account for the partial year amount for two Business System Advisor positions that were not recorded expenses in BY 2025. These incremental forecasted expenses are to reflect a full position vacancy due to one retirement of a Project Specialist during June 2025 along with the return of one Project Specialist who was allocated to support the GMAS Capital Project during 2025 for 75% of their time through July 2025. Due to the increased complexities resulted by the implementation of the GMAS System, MDO repurposed the retired Project Specialist position with a Business System Advisor position. The Business System Advisor position supports MDO by helping evaluate the financial and operational impacts of major business and regulations. The advisors also support MDO by facilitating the collection and processing of gas measurement (volume, quality etc.) with respective stakeholders (Operations, Billing, IT) to validate reliable data is used for accurate billing of non-core customers.

c. Adjustments for full year staffing – Project Specialist

SoCalGas is requesting an incremental $56,290 to account for the partial year amount for a Project Specialist position that was not a recorded expense in BY 2025. The forecast incremental expenses are to offset a partial year project specialist vacancy. This position supports MDO by performing reviews of the work by the gas measurement analysts and helps with the coordination of approvals for MDO with appropriate stakeholders. Project Specialist duties in MDO also include but are not limited to documentation of procedures, task tracking, onboarding of resources, supporting advisors with improvement initiatives to enhance the processing of measurement and gas quality data to facilitate non-core customer billing, storage field operations, and accounting activities.

K. Customer Services - Operations - Workpaper 2OO008.000

TABLE DW-17
TY 2028 Summary of Customer Services - Operations Costs

CUSTOMER SERVICES (In 2025 $)			
B. Customer Services Field	**2025 Adjusted Recorded (000s)**	**TY2028 Est. (000s)**	**Change (000s)**
11. Customer Services - Operations	123,832	132,920	9,087
Total	**123,832**	**132,920**	**9,087**

1. Description of Costs and Underlying Activities

Customer Services Operations represents the front-line workforce responsible for delivering critical customer and safety services. These employees perform essential tasks such as meter turn-ons and shut-offs, lighting pilot lights, checking gas leaks, investigating high-bill complaints, and responding to emergencies like fires or gas odors to protect public safety. In addition to these core duties, Field Operations personnel manage collections activities for non-payment accounts and conduct compliance-driven field work, including Atmospheric Corrosion (ACOR) remediation, Planned Meter Change (PMC), and Shop Survey programs to meet CPUC and federal pipeline safety standards. Additionally, to further enhance the safety and integrity of the pipeline, the team implements measures such as securing safety locking devices on critical components to prevent unauthorized access and monitoring for illegal use of gas facilities through regular inspections and advance analytics. These costs represent a combination of labor (field technicians performing services and inspections) and non-labor

(tools, safety locking devices, and analytics systems) to promote safe, reliable, and compliant service delivery.

The costs related to Aerial Leak Detection (ALD) that are found in this workpaper are associated with the leak investigations identified through the Aerial Leak Detection program. The costs associated with the flights can be found in the Gas Engineering & System Integrity testimony (Ex. SCG-03).

Many of the activities performed by Customer Services Operations are statutorily required "after-meter services" under Pub. Util. Code § 963. State law directs gas corporations to continue providing these services and requires the Commission to authorize "sufficient revenues and employee staffing" to ensure timely delivery (§ 963(c)(4)). The statute defines after-meter services to include leak investigations, customer side piping and appliance inspections, carbon monoxide investigations, high-bill investigations, and pilot relights (§ 963(a)(1)). In addition, GO 58-A (¶ 22) implements these mandates by establishing requirements for the inspection and investigation of gas appliance conditions and customer premises safety. The Customer Services Operations workforce performs these activities in the field and is therefore essential to meeting these statutory and regulatory obligations and maintaining public safety.

2. Forecast Method

A base year forecasting methodology was used as the starting point to project Customer Services Operations O&M costs. CSF Operations costs are primarily driven by work order volumes. The 2025 base-year forecast method is appropriate because it reflects the current and expected workload associated with field activities, except for the incremental funding requested in this section. In large part, the incremental funding is associated with increasing collections activities and the new requirements associated with the implementation of SB 1142. As stated in Section II, SoCalGas has approached the resumption of collections activities in a responsible way that balances the customer experience and costs. In light of these forecasted incremental costs for collections, this is another reason why a 2025 base-year forecast is most appropriate for Customer Service Operations because using a three-, four-, or five- year average would not be an appropriate starting point as these would underestimate the orders and costs associated with greater collections and the new requirements of SB 1142. Alternative forecast methods were used for Collections, Bill reads and ALD. Please refer to workpaper Ex. SCG-08-WP

2OO008.000 for additional information. Additionally, a 2025 base-year forecast methodology supports the rise in bill read orders as the MTUs approach end of life and battery failures increase over the forecast years. These failures would not be captured in historical data accurately and would underestimate the costs associated with these work order types.

3. Cost Drivers

The cost drivers behind the Customer Services Operations forecast are related to work order increase, flame resistant uniform and training related travel. Table DW-17 above shows the change from 2025 adjusted-recorded expenses to TY 2028 estimated expenses.

a. Work Order Increase

SoCalGas is requesting an incremental $3,570,000 related to increased credit and collections activities into TY 2028. Collections related work orders are expected to rise as SoCalGas resumes collections activity in a measured manner toward the Commission authorized disconnection cap. As the volume of disconnection activity increases, corresponding restoration work orders also increase, resulting in higher overall work order volumes. The increase reflects both the resumption of previously paused collections activity and the inherently labor-intensive nature of disconnection and restoration processes that must be performed in accordance with regulatory, safety, and customer protection requirements.

SoCalGas is requesting an incremental $2,389,000 for bill-read expense driven primarily by a projected increase in MTU battery failures over the forecast period.[12] Work order volumes are expected to increase due to incremental manual bill reading activity associated with the AMI lifecycle. AMI module end-of-life analysis indicate that meter communication modules are approaching the end of their expected useful life, leading to a growing number of remediation needs to maintain remote meter reading functionality. As the volume of required remediations exceed available field remediation capacity, some meters will require manual reads when

[12] The identified items are associated with Advanced Meter Infrastructure (AMI) and reflect costs necessary to maintain the current AMI system. SoCalGas has filed a separate application, A.25-12-019, requesting authorization for AMI replacement. If the Commission approves A.25-12-019, SoCalGas will reduce its request in this proceeding to remove the AMI-related costs for post-test years where the costs would be recovered through the separate application. Conversely, if A.25-12-019 is not approved, the amounts requested in this proceeding would not be sufficient to cover the reactive replacement costs that would become necessary, and an alternative mechanism would be required to track and recover such costs.

remediation is not feasible resulting in additional bill read related work orders. These increases are driven by asset conditions, system limitations, and operational constraints. In 2025, the Company retained an independent engineering firm, Exponent, to perform an end-of-life (EOL) analysis of the MTU population and to project future annual failure rates. The analysis indicates that MTU failures, which have averaged approximately 80,000 annually between 2021 and 2024, will increase materially as the MTU population ages, reaching approximately 100,000 failures in 2029. When an MTU fails or stops transmitting usage data, the Customer Services team must perform a manual meter read to support accurate, timely, and compliant customer billing. A portion of MTU change orders historically estimated at eleven percent are not completed prior to the billing cycle and therefore require manual bill reads. Furthermore, this incremental workload, when combined with an ongoing base of approximately 8,000 customers opt-out manual reads, results in bill-read volumes that exceed historical levels and cannot be absorbed within existing authorized funding.

Additional cost drivers behind the forecast for Customer Services - Operations are labor costs associated with completing work orders. Additional cost drivers that impact the forecast are described below.

- **Drive Time**

Drive Time is the length of time it takes to travel to customer premises. Each Customer Services field order has an associated average drive time to allow the field technician time to travel to the customer's premises. Historical average drive time per order is summarized in Table DW-18 below. SoCalGas elected to use Base Year 2025 drive time to forecast TY 2028, because 2025 drive time data most accurately represents expected operating conditions.

Table DW-18
Average Drive Time Per CSF Order (in minutes)

Historical Average Drive Time Per Order			
2022	2023	2024	2025
14.4	15.7	17.1	15.1

- **On-Premise Time**

On-premise time represents the amount of time required to complete each Customer Services work order. Each work order has an order type that has an associated-on

premise time that may vary based on factors such as workforce experience and changes in policies or procedures. In addition, on-premise time may be affected by customer interaction at the premises, as additional time may be required to address questions or concerns. SoCalGas elected to use Base Year 2025 on-premise time to forecast TY 2028, because 2025 on-premise time data most accurately represents expected operating conditions.

- **Non-Job Time (NJT)**

Non-Job Time represents time incurred each day that is not directly attributed to work orders, including start of day and end of day activities, breaks and other non-order related activities. Historical non-job time percentage factors per order are summarized in Table DW-19 below. SoCalGas elected to use BY 2025 data to forecast TY 2028, as 2025 non-job time most accurately represents expected operating conditions.

Table DW-19
Non-Job Time Factor Per Order

Historical Non-Job Time (NJT) Factor Per Order			
2022	**2023**	**2024**	**2025**
23.0%	22.5%	23.5%	23.0%

- **Meeting/Training**

Employees attend meetings and training throughout the year to support the safe, reliable, and compliant execution of field operations. Meetings and training time include formal training, group meetings (*e.g.*, safety and quality-focused meetings), and district-based training activities such as new tool training. These activities are essential to reinforcing safety expectations, maintaining workforce proficiency, and supporting evolving operational practices.

Historical meetings and training percentage factors per order are summarized in Table DW-20 below. Given the historical fluctuations in meetings/training time per order, SoCalGas used a four-year average to forecast through TY 2028, with an incremental adjustment to reflect sustained and ongoing requirements associated with expanded safety expectations, regulatory compliance, workforce development, and the implementation of new tools and processes. The forecasted level of meeting and

training time represents a prudent and necessary level of effort required to support current and future operational needs rather than temporary or one-time activities.

Table DW-20
Meeting/Training Time Per Order

Historical Meeting/Training Time Per Order			
2022	**2023**	**2024**	**2025**
10.0%	11.3%	8.9%	5.5%

- **Labor/Non-Labor Rate**

The most recent labor rate and non-labor rate per FTE rates were used. The most recent rate reflects our labor and non-labor cost in BY 2025.

- **Blended Wage Rate**

A blended wage rate for the various Customer Services - Operations job classifications is used to compute total labor expense. BY 2025 was used for the forecast calculation. Using the BY 2025 blended wage rate is reasonable as wages typically increase year over year and 2025 represents the most recent wages.

Refer to SCG-08-WP-2OO008 Customer Services Operations Supplemental Workpaper for calculation details of the work order volume-based costs.[13]

b. Flame-Resistant Uniform

SoCalGas requesting an incremental funding of $1,305,000 for the company uniform is a necessary and prudent element in support of employee safety, regulatory compliance, operational readiness, and clear identification of authorized personnel. SoCalGas conducted a competitive Request for Proposal in 2024 and selected a new provider with demonstrably stronger service performance, compliant garment offerings, and enhanced technological capabilities. The program encompasses the provision and maintenance of standardized uniforms for approximately 1,100 employees across Customer Services, consolidation of ancillary laundering services, and full transition management from the prior vendor. The forecasted cost increase reflects the implementation of flame-resistant garments, upgraded

[13] Totals in the supplemental workpaper may include rounding differences.

American National Standards Institutes (ANSI) compliant safety vests, improved vendor technology and service infrastructure, decommissioning and transition activities, public-education efforts, standardized headgear, and site-readiness requirements. In line with Cal OSHA Title 8, Section 3203 (Injury and Illness Prevention Program), Cal OSHA Title 8, Section 2940.11 (Protection from Flame and Electric Arcs), hazard assessments and industry benchmarking, the Company concluded the adoption of flame-resistant garments to all employees performing field or field-adjacent work is effective and a consistent method to support compliance with these performance-based safety requirements.

c. Training Related Travel

SoCalGas is requesting incremental funding of $529,000 to support training related travel. This is driven by increased training and associated reimbursable non-labor costs, including hotel accommodations, mileage, and per diem. This funding supports training programs, including coding of leaks, remote methane leak detection (RMLD) training, and four-day technical workshops. These training programs are critical to maintaining operations efficiency, meeting regulatory compliance, mitigating risk, and enhancing public safety. The increase in training volume and associated travel cost reflects evolving regulatory expectations, enhanced safety practices, and the ongoing need to maintain a highly trained workforce.

L. Customer Services - Supervision - Workpaper 2OO009.000

TABLE DW-21
TY 2028 Summary of Customer Services - Supervision Costs

CUSTOMER SERVICES (In 2025 $)			
B. Customer Services Field	**2025 Adjusted Recorded (000s)**	**TY2028 Est. (000s)**	**Change (000s)**
12. Customer Services - Supervision	17,884	18,186	301
Total	**17,884**	**18,186**	**301**

1. Description of Costs and Underlying Activities

Customer Services Supervision includes activities such as overseeing field employee performance, conducting safety observations, coordinating with dispatch, communicating with customers, and managing workforce development through hiring, training, and mentoring. These costs represent a combination of labor expenses, primarily supervisors supporting field operations across 51 operating bases and non-labor expenses, including tools and systems used for performance tracking and operational coordination. Supervisors support field technicians

across 51 different operating base locations that are dispersed throughout SoCalGas's service territory, which has a total population of more than 21.8 million and spans across 24,000 square miles and 500 communities, from Visalia to the Mexico border. Together, these labor and non-labor resources help support safe, reliable operations. Customer Services Supervision is a critical component of SoCalGas's operational safety and reliability framework. Supervisors provide direct oversight of front-line employees who perform essential customer and safety services, including emergency response, leak investigations, and compliance-driven field work. Their responsibilities extend beyond routine management, they serve as the first line of leadership during emergencies that enables rapid, informed decision-making that protects public safety and mitigates operational risk.

Key reasons for funding these roles include:

- **Safety Leadership and Compliance:** Supervisors enforce adherence to safety standards, conduct job observations, and provide on-site leadership during emergencies. This oversight is essential to advancing a strong safety culture and maintaining regulatory compliance.
- **Operational Reliability:** With 51 geographically dispersed operating bases, supervisors provide consistent performance management and resource coordination. Their presence reduces service delays and supports efficient dispatch of field technicians.
- **Workforce Development:** Supervisors hire, train, and mentor employees, fostering a skilled workforce capable of executing complex safety and customer service tasks. This investment directly supports SoCalGas's continuous improvement and safety culture.
- **Emergency Preparedness:** On-call responsibilities enable supervisors to respond immediately to critical incidents, minimizing risk to infrastructure, employees, customers, and the public.

2. Forecast Method

The Customer Services Supervision forecast utilizes a base year forecast methodology, as it reflects the most recent and representative cost conditions. For TY 2028, the estimated number of field supervisors is based on the forecasted FTE workforce and supervisory requirements. This approach is appropriate given the geographic scope of each operating base and the need for field supervisors to spend adequate time in the field providing safety coaching, oversight, and work process guidance.

In evaluating staffing levels, SoCalGas considered the geographic area served by each operating base and the need for field supervisors to maintain a strong and consistent field presence to provide safety coaching, oversight and work process guidance to employees. Supervisors also play a critical role in emergency response activities. They are available 24/7, 365 days per year to support field personnel during gas related emergencies, coordinating response effort, and validating work is performed safely and in compliance with established procedures to protect infrastructure, employees, customers and maintain public safety. Non-labor expenses include items such as cell phones, office supplies, and other miscellaneous expenses.

3. Cost Drivers

Customer Services field supervision costs are driven by the number of field supervisors required and applicable salary levels for supervisory field employees. The number of field supervisors is determined by staffing needs associated with the size of the field workforce and the requirement to provide adequate and continuous field supervision across all 51 bases. Table DW-21 above shows the change from 2025 adjusted-recorded expenses to TY 2028 estimated expenses. An adjustment of $301,000 reflects changes in connection with the compensation modernization initiative. Please refer to the Compensation and Benefits testimony, Ex. SCG-16/SDGE-20.

M. Customer Services - Support - Workpaper 2OO010.000

TABLE DW-22
TY 2028 Summary of Customer Services - Support Costs

CUSTOMER SERVICES (In 2025 $)			
B. Customer Services Field	**2025 Adjusted Recorded (000s)**	**TY2028 Est. (000s)**	**Change (000s)**
13. Customer Services - Support	1,146	1,164	18
Total	**1,146**	**1,164**	**18**

1. Description of Costs and Underlying Activities

Customer Services Support includes administrative support, monitoring and reporting functions necessary to operate safely, efficiently, and in compliance with regulatory requirements. These costs represent a combination of labor (administrative staff, and analysts) and non-labor (data systems, and tools for performance tracking) to support workforce competency and continuous improvement.

Customer Services Support costs are critical to the administrative and operational functions that enable safe, reliable, and efficient delivery of customer services. The region management, district management, administrative associate and clerical staff roles are foundational to sustaining SoCalGas's commitment to safety, reliability, and affordability while supporting the front-line workforce and overall customer satisfaction. Specifically, these positions provide essential back-office support for field operations and customer service activities.

2. Forecast Method

Customer Services Support uses base year as a basis for the forecast for TY 2028. The base year forecast staffing level provides the necessary management and administrative support for Customer Services.

3. Cost Drivers

The cost drivers behind the Customer Services Support forecast are costs that include cell phones, office supplies, computer supplies, travel related costs, mileage reimbursement, miscellaneous hand tools, and other miscellaneous expenses. Table DW-22 above shows the change from 2025 adjusted-recorded expenses to TY 2028 estimated expenses. An adjustment of $18,000 reflects changes in connection with the compensation modernization initiative. Please refer to the Compensation and Benefits testimony, Ex SCG-16/SDGE-20.

N. Customer Services - Dispatch - Workpaper 2OO011.000

TABLE DW-23
TY 2028 Summary of Customer Services - Dispatch Costs

CUSTOMER SERVICES (In 2025 $)			
B. Customer Services Field	**2025 Adjusted Recorded (000s)**	**TY2028 Est. (000s)**	**Change (000s)**
14. Customer Services - Dispatch	14,361	14,604	243
Total	**14,361**	**14,604**	**243**

1. Description of Costs and Underlying Activities

Customer Services Dispatch funding supports scheduling, routing, and dispatching work orders 24/7, 365 days per year, managing emergency incidents, and reallocating field resources to maximize safety and efficiency. These costs represent a combination of labor (dispatch personnel) and non-labor (dispatch systems and communication tools) to provide responsive and reliable field operations.

Customer Services Dispatch includes labor and non-labor costs for personnel who schedule, route and dispatch work to Customer Services employees 24/7, 365 days per year. Customer Services Dispatch also works with various internal departments to coordinate work and with outside agencies such as local police and fire departments to manage emergencies for public safety. The Dispatch team manages customer and company generated work including, but not limited to, (1) managing multiple aspects of emergency incidents such as dispatching emergency first responders, management/supervisor reporting notifications, and reporting requirements; (2) coordinating, and redistributing work amongst Customer Services Operations employees; (3) dispatching same day work to available Customer Services Operations employees including analysis and redistribution of work and workforce to maximize efficiencies. Non-labor expenses include computer equipment, communication expenses, office materials, software maintenance expenses, and other miscellaneous expenses.

2. Forecast Method

Customer Services Dispatch uses base year as a basis for the forecast methodology for TY 2028. The base year represents the most recent recorded labor and non-labor costs and most accurately reflects the expense level necessary to provide 24/7, 365 days per year coverage to schedule, route, and dispatch Customer Services Field.

3. Cost Drivers

Customer Services Dispatch costs are primarily driven by the labor required to support dispatch operations, including real-time coordination of field resources, workload management, and communication with field personnel to support safe, timely and efficient service. Additionally, costs include training new employees and maintaining a technically skilled and proficient workforce that performs in a manner that meets SoCalGas's continuous improvement and safety culture. Non-labor expenses include computer equipment, communication expenses, office materials, and software maintenance expenses. Table DW-23 above shows the change from 2025 adjusted-recorded expenses to TY 2028 estimated expenses. An adjustment of $243,000 reflects changes in connection with the compensation modernization initiative. Please refer to the Compensation and Benefits testimony, Ex SCG-16/SDGE-20.

O. Customer Services – Meter Set Assembly (MSA) Inspection Program - Workpaper 2OO012.000

TABLE DW-24
TY 2028 Summary of Customer Services – MSA Inspection Program Costs

CUSTOMER SERVICES (In 2025 $)			
B. Customer Services Field	**2025 Adjusted Recorded (000s)**	**TY2028 Est. (000s)**	**Change (000s)**
15. Customer Services – MSA Inspection Program	6,081	6,184	102
Total	**6,081**	**6,184**	**102**

1. Description of Costs and Underlying Activities

The Customer Services MSA Inspection function performs onsite inspections of meter set assemblies to identify Atmospheric Corrosion (ACOR) conditions and support remediation efforts, in accordance with Title 49 Code of Federal Regulations (CFR) § 192.481. Key activities include performing remediation and inspections, resolving meter access issues, tracking compliance, and supporting regulatory reporting. These activities require a combination of labor and non-labor cost.

These costs support the MSA Inspection group who perform physical, on-premise inspections of each MSA to comply with the Department of Transportation (DOT) requirements for ACOR. These inspections are critical to maintaining public and infrastructure safety, and regulatory compliance. Beginning in 2026, primary MSA *inspections* for ACOR will transition to Gas Operations as part of the Electronic Leak Survey program. This transition reflects operational synergy between the two departments, streamlining processes to enhance efficiency, reduce redundancy, and optimize resource utilization. The activities that will remain within the Customer Services MSA Inspection Program will be remediating conditions requiring corrective action by Customer Service Field employees, including contacting customers to resolve meter access issues. Remediated MSAs are then inspected to meet compliance within the inspection schedule(s) to meet DOT requirements. For further details on the MSA Inspection transition, please refer to the Gas Distribution testimony (Ex. SCG-04).

2. Forecast Method

SoCalGas elected to use base year forecast methodology for this cost category because base year reflects the most recent and representative level of costs. MSA Inspection TY 2028 expenses are driven by the forecasted volume of remediation work and follow up inspections

necessary to comply with DOT requirements. Labor costs are primarily a function of remediation and inspection work order volumes; however, expenses are also influenced by factors outside of SoCalGas's control, including customer responsiveness to repeated access attempts needed to complete required remediation and inspection activities. The forecast was adjusted to reflect anticipated MSA Inspection efficiency gains associated with the transition of meter inspection activities from Customer Services to Gas Distribution.

3. Cost Drivers

The Customer Services MSA Inspection Program costs are primarily driven by remediation and inspection work order volumes, the average number of orders completed per employee, and associated training time. For the support staff, which includes MSA Office Representatives and management staff, the costs are driven by the number of employees, including clerical employees who provide administrative support for the group. Non-labor costs are based on BY 2025 associated non-labor expenses for related small tools, uniforms, cost of notices, and miscellaneous supplies. Table DW-24 above shows the change from 2025 adjusted-recorded expenses to TY 2028 estimated expenses. An adjustment of $102,000 reflects changes in connection with the compensation modernization initiative. Please refer to the Compensation and Benefits testimony, Ex SCG-16/SDGE-20.

V. SHARED O&M COSTS

As described in the Shared Services testimony (Ex. SCG-22/SDGE-27), Shared Services are activities performed by a utility shared services department (*i.e.*, functional area) for the benefit of: (i) SDG&E or SoCalGas, (ii) Sempra Energy Corporate Center, and/or (iii) any affiliate subsidiaries. The utility providing Shared Services allocates and bills incurred costs to the entity or entities receiving those services.

Table DW-25 summarizes the total shared O&M forecasts for the listed cost categories.

TABLE DW-25
Shared O&M Summary of Costs

CUSTOMER SERVICES (In 2025 $)			
Categories of Management	**2025 Adjusted Recorded (000s)**	**TY 2028 Est. (000s)**	**Change (000s)**
A. Customer Services - Office Operations	4,533	4,520	(13)
Total Shared Services	**4,533**	**4,520**	**(13)**

The forecasts are sponsored on a total incurred basis, as well as the shared services allocation percentages related to those costs. Those percentages are presented in the shared services workpapers, along with a description explaining the activities being allocated. See Ex. SCG-08-WP 2200-0355. The dollar amounts allocated to affiliates are presented in our Shared Services testimony. See Ex. SCG-22 /SDGE-27.

A. Payment Processing - Workpaper 2200-0355.000

TABLE DW-26
TY 2028 Summary of Payment Processing Costs

CUSTOMER SERVICES (In 2025 $)			
A. Customer Services – Office Operations	**2025 Adjusted Recorded (000s)**	**TY2028 Est. (000s)**	**Change (000s)**
1. Payment Processing	4,148	4,129	(19)

1. Description of Costs and Underlying Activities

Payment processing (2200-0355) expenses cover the cost of processing payments mailed through the USPS as well as electronic payments received through home banking, electronic data interchange, wire transfers and electronic pay programs, including but not limited to direct debit, pay-by-phone, and MyAccount. Additional functions performed by payment processing include handling returned checks, investigating payments received without associated account information, processing of all miscellaneous non-gas revenues (e.g., oil lease revenues), and responding to payment inquiries from banking institutions and authorized payment locations.

A portion of these activities, and the associated costs, are incurred on behalf of SDG&E. The payment processing function requires specialized systems, banking integrations, and trained personnel to securely receive, image, reconcile, and post customer payments. Operating this function as a shared service avoids duplication of infrastructure, technology platforms, vendor contracts, and staffing that would otherwise be required if each utility maintained a standalone operation.

2. Forecast Method

A base year forecasting methodology was applied to project payment processing O&M labor and non-labor costs and adjusted for known changes. The 2025 cost levels were similar to historical averages and a good representation for the forecast because they are in-line with the workgroups TY 2028 estimated expenses.

3. Cost Drivers

Table DW-26 above shows the change from 2025 adjusted-recorded expenses to TY 2028 estimated expenses.

a. Staffing at full complement

SoCalGas is requesting an incremental $105,000 for 1.3 FTEs associated with delayed backfilling of critical payment processing positions including two Payment Operator Level 2 and one Payment Entry Clerk 3.

b. Equipment maintenance fees

SoCalGas is requesting an incremental $89,000 for incremental vendor fees related to equipment maintenance fees.

c. Vendor Fees

SoCalGas is reflecting a reduction of $213,000 in software-related costs that are shifting to capital as part of a planned system upgrade. Under the upgraded solution, costs that were previously expenses as ongoing operational fees will be incorporated into the capital investment and recovered accordingly.

B. Manager of Remittance Processing - Workpaper 2200-2247.000

TABLE DW-27
TY 2028 Summary of Manager of Remittance Processing Costs

CUSTOMER SERVICES (In 2025 $)			
A. Customer Services – Office Operations	**2025 Adjusted Recorded (000s)**	**TY2028 Est. (000s)**	**Change (000s)**
2. Manager of Remittance Processing	386	392	6

1. Description of Costs and Underlying Activities

Manager of Remittance Processing (2200-2247) primary responsibilities include the management of the strategy and policy for the overall customer bill presentment and payment processing channels. For customer billing, this includes bill printing and inserting as well as all electronic bill presentment channels. For payment processing, this includes mail, walk-in including branch offices and authorized payment locations, as well as all customer self-service electronic payment channels.

A portion of these activities, and the associated costs, are incurred on behalf of SDG&E. The Manager of Remittance Processing operates as a shared service to provide centralized oversight, strategy, and policy governance for customer bill presentment and payment processing channels.

2. Forecast Method

A base year forecasting methodology was applied to project Manager of Remittance Processing O&M costs. BY 2025 cost levels were similar to historical averages and a good representation for the forecast because they are in-line with the workgroup's TY 2028 estimated labor expenses.

3. Cost Drivers

Table DW-27 above shows the change from 2025 adjusted-recorded expenses to TY 2028 estimated expenses. An adjustment of $6,000 reflects changes in connection with the compensation modernization initiative. Please refer to the Compensation and Benefits testimony, Ex SCG-16/SDGE-20.

VI. REGULATORY ACCOUNTS

I address the reasonableness of the balances in the California Consumer Privacy Act Memorandum Account, the Residential Disconnection Protection Memorandum Account, and the Emergency Customer Protections Memorandum Account. Additional details regarding these accounts and their disposition are addressed in the Regulatory Accounts testimony (Ex. 21).

A. California Consumer Privacy Act Memorandum Account (CCPAMA)

The CCPAMA is an interest-bearing memorandum account recorded on SoCalGas's financial statements. Pursuant to D.19-09-026, the purpose of this account is to record the incremental costs associated with complying with consumer privacy obligations as required by Assembly Bill (AB) § 375.[14] Capital costs for enhancements to California Consumer Privacy Act (CCPA) Privacy Request Management System (PRMS) comply with CCPA requirements and regulations. Capital costs were also incurred to implement new functionality required by California Privacy Rights Act (CPRA) and the related updates to CIS interface, MyAccount,

[14] AB § 375 (Chau, 2018), *available at*: https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB375.

and SoCalGas.com webpages. Consultant costs were incurred for management and fulfilment of the consumer PRMS requests, research on CPRA requirements, implementation of the PRMS modifications, and research proposed CPRA regulations. All costs since 2022 have been recorded in the California

Consumer Privacy Act Memorandum Account (CCPMA) and are detailed in Table DW-28 below. The costs recorded by SoCalGas are in compliance with D.19-09-026, are reasonable and should be approved by the Commission.

TABLE DW-28

($ in thousands)	CALIFORNIA CONSUMER PRIVACY ACT MEMORANDUM ACCOUNT				
Description	**2022**	**2023**	**2024**	**2025**	**Total**
Capital Expenditures Labor	344	273	90	37	743
Capital Expenditures Non-Labor	332	207	61	-	600
Capital Expenditures Direct Costs Subtotal	676	479	151	37	1,343
Capital Expenditures Indirect Costs	309	226	75	31	640
Capital Total	**984**	**706**	**226**	**68**	**1,983**
O&M Labor					-
O&M Non-Labor	(3)	3	(0)	-	(0)
O&M Direct Costs Subtotal	(3)	3	(0)	-	(0)
O&M Indirect Costs					-
O&M Total	**(3)**	**3**	**(0)**	**-**	**(0)**

B. Residential Disconnection Protection Memorandum Account (RDPMA)

The RDPMA is an interest-bearing memorandum account recorded on SoCalGas's financial statements. The purpose of this account is to record the incremental costs associated with implementing the customer protections required by D.20-06-003. Due to D.20-06-003 eliminating residential reconnection fees, SoCalGas recorded a revenue shortfall of $5.1 million from September 2020 through December 2023 in the RDPMA, as approved by AL 5672. In addition to the waived reconnection fees, O&M costs since 2022 and capital expenditures

associated with capital revenue requirement recorded in the RDPMA are detailed in Table DW-29 below.

To comply with CPUC's requirement to offer the Arrearage Management Plan (AMP) to reduce residential disconnections, costs were recorded for the implementation of the program to cover administration and operations, including labor (e.g., program management, IT, customer service) and non-labor expenses such as printing and translation for program outreach. Additionally, SoCalGas was required to establish numerical enrollment goals for the Medical Baseline (MBL) program and to increase outreach activities. Costs associated with MBL include marketing campaign and advertising, direct mail and emails, customer outreach, and deployment of an electronic signature platform. D.22-11-033 approved SoCalGas to update the MBL recertification timelines to allow customers to remain on the program longer. This change required internal and contract labor costs to implement updates to our CIS system as well as reprints and translations of existing communications. The costs recorded in the RDPMA by SoCalGas are in compliance with D.20-06-003[15], are reasonable and should be approved by the Commission.

TABLE DW-29

($ in thousands)	**RESIDENTIAL DISCONNECTION PROTECTIONS MEMORANDUM ACCOUNT**					
Description	**2021**	**2022**	**2023**	**2024**	**2025**	**Total**
Capital Expenditures Labor	17	30	1	-	-	48
Capital Expenditures Non-Labor	13	10	(11)	-	-	12
Capital Expenditures Direct Costs Subtotal	30	40	(10)	-	-	60
Capital Expenditures Indirect Costs	13	28	(1)	-	-	40
Capital Total	**42**	**68**	**(11)**	**-**	**-**	**100**
O&M Labor		399	574	292	204	1,470
O&M Non-Labor		1,194	844	476	570	3,084

[15] D.20-06-003 at 114, and Ordering Paragraph (OP) 92 at 164.

O&M Direct Costs Subtotal		1,593	1,418	768	774	4,554
O&M Indirect Costs		361	419	223	149	1,152
O&M Total		**1,954**	**1,837**	**991**	**923**	**5,705**

C. Emergency Customer Protections Memorandum Account (ECPMA)

The ECPMA is an interest-bearing memorandum account recorded on SoCalGas's financial statements. The purpose of this account is to record the incremental costs associated with complying with providing residential and non-residential emergency customer protections. Pursuant to D.19-07-015, SoCalGas recorded $2.7 million of billing adjustments in the ECPMA to provide emergency customer protections or account relief during qualifying emergency situations [16]. In addition to the billing adjustments, O&M costs since 2022 have been recorded in the ECPMA and are detailed in Table DW-30 below.

SoCalGas has an Emergency Disaster Relief (EDR) plan that is intended to ease the burden of those impacted by a natural disaster where a state of emergency declared by the California Governor's Office or the President of the United States has been issued. Costs recorded in the ECPMA are for a third-party vendor to promote public awareness of the EDR program before and during a qualifying disaster. Campaign efforts are on-going throughout the year, with increased messaging during periods with higher likelihood of natural disasters. Deliverables include media planning, buying, reporting, optimization, and monitoring placement, with additional media launch within 48 hours of a confirmed incident or possible natural disaster. The costs recorded in the ECPMA by SoCalGas are in compliance with D.18-08-004[17], are reasonable and should be approved by the Commission.

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[16] AL 5385, AL 5535 (effective November 9, 2018), AL 5545 (effective November 9, 2018), AL 5604-B (effective March 4, 2020), AL 5691-G (effective September 21, 2020), AL 6086-G (effective January 4, 2023), AL 6109-G (effective March 1, 2023), AL 6186-G (effective August 19, 2023), AL 6260-G (effective January 23, 2024), AL 6263-G (effective February 4, 2024), AL 6352-G, AL 6364-G (effective September 3, 2024), AL 6365-G (effective September 7, 2024), AL 6409-G (effective November 7, 2024), AL 6433-G (effective January 22, 2025), AL 6502-G, and AL 6585-G

[17] D.18-08-004, OP 3 at 22.

TABLE DW-30

($ in thousands)	EMERGENCY CUSTOMER PROTECTIONS MEMORANDUM ACCOUNT				
Description	**2022**	**2023**	**2024**	**2025**	**Total**
O&M Labor					-
O&M Non-Labor	152	150	150	201	653
O&M Direct Costs Subtotal	152	150	150	201	653
O&M Indirect Costs	1	1	1	1	5
O&M Total	**153**	**151**	**151**	**202**	**657**

VII. UNCOLLECTIBLE RATE

SoCalGas is requesting to increase the authorized uncollectible expense rate from the current authorized rate of 0.310% to 1.108%. SoCalGas's proposed rate is based on a ten-year rolling average of actual and reserve write-offs (2016 - 2025) as authorized in the TY 2019 GRC Decision, D.19-09-051, and maintained in the TY 2024 GRC Decision, D.24-12-074. SoCalGas believes that the use of a ten-year period is most appropriate because a shorter period (i.e., three-year average) fails to reflect the full range of the potential impacts of economic and cyclical variables experienced by SoCalGas. The volatility or cyclical nature of the uncollectible rate depends on macroeconomic, microeconomic, and regional economic factors that are difficult to quantify and the variability of seasonal energy bills (colder winters mean higher natural gas bills for heating). However, the precise incremental impact to the uncollectible rate due to each of the independent variables (and in some cases collinear variables) is difficult to quantify and correlate. Nevertheless, a larger energy bill means that a greater proportion of customers will have difficulty paying and therefore increases the likelihood of an uncollectible expense. The ten-year average of the uncollectible rate implicitly includes the unpredictability of such economic related factors, energy bill related variability and credit practice changes whether mandated or voluntarily instituted.

Table DW-31 below provides the uncollectible rate annually from 2016 to 2025 and the 10-year average.

Table DW-31
Uncollectible Rates

SoCalGas Financial Uncollectible Data 2028			
Year	**Recorded Uncollectible Expense (a)**	**Sales Revenue (b)**	**Uncollectible Rate (a) / (b)**
2016	$7,717,198	$3,183,737,152	0.242%
2017	$8,313,873	$3,348,540,458	0.248%
2018	$6,241,915	$3,336,236,847	0.187%
2019	$6,886,698	$4,110,383,026	0.168%
2020	$18,146,524	$4,300,185,120	0.422%
2021	$21,555,175	$5,079,275,917	0.424%
2022	$44,996,835	$6,016,257,871	0.748%
2023	$246,014,815	$7,406,610,850	3.322%
2024	$92,778,069	$5,644,835,289	1.644%
2025	$83,126,760	$5,947,380,169	1.398%
10-year average rate (2016-2025)	**$535,777,862**	**$48,373,442,700**	**1.108%**

As shown in Table DW-31, in recent years, the uncollectible rate has been above historical levels. Thus, using a longer-term historical average methodology helps to smooth the volatility in the uncollectible rate. SoCalGas requests adoption of an uncollectible rate of 1.108% based on the 10-year average methodology. SoCalGas will update the uncollectible rate each year by re-calculating the 10-year average on a rolling basis in the post-test year advice letter, to be effective January 1 the following year.

VIII. CONCLUSION

Customer Services O&M forecast was carefully developed and reviewed to reflect the funding necessary to support SoCalGas's customer service, safety, and operational responsibilities during the GRC cycle. These forecasts are based on a thorough evaluation of the cost drivers and operational requirements associated with the Customer Services area.

The requested O&M funding reflects sound judgment, prudent planning, and SoCalGas's continued focus on delivering safe, secure, reliable, and efficient service at a reasonable cost. The Commission should adopt the forecasted expenditures discussed in this testimony because they are just and reasonable.

This concludes my prepared direct testimony.

IX. WITNESS QUALIFICATIONS

My name is Don Widjaja. My business address is 555 West 5th Street, Los Angeles, California, 90013. I am employed by Southern California Gas Company as Vice President, Customer Services. I have 20 years of experience in the utility industry and have been employed at SoCalGas since 2021.

During my tenure at San Diego Gas and Electric, I held various positions of increasing responsibility in the functional areas of Financial Planning, Regulatory Accounts and Risk Management. During my time at Sempra, I held the position of Director of Strategic Planning & Analysis. My present responsibilities include oversight of the Customer Services Field, Customer Contact Center, Remittance Processing and Customer Operations organizations for SoCalGas's entire service territory and approximately 22 million consumers in southern California.

I hold a Master of Business Administration from Washington University in St Louis with an emphasis in finance, and a Bachelor of Science degree in Chemical Engineering from Purdue University.

I have previously testified before the California Public Utilities Commission.

APPENDIX A – Glossary of Terms

ACRONYM	DEFINITION
ACOR	Atmospheric Corrosion
AHT	Average Handle Time
AL	Advice Letter
AM	Advanced Meter
AMI	Advanced Metering Infrastructure
ALD	Aerial Leak Detection
AMO	Advanced Meter Operations
AMM	Aerial Methane Mapping
AMP	Arrearage Management Plan
BY	Base Year
CARE	California Alternate Rates for Energy
CBO	Community Based Organization
CCC	Customer Contact Center
CFR	Code of Federal Regulations
CGI	Can't Get In
CIS	Customer Information System
CPUC	California Public Utilities Commission
CSF	Customer Services Field
CSR	Customer Service Representative
D.	Decision
DOT	Department of Transportation
FR	Flame Resistant
FTE	Full-Time Equivalent
GMAS	Gas Measurement and Analysis System
GRC	General Rate Case
IS	Information Security
IT	Information Technology
IVA	Intelligent Virtual Assistant
LOS	Level of Service
MSA	Meter Set Assembly
MSAI	Meter Set Assembly Inspection
MTU	Meter Transmission Unit
NJT	Non-Job Time
O&M	Operations & Maintenance
OIR	Order Instituting Rulemaking
SB	Senate Bill
SCG	Southern California Gas
SDG&E	San Diego Gas & Electric
SoCalGas	Southern California Gas

TDD	Telecommunications Device for the Deaf
TTY	Teletypewriter
TY	Test Year
V&S	Vacation & Sick