Company: Southern California Gas Company (U 904 G)
Proceeding: 2028 General Rate Case
Application: A.26-06-___
Exhibit: SCG-18

PREPARED DIRECT TESTIMONY OF ABIGAIL M. NISHIMOTO

(SAFETY & CULTURE)

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

June 2026

TABLE OF CONTENTS

APPENDICES

SUMMARY

TESTIMONY AREA (in 2025$)			
O&M	**2025 Adjusted-Recorded (000s)**	**Estimated TY 2028 (000s)**	**Change (000s)**
Non-Shared	$52,317	$63,247	$10,930
Shared	$1,412	$1,117	($295)
Total O&M	**$53,729**	**$64,364**	**$10,635**

Summary of Requests

Southern California Gas Company's (SoCalGas or the Company) forecasted Test Year (TY) 2028 General Rate Case (GRC) request for Safety and Culture is $64.364 million as compared to 2025 adjusted recorded of $53.729 million, for an increase of $10.635 million. The costs included in this request are direct operations and maintenance (O&M) costs prior to any reassignments. Below is a summary of the requests and cost drivers presented within this testimony:

- **People and Culture (Labor)**: A base year methodology was used for labor forecasting, and modest incremental labor resources are requested to support safety-critical activities, including:
  - Data science resources to support: (1) analysis and effective utilization of data generated by fleet telematics systems, (2) enhanced workforce planning capabilities (*e.g.*, providing staffing levels necessary to support safety and customer service throughout the service territory), and (3) broader efficiency initiatives that support affordability across the Company.
- **People and Culture (Non-Labor)**: A 4-year average (2021 – 2024) forecast methodology has been utilized for non-labor costs,[1] providing a reliable estimate based on historical data. In addition, the forecast was adjusted to include an incremental request to support the selection and validation of an assessment tool to be used for leadership candidate selection.

[1] With the exception of the Value Creation & Decision Analytics (VCDA) workgroup.

- **Safety**: A base year methodology was utilized to forecast labor and non-labor costs. Incremental activities beyond the base year are requested to support employee, public, infrastructure, and contractor safety, as detailed in the following testimony. These incremental activities include:
    - Implementation of an Industrial Athlete Program to reduce sprains and strains, the leading cause of employee injuries resulting in lost time and potentially more significant consequences.
    - Addition of incremental union-represented Safety Specialist roles to provide peer-to-peer safety coaching, enhancing psychological safety and strengthening frontline employees' ability to identify and control high energy safety risks.
    - Incremental resources to support SoCalGas's Contractor Safety Program, including enhanced oversight of contractor-related safety risks.
    - Additional resources to advance ongoing safety culture initiatives, including assessments and benchmarking.
    - Expanded employee coaching utilizing telematics and in-cabin vehicle camera tools to enable real-time learning and reinforce safe, consistent driving practices, improving both employee and public safety.

PREPARED DIRECT TESTIMONY OF ABIGAIL M. NISHIMOTO
(SAFETY & CULTURE)

I. INTRODUCTION

A. Summary of Safety & Culture Costs and Activities

My testimony supports the Test Year (TY) 2028 forecasts for operations and maintenance (O&M) costs for both non-shared and shared services associated with the Safety & Culture area for SoCalGas. Table AN-1 summarizes my sponsored costs.

Certain forecasted activities and estimated costs were presented previously in SoCalGas's 2025 RAMP Application 25-05-010/013 (consolidated) filed on May 15, 2025. Those activities and any changes that have occurred since the RAMP filing are detailed in Section VI below.

TABLE AN-1
Test Year 2028 Summary of Safety & Culture Total Costs

SAFETY & CULTURE (In 2025 $)			
	2025 Adjusted-Recorded (000s)	**TY2028 Est. (000s)**	**Change (000s)**
Total Non-Shared Services	52,317	63,247	10,930
Total Shared Services (Incurred)	1,412	1,117	(295)
Total O&M	**53,729**	**64,364**	**10,635**

This testimony presents the forecasts for two main areas: (1) People & Culture, which includes the Human Resources organization and related departments, and (2) Safety, which covers key areas within the SoCalGas Safety organization. For purposes of my testimony, these two areas are collectively referred to as "Safety & Culture."

- **People & Culture** is responsible for advancing the SoCalGas mission to provide safe, reliable, and affordable energy delivery to our customers by maintaining adequate staffing levels and equipping all employees with the qualifications, experience, and skills necessary to perform their work safely and effectively. This testimony will cover the key areas of responsibility for the People & Culture department, which include (1) sourcing, hiring, developing, training, and retaining employees, (2) establishing, implementing, and managing related programs, policies, and guidelines to support compliance and alignment to best practices,

such as workforce planning and (3) administering and managing SoCalGas's Long-Term Disability program, wellness programs, drug and alcohol testing/compliance programs, leave and absence policies, and self-insured workers' compensation program.

- SoCalGas's **Safety** organization is responsible for establishing and maintaining a comprehensive Safety Management System (SMS) framework that promotes the safety and integrity of employees, contractors, the public, and infrastructure. Its core mandate includes developing and implementing safety strategies, fostering a strong safety culture, and upholding compliance with regulatory requirements. The department drives continuous improvement through preventative safety management, incident evaluations, event learning, safety data analytics and technology integration, while promoting proactive risk management and decision-making that prioritizes health, well-being, and operational excellence. The Safety Organization's reasonable incremental requests are to support implementation of (1) an evidence-based industrial athlete program to reduce injuries prevalent in field operations, (2) union employee peer-to-peer safety coaching and partnership to mitigate employee, public an infrastructure safety risk, (3) expanding the contractor safety program consistent with recommendations from the Commission's Safety Policy Division (SPD), and (4) continued investment in Safety Culture activities that have expanded in recent years in alignment with the California Public Utilities Commission (Commission or CPUC) and evolving industry best practices for sustaining a healthy and effective safety culture.[2]

B. Organization of Testimony

My testimony is organized as follows:

- Introduction
- Affordability & Efficiency
- Non-Shared O&M Costs
- People & Culture
    - Human Resources

[2] Safety Culture OII (I.19-06-014) and Safety Culture OIR (R.21-10-001).

- Value Creation & Decision Analytics
- Employee Care Services, Labor Relations, & Wellness
- Organizational Effectiveness and Diversity, Equity Inclusion
- Long-Term Disability
- Workers' Compensation
- Safety
- Safety Excellence - Oversight
- Employee Health & Safety
- Contractor Safety
- Contractor Safety Performance
- Technology & Analytics
- Safety Strategy & Culture
- Shared O&M Costs

- Shared O&M Costs
- People & Culture
  - ECS System Reporting
  - Safety
  - Event Learning & Continuous Improvement
- Risk Assessment Mitigation Phase (RAMP) Integration
- Conclusion
- Witness Qualifications

C. Support To and From Other Witnesses

My testimony references the testimony of several other witnesses, either as further factual corroboration of their testimony, or as support for mine. This includes:

- Risk-Based Decision-Making Framework (RDF) Integration testimony (Exhibit (Ex.) SCG-02B/SDGE-02B)
- Compensation & Benefits testimony (Ex. SCG-16/SDGE-20)
- Shared Services testimony (Ex. SCG-22/SDGE-27)

II. AFFORDABILITY & EFFICIENCY

SoCalGas's Safety & Culture area has implemented several initiatives including workforce optimization, system modernization, and responsible deployment of advanced

analytics to improve safety and reliability while simultaneously reducing operating costs, thereby supporting customer affordability. Specific efforts include:

Workforce Optimization: Maintaining an appropriately sized workforce is essential for SoCalGas teams and functions to have the capacity to support safe and reliable operations while prudently managing costs. Workforce size and planning is informed by both historical trends and predictive analytics, allowing for effective forecasts that account for variability in demand and other internal and external factors.

A key component of workforce optimization is determining the appropriate balance between internal capabilities and external resources. SoCalGas prioritizes in-house expertise for core, recurring, and mission-critical functions where institutional knowledge, continuity, and operational control are essential. External resources are strategically leveraged for specialized skill sets, short-term projects, or variable workload demands, allowing the organization to maintain flexibility and avoid long-term fixed costs. This balanced approach helps support cost efficiency, scalability, and access to specialized expertise while preserving critical internal capabilities.

Two workforce optimization levers include Voluntary Retirement Enhancement Programs (VREP) and Reduction in Force activities (RIF). A VREP program for both union and management employees was offered in both 2025 and 2026, which provided an additional healthcare reimbursement benefit for retirement eligible employees. Additionally, a RIF was implemented in August 2025 after thorough consideration of operational needs, resulting in the elimination of 185 non-union positions, representing around 2% of the total workforce. In addition to these efforts, full-time equivalent (FTE) requisitions are subject to a more rigorous process, aimed at clearly defining needs and utilizing existing resources effectively before additional resources are added. These workforce optimization efforts were made thoughtfully, with a focus on safety, compliance, and customer service while appropriately managing cost.

Advanced Analytics: Led by the VCDA team, SoCalGas utilizes advanced analytics across the company to enhance operational efficiency, improve predictive capabilities, and support data-driven decision-making. Current efforts include pilot programs in areas such as asset monitoring, damage prevention, and customer service automation, with several projects already in production. These initiatives aim to reduce manual workload, optimize resource allocation, and improve reliability—ultimately driving cost savings and greater customer

affordability. For example, a phased implementation of utilizing advanced analytics for land rights management is helping reduce manual workload and improve processing efficiency, which allows resources to be reallocated to other critical work. The implementation is utilizing a process redesign to confirm human oversight is in place to review and approve automated work output. Additionally, advanced analytics was used to extract information from over 8,000 Cathodic Protection invoices to aid in more effective strategic sourcing for upcoming 3-year contracts.

Safety resource planning: SoCalGas's Industrial Athlete Program, the expansion of the Contractor Safety Program, and the addition of field safety specialists and advisors collectively support operational efficiency by reducing injury-related work disruptions, improving the quality and consistency of contractor performance, and strengthening real-time safety oversight in the field, mitigating the risk of costly incidents. Industrial athlete–based injury-prevention programs are widely recognized as effective in reducing sprain- and strain-related injuries, which are among the most common and costly causes of lost work time. These programs help support lower workers' compensation costs and improved workforce availability. Expanding the Contractor Safety Program enhances contractor readiness and performance, decreasing rework, delays, potential incidents, and their associated costs. Additional field safety resources provide on-site coaching and early hazard identification, which leads to fewer job interruptions, more efficient work execution, and improved alignment between contractor crews and SoCalGas operating practices. Together, these initiatives help lower future avoidable costs, strengthen productivity, and support a more efficient delivery of services to customers.

SMS Maturity: By aligning its SMS with American Petroleum Institute (API) Recommended Practice (RP) 1173 guidelines,[3] and embedding clear roles, accountability, and performance monitoring, the company structures initiatives to reduce risk while optimizing the use of resources. Governance structures link safety performance indicators with operational outcomes, supporting informed prioritization, and effective knowledge sharing. In addition, SMS governance and maturity strengthen accountability and support timely, effective reviews, so initiatives achieve their intended objectives without unnecessary cost or duplication.

[3] Released in July 2015 in response to major industry incidents, API RP 1173 is the American National Standard for Pipeline Safety Management Systems.

Collectively, these practices enhance reliability, streamline processes, and support affordability for customers.

III. 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. Tables AN-2 and AN-3 summarize the total non-shared O&M forecasts for the listed cost categories.

TABLE AN-2
Non-Shared O&M Summary of Costs

SAFETY & CULTURE (In 2025 $)			
Categories of Management	**2025 Adjusted-Recorded (000s)**	**TY2028 Est. (000s)**	**Change (000s)**
A. People & Culture	42,677	51,066	8,389
B. Safety	9,640	12,181	2,541
Total Non-Shared Services	**52,317**	**63,247**	**10,930**

TABLE AN-3
Non-Shared O&M Workpaper Summary

SAFETY & CULTURE (In 2025 $)	**2025 Adjusted-Recorded (000s)**	**TY2028 Est. (000s)**	**Change (000s)**
A. People & Culture			
1. SCG Director HR Services (2HR001) & SCG Business Partners (2HR002)	11,113	12,504	1,391
2.Value Creation and Decision Analytics	2,277	2,775	498
3. SCG Director of Labor Relations	3,604	3,599	-5
4. Organizational Effectiveness & Diversity, Equity & Inclusion	4,071	4,548	477
5. Long Term Disability	7,485	8,720	1,235
6. Worker's Compensation	14,126	18,919	4,793
Total	**42,676**	**51,065**	**8,389**
B. Safety	**2025 Adjusted-Recorded (000s)**	**TY2028 Est. (000s)**	**Change (000s)**
1. Safety Excellence & CSO	2,009	2,041	32

SAFETY & CULTURE (In 2025 $)	2025 Adjusted-Recorded (000s)	TY2028 Est. (000s)	Change (000s)
2. Safety Excellence - Health & Safety	3,880	5,686	1,806
3. Safety Excellence - Contractor Safety (2HR008)	297	618	321
Contractor Safety Performance (2HR013)	643	664	21
4. Safety Technology & Analytics	1,435	1,468	33
5. Safety Strategy & Culture	676	858	182
6. Safety Strategy Safety Management System (SMS)	700	846	146
Total	**9,640**	**12,181**	**2,541**

A. People & Culture

1. Human Resources (HR)[2HR001] & [2HR002.000]

TABLE AN-4
SCG Director HR Services Workpaper Summary

SAFETY & CULTURE (In 2025 $)	2025 Adjusted-Recorded (000s)	TY2028 Est. (000s)	Change (000s)
SCG Director HR Services (2HR001) & SCG Business Partners (2HR002)	11,113	12,504	1,391

a. Description of Costs and Underlying Activities

The Human Resources (HR) department is comprised of seven teams, including: (1) Compensation, (2) Ethics & Workplace Investigations, (3) HR Business Partner, (4) HR Operations and Compliance, (5) Talent Acquisition, (6) HRIS & ECS Systems, and (7) Workforce Planning.

Compensation: The Compensation team is responsible for developing and delivering market-based compensation programs that appropriately compensate performance while maintaining legal compliance and adherence to wage and hour laws. The Compensation team assesses job demands and collaborates with management across different business units to create accurate job profiles for the organization that meet operational needs and facilitate organizational efficiencies. The Compensation team maintains an extensive centralized portfolio of job descriptions and undertakes regular review of the job descriptions to promote internal equity and external competitiveness in job leveling. The team recently supported a modernization initiative,

which has streamlined market studies and alignment so SoCalGas can provide locally competitive compensation, administer performance driven incentive rewards, and maintain effective recognition programs, all of which are crucial elements in attracting and retaining an engaged, safety-focused workforce. For more details, refer to the Compensation & Benefits testimony (Ex. SCG-16/SDGE-20). Further, SoCalGas's incentive compensation programs are designed to reward both organizational and individual performance, building organizational alignment around fundamental values (*e.g.*, safety, affordability) and key business objectives (*e.g.*, completing major projects on time and on budget).

Ethics and Workplace Investigations: The Ethics & Workplace Investigations team is responsible for investigating complaints from employees, contractors, customers, and other sources involving alleged violations of laws, regulations, company policies (including those prohibiting discrimination, harassment, retaliation, and workplace bullying), and the company's Code of Conduct. The team also partners collaboratively with business leaders, Human Resources, Labor Relations, Audit Services, Corporate Security, and Legal, as well as regularly interacting with employees at all levels to build understanding, transparency, and trust around the Company's investigation function.

HR Business Partner: The HR Business Partner (HRBP) team serves as the primary point of contact on human resources matters for non-represented employees. The business partners work closely with all departments on a range of matters, including coaching and guidance on complex human resource issues including reorganizations, workforce planning, career development, succession planning, and employee recognition. Business Partners also provide interpretation on company policies as well as compliance guidance with state and federal laws and regulations affecting employment. As needed, they further mitigate risk by responding to and conducting internal investigations on complaints involving employee relations issues and perceived inappropriate, unethical, or unfair treatment. As the technical expert on HR issues, the Business Partner team provides counsel and advises on performance management, disciplinary actions, compensation administration, and company policies. The team partners and coordinates with other HR functional departments to promote consistent and aligned HR support.

HR Operations and Compliance: The HR Services Operations team is responsible for the management and retention of all employee personnel records. HR Services Operations maintains employee records and updates records to reflect new hires, promotions, transfers, and

other moves. HR Services Operations also supports and provides guidance on the administration of pay, time off accruals, adjustments to job assignments, and employee timekeeping reconciliation. The department addresses adjustments to leave accruals in the timekeeping system and is responsible for record management and retention of both hard and electronic copies of employee records. This team is also responsible for responding to requests by employees and third parties to produce employee files.

Talent Acquisition: The Talent Acquisition (TA) team manages the recruitment and selection of a qualified workforce, while maintaining compliance with legal requirements throughout the hiring process. The team conducts internal and external recruitment and placement activities for all positions, and partners with colleges, veteran and disability support groups, and community-based organizations to source qualified candidates to fill job vacancies. TA manages the selection and hiring process in compliance with the legal requirements of the Equal Employment Opportunity Commission (EEOC) and the California Civil Rights Department (CRD). This includes maintaining applicant tracking data to comply with state and federal laws, following Department of Transportation (DOT) requirements when performing pre-employment drug testing, and completing the documentation required by the Department of Homeland Security (DHS). TA facilitates union position placements (both hiring and transfers) by applying eligibility and seniority rules as specified in the Collective Bargaining Agreement (CBA). Additionally, the team collaborates with community-based agencies, workforce investment boards and community colleges to develop programs to prepare young adults to work in the utility industry.

HRIS & ECS Systems: The HR Information Systems (HRIS) team is the portion of the HRIS & ECS Systems team that is a non-shared service, with the ECS Systems portion described in the Shared Services section of this testimony. The duties performed by HRIS include supplying reports requested by internal business units and external parties, maintaining the internal bid system that union-represented employees utilize to apply for represented positions at SoCalGas, and performs data analytics to support decision making.

Workforce Planning: The Workforce Planning team's scope of responsibility includes activities to map the appropriate number of employees with the requisite skills to the right locations at the right time to address customer-generated work and operational priorities. The team approaches this at both the company level and an individual business unit level. At the

company level, the team's activities include: (1) developing and integrating staffing targets into Human Resources, financial planning, fleet and facility planning, and (2) assessing external hiring, attrition, and company-wide workforce trends. At the department level, the team's activities include: (1) implementing workforce planning models that forecast future workloads and required workforce to complete the forecasted workload, and (2) developing staffing plans to meet the forecasted workforce requirements. This dual approach informs leadership of long-term company-wide resource requirements and allows each business unit to optimally allocate existing resources to address workload demands.

b. Forecast Method

The forecast methodology for non-labor expenses in this cost category is based on a four-year average (2021-2024). This approach provides a more accurate and stable projection of future costs by smoothing anomalies and mitigating the impact of year-to-year variability driven by temporary factors. Applying this methodology is particularly important given that 2025 base year costs were artificially low due to enterprise-wide austerity measures and cost constraints following uncertainty related to the timing of a final 2024 GRC Decision.

The deferral of key programs and activities in 2025 was a temporary measure and is not sustainable over the longer term. For example, reduced base year spending resulted in limited HR professional development, increased reliance on less-effective virtual client support meetings to minimize mileage costs, and scaled-back employee recognition programs. Continued deferral of these activities would have adverse long-term impacts, as they represent foundational investments in the SoCalGas workforce. By utilizing the average spend from the 2021-2024 period, the forecast reflects a normalized spending trend and enables appropriate funding to restore critical capabilities while supporting SoCalGas's mission and long-term organizational goals. Notably, funding for these activities were fully authorized in both the 2019 and 2024 GRC cycles.

For labor expenses, a base year forecasting approach is applied. Staffing levels are expected to remain consistent with 2025 levels, reflecting efficiencies already achieved and the ongoing use of technological advancements that enhance productivity. These strategies enable the organization to maintain operational effectiveness without increasing FTEs, keeping labor costs stable while continuing to support strategic priorities.

c. Cost Drivers

The forecast for Human Resources is primarily driven by labor costs. Through targeted efficiency initiatives and the implementation of advanced technologies, the department has maintained effectiveness while reducing overall FTEs. Although compliance requirements and workload demands are anticipated to increase in future years, HR will maintain a flat FTE count by leveraging continued technology improvements (*see* Human Capital Management (HCM) Platforms System discussion in Information Technology testimony (Ex. SCG-10/SDGE-14)). To support the department's functions, key labor positions include a Director of Human Resources, a Senior Manager overseeing HRBPs, Compliance & Operations, managers responsible for 5 core functions (Talent Acquisition, Investigations, HRIS/ECS and Workforce Planning, Compensation, and HRBP), and approximately 45 non-represented employees.

Non-labor costs are also expected to remain stable relative to the 4-year average, supporting both ratepayer affordability and increased operational efficiency. Key cost components include expenses and fees associated with talent acquisition, software licensing, employee recognition and development programs, and technology-related resources.

2. Value Creation & Decision Analytics [2HR010]

TABLE AN-5
Value Creation and Decision Analytics Workpaper Summary

SAFETY & CULTURE (In 2025 $)	2025 Adjusted-Recorded (000s)	TY2028 Est. (000s)	Change (000s)
Value Creation and Decision Analytics	2,277	2,775	498

a. Description of Costs and Underlying Activities

The VCDA team drives the disciplined execution of priority company initiatives – mainly focused on safety, resource optimization, and operational excellence - by applying decision analytics and process improvement methodologies to improve transparency, consistency, and outcome measurement. VCDA partners closely with cross-functional organizations, including the HR Workplace Planning team, to support workforce planning activities focused on aligning staffing levels, skill sets, and workforce deployment with company- and customer-generated work. By strengthening analytical rigor and performance monitoring, VCDA enables informed decision-making, supports efficient resource allocation, and reduces execution risk associated with complex, cross-functional initiatives. VCDA is comprised of a director, 2 managers, 3 data

scientists, 3 industrial engineers, and 5 project managers. This workgroup is organized around three core capabilities that collectively strengthen execution discipline, risk identification, and decision quality across the Company:

- **Transformation Office** – Establishes governance, structure, and accountability for complex, cross-functional initiatives that span multiple departments. This capability reduces program execution risk by clarifying ownership, enforcing milestones, and enabling consistent monitoring of progress, outcomes, and corrective actions.
- **Process Improvement** – Applies standardized improvement methodologies to streamline end-to-end processes, eliminate inefficiencies, and strengthen operational reliability. These efforts reduce variability, improve repeatability of outcomes, and mitigate operational and compliance risk.
- **Decision Analytics** – Delivers objective, data-driven insights through advanced analytics, modeling, and performance measurement to inform complex operational and strategic decisions. This capability improves prioritization and strengthens workforce planning through capacity analysis, skills alignment, and transparent resource allocation aligned with business and customer requirements.

b. Forecast Method

The forecast method developed for this cost category to labor and non-labor expense is the base year method plus incremental increases. This methodology serves to more accurately represent this workgroup given the forecast for this workgroup is increasing due to the need for incremental resources to address company data science needs.

c. Cost Drivers

Due to the addition of three additional data scientist resources, the costs for this organization are beyond the base year, 2025. As SoCalGas continues to expand advanced analytics, it is imperative to pair emerging technologies with innovative talents that can:

- Translate business problems into algorithms and controlled experiments.
- Build, validate, and deploy models within Machine Learning Operations with rigor and governance.

This increase is responsive to the need for talent who can design algorithms, build models, operationalize solutions, and deliver measurable business outcomes. The incremental

costs for this organization are due to the addition of three data scientist positions that are necessary to sustain effective decision analytics for safety- and operations-critical initiatives. As SoCalGas expands the use of advanced data sources—including vehicle telematics and in-cab fleet systems—and continues enterprise workforce optimization efforts, additional analytical capacity is required so that data is translated into reliable, decision-ready insights with appropriate rigor, governance, and ongoing oversight.

These resources are required to:

- Translate operational and safety-related data into structured analytical frameworks, including statistically valid models and controlled analyses, that support consistent and defensible decision-making.
- Develop, validate, deploy, and maintain analytical models and monitoring tools in accordance with established governance practices, data quality, transparency, and repeatability over time.
- Operationalize analytics solutions so they function as sustained capabilities—continuously monitored, maintained, and refined—rather than one-time analyses, supporting long-term effectiveness and risk mitigation.

The ongoing VCDA activities and the addition of these data scientists responds to a demonstrable increase in demand for specialized analytical expertise needed to support fleet safety insights, workforce planning accuracy, and enterprise-wide performance monitoring. Without sufficient dedicated resources, the Company's ability to reliably manage large volumes of operational data, maintain analytical controls, and support informed, timely decision-making would be constrained, increasing execution risk and limiting the effectiveness of company programs.

3. Employee Care Services, Labor Relations, & Wellness [2HR003]

TABLE AN-6
SCG Director of Labor Relations Workpaper Summary

SAFETY & CULTURE (In 2025 $)	2025 Adjusted-Recorded (000s)	TY2028 Est. (000s)	Change (000s)
SCG Director of Labor Relations	3,604	3,599	-5

a. Description of Costs and Underlying Activities

Employee Care Services - The Employee Care Services (ECS) team is responsible for managing and administering Workers' Compensation programs, short- and long-term disability, leaves of absence, and return to work programs, including statutory leaves of absence under the federal Family Medical Leave Act (FMLA), the California Family Rights Act (CFRA), California's Pregnancy Disability Leave (PDL) law, as well as temporary modified duty placements, and reasonable accommodations under the Americans with Disabilities Act (ADA), and the California Fair Employment and Housing Act (FEHA). ECS manages cases in a time sensitive manager, administering judgment and applying complex rules. Employee leave and absence-related benefits are delivered in an integrated manner providing employees with a single point of contact. In addition to managing and administering these programs, ECS also provides guidance to employees, supervisors, and managers on leave of absence, return-to-work, and disability-related issues. The Workers' Compensation and Long-Term Disability costs are presented in a later section of this testimony.

Labor Relations - More than one-half of the SoCalGas workforce is unionized, with two national and six local unions governed by a Joint Steering Committee. The Labor Relations team is responsible for negotiating and administering all union contracts, including the Collective Bargaining Agreement (CBA), and resolving all union employee disputes, including grievances, mediations, arbitrations, and National Labor Relations Board (NLRB) actions. The Labor Relations team also safeguards compliance with federal and state labor laws. Labor Relations Advisors provide HR-related services for represented employees and provide guidance to supervisors and managers of represented employees on matters pertaining to the CBA. Services include company-union relations guidance, contract interpretation, dispute resolution, corrective actions and discharge, wage and hour compliance, and collective bargaining. Labor Relations supports the Company with represented employee investigation guidance, company-union grievance hearings and arbitrations, drafting and providing guidance on work rules, company policy and procedure, and other business practices pertaining to represented employee business practices. Labor Relations also works with other departments to support appropriate leveling and fair compensation of represented positions. Finally, Labor Relations is critical to maintaining positive union relations to reduce the risk of stoppages of work which could adversely affect our ability to serve customers.

Wellness - The Wellness team is responsible for all employee wellness services, including the Employee Assistance Program (EAP), overall health and well-being for employees and their families, and administering our mandatory drug and alcohol testing and compliance programs. These functions are necessary for SoCalGas employees to have the support needed to work safely and effectively.

The Wellness team promotes the adoption of a safe and healthy lifestyle to employees and their families by promoting health and wellness, substance abuse education and intervention, and mental health programs. The team facilitates access to a number of childcare, eldercare, remote education, and mental and physical health services to SoCalGas employees and their families. By motivating employees to make positive behavioral changes to improve their overall health, safety, and well-being, the wellness team is crucial to sustaining a long-term workforce. The Wellness staff educates employees through in-person and virtual tools on many well-being topics and sponsors other healthcare programs that provide benefits to the employee and company overall. As needed, the team also provides support to other departments on unique complex employee issues (*i.e.*, workplace substance abuse, mental health behavior affecting job performance, threats of workplace violence, etc.).

The Wellness team also manages and administers the company's drug and alcohol testing programs, as noted below in the RAMP section. The team provides oversight and administration of pre-employment, random, and other DOT required drug and alcohol testing of employees who are in positions deemed "safety sensitive" by DOT regulations.

i. Description of RAMP Mitigations

Within this cost category there are non-shared O&M costs for risk controls that were presented in the 2025 RAMP Report and are listed in the table below. As outlined in RAMP Chapter SCG-Risk-5 Labor Relations & Wellness plans to spend $510,895 in 2028 in non-labor costs to support ongoing Drug & Alcohol Testing, California Driver's License (CDL) verification program, contractor compliance with DOT regulations verification, and to provide the additional job site inspections recommended by the Commission.

TABLE AN-7
RAMP and GRC Risk Control Activities - O&M

ID	Control Name	2025 RAMP 2028 Estimate In 2024 $ (000s)	2028 GRC 2028 Forecast In 2025 $ (000s)	Change (000s)
C312	Drug & Alcohol Testing Programs	536	511	-25
	TOTAL	536	511	-25

ii. Description of Selection and Prioritization of RAMP Risk Mitigations

The RAMP risk mitigation efforts are associated with specific actions, such as programs, projects, processes, and utilization of technology and are designed to address a specific safety and/or reliability risk. The Company's selection and prioritization of these RAMP mitigation activities considered many factors when determining if these risk mitigation activities are an effective and worthwhile investment. The Enterprise Risk Management (ERM) process for identifying and assessing system risk is described in the RDF Integration testimony (Ex. SCG-02B/SDGE-02B).

SoCalGas maintains a comprehensive drug and alcohol testing program to support safe operations and comply with applicable state and federal regulations. The Company's Drug & -free Workplace Policy prohibits employees from using or possessing illegal drugs or alcohol during work hours, or from reporting to work impaired. All employees are required to comply with this policy, and violations may result in disciplinary action, up to and including termination.

For employees in safety sensitive positions, SoCalGas also administers a federally mandated DOT drug and alcohol testing program, consistent with Pipeline and Hazardous Materials Safety Administration (PHMSA) and Federal Motor Carrier Safety Administration (FMCSA) requirements. This program includes pre-employment, random, postaccident, reasonable suspicion, return-to-duty, and follow-up testing. Random testing is conducted throughout the year using DOT-approved systems to meet required federal testing rates.

Testing is supported by qualified third-party vendors, including a certified laboratory, medical review officers, and substance abuse professionals. Together, these services support accurate testing, appropriate medical review, employee support when needed, and thorough

recordkeeping. Supervisors who oversee safety-sensitive employees receive regular training to identify potential impairment and to apply testing requirements fairly and consistently.

Drug and alcohol testing programs for safety-sensitive transportation employees are federally required and reflect long-standing national safety policy. Impairment from drugs or alcohol can significantly increase the risk of accidents, injuries, and damage to critical infrastructure. For SoCalGas, these risks extend to employee safety, public safety, and the reliable operation of the natural gas system.

The purpose of this mitigation is to reduce the likelihood of safety incidents related to impairment, to deter unsafe behavior, and to verify employees performing safety-sensitive work are fit for duty. In addition to compliance with federal mandates, SoCalGas applies its own workplace policy to reinforce a culture of safety across the organization, including for non-safety-sensitive roles where appropriate.

Collectively, these efforts help mitigate operational and public safety risks while reducing the risk of regulatory non-compliance. The program supports SoCalGas's broader commitment to safe, reliable service and aligns with industry-wide safety expectations established by state and federal regulators.

b. Forecast Method

The forecast methodology for non-labor expenses in this cost category is a four-year average (2021-2024). This four-year average methodology provides a more accurate and stable view of future costs by minimizing year-to-year variability and smoothing out anomalies. This approach is particularly important given that 2025 base-year costs were artificially low due to enterprise-wide austerity measures and cost constraints following the uncertainty related to the timing of a final 2024 GRC Decision.

Deferring key programs and activities in 2025, while necessary at the time, was not sustainable and significantly limited this department's ability to deliver value for the organization. For example, reducing spending in the base year resulted in reduced wellness program activities, limited professional development for professionals in these areas, and reduced recognition programming. Continuing to defer programs and activities like these would have a long-term negative effect on the enterprise, as they represent foundational investments in the SoCalGas workforce. By utilizing the average spend from the 2021-2024 period, the forecast reflects a balanced trend and enables appropriate funding to restore essential capabilities and

support long-term organizational goals. The funding for these work activities was fully funded in the 2019 and 2024 GRC cycles.

For labor expenses, a base-year forecast will be applied. Staff levels will remain consistent with 2025 levels due to efficiency measures already implemented and the continued utilization of technological advancements that improve productivity. These strategies allow us to maintain operational effectiveness without increasing staffing levels, keeping labor costs stable while supporting the organization's ability to meet strategic objectives.

c. Cost Drivers

The forecast for Human Resources is primarily driven by labor. Through efficiency initiatives and the implementation of advanced technologies, the department has maintained effectiveness while reducing overall FTEs. Although compliance requirements and work expectations are anticipated to increase in future years, the Labor, Wellness, and ECS teams will sustain a flat FTE count by leveraging technology improvements and more efficient processes. To support the various activities listed above the department description, key positions retained within the labor budget include a Director of Labor Relations, Wellness, & ECS, a Sr Manager of Employee and Labor Relations, and three manager roles (Wellness, Leave of Absence, and Workers Compensation), and approximately 50 non-represented positions.

Non-labor costs are also expected to remain stable as compared to the four-year average in support of ratepayer affordability and operational efficiency. Some of the primary costs within this work paper include EAP and Wellness activity costs, costs related to managing Union partnership and CBA negotiations, and software costs for case management of ECS programs.

4. Organizational Effectiveness & Diversity, Equity & Inclusion (OE/DEI) [2HR004] [2HR005]

TABLE AN-8
Organizational Effectiveness & Diversity, Equity & Inclusion Workpaper Summary

SAFETY & CULTURE (In 2025 $)	2025 Adjusted-Recorded (000s)	TY2028 Est. (000s)	Change (000s)
Organizational Effectiveness & Diversity, Equity & Inclusion	4,071	4,548	477

a. Description of Costs and Underlying Activities

The Organizational Effectiveness and Diversity, Equity, and Inclusion (OE/DEI) department provides development programs, instructional design services, knowledge transfer and inclusion programs for SoCalGas. OE/DEI consists of five departments providing services to SoCalGas: (1) Organizational Development (2) HR Research and Analysis, (3) Learning & Development, (4) Enterprise Change Management, and (5), Diversity, Equity, and Inclusion.

Organizational Development - Organizational Development (OD) administers programs designed to enhance organizational performance through strategic planning and goal setting, organization design, team effectiveness, change management, new leader transition, and coaching. Additionally, the OD team oversees talent management strategies for SoCalGas, including succession planning for critical roles and development plans to strengthen the successor bench. In addition, the OD team manages action planning related to the employee engagement survey.

HR Research & Analysis: The HR Research and Analysis (HRRA) team is responsible for establishing and validating the appropriate criteria used to assess employee qualifications for jobs within SoCalGas. Pre-employment testing, such as work behavior and aptitude testing, is administered by the team. This work helps confirm that individuals hired into SoCalGas have the right skills, abilities and job-related training and experience to perform their jobs effectively. The staff is also responsible for the development, maintenance, and validation of assessments used for the internal and external selection of applicants in compliance with applicable laws. This staff also conducts employee sentiment research, facilitates safety-related focus groups and dialogue sessions, conducts workforce trend analyses, forecasts workforce needs, and supports leadership in conducting skills-gap analyses.

Learning & Development: The Learning and Development (L&D) team is comprised of the Employee Development (ED) team and the Design & Creative Services (D&CS) team. ED develops, implements, and manages programs designed to enhance organizational performance through individual skill development. The department uses a variety of learning and development methodologies and technologies to provide programs specific to leadership development, employee development, individual effectiveness, and employee coaching, seeking to close organizational performance gaps at the individual employee level. ED is responsible for the selection, implementation, and maintenance of learning platforms such as LinkedIn Learning,

and establishing partnerships with external development programs and universities. D&CS designs, develops, and evaluates classroom, on-line, and just-in-time training for job skill acquisition and development for individual contributors, supervisors, and leadership. The department is responsible for partnering with departments across the organization to create and maintain relevant learning tools and programs for both technical and human-centered skills, including but not limited to, compliance, job-specific, leadership, and essential workforce capabilities training curricula. Training topics include the understanding of, and compliance with, labor and employment laws, business policies, safety practices and procedures, safety culture, and the CBA. D&CS also designs job-skill training courses, individual development programs, and evaluation processes. All design work supports SoCalGas's goals of maintaining high levels of performance in safety, job-specific technical skills, leadership excellence, customer satisfaction, operational excellence, and cost management.

Enterprise Change Management: The Enterprise Change Management team empowers employees across the enterprise with training, tools, and consultative support as they experience or lead change (most often related to technology implementation, process redesign, and organizational changes). Often, Enterprise Change Management occupies a formal role within project teams implementing highly consequential changes. Change Managers provide the tools, templates, and frameworks to assess, overcome and monitor ongoing change impacts.

Diversity, Equity & Inclusion: The Diversity, Equity & Inclusion (DEI) department is responsible for strengthening inclusion in the workplace, on the premise that inclusion is integral to safety, collaboration, and a culture of high performance. This includes supporting the preparation and reporting of required employee and contractor data to federal and state regulatory entities. The department also designs and delivers training for all employees on topics such as preventing workplace harassment and discrimination, fostering a respectful work environment, and other DEI-related subjects. With respect to these areas of focus, the department provides coaching, counseling, and guidance to both management and union-represented employees. In addition, DEI oversees voluntary, employee-led resource groups (ERGs), community conversations, and DEI-based dialogues.

b. Forecast Method

The forecast methodology for the non-labor expenses in this cost category is a four-year forecast (2021-2024). This forecast methodology provides a more accurate and stable view of

future costs by minimizing year-to-year variability and smoothing out anomalies. This approach is particularly important given that 2025 base-year costs were artificially low due to enterprise-wide austerity measures and cost constraints following uncertainty related to the timing of a final 2024 GRC Decision.

Deferring key programs and activities in 2025, while necessary at the time, was not sustainable and significantly limited this department's ability to deliver value for the organization. For example, reducing spending in the base year resulted in reduced leadership development programming (LEAD series), reduced employee development offerings internally (SoCalGas University), reduced programming within our Employee Resource Groups (ERGs), and limited external development programming with university and industry partners, as well as limited professional development and recognition for OE/DEI professionals. Continuing to defer programs and activities like these would have long-term negative effects on the enterprise, as they represent foundational investments in the SoCalGas workforce. By utilizing the average spend from the 2021-2024 period, the forecast reflects a balanced trend and enables appropriate funding to restore essential capabilities and support long-term organizational goals. The funding for these work activities was fully funded in the 2019 and 2024 GRC cycles. As further detailed below, there is one incremental cost driver beyond the non-labor expenses derived from the four-year average forecast.

For labor expenses, a base-year forecast will be applied. Staff levels will remain consistent with 2025 levels due to efficiency measures already implemented and the continued utilization of technological advancements that improve productivity. These strategies allow us to maintain operational effectiveness without increasing staffing levels, keeping labor costs stable while supporting the organization's ability to meet strategic objectives.

c. Cost Drivers

The forecast for Human Resources is primarily driven by labor. Through efficiency initiatives and the implementation of advanced technologies, the department has maintained effectiveness while reducing overall FTEs. Although compliance requirements and work expectations are anticipated to increase in future years, the OE/DEI teams will sustain a flat FTE count by leveraging technology improvements and focused programming. To support the various activities listed above the department description, key positions retained within the labor budget include a Director of Organizational Effectiveness and Diversity, Equity, and Inclusion,

and four manager roles (Learning & Development, HR Research & Analysis, Enterprise Change Management, and Organizational Development), as well as approximately 28 management positions.

Non-labor costs are also expected to remain stable as compared to the four-year average in support of rate payer affordability and operational efficiency. Some of the primary costs within this work paper include leadership program expenses, Employee Resource Group support, and software licensing costs for instructional design. Additionally, there is a one-time cost of $100,000 in 2028, normalized at $25,000 per year over the GRC cycle, within the HR Research and Analysis team This expenditure would address the need to select and validate a new leadership assessment tool, to be implemented in 2028. Our current assessment tool (the Professional Supervisory Assessment) is critical for choosing the most qualified candidate for open supervisory roles. While we have had great success with this tool, the vendor is no longer supporting it, and in 2028 it will have been 10 years since the tool was validated. A new validation study will be required for a new assessment tool, which would be chosen in conjunction with San Diego Gas & Electric. Both utilities benefit by the added rigor and legal defensibility that an objective assessment provides, especially for front line supervisor roles.

5. Long-Term Disability [2HR002.001]

TABLE AN-9
Long Term Disability Workpaper Summary

SAFETY & CULTURE (In 2025 $)	2025 Adjusted-Recorded (000s)	TY2028 Est. (000s)	Change (000s)
Long Term Disability	7,485	8,720	1,235

a. Description of Costs and Underlying Activities

The Company's Long-Term Disability (LTD) Plan allows eligible employees to receive income replacement benefits when they are unable to work due to a qualifying serious medical condition. LTD benefits are adjusted if the employee receives, or is entitled to receive, income from other deductible sources such as Workers' Compensation (WC) benefits, Social Security benefits, state disability insurance benefits, total disability under the Pension Plan, or retirement payments. The Company actively manages LTD claims to verify that employees remain eligible for benefits and return to work as soon as possible, with or without reasonable accommodations. The ECS department within the HR Services function of the Human Resources department at

SoCalGas manages the WC and LTD programs. The costs in this section do not include the personnel supporting and managing WC and LTD cases. Those costs are included in Employee Care Services in the non-shared services HR Services section and in ECS Operations in the shared services section of this testimony.

b. Forecast Method

The LTD costs are forecast using a zero-based approach which takes base year recorded and escalates for estimated changes in labor costs. This method is most appropriate because the costs are based on estimated labor escalation costs, which cannot be forecasted using any of the other methods.

c. Cost Drivers

SoCalGas's TY 2028 request for LTD costs of $8.720 million represents a $1.235 million increase from base year 2025. The primary cost drivers for the increase in WC and LTD costs are labor and non-labor escalation and medical premium escalation.

6. Workers' Compensation [2HR002.002]

TABLE AN-10
Worker's Compensation Workpaper Summary

SAFETY & CULTURE (In 2025 $)	2025 Adjusted-Recorded (000s)	TY2028 Est. (000s)	Change (000s)
Worker's Compensation	14,126	18,919	4,793

a. Description of Costs and Underlying Activities

Workers' Compensation (WC) benefits are mandated benefits provided to employees working in the State of California who are injured on the job. Benefit amounts and processes used to manage the cases of injured workers are regulated by the State. The WC function is regularly reviewed by the State and the Company's internal Compliance Services department. Employees who are injured on the job receive benefits through SoCalGas's self-insured WC program. Depending on the injury, injured employees may receive indemnity payments including temporary disability, permanent disability, and vocational rehabilitation. The costs of medical treatment, legal fees, and other claim-related expenses are included in the costs presented within the supplemental workpapers.

b. Forecast Method

The TY 2028 WC cost forecast is based on a zero-based forecast, due to a combination of three methodologies. The three-year historical average of WC costs is based upon the average of recorded costs for 2023-2025 and a non-standard escalation factor driven by medical, non-labor and labor inflation costs described in more detail in the supplemental workpaper.

c. Cost Driver

SoCalGas's TY 2028 request for WC costs of $14.126 million represents a $4.793 million increase from BY 2025. The primary cost drivers for the increase in WC costs are labor and non-labor escalation and medical premium escalation. (*See* Compensation & Benefits testimony (Ex. SCG-16/SDGE-20)).

B. Safety

1. Safety Excellence & CSO [2HR006]

TABLE AN-11
Safety Excellence & CSO Workpaper Summary

SAFETY & CULTURE (In 2025 $)	2025 Adjusted-Recorded (000s)	TY2028 Est. (000s)	Change (000s)
Safety Excellence & CSO	2,009	2,041	32

a. Description of Costs and Underlying Activities

The Safety Excellence & CSO workgroup is comprised of SoCalGas's Chief Safety Officer (CSO), the Director of Safety Excellence, a program specialist, and an administrative support role. For the purposes of this testimony, the CSO's organization includes Employee Health & Safety, Contractor Safety, Technology & Analytics, Safety Strategy & Culture, SMS Strategy & Oversight, and Event Learning & Continuous Improvement. Core responsibilities of this organization and its leadership are:

- Safety Culture Leadership: Lead and model behaviors that strengthen accountability, learning, and curiosity throughout the company.
- Safety Management System (SMS) Partnership: Work in partnership with the SMS Oversight team to align safety assurance activities with API RP 1173 and CPUC mandates, advancing shared risk management and continuous improvement objectives.

- Performance Monitoring: Monitor safety metrics and report progress to leadership and regulators.
- Training & Competence Development: Support programs that enhance employee awareness, skills, and accountability for safety.
- Continuous Improvement: Identify and implement best practices to strengthen operational safety and reduce risk.
    - Advisory Safety Council (ASC): Manage cross-functional leadership of this external council to review safety trends, emerging risks, and the effectiveness of mitigation strategies, with the goal of strengthening operational discipline and continuous improvement.
- Regulatory Alignment: Serve as liaison for CPUC safety requirements and proceedings, Gas Safety Plan updates, and audit readiness.

As reflected in SoCalGas's Policy testimony (Ex. SCG-01), SoCalGas's approach to safety has matured through learning and continuous improvement. At SoCalGas, safety is more than compliance—it is the Company's proactive commitment to protecting people and the communities it serves. SoCalGas defines safety as the presence of effective controls for known hazards, the foresight to anticipate and guard against emerging risks, and a continuous drive to improve our ability to recognize and mitigate potential threats. The CSO organization collaborates with company leadership to integrate safety considerations into all company decisions and actions.

The Safety Excellence organization,[4] led by its Director, is a centralized team of managers and support staff dedicated to the administration of various mandated and company-initiated programs. These programs serve to prevent safety incidents, investigate incidents when they occur, drive a strong safety culture, promote organizational learning, and support operational excellence across the company.

b. Forecast Method

The forecast method developed for this cost category to labor and non-labor expense is the base year method. This method serves to represent this workgroup's historical spend and

[4] For the purposes of this testimony, the Safety Excellence organization includes Employee Health & Safety, Contractor Safety, and Event Learning & Continuous Improvement (a shared service).

continued forecast as there is no incremental need for resources in this area. An average or linear trend could not appropriately account for the consistent activities in this cost category.

c. Cost Drivers

The cost drivers identified above and in the connected safety activities below reflect ongoing, essential, and recurring responsibilities that strengthen the Company's safety capabilities, advance consistent safety practices, and support SoCalGas's continued maturation in proactively managing operational risk.

2. Health & Safety [2HR007]

TABLE AN-12
Safety Excellence - Health & Safety Workpaper Summary

SAFETY & CULTURE (In 2025 $)	2025 Adjusted-Recorded (000s)	TY2028 Est. (000s)	Change (000s)
Safety Excellence - Health & Safety	3,880	5,686	1,806

a. Description of Costs and Underlying Activities

Within the Safety Excellence organization, the Employee Health & Safety team at SoCalGas plays a critical role in protecting and promoting the well-being of employees across all work environments. This group supports mitigation of the Employee Safety risk identified in SoCalGas's 2025 RAMP by reinforcing safety policies, procedures, and expectations and fostering a speak-up culture where employees actively report and address safety risks. The Employee Health & Safety group supports the following RAMP controls:

- RAMP Control C343 – Safety Strategy:
  Two management positions are dedicated to establishing, overseeing, and continuously improving the Company's safety strategy and governance framework.
- RAMP Control C346 – Health & Safety Programs:
  Four positions—including one Team Lead, two Industrial Hygienists, and one Ergonomist—support the development, implementation, and maintenance of

Company-wide health and safety programs designed to prevent employee injury and illness.

- RAMP Control C345 – Health & Safety Operations:
  13 frontline positions—comprised of 11 Field Safety Advisors and two Union Safety Specialists—provide direct field support, hazard recognition, job-site coaching, and operational safety oversight to reinforce safe work practices and mitigate risk during daily operations. This control also includes SoCalGas's Occupational Health Nurse (OHN) resources.

This team enables continuous improvement in safety performance, enhances risk-mitigation strategies, and reinforces the behaviors and leadership practices necessary for a mature, learning-driven safety culture. While the team manages occupational health programs for industrial hygiene, ergonomics, and injury and illness prevention, the organization and team has expanded to broader actions that address systemic risks, process safety, hazard identification, and compliance with regulatory standards. The team actively collaborates with field operations and leadership to embed safety into daily work practices. Initiatives like tailgate safety briefings and job-hazard analysis foster continuous improvement and create an environment where individual well-being and operational excellence are valued. These partnerships are fundamental to building a culture of safety that is proactive, responsive, and resilient.

SoCalGas maintains a comprehensive Employee Health & Safety framework composed of interconnected regulatory, operational, and cultural activities. The activities listed below collectively establish the policies, standards, systems, and frontline practices necessary to manage risk across diverse work environments.

- Core Health & Safety Programs
  - **Injury & Illness Prevention Program (IIPP)**: The Company's Cal/OSHA-required foundation for employee health and safety, defining hazard identification, training, compliance, and corrective action processes.
  - **Safety Manual for Employees**: Guideline that outlines clear safety policies, procedures, and expectations for all SoCalGas employees. It also reinforces a speak-up culture by encouraging employees at every level to raise concerns, communicate risks, and help prevent incidents.

- **Environmental Safety Compliance Program (ESCMP) Safety:** Includes facility safety inspections and self-assessments, documentation of findings, corrective actions, and defined responsibilities to maintain safe worksites.
- Annual **Employee Safety Congresses:** Play a vital role in reinforcing the Company's safety culture by elevating employee perspectives, educating the workforce on evolving safety initiatives, and recognizing individuals who meaningfully advance safety through proactive engagement and continuous curiosity.
- **Safety Information Management System (SIMS)**: The system of record for injuries and illnesses, near misses, stop-the-job reports, inspections, investigations, and corrective actions; supports data integrity and performance tracking.

- Hazard Identification, Risk Assessment, and Work Planning
  - Task-specific hazards are addressed through **Job Hazard Analyses (JHAs)** and **Tailgate Safety Briefings (TSBs)**, which facilitate collaborative, site-specific discussions regarding work scope, hazards, and mitigations prior to work commencement.
  - The **Winning 7 Program** further supports pre-job planning by reinforcing consistent behaviors related to hazard identification, physical readiness, ergonomics, PPE use, and fatigue awareness.
  - To strengthen leading indicators, SoCalGas has implemented the **High Energy Control Assessment (HECA) Program**, which utilizes a standardized methodology aligned with industry best practices to identify, assess, and mitigate risks associated with high-energy systems and processes.
- Incident Evaluation and Continuous Learning
  - SoCalGas evaluates incidents using the **Incident Evaluation Program (IEP)**, a structured root cause analysis methodology designed to prevent recurrence by identifying systemic and behavioral contributors and implementing sustainable corrective actions.[7]

- The **Potential Serious Injury and Fatality (PSIF) Program** applies the Edison Electric Institute Safety Classification and Learning model to identify and prioritize events with high severity potential. PSIFs are evaluated by trained subject matter experts to determine appropriate learning and corrective actions.
- The **Job Safety Observation and Coaching Program** supplements these efforts by engaging employees directly, reinforcing safe work behaviors, and applying Human and Organizational Performance principles to strengthen safety culture and operational discipline.

- Occupational Health and Injury Prevention
  - SoCalGas manages occupational health risks through its **Occupational Health Nurse (OHN) Program**, which provides first aid, early intervention, medical surveillance, job accommodation coordination, and support for multiple safety programs, including hearing conservation and respiratory protection.
  - The **Ergonomics Program** addresses musculoskeletal risk through ergonomic assessments, engineered controls, and body mechanics training for both field and office employees. To further reduce musculoskeletal injuries, SoCalGas proposes an incremental **Industrial Athlete Program**, utilizing contracted labor to support physical conditioning, ergonomic coaching, and injury-prevention practices aligned with job demands.
- Exposure and Environmental Health Hazard Controls
  - SoCalGas maintains specialized programs to control employee exposure to physical, chemical, and environmental hazards, including but not limited to: Asbestos Management, Lead and Other Metals in Surface Coatings, Silica Dust Exposure Control, Hazard Communication (HazCom), Hydrogen Sulfide Compliance, Respiratory Protection, Hearing Conservation, Radio Frequency (RF) Protection, Pesticide Management, Valley Fever Awareness and Prevention, Wildfire Smoke Protection.

- Physical Safety Controls
  - The Company employs targeted programs for elevated-risk activities, including Confined Space Operations, Fall Protection, Line-of-Fire Prevention, Personal Protective Equipment (PPE), and the Footwear Safety Standard. These controls mitigate risks associated with working at heights, around energy sources, and in hazardous physical environments.
- Heat, Fatigue, and Human Performance Risk Management
  - SoCalGas manages environmental and human performance risks through the **Heat Illness Prevention Program (HIPP)** and the **Fatigue Risk Management Program**. HIPP includes acclimatization, hydration, shade, emergency response procedures, and the annual "92 Days of Summer" awareness campaign. Fatigue risk controls address work hours, rest periods, scheduling practices, and training consistent with industry-recognized standards.
- Emergency Response, Driving Safety, and Workplace Security
  - Employees are trained to respond to medical emergencies through the CPR/AED, Bloodborne Pathogens, and First Aid Program. Public and employee safety related to vehicle operations is addressed through the **Defensive Driving Program**.
  - To further reduce motor vehicle incidents and enhance frontline coaching, SoCalGas proposes two incremental full-time equivalents to expand the use of telematics and in-cab camera technologies. These resources will provide real-time coaching and reinforce safe driving behaviors.
  - SoCalGas also maintains a **Workplace Violence Prevention Program** for a safe and secure working environment for employees, contractors, customers, and visitors.

SoCalGas proposes the following incremental programs and resources to strengthen frontline support, reduce injury risk, and expand coaching capabilities. These incremental programs reflect our benchmarking efforts with high performing utilities and collaboration with our Labor Unions.

- The Industrial Athlete Program (contracted labor) supports safe and reliable field operations by aligning workforce physical capability with job demands through conditioning, ergonomic support, and injury-prevention practices that address musculoskeletal risk.
- Two additional FTEs will expand coaching for employees using Telematics and in-cabin vehicle camera technologies, helping employees apply real-time feedback to improve driving behaviors, reduce vehicle-related incidents, and reinforce safe operating practices.
- Four union Safety Specialists hired in 2026[5] to increase the field presence of safety professionals, strengthen hazard recognition, and provide opportunities for peer-to-peer job coaching, effective knowledge transfer and strengthen safety engagement.

Together, these incremental resources directly support continuous improvement in safety performance, enhance risk-mitigation capabilities, and reinforce the behaviors and practices necessary to advance a mature safety culture.

i. Description of RAMP Mitigations

This workgroup is 100% RAMP. *See* sub-section a. above for a Description of Costs and Underlying Activities.

TABLE AN-13
RAMP and GRC Risk Control Activities - O&M
In 2025 $ (000s)

ID	Control Name	2025 RAMP 2028 Estimate In 2024 $ (000s)	2028 GRC 2028 Forecast In 2025 $ (000s)	Change (000s)
C343	**Safety Strategy**	357	321	-36
C345	**Safety & Health Operations**	3,121	2,901	-220
C346	**Safety & Health Programs**	1,196	1,644	448
M393	**Industrial Athlete Program**	-	820	820
	TOTAL	**4,674**	**5,686**	1,012

[5] Additional Safety Specialists are added labor per Southern California Gas Company & Utility Workers Union of America, Collective Bargaining Agreement.

ii. Description of Selection and Prioritization of RAMP Risk Mitigations

The RAMP risk mitigation efforts are associated with specific actions, such as programs, projects, processes, and utilization of technology and are designed to address a specific safety and/or reliability risk. The Company's selection and prioritization of these RAMP mitigation activities considered many factors when determining if these risk mitigation activities are an effective and worthwhile investment. The ERM process for identifying and assessing system risk is described in the RDF Integration testimony (Ex. SCG-02B/SDGE-02B).

The risk controls and mitigations under Employee Health & Safety were prioritized based on their ability to manage existing risks and prevent the escalation of future risk. From the customer perspective, the selected mitigations are intended to be worthwhile investments as they support reliable service, reduce the likelihood of safety-related disruptions, and manage risk in a manner that is cost-conscious and sustainable. Through greater emphasis on proactive controls that mitigate risk at its source and reduce reliance on reactive actions, SoCalGas aims to strengthen operational discipline while advancing safety, reliability, and affordability goals.

The Safety Strategy control includes the management resources responsible for oversight of the Employee Health & Safety organization, including Health & Safety – Operations and Health & Safety – Programs. SoCalGas prioritizes this activity because effective safety performance depends on coordinated leadership that integrates regulatory requirements, operational experience, emerging risk insights, and performance data into decision-making. This control was selected due to its foundational role in sustaining a disciplined safety management system and supporting safe, reliable utility operations.

The Health & Safety – Operations control includes Field Safety Advisors and Occupational Health Nurses who support safe and reliable operations through incident review, lessons learned, participation in incident analysis and reporting, facility inspections, and execution of occupational health and safety programs. These activities were prioritized due to their direct role in identifying operational hazards, reinforcing safe work practices, and supporting timely corrective actions following events.

The Health & Safety – Programs control focuses on monitoring regulatory requirements, verifying compliance, and managing industrial hygiene and ergonomics programs consistent with Cal/OSHA, DOT, PHMSA, CPUC and other and industry best practices. This control was

selected based on its role in preventing regulatory non-compliance, identifying emerging risks, and maintaining safety standards that support consistent and reliable work execution.

In evaluating the Industrial Athlete Program mitigation, SoCalGas considered whether the program could meaningfully address risk without introducing excessive cost, significant disruption to operations, or duplicative effort. While the program's benefit-cost relationship was considered as part of this evaluation, this screening is distinct from the formal benefit-cost ratio (BCR) analysis discussed in the RDF Integration testimony (Ex. SCG-02B/SDGE-02B).

Instead, cost effectiveness was evaluated by comparing expected risk-reduction value, sustainability, and implementation practicality across alternative controls. Supporting this assessment, SoCalGas data shows that approximately 60% of employee injuries and lost-time events result from sprains and strains, suggesting that an Industrial Athlete Program could offer targeted, early intervention by professional ergonomic Athlete Trainers to reduce injury frequency and severity.

b. Forecast Method

The forecast method developed for this cost category to labor and non-labor expense is the base year method plus incremental increases. This methodology serves to more accurately represent this workgroup given the forecast for this workgroup indicates an increase due to an incremental program – Industrial Athlete Program. After evaluating this program through the RAMP 2025 process and upon reflection of the Benefit-Cost-Ratio for this activity, SoCalGas is planning to launch this program by Test Year 2028. An average or linear trend could not appropriately account for anticipated growth in the activities for this cost category.

c. Cost Drivers

In addition to sustaining the current workforce, the incremental activities and personnel included in this request are critical to addressing emerging risks, enhancing frontline coaching, and expanding capacity to engage directly with employees in high-risk work environments. The Industrial Athlete program (contracted labor) provides targeted conditioning, ergonomic intervention, and injury-prevention support designed to reduce musculoskeletal injuries and improve employees' physical readiness for demanding field tasks. This program fills a gap in addressing preventable soft-tissue injuries, one of the most common contributors to recordable incidents.

Two additional FTEs are needed to provide coaching for employees using Telematics and in-cabin vehicle camera technologies. These roles will translate data and alerts from these systems into practical, behavior-based coaching that improves driving performance, reduces vehicle-related incidents, and reinforces safe operating practices across the fleet—areas where enhanced support is increasingly necessary as the technology becomes more widely deployed. To realize the full benefits and get the desired results of this technology a strong feedback process needs to be in place. These two resources will help provide the monitoring, analysis, and coaching role critical to the success of this program.

Lastly, the addition of four union Safety Specialists in 2026 strengthens SoCalGas's field safety presence by expanding the number of safety professionals available to conduct jobsite engagements, hazard recognition, and real-time coaching. These specialists play a direct role in reducing exposure to high-energy hazards and increasing the frequency and quality of safety interactions that prevent injuries. Their presence enhances the Company's ability to identify emerging risks, support crews in dynamic field environments, and embed safety as a shared responsibility. Because of their frontline experience and being fellow union members, these safety specialists have a special peer-to-peer relationship and rapport with frontline employees that provides for more effective safety mentoring and coaching.

Collectively, the existing and incremental resources included in this request provide the workforce, field presence, and specialized programs required to sustain strong safety performance, mitigate employee safety risks, and continue advancing a mature, learning-driven safety culture across SoCalGas operations.

3. Contractor Safety Program [2HR008 & 2HR013]

TABLE AN-14
Safety Excellence - Contractor Safety & Contractor Safety Performance Workpaper Summary

SAFETY & CULTURE (In 2025 $)			
	2025 Adjusted-Recorded (000s)	TY2028 Est. (000s)	Change (000s)
Safety Excellence - Contractor Safety (2HR008)	297	618	321
Contractor Safety Performance (2HR013)	643	664	21

a. Description of Costs and Underlying Activities

SoCalGas manages contractor safety through defined expectations, interface coordination, and oversight, recognizing the shared responsibility between SoCalGas and its contractors for identifying and managing safety risks. The Contractor Safety Program (CSP) is comprised of activities managed by the Safety Excellence and Infrastructure Project Delivery organizations. Under Safety Excellence, the Contractor Safety team focuses on the back-office efforts for contractor safety management and contractor engagement. Contractor Safety Performance is a team that partners closely with the Contractor Safety team within the Safety Excellence organization to support consistent implementation, oversight, and accountability within SoCalGas's Contractor Safety Program.

- Safety Excellence – Contractor Safety (2HR008)

The team is currently comprised of a manager and an analyst. This team works in close collaboration with Supply Management, SoCalGas business units and the Infrastructure Project Delivery team (*see* Section below on Contractor Safety Performance). At the direction of the manager, this team provides the structure, oversight, and verification needed to manage safety risk for over 500 Class 1 contractors who perform work on behalf of the company. The program is guided by internal standards and relies on dedicated personnel to administer requirements, evaluate contractor qualifications, and monitor safe work practices across a diverse portfolio of construction, maintenance, and field activities.

The Contractor Safety team in the Safety Excellence organization manages the following activities:

- Contractor Pre-Qualification and Monitoring:
  Measure and monitor Contractors' safety performance based on SoCalGas established criteria, which includes evaluating contractor OSHA safety programs, reviewing leading and lagging indicators, and confirming that contractors maintain a "Compliant" status before being assigned to work. This process is necessary to determine whether a contractor meets the minimum safety expectations for the type of work performed and to identify when additional review or variance approvals are needed.
- Contractor Drug and Alcohol Compliance Monitoring:

Monitor contractors/subcontractors' compliance with DOT PHMSA, which includes reviewing drug and alcohol policies and plans, reviewing quarterly and annual Management Information System (MIS) data reporting and updated Covered Employee Listings, program audits, and Jobsite Inspections. This supports a drug and alcohol-free workplace and a safe pipeline operations environment.

- Support for Field Safety Planning and Work Execution:
  Maintaining standardized safety materials (*e.g.*, Class 1 Contractor Safety Manual, Job Specific Safety Plans, Contractor Pre-Work Safety Meeting Acknowledgments, and contractor risk-matrix classifications) that inform project-specific hazard controls. These documents provide a consistent framework that supports safe execution of work across varying scopes and hazard profiles.
- Incident Reporting and Corrective Action Oversight:
  Receiving and evaluating contractor incident reports, Near-Miss/Good Catch, tracking corrective action completion, and communicating lessons learned. This oversight supports continuous improvement and strengthens accountability for safe work practices among contracted service providers.
- Program Administration, Communication, and Stakeholder Engagement:
  Personnel and systems needed to administer the program, maintain contractor safety dashboards and variance request processes, and issue regular safety communications such as the Contractor Safety Dispatch newsletter. Contractor engagement, such as SoCalGas's annual Contractor Safety Congress, reinforce expectations, promote operational discipline, and support alignment between SoCalGas personnel and contracted workers.
- Contractor Safety Performance (2HR013)

The team represented in this workgroup consists of one Manager, two Lead Managers, three Team Leads, and 10 Advisors. This testimony forecasts the O&M costs associated with activities performed by this team, which primarily support major pipeline construction projects. CSP works in close coordination with SoCalGas business units and the Contractor Safety team in the Safety Excellence organization. While Safety Excellence establishes contractor safety

expectations, standards, and performance requirements, CSP supports execution by overseeing contractor onboarding, performance monitoring, and project close-out for major pipeline construction contractors.

At the direction of the Manager and Lead Managers, CSP provides structured oversight across the lifecycle of contractor engagement to promote consistency, accountability, and adherence to safety and regulatory requirements. This includes establishing and reinforcing clear roles and responsibilities with construction contractors at the beginning of, during, and following project execution.

Key responsibilities include verifying that contractors and subcontractors maintain acceptable safety performance grades in the contractor portal; confirming completion and implementation of Job-Specific Safety Management Plans (JSSPs); and verifying contractor operator qualifications. The team serves as a liaison between SoCalGas business units and contractors to support management of JSSPs and confirm adherence to Company requirements, DOT regulations, and applicable safety standards.

CSP facilitates frequent communication between SoCalGas Construction Managers and contractors to identify, escalate, and resolve job-site, safety, materials, or execution issues in a timely manner. These activities support consistent contractor performance and reduce the likelihood that safety or compliance issues affect project outcomes.

SoCalGas's CSP is necessary to sustain these functions and to maintain a structured and consistent approach for managing contractor-related safety risks. These activities help reduce the likelihood and severity of safety incidents involving contractor personnel, support compliance with internal standards, and promote a shared safety culture across both employees and contracted partners.

i. Description of RAMP Mitigations

This workgroup is 100% RAMP. *See* sub-section a. above for a Description of Costs and Underlying Activities.

TABLE AN-15
RAMP and GRC Risk Control Activities - O&M
In 2025 $ (000s)

ID	Control/Mitigation Name	2025 RAMP 2028 Estimate In 2024 $ (000s)	2028 GRC 2028 Forecast In 2025 $ (000s)	Change (000s)
C349	**Contractor Safety Program**	1,516	1,282	-234
	TOTAL	1,516	1,282	-234

ii. Description of Selection and Prioritization of RAMP Risk Mitigations

The RAMP risk mitigation efforts are associated with specific actions, such as programs, projects, processes, and utilization of technology and are designed to address a specific safety and/or reliability risk. The Company's selection and prioritization of these RAMP mitigation activities considered many factors when determining if these risk mitigation activities are an effective and worthwhile investment. The ERM process for identifying and assessing system risk is described in the RDF Integration testimony (Ex. SCG-02B/SDGE-02B).

SoCalGas prioritizes contractor safety as a critical control to establish clear performance expectations, maintain strong interface coordination, and provide active oversight of its contractors, consistent with its SMS. This program is driven by compliance with applicable OSHA, DOT / PHMSA, and California Geologic Energy Management Division (CalGEM) requirements, and reflects the Company's recognition that contractor safety is a shared responsibility that must be managed proactively to effectively identify, assess, and mitigate safety risks.

Following the Safety Policy Division's (SPD) Evaluation of the 2025 RAMP Contractor Safety Risk mitigations, SoCalGas reassessed its proposed contractor safety controls to confirm they directly address the identified risk drivers and remain effective, scalable, and operationally practical. This review also considered customer impacts, reinforcing the Company's commitment to balancing risk reduction with affordability.

The CSP is prioritized as a key control because it provides a structured, preventive approach to managing contractor-related safety risks, reduces the potential for risk escalation, and supports safe, reliable system operations. By emphasizing effectiveness, feasibility, and

customer value, the CSP strengthens safety performance while supporting prudent cost management.

b. Forecast Method

The forecast method developed for this cost category to labor and non-labor expense is the base year method. This methodology serves to more accurately represent this workgroup given the forecast for the Safety Excellence – Contractor Safety workgroup includes necessary incremental resources. After evaluating our Contractor Safety Program through the RAMP 2025 process and upon reflection of the Benefit-Cost-Ratio for this activity, SoCalGas is planning to expand this program beyond the base year, 2025. An average or linear trend could not appropriately account for anticipated growth in the activities for this cost category. The forecast method developed for the CSP workgroup labor and non-labor expense is the base year method. This method serves to represent this workgroup's historical spend and continued forecast as there is no incremental need for resources in this area.

c. Cost Drivers

The costs in this request reflect the resources necessary to operate a structured, risk-based Contractor Safety Program that manages safety performance across more than 500 Class 1 contractors performing work on behalf of SoCalGas that in turn work employee over a thousand subcontractors. Existing resources—a manager and analyst within the Safety Excellence organization—are required to administer internal Standards specifically on working with contractors oversee contractor pre-qualification, verify compliance with regulatory and internal safety requirements, and coordinate with Supply Management, business units, and Infrastructure Project Delivery. These activities provide the foundation for consistent contractor oversight, including evaluating safety programs, monitoring leading and lagging indicators, and determining when additional review or variances are needed.

The need for two incremental resources is driven by the real and persistent safety risks associated with contractor work and reinforced by findings in the CPUC Safety Policy Division's (SPD) evaluation of SoCalGas's 2025 RAMP filing. SPD's review identified material gaps and emphasized the need for stronger contractor oversight and clearer alignment between mitigation activities and contractor-related risk drivers, directly supporting the need to expand SoCalGas's Contractor Safety Program staffing and capabilities. Given that more than 500 Class 1 contractors perform high-hazard construction and maintenance activities on SoCalGas's system,

additional resources are required to strengthen contractor pre-qualification, enhance field-level safety planning, improve incident reporting and corrective-action follow-up, and increase engagement with contracted crews. These incremental additions support a more proactive and rigorous safety-management presence, reduce the likelihood and severity of contractor-related incidents, and address the gaps and opportunities for improvement identified through the RAMP 2025 evaluation process. These additional resources will work with our contractor project managers, supervisors and inspectors to strengthen contractor oversite in the areas of gas distribution, storage, environmental, and facilities.

The costs associated with the Contractor Performance mitigation reflect the resources required to sustain a structured and consistent approach to managing contractor-related safety risks for pipeline construction activities. These costs are driven by the ongoing need to maintain oversight, coordination, and performance visibility across a large and diverse contractor workforce and are included in base operations. No incremental funding is requested for this mitigation.

4. Technology & Analytics [2HR011]

TABLE AN-16
Safety Technology & Analytics Workpaper Summary

SAFETY & CULTURE (In 2025 $)			
	2025 Adjusted-Recorded (000s)	TY2028 Est. (000s)	Change (000s)
Safety Technology & Analytics	1,435	1,468	33

a. Description of Costs and Underlying Activities

The Technology & Analytics team at SoCalGas works closely with VCDA to drive continuous improvement through technology utilization and data analytics. The team is comprised of one manager, two team leads, and three advisors. At the leadership of the manager, this team leverages data and technology to drive proactive, data-informed decisions that enhance the efficiency and impact of SMS programs. The team unifies diverse data sources to surface key performance indicators, support strategic safety initiatives, and maintain robust data integrity and compliance systems. Through advanced analytics and modern platforms, the team empowers the organization to anticipate risks, streamline operations, and foster a culture of continuous safety improvement.

The team consists of two sub-groups within a single workgroup: one dedicated to technology use and improvement, and the other concentrating on metrics and analytics.

The applications the group supports are:

- Safety Incident Management Systems (SIMS) for various programs
- Emergency Management Systems
- Safety Performance Management System
- On-Call System
- Predictive Safety Analytics applications
- Environmental Health and Safety Management (EHSM) System

In addition to supporting these applications, the department is responsible for employee, contractor, infrastructure, and public safety reporting and analytics. This includes:

- Environmental Health and Safety Management (EHSM) data
- Operational safety compliance data
- Quality Management data
- Continuous Improvement Tracker
- Safety Performance Metrics Report (SPMR) data
- Annual ESCMP Year-End Certification Program data
- Key Performance Indicator (KPI) analysis and governance

i. Description of RAMP Mitigations

This workgroup is 100% RAMP. *See* sub-section a. above for a Description of Costs and Underlying Activities.

TABLE AN-17
RAMP and GRC Risk Control Activities - O&M
In 2025 $ (000s)

ID	Control Name	2025 RAMP 2028 Estimate In 2024 $ (000s)	2028 GRC 2028 Forecast In 2025 $ (000s)	Change (000s)
C342	**Safety Technology & Analytics**	1,435	1,468	33
	TOTAL	**1,435**	**1,468**	33

ii. Description of Selection and Prioritization of RAMP Risk Mitigations

The RAMP risk mitigation efforts are associated with specific actions, such as programs, projects, processes, and utilization of technology and are designed to address a specific safety and/or reliability risk. The Company's selection and prioritization of these RAMP mitigation activities considered many factors when determining if these risk mitigation activities are an effective and worthwhile investment. The ERM process for identifying and assessing system risk is described in the RDF Integration testimony (Ex. SCG-02B/SDGE-02B).

SoCalGas has selected and prioritized the Technology & Analytics risk mitigation as it enables consistent identification, monitoring, and management of safety risks through reliable data, analytics, and supporting technology platforms.

The efforts of this workgroup - consistent risk identification, assessment, and prioritization through reliable data, performance metrics, and analytical insights. These capabilities directly support risk-based decision-making in alignment with the Risk-Based Decision Making Framework by informing the selection, prioritization, and monitoring of mitigations to address the most significant safety risks proactively.

The Technology & Analytics team performs activities that directly support compliance with key regulatory and reporting requirements, including Cal/OSHA Title 8, OSHA, Cal OES, CPUC reporting obligations (including, but not limited to, the Safety Performance Metrics Report and Safety Enforcement Division (SED) Quarterly Report), the Underground Safety Board (USB), the Chemical Safety Board (CSB), the Los Angeles County Department of Public Health (LACDPH), and Certified Unified Program Agencies (CUPA).

From the customer perspective, these investments are worthwhile because they support safe and reliable operations, reduce the likelihood of safety incidents through earlier risk identification, and promote efficient use of resources by enabling targeted, data-driven interventions. By investing in analytics and technology that improve risk management effectiveness across multiple programs, SoCalGas seeks to manage safety risks in a cost-conscious and sustainable manner that supports long-term affordability.

b. Forecast Method

The forecast method developed for this cost category to labor and non-labor expense is the base year method. This method serves to represent this workgroup's historical spend and

continued forecast as there is no incremental need for resources in this area. An average or linear trend could not appropriately account for the activities for this cost category.

c. Cost Drivers

The cost drivers to maintain the Technology & Analytics group are driven by the specialized expertise and systems required to sustain SoCalGas's safety data infrastructure, analytics capabilities, and technology platforms that support the Company's SMS. This workgroup—comprised of one manager, two team leads, and three advisors—supports a broad suite of operationally critical applications, including, but not limited to, the Safety Performance Management system, on-call technologies, predictive safety analytics tools, and the Environmental Health and Safety Management (EHSM) program. Maintaining these systems requires ongoing configuration, data governance, user support, platform enhancements, and integration across departments. Additionally, the team is responsible for core regulatory and operational reporting activities, such as contractor, employee, infrastructure, and public safety analytics; Environmental Health and Safety Management project data; operational compliance reporting; continuous improvement tracking; Safety Performance Metrics Report (SPMR) data; ESCMP year-end certification data; and KPI governance. These cost drivers reflect the need to sustain the personnel, tools, and technical capabilities required to unify data sources, maintain high-quality safety information, anticipate risks through advanced analytics, and support continuous improvement across SMS programs. Collectively, these activities are required to support the accuracy, reliability, and performance of safety technologies and analytics essential to SoCalGas's operational safety and compliance obligations.

5. Safety Strategy & Culture [2HR012]

TABLE AN-18
Safety Strategy & Culture Workpaper Summary

SAFETY & CULTURE (In 2025 $)			
	2025 Adjusted-Recorded (000s)	TY2028 Est. (000s)	Change (000s)
Safety Strategy & Culture	676	858	182

a. Description of Costs and Underlying Activities

The Safety Strategy & Culture team at SoCalGas focuses on three main objectives, oversight of the SMS,[6] safety culture improvement, and regulatory support for safety-related proceedings. This testimony focuses on the team supporting safety culture improvement and regulatory alignment with SoCalGas's safety goals. This part of the organization plays a pivotal role in shaping the Company's safety vision and embedding safety into its organizational culture. The team is comprised of a director, a manager, a principal, a project manager, and an analyst. At the leadership of the director and manager, this team drives cultural transformation across the organization, turning regulatory requirements into actionable improvements that reduce risk and improve safety performance.

Safety culture improvement efforts consist of the following:

- Peer-IOU and industry best practices and benchmarking
- Employee engagement through grassroots, such as SoCalGas's Safety Champion Network and localized safety committees
- Close collaboration with cross-functional groups across SoCalGas to maintain aligned vision and execution of safety culture efforts
- Managing the Company's safety culture assessments—including annual self-evaluations and the comprehensive four-year independent assessment—consistent with the requirements established in the Safety Culture Assessment Framework Decision (Decision (D.) 25-01-031).

Regulatory support for safety-related proceedings and reporting involves serving as the liaison between SoCalGas's regulatory affairs, external parties such as CPUC and intervenors, and lines of business under the Chief Safety Officer (CSO). Safety-related proceedings and filings include:

- Gas Safety Plan (annual)
- Safety Performance Metrics Report (annual)
- Risk Assessment Mitigation Phase (RAMP – every 4 years)
- General Rate Case (GRC – every 4 years)
- Risk Spend Accountability Report (RSAR - every 4 years)

[6] *See* Section III.B.6 for details on SMS Oversight and related costs.

- Safety Culture Order Instituting Rulemaking (in progress)

b. Forecast Method

The forecast method developed for this cost category to labor and non-labor expense is the base year method. This method serves to represent this workgroup's historical spend and continued forecast as there is no incremental need for resources in this area. While the 2025 recorded spending provides a reliable representation of the ongoing cost to sustain these functions, a limited and specific incremental adjustment for safety culture assessment support is necessary to account for defined changes in scope not fully reflected in the base year. These include expanded responsibilities associated with the implementation of Decision (D.25-01-031), such as conducting annual self-evaluations and coordinating the comprehensive independent safety culture assessment required every four years. These incremental costs are discrete, identifiable, and tied directly to regulatory mandates, making them appropriate additions to the base year method.

c. Cost Drivers

The primary cost drivers for the Safety Strategy & Culture team reflect the staffing and expertise required to carry out SoCalGas's safety culture improvement efforts and to support safety-related regulatory proceedings. This team leads employee engagement initiatives, conducts industry benchmarking, collaborates across business units to advance safety culture, and administers annual and four-year safety culture assessments required under the Safety Culture Assessment Framework Decision (D.25-01-031).[7]

The team also provides regulatory support for recurring safety proceedings, including the Safety Performance Metrics Report, RAMP, GRC, RSAR, and ongoing activities in the Safety Culture OIR. These responsibilities require consistent subject-matter expertise and ongoing coordination with SoCalGas's Regulatory Affairs organization, intervenors, and CPUC staff.

A key incremental cost driver is the need for one additional resource to address the expanded workload associated with D.25-01-031. The new requirements for annual self-evaluations, a comprehensive independent assessment every four years, and increased documentation and analysis create a sustained workload that cannot be absorbed by existing

[7] Rulemaking (R.) 21-10-001, Order Instituting Rulemaking to Develop Safety Culture Assessments for Electric and Natural Gas Utilities (October 7, 2021).

staff. This resource is necessary to maintain compliance, support regulatory transparency, and uphold the effectiveness of safety culture improvement efforts.

6. Safety Management System Strategy & Oversight [2HR009]

TABLE AK-19
Safety Strategy Management System Workpaper Summary

SAFETY & CULTURE (In 2025 $)			
	2025 Adjusted-Recorded (000s)	TY2028 Est. (000s)	Change (000s)
Safety Strategy Safety Management System (SMS)	700	846	146

a. Description of Costs and Underlying Activities

The SMS Strategy and Oversight group supports the effective implementation and governance of SoCalGas's SMS by focusing on execution, performance monitoring, and continuous improvement of SMS practices across operations. This activity is distinct from the Safety Strategy & Culture organization, which is responsible for establishing enterprise-level safety and safety culture strategy, external benchmarking, and safety-related regulatory reporting. SMS Oversight complements that work by translating company safety strategy into operational practice and verifying that SMS principles are consistently applied and functioning as intended.

The team overseeing the SMS consists of one manager and four program managers. As discussed in the Policy testimony, (Ex. SCG-01), an SMS is a structured framework that integrates safety into every aspect of operations. The SMS enables proactive hazard identification, risk management, and continuous improvement of safety performance through defined roles, processes, and accountability mechanisms.

SoCalGas has adopted the ten core elements of an SMS as defined by API RP 1173, as reflected in the Revised Safety Culture Improvement Plan, SMS Manual (December 2025), and prior RAMP and General Rate Case filings. These elements are:

- **Leadership Commitment:** Demonstrating visible and sustained leadership engagement in safety
- **Stakeholder Engagement:** Involving employees, contractors, and external stakeholders in safety processes

- **Risk Management:** Identifying, assessing, and mitigating risks proactively
- **Operational Controls:** Establishing procedures and standards for safe operations
- **Emergency Preparedness and Response:** Planning and training for effective response to emergencies
- **Incident Investigation and Learning:** Analyzing events and near misses to prevent recurrence
- **Safety Assurance:** Monitoring, auditing, and verifying safety performance
- **Management Review & Continuous Improvement:** Evaluating and managing risks associated with organizational or operational changes and using feedback and data to drive ongoing enhancements
- **Competence, Awareness, and Training:** Verifying personnel have the knowledge, skills, and awareness to perform work safely
- **Documentation and Recordkeeping:** Maintaining clear, accessible records to support accountability and learning

The group overseeing SoCalGas's SMS advances a systematic, risk-informed approach to safety by incorporating SMS principles into daily work practices and operational decisions. Under the leadership of the manager, program managers establish standards, monitor performance, and continually refine practices for the safety of employees, customers, and communities. Specifically, the team responsible for SMS Oversight performs the following tasks:

- Providing governance support to SoCalGas's Executive Safety Council, with emphasis on accountability and ownership of each SMS element, including meeting facilitation, documentation, goal tracking, and performance review
- Coordinating employee engagement and targeted outreach focused on SMS awareness, expectations, and practical application within day-to-day operations
- Managing SMS performance reporting and evaluating results to inform continuous improvement efforts
- Identifying and addressing gaps in SMS program maturity based on internal reviews and prior assessment results

Through these activities, SMS Oversight supports effective implementation, performance oversight, and continuous improvement of SoCalGas's SMS by reinforcing consistent application of safety principles and data-driven decision-making.

b. Forecast Method

The base year forecast method is used for this cost category because, with the applied forecast adjustments, it reflects the level of resources required for the SMS oversight group to perform its expanded responsibilities. Historically, the team focused on sustaining and maintaining the company-wide SMS. The base year methodology plus a forecast adjustment reflects the shift in scope to an enterprise effort promoting a shared understanding of SMS principles, advances continuous improvement, and strengthens alignment with industry best practices identified through API assessments.

c. Cost Drivers

The cost drivers associated with the SMS Strategy and Oversight function come from increasing complexity of activities required to administer a comprehensive, company-wide SMS to advance and improve SoCalGas's safety culture. These costs reflect the labor and programmatic resources necessary for a dedicated oversight team, consisting of one manager and four program managers, to execute responsibilities central to maintaining and advancing a risk-informed safety management framework. The SMS oversight group conducts structured governance of the Executive Safety Council; leads employee engagement, communication, and outreach efforts to promote a consistent understanding of SMS expectations; administers performance reporting and continuous improvement monitoring; and identifies and addresses gaps in SMS maturity through ongoing internal evaluations and API RP 1173-based assessments. The transition from a sustainment-focused model to one emphasizing continuous improvement, shared understanding, and alignment with industry best practices requires increased coordination, analysis, and cross-functional integration. As such, the forecasted costs represent the level of resources required for the SMS oversight group to fulfill its expanded responsibilities and support the continued enhancement of SoCalGas's safety culture and operational safety performance.

IV. 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 AN-20 summarizes the total shared O&M forecasts for the listed cost categories.

TABLE AN-20
Shared O&M Summary of Costs

SAFETY & CULTURE (In 2025 $) Incurred Costs (100% Level)			
Categories of Management	**2025 Adjusted-Recorded (000s)**	**TY2028 Est. (000s)**	**Change (000s)**
A. People & Culture	642	318	-324
B. Safety	770	799	29
Total Shared Services (Incurred)	**1,412**	**1,117**	**-295**

I am sponsoring the forecasts on a total incurred basis, as well as the shared services allocation percentages related to those costs. Those percentages are presented in my shared services workpapers, along with a description explaining the activities being allocated. *See* Ex. SCG-18-WP-Safety & Culture. The dollar amounts allocated to affiliates are presented in our Shared Services testimony. *See* Ex. SCG-22/SDGE-27.

A. People & Culture

1. ECS System Reporting [2200-2397]

TABLE AN-21
ECS System Reporting Workpaper Summary

SAFETY & CULTURE (In 2025 $) Incurred Costs (100% Level)			
People & Culture	**2025 Adjusted-Recorded (000s)**	**TY2028 Est. (000s)**	**Change (000s)**
ECS System Reporting	642	318	-324
Incurred Costs Total	**642**	**318**	**-324**

a. Description of Costs and Underlying Activities

ECS System Reporting maintains and operates the electronic systems used to manage the work of Employee Care Services. Personnel within this cost center also prepare operating reports used by management to monitor the status of WC, leave and return to work activities as

well as staff performance. The team is responsible for verifying the functionality and integration of system interfaces across multiple platforms. For operational support, this includes an interface with the Safety Department to support a single source of intake for claims management and to return claim information for data analytics.

To verify disability payments are issued on time, the system is integrated with Accounts Payable to facilitate payment processing. For cost efficiency, system interfaces are also established with medical and legal bill review vendors to process invoices and confirm they comply with approved fee schedules.

For Compliance Support, the team verifies that all required state and regulatory reports are prepared and submitted to ECS leadership for review and approval. These include mandatory filings such as Annual OSHA reports for the Occupational Safety and Health Administration (OSHA), self-insured reports for the Office of Self Insurance Plans (OSIP), and audit reports for the California Department of Industrial Relations (DIR), Division of Workers' Compensation. In addition, the team manages and transmits required system transactions to government agencies, including the International Association of Industrial Accident Boards and Commissions (IAIABC) and the Centers for Medicare & Medicaid Services (CMS), in compliance with applicable state and federal regulatory requirements.

The ECS System Reporting costs are all shared service costs, with work performed largely for SoCalGas, but a portion of these costs are incurred on behalf of other operating companies, as there is no dedicated department within those operating companies to provide these services. Costs are presented at the 100% incurred level.

This cost supports system integrations and compliance activities, which are essential to maintaining operational continuity, regulatory compliance, financial accuracy, and risk mitigation across the organization. The team supports multiple mission critical system interfaces that enable end to end claims operations, including intake coordination with the safety department, and disability payment processing through Accounts Payable. These integrations support timely payments, accurate data, and efficient claims management while minimizing manual processing, errors, and delays. In addition, interfaces with medical and legal bill review vendors are a key cost control mechanism. These integrations help invoices to comply with approved fee schedules, reducing overpayments, disputes, and audit exposure. Ongoing support

is required to maintain system stability, monitor data integrity, and adapt to changes in vendor or business requirements.

From a compliance perspective, the team is responsible for preparing and supporting mandatory state and federal regulatory reporting, including OSHA, OSIP, DIR (Division of Workers' Compensation), IAIABC, and CMS submissions. These activities are non-discretionary and failure to execute them accurately and on time could result in financial penalties, audit findings, and reputational risk. The cost to support these activities supports uninterrupted business operations, protects the organization from regulatory and financial risk, promotes cost efficiency and financial governance and supports scalable, sustainable system operations.

A portion of these costs are incurred on behalf of SoCalGas and SDG&E and appropriately allocated as the shared claims system, Claims Enterprise, supports both operations. Maintaining a single, centralized system and correspondingly, a unified systems team supports continuity of operations, consistency in mandatory reporting and standardized data governance. This approach minimizes duplication of effort, reduces the risk of conflicting system modifications and workflows and strengthens internal controls. It promotes cost efficiency by avoiding redundant staffing and infrastructure, while concentrating system expertise within one accountable team. This is critical for maintaining data integrity and regulatory compliance.

b. Forecast Method

The forecast method chosen for this category is base year recorded costs. This method was selected as the recorded costs for base year 2025 most appropriately reflect the expected staffing levels and non-labor requirements to operate this area. The drivers for using the base year recorded costs methodology include: The function of this area has changed in recent years, and the base year is representative of our expectations for the 2028 test year. This area is not heavily influenced by external factors that would require a different forecast method.

c. Cost Drivers

The cost drivers behind this forecast are the labor and non-labor costs for the three existing management employees. These drivers are supported by the mission critical system integration and regulatory compliance functions that directly impact financial controls, operational efficiency, and organizational risk management. The team maintains and supports multiple system interfaces essential to claims processing and financial accuracy. These

integrations enable a centralized claims intake process with the Safety Department, timely disability payment issuance through Accounts Payable, and continuous exchange of employee demographic and work status data with HR Solutions. These interfaces reduce manual processing, prevent payment delays, and support data integrity across financial and HR systems.

Cost containment is supported through automated integrations with medical and legal bill review vendors, which help align invoices with approved fee schedules and reduce overpayments, billing disputes, and audit exposure. These controls directly contribute to financial stewardship and expense management.

In addition, the team fulfills mandatory state and federal compliance requirements, including preparation and support of required filings for OSHA, OSIP, and the California DIR (Division of Workers' Compensation), as well as system transactions submitted to IAIABC and CMS. These activities are non-discretionary and essential to avoiding regulatory penalties, audit findings, and reputational risk.

From a financial oversight perspective, this investment supports continuity of core operations, strengthens internal controls, mitigates compliance and payment risk, and avoids higher downstream costs resulting from manual workarounds, corrective actions, or penalties. Continued funding is necessary to maintain a stable, compliant, and cost-effective claims and compliance infrastructure that supports enterprise financial governance.

B. Safety

1. Event Learning & Continuous Improvement [2200-2551]

TABLE AN-22
Safety Excellence Event Learning & Continuous Improvement Workpaper Summary

SAFETY & CULTURE (In 2025 $) Incurred Costs (100% Level)			
	2025 Adjusted-Recorded (000s)	TY2028 Est. (000s)	Change (000s)
Safety Excellence Event Learning & Continuous Improvement	770	799	29
Incurred Costs Total	**770**	**799**	**29**

a. Description of Costs and Underlying Activities

Under Safety Excellence, the Event Learning & Continuous Improvement team, operating as a shared service, identifies and implements company-wide improvements following

events involving employees, contractors, the public, and infrastructure. The team consists of six total personnel, comprised of a manager, three program managers, a project advisor, and a specialist. Under the manager's direction, the team enhances safety practices through active, two-way engagement across various platforms and collaborates with stakeholders to drive continuous improvement process on safety protocols. They also manage a company-wide Corrective Actions and Continuous Improvement Process, which includes inputs from nine workstreams. The workstreams are inputs from the following:

- *CPUC Safety Enforcement Division (SED)* - Pipeline Safety Assurance team receives audit findings from SED, and the company responds with the required corrective actions. This team tracks pending actions and works closely with item owners to support timely completion, supported by clear and documented evidence of closure.
- *Event Learning Process* – as detailed below, the Event Learning & Continuous Improvement team manages this workstream by analyzing both internal and external incidents. All corrective actions from internal event learning, as well as continuous improvement items derived from learning from external events are tracked. The team works closely with action owners to support timely completion and documented evidence of closure.
- *Recommendations resulting from Learning Teams* – as detailed below, this team also oversees the Learning Teams process, including follow-up on all resulting recommendations. They work closely with project managers to confirm recommendations are implemented through completion, with justification and documentation provided for any items not pursued. Progress updates are communicated to Learning Team participants to maintain transparency and keep stakeholders informed of ongoing activities.
- *Advisory Safety Council (ASC)* – as discussed above in Section III.B.1, the ASC includes industry expert's feedback. This team consolidates, tracks, and manages all follow-up actions to completion.
- *Executive Safety Council (ESC)* - as discussed above in Section III.B.6, the ESC incorporates feedback from leadership. This team consolidates, tracks, and manages all follow-up actions so that they are addressed.

- *Emergency Management After-Action Reports* – Emergency Management team prepare the After-Action reports with follow-up items to send to this team, tracking all continuous improvement activities. This team manages all actions so that they are addressed and completed.
- *Safety Suggestion Box* – This team reviews and consolidates feedback submitted through the Safety Suggestion Inbox. They manage all follow-up actions so that each suggestion is evaluated, addressed, and documented appropriately, and they communicate outcomes to the submitter to close the loop.
- *Non-emergency Gas Safety Observation Portal* – this portal collects safety observations from both internal and contractors with an option for anonymous submissions. This team reviews and consolidates the feedback and manages all follow-up actions so that observations are evaluated, addressed, and documented appropriately. When the submitter is known, outcomes and updates are communicated back to them.
- *WE Lead Tours* - are executive engagement visits that strengthen safety culture and frontline connection. This team manages follow-up actions to confirm observations are addressed, documented, and communicated.

The team manages the Event Learning Process (ELP) at SoCalGas, which is designed to identify and implement enterprise-wide improvements following incidents. It focuses on safety-related events involving employees, contractors, the public, and infrastructure. The ELP evaluates root causes, establishes procedures for analysis, identifies contributing factors, and develops corrective actions to prevent recurrence. Findings and lessons learned are communicated to relevant personnel and stakeholders.

The team oversees the evaluation of pipeline accidents and failures conducted by Operations in accordance with 49 Code of Federal Regulation (CFR) Section (§) 192.617, verifying causes, mitigations, and lessons learned are properly documented and addressed. Additionally, the team monitors National Transportation Safety Board (NTSB) pipeline safety actions and distributes relevant materials to strengthen company pipeline safety operations. This includes conducting gap analyses on NTSB investigation findings by reviewing company standards, processes, and policies to identify continuous improvement opportunities and

developing enhancements to close the identified gaps, consistent with API RP 1173 Pipeline Safety Management System.

Additionally, SoCalGas has instituted a Learning Team Program, which is managed by this team, and serves as a key tool for strengthening our safety culture and organizational learning. The Learning Team Program promotes deeper learning by bringing together broad stakeholder participation to explore complex human and organizational factors that contribute to events. Rather than focusing on "who failed," the program shifts the lens to "what failed," enabling the identification of potential system deficiencies process weaknesses, or unknown underlying conditions that may otherwise go unnoticed. A core principle of the Learning Team approach is that participants include those closest to the work—the employees who perform, oversee, and support the activities involved. Their firsthand knowledge is essential for identifying practical gaps, constraints, and opportunities to improve how work is designed and executed. By amplifying the voice of frontline workers and subject matter experts, Learning Teams generate more accurate insights and more meaningful, implementable recommendations. This team facilitates the Learning Teams, manages resulting recommendations, tracks follow-up actions, documents outcomes, and communicates progress to participants to maintain transparency. Overall, the program supports continuous improvement and strengthens the company's safety culture by providing a structured method for identifying risks, learning from events, and improving work processes.

i. Description of RAMP Mitigations

This workgroup is 100% RAMP. *See* sub-section a. above for a Description of Costs and Underlying Activities.

TABLE AN-23
RAMP and GRC Risk Control Activities – Shared Services O&M

ID	Control Name	2025 RAMP 2028 Estimate In 2024$ (000s)	2028 GRC 2028 Forecast In 2025$ (000s)	Change ($000s)
C347	**Employee Safety Event Learning & Continuous Improvement**	1,093	798	-295
	TOTAL	1,093	798	-295

ii. Description of Selection and Prioritization of RAMP Risk Mitigations

The RAMP risk mitigation efforts are associated with specific actions, such as programs, projects, processes, and utilization of technology and are designed to address a specific safety and/or reliability risk. The Company's selection and prioritization of these RAMP mitigation activities considered many factors when determining if these risk mitigation activities are an effective and worthwhile investment. The ERM process for identifying and assessing system risk is described in the RDF Integration testimony (Ex. SCG-02B/SDGE-02B).

This mitigation was selected because it provides a foundational, enterprise-wide control that supports multiple safety risks by preventing recurrence and escalation of safety-related events involving employees, contractors, the public, and infrastructure. The Event Learning & Continuous Improvement (EL&CI) function operates as a shared service across both utilities and was prioritized for its role in enabling consistent learning, corrective action management, and cross-organizational information sharing. By facilitating the systematic sharing of lessons learned and consistent approaches to issue resolution, this enterprise-wide function supports long-term safety performance and strengthens compliance with PHMSA regulations under 49 CFR §§ 191 and 192 and CPUC General Order (GO) 112-F.

From the customer perspective, the EL & CI mitigation is worthwhile because it supports safe and reliable gas service by preventing repeat incidents, reducing the likelihood of high-consequence events, and strengthening operational discipline across the company. By investing in learning and prevention rather than reactive response, SoCalGas seeks to manage safety risks in a cost-conscious manner that supports long-term affordability and system reliability.

b. Forecast Method

The base-year method is the most appropriate forecast methodology for this work because the activities performed by the EL & CI function are stable, ongoing, and directly tied to a fixed level of staffing needed to fulfill regulatory and operational responsibilities.

c. Cost Drivers

The cost drivers for this forecast reflect the resources necessary to manage the Event Learning Process, support analyses conducted in accordance with 49 CFR § 192.617, review and incorporate relevant recommendations from the National Transportation Safety Board and

conduct gap assessments aligned with the principles of API RP 1173. Additionally, it maintains the capacity to facilitate Learning Teams, which provides deeper organizational insight into operational conditions and human-organizational factors. These activities collectively support ongoing safety improvement and the mitigation strategies presented in RAMP.

V. RISK ASSESSMENT MITIGATION PHASE (RAMP) INTEGRATION

A. GRC Risk Controls/Mitigations and Benefit Cost Ratios

As previously discussed, certain costs supported in this testimony are for Control/Mitigation activities described in SoCalGas's May 15, 2025 RAMP Report for activities designed to reduce risk. As further reference, a roadmap matching controls and mitigations to both the 2025 RAMP and the TY 2028 GRC testimony is appended to the RDF Integration testimony (Ex. SCG-02B/SDGE-02B). Table AN-24 below summarizes the Control/Mitigation costs forecasted in this testimony and estimated in the 2025 RAMP with the associated BCRs. Controls/Mitigations that are mandated by CPUC or other agencies are listed in bold in the table below and are listed in Appendix B, attached to this testimony, providing the details regarding the respective mandates for each Control/Mitigation. Appendix C provides a GRC workpaper breakdown for the RAMP controls and mitigations sponsored in this testimony.

TABLE AN-24
Comparison of RAMP and GRC Risk Control Activities - O&M

Safety & Culture							
ID	**Control/ Mitigation Name**	**2025 RAMP Direct, in 2024$ (000s) 2028-2031**			**2028 GRC Direct, in 2025 $ (000s) 2028-2031**		
		BCR Societal	**BCR Hybrid**	**BCR WACC**	**BCR Societal**	**BCR Hybrid**	**BCR WACC**
C312	**Drug and Alcohol Testing Programs**	0.43	0.46	0.43	0.46	0.48	0.46
C342	**Safety Technology & Analytics**	0.99	1.05	0.99	0.82	0.86	0.82
C343	**Safety Strategy**	0.95	1.01	0.95	0.78	0.82	0.78
C345	**Safety & Health - Operations**	1.05	1.11	1.05	0.85	0.89	0.85

Safety & Culture							
ID	Control/ Mitigation Name	2025 RAMP Direct, in 2024$ (000s) 2028-2031			2028 GRC Direct, in 2025 $ (000s) 2028-2031		
		BCR Societal	BCR Hybrid	BCR WACC	BCR Societal	BCR Hybrid	BCR WACC
C346	**Safety & Health - Programs**	0.79	0.83	0.79	0.80	0.84	0.80
C347	**Event Learning & Continuous Improvement**	0.97	1.03	0.97	0.79	0.83	0.79
M393	Industrial Athlete Program (A)	3.89	4.14	3.90	0.84	0.89	0.84
C349	**Contractor Safety Program**	1.69	1.80	1.69	1.48	1.56	1.48

B. Justification For Proposed Mitigations With BCRs <1

The Risk-Based Decision-Making Framework (RDF) prescribes a methodology for calculation of Benefit Cost Ratios under three discount rates as detailed in the table above. Certain of these calculations result in a BCR that is less than one. SoCalGas justifies the selection of these mitigations based on a thorough analysis of operational considerations. Details regarding the justification for each mitigation are provided in the table below and are compiled with all mitigations in the RDF Integration testimony (Ex. SCG-02B-/SDGE-02B). A list of compliance drivers are attached to this testimony in Appendix B.

TABLE AN- 25
Control/Mitigation Justification

ID	Control/Mitigation Name	Justification
C312	**Drug and Alcohol Testing Programs**	Compliance requirement for PHMSA 49 CFR §§ 40 and 199. Reduces employee safety risk by preventing impaired employees from working in potentially dangerous situations.
C342	**Safety Technology & Analytics**	Compliance requirement for Federal/Cal OSHA 29 CFR § 1904, Cal. Labor Code §§ 6300–6719 , and Title 8, California Code of Regulations (CCR). Regulation CPUC requirement for CPUC Code, Division 1, Part 1, Chapter 4.5, GO 112-F. Public safety requirement for Cal-OES Title 19

ID	Control/Mitigation Name	Justification
		and others. Provides data and metrics that are foundational to supporting a data-driven safety program and risk-based decision-making.
C343	**Safety Strategy**	For Occupational Health and Safety: Cal/OSHA: Title 8 CCR – California Occupational Safety and Health Regulations and sub chapters Fed/OSHA: Title 29 CFR §§ 1910 (General Industry) and 1926 (Construction Industry) and sub chapters Cal. Fire Code, CCR, Title 24, and sub chapters California Department of Public Health: Title 17 CCR – Public Health Description: Covers asbestos and lead work for production of the public. For the PHMSA – Department of Transportation (DOT): Title 49 CFR §§191 and 192 Description: For entry procedures for confined space utility volts. For Environmental Protection Agency (EPA): 40 CFR § 763 Description: Asbestos Hazard Emergency Response Act (AHERA) for building inspections and worker protection for asbestos activities. For Cal/OES, support of emergency response activities: Standardized Emergency Management Systems (SEMS) mandated under Cal. Gov't Code § 8607 Description: Includes the Incident Command System (ICS) For the CPUC: Utility safety organizations must align with the CPUC General Orders applicable to the utility's operations. This control establishes and oversees the Company's safety program and governance framework.
C345	**Safety & Health – Operations**	This control is in line with the same compliance requirements as Safety Strategy. This

ID	Control/Mitigation Name	Justification
		workgroup/control includes employees with direct field support, necessary coaching and oversight to reinforce safe work practices.
C346	**Safety & Health – Programs**	This control is in line with the same compliance requirements as Safety Strategy. This workgroup/control leads the development and implementation of Company-wide health and safety programs to prevent employee injury and illness.
C347	**Event Learning & Continuous Improvement**	The applicable regulations and decisions that support the activities performed by the EL&CI team: 49 CFR §192.617 Investigation of failures and incidents. API RP 1173 PSMS Tenant 9 Incident American Gas Association (AGA) White Paper: Guidelines for Natural Gas Companies Conducting an Internal Incident and Event Investigation for Safety and Performance Analysis (July 2020) EEI (Edison Electric Institute) SCL (Safety Classification and Learning) Model "Potential" Serious Injuries and Fatalities (P-SIF) CPUC ALJ-274, D.14-12-001, D.14-05-054, D.16-09-55 and D.18-05-023 – Gas Safety Citation Program, utility reporting of self-identified potential violations that pose a significant safety threat to the public/and or utility staff contractors, or subcontractors. This workgroup/control performs root cause analysis on safety-related events and engages employees in Learning Teams to examine complex work conditions, promoting improvements that reduce likelihood of recurrence.
M393	Industrial Athlete Program (A)	Newly proposed, cost-effective mitigation targeting sprains and strains, the most common employee injuries and lost-time event outcomes, through early intervention.

C. Changes from 2025 RAMP Report

Changes and updates to forecasts and the amount and timing of planned work from that assumed in the 2025 RAMP Report resulted in GRC forecasts that differ from those in the

RAMP Report. The differences are summarized in the workpapers associated with this testimony. In addition, after the filing of the 2025 RAMP Report, SoCalGas further analyzed an alternative mitigation (A393) in the Employee Safety chapter, Industrial Athlete Program. After reviewing the CBR and in support of improving safety performance, SoCalGas is forecasting the need to initiate this program as early as 2026. *See* Section III.B.2 above and workpaper 2HR007.000 for further details about this program.

In addition, certain circumstances have changed since the RAMP Report was filed and updates to forecasts and other underlying assumptions have occurred that have impacted some of the BCRs. A comparison of BCRs between the 2025 RAMP and the TY 2028 GRC are detailed in the table below including an explanation for any significant differences.

D. Feedback from Safety Policy Division and Parties

The Commission's Safety Policy Division (SPD) issued their assessment report on October 10, 2025 regarding the Companies' 2025 RAMP Reports. Parties subsequently served opening and reply comments on November 17, 2025 and December 1, 2025 respectively. Appendix B in the RDF Integration testimony (Ex. SCG-02B/SDG&E-02B) appends a summary of the feedback and recommendations received and the Companies' responses.

E. CAVA Integration

Pursuant to Commission decisions in the Climate Adaptation OIR (R.18-04-019),[8] SoCalGas performed a Climate Adaptation Vulnerability Assessment (CAVA) focused on years 2030, 2050, and 2070, with the aim of identifying asset and operational vulnerabilities to climate hazards across the SoCalGas system. Some of the climate hazards that will have short- and long-term ramifications in the Southern California region include extreme temperatures, wildfire, inland flooding, coastal flooding and erosion, and landslides. Climate change is recognized as a factor that can drive, trigger, or exacerbate multiple RAMP risks. Implementing climate change adaptation measures and integrating climate vulnerability considerations into RAMP controls and mitigations can enhance system infrastructure longevity and reduce the severity of long-term negative climate impacts. The controls and mitigations described in further detail in this chapter, as shown below, align with the goal of increasing SoCalGas's physical and operational resilience to the increasing frequency and intensity of climate hazards.

[8] D.19-10-054; D.20-08-046.

Potential Climate Hazard(s)	Relevant ID	Relevant Control / Mitigation	Risk Chapter
Extreme Temperatures	C349	Contractor Safety Program	Contractor Safety
Extreme Temperatures	C343	Employee Safety Strategy	Employee Safety
Extreme Temperatures	C345	Safety & Health - Operations	
Extreme Temperatures	C346	Safety & Health - Programs	

VI. CONCLUSION

The activities described in this testimony, together with the detailed support provided in the accompanying workpapers, demonstrate a disciplined, data-driven, and highly effective Safety & Culture organization—one that directly advances SoCalGas' commitment to protecting employees and the public while delivering safe, reliable, and affordable service.

The requested forecast methodologies and incremental costs are reasonable, appropriately calibrated, and grounded in historical performance. Within People and Culture, labor forecasts rely on a base year methodology with targeted, modest incremental additions necessary to sustain safety-critical programs. Non-labor forecasts are based on a four-year historical average, resulting in cost expectations that are both accurate and generally lower than in prior periods. The Workers' Compensation and Long-Term Disability workpapers appropriately apply non-standard escalation and zero-based forecasting techniques to reflect evolving cost drivers and improve precision.

Within the Safety function, both labor and non-labor forecasts similarly rely on a base year methodology, and all requested incremental activities are narrowly focused on maintaining and enhancing employee, public, and infrastructure safety.

Collectively, these investments reflect prudent cost management, sound forecasting practices, and a continued focus on risk mitigation and operational integrity. For these reasons, we respectfully request that the Commission approve, as just and reasonable, the forecast methodologies and proposed costs for all workpapers presented in this testimony. This concludes my prepared direct testimony.

VII. WITNESS QUALIFICATIONS

My name is Abigail Nishimoto and I am currently employed by Southern California Gas Company. My business address is 555 W Fifth St., Los Angeles, California, 90013. I am currently the Senior Director of Talent & Culture. I oversee activities related to Organizational Effectiveness, Human Resources, and Diversity, Equity & Inclusion. I have been employed by the company since 2019 and began as the Learning and Development Manager within the People & Culture division. I was promoted to the Director of Organizational Effectiveness position in September of 2021, and into my current Senior Director Role in December 2025. I received my bachelor's degree from Grace College in Winona Lake, Indiana in 2008, and my Master of Business Administration from Biola University in La Mirada, California in 2018. Prior to joining SoCalGas, I held various HR related roles in the healthcare and non-profit industries. I testified previously in the 2024 General Rate Case proceeding, for which I was the People & Culture testimony witness.

APPENDIX A

GLOSSARY OF TERMS

APPENDIX A – Glossary of Terms

ACRONYM	DEFINITION
ADA	Americans with Disabilities Act
AED	Automated External Defibrillator
API RP 1173	American Petroleum Institute Recommended Practice 1173 – Pipeline Safety Management Systems
ASC	Advisory Safety Council
ATL	Above the Line
BCR	Benefit-Cost Ratio
BY	Base Year
CAVA	Climate Adaptation Vulnerability Assessment
CBA	Collective Bargaining Agreement
CBRA	Cost-Benefit Ratio Analysis
CFR	Code of Federal Regulations
CMS	Centers for Medicare & Medicaid Services
CPUC	California Public Utilities Commission
CPR	Cardiopulmonary Resuscitation
CRD	California Civil Rights Department
CSP	Contractor Safety Program
CSB	Chemical Safety Board
CSO	Chief Safety Officer
CUPA	Certified Unified Program Agency
DEI	Diversity, Equity & Inclusion
DIR	California Department of Industrial Relations
DOT	United States Department of Transportation
D&CS	Design & Creative Services
ECS	Employee Care Services
EEOC	Equal Employment Opportunity Commission
EHSM	Environmental Health and Safety Management
ELP	Event Learning Process
EL&CI	Event Learning & Continuous Improvement
EAP	Employee Assistance Program
ERG	Employee Resource Group
ERM	Enterprise Risk Management
ESC	Executive Safety Council
ESCMP	Environmental Safety Compliance Program
FEHA	Fair Employment and Housing Act
FMCSA	Federal Motor Carrier Safety Administration
FMLA	Family Medical Leave Act
FTE	Full-Time Equivalent
GO	General Order

ACRONYM	DEFINITION
GRC	General Rate Case
HECA	High Energy Control Assessment
HIPP	Heat Illness Prevention Program
HR	Human Resources
HRBP	Human Resources Business Partner
HRIS	Human Resources Information Systems
HRRA	Human Resources Research & Analysis
IAIABC	International Association of Industrial Accident Boards and Commissions
IEP	Incident Evaluation Program
IIPP	Injury and Illness Prevention Program
JHA	Job Hazard Analysis
JSSO	Job-Specific Safety Plan
KPI	Key Performance Indicator
LACDPH	Los Angeles County Department of Public Health
L&D	Learning and Development
LTD	Long-Term Disability
MIS	Management Information System
NLRB	National Labor Relations Board
NTSB	National Transportation Safety Board
O&M	Operations and Maintenance
OD	Organizational Development
OE/DEI	Organizational Effectiveness & Diversity, Equity & Inclusion
OII	Order Instituting Investigation
OIR	Order Instituting Rulemaking
OHN	Occupational Health Nurse
OSIP	Office of Self-Insurance Plans
OSHA	Occupational Safety and Health Administration
PHMSA	Pipeline and Hazardous Materials Safety Administration
PDL	Pregnancy Disability Leave
PPE	Personal Protective Equipment
PSIF	Potential Serious Injury and Fatality
RAMP	Risk Assessment Mitigation Phase
RDF	Risk-Based Decision-Making Framework
RF	Radio Frequency
RIF	Reduction in Force
RSAR	Risk Spend Accountability Report
SED	Safety Enforcement Division (CPUC)
SIMS	Safety Information Management System
SMS/PSMS	Safety Management System or Pipeline Safety Management System
SoCalGas	Southern California Gas Company

ACRONYM	DEFINITION
SPMR	Safety Performance Metrics Report
SPD	Safety Policy Division (CPUC)
TA	Talent Acquisition
TSB	Tailgate Safety Briefing
TY	Test Year
USB	Underground Safety Board
VCDA	Value Creation & Decision Analytics
VREP	Voluntary Retirement Enhancement Program
WC	Workers' Compensation
WACC	Weighted Average Cost of Capital

APPENDIX B

CONTROLS AND MITIGATIONS COMPLIANCE DRIVER ROADMAP

APPENDIX B

CONTROLS AND MITIGATIONS COMPLIANCE DRIVER ROADMAP

The table below indicates the compliance drivers that underpin Risk Controls/Mitigations identified in testimony.

Control/ Mitigation ID	Control/Mitigation Name	Compliance Driver
C343	Employee Safety Strategy	Cal/OSHA Title 8, DOT, PHMSA, CPUC, LA County Department of Public Health (LACDPH), Certified Unified Program Agency (CUPA)
C345	Safety & Health – Operations	Cal/OSHA Title 8, DOT, PHMSA, CPUC, LA County LACDPH, CUPA
C346	Safety & Health – Programs	Cal/OSHA Title 8, DOT, PHMSA, CPUC, LA County LACDPH, CUPA
C347	Event Learning & Continuous Improvement	PHMSA 49 CFR §§ 191 and 192, GO 112-F
C342	Safety Technology & Analytics	Cal/OSHA Title 8, OSHA, Cal-OES, CPUC reporting including but not limited to Safety Performance Metrics Report and Safety Enforcement Division (SED) Quarterly Report, Underground Safety Board (USB), Chemical Safety Board (CSB), LACDPH, CUPA
C312	Drug and Alcohol Testing Programs	PHMSA 49 CFR §§ 40 and 199
C349	Contractor Safety Program	OSHA, DOT / PHMSA, CalGEM

APPENDIX C
GRC-RAMP INTEGRATION

Area: SAFETY & CULTURE

Witness: Abigail M. Nishimoto

GRC - RAMP Integration

GRC Workpaper	GRC Wkp Description	RAMP WKP	RAMP Wkp Description	RAMP Unit Measure	TOTAL (in 000s)							UNITS						
					2025	2026	2027	2028	2029	2030	2031	2025	2026	2027	2028	2029	2030	2031
2200-2551.000	Safety Excellence Event Learning & Continuous Improvement	2OR05C347	SCG-Risk-5 Employee Safety Event Learning & Continuous Improvement	FTEs	770	799	798	798	798	798	798	6	6	6	6	6	6	6
2HR003.000	SCG Director Labor Relations	2OR05C312	SCG-Risk-5 Employee Safety Drug and Alcohol Testing Programs	Tests Administered	476	486	497	511	520	530	543	3,244	3,244	3,244	3,244	3,244	3,244	3,244
2HR007.000	Safety Excellence Health & Safety	2OR05C343	SCG-Risk-5 Employee Safety Safety Strategy	FTEs	311	321	321	321	321	321	321	2	2	2	2	2	2	2
2HR007.000	Safety Excellence Health & Safety	2OR05C345	SCG-Risk-5 Employee Safety Safety & Health - Operations	FTEs	1,950	2,590	2,901	2,901	2,901	2,901	2,901	13	17	19	19	19	19	19
2HR007.000	Safety Excellence Health & Safety	2OR05C346	SCG-Risk-5 Employee Safety Safety & Health - Programs	FTEs	1,619	1,645	1,644	1,644	1,644	1,644	1,644	5	5	5	5	5	5	5
2HR007.000	Safety Excellence Health & Safety	2OR05M393	SCG-Risk-5 Employee Safety Industrial Athlete Program (A)	Employees or contractors supported	0	0	820	820	820	820	820	0	0	0	0	0	0	0

Note: Totals may include rounding differences. Total amounts preceded by a double asterisk (**) are in millions ($MM). Unit values preceded by a single asterisk (*) are displayed in thousands (000s).

Area: SAFETY & CULTURE

Witness: Abigail M. Nishimoto

GRC - RAMP Integration

GRC Workpaper	GRC Wkp Description	RAMP WKP	RAMP Wkp Description	RAMP Unit Measure	TOTAL (in 000s)							UNITS						
					2025	2026	2027	2028	2029	2030	2031	2025	2026	2027	2028	2029	2030	2031
2HR008.000	Safety Excellence Contractor Safety	2OR06 C349	SCG-Risk-6 Contractor Safety Contractor Safety Program	FTEs	297	304	618	618	618	618	618	2	2	4	4	4	4	4
2HR011.000	Safety Technology & Analytics	2OR05 C342	SCG-Risk-5 Employee Safety Safety Technology & Analytics	FTEs	1,435	1,470	1,468	1,468	1,468	1,468	1,468	7	7	7	7	7	7	7
2HR013.000	Contractor Safety Performance	2OR06 C349	SCG-Risk-6 Contractor Safety Contractor Safety Program	FTEs	643	665	664	664	664	664	664	4	4	4	4	4	4	4

Note: Totals may include rounding differences. Total amounts preceded by a double asterisk (**) are in millions ($MM). Unit values preceded by a single asterisk (*) are displayed in thousands (000s).