Application: A.25-12-~~XXX~~019
Exhibit No.: _____
Witness: Jennifer L. Walker

REVISED

PREPARED DIRECT TESTIMONY OF

JENNIFER L. WALKER

ON BEHALF OF

SOUTHERN CALIFORNIA GAS COMPANY (U 904 G)

(CHAPTER 1 – OVERVIEW)

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

July 2, 2026~~December 30, 2025~~

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PREPARED DIRECT TESTIMONY OF
JENNIFER L. WALKER
(OVERVIEW)

I. INTRODUCTION AND OVERVIEW

My testimony supports Southern California Gas Company's (SoCalGas) Application for Authorization to Implement Revenue Requirement for Advanced Meter Infrastructure Replacement Project (Application). The Application requests that the California Public Utilities Commission (Commission) authorize SoCalGas to implement a revenue requirement based on a forecasted cost of approximately $2.10 billion to execute the Advanced Meter Infrastructure Replacement (AMIR) Project and to establish a two-way balancing account to track actual and authorized revenue requirement for refund to customers in the event expenditures are less than authorized forecast or further review in the event expenditures exceed the authorized forecast.[1] My testimony provides: (1) background on SoCalGas's existing Advanced Meter Infrastructure (AMI) system, (2) a summary of the proposed AMIR Project and associated forecasted costs, and (3) a description of how the project will preserve SoCalGas's billing and meter-to-cash functions, while maintaining and enhancing safety, reliability, and affordability benefits, in alignment with Commission and State policy objectives.

As described in the Direct Testimony of David M. Mercer (Chapter II), SoCalGas's existing AMI system is reaching its expected end of life and becoming obsolete because the manufacturer will no longer support the AMI system currently installed. Meter communication module (module) end of life analyses confirm that significant battery failures are expected to begin in 2030. In addition, supporting components will either become obsolete or must be replaced or reintegrated to maintain system compatibility and support evolving cybersecurity needs. Accordingly, as described in the Direct Testimonies of Amy D. Vulin (Chapter III) and

[1] To meet the timelines outlined in the Direct Testimonies of Amy D. Vulin (Chapter III) and Linden S. Olah (Chapter IV), SoCalGas must initiate several AMIR Project activities during the pendency of the proceeding, well in advance of the significant module battery failures expected to begin in 2030. These upfront efforts cannot wait for a final decision if the project is to stay on schedule and avoid exposing customers to escalating system failures and costs. Accordingly, SoCalGas intends to file a motion requesting Commission authorization to establish the AMIR Project Memorandum Account (AMIRMA) to record necessary pre-decision expenditures. For more information related to regulatory accounting and cost recovery, refer to the Direct Testimony of Payal A. Gadani, Sakif Wasif, and Julia L. Cortez (Chapter V).

Linden S. Olah (Chapter IV), SoCalGas is proposing a planned, systemwide replacement of its AMI system.

The AMI system is first and foremost the backbone of SoCalGas's meter-to-cash process.[2] Accurately measuring customer usage for billing is one of the most essential functions of a utility, and AMI enables SoCalGas to perform this obligation reliably, efficiently, and at scale. Without the AMI system, usage would have to be collected manually through field staff, significantly increasing costs, delaying billing, and elevating the risk of estimated bills and billing exceptions.[3]

The AMI system is also foundational to SoCalGas's ability to provide safe, reliable, and affordable service to customers and provides meaningful environmental benefits, in alignment with Commission and State goals. AMI data and analytics can help identify abnormal usage that may indicate leaks or malfunctioning equipment, provide localized pressure information, and deliver situational awareness during emergency events. In addition, SoCalGas's AMI system collects daily usage data from over six million meters, enabling more precise demand forecasting, improving system planning and event/outage response, and supporting compliance with daily core balancing requirements. The AMI system also supports customers and high-bill investigations by providing granular interval-level data that enables both customers and SoCalGas to better understand usage patterns, identify anomalies, and pinpoint potential drivers of abnormal consumption (e.g., left-on appliances or leaks), and helps mitigate energy diversion through tamper alarms. In addition, the AMI system supports customer-facing tools such as Ways to Save, Bill Tracker Alerts (BTA), and Home Energy Reports (HERs), which promote customer conservation and management of bills. Furthermore, automated meter reading eliminates the need for hundreds of full-time employees and millions of annual vehicle-based meter reads, significantly reducing costs, field exposure, and vehicle miles traveled, while improving billing accuracy by reducing estimated bills and minimizing bill exceptions and

[2] The meter-to-cash process refers to the utility functions necessary to measure customer gas usage and convert that information into a customer bill. This process includes meter data collection and validation; transfer of usage data to billing; bill generation and delivery; customer payments; and customer account management.

[3] "Billing exceptions" generally refers to a situation where a customer's bill cannot be automatically generated or processed through the normal billing system and workflow, usually because of lacking, inconsistent, or abnormal data that requires manual review or correction before the bill can be issued.

adjustments. The AMIR Project will maintain and strengthen these benefits through enhanced cybersecurity protections, more frequent meter data collection, and the capability to integrate future endpoint technologies such as ultrasonic meters with remote valve control (to allow the stoppage of gas flow) and residential methane detectors.

As explained in the Direct Testimony of David M. Mercer (Chapter II), SoCalGas evaluated alternatives and determined that the AMIR Project represents the most cost-efficient and prudent path to address the end of life of SoCalGas's existing AMI system, enabling continuity of these benefits and avoiding the far greater costs and risks associated with reactive replacement or manual meter reading. Moreover, timely Commission approval is essential. Delaying the AMIR Project would create the opportunity for increased module failures and forces less coordinated, more reactive responses that would be significantly more costly for customers. Advancing the AMIR Project allows SoCalGas to implement a programmatic, systemwide approach—which is the most prudent and cost-efficient approach for customers.

II. AMI BACKGROUND

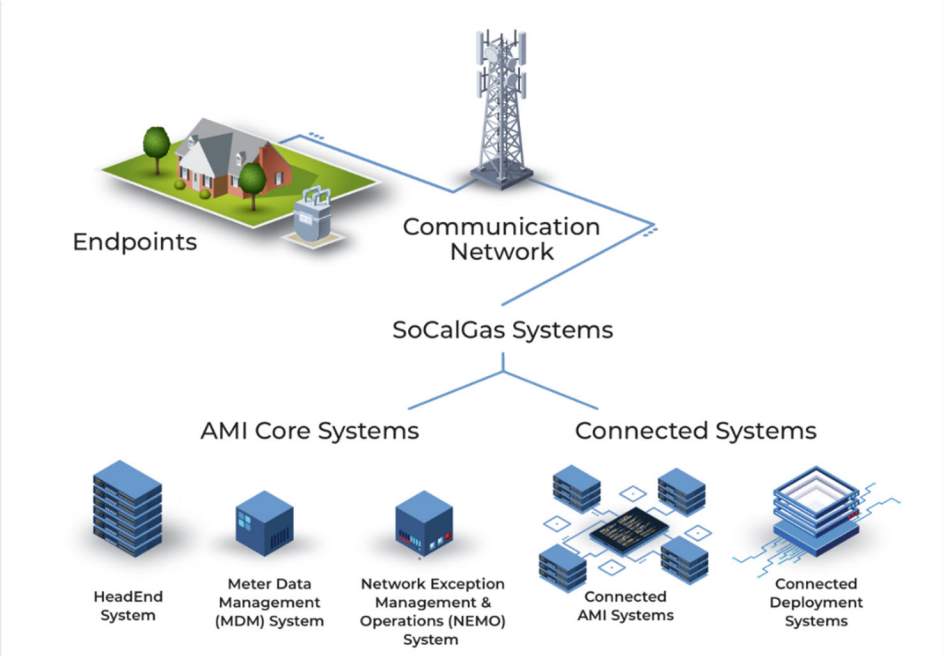
On September 29, 2008, SoCalGas filed Application (A.) 08-09-023 requesting authorization to develop and deploy an AMI system throughout its service territory (Original Application). The proposal sought authority to deploy approximately six million AMI modules on existing natural gas meters, supported by a fixed-network communications system and associated data management infrastructure. SoCalGas explained that the project would replace manual meter reading, modernize data collection, and enable near real-time customer access to gas usage information, providing operational efficiencies, supporting customer conservation, and aligning with statewide energy policy goals.

On April 8, 2010, the Commission issued Decision (D.) 10-04-027, approving SoCalGas's Original Application and authorizing approximately $1.05 billion in funding (Original AMI Decision). The Original AMI Decision found SoCalGas's proposal to be reasonable, beneficial to customers, and consistent with state policy goals. Following the Original AMI Decision, SoCalGas deployed approximately six million meter modules, nearly 4,600 data collector units (DCUs), and associated network and data-management components. Mass deployment began in 2012 and was completed by 2018. The project replaced manual meter reading with automated, near real-time data collection, enabling more efficient billing, improved operational efficiency, enhanced safety, and meaningful conservation outcomes for

customers. The existing system continues to serve as the backbone for SoCalGas's metering, billing, and consumption analytics operations today.

Today, fifteen years after the Original AMI decision, the technology that has reliably served customers is nearing its end of life. As described in the Direct Testimony of David M. Mercer (Chapter II), third-party analyses confirm that significant module battery failures will begin around 2030, and that addressing them reactively across more than six million meters would not be prudent or cost-efficient for customers.[4] The current module is also becoming obsolete, with the manufacturer no longer producing the current module at any scale after mid-2031, beyond what is required to service existing warranty obligations. Because the AMI system operates as an integrated network (*see* Figure I-1 below), associated components, including the Communication Network, the HeadEnd System, and the Meter Data Management (MDM) System, must also be replaced to maintain compatibility and to support evolving cybersecurity needs. Several of these components will no longer be supported by the manufacturer after 2038 and, until then, the manufacturer will provide support to the system as-is (i.e., current state).

Figure I-1 - AMI System



[4] For more information regarding module battery failures and alternatives, refer to the Direct Testimony of David M. Mercer (Chapter II).

These factors collectively demonstrate the need for a coordinated, systemwide replacement to sustain the essential functions of SoCalGas's AMI system discussed herein. Accordingly, as described in the Direct Testimonies of Amy D. Vulin (Chapter III) and Linden S. Olah (Chapter IV), SoCalGas proposes the AMIR Project, a planned, systemwide replacement of its AMI system. The AMIR Project builds directly upon the foundation established in the Original AMI Decision, by preserving the Commission's objectives of cost-effective modernization and customer value, while adapting to current technological and operational realities.

III. AMIR PROJECT OVERVIEW AND SUMMARY OF COSTS

The AMIR Project consists of two major workstreams—technology and deployment—with planning and governance activities coordinated through the Project Management Office (PMO). As described in the Direct Testimony of Amy D. Vulin (Chapter III), the technology scope encompasses all planning, design, procurement, and integration activities necessary to prepare the new AMI platform for deployment. These activities include:

- Endpoints: Procurement of more than six million replacement modules;[5]
- Communication Network: Design and configuration of the modernized two-way communication network, including network devices supporting radio spectrum and/or cellular transmission; and
- SoCalGas Systems: Replacement or reintegration of systems, including the HeadEnd System, the MDM System, and the Network Exception Management and Operations (NEMO) System, and approximately twenty connected applications that rely on AMI data for billing, safety, and analytics.

Technology activities also include cybersecurity review, systems integration, and transition planning to enable operational continuity when deployment begins. SoCalGas requests recovery of approximately $918.4~~$928.7~~ million in direct costs (~~$25.7~~$23.4 million O&M and ~~$903.0~~ $895.0 million capital) for these technology components and activities.

[5] As described in the Direct Testimony of Amy D. Vulin (Chapter III), while the majority of the replacement effort involves the installation of new meter modules, the module replacement scope also includes new modules on electronic pressure monitors (EPMs), electronic volume correctors (EVCs), and electronic correctors (ECs) to enable transmission of pressure and volume data through the Communication Network and to SoCalGas Systems. With regards to ECs, the instrument design prohibits replacement of the module and, therefore, all ECs must be replaced. SoCalGas also anticipates minor ancillary replacements, including replacement of approximately two percent of meters damaged during module installation.

As described in the Direct Testimony of Linden S. Olah (Chapter IV), the deployment workstream covers the field implementation of the AMIR Project once the technology is ready. These activities include:

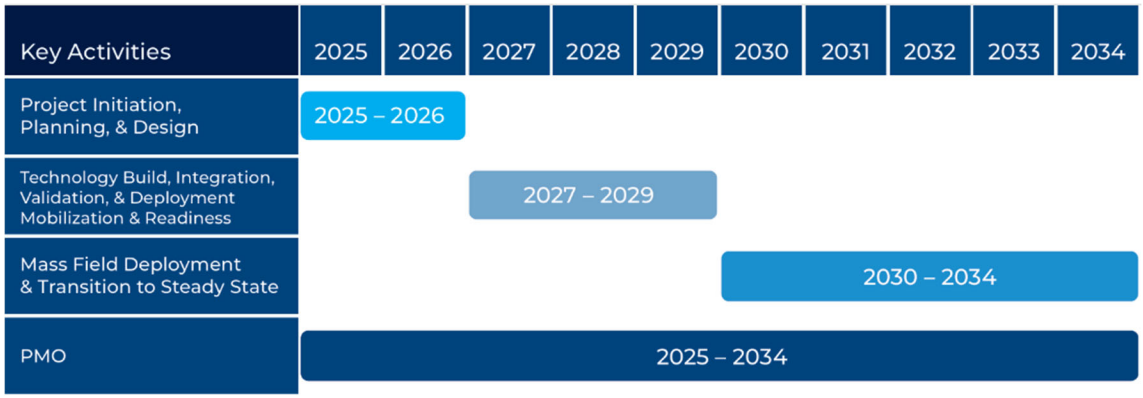
- Field Deployment: Removal of over six million legacy modules and installation of replacement devices between 2030[6] and 2034, supported by installers (with up to approximately 500 technicians supporting daily installations at a given time), technician training, quality assurance (QA), and material quality management (MQM);
- Warehousing and Fleet: Establishment and operation of temporary regional warehouses and fleet services to support field deployment;
- Project Management Office (PMO): Centralized governance, scheduling, and cost-control functions to coordinate AMIR Project workstreams; and
- Customer Services and Customer and Stakeholder Awareness: Support for billing, customer inquiries, and customer and stakeholder outreach to maintain safety and awareness related to the project.

SoCalGas requests recovery of approximately ~~$497.6~~$488.4 million in direct costs (~~$224.1~~$205.1 million O&M and ~~$273.4~~$283.3 million capital) for these deployment activities.

The AMIR Project activities will occur over a ten-year period (2025-2034), following a structured, phased approach to replace SoCalGas's existing AMI system and provide continued system performance, compatibility, and cybersecurity (*see* Figure I-2 below). To meet the timelines outlined in the Direct Testimonies of Amy D. Vulin (Chapter III) and Linden S. Olah (Chapter IV), SoCalGas must initiate AMIR Project activities well in advance of the significant module battery failures expected to begin in 2030 to avoid exposing customers to escalating system failures and costs.

[6] Beginning with some initial installations in late 2029 (validation through initial deployment of approximately 25,000 modules to confirm functionality, data accuracy, and interoperability prior to full deployment).

Figure I-2 – AMIR Project Key Activities



The key activities are as follows:[7]

- 2025-2026: Project Initiation, Planning, and Design
  - Conduct AMIR vendor solicitation (Request for Information (RFI)/Request for Proposal (RFP)) to finalize technology vendor selection and begin RFP process for selection of system integration vendor and deployment vendors (to support areas such as Warehousing and Fleet).
  - Complete system architecture and design for the replacement HeadEnd System, the MDM System, and the NEMO System.
  - Define cybersecurity framework, data architecture, and integration strategy for connected enterprise systems.
  - Begin MQM onboarding and process development.
- 2027-2029: Technology Build, Integration, Validation, and Deployment Mobilization and Readiness
  - Configure and implement AMI Core Systems (the HeadEnd System, the MDM System, the NEMO System) on modernized, cloud-based platforms.
  - Develop and test data transformation interfaces for approximately twenty connected SoCalGas enterprise applications (e.g., billing, analytics, and safety systems).
  - Design and configure the replacement Communication Network per the completed network propagation modeling.[8]

[7] For more information regarding key activities, refer to the Technology Roadmap and Deployment Roadmap in Direct Testimonies of Amy D. Vulin (Chapter III) and Linden S. Olah (Chapter IV), respectively.

[8] "Propagation modeling" refers to the process of simulating how radio signals travel through the environment to determine optimal placement, density, and configuration of the network to confirm reliable data transmission across the AMI network.

- Conduct system integration, performance, regression, and cybersecurity penetration testing.
- Design and launch deployment training program, including training for new technicians and existing technicians.
- Initiate early awareness efforts for safe access with customers and stakeholders.
- Commission initial warehouses, secure early fleet delivery, and begin limited workforce mobilization for deployment readiness.
- Perform validation of AMIR systems through initial deployment of approximately 25,000 modules to confirm functionality, data accuracy, and interoperability prior to full deployment.

- 2030[9]-2034: Mass Field Deployment and Transition to Steady State
  - Replace over six million modules across SoCalGas's service territory using a geographically phased mass deployment plan.
  - Maintain dual operation of legacy and replacement systems to preserve uninterrupted billing and data collection.
  - Implement continuous QA inspections on installations and ongoing MQM sampling for vendor production quality.
  - Operate AMIR Project dedicated customer call center and execute customer and stakeholder awareness to support safe access to meters.
  - Decommission legacy communication network equipment and associated information technology (IT) systems as regional installations conclude.
  - Complete project closeout in 2034, decommission remaining temporary warehouse facilities, and transition to long-term operations under steady-state IT and field support teams.

- 2025-2034: PMO
  - Throughout the AMIR Project the PMO will coordinate workstreams, manage vendor performance, monitor schedule and budget adherence, and oversee reporting to manage timely and cost-efficient execution.

IV. THE AMIR PROJECT PRESERVES THE BACKBONE OF SOCALGAS'S METER-TO-CASH PROCESS AND PRESERVES AND ENHANCES SAFETY, RELIABILITY, AFFORDABILITY, AND ENVIRONMENTAL BENEFITS IN ALIGNMENT WITH COMMISSION AND STATE OBJECTIVES

The AMI system is the backbone of SoCalGas's meter-to-cash process. Accurately measuring customer usage for billing is one of the most essential functions of a utility, and AMI

[9] Beginning with some initial installations in late 2029 (validation through initial deployment of approximately 25,000 modules to confirm functionality, data accuracy, and interoperability prior to full deployment).

enables SoCalGas to perform this obligation reliably, efficiently, and at scale. Without the AMI system, usage would have to be collected manually through field staff, significantly increasing costs, delaying billing, and elevating the risk of estimated bills and billing exceptions. SoCalGas's AMI system is also essential to SoCalGas's operations, providing capabilities that support safety, reliability, affordability, and environmental benefits, in alignment with Commission and State objectives. These benefits rely on the integrity, continuity, and cybersecurity of the AMI network and the systems that process and distribute the data it collects. As the existing system approaches its end of life, proactive replacement is necessary to preserve and strengthen these functions. The AMIR Project will make certain these foundational capabilities remain uninterrupted while delivering important enhancements, including moving to modern cybersecurity protections, more frequent collection of meter data, and the capability to integrate future endpoint technologies (e.g., ultrasonic meters with remote valve control (to allow the stoppage of gas flow) and residential methane detectors).

A. Safety Benefits

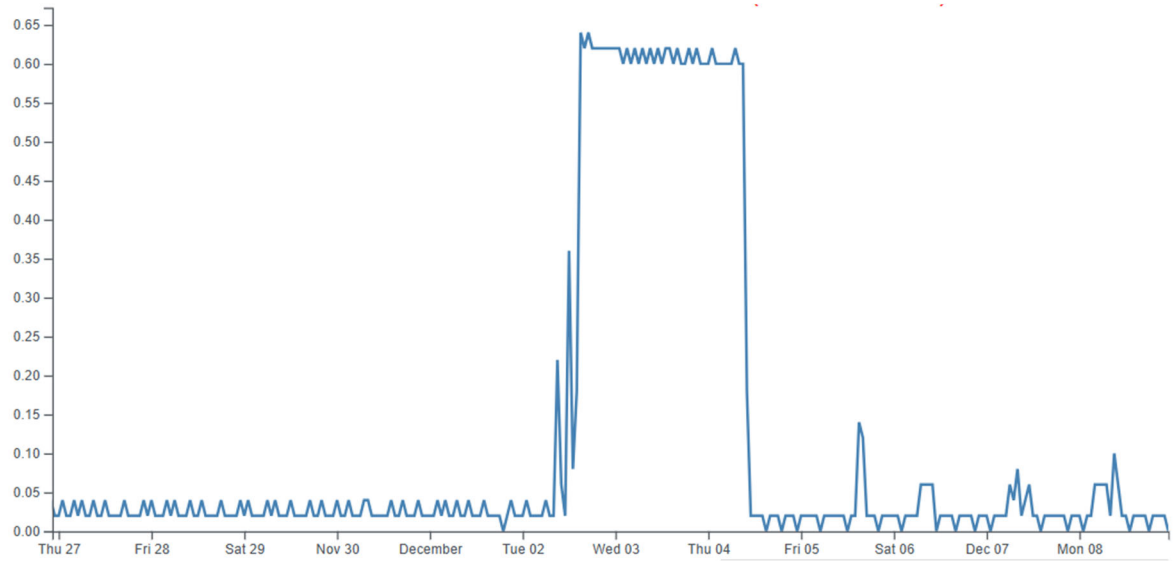
As described in this section, the AMI system provides safety benefits that will be maintained and enhanced through the AMIR Project. The AMI system provides data and analytics that can help identify and respond to potential hazards across SoCalGas's 24,000 square-mile service territory. Under the current system, data availability can be subject to latency, meaning that information used to identify potential safety issues may not always be quickly received or analyzed. In certain circumstances, these analytics enable the detection of abnormal usage patterns such as an unexplained increase in gas flow that may indicate a customer-side leak or an appliance inadvertently left on. When anomalies are detected, AMI data allows SoCalGas to alert customers or dispatch personnel for further investigation, if needed.

Figure I-3 below is an example of how gas consumption analytics support customer safety. In this figure, the y-axis represents the amount of gas used in CCF[10] and the x-axis represents time (days), and the jagged line represents the flow of gas over time. In this example, normal gas flow is observed where the jagged line fluctuates just above 0. Near the middle of the x-axis/time-period, gas flow spiked by multiple CCFs. With AMI data analytics, the unusual

[10] CCF refers to one hundred cubic feet of natural gas and is a standard volumetric unit used for metering and billing natural gas consumption.

consumption was identified as a customer appliance (BBQ) that was left on. This is just one example of how leveraging the AMI system can result in the identification of abnormally high gas usage, which assists in responding to potential hazards.

Figure I-3: AMI Analytics



AMI also supports distribution system integrity by providing localized pressure data, such as regulator outlet pressures, at specific points across the system. These measurements allow SoCalGas to identify deviations and verify system pressures and remain within safe operating parameters. Additionally, these monitoring capabilities support compliance with the Commission's General Orders 58-A and 112-F, which require utilities to furnish and maintain safe and adequate gas service and to confirm the integrity and safe operation of their pipeline systems. During emergency events, AMI data can allow SoCalGas to remotely determine whether gas is flowing to customers in affected areas and monitor how usage patterns change. This situational awareness helps support emergency response, including local emergency responders (e.g., fire and police personnel), and assist restoration once conditions stabilize. The AMI system also supports safety by eliminating manual meter reads, limiting employee exposure in the field. The AMIR Project will not only maintain but also enhance these benefits by providing more frequent data collection and support for new endpoint types. In addition, the replacement HeadEnd System will enable on-demand meter reads, allowing SoCalGas to obtain interval data outside the regular collections schedule.

B. Reliability Benefits

The AMI system provides reliability benefits by collecting customer usage data from over six million customer meters, providing the visibility needed to manage gas demand and system conditions, that will be continued and bolstered through the AMIR Project. This granular data enables SoCalGas to forecast demand with greater precision, correlating usage with temperature on a daily rather than monthly basis, allowing for improved system operations and planning. The Commission has recognized the value of AMI, including in the Original AMI Decision, which approved SoCalGas's initial AMI deployment. More recently, in D.19-08-002, the Commission directed SoCalGas's Gas Acquisition Department (the department within SoCalGas that procures gas supplies on behalf of core customers) to schedule and balance to estimated actual consumption derived from AMI data, improving the precision of daily load estimates, and supporting compliance with balancing and Operational Flow Order (OFO) requirements. Prior to this decision, SoCalGas's Gas Acquisition balanced to forecasted demand rather than estimated actual usage. Pursuant to D.19-08-002, AMI data is incorporated into daily core demand forecasting and balancing activities.

As explained above, the AMI system also provides localized pressure data (e.g., regulator outlet pressures) at specific points across the system, supporting reliability of the distribution system. In addition, the AMI system supports event and outage response by allowing SoCalGas to remotely confirm which customers are receiving gas service, identify impacted areas, and prioritize restoration efforts without waiting for manual verification in the field. The AMIR Project will not only preserve but also strengthen these reliability benefits by maintaining uninterrupted data continuity, providing more frequent data, and enabling on-demand meter reads. In addition, the Project will enhance the reliability of the AMI system itself through upgraded network architecture and cybersecurity features designed to protect the AMI system integrity.[11]

C. Affordability Benefits

The AMI system provides affordability benefits that will be preserved and enhanced through the AMIR Project. The AMI system supports affordability by reducing operational expenses (e.g., by automating meter reading and eliminating the need for hundreds of full-time

[11] For more information, refer to the Direct Testimony of Amy D. Vulin (Chapter III).

employees and millions of annual truck rolls). This automation has reduced significant costs, including labor and non-labor expenses (e.g., fleet vehicle costs) and capital expenditures associated with periodically replacing meter reading handheld computers and related peripheral equipment. The system also enhances billing efficiency by automatically transmitting meter reads several times a day, which reduces estimated bills and minimizes billing exceptions and adjustments. These improvements streamline billing and lower overall administrative costs, supporting affordability for customers.

The AMI system supports inquiries and high-bill investigations by providing granular interval level data that allows both customers and SoCalGas to understand consumption patterns and pinpoint anomalies. The AMI system also empowers customers with insights and tools to better manage their usage and bills. Applications such as Ways to Save and BTAs provide customers with hourly gas usage data, projected charges, and personalized insights that enable proactive management of energy consumption. Similarly, HER's compare a customer's usage to similar homes, provides energy saving tips, and tracks progress over time. By leveraging AMI data, these programs provide customers with actionable information, enabling behavioral changes that can reduce consumption and lower bills. In addition, utilizing AMI data to identify abnormally high gas usage and notify customers helps reduce the potential financial burden resulting from higher usage. The AMI system also helps mitigate energy diversion and theft through built-in module alarms that detect potential tampering. These capabilities allow SoCalGas to identify and address diversion, reducing costs that would otherwise be borne by customers. Furthermore, AMI data reduces the need for manual field investigations and truck rolls because SoCalGas has remote visibility into meter status and usage conditions across the system. The AMIR Project will preserve and build on these affordability benefits by providing more frequent usage data. The Project also avoids the significantly higher costs associated with reactive replacement or manual meter reading as discussed in the Direct Testimony of David M. Mercer (Chapter II).

D. Environmental Benefits

The AMI system provides meaningful environmental benefits that will be maintained and strengthened through the AMIR Project. By automating monthly meter reading, the AMI system eliminates millions of annual vehicle-based meter reads. This operational change dramatically reduces associated vehicle miles traveled and subsequent greenhouse gas (GHG) emissions.

SoCalGas also leverages AMI data analytics to identify unusual consumption patterns that may indicate leaks or malfunctioning equipment, helping to reduce emissions. The AMI system also enables customer-driven conservation by providing detailed usage information and energy management tools (e.g., HER) that help customers understand and manage their consumption, supporting energy efficiency and lowering emissions. These benefits are in alignment with California legislative and policy objectives, as set forth by Assembly Bill (AB) 32 and Senate Bill (SB) 32 (setting statewide GHG reduction targets) and SB 350 (mandating doubling of energy efficiency savings). The AMIR Project will extend and expand these environmental benefits by incorporating advanced capabilities such as integration with next-generation endpoint technologies.

V. CONCLUSION

The AMIR Project represents a necessary and prudent investment to preserve core functions that enable SoCalGas to deliver safe, reliable, and affordable service. The existing AMI system underpins critical operational, customer service, and environmental benefits that depend on the continued integrity and performance of SoCalGas's AMI system. With the current technology nearing end of life and obsolescence, proactive replacement is required to maintain these essential capabilities and avoid disruptions that would erode these benefits. The AMIR Project will allow for uninterrupted data collection while introducing key enhancements (e.g., enhanced cybersecurity, more frequent data collection, and compatibility with future endpoint technologies).

This concludes my prepared direct testimony.

VI. WITNESS QUALIFICATIONS

My name is Jennifer L. Walker, and I am Vice President of Gas Distribution for Southern California Gas Company (SoCalGas). My business address is 555 West Fifth Street, Los Angeles, California 90013. In my current role, I oversee all aspects of SoCalGas's gas distribution operations and construction. I began working at SoCalGas over 20 years ago and have held roles including Vice President of Customer Services and Digital Enablement, Director of Gas Control and System Planning, Director of Pipeline Safety and Compliance, and Director of Distribution Planning and Project Management. I have a Bachelor of Science degree in chemical engineering and a Master of Business Administration from the University of Southern California.

I have not previously testified before the Commission.