

Company: San Diego Gas & Electric Company (U 902 M)
Proceeding: 2024 General Rate Case
Application: A.22-05-_____
Exhibit: SDG&E-16

PREPARED DIRECT TESTIMONY OF
THERESE C. SACCO
(CUSTOMER INFORMATION SYSTEM REPLACEMENT POLICY)

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



May 2022

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**PREPARED DIRECT TESTIMONY OF
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I. INTRODUCTION

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A. Summary of Proposals

I sponsor the Test Year 2024 General Rate Case (GRC) policy testimony regarding San Diego Gas & Electric (SDG&E) Company's Customer Information System (CIS) replacement. I present an overview of the new CIS, an updated forecast of the benefits achieved under the new CIS, and discuss the balancing accounts authorized for the recovery of the CIS replacement implementation costs. I also note the other witness chapters that include the ongoing costs for the new CIS.

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B. Organization of Testimony

The sections in my testimony are:

- CIS Replacement Program Policy (Section II)
- CIS Replacement Program Implementation Costs (Section III)
- CIS Replacement Program Benefits (Section IV)
- CIS Replacement Program Ongoing Costs (Section V)

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C. Other Witnesses Support

The regulatory accounts authorized for the recovery of the CIS replacement implementation costs discussed in Section III of my testimony are also addressed in the Regulatory Accounts testimony (Exhibit SDG&E-43). The benefits discussed in Section IV of my testimony are incorporated into the forecasts for Customer Services - Field Operations (Exhibit SDG&E-17), Customer Services - Office Operations (Exhibit SDG&E-18), Customer Services – Information (Exhibit SDG&E-19), and Information Technology (Exhibit SDG&E-25).

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II. CIS REPLACEMENT PROGRAM POLICY

A. Regulatory Background and Overview

SDG&E filed an application for CPUC approval to replace its CIS in April 2017. The CPUC approved SDG&E's CIS Replacement Program in August 2018 and SDG&E moved forward with the replacement program. The new CIS went live in April of 2021.

1 **1. Regulatory Background**

2 On April 28, 2017, SDG&E filed Application (A.) 17-04-027 for authority to implement
3 its CIS Replacement Program. On January 25, 2018, parties to the proceeding filed a Joint
4 Motion for Adoption of Settlement Agreement (CIS Settlement Agreement) that addressed
5 project implementation costs, benefits realization and reporting, creation of balancing accounts,
6 accounting for cloud-based software, contingency costs, and the pre-2019 (pre-implementation)
7 Operations and Maintenance (O&M) forecast. Decision (D.) 18-08-008 approved the all-party
8 CIS Settlement Agreement as filed and authorized SDG&E to implement its CIS Replacement
9 Program in accordance with the settlement agreement.

10 D.18-08-008 Ordering Paragraph 4 states:

11 Within 60 days from the effective date of this decision, San Diego Gas & Electric
12 Company shall create and establish the Customer Information System balancing
13 account (CISBA) by filing a Tier 2 advice letter with the Commission. San Diego
14 Gas & Electric Company shall comply with the mechanism and terms and
15 conditions concerning the CISBA that are set forth in Section 2.3 of the
16 Settlement Agreement. For CISBA cost recovery, the audit required in Section
17 2.3.4.1 of the Settlement Agreement shall be conducted by ORA and must be
18 included with the appropriate cost recovery filing.

19 As described more fully in Section III, SDG&E filed Advice Letters 3278-E / 2706-G to
20 establish the Customer Information System Balancing Account (CISBA) and SDG&E filed
21 Advice Letters 3899-E / 3039-G to initiate cost recovery of costs recorded to the CISBA.

22 D.18-08-008 Ordering Paragraph 5 states:

23 Within 60 days from the effective date of this decision, San Diego Gas & Electric
24 Company shall create and establish the transition, stabilization, and organizational
25 change management balancing account (TSOBA) by filing a Tier 2 advice letter
26 with the Commission. San Diego Gas & Electric Company shall comply with the
27 terms and conditions concerning the TSOBA set forth in Section 2.4 of the
28 Settlement Agreement. For cost recovery, if an audit of the TSOBA is performed
29 under Section 2.4.3.1 of the Settlement Agreement, the Office of Ratepayer
30 Advocates shall conduct the audit.

31 As described more fully in Section III, SDG&E filed Advice Letters 3278-E / 2706-G to
32 establish the Transition, Stabilization and Organizational Change Management (OCM)
33 Balancing Account (TSOBA) and SDG&E filed Advice Letters 3900-E / 3040-G to initiate cost
34 recovery of costs recorded to the TSOBA.

2. CIS Replacement Overview

SDG&E selected the SAP Customer Relationship and Billing (CR&B) system to replace its legacy CIS and related subsystems. SDG&E has utilized the SAP platform for its core financial systems since 1998. The SAP CR&B system was selected to modernize critical business processes, while reducing cost and decreasing risk of system failure. It also enables the enhancement and expansion of customer engagement functions and features supporting SDG&E's implementation of the State's policy initiatives.¹ The new SAP CR&B replaced approximately 75% of SDG&E's legacy customer services application portfolio resulting in a more streamlined and efficient system. The new SAP CR&B closed the capabilities gaps in areas such as a consolidated view of customer data and programs, and the ability to implement complex rate structures. The major benefits of SAP CR&B include:

- Quality and efficiency of customer interactions
- Tailored offerings for an improved customer experience
- More flexible service options
- Customer access to data, information, and analysis for decision making
- Timely and accurate billing
- Improved system reliability
- Increased speed to implement system enhancements
- Single, 360-degree view of the customer data and programs
- Standardization and optimization of future business practices and processes

In addition to performing basic key functions (*e.g.*, billing services), SAP CR&B allows SDG&E to meet customer expectations for online self-service capabilities, personalized customer service and ease of doing business. For example, it facilitates a more customer-centric way of doing business by consolidating all customer data, thereby improving the ability to efficiently assist customers through different channels of communication. Having data readily available in one system also improves data analytics and reporting, making it easier to not only understand customers' needs and industry trends, but also to monitor key operations and system health.

¹ An example of a State policy initiative is the transition of customers to Community Choice Aggregation (CCA) and monthly billing for CCA customers.

1 Another transformational capability is the highly configurable nature of SAP CR&B,
2 which makes many system changes possible without the need for IT programming. This makes
3 implementing mandated changes quicker and more cost-effective. Furthermore, using a product
4 that is configurable instead of customized means that SAP will provide the necessary upgrades
5 and feature enhancements to deliver and comply with regulatory mandates.

6 **B. New CIS Deployment**

7 On April 5, 2021, SDG&E successfully deployed the new CIS. The new CIS replaced
8 the 23-year-old legacy system that was used to annually send 17 million gas and electric bills and
9 support customer service to over one million customers. The successful deployment was a result
10 of over four years of planning, development, and testing, and was completed below the budget
11 authorized by the CPUC. The CIS Replacement Program modernizes SDG&E's business
12 processes and promotes even better customer service using an integrated technology platform
13 from SAP. The new CIS enables SDG&E to transform the customer experience, with new
14 digital self-service tools and cloud-based customer service software, and gives SDG&E a 360-
15 degree view of the customer. The new CIS is helping SDG&E respond faster to customer
16 demands and meet the rapidly changing market and regulatory environment. For example, most
17 recently SDG&E was able to leverage its new CIS to successfully transition the majority of its
18 customers in its service territory to Community Choice Aggregation (CCA), as well to
19 implement a number of critical regulatory mandates within a few months. Historically, with
20 SDG&E's legacy CIS, implementation durations could range between 12-18 months. The new
21 CIS includes an enhanced online digital customer experience (MyAccount) to enable more self-
22 service capabilities and improve operational efficiency. Due to the highly successful CIS
23 implementation in 2021, SDG&E was recognized with several industry awards including the
24 Chartwell Bronze Digital Experience Award and Best CIS Implementation Award.

25 **III. CIS REPLACEMENT PROGRAM IMPLEMENTATION COSTS**

26 As authorized in D.18-08-008, SDG&E established the CISBA and the TSOBA to record
27 implementation costs for the new CIS. The new CIS went live in April of 2021 and amortization
28 of the revenue requirement into rates was approved February 10, 2022.² The CISBA is described

² See Advice Letters 3899-E /3039-G approved, February 10, 2022.

1 more fully in Section III.A below, including the disposition of the account and the TSOBA is
2 described more fully in Section III.B, including the requested disposition of the account.

3 **A. Customer Information System Balancing Account (CISBA)**

4 On September 28, 2018, SDG&E filed Advice Letters 3278-E / 2706-G to establish the
5 CISBA pursuant to D.18-08-008.³ On November 19, 2021, SDGE filed Advice Letters 3899-E /
6 3039-G to initiate cost recovery of costs recorded to the CISBA. Advice Letters 3899-E /3039-G
7 were approved by the Energy Division with a February 10, 2022, effective date.

8 **1. Regulatory Background and Overview**

9 Pursuant to Section 2.3 of the CIS Replacement Program Settlement Agreement approved
10 in D.18-08-008, the CISBA tracked actual O&M costs, actual capital expenditures, AFUDC,⁴
11 and CWIP,⁵ and property taxes until the new CIS was placed in service and the CISBA balance
12 was converted to a revenue requirement. While the CIS Replacement Program was under
13 development and not yet in service, the CISBA served as a tracking only account and was not
14 posted to SDG&E's general ledger.

15 Once the CIS project was placed in service, SDG&E converted both the gas and electric
16 CISBA account balances into revenue requirements for recovery in rates. The electric and gas
17 CISBAs are now interest bearing two-way balancing accounts that record SDG&E's authorized
18 revenue requirement and costs associated with the CIS Replacement Project approved in
19 D.18-08-008. SDG&E is authorized to recover 100% of the authorized project implementation
20 costs.⁶

21 SDG&E's new CIS was placed into service on April 5, 2021, and implementation
22 activities and related spending were completed in December 2021. The CPUC's Public
23 Advocates Office (Cal Advocates) has examined the financial and accounting records of SDG&E
24 for its 2020 and first quarter 2021 costs recorded in the CISBAs. In its July 13, 2021 Report on

³ D.18-08-008, Ordering Paragraph 4.

⁴ Allowance for Funds Used During Construction.

⁵ Construction Work in Progress.

⁶ D.18-08-008, Ordering Paragraph 3; *See also* Settlement Agreement in Application 17-04-027, Section 2.3.4.1.

1 the Results of Examination of SDG&E’s CISBA, Cal Advocates did not identify any adjustments
2 to the CIS project implementation costs recorded in SDG&E’s CISBAs.⁷

3 Advice Letters 3899-E /3039-G to initiate recovery of costs recorded to the CISBA were
4 approved by the Energy Division with a February 10, 2022, effective date. On April 15, 2022,
5 SDG&E filed Advice Letter 3991-E, which requests to defer implementation of CISBA cost
6 recovery from June 1 to its next available rate change, which is expected to occur after Summer
7 2022 and by January 1, 2023, at the latest. As described further below, beginning in Test Year
8 2024, SDG&E will recover the revenue requirement currently recovered through CISBA in base
9 rates.⁸

10 **2. Disposition of Account**

11 Beginning in 2024, the revenue requirement currently recovered through CISBA will be
12 recovered via the General Rate Case (GRC) in base rates. As described in the Regulatory
13 Accounts testimony (Exhibit SDG&E-43), SDG&E requests that the CISBA accounts be closed
14 effective December 31, 2023, and any remaining balance be transferred to the Electric
15 Distribution Fixed Cost Account (EDFCA) for electric and the Core Fixed Cost Account
16 (CFCA) and Noncore Fixed Cost Account (NFCA) for gas.

17 **B. Transition, Stabilization and OCM Balancing Account (TSOBA)**

18 On September 28, 2018, SDG&E filed Advice Letters 3278-E / 2706-G to establish the
19 TSOBA pursuant to D.18-08-008.⁹ On November 19, 2021, SDGE filed Advice Letters 3900-E /
20 3040-G to initiate cost recovery of costs recorded to the TSOBA.

21 **1. Regulatory Background and Overview**

22 Pursuant to Section 2.4 of the CIS Settlement Agreement approved in D.18-08-008, the
23 TSOBA is an interest bearing two-way balancing account whose purpose is to record SDG&E’s
24 authorized revenue requirement and incremental costs for its Transition, Stabilization, and OCM
25 costs associated with SDG&E’s CIS Replacement Program. SDG&E is authorized to recover up
26 to \$31,528,495 of Transition, Stabilization and OCM costs in electric and gas distribution rates.

⁷ See Advice Letters 3899-E / 3039-G at Attachment.

⁸ See CISBA Preliminary Statement at Section 5 (“Final disposition of the CISBA balance shall be addressed in a future General Rate Case or other applicable proceeding as directed by the Commission.”)(available at https://tariff.sdge.com/tm2/pdf/ELEC_ELEC-PRELIM_CISBA.pdf).

⁹ D.18-08-008 at Ordering Paragraph 5.

1 SDG&E's new CIS was placed into service on April 5, 2021. The Cal Advocates
2 examined SDG&E's financial and accounting records for 2020 and first quarter 2021 costs
3 recorded in the TSOBAs. In its July 13, 2021, Report on the Results of Examination of
4 SDG&E's incremental cost recovery request for the CIS Replacement Program, Cal Advocates
5 did not identify any adjustments to the costs recorded in SDG&E's TSOBAs.¹⁰

6 TSOBA cost recovery and amortization of the revenue requirement into electric and gas
7 rates is pending approval by the CPUC.

8 **2. Disposition of Account**

9 As described in the Regulatory Accounts testimony (Exhibit SDG&E-43), SDG&E
10 requests that the TSOBA accounts be closed effective December 31, 2023, and any remaining
11 balance be transferred to the Electric Distribution Fixed Cost Account (EDFCA) for electric and
12 the Core Fixed Cost Account (CFCA) and Noncore Fixed Cost Account (NFCA) for gas.

13 **IV. CIS REPLACEMENT PROGRAM BENEFITS**

14 **A. Regulatory Background and Compliance Requirement**

15 D.18-08-008 authorized SDG&E to implement its CIS Replacement Program in
16 accordance with the CIS Settlement Agreement. Pursuant to Section 2.2 of the CIS Settlement
17 Agreement, CIS benefits are to be taken in the years they are forecast to be realized. Parties
18 further agreed that in each of SDG&E's upcoming GRCs SDG&E will present an updated
19 forecast of the total benefit amount, broken out by the 45 distinct benefits SDG&E described in
20 its testimony and workpapers in the underlying CIS Replacement Program Application.

21 CIS Replacement Program benefits for 2022 and 2023 were addressed in SDG&E's 2019
22 GRC as part of the Post Test Year Mechanism for 2022 and 2023.¹¹ SDG&E is forecasting 2024
23 Test Year benefits in this GRC.

24 **B. Updated Forecast of Benefits Achieved**

25 Table TS-1 provides an updated forecast of the benefits identified in the CIS
26 Replacement Application for Test Year 2024. Table TS-2 provides a list of incremental benefits

¹⁰ See Advice Letters 3900-E / 3040-G at Attachment B (available at <https://tariff.sdge.com/tm2/pdf/3900-E.pdf>).

¹¹ See D.21-05-003 at 17-20.

1 identified after the CIS Replacement Application was approved. The benefits in Table TS-2 are
 2 in addition to the benefits identified in the CIS Replacement Application, A.17-04-027.

3 **1. Benefits in CIS Replacement Application**

4 Table TS-1 provides an updated forecast of the benefits identified in the CIS
 5 Replacement Application broken out by the 45 distinct benefits for Test Year 2024.

6 **TABLE TS-1**
 7 **CIS Replacement Program Benefit Card Forecast Update**

No.	Title	CapEx or OpEx	Category	Benefit Start Year	Recurrence	2024 CIS Application Amt (\$000 - nominal)	2024 GRC Forecast Amt (\$000 - nominal)	Sponsoring Witness
1	Enhancing Data Management	OpEx	Cost Avoidance	2022	Ongoing	\$40.0	\$40.0	Exhibit SDG&E-19
2	Labor Savings from Deploying System Changes	CapEx	Cost Avoidance	2022	Ongoing	\$2,000.0	\$2,000.0	Exhibit SDG&E-18
3	Improved Data Analytics	OpEx	Cost Avoidance	2022	Ongoing	\$93.6	\$93.6	Exhibit SDG&E-19
4	Business Services Self-Service Enablement	OpEx	Cost Reduction	2022	Ongoing	\$12.3	\$12.3	Exhibit SDG&E-18
5	Labor Savings from Data Synchronization (MDM/CIS)	OpEx	Cost Reduction	2022	Ongoing	\$75.0	\$75.0	Exhibit SDG&E-17
6	Business Partner Management Capability	OpEx	Bad Debt Reduction	2022	Ongoing	\$30.0	\$30.0	Exhibit SDG&E-18
7	Business Services Inflow Call Reduction	OpEx	Cost Reduction	2022	Ongoing	\$40.0	\$40.0	Exhibit SDG&E-18
8	Network Device Management	OpEx	Cost Reduction	2022	Ongoing	\$25.0	\$25.0	Exhibit SDG&E-17
9	Rate Analysis Productivity	OpEx	Cost Reduction	2022	Ongoing	\$40.0	\$40.0	Exhibit SDG&E-18
10	Complex Billing Labor Savings	OpEx	Cost Reduction	2022	Ongoing	\$75.0	\$75.0	Exhibit SDG&E-18
11	Test Bill Enhancement	OpEx	Cost Reduction	2022	Ongoing	\$75.0	\$75.0	Exhibit SDG&E-18

No.	Title	CapEx or OpEx	Category	Benefit Start Year	Recurrence	2024 CIS Application Amt (\$000 – nominal)	2024 GRC Forecast Amt (\$000 - nominal)	Sponsoring Witness
12	Structural Rate Changing Initiatives Savings	CapEx	Cost Avoidance	2022	Ongoing	\$16,000.0	\$16,000.0	Exhibit SDG&E-18
13	Payment Status Validation	OpEx	Cost Reduction	2022	Ongoing	\$11.5	\$11.5	Exhibit SDG&E-18
14	Business Partner Multiple Account Handling	OpEx	Cost Avoidance	2022	Ongoing	\$10.2	\$10.2	Exhibit SDG&E-18
15	Automate Returned Payments Processing	OpEx	Cost Reduction	2022	Ongoing	\$45.0	\$45.0	Exhibit SDG&E-18
16	IT Development To Automate Returned Payments Processing	OpEx	Cost Avoidance	2022	One-time	\$0.0	\$0.0	Exhibit SDG&E-18
17	Adjustable Internal Credit Scoring	OpEx	Cash Flow Optimization	2022	Ongoing	\$68.3	\$0.0	Exhibit SDG&E-18
18	Reweight Behavior Score	CapEx	Cost Avoidance	2022	One-time	\$0.0	\$0.0	Exhibit SDG&E-18
19	IT Development To Incorporate External Credit Score	CapEx	Cost Avoidance	2022	One-time	\$0.0	\$0.0	Exhibit SDG&E-18
20	Single Source Customer Contact Data	OpEx	Cash Flow Optimization	2022	Ongoing	\$183.6	\$120.0	Exhibit SDG&E-18
21	Reduction In Time To Prepare Reports	OpEx	Cost Reduction	2022	Ongoing	\$49.7	\$17.5	Exhibit SDG&E-18
22	Business Services ESS Efficiency	OpEx	Cost Reduction	2022	Ongoing	\$29.3	\$29.3	Exhibit SDG&E-18
23	Business Services Customer	OpEx	Cost Reduction	2022	Ongoing	\$180.0	\$180.0	Exhibit SDG&E-18

No.	Title	CapEx or OpEx	Category	Benefit Start Year	Recurrence	2024 CIS Application Amt (\$000 – nominal)	2024 GRC Forecast Amt (\$000 - nominal)	Sponsoring Witness
	Support Transactions							
24	Eliminate CISCO, CRM and MyAccount Support Work	OpEx	Cost Reduction	2022	Ongoing	\$1,870.0	\$1,870.0	Exhibit SDG&E-18
25	Reduce Training Costs in Customer Contact Center	OpEx	Cost Reduction	2022	Ongoing	\$50.0	\$50.0	Exhibit SDG&E-18
26	CARE Cost Reduction	OpEx	Cost Reduction	2022	Ongoing	\$415.0	\$415.0	Exhibit SDG&E-19
27	Billing Operations Support Staff Efficiency	OpEx	Cost Reduction	2022	Ongoing	\$2,167.6	\$2,165.8	Exhibit SDG&E-18
28	Retire CCE	OpEx	Cost Reduction	2022	Ongoing	\$162.0	\$162.0	Exhibit SDG&E-18
29	Retire CISCO	OpEx	Cost Reduction	2022	Ongoing	\$3,287.0	\$3,341.8	Exhibit SDG&E-25
30	Retire Exstream Dialogue	OpEx	Cost Reduction	2022	Ongoing	\$96.0	\$90.4	Exhibit SDG&E-25
31	Retire MyAccount	OpEx	Cost Reduction	2022	Ongoing	\$347.0	\$300.7	Exhibit SDG&E-25
32	Retire SAP CRM	OpEx	Cost Reduction	2022	Ongoing	\$345.0	\$136.3	Exhibit SDG&E-25
33	Retire SEAd	OpEx	Cost Reduction	2022	Ongoing	\$489.0	\$486.9	Exhibit SDG&E-25
34	Eliminate C3 annual hosting fee	OpEx	Cost Reduction	2022	Ongoing	\$75.0	\$75.0	Exhibit SDG&E-19
35	Eliminate Aclara annual/maintenance fees	OpEx	Cost Reduction	2022	Ongoing	\$439.0	\$465.7	Exhibit SDG&E-19
36	C3 License Renewal	CapEx	Cost Avoidance	2022	One-time	\$0.0	\$0.0	Exhibit SDG&E-18
37	Increased CISCO Maintenance and Delayed Billing	OpEx	Cost Reduction	2022	Ongoing	\$1,500.0	\$1,500.0	Exhibit SDG&E-25

No.	Title	CapEx or OpEx	Category	Benefit Start Year	Recurrence	2024 CIS Application Amt (\$000 – nominal)	2024 GRC Forecast Amt (\$000 – nominal)	Sponsoring Witness
38	Mainframe Refresh Avoidance	CapEx	Cost Avoidance	2022	One-time	\$0.0	\$0.0	Exhibit SDG&E-25
39	Eliminate Mainframe Costs	OpEx	Cost Reduction	2022	Ongoing	\$3,433.3	\$2,080.1	Exhibit SDG&E-25
40	ITQA Support Work	OpEx	Cost Reduction	2022	Ongoing	\$540.0	\$540.0	Exhibit SDG&E-25
41	Billing Operations Post-Stabilization Staff Efficiency	OpEx	Cost Reduction	2023	Ongoing	\$420.0	\$420.0	Exhibit SDG&E-18
42	Adjustable Internal Credit Scoring	OpEx	Bad Debt Reduction	2022	Ongoing	\$705.1	\$0.0	Exhibit SDG&E-18
43	AMO Support Staff Efficiency	OpEx	Cost Reduction	2023	Ongoing	\$200.0	\$200.0	Exhibit SDG&E-17
44	PMO Support Staff Efficiency (Business & IT)	OpEx	Cost Reduction	2023	Ongoing	\$1,038.0	\$1,038.0	Exhibit SDG&E-18 and Exhibit SDG&E-25
45	Communication Support Staff Efficiency (Cross Functional)	OpEx	Cost Reduction	2023	Ongoing	\$280.0	\$0.0	Exhibit SDG&E-19

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Explanations for variances in the benefits forecasted in the CIS Replacement Application compared to the benefits forecasted in the GRC for Test Year 2024 are as follows:

- Benefits 17, 20, and 42 are related to credit and collections processes and were not realized due to changes in customer deposits and customer notices ordered by the CPUC in Rulemaking (R.) 18-07-005, Order Instituting Rulemaking to Consider New Approaches to Disconnections and Reconnections to Improve Energy Access and Contain Costs. The changes ordered by the CPUC in

1 D.20-06-003 changed the assumptions underlying the CIS Replacement
2 Application benefits, making them no longer feasible to achieve.¹²

- 3 • A portion of benefit 21 was mischaracterized as a cost reduction. \$17,500 of the
4 benefit was a cost reduction and was achieved. \$32,200 of the benefit was an
5 avoided cost and was realized by implementing the new CIS. The \$32,200 cost
6 avoidance is reflected in the 2024 Test Year forecast.
- 7 • Benefits 27, 29, 30, 31, 32, 33, 35, and 39 varied from the forecast in A.17-04-
8 027 due to changes in contract prices and labor rates. Labor and contract rates
9 fluctuate over time.
- 10 • Benefit 45 related to communication efficiency was not realized because the SAP
11 Marketing Tool did not function as planned for this benefit to be achieved. The
12 SAP Marketing Tool provides approximately 60% of needed capability for the
13 benefit and for this reason, the benefit could not be achieved.

14 More information on the Test Year 2024 benefit amounts can be found in SDG&E GRC
15 testimony chapters: Customer Services - Field Operations (Exhibit SDG&E-17), Customer
16 Services - Office Operations (Exhibit SDG&E-18), Customer Services – Information (Exhibit
17 SDG&E-19), and Information Technology (Exhibit SDG&E-25) as noted in Table TS-1.

18 **2. Incremental Benefits**

19 Table TS-2 provides a list of incremental benefits identified after the CIS Replacement
20 Application was approved. These benefits are in addition to the 45 benefits identified in Table
21 TS-1.

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¹² See Decision 20-06-003 at 147 (Ordering Paragraphs 8, 9, and 10). For example, OP 8 prohibited SDG&E from requiring any residential customers to provide a deposit for new service, and thereby eliminating the realization of certain benefits assumed in the CIS Replacement Application.

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**TABLE TS-2
CIS Replacement Program Incremental Benefit Card Forecast**

No.	Title	CapEx or OpEx	Category	Benefit Start Year	Recurrence	2024 CIS Application Amt (\$000 – nominal)	2024 GRC Forecast Amt (\$000 - nominal)	Sponsoring Witness
New 1	Mid-Day Program Change	OpEx	Cost Reduction	2023	Ongoing	N/A	\$124.0	Exhibit SDG&E-17 and Exhibit SDG&E-18
New 2	Retire Energy Analysis Software	OpEx	Cost Reduction	2021	Ongoing	N/A	\$67.9	Exhibit SDG&E-19
New 3	Retire Customer Relationship Management Software	OpEx	Cost Reduction	2021	Ongoing	N/A	\$32.0	Exhibit SDG&E-19
New 4	Retire Database Management Software	OpEx	Cost Reduction	2022	Ongoing	N/A	\$171.5	Exhibit SDG&E-25
New 5	Retire Workflow Manager Maintenance Software	OpEx	Cost Reduction	2022	Ongoing	N/A	\$70.1	Exhibit SDG&E-25
New 6	Retire Centralized Calculation Engine Software	OpEx	Cost Reduction	2021	Ongoing	N/A	\$672.0	Exhibit SDG&E-25
New 7	Retire Mainframe Software Development Tool	OpEx	Cost Reduction	2021	Ongoing	N/A	\$3.3	Exhibit SDG&E-25
New 8	Retire Batch Rate Comparison Software	OpEx	Cost Reduction	2022	Ongoing	N/A	\$171.9	Exhibit SDG&E-18

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More information on the Test Year 2024 incremental benefit amounts can be found in SDG&E GRC testimony chapters: Customer Services - Field Operations (Exhibit SDG&E-17), Customer Services - Office Operations (Exhibit SDG&E-18), Customer Services – Information (Exhibit SDG&E-19), and Information Technology (Exhibit SDG&E-25) as noted in Table TS-2.

1 **V. CIS REPLACEMENT PROGRAM ONGOING COSTS**

2 Ongoing costs for the new CIS are incorporated into the 2024 Test Year forecast. The
3 O&M and Capital Costs are sponsored by the Information Technology witness (Exhibit SDG&E-
4 25) and the business justification for the Capital Cost is provided by the Customer Services -
5 Office Operations witness (Exhibit SDG&E-18).

6 **VI. CONCLUSION**

7 This concludes my prepared direct testimony.

1 **V. WITNESS QUALIFICATIONS**

2 My name is Therese Sacco. I am employed by San Diego Gas & Electric Company
3 (SDG&E) as the Strategy and Operations Manager – IT Customer Portfolio. My business
4 address is 8330 Century Park Court San Diego, CA 92123. My current responsibilities include
5 overseeing the Customer Services – IT portfolio strategic roadmap and development of solutions
6 that support the customer and employee experience. I have spent the past 23 years designing and
7 delivering technology solutions in the utility sector. Areas of expertise include vegetation
8 management, safety, outage and service order management, customer front/back-office and
9 related business processes. I have been employed by SDG&E since 2016 and have had roles
10 with increasing responsibility in project management delivery of technology solutions for the
11 medium and large commercial and industrial customer Time of Use and CIS replacement
12 programs. I have a Bachelor of Science – Business Administration from California State
13 University – East Bay (Hayward).

14 I have not previously testified before the Commission.

APPENDIX A

Glossary of Terms

APPENDIX A - Glossary of Terms

Acronym	Definition
AFUDC	Allowance for Funds Used During Construction
Cal Advocates	CPUC Public Advocates Office
CCA	Community Choice Aggregation
CFCA	Core Fixed Cost Account
CIS	Customer Information System
CISBA	Customer Information System Balancing Account
CPUC	California Public Utilities Commission
CR&B	Customer Relationship and Billing
CWIP	Construction Work in Progress
EDFCA	Electric Distribution Fixed Cost Account
GRC	General Rate Case
NFCA	Noncore Fixed Cost Account
O&M	Operations and Maintenance
OCM	Organizational Change Management
SDG&E	San Diego Gas & Electric Company
TSOBA	Transition, Stabilization, and Organizational Change Management Balancing Account