

Company: San Diego Gas & Electric Company (U 902 M)
Proceeding: 2024 General Rate Case
Application: A.22-05-016
Exhibit: SDG&E-19-E

PREPARED DIRECT TESTIMONY OF
SANDRA F. BAULE
(CUSTOMER SERVICES – INFORMATION)

ERRATA

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



May 2023

TABLE OF CONTENTS

I.	INTRODUCTION	1
A.	Summary of Customer Services – Information Costs and Activities	1
B.	Support To and From Other Witnesses.....	2
C.	Organization of Testimony	3
II.	RISK ASSESSMENT MITIGATION PHASE INTEGRATION	3
A.	Risk Overview	4
B.	GRC Risk Controls and Mitigations.....	4
C.	Changes from RAMP Report.....	5
III.	SUSTAINABILITY AND SAFETY CULTURE	6
IV.	NON-SHARED COSTS	7
A.	Customer Pricing, Load Research, Analysis and Forecasting	8
1.	Description of Costs and Underlying Activities	8
2.	Forecast Method.....	9
3.	Cost Drivers	10
B.	Marketing, Communications, Research and Analytics.....	12
1.	Description of Costs and Underlying Activities	12
2.	Forecast Method.....	18
3.	Cost Drivers	19
4.	Memorandum Account - Rate Reform Memorandum Account (RRMA).24	
C.	Customer Programs and Business Services	26
1.	Description of Costs and Underlying Activities	26
2.	Forecast Method.....	33
3.	Cost Drivers	33
V.	CAPITAL.....	38
A.	Demand Response Management System (DRMS) Replacement	39
1.	Business Justification.....	39
VI.	CONCLUSION.....	40
VII.	WITNESS QUALIFICATIONS.....	41
APPENDICES		
	Appendix A – Glossary of Terms	SFB-A-1

SUMMARY

CS - INFORMATION (In 2021 \$)			
	2021 Adjusted- Recorded (000s)	TY2024 Estimated (000s)	Change (000s)
Total Non-Shared Services	21,021	24,353	3,332
Total Shared Services (Incurred)	0	0	0
Total O&M	21,021	24,353	3,332

INFORMATION TECHNOLOGY (IT) CAPITAL (In 2021 \$)			
	Estimated 2022 (\$000)	Estimated 2023 (\$000)	Estimated TY 2024 (\$000)
CS - Information	4,969	4,367	0
Total CAPITAL	4,969	4,367	0

Summary of Requests

San Diego Gas & Electric Company’s (SDG&E) Customer Services – Information (CSIN) is requesting \$24.353 million for Test Year (TY) 2024, which represents a 15.9% increase from Base Year (BY) 2021 adjusted recorded costs. The requested funding supports SDG&E’s goal of being the trusted energy advisor for business and residential customers by providing safe, efficient, effective, timely and personalized customer service. SDG&E recognizes the importance of understanding customers’ changing needs and preferences and providing customers with customized, relevant information and offers is necessary. SDG&E strives to offer a personalized experience to each customer by providing insights about their energy consumption, guiding them through pricing plans, programs, services, and tools that can assist them in managing their energy usage and helping them prepare for emergencies and a future focused on sustainability. This request will allow SDG&E to provide customers with residential customer services, business services, marketing and communications, research and analytics, customer assistance programs, and customer pricing, among other services.

SDG&E’s request reflects the effects of the following:

- Resources for Real Time Pricing
- Research related to sustainability and grid modernization and a new residential segmentation study

- Resources for digital tools and social media channels
- Expansion of support for targeted customer segments and activities including Access and Functional Needs, sustainability, and emergency preparedness
- Support for the wide array of business customers' energy needs
- Risk Assessment Mitigation Phase (RAMP) – Natural Gas Appliance Testing (NGAT)

I chose a base year forecast method for Customer Services – Information. For reasons described in more detail in my testimony, a base year forecast represents the appropriate starting point to calculate TY 2024 operations and maintenance (O&M) expenses for the activities listed above. This method is most appropriate because the business functions and responsibilities of this organization most appropriately stem from the 2021 base year and build incrementally from there.

**ERRATA PREPARED DIRECT TESTIMONY OF
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(CUSTOMER SERVICES – INFORMATION)**

I. INTRODUCTION

A. Summary of Customer Services – Information Costs and Activities

My testimony supports the TY 2024 forecasts for operations and maintenance (O&M) costs for non-shared services and business justification for IT capital projects for forecast years 2022, 2023, and 2024, associated with the Customer Services – Information area for SDG&E. Table SFB-1 summarizes my sponsored O&M costs and Table SFB-2 summarizes the IT capital project costs for which I sponsor the business justification.

**TABLE SFB-1
Test Year 2024 Summary of Total Costs**

CS - INFORMATION (In 2021 \$)			
Categories of Management	2021 Adjusted-Recorded (000s)	TY2024 Estimated (000s)	Change (000s)
A. Customer Services Information	21,021	24,353	3,332
Total Non-Shared Services	21,021	24,353	3,332

**TABLE SFB-2
Test Year 2024 Summary of Total Capital IT Costs**

INFORMATION TECHNOLOGY (IT) CAPITAL (In 2021 \$)			
	Estimated 2022 (\$000)	Estimated 2023 (\$000)	Estimated TY 2024 (\$000)
CS - Information	4,969	4,367	0
Total CAPITAL	4,969	4,367	0

Customer Services – Information (CSIN) provides safe, efficient, effective, timely and personalized customer service to SDG&E’s business and residential customers. SDG&E utilizes a customer-centric, technology-based approach to deliver an experience that is meaningful and relevant to customers today that can help inform decisions for a more sustainable tomorrow.

In today’s increasingly connected, always on, data-driven, social culture, customers have come to expect personalized service and real-time information. They expect to be able to interact over the channel, device, or platform of their choice, at any time, and receive a speedy response. This means developing and continually improving processes and tools to deliver an

1 integrated and customized experience relevant to each customer and making it simple and
2 seamless for a customer to transact with SDG&E.

3 SDG&E's customers encompass a wide range of market segments with varying levels of
4 sophistication, energy knowledge and know-how. As such, SDG&E offers customers numerous
5 options for receiving information and interacting with SDG&E. Some examples of these options
6 include the use of social media for the tech savvy customer who prefers a more immediate
7 response and is likely to self-serve, compared to the Customer Contact Center for customers who
8 prefer a more individualized personal interaction, or an Account Executive (AE) for business
9 customers with more complex needs. Whatever the preferred experience, SDG&E continuously
10 works to meet and exceed customers' expectations.

11 As the energy industry continues to gain complexity and customer service evolves,
12 customers' needs and the level of customer service they expect will continue to increase.
13 SDG&E is committed to developing a deeper understanding and insight into its diverse customer
14 base through research and analytics and the continuous monitoring of our customer service
15 efforts.

16 As energy related issues, regulations and options increase in complexity, customers will
17 continue to expect SDG&E to be the energy expert today and into the future. To do this,
18 SDG&E needs to continue to leverage data to inform our customer service efforts, meet
19 customers when and where they are and in the right language and channel, strengthen our off-
20 line efforts – especially for those who are most vulnerable, partner with local organizations and
21 cultivate deeper relationships with business customers.

22 **B. Support To and From Other Witnesses**

23 My testimony also references the testimony and workpapers of other witnesses, either in
24 support of their testimony or as referential support for mine, this includes:

- 25 • Information Technology (IT) capital costs for systems and technology that
26 supports Customer Services Information is sponsored by William J. Exon (Exhibit
27 (Ex.) SDG&E-25, Chapter 2); however, my testimony will justify the business
28 need for these costs.
- 29 • Implementation of a new Customer Information System, testimony sponsored by
30 SDG&E Policy witness Therese Sacco (Exhibit SDG&E-16).

- Memorandum account proposals are sponsored by SDG&E Regulatory Accounts witness Jason Kupfersmid (Ex. SDG&E-43); however, I sponsor the reasonableness of costs recorded to the Rate Reform Memorandum Account (RRMA).

C. Organization of Testimony

My testimony is organized into four main categories: RAMP Integration (Section II), Sustainability and Safety Culture (Section III), Non-Shared Services Costs (Section IV) and Capital (Section V). I will address the non-shared services for the following CSIN areas: Customer Pricing, Load Research and Analysis and Forecasting; Marketing, Communications, Research and Analytics; and Customer Programs and Business Services. In each of the non-shared sections, I present the primary activities of the workgroup, the reason for using the base year (BY) forecast method, and support for the request for each of the cost drivers.

Following that, I provide the business justification for the IT capital costs for systems and technology that supports CSIN and are sponsored by SDG&E witness Mr. Exxon (Ex. SDG&E-25 Ch 2).

II. RISK ASSESSMENT MITIGATION PHASE INTEGRATION

Certain costs supported in my testimony are driven by activities described in Southern California Gas Company (SoCalGas) and SDG&E’s May 17, 2021, Risk Assessment Mitigation Phase (RAMP) Report.¹ Table SFB-3 provides a summary of the RAMP-related costs supported in my testimony:

**TABLE SFB-3
Summary of RAMP O&M Costs
In 2021 \$ (000s)**

RAMP Report Risk Chapter	BY2021 Embedded Base Costs	TY2024 Estimated Total	TY2024 Estimated Incremental
SDG&E-Risk-5 Customer and Public Safety – Contact with Electric Equipment	1,809	1,550	-259
SDG&E-Risk-9 Incident Related to the Medium Pressure System (Excluding Dig-in)	3,050	3,075	25
Total RAMP O&M Costs	4,859	4,625	-234

¹ Please refer to the testimony of RAMP to GRC Integration of R. Scott Pearson and Gregory S. Flores (Ex. SCG-03/SDG&E-03, Ch.2) for more details regarding the utilities’ RAMP Report.

A. Risk Overview

As summarized in Table SFB-3 above, my testimony includes costs to mitigate the safety-related risks and cross-functional factors included in the RAMP report. These risks and factors are further described in Table SFB-4 below:

**TABLE SFB-4
RAMP Risk Chapter Description**

SDG&E-5-Customer & Public Safety - Contact with Electrical Equipment	SDG&E’s Electric Contact risk chapter addresses the threat of harm to a customer, third-party, or member of the public from making contact with in-service electrical equipment that is operating in a normal configuration.
SDG&E-9-Incident Related to a Medium Pressure Incident	SDG&E’s Medium Pressure Incident risk chapter addresses the risk of asset failure caused by a medium pressure pipeline system event which results in serious injuries or fatalities and/or damages to the infrastructure.

The testimony of RAMP to GRC Integration witnesses Gregory Flores and Scott Pearson (Ex. SCG-03/SDG&E-03, Chapter 2) describe all the risks and factors included in the RAMP report and the process utilized for RAMP to GRC integration.

B. GRC Risk Controls and Mitigations

Table SFB-5 below summarizes the TY 2024 forecast by workpaper associated with the RAMP activities.

**TABLE SFB-5
Summary of Safety Related Risk Mitigation Costs by Workpaper In 2021 \$ (000s)**

Workpaper	RAMP ID	Description	BY2021 Embedded Base Costs	TY2024 Estimated Total	TY2024 Estimated Incremental	GRC RSE
11N001.001	SDG&E-Risk-5 - C1	RAMP General Safety Communications	1,809	1,550	-259	0*
11N001.001	SDG&E-Risk-9 - C18	RAMP Gas Public Safety Communications	2,889	2,450	-439	0*
11N002.001	SDG&E-Risk-9 - C20	RAMP Natural Gas Appliance Testing (NGAT)	161	625	464	0.05
Total			4,859	4,625	-234	

* An RSE was not calculated for this activity

1 For each of the workpapers identified in Table SFB-5 above, additional descriptions of
2 the RAMP controls and mitigations that comprise these forecasts are discussed within the cost
3 category sections below.

4 The costs for these activities are shown as adjustments to my forecasts and are provided
5 in greater detail in my workpapers. In my workpapers, RAMP mitigation costs are presented as
6 “RAMP-Base” to represent the RAMP-related costs that are embedded in the BY 2021 adjusted-
7 recorded costs and “RAMP-Incremental” to represent TY 2024 estimated incremental costs.

8 **C. Changes from RAMP Report**

9 As discussed in more detail in the RAMP to GRC Integration testimony of Messrs.
10 Pearson and Flores (Ex. SCG-03/SDG&E-03, Chapter 2), in the RAMP Proceeding, the
11 Commission’s Safety Policy Division (SPD) and intervenors provided feedback on the
12 Companies’ 2021 RAMP Reports. Appendix B in Ex. SCG-03/SDG&E-03, Chapter 2 provides
13 a complete list of the feedback and recommendations received and the Companies’ responses.

14 Other than as discussed below, the RAMP-related activities described in my GRC
15 testimony are consistent with the activities presented in the 2021 RAMP Report. General
16 changes to risks scores or Risk Spend Efficiency (RSE) values are primarily due to changes in
17 the Multi-Attribute Value Framework (MAVF) and RSE methodology, as discussed in the
18 RAMP to GRC Integration testimony. Other than these changes, the RAMP-related activities
19 described in my GRC testimony are consistent with the activities presented in the 2021 RAMP
20 Report.

21 Changes from the 2021 RAMP Report presented in my testimony, including updates to
22 forecasts and the amount and timing of planned work, are summarized as follows:

- 23 • In response to stakeholder feedback received in the RAMP Proceeding, SDG&E
24 performed additional trenching analysis at a more granular level for some of the
25 risk mitigations described in my testimony.² SDG&E identified Meter and
26 Beyond the Meter as an additional tranche for Incidents Related to the Medium
27 Pressure System risk mitigations.

² D.18-12-014 at 18, “Tranching” refers to a logical disaggregation of a group of assets (physical or human) or systems into subgroups with like characteristics for purposes of risk assessment.”

1 **III. SUSTAINABILITY AND SAFETY CULTURE**

2 Sustainability, safety and reliability are the cornerstones of SDG&E’s core business
3 operations and are central to SDG&E’s GRC presentation. SDG&E is committed to not only
4 deliver clean, safe, and reliable electric and natural gas service, but to do so in a manner that
5 supports California’s climate policy, adaptation, and mitigation efforts. In support of the legal
6 and regulatory framework set by the state, SDG&E has set a goal to reach Net Zero greenhouse
7 gas (GHG) emissions by 2045, adopted a Sustainability Strategy to facilitate the integration of
8 GHG emission reduction strategies into SDG&E’s day-to-day operations and long-term
9 planning, and published an economy-wide GHG Study that recommends a diverse approach for
10 California leveraging clean electricity, clean fuels, and carbon removal to achieve the 2045 goals
11 through the lens of reliability, affordability, and equity.³ The Sustainability Strategy serves as
12 SDG&E’s guide to enable a more just and equitable energy future in SDG&E’s service territory
13 and beyond.⁴ As a “living” strategy, SDG&E will continue to update the goals and objectives as
14 technologies, policies, and stakeholder preferences change. See the Sustainability Policy
15 testimony of Estela de Llanos Exhibit SDG&E-02.

16 In this GRC, SDG&E focuses on three major categories that underpin the Sustainability
17 Strategy: mitigating climate change, adapting to climate change, and transforming the grid to be
18 the reliable and resilient catalyst for clean energy. SDG&E’s goal is to contribute to the
19 decarbonization of the economy by way of diversifying energy resources, collaborating with
20 regional partners, and providing customer choice that enables an affordable, flexible, and
21 resilient grid. Activities described in this testimony that align with SDG&E’s Sustainability
22 Strategy include establishing a Real Time Pricing department, enhancing support for Access and
23 Functional Needs customers, and replacing the Demand Response Management System.

24 Safety is a core value and SDG&E is committed to providing safe and reliable service to
25 all its stakeholders. This safety-first culture is embedded in every aspect of the Company’s
26 work. In 2020, SDG&E commenced development and deployment of a Safety Management
27 System (SMS), which better aligns and integrates safety, risk, asset, and emergency management

³ SDG&E, *The Path to Net Zero, A Decarbonization Roadmap for California* (April 2022), available at: <https://www.sdge.com/sites/default/files/documents/netzero2.pdf>.

⁴ SDG&E, *Building a Better Future, SDG&E Sustainability Strategy Update* (October 2021), available at: https://www.sdge.com/sites/default/files/documents/Sustainability_2021.pdf.

1 across the entire organization. The SMS takes a holistic and pro-active approach to safety and
2 expands beyond “traditional” occupational safety principles to include asset safety, system
3 safety, cyber safety, and psychological safety for improved safety performance and culture.
4 SDG&E’s SMS is a systematic, enterprise-wide framework that utilizes data to collectively
5 manage and reduce risk and promote continuous learning and improvement in safety
6 performance through deliberate, routine, and intentional processes.

7 Customer Services Information leverages the SMS framework to help advance SDG&E’s
8 safety-first culture. Building upon numerous effective safety programs and promoting a
9 psychologically safe culture, office employees are encouraged to report near misses. Near
10 misses are communicated broadly to increase visibility and assist in mitigating risk and ‘at-risk’
11 behaviors. There is also on-going communication to employees to educate them on
12 cybersecurity and the risks of cyber threats; and phishing tests are performed regularly. Strong
13 engagement and follow through from leadership contribute to a successful SMS.

14 SDG&E remains focused on identifying and implementing the most cost-effective
15 solutions with the potential to make the greatest impact on reducing GHG emissions, while
16 maintaining a safe and reliable energy system. SDG&E believes that safety, reliability, and
17 sustainability are inextricably linked and fundamental to the Company’s ability to continue to
18 successfully operate. Please see the Sustainability Policy testimony of Estela de Llanos (Exhibit
19 SDG&E-02) for additional detail on SDG&E’s Sustainability Strategy and the Safety, Risk and
20 Asset Management testimony of Kenneth Deremer (Exhibit SDG&E-31) for additional detail of
21 SDG&E’s Safety Policy.

22 **IV. NON-SHARED COSTS**

23 Non-Shared O&M costs represent the costs of labor and non-labor activities required to
24 deliver services exclusively benefiting SDG&E and its customers and do not need to be allocated
25 to other business units. Table SFB-6 below summarizes the total non-shared O&M forecasts for
26 the listed cost categories that I am sponsoring.

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**TABLE SFB-6
Non-Shared O&M Summary of Costs**

CS - INFORMATION (In 2021 \$)			
A. Customer Services Information	2021 Adjusted- Recorded (000s)	TY2024 Estimated (000s)	Change (000s)
1. Customer Pricing, Load Research, Analysis and Forecasting	3,454	4,423	969
2. Marketing, Communications, Research and Analytics	12,471	13,023	552
3. Customer Programs and Business Services	5,096	6,907	1,811
Total	21,021	24,353	3,332

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A. Customer Pricing, Load Research, Analysis and Forecasting

Table SFB-7 below summarizes SDG&E’s requested TY 2024 expenses for Customer Pricing, Load Research, Analysis and Forecasting.

**TABLE SFB-7
Forecast for Customer Pricing, Load Research, Analysis and Forecasting**

CS - INFORMATION (In 2021 \$)			
A. Customer Service Information	2021 Adjusted- Recorded (000s)	TY 2024 Estimated (000s)	Change (000s)
1. Customer Pricing, Load Research, Analysis and Forecasting	3,454	4,423	969
Total	3,454	4,423	969

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1. Description of Costs and Underlying Activities

Customer Pricing consists of multiple groups that are responsible collectively for analytical, technical and policy support for electric rates, rate design, rate strategy, electric load research, electric load analysis, and electric demand forecasting. The primary activities and functions covered under each of the sub-groups are provided below.

The Electric Rates group develops electric rates in compliance with various decisions and resolutions ordered by the California Public Utilities Commission (CPUC or Commission) and Federal Energy Regulatory Commission (FERC) to ensure accurate recovery of authorized revenue requirements.

1 The Rate Design and Strategy group develops cost-of-service studies, revenue allocation
2 and electric rate design, as well as analyzes ratemaking policies and options, and supports these
3 issues in various regulatory filings.

4 The Electric Load Research and Analysis group performs various analyses and studies
5 using customer data and electric load information to support regulatory requirements. For
6 example, to comply with CPUC decisions that include a rate setting component, this group uses
7 hourly, and sometimes fifteen-minute, data from smart meters to analyze the impact to various
8 customer segments. This group also performs studies to determine the load impact of customers'
9 energy use on the effectiveness of energy efficiency and demand response programs, as well as
10 the Governor's Emergency Reliability Program⁵ introduced in 2021 and the CPUC's Emergency
11 Load Reduction Program.⁶

12 The Electric Demand Forecasting group provides near-term and long-term forecasts of
13 energy demand and energy usage at the system level and customer class level, which are used in
14 the sales forecast application to set electric rates in conjunction with the revenue requirements, as
15 well as in the Resource Adequacy filing.

16 The calculations for the estimated expenses for Customer Pricing, Load Research,
17 Analysis and Forecasting are included in my workpapers (Ex. SDG&E-19-WP 1IN000.000).

18 2. Forecast Method

19 I chose a base year forecast method for TY 2024 for Customer Pricing, Load Research,
20 Analysis and Forecasting because the last recorded year accurately reflects the expense level
21 associated with current and forecasted departmental activity. This method is most appropriate
22 because the business functions and responsibilities of this organization most appropriately stem
23 from the 2021 base year and build incrementally from there. This is primarily due to the group
24 continuing to expand to meet the demands created by numerous rate related activities resulting

⁵ On July 30, 2021, Governor Gavin Newsom signed an emergency proclamation to free up energy supply to meet demand during extreme heat events and wildfires that are becoming more intense and to expedite deployment of clean energy resources this year and next year. The Governor's Proclamation is available at: <https://www.gov.ca.gov/wp-content/uploads/2021/07/Energy-Emergency-Proc-7-30-21.pdf>.

⁶ Decision (D.)21-03-056, Ordering Paragraph (OP) 7 at 85, the CPUC created the Emergency Load Reduction Program (ELRP), to pilot a new Demand Response approach to help avoid rotating outages during peak summer electricity usage periods from May through October.

1 from increasing legislative and regulatory requirements, rate analysis, and development of rate
 2 options that are not captured in historical costs. Therefore, the base year provides a reasonable
 3 starting point for future expenditures.

4 **3. Cost Drivers**

5 Table SFB-8 below summarizes the changes in Customer Pricing, Load Research,
 6 Analysis and Forecasting for TY 2024.

7 **TABLE SFB-8**
 8 **Changes in Customer Pricing, Load Research, Analysis and Forecasting**
 9 **TY 2024 Estimated Expenses**

Customer Pricing, Load Research, Analysis and Forecasting (In 2021 \$)	TY 2024 - 2021 Change (000s)			
	Labor	Non-Labor	Total	FTEs
a. Full Year Labor Impact of Vacancies and New Hires	519		519	4.9
b. Real Time Pricing Group	352	9	361	3.0
c. Base Year Labor Shift	86	3	89	1.0
Total TY 2024 Impact	957	12	969	8.9

10 **a. Full Year Labor Impact**

11 I am requesting \$519,000 in labor above the BY 2021 to reflect the full year impact for
 12 Load Research, Analysis and Forecasting staff who were hired during 2021. The employees in
 13 these roles lead studies and perform analysis using electric load and consumption data.
 14 Examples include how customer usage changes on a sub-hourly basis when customers adopt
 15 rooftop solar or purchase an electric vehicle or estimating load loss during a Public Safety Power
 16 Shutoff event. The results from these studies are utilized in different areas of SDG&E and
 17 forecasts are filed with the CPUC that, when approved, are used to model and implement
 18 detailed electric rates.

19 **b. Real Time Pricing Group**

20 I am requesting \$352,000 in labor and \$9,000 in non-labor above the BY 2021 to comply
 21 with D.21-07-010 on the consolidated Applications (A.)19-03-002 – SDG&E’s 2019 Phase 2
 22 General Rate Case (GRC Phase 2) and A.10-07-009 (Dynamic Pricing Proposal), which directed
 23 SDG&E to file a separate application to develop and implement a two-stage, Real Time Pricing

1 (RTP) pilot.⁷ D.21-07-010 also authorizes SDG&E to establish an internal RTP department and
2 track costs associated with developing the RTP pilot to the RRMA for recovery in its next rate
3 case.⁸ Costs for RTP began in 2021 and will be recorded to the RRMA through 2023 and
4 included in base business beginning in 2024. The RRMA is discussed in Section IV-B of this
5 chapter.

6 On December 13, 2021, SDG&E filed its Application A.21-12-006 for approval of a two-
7 stage Real Time Pricing Pilot Rate.⁹ Pilot Stage 1 will have a small enrollment and a target
8 implementation date no later than the end of 2022. Pilot Stage 2 would begin after Pilot Stage 1
9 and is expected to have a larger enrollment size and parameters similar to those outlined by the
10 CPUC in its Decision.¹⁰ The purpose of these pilots is to gather the data and experience
11 necessary for the design of future RTP rates, and to identify any barriers and implementation
12 challenges.¹¹

13 Senate Bill 100 (SB) set a goal to reach 100% zero-carbon energy by 2045.¹² One of the
14 ways to meet this goal is to introduce demand side tools, such as RTP rates, to provide customers
15 with incentives to manage their load and reduce their electricity bills while also encouraging the
16 reduction of greenhouse gas (GHG) and ensuring the reliability and cost-effectiveness of
17 SDG&E's electricity grid.

18 c. Base Year Labor Shift

19 I am requesting \$86,000 in labor and \$3,000 in associated non-labor for one analyst
20 above the BY 2021 due to a shift from the Vehicle Grid Integration Memorandum Account
21 (VGIMA) to O&M in 2024. This position will continue to provide analysis and support for

⁷ D.21-07-010, OP 6 at 89-90.

⁸ *Id.* See also SDG&E Advice Letter 2769-E, approved September 22, 2015 and effective July 31, 2015, Establishment of the Rate Reform Memorandum Account in Compliance with D.15-07-001, available at: <https://tariff.sdge.com/tm2/pdf/2769-E.pdf>.

⁹ A.21-12-006, Application of San Diego Gas & Electric Company for Approval of Real Time Pricing Pilot Rate (December 13, 2021) at 1-5, available at: https://www.sdge.com/sites/default/files/regulatory/A2112_SDGE%20Application%20Real%20Time%20Pricing_0.pdf.

¹⁰ D.21-07-010 at 52-53.

¹¹ *Id.*

¹² SB 100 (De León, 2018) available at: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB100.

1 electric load forecasting, electric rate development, and new or on-going regulatory and
 2 legislative requirements.

3 On March 31, 2016, SDG&E filed Advice Letter (AL) 2877-E/2886-E¹³ establishing the
 4 Electric Vehicle-Grid Integration (VGI) pilot program schedule pursuant to D.16-01-045.¹⁴ The
 5 VGIMA was established to record incremental long-term O&M expenses for the VGI pilot
 6 program.¹⁵ As explained in the testimony of Regulatory Accounts witness Jason Kupfersmid
 7 (Exhibit SDG&E-43), the VGIMA will be closed effective December 31, 2023, and the ongoing
 8 costs of the program are included in the 2024 Test Year.

9 **B. Marketing, Communications, Research and Analytics**

10 Table SFB-9 below summarizes SDG&E’s requested TY 2024 expenses for Marketing,
 11 Communications, Research and Analytics.

12 **Table SFB-9**
 13 **Forecast for Marketing, Communications, Research and Analytics**

CS - INFORMATION (In 2021 \$)			
A. Customer Service Information	2021 Adjusted-Recorded (000s)	TY 2024 Estimated (000s)	Change (000s)
2. Marketing, Communications, Research and Analytics	12,471	13,023	552
Total	12,471	13,023	552

14 **1. Description of Costs and Underlying Activities**

15 The Marketing, Communications, Research and Analytics group is responsible for
 16 developing strategic integrated marketing and communications plans and determining
 17 communication tactics across various channels and platforms such as mass media, digital media,

¹³ SDG&E AL 2877-E/2886-E, approved and effective December 16, 2016, Establishment of the Vehicle-Grid Integration (VGI) Pilot Program Schedule and Participation Payment Pursuant to Commission Decision 16-01-045, available at: <https://tariff.sdge.com/tm2/pdf/2877-E.pdf>.

¹⁴ D.16-01-045, OP 3(a) at 181, states in part, “The alternative VGI program terms authorizes and approves a \$45 million startup budget, plus cost recovery through future general rate case proceedings for justified capital and operations and maintenance expenses, for San Diego Gas & Electric Company (SDG&E) to implement the ‘2016 Vehicle VGI Pilot Program,’ which is patterned after the Proposed Settlement, with the additional modifications made by this decision.”

¹⁵ See SDG&E AL 2881-E, approved May 23, 2016 and effective May 25, 2016, Establishment of the Vehicle Grid Integration Memorandum Account Pursuant to Commission Decision 16-01-045, available at: <https://tariff.sdge.com/tm2/pdf/2881-E.pdf>.

1 social media, and direct customer outreach, among others. A key component in the development
2 of marketing and communication plans is conducting and leveraging quantitative and qualitative
3 research and analytics, which is performed by this group. This group also supports various
4 statewide marketing initiatives and management of the SDG&E mobile applications. The
5 primary functional areas managed by this team include:

6 **a. Mass Communication**

7 SDG&E proactively communicates to customers and stakeholders via mass and targeted
8 channels to increase customer awareness, understanding, and engagement with SDG&E services
9 and solutions. This includes marketing of rates and programs, as well as communication and
10 information about safety and emergency preparedness. For example, SDG&E supports
11 customers throughout the year with seasonal rate education campaigns to help prepare customers
12 for new and changing pricing plans. Rate education activities also include the regulatory
13 requirement of annual bill comparison communications to help customers better understand their
14 rate options.¹⁶ SDG&E also communicates annually via targeted messaging to customers in the
15 high fire risk areas of San Diego to promote safety and outage preparedness. In addition, there is
16 an annual campaign that informs customers about seasonal energy use issues, such as the impact
17 of air conditioner use and changes to baseline allowances, as well as energy safety.

18 **b. Digital**

19 Consumer adoption of digital technologies such as the web and mobile, coupled with
20 SDG&E's ability to utilize and leverage machine learning and automation, has changed customer
21 expectations and SDG&E's ability to meet those expectations. These technologies deliver value
22 to customers by enabling them to interact with SDG&E in the format and on the device of their
23 choosing making it easy for customers to stay connected to SDG&E. They also allow SDG&E
24 to deliver a seamless customer experience regardless of channel, place, or time.

25 SDG&E uses mobile applications to engage customers on a channel they prefer and to
26 integrate technology to improve and enhance customer service. The company has two customer
27 mobile applications (apps):

- 28 • SDG&E customer service app: This app gives customers the ability to easily track
29 energy usage and costs, manage their accounts, report an outage, and enroll in

¹⁶ See D.16-09-016, OP 3 at 38, affirming "requirements for bill comparisons set forth in the July 22, 2016 Administrative Law Judge's Ruling."

1 select account notifications.

- 2 • Public Safety Power Shutoffs (PSPS) Alerts app: This app provides customers
3 with information and updates for potential and active PSPS events including 48-
4 hour warnings, when customers are de-energized and re-energized, as well as
5 estimated restoration times.

6 Management of sdge.com, the company's external-facing website, the two mobile
7 applications mentioned previously – SDG&E customer service and PSPS Alerts, as well the My
8 Account website, which gives customers the ability to manage their account online, includes:

- 9 • Daily updates to content and design to support business objectives and help
10 customers interact with SDG&E.
- 11 • Continual improvement of the customer experience, including guiding the digital
12 optimization roadmap for new features and functionality.
- 13 • Front-end and back-end website server architecture and performance.
- 14 • Search Engine Optimization (SEO) enhancements and best practices.
- 15 • Implementation of cybersecurity best practices, including Web Application
16 Firewall (WAF).
- 17 • Using digital analytics to test, learn and improve digital experience.
- 18 • Develop and support customer facing technology projects from conception to
19 implementation.

20 SDG&E uses primary and secondary research to identify functional and technical
21 enhancements to digital tools, and the agile¹⁷ project management methodology to fast-track the
22 delivery of these enhancements.¹⁸ One example of an enhancement that was implemented due to
23 insights gleaned from ongoing research is the ability for customers to set up fingerprint or facial

¹⁷ Agile is described in the testimony of Information Technology Policy witness Ben Gordon (Exhibit SDG&E-25, Chapter 1).

¹⁸ Agile project management is an iterative approach to software development projects and ensures feedback can be acted on quickly and that responsive changes can be made at each stage of a sprint or product cycle. This allows project teams to adopt agile project management methodologies to work quickly and collaboratively within the timeframe and budget of a project.

1 recognition to log in to My Account at sdge.com. By installing "biometric authentication"¹⁹
 2 customers do not need to remember or reset passwords, which has reduced password reset calls
 3 to the Customer Contact Center by approximately 45 percent in 2021.

4 Further, traffic to sdge.com, time spent on each page, registered My Account users and
 5 mobile application downloads have increased every year, which indicates customers continue to
 6 utilize and value digital technology. As adoption of digital channels grows, so does the
 7 company's ability to utilize data to anticipate and address customers' needs, wants and interests
 8 to improve the customer experience.

9 **Table SFB-10**
 10 **Traffic to sdge.com**

	2018	2019	2020	2021
Pageviews	14,865,798	20,503,939	22,005,548	22,037,964
Time on Page (minutes)	2:12	2:19	2:31	2:38

11 **Table SFB-11**
 12 **My Account and Mobile Application Registered Customers**

	2018	2019	2020	2021
My Account Registered Users	1,033,095	1,039,417	1,116,600	1,147,694
Mobile App Users	NA*	NA*	160,263**	245,457

13 *2018 and 2019 data not available as SDG&E transitioned to new mobile platform and download
 14 data was not carried over.

15 **Includes downloads for the new mobile app launched in 2020.

16 **c. Collateral Design and Production**

17 A core objective for SDG&E's communication efforts is to reach customers effectively
 18 and efficiently with information about program offerings that they may benefit from such as
 19 clean transportation, energy efficiency, safety, pricing plans and assistance programs. To meet
 20 this objective, and support customer channel and language preferences, it is necessary to have
 21 printed and electronic collateral materials in multiple channels and languages. These materials
 22 may include, but are not limited to, fact sheets, email, social media graphics, brochures, direct

¹⁹ Biometric authentication is a security process that relies on the unique biological characteristics of individuals to verify they are who they say they are. Tech Target, *What is Biometric Authentication*, available at: <https://www.techtarget.com/searchsecurity/definition/biometric-authentication>

1 mail, web graphics, signage, print ads, and door hangers; all of which may be produced in
2 multiple languages.

3 **d. Research & Analytics**

4 Vital to any integrated marketing communications and customer experience strategy is
5 leveraging customer insights garnered from research and analytics. Research and analytics
6 enrich our understanding of customer expectations, needs and behaviors, identify opportunities
7 for improvements to processes, services, and offerings, and enable effective execution of
8 targeted marketing, communication, and outreach efforts. SDG&E uses both quantitative and
9 qualitative research conducted directly with its customers and secondary research studies
10 conducted by others, as well as data analytics to inform decision-making throughout the
11 organization. Research and analytics efforts enable SDG&E to measure and evaluate customer
12 perceptions, preferences, and expectations on various topics such as program offerings or the
13 quality of convenience of services delivered. One specific example of research conducted
14 directly with SDG&E customers is ‘Voice of the Customer’ which monitors the customer
15 experience through all channels and transactions and the effectiveness of marketing and
16 communication efforts.

17 **e. Social Media Engagement**

18 SDG&E engages customers through numerous social media channels, including
19 Facebook, Twitter, Instagram, LinkedIn, YouTube and Nextdoor, to communicate important
20 service-related information, program offerings, outage (gas or electric) updates, and emergency
21 and safety messages. Globally, social media platforms and followers have grown exponentially,
22 quickly becoming a primary communication channel for marketing and communications
23 strategies (see Figure SFB-1). This is also true for SDG&E. Social media provides a unique and
24 effective opportunity for SDG&E to connect with over one million customers through the social
25 media channel(s) that they prefer. SDG&E also utilizes social media platforms as a 24/7 news
26 outlet to provide real-time messages to its customers and local media in all types of emergency
27 situations. Supporting a 24/7 outlet brings with it an increased level of responsibility to respond
28 to customers effectively and in a timely manner. Social media has grown exponentially
29 regardless of industry or topic. Figure SFB-1 depicts the increased use of social media globally.

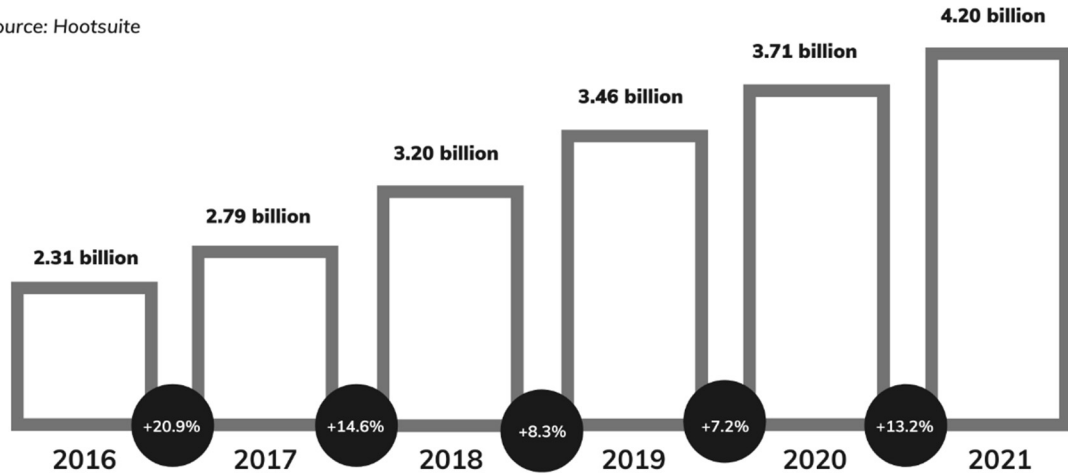
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**Figure SFB-1
Global Social Media Growth**

Global Social Media Users Over Time

Number of global social media users by year (in billions), with year-over-year change

Source: Hootsuite



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4 Figure SFB-2 depicts the steady growth in followers of social media channels used by
5 SDG&E.

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**Figure SFB-2
SDG&E Social Media Followers (2017-2021)**

San Diego Gas & Electric Social Media YE Totals					
	2017	2018	2019	2020	2021
Facebook	6,634	8,020	9,584	12,745	14,487
Instagram	1,702	2,328	3,469	6,929	8,024
Twitter	35,918	37,036	39,828	42,582	44,026
LinkedIn	n/a	13,085	19,524	26,286	30,302
Nextdoor	n/a	n/a	n/a	980,000	1,050,599

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f. Safety Communications (RAMP)

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SDG&E strives to continually inform and educate its customers and the public about the dangers and risks associated with working and being near electricity and electrical equipment, how to safely dig on their property or how to detect potential gas and electric safety issues within and around their home. SDG&E uses communication, outreach, and education campaigns to mitigate electric and gas safety risks related to customers and the public. Without adequate safety communications, a customer or member of the general public may not know how to

1 identify a hazardous situation and subsequently report it, or how to prevent one. To develop and
2 disseminate this educational information to as many customers as possible, SDG&E uses
3 customer insights garnered from research and employs several marketing tactics across a variety
4 of channels. Communications include bill inserts and onserts, television, web, social media,
5 print, public service announcements, email, radio, and other paid digital media. Messages
6 include, but are not limited to carbon monoxide safety, downed powerlines, digging, how to
7 detect gas leaks, and how to prevent electrical fire hazards. To ensure that the company’s
8 communications have a large reach, SDG&E provides communications in multiple languages,
9 and in ways to support customers with Access and Functional Needs (AFN)²⁰ within SDG&E’s
10 service territory, such as increased font size or videos with American Sign Language and closed
11 captioning.

12 **g. Customer Strategy and Transformation**

13 The Customer Strategy and Transformation Office ensures that customer and stakeholder
14 needs are central to key initiatives and major projects at an enterprise level. It provides
15 governance, valuation, and metrics for customer initiatives so that measurable improvements in
16 the customer experience are realized and sustained. This organization is also the steward of the
17 Customer Strategy for SDG&E, building on the success of the Customer Information System
18 (CIS) Replacement and the continued enhancement and improvements of SDG&E’s customer
19 experience and digital self-service strategy.

20 The calculations for the estimated expenses for Marketing, Communications, Research
21 and Analytics are included in my workpapers (Ex. SDG&E-19-WP 1IN001.000 and
22 1IN001.001).

23 **2. Forecast Method**

24 I chose a base year forecast method for TY 2024 because the last recorded year
25 accurately reflects the expense level associated with current departmental activity.
26 Communication activities and tactics are dynamic and always evolving to suit the

²⁰ D.19-05-042 at 77-78, AFN customers are defined by Government Code Section 8593.3 as
“individuals who have developmental or intellectual disabilities, physical disabilities, chronic
conditions, injuries, limited English proficiency or who are non-English speaking, older adults,
children, people living in institutionalized settings, or those who are low income, homeless, or
transportation disadvantaged, including, but not limited to, those who are dependent on public transit
or those who are pregnant.”

communications preferences of our customers and topics being shared. Therefore, the base year provides a reasonable starting point for future expenditures.

3. Cost Drivers

Table SFB-12 below summarizes the changes in Marketing, Research and Analytics estimated expenses for TY 2024.

**TABLE SFB-12
Changes in Marketing & Communications, Organizational Research and Analytics TY 2024 Estimated Expenses**

Marketing, Communications, Research and Analytics (In 2021 \$)	TY 2024 - 2021 Change (000s)			
	Labor	Non-Labor	Total	FTEs
a. Full year Labor Impact of Marketing, Communications, Research and Analytics	388		388	4.0
b. CIS Replacement Benefit 508.1 (Eliminate Aclara Annual Maintenance Fees)		-116	-116	
b. CIS Replacement Benefit New 8 (Aclara Five Year License Renewal)		-172	-172	
c. Full Year Labor Impact of Customer Strategy and Transformation	451		451	3.0
c. Customer Strategy & Transformation Consulting		100	100	
d. Graphic Artist	86	-131	-45	1.0
e. Social Media Advisor	111	3	114	1.0
f. Web Developer for SDGE.com	126	3	129	1.0
g. Research and Surveys		161	161	
h. Efficiencies in Safety Campaign activities		-698	-698	
i. Marketing and Outreach Materials		240	240	
Total TY 2024 Impact	1,162	-610	552	10.0

a. Full year Labor Impact of Marketing, Communications, Research and Analytics

I am requesting \$388,000 in labor above BY 2021 to reflect the full year impact for Marketing, Communications, Research and Analytics staff hired during 2021.

b. Business Optimization – Customer Information System (CIS) Replacement and Aclara

The TY 2024 forecast reflects a \$288,000 reduction in non-labor due to eliminating software licenses and maintenance fees related to the Aclara energy usage display tool. Aclara,

1 the residential and small business energy management portal, was replaced by a new customer-
2 facing solution as part of the CIS Replacement program, which is described in the testimony of
3 Customer Information System Replacement Policy witness Therese Sacco (Exhibit SDG&E-16).

4 **c. Full Year Labor Impact of Customer Strategy and**
5 **Transformation**

6 I am requesting \$451,000 in labor above the BY 2021 to reflect the full year impact for
7 the Customer Strategy and Transformation team that was established during 2021. I am also
8 requesting \$100,000 in non-labor above the BY 2021 for consultative services and support such
9 as market research, best practices, industry insights and best practices, and analytics capability to
10 ensure outcomes are achieved.

11 **d. Graphic Artist**

12 I am forecasting a net reduction of \$45,000 by requesting an in-house graphic artist,
13 thereby replacing the services provided by external agencies or freelance designers. At \$86,000,
14 an internal resource is more cost-effective than the use of outside agencies or freelance
15 designers. A full-time in-house designer is needed to support the increase in digital and printed
16 assets necessary for critical events, required CPUC communications and outreach to AFN
17 customers. This internal position will understand SDG&E campaigns, messaging, and audience
18 and will be available to respond quickly when needed. This position will also provide support to
19 internal and external entities during an Emergency Operations Center (EOC) activation. During
20 an EOC activation, graphic designers are necessary to develop a multitude of graphics in various
21 sizes that different media channels require. Graphics needed during an EOC activation are time
22 sensitive, often needed in less than one hour, and scheduling a meeting with an outside designer
23 or agency could take up to an hour.

24 **e. Social Media Advisor**

25 I am requesting \$111,000 in labor and \$3,000 in associated non-labor above BY 2021 to
26 ensure the Company has the support needed to respond to customers during critical events,
27 issues, and/or service interruptions across vital real-time customer communication channels. As
28 outlined above, social media follower growth has been increasing year-over-year. This
29 important customer touchpoint will continue to require an advanced level of support to provide
30 the experience our customers expect and deserve. The COVID-19 pandemic is one example of a
31 critical situation that has increased demands on the social media team to communicate with
32 customers in a timely manner. Having access to reach customers through digital channels, like

1 social media, is safer and allows us to communicate about assistance programs, payment plans
2 and arrangements, and have a two-way channel to ensure customers are heard and taken care of.
3 Social media has become a de facto customer service tool and customers expect SDG&E to
4 respond in near real time along with providing a breadth of information. Having a robust and
5 sufficiently staffed social media team affords us the opportunity to serve our customers to the
6 best of our ability.

7 **f. Web Developer for SDGE.com**

8 I am requesting \$126,000 in labor and \$3,000 in associated non-labor above BY 2021 for
9 a Web Developer. This position is needed because of the increasing number of customers using
10 the web, and the increasing accessibility requirements necessary to support AFN customers.
11 This position requires html coding capabilities, which is also used in developing email
12 communications to customers along with website design. The SDG&E website is a primary
13 channel for customers to obtain information on programs and services and provides customers
14 the ability to enroll in programs and services online. A few examples where online enrollment is
15 available to customers includes the State-mandated California Alternate Rate for Energy (CARE)
16 and Family Electric Rate Assistance (FERA) programs for income qualified customers, as well
17 as the Medical Baseline program. Other key web site initiatives that this position will support
18 include:

- 19 • Public Safety Power Shutoffs (PSPS): Every customer notification includes a call
20 to action to go to sdge.com for updated PSPS information, including affected and
21 at-risk communities, the address look-up tool, and customer resources including
22 Community Resource Centers.
- 23 • Curtailments: Customers can find circuit lists and additional information for
24 curtailments.
- 25 • Outages: sdge.com has a technology roadmap with enhancements for unplanned,
26 planned and PSPS outages, including enhancements to the outage map and
27 restoration information.

28 This position is vital to ensuring that information on sdge.com is current and accurate,
29 mitigating malicious attacks, protecting customer privacy, performing code reviews,
30 remediation, and search engine optimization.

1 **g. Research and Surveys**

2 I am requesting \$161,000 in non-labor above BY 2021 for research on key initiatives,
3 including but not limited to, sustainability and grid modernization, as well as for a new
4 residential segmentation study and secondary research subscription.

5 SDG&E plans to conduct segmentation research that will identify distinct attitudinal and
6 behavioral segments among residential customers. Combining the attitudinal information with
7 other demographic characteristics will not only allow SDG&E to customize communications, but
8 more effectively target the appropriate customers with tailored, relevant solutions, programs, and
9 services. The last residential segmentation study was conducted in 2016 to support
10 communications and messaging for the Time-of-Use (TOU) transition.²¹ SDG&E was provided
11 with an algorithm that assigned segment membership to every residential account. These
12 segments were extremely useful in tailoring communications to market a variety of programs and
13 offerings, in addition to the TOU rollout. Since this was done more than five years ago, the
14 segments need to be redefined and updated to reflect changes in the San Diego region.

15 SDG&E seeks to understand customers' knowledge of, and attitudes about, topics such as
16 climate change, renewable energy, and SDG&E's efforts and commitment to sustainability and
17 grid resiliency. These insights will assist SDG&E in prioritizing customer needs related to the
18 development of programs or services that will help the climate and our community. A multi-
19 phased approach including qualitative and quantitative research will be used to explore the
20 attitudes of San Diego residents.

21 Chartwell is a utility-focused subscription used for secondary research that also allows
22 extensive opportunities to connect with other utilities to share and learn best practices on the
23 customer journey and experience. The membership will be used to enhance primary research as
24 well as proactively share insights throughout the organization to support other departments.

25 **h. Efficiencies in Safety Campaign activities**

26 I am forecasting a reduction of \$698,000 in non-labor for Safety Campaign expenses.
27 This reduction is due to utilizing more targeted, cost-effective communication channels and
28 reusing existing creative assets, rather than creating new creative assets each year. Refer to
29 Table SFB-13 below.

²¹ Time-of-use metering is a method of measuring and charging a utility customer's energy consumption based on when the energy is used.

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TABLE SFB-13
Summary of Safety Related Risk Mitigation Costs
In 2021 \$ (000s)

Workpaper	RAMP ID	Description	BY2021 Embedded Base Costs	TY2024 Estimated Total	TY2024 Estimated Incremental	GRC RSE
1IN001.001	SDG&E-Risk-5 - C1	RAMP General Safety Communications	1,809	1,550	-259	0*
1IN001.001	SDG&E-Risk-9 - C18	RAMP Gas Public Safety Communications	2,889	2,450	-439	0*
Total			4,698	4,000	-698	

* An RSE was not calculated for this activity

i. Marketing and Outreach Materials

I am requesting \$240,000 in non-labor above BY 2021 to support marketing and outreach activities for two unrelated efforts: 1) \$120,000 for unbundled SDG&E customers, and 2) \$120,000 for the implementation of Smart Meter 2.0.

As more customers transition to receiving the electric commodity from a Community Choice Aggregator (CCA) and only receiving electricity delivery from SDG&E, a new unbundled customer groups that did not previously exist at this scale will be created. How SDG&E communicates with these customer groups and the messages from SDG&E will be different and may likely require coordination with the respective CCA. Additional funding is needed to support the unique needs of these new customer groups, including but not limited to, program changes, bill presentment change, and requirements related to codes of conduct and accessibility. At the end of 2021, SDG&E served approximately 139,000 customers on CCA service; by the end of 2022, this number is expected to grow above 840,000 customers.

For the implementation of Smart Meter 2.0, communications, SDG&E proposes email and direct mail be sent to customers in targeted zip codes at fixed intervals in advance of installation. SDG&E will develop appropriate bilingual collateral in English and Spanish, such as door hangers for field service representatives and fact sheets for customer facing outreach groups, as needed. In addition, Smart Meter 2.0 information and frequently asked questions (FAQs) will be communicated through SDG&E’s website (sdge.com), posts on social media channels (Facebook, Instagram, Twitter, and Nextdoor) and bill package messages (onserts and inserts), as space allows.

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Table SFB-14
Rate Reform Memo Account (RRMA)

Year	Electric O&M
2019	37,040,721
2020	2,320,214
2021	25,169,543
Jan-Mar 2022	<u>10,016,949</u>
2019 – Q1 2022 Subtotal	74,547,427
Less future expected IOU Reimbursement ²⁶	<u>(32,483,433)</u>
Net Expense	42,063,994

3 The expenses recorded in the RRMA are in accordance with the approved plans and
4 budgets required to successfully support and implement the transition of approximately 750,000
5 residential customers to time of use rates.²⁷ SDG&E is also the contract holder for the associated
6 statewide marketing activities²⁸ and as such, records the costs in the memorandum account and
7 subsequently invoices both Pacific Gas & Electric and Southern California Edison their portion.
8 SDG&E's allocation of the statewide marketing and consulting costs, as approved in D.17-12-
9 023 is 12%.

²⁶ D.17-12-023, OP 8 at 62-63, Pacific Gas and Electric Company (PG&E) and Southern California Edison Company (SCE) are responsible for 45% and 43% of statewide marketing costs, respectively. This amount represents estimated future reimbursements from PG&E and SCE for their share of the statewide ME&O costs recorded in the RRMA.

²⁷ On February 8, 2018, the Commission adopted Resolution E-4910 approving, with modifications, SDG&E's ME&O Plan filed by AL 2992-E submitted on November 1, 2016, and supplemental AL 2992-E-A submitted on March 15, 2017. On March 30, 2018, SDG&E filed AL 3207-E with updated information related to its ME&O plan in compliance with Ordering Paragraph 2 of the Resolution. SDG&E filed supplemental AL 3207-E-A on August 16, 2018 outlining slight revisions to its ME&O plan after learning more about the developing Statewide campaign. On April 12, 2019, SDG&E filed AL 3352-E to update its ME&O budget by requesting an additional \$5.53 million for ME&O activities. On June 25, 2020, Ordering Paragraph 1, the Commission adopted Resolution E-5069 approving AL 3352-E, available at <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M341/K392/341392801.PDF>

²⁸ SDG&E AL 3289-E, approved April 5, 2019 and effective October 22, 2018, Notification and Approval of SDG&E's Statewide ME&O Implementer Contract in Compliance with Decision 17-12-023, available at <https://tariff.sdge.com/tm2/pdf/3289-E.pdf>.

RTP pilot expenses include costs related to conducting internal and external stakeholder workshops with parties interested in SDG&E’s RTP pilot, developing the RTP pilot application that was filed December 13, 2021, and the creation of a RTP department and related labor costs.

Based on the foregoing, the costs recorded by SDG&E are in compliance with D.15-07-001 and D.21-07-010, are reasonable, and should be approved by the Commission. Additional information regarding regulatory accounts is provided in the direct testimony of SDG&E Regulatory Account witness Jason Kupfersmid (Ex. SDG&E-43).

C. Customer Programs and Business Services

Table SFB-15 below summarizes SDG&E’s requested TY 2024 expenses for Customer Programs and Business Services.

TABLE SFB-15
Forecast for Customer Programs and Business Services

CS - INFORMATION (In 2021 \$)			
A. Customer Service Information	2021 Adjusted-Recorded (000s)	TY 2024 Estimated (000s)	Change (000s)
Customer Programs and Business Services	5,096	6,907	1,811
Total	5,096	6,907	1,811

1. Description of Costs and Underlying Activities

The Customer Programs department consists of the Customer Assistance Programs (CAP) and specific activities that are funded through the General Rate Case rather than the Low-Income proceeding. Business Services consists of various groups that perform functions for, and provide services to, business customers. The primary activities and functions covered under Customer Programs and Business Services are provided below.

a. Customer Assistance Programs

SDG&E is committed to serving the needs of its low-income and special needs customers, those who are limited English proficient (LEP), and those living in underserved or hard-to-reach communities. SDG&E’s Customer Assistance programs provide financial relief, as well as health, comfort, and safety services, to support the needs of this critical and valued customer segment.

SDG&E’s Customer Assistance group delivers the following programs and services to income qualified customers and customers with a disability: State-mandated California Alternate

1 Rate for Energy (CARE) and Family Electric Rate Assistance (FERA), the Medical Baseline
2 Program, the Neighbor-to-Neighbor Program, the Low Income Home Energy Assistance
3 Program (LIHEAP) and the Energy Savings Assistance (ESA) program, which is primarily
4 funded through the Public Purpose Programs surcharge, except for the Natural Gas Appliance
5 Testing (NGAT), which is funded through the GRC. Specific activities funded by GRC for these
6 programs are described below.

7 **b. Natural Gas Appliance Testing (NGAT)**

8 As described in Chapter SDG&E-Risk-9²⁹ of the RAMP filing (Incidents Related to the
9 Medium Pressure System), NGAT is part of the CPUC-approved Energy Savings Assistance
10 (ESA) program and has been addressing the safety risks posed from installing air infiltration
11 measures through energy efficiency improvements. SDG&E conducts carbon monoxide (CO)
12 testing on homes weatherized through the ESA program in accordance with the Statewide
13 Energy Savings Assistance Program Installation Standards Manual³⁰ and the Statewide Energy
14 Savings Assistance Program Policies and Procedures Manual.³¹ CPUC directives order SDG&E
15 to charge the costs for the NGAT program to base rates rather than to the Public Purpose
16 Program funds.³²

17 **c. Medical Baseline Program**

18 The Medical Baseline Program, per the California Public Utilities Code, requires energy
19 utilities to provide customers with specified medical conditions or who rely on life-support
20 equipment an additional quantity of electricity and gas at the lowest, or "baseline," rate to meet
21 their medical needs.³³ Costs for operating this program primarily include program
22 administration, marketing and outreach, information technology, processing customer
23 applications and renewals, customer satisfaction surveys, and eligibility studies.

²⁹ A.21-05-011, Application of San Diego Gas & Electric Company to Submit its 2021 Risk Assessment and Mitigation Phase Report (May 17, 2021), Chapter SDG&E-Risk-9 at SDG&E-9-29.

³⁰ Pursuant to D.21-06-015 at 196, there is a working group updating the ESA Program Installation Standards Manual.

³¹ See Statewide Energy Savings Assistance Program 2017-2020 Cycle Policy and Procedures Manual. This manual is currently being updated pursuant to D.21-06-015 at 199.

³² D.08-11-031, OP 65 at 231; D.05-04-052, Findings of Fact (FOF) 10 at 93; D.00-07-020, FOF 44 at 167.

³³ See California Public Utilities Code Section 739(c)(1).

1 **d. Neighbor to Neighbor Program**

2 The Neighbor to Neighbor (NTN) Program provides bill payment assistance of up to
3 \$150 per household per year for customers who need financial help with their energy bills. The
4 fund is subsidized by SDG&E shareholders. High energy use customers on the Medical Baseline
5 Program with eligible life support devices can receive bill payment assistance up to \$300 per
6 household per year. This program is not income based and is open to customers who are
7 experiencing temporary financial hardship and do not qualify for state or federal assistance. In
8 2020 and 2021 the NTN Program assisted 4,429 and 346 customers, respectively, providing
9 assistance of \$608,708 and \$51,102, respectively. Costs for running this program are related to
10 program management, outreach, and collateral materials.

11 **e. Low Income Home Energy Assistance Program (LIHEAP)**

12 This is a federally funded assistance program administered by the State that provides bill
13 payment assistance and home weatherization services to income-qualified customers. SDG&E
14 works with contracted LIHEAP agencies to ensure that payments are received and applied
15 correctly to customers' bills. Although the LIHEAP program is funded externally, SDG&E's
16 costs support customer outreach and administration of this program.

17 **f. Business Services**

18 SDG&E values the significant contribution of business customers and the military to the
19 regional economy and to our State and is committed to providing these customers with the level
20 of customer service needed for them to thrive. Providing relevant, timely, and responsive
21 customer support requires strong and collaborative relationships with business customers and an
22 understanding of their energy needs. In BY 2021 SDG&E had approximately 69,000 business
23 customers accounting for nearly 60% of all SDG&E electric sales and approximately 25% of all
24 SDG&E gas sales.

25 Business Services (BuS) provides customer-focused education, expertise and analysis
26 surrounding SDG&E energy rates, tariff services, energy efficiency, demand response, advanced
27 clean technologies, safety including resiliency, and regulatory information through various
28 channels. Dating back to the wildfires in 2007 and the winter storms in 2010, and most recently
29 the increased PSPS events and Electric and Gas Load Curtailment activity, SDG&E identified a
30 growing need to help its customers be better informed and prepared to respond to emergency

1 situations impacting their energy service. BuS coordinates the safety education and outreach
2 efforts to support all business customers during these critical situations.

3 To effectively meet the wide and growing array of business customers' complex energy
4 needs, SDG&E delivers customer service through a team of highly trained and specialized
5 personnel. BuS activities are broken down into two functional areas: Business Account
6 Management and Customer Services Staff Support.

7 **g. Business Account Management**

8 In BY 2021, large business customers represented approximately 60% of electric energy
9 usage by businesses or 6.7 billion kWh, and 80% of gas usage by businesses or 400 million
10 therms. Account management services are provided to large commercial, industrial, and
11 governmental customers through an AE team who are supported by management, staff, and
12 administrative personnel. Each AE manages approximately 60 large business customers, which
13 have an average of 4,000 meters, both electric and natural gas. AEs are assigned by market
14 segment to cultivate more in-depth market knowledge and provide tailored customized service.
15 The interactions between an AE and the customer are critical to ensure that customers are well
16 informed about SDG&E rate and service options, and customers have someone that is familiar
17 with their large and more complex service needs who can resolve their unique service issues
18 quickly, safely, and reliably. Further, AEs collaborate with their customers to assist them in their
19 sustainability efforts and climate action plans.

20 The AE is the SDG&E single point of contact for large business customers and assists
21 them with billing questions, rate analysis, credit issues, inquiries regarding servicer facility
22 infrastructure changes, energy management questions, regulatory decisions, tariff changes, PSPS
23 preparedness and other resiliency preparedness efforts, programs and services such as direct
24 access or distributed generation, power quality, or general energy industry information.

25 In BY 2021 small and medium business customers represented approximately 40% of
26 electric energy usage by businesses or 4.3 billion kWh, and 20% of gas usage by businesses or
27 100 million therms. Small and medium business customers rely on SDG&E to provide them
28 with information regarding energy issues that will directly impact their business, keep them
29 apprised of regulatory matters and rate changes, present solutions on how to save money on their
30 energy bill, resiliency solutions and for safety-related messages. Unlike the large business
31 customer who may employ a skilled engineering staff to help them manage their energy needs,

1 the small and medium business owners frequently fill multiple roles and may lack the expertise,
2 background, or time to understand complex energy messages and offers. Because of these
3 limitations these customers rely on SDG&E to personalize the myriad of energy rate options and
4 solutions for ease of use and understanding. These unique characteristics make this segment one
5 of the most difficult to engage, such that targeted outreach campaigns and customized tailored
6 treatments are the best approach to serve these customers.

7 Customer Energy Specialists help small business and residential customers with more
8 complex concerns and issues that the Customer Contact Center is not able to resolve; and that
9 typically require a site visit for resolution. They work with the customer over the phone to
10 explain rate options and billing issues and make site visits to further research and sort out
11 customer issues (billing, meter service, high bills), provide tips on how to reduce bills, and
12 address any safety issues found. This team also supports various outreach campaigns related to
13 PSPS and compliance safety, by contacting customers over the phone and in person through field
14 visits.

15 **h. Customer Services Staff Support**

16 Customer Services Staff Support provides specialized assistance and expertise in many
17 areas including analytics, infrastructure project coordination, billing assistance services,
18 reliability information, technical assistance on end use equipment, and outreach and education.
19 Each staff support workgroup within BuS is described below.

20 **i. Analytics, Rates and Support Services**

21 The Analytics, Rates and Support Services team provides support to over 60,000
22 Commercial and Industrial (C&I) assigned customer accounts. Working with business
23 customers, this team develops customized, comprehensive rate analyses and comparisons
24 including tariff evaluations. They assist with bill reconciliation, help customers understand their
25 account options, credit obligations, and payment options; and they provide rate and tariff
26 guidance. They also carry out creating or closing out accounts, meters, or projects for customers.

27 The team builds reporting tools and dashboards for internal and external usage. Through
28 data analysis and visualization, the team enables SDG&E staff to proactively provide each
29 business customer with enhanced, personalized service and recommendations and enables
30 customers greater granularity and visibility into their billing and account details. This team also

1 supports the EOC when business customer data is needed before, during and after an activation,
2 which is critical when emergencies occur and timely data on business customers is required.

3 The team monitors and participates in proceedings that impact large commercial,
4 industrial, or government customers, including but not limited to the Triennial Cost Allocation
5 Proceeding (TCAP), Rate Design Window (RDW), and Microgrid proceedings. They manage
6 operations for C&I Noncore Gas Transportation, and Core Aggregation Transportation (CAT)
7 Programs including natural gas balancing. They perform education and proactive
8 communication of natural gas programs and natural gas curtailment events and questions. The
9 team also supports customers with data and analysis to achieve compliance with Assembly Bill
10 802, which requires the reporting of energy usage on buildings of 50,000 square feet or more to
11 the California Energy Commission.³⁴

12 Lastly, this team supports contracts and projects that do not conform to existing rules yet
13 provide value to customers. These special contracts require analysis to ensure that the interests
14 of these customers are not being cross-subsidized. Each year there are unique proposals that
15 SDG&E will assess and, if needed, file with the CPUC. Examples of these contracts are the
16 Food Bank Discount, the Industrial Assistance Program, and LED (Light Emitting Diode)
17 Streetlighting program.

18 **j. Planned Outage Coordination**

19 This team coordinates all planned outages for SDG&E. In BY 2021, the Planned Outage
20 Coordination Team processed approximately 8,400 planned outages, impacting approximately
21 550,000 customers. When the date for a planned outage has been established, all impacted
22 customers are notified through an automated voice message that outage details will be sent via
23 email or direct mail, if no email address is available. The email notification is provided a
24 minimum of six days in advance of the upcoming outage; the direct mail notifications typically
25 provide 3-5 days' notice. In addition, the Planned Outage Coordinator will contact all life
26 support customers who will be impacted by a planned outage directly, via telephone. If the
27 Planned Outage Coordinator is unable to reach a life support customer by phone, SDG&E's
28 Customer Field Operations will dispatch a truck to make physical contact with the customer. A
29 door hanger is left if contact with the customer is not made. Depending on the needs of the

³⁴ Assembly Bill 802, Chapter 509, Sec. 1 (October 8, 2015).

1 impacted customers and the nature of the planned outage, additional planning, coordination,
2 support, and communication beyond the standard messaging may be implemented to ensure
3 customers are adequately prepared for the planned outage.

4 **k. Project Coordination**

5 This team works with the customer and SDG&E’s Project Management group on
6 construction projects, relocations, customer-requested maintenance outages, service upgrades,
7 pulse meters to integrate meter data with customer energy management systems, and meter
8 change outs. They develop the project scope, represent the customer’s needs, explain
9 utility requirements, and help the customer complete necessary documentation required for
10 infrastructure projects.

11 **l. Stakeholder Engagement and Outreach**

12 This team proactively provides education and support to residential and business
13 customers through events, presentations, outreach materials and consultations. Topics covered
14 include, but are not limited to rates, programs – including customer assistance, tools, Public
15 Safety Power Shut-off and wildfire preparedness. This team works closely with Community
16 Based Organizations (CBOs), the majority of which are small, grassroots agencies serving
17 customers with access and functional needs, including those that are multicultural, multilingual,
18 limited income, senior, and limited-English proficiency (LEP) in communities of concern.
19 CBOs are a key channel and support network, to promote available programs and solutions.
20 SDG&E works with these organizations year-round to help prepare and educate customers,
21 especially those who may be vulnerable, for wildfires through presentations, events, meetings,
22 and amplification of emergency preparedness information. Additionally, this team works closely
23 with SDG&E’s Tribal Relations team to strengthen existing partnerships with tribal governments
24 and share information on programs and services and determine the eligibility of tribal members.

25 **m. Access and Functional Needs**

26 This is a new team formed in 2020 that is dedicated to supporting Access and Functional
27 Needs customers, which is estimated to be approximately 30% of SDG&E’s residential
28 customers. AFN customers are “individuals who have developmental or intellectual disabilities,
29 physical disabilities, chronic conditions, injuries, limited English proficiency or who are non-
30 English speaking, older adults, children, people living in institutionalized settings, or those who
31 are low income, homeless, or transportation disadvantaged, including, but not limited to, those

1 who are dependent on public transit or those who are pregnant.”³⁵ Activities for AFN customers
 2 include developing robust solutions to support them during power outages, partnering with
 3 CBOs to shape solutions, enhancing marketing and outreach to meet the needs of this population
 4 through channels and language, and increasing the overall accessibility of communications,
 5 channels, facilities and other tools and solutions.

6 The calculations for the estimated expenses for Customer Programs and Business
 7 Services are included in my workpapers (Ex. SDG&E-19-WP 1IN002.000 and 1IN002.001).

8 **2. Forecast Method**

9 I chose a base year forecast method for TY 2024 because the last recorded year
 10 accurately reflects the expense level associated with current departmental activity. The work
 11 performed by this group continues to expand and evolve to meet the demands created by
 12 numerous activities resulting from the changing landscape of legislative and regulatory
 13 requirements as described in the Cost Drivers below. Therefore, the base year provides a
 14 reasonable starting point for future expenditures.

15 **3. Cost Drivers**

16 Table SFB-16 below summarizes the changes in Customer Programs and Business
 17 Services estimated expenses for TY 2024.

18 **Table SFB-16**
 19 **Changes in Customer Programs and Business Services TY2024 Estimated Expenses**

Customer Programs and Business Services	TY 2024 - 2021 Change (000s)			
	Labor	Non-Labor	Total	FTEs
Full Year Labor Impact of Vacancies and Leaves	160		160	1.2
Medical Baseline	97	200	297	1.0
RAMP – Natural Gas Appliance Testing		464	464	
Access and Functional Needs	158	100	258	1.3
Analytics Enhancements		150	150	
Business Analyst	71		71	1.0
Program Supervisor	63		63	0.5
Sustainability – Project Manager	111		111	1.0

³⁵ D.19-05-042 at 77-78.

Customer Programs and Business Services	TY 2024 - 2021 Change (000s)			
	Labor	Non-Labor	Total	FTEs
Emergency Preparedness – Project Manager	111		111	1.0
Compliance – Project Manager	126		126	1.0
Total TY 2024 Impact	897	914	1,811	8.0

a. Full Year Labor Impact

I am requesting \$160,000 in labor above the BY 2021 to reflect a full year impact for Customer Programs and Business Services staff who were hired during 2021.

b. Medical Baseline

I am requesting \$97,000 in labor for one program advisor and \$200,000 in associated non-labor above BY 2021 for Medical Baseline. The additional expenses are needed to implement new program requirements described under SDG&E AL 3589-E/2890-G and as mandated under Resolution E-5169.³⁶ New program requirements include increased marketing and outreach to persons eligible for Medical Baseline, educational materials in multiple languages, electronic signature options for program enrollment, funding outreach programs and grants for Community Based Organizations, and an eligibility population study. Implementation of these new program requirements will allow SDG&E to meet and maintain the higher program enrollment goals as ordered under Resolution E-5169.³⁷

c. RAMP – Natural Gas Appliance Testing (NGAT)

I am requesting \$464,000 in non-labor above the BY 2021 amount to support an expected increase in NGAT, or carbon monoxide (CO) testing. NGAT, or CO testing, is a safety-related activity for the Energy Savings Assistance program (ESA), as outlined in the RAMP-Incidents Related to the Medium Pressure System, (Chapter SDG&E-9).³⁸ SDG&E base year of 2021 saw a reduction in program productivity due to the COVID-19 pandemic, which resulted in a lower

³⁶ Resolution E-5169, OP 1 at 20; SDG&E, Advice Letter 3589-E/2890-G, approved and effective September 23, 2021, Update on San Diego Gas & Electric Company’s Medical Baseline Program Adopting Rules and Policy Changes to Reduce Residential Customer Disconnections in Compliance with D.20-06-003, available at: <https://tariff.sdge.com/tm2/pdf/2890-G.pdf>.

³⁷ Per Resolution E-5169, OPs 2-5 at 20, SDG&E shall establish a goal to increase Medical Baseline enrollment, file a consolidated request for consideration of a study of the eligible population, and report progress on enrollment goals as part of the required monthly disconnection reports.

³⁸ *Supra* at n.28.

number of NGATs completed. SDG&E also expects the percentage of NGAT treated homes to increase due to program rule changes adopted in D.21-06-015 which moved away from a goal of number of homes treated to energy savings goals.³⁹ This shift puts a greater focus on installing energy-saving measures in the home which require NGAT testing. Additional program changes that have been directed include the implementation of an ESA Multifamily Whole Building Program (MFWB) for the Southern Region of California that will include NGAT services. NGAT is conducted by third party contractors, whose NGAT pricing will be updated after solicitations are conducted. Based on recent valuations from current NGAT contractors, the price per test could increase by up to 50% to provide experienced NGAT technicians with fair and competitive wages. CPUC directives require SDG&E to charge the costs for the NGAT program to base rates rather than to the public purpose funds.⁴⁰ Refer to Table SFB-17 below.

TABLE SFB-17
Summary of Safety Related Risk Mitigation Costs
In 2021 \$ (000s)

Workpaper	RAMP ID	Description	BY2021 Embedded Base Costs	TY2024 Estimated Total	TY2024 Estimated Incremental	GRC RSE
1IN002.001	SDG&E- Risk-9 - C20	RAMP Natural Gas Appliance Testing (NGAT)	161	625	464	0.05
Total			161	625	464	

d. Access and Functional Needs (AFN)

I am requesting \$158,000 in labor and \$100,000 in associated non-labor above BY 2021 for Access and Functional Needs. The labor request is for a Project Manager who will focus on integrating enhanced accessibility and AFN support into Customer Assistance programs and Clean Energy proceedings such as Climate Resiliency. In collaboration with internal marketing and communications staff, program staff, and outreach staff, this position will develop and implement strategies to help meet marketing, program, and company goals related to customers

³⁹ Section 6.9.8.1 of D.21-06-015 states: “We approve the IOUs’ proposed household treatment numbers for PYs 2022 2026 as targets, as opposed to goals, prioritizing the program’s shifting emphasis on energy savings over the number of households treated.”

⁴⁰ D.08-11-031, OP 65 at 231.

1 with AFN. Responsibilities also include the analysis of customer data and evaluation of certain
2 program procedures to aid in the enhancement of support for these customers. Further, this
3 request includes a shift from refundable to O&M for one-third of a full time equivalent to
4 specifically support AFN activities.

5 The associated non-labor request is the result of an increase in regulatory requirements
6 related to supporting customers with access and functional needs and disadvantaged
7 communities (DACs). The regulatory requirements range from providing direct support
8 services, to specific marketing, education, and outreach activities to engaging Community Based
9 Organizations in Advisory Councils to inform activities. These proceedings span multiple areas
10 of focus including, but not limited to, De-energizations, Disconnections, Low Income, Covid-19
11 Emergency Customer Protections, Bill Debt Order Instituting Rulemaking (OIR), Microgrid
12 OIR, Climate Change Adaptation Community Engagement Plan, and Power Your Drive; and are
13 generally encompassed within the CPUC's Environmental and Social Justice Plan.⁴¹ This
14 requires enhanced programs and tools, marketing and outreach materials, different channels to
15 engage with this hard-to-reach customer segment, customer research, increased engagement with
16 community partners as well as Advisory Groups, and increased accessibility for
17 communications. Detailed support plans can be found in SDG&E's Access and Functional
18 Needs Plan filed annually with the CPUC on February 1 of each year.⁴²

19 **e. Analytics Enhancements**

20 I am requesting \$150,000 in non-labor above BY 2021 for Analytics Enhancement
21 consulting services. This increase is a result of adding customer self-service functionality and
22 expanded rate reporting features. With the implementation of SDG&E's CIS Replacement in
23 2021, Business Services will be able to leverage the capabilities of the new system and expand
24 offerings to business customers who currently get data and analytics manually from SDG&E.
25 The new portal will allow the customer to gather their data needs either on demand or per
26 specific time periods. The self-service feature will allow businesses to control the timing and

⁴¹ Rulemaking (R.)18-12-005 (De-energization); R.10-02-005, R.18-07-005 (Disconnection OIR); R.18-12-006 (Power Your Drive 2.0); R.18-10-007 (Wildfire Mitigation Plan); Rulemaking 18-04-019 (Climate Change Adaptation OIR).

⁴² R.18-12-005, SDG&E' 2022 Plan to Support Access and Functional Needs Populations During Public Safety Power Shutoffs (January 31, 2022), *available at* https://www.sdge.com/sites/default/files/R1812005_SDGE%202022%20AFN%20Plan.pdf.

1 specific requests they need. Business customers often have very complex installations and
2 getting them critical tariff, billing, and consumption information in a timely manner is crucial to
3 their operations and planning for the future.

4 **f. Business Analyst**

5 I am requesting \$71,000 in labor above the BY 2021 for a Business Analyst. This
6 increase is a result of greater focus on increasing automation and implementation of system
7 specific features around upcoming tariffs, microgrid projects, renewable natural gas, and
8 hydrogen projects. This position will support innovation, automation, and documentation on rate
9 and analytic projects. This will free up senior level analysts to manage upcoming regulatory and
10 data request needs for these sustainability and resiliency projects.

11 **g. Program Supervisor**

12 I am requesting \$63,000 in labor above the BY 2021 to fund half of a program supervisor
13 that will be responsible for the design, implementation, and ongoing management of new and
14 existing, mandated renewable program offerings for customers. This position will develop and
15 execute strategic plans for renewable program offerings for SDG&E customers, participate in
16 regulatory proceedings and workshops, ensure compliance with regulatory and legislative
17 direction, and manage all related aspects of the programs.

18 **h. Project Manager – Sustainability**

19 I am requesting \$111,000 in labor above the BY 2021 for a Project Manager with a focus
20 on sustainability. This position is necessary due to the increase in requests from C&I customers
21 to provide incremental support and analysis for their sustainability projects in areas such as
22 microgrids, alternative clean technologies, decarbonization, clean transportation, hydrogen, and
23 energy storage. This position will also support regulatory requirements and associated reporting.

24 **i. Project Manager – Emergency Preparedness**

25 I am requesting \$111,000 in labor above the BY 2021 for a Project Manager with a focus
26 on emergency preparedness. This position is necessary due to increased requirements for
27 emergency preparedness support for customers, including PSPS event support. This position
28 will develop and facilitate training for responders and knowledge transfer to new responders, will
29 manage and update the documentation of processes, procedures, and regulatory or safety
30 requirements, and lead the Customer Service section-specific after-action items and aid with
31 relevant data requests and event-specific reporting.

1 The Project Manager will also have responsibility for the support of all Critical
2 Facilities⁴³ and Essential Customers in the event of an emergency such as a de-energization or
3 load curtailment. The increase in scope of regulatory requirements related to supporting these
4 customers requires an enhanced focus around the marketing and outreach materials, information
5 management, planning and regulatory compliance and increased engagement with stakeholders
6 and Working Groups. Responsibilities include the management of all marketing and outreach
7 activity including the on-going management of the Critical Facilities web page, facilitating all
8 inquiries into the Critical Facilities email address, on-going maintenance of the Critical Facilities
9 and Essential Customers list – such as adding or removing new or departing facilities,
10 management of contact and backup generation information. It also includes the development of
11 a new database for information management and the planning and management of all current and
12 future regulatory requirements related to Critical Facilities and Essential Customers, including
13 partnering with other departments to manage the strategy for enhanced solutions for these
14 customers, such as resiliency audits, backup generation programs, microgrids, strategic
15 undergrounding. Lastly, this position will be responsible for the planning efforts around
16 engaging with key stakeholders and will be responsible for attending current and future Working
17 Group Meetings or Advisory Councils on this topic.

18 **j. Project Manager – Compliance**

19 I am requesting \$126,000 in labor above the BY 2021 for a Project Manager focused on
20 compliance activities. This increase is a result of the growing complexity in business operations
21 and volume of compliance requirements. This position will develop and manage the regulatory
22 compliance systems, processes, and procedures, including identifying risks and issues,
23 establishing business controls, managing risk registers, driving mitigation to resolution,
24 addressing audit findings and recommendations and employee compliance training for the
25 Customer Programs department.

26 **V. CAPITAL**

27 I am sponsoring the business justification for the following IT capital project. The
28 estimated capital expense requests are included in the testimony and capital workpapers of Mr.

⁴³ D.19-05-042, Appendix A at. A4, “The term ‘critical facilities’ and ‘critical infrastructure’ refers to facilities and infrastructure that are essential to the public safety and that require additional assistance and advance planning to ensure resiliency during de-energization events.”

Exon (Ex. SDGE-25, Ch. 2). Table SFB-18 summarizes the total capital forecasts for 2022, 2023, and TY 2024.

TABLE SFB-18
Capital Expenditures Summary of Costs

IT CAPITAL (in 2021\$)	Estimated 2022 (\$000)	Estimated 2023 (\$000)	Estimated TY2024 (\$000)
Demand Response Management System (DRMS) Replacement, Capital Workpaper (CWP) 00900C	4,969	4,367	0
Total	4,969	4,367	0

A. Demand Response Management System (DRMS) Replacement

1. Business Justification

The forecast for the Demand Response Management System replacement for 2022, 2023, and 2024 are \$4,968,900, \$4,367,841, and \$0, respectively. See the testimony and capital workpapers of Mr. Exon (Ex. SDG&E-25 Ch. 2, Ex. SDG&E-25 CWP 00900C).

This project will implement a Demand Response Management System (DRMS) that will manage the entire portfolio of Demand Response (DR) programs at SDG&E. SDG&E’s DR programs are currently managed via several systems, complex middleware, and a significant number of manual processes. This project replaces, consolidates, and simplifies the existing Demand Response systems and eliminates manual processes. DRMS capabilities include program event management, reporting and monitoring, device management, demand response load forecasting, California Independent System Operator market integration, and electric vehicle supply equipment.

The current DRMS system has reached its useful life and will no longer be supported by the vendor. Without this replacement, SDG&E would be unable to implement demand response programs that relieve stress on the grid. Further, the current legacy system has limited innovative capabilities and would likely require significant customization to support new DR pilots and technologies.

1 **VI. CONCLUSION**

2 My SDG&E Customer Services – Information O&M and Capital project justifications
3 were carefully developed and reviewed and represent a projection of the level of funding
4 necessary to support SDG&E’s organizational focus for the TY 2024 GRC term. The focus
5 being the trusted energy advisor and providing safe, efficient, effective, timely and personalized
6 customer service to SDG&E’s business and residential customers.

7 This concludes my prepared direct testimony.

1 **VII. WITNESS QUALIFICATIONS**

2 My name is Sandra Baule. I am employed by SDG&E as the Customer Programs
3 Strategy and Contract manager. My business address is 8335 Century Park Court, San Diego,
4 California, 92123. My current responsibilities include overseeing SDG&E's Customer Programs
5 Contract Management Office and business strategy. I assumed my current position in April
6 2019. I have been employed by SDG&E since 2001, and have held positions in Customer
7 Communications, Smart Meter program, Business Services and Customer Programs. I received
8 a Bachelor of Business Administration degree from Loyola University and an MBA from
9 National University.

10 I have not previously testified before this Commission.

APPENDIX A
GLOSSARY OF TERMS

APPENDIX A
Glossary of Terms

Acronym	Definition
AB	Assembly Bill
ACCUMA	Avoided Cost Calculator Update Memorandum Account
ACT	Advanced Clean Trucks
ADA	American with Disabilities Act
AHT	Average Handle Time
AI	Artificial Intelligence
AL	Advice Letter
APL	Authorized Payment Location
AMP	Arrearage Management Program
AQMP	Air Quality Management Plan
AR	Account Representative
BuS	Business Services
BY	Base Year
CalEPA	California Environmental Protection Agency
CARB	California Air Resources Board
CARE	California Alternate Rates for Energy
CCA	Community Choice Aggregation
CCC	Customer Contact Center
C&I	Commercial and Industrial
CIA	Customer Insights and Analytics
CIS	Customer Information System
CMS	Content Management System
COVID-19	Coronavirus Disease 2019
CPI	Consumer Price Index
CPUC	California Public Utilities Commission
CSF	Customer Service Field
CSPMO	Customer Service Program Management Office
CX	Customer Experience
D	Decision
DAC	Disadvantaged Communities
DASR	Direct Access Service Request
DBE	Diverse Business Enterprise
DER	Distributed Energy Resource
EBPP	Electronic Bill Presentment and Payment
EDI	Electronic Data Interchange
EPA	Environmental Protection Agency
ESAP	Energy Savings Assistance Program

Acronym	Definition
ESP	Energy Service Provider
ESS	Energy Service Specialist
Ex	Exhibit
FAQ	Frequently Asked Questions
FERA	Family Electric Rate Assistance
FTEs	Full Time Equivalents
GHG	Greenhouse Gas
GRC	General Rate Case
IT	Information Technology
IOU	Investor Owned Utility
IVR	Interactive Voice Response
LOS	Level of Service
LSE	Load Serving Entity
MBL	Medical Baseline
MCS	Measurement Collection System
MDM	Meter Data Management
MRP	Meter Revenue Protection
NEM	Net Energy Metering
NGAT	Natural Gas Appliance Testing
NGV	Natural Gas Vehicles
NLP	Natural Language Processing
NO _x	Nitrogen Oxide
OAR	Otherwise Applicable Rate
OBR	Off But Registering
O&M	Operations and Maintenance
OEHHA	Office of Environmental Health Hazard Assessment
PA/PE	Payment Arrangements/Payment Extensions
PDF	Portable Document Format
PIPP	Percentage of Income Payment Plan
PMO	Project Management Office
RAMP	Risk Assessment Mitigation Phase
SB	Senate Bill
SCE	Southern California Edison Company
SCG	Southern California Gas Company
SDG&E	San Diego Gas & Electric Company
Sempra	Sempra Energy
SMB	Small, Medium Business
SMS	Short Messaging Service
SoCalGas	Southern California Gas Company
TOU	Time Of Use

Acronym	Definition
TY	Test Year
USPS	United States Postal Service
UX/UI	User Experience/User Interface
WP	Workpaper
YOY	Year Over Year
ZNE	Zero Net Energy