

Company: San Diego Gas & Electric Company (U 902 M)  
Proceeding: 2024 General Rate Case  
Application: A.22-05-015/-016 (cons.)  
Exhibit: SDG&E-219

**REBUTTAL TESTIMONY OF**  
**SANDRA F. BAULE**  
**(CUSTOMER SERVICES - INFORMATION)**

**BEFORE THE PUBLIC UTILITIES COMMISSION**  
**OF THE STATE OF CALIFORNIA**



**May 2023**

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**I. SUMMARY OF DIFFERENCES**

**Table SB-1**

<b>TOTAL O&amp;M - Constant 2021 (\$000)</b>			
	<b>Base Year 2021</b>	<b>Test Year 2024</b>	<b>Change</b>
<b>SDG&amp;E</b>	21,021	24,353	3,332
<b>CAL ADVOCATES</b>	21,021	24,353	3,332
<b>TURN</b>	21,021	21,201	180
<b>UCAN</b>	21,021	24,233	3,212

**Table SB-2**

<b>TOTAL CAPITAL - Constant 2021 (\$000)</b>					
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Total</b>	<b>Difference</b>
<b>SDG&amp;E</b>	4,969	4,367	0	9,336	0

No parties objected to the business justification for San Diego Gas & Electric Company's (SDG&E) proposed Customer Service – Information (CSIN) Information Technology (IT) capital costs.

**II. INTRODUCTION**

This rebuttal testimony regarding SDG&E's request for Customer Services – Information (CSIN) addresses the following testimony from other parties:

- The Public Advocates Office of the California Public Utilities Commission (CPUC or Commission) (Cal Advocates) as submitted by Mariana Campbell (Exhibit (Ex.) CA-10), dated March 27, 2023.
- The Utility Reform Network (TURN), as submitted by David Cheng (Ex. TURN-09), dated March 27, 2023.
- Utility Consumers Action Network (UCAN), as submitted by Dr. Eric Charles Woychik, dated March 27, 2023.

As a preliminary matter, the absence of a response to any particular issue in this rebuttal testimony does not imply or constitute agreement by SDG&E with the proposal or contention made by these or other parties. The forecasts contained in SDG&E's prepared direct testimony are based on data and facts available at the time of testimony preparation.

1 SDG&E is committed to sustainability, community, and the environment. With  
2 customers at the center, SDG&E’s mission is to provide clean, safe, and reliable energy service.  
3 SDG&E recognizes the importance of understanding customers’ changing needs and preferences  
4 and providing customers with personalized service, relevant information, offers and support, and  
5 multiple customer service channels. Approval of the estimated total Test Year (TY) 2024 costs  
6 associated with the Customer Services – Information organizations proposed in SDG&E’s  
7 prepared direct testimony is fundamental to the Company’s ability to meet the needs of  
8 customers.

9 SDG&E provides this CSIN rebuttal testimony to address issues, positions and  
10 recommendations raised by the following parties:

11 **A. CAL ADVOCATES**

12 Cal Advocates reviewed CSIN testimony and workpapers; issued data requests and  
13 analyzed responses, and analyzed the adjusted-recorded expenses and forecasts and does not take  
14 issue with the TY 2024 forecast for CSIN.<sup>1</sup>

15 **B. TURN**

16 TURN proposes to disallow portions of SDG&E’s TY 2024 forecast for the  
17 following CSIN workpaper groups:<sup>2</sup>

- 18 • Customer Pricing, Load Research, Analysis and Forecasting: SDG&E’s  
19 TY 2024 forecast is \$4,423,000. TURN proposes \$3,544,000 be adopted  
20 for TY 2024, a recommended disallowance of \$879,000.
- 21 • Customer Programs and Business Services: SDG&E’s TY 2024 forecast is  
22 \$6,907,000. TURN proposes \$4,634,000 be adopted for TY 2024, a  
23 recommended disallowance of \$2,273,000.

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<sup>1</sup> March 27, 2023, Testimony of Mariana Campbell on behalf of Public Advocates Office, Report on Results of Operations for San Diego Gas & Electric Company, Southern California Gas Company Test Year 2024 General Rate Case, Ex. CA-10 (Campbell).

<sup>2</sup> March 27, 2023, Testimony of David Cheng on behalf of TURN, Addressing Customer Services for Southern California Gas Company and San Diego Gas & Electric Company, Ex. TURN-09 (Cheng).

1           **C.     UCAN**

2           UCAN proposes to disallow \$120,000 for marketing and outreach materials in  
3 support of Smart Meter 2.0.<sup>3</sup>

4           **III.    GENERAL REBUTTAL**

5           TURN’s disallowances are based on the assertion that a five-year average forecast  
6 method is more appropriate due to the fluctuation in historical spend for Customer Pricing, Load  
7 Research, Analysis and Forecasting and Customer Programs and Business Services. TURN uses  
8 2018 – 2022 for its five-year average method, which is inconsistent with Rate Case Plan that  
9 dictates that the five-year average consists of five years of history up to and including the base  
10 year. TURN misstates that using 2018 – 2022 resulted in the most conservative reduction.  
11 TURN’s use of a five-year average, regardless of the range of years, does not consider the  
12 incremental needs of SDG&E and ignores direction from the Commission in various  
13 proceedings. Utilizing a five-year historical average is not representative of the current  
14 organization or what is required to complete anticipated future activities. SDG&E consistently  
15 used a base year forecast method for the entirety of CSIN because, as stated in prepared direct  
16 testimony, business functions and responsibilities for CSIN most appropriately stem from Base  
17 Year (BY) 2021 and build incrementally from there.<sup>4</sup> TURN did not raise objections to any  
18 specific assumptions SDG&E used to develop its TY 2024 forecast.

19           Further, TURN has misplaced the summary paragraph related to its proposal for TY 2024  
20 Customer Service Information operations and maintenance (O&M).<sup>5</sup> SDG&E has made a best  
21 effort to determine TURN’s summary proposal based on other sections of TURN’s testimony.

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<sup>3</sup> March 27, 2023, Prepared Direct Testimony of Dr. Eric Chares Woychik on behalf of TURN, Ex. UCAN (Woychik).

<sup>4</sup> Ex. SDG&E-19 (Baule) at SFB-iii.

<sup>5</sup> Ex. TURN-09 (Cheng) at 35:2-5.

1 **IV. REBUTTAL TO PARTIES' O&M PROPOSALS**

2 **A. Non-Shared Services O&M**

3 **Table SB-3**

<b>NON-SHARED O&amp;M - Constant 2021 (\$000)</b>			
	<b>Base Year 2021</b>	<b>Test Year 2024</b>	<b>Change</b>
<b>SDG&amp;E</b>	21,021	24,353	3,332
<b>CAL ADVOCATES</b>	21,021	24,353	3,332
<b>TURN</b>	21,021	21,201	180
<b>UCAN</b>	21,021	24,233	3,212

4 **1. Total Non-Shared O&M**

5 **a. Cal Advocates**

6 Cal Advocates does not take issue with SDG&E's forecast for Customer Services -  
7 Information.<sup>6</sup> The Commission should adopt SDG&E's 2024 TY forecast of \$24,353,000 as  
8 reasonable.

9 **b. TURN**

10 TURN's recommendation for CSIN non-shared services O&M expenses is \$21,201,000  
11 for TY 2024, \$180,000 above BY 2021, compared to SDG&E's proposal of \$24,353,000.  
12 TURN states that SDG&E's requested increase is not supported and that the fluctuation of  
13 historical spend warrants the use of a five-year average forecast method.<sup>7</sup> TURN takes issue with  
14 SDG&E's 2024 TY forecasted expenses for the Customer Pricing, Load Research, Analysis and  
15 Forecasting departments and Customer Programs and Business Services departments.

16 **c. UCAN**

17 UCAN's recommendation for CSIN non-shared services O&M expenses is \$24,233,000  
18 for TY 2024, \$3,212,000 above BY 2021, compared to SDG&E's proposal of \$24,353,000.  
19 UCAN takes issue with O&M expenses related to Smart Meter 2.0, which include marketing and  
20 outreach expenses.<sup>8</sup>

<sup>6</sup> Ex. CA-10 (Campbell) at 8:3-4.

<sup>7</sup> Ex. TURN-09 (Cheng) at 33:16-19 and at 34:13-17.

<sup>8</sup> Ex. UCAN (Woychik) at 13-14.

1                   **2. Customer Pricing, Load Research, Analysis and Forecasting**

2                   **a. Cal Advocates**

3                   Cal Advocates agreed with SDG&E’s forecast for Customer Services - Information.<sup>9</sup>  
4                   SDG&E has demonstrated that its forecasting assumptions are reasonable and justified. The  
5                   Commission should adopt SDG&E’s forecast as reasonable.

6                   **b. TURN**

7                   SDG&E requested \$969,000 above BY 2021 for the Customer Pricing, Load Research,  
8                   Analysis and Forecasting department. TURN proposes \$90,000 above BY 2021. TURN asserts  
9                   that the incremental expense is not supported based on 2022 recorded actuals compared to BY  
10                  2021. Due to fluctuating historical spend, TURN states that a five-year average forecast method  
11                  is more appropriate.

12                  SDG&E disagrees with TURN’s proposed reduction because \$361,000 of SDG&E’s  
13                  request is for labor that is currently recorded to the Rate Reform Memorandum Account  
14                  (RRMA) and therefore does not appear in SDG&E’s BY 2021 recorded expenses. As stated in  
15                  SDG&E’s prepared direct testimony,<sup>10</sup> Decision (D.) 21-07-010<sup>11</sup> authorizes SDG&E to  
16                  establish an internal Real Time Pricing department and have the expenses recorded to the RRMA  
17                  through 2023 and then included in base business beginning in 2024.<sup>12</sup> For this reason, the five-  
18                  year average forecast method is not appropriate and should be rejected.

19                  Similarly, \$89,000 of SDG&E’s request is for labor that is currently charging to the  
20                  Vehicle Grid Integration Memorandum Account (VGIMA) and therefore does not appear in  
21                  SDG&E’s BY 2021 recorded expenses. D.16-01-045 authorizes SDG&E to track expenses in a  
22                  memorandum account and include in base business via a General Rate Case (GRC).<sup>13</sup> As stated  
23                  in SDG&E’s prepared direct testimony, the VGIMA will be closed effective December 31, 2023,  
24                  and the expense will move to base business beginning in 2024.<sup>14</sup> This is further evidence that the  
25                  five-year average forecast method is not appropriate and should be rejected.

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<sup>9</sup> Ex. CA-10 (Campbell) at 8:3-4.

<sup>10</sup> Ex. SDG&E-19 (Baule) at SFB-11.

<sup>11</sup> D.21-07-010 at 89-90 (OP 6).

<sup>12</sup> Ex. SDG&E-19 (Baule) at SBF-11, SFB-24.

<sup>13</sup> D.16-01-045 at 3-4.

<sup>14</sup> Ex. SDG&E-19 (Baule) at SFB-12.

1 As it pertains to the \$519,000 for the full year labor impact, by comparing 2022 adjusted  
2 recorded expenses to BY 2021, TURN incorrectly assumes that staffing is static. There has been  
3 continuous movement due to retirements, leaves of absence, resignations, and new hires, which  
4 is reflected in the 2022 adjusted recorded expenses. The two Project Managers reflected in  
5 workpaper 1IN000.000 were hired in August 2021 and are employed in these roles. The  
6 Business/Economic Advisor role has experienced new hires and vacancies in 2021 and 2022.

7 SDG&E believes this request of \$969,000 above BY 2021 for the Customer Pricing,  
8 Load Research, Analysis and Forecasting department is reasonable and should be approved.

### 9 **3. Customer Programs and Business Services**

#### 10 **a. Cal Advocates**

11 Cal Advocates does not take issue with SDG&E's forecast for Customer Services -  
12 Information.<sup>15</sup> SDG&E has demonstrated that its forecasting assumptions are reasonable and  
13 justified. The Commission should adopt SDG&E's forecast as reasonable.

#### 14 **b. TURN**

15 SDG&E requested \$464,000 and \$1,347,000 above BY 2021 for Natural Gas Appliance  
16 Testing (NGAT) and the Customer Programs and Business Services departments, respectively.  
17 TURN proposes \$11,000 above BY 2021 for NGAT and \$474,000 below BY 2021 for the  
18 Customer Programs and Business Services departments. TURN asserts that SDG&E has already  
19 been performing these activities because these incremental expenses are not reflected in the 2022  
20 recorded actuals. Similar to Customer Pricing, Load Research, Analysis and Forecasting TURN  
21 states that a five-year average forecast method is more appropriate for Customer Programs and  
22 Business Services. However, several items in SDG&E's request are related to incremental work  
23 directed by the Commission, therefore the five-year average is not appropriate.

24 One item where the five-year average forecast method is not appropriate is NGAT.  
25 NGAT is part of the CPUC-approved Energy Savings Assistance (ESA) program and addresses  
26 the safety risks posed from installing air infiltration measures through energy efficiency  
27 improvements. SDG&E conducts carbon monoxide testing on homes weatherized through the  
28 ESA program in accordance with the Statewide Energy Savings Assistance Program Installation  
29 Standards Manual and the Statewide Energy Savings Assistance Program Policies and

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<sup>15</sup> Ex. CA-10 (Campbell) at 8:3-4.



1 Procedures Manual.<sup>16</sup> NGAT is also a Risk Assessment Mitigation Phase (RAMP) item.  
2 SDG&E is requesting \$625,000 for NGAT in TY 2024 and TURN proposes \$172,000.

3 As stated in SDG&E’s prepared direct testimony, D.21-06-015 adopted changes to the  
4 ESA program goals resulting in more comprehensive treatments to homes, which will increase  
5 the number of NGAT performed.<sup>17</sup> NGAT is conducted by third party contractors. In 2022, these  
6 third-party contractors informed SDG&E that their pricing will increase by up to 50% to provide  
7 technicians with fair and competitive wages. Moreover, the contracts that were executed in late  
8 2022 for the ESA program years 2023 – 2026 have an average cost of \$102 per test, which is  
9 110% higher than BY 2021 and exceeds SDG&E’s request for TY 2024. Table SB-4 illustrates  
10 the historical adjusted-recorded cost of NGAT over the last six years. Table SB-5 illustrates the  
11 new, average cost per NGAT and forecasted NGATs and cost for ESA program years 2023 –  
12 2026.

13 **Table SB-4**

14 **NGAT Historical Adjusted-Recorded Cost**

<b>Year</b>	<b>NGAT Adjusted-Recorded Cost</b>	<b>Total NGAT Performed</b>	<b>Average Cost Per NGAT</b>
<b>2022</b>	\$ 194,000	2,974	\$ 65.23
<b>2021</b>	\$ 161,000	3,327	\$ 48.39
<b>2020</b>	\$ 111,000	2,842	\$ 39.06
<b>2019</b>	\$ 203,000	4,481	\$ 45.30
<b>2018</b>	\$ 192,000	5,309	\$ 36.17
<b>2017</b>	\$ 185,000	4,297	\$ 43.05

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<sup>16</sup> Statewide Energy Savings Assistance Program, 2021-2026 Cycle, Policy and Procedures Manual, November 2022, at 44-48.

<sup>17</sup> Ex. SDG&E-19 (Baule) at SFB-35.

1 **Table SB-5**

2 **Forecasted NGAT Annual Cost with New Average Cost per NGAT**

<b>Year</b>	<b>Forecasted Annual Cost (Rounded)</b>	<b>Total NGAT Forecasted</b>	<b>Average Cost Per NGAT (Rounded)</b>
<b>2023</b>	\$ 738,000	7,232	\$102.00
<b>2024</b>	\$ 1,246,000	12,215	\$102.00
<b>2025</b>	\$ 1,266,000	12,415	\$102.00
<b>2026</b>	\$ 1,361,000	13,348	\$102.00

3 Another item where the five-year average forecast method is not appropriate is Medical  
4 Baseline (MBL). SDG&E requested \$297,000 to support Resolution E-5169, which calls for  
5 Implementing Improvements to Medical Baseline Programs and Affirming Compliance with  
6 Senate Bill 1338.<sup>18</sup> Additionally, D.20-06-003 required the Investor-Owned Utilities (IOUs) to  
7 develop plans to implement Senate Bill (SB) 1338, including enabling e-signature for qualified  
8 medical professionals on applications, outreach programs, working with the medical community  
9 and county public health office, and grants to Community Based Organizations to promote  
10 MBL.<sup>19</sup> SDG&E's request is to continue to expand its marketing and outreach efforts as  
11 directed, including educational materials in multiple languages and an eligible population study.  
12 In Resolution E-5169 the Commission acknowledges that there will be costs involved and states  
13 these costs will be borne by ratepayers during the next GRC.<sup>20</sup>

14 The remaining request is for the full year labor impact and to fund incremental work  
15 related to improving business operations and providing dedicated resources to meet the  
16 expanding needs of customers, which includes:

- 17 • Supporting business customers with their sustainability efforts to achieve their  
18 decarbonization goals.
- 19 • Enhancing analytics capabilities to expand self-service access to data for business  
20 customers.

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<sup>18</sup> Resolution E-5169 at 1.

<sup>19</sup> D.20-06-003 at 152-153 (OP 36-39, 41).

<sup>20</sup> Resolution E-5169 at 1.

- 1 • Managing and ensuring compliance requirements across the Customer Services  
2 division.<sup>21</sup>
- 3 • Implementing marketing and outreach, streamlining processes and managing data  
4 for Critical Facilities and Critical Infrastructure (CFCI) customers.
- 5 • Providing compensation to Community Based Organizations (CBOs) for their  
6 time and expertise to support SDG&E’s efforts related Access and Functional  
7 Needs (AFN) and Disadvantaged Communities (DACs) and tailored education  
8 and outreach.
- 9 • Managing mandated renewable programs.

10 Currently, work related to these areas is performed on a reactive or “as available” basis. As the  
11 energy landscape continues to evolve and become more dynamic, it is critical for SDG&E to  
12 support customers and the business operations described above.

13 SDG&E believes this request of \$464,000 and \$1,347,000 above BY 2021 for Natural  
14 Gas Appliance Testing and the Customer Programs and Business Services departments,  
15 respectively, is reasonable and should be approved.

#### 16 **4. Marketing**

##### 17 **a. Cal Advocates**

18 Cal Advocates did not take issue with SDG&E’s forecast for Customer Services -  
19 Information.<sup>22</sup> SDG&E has demonstrated that its forecasting assumptions are reasonable and  
20 justified. The Commission should adopt SDG&E’s forecast for Marketing, Communications,  
21 Research and Analytics.

##### 22 **b. UCAN**

23 UCAN recommends a disallowance of \$120,000 for TY 2024 estimated expenses for  
24 Smart Meter 2.0 customer outreach and education as part of a whole disallowance for all Smart  
25 Meter 2.0 O&M and capital expenditures.<sup>23</sup> UCAN provides no justification for this specific

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<sup>21</sup> During the preparation of this Rebuttal testimony, SDG&E identified an error in Ex. SDGE-19 (Baule) SFB-38:25. The sentence “This position will be funded 50% O&M and 50% Refundable” should instead read “This position will be funded 100% O&M.” The tables and final request amounts identified in Ex. SDG&E-19 (Baule) and Ex. SDG&E-19-WP are correct as submitted and do not require correction.

<sup>22</sup> Ex. CA-10 (Campbell) at 8:3-4.

<sup>23</sup> Ex. UCAN (Woychik) at 13-14.

1 disallowance. Please see the prepared rebuttal testimony of witness Mr. David Thai  
2 (Ex. SDG&E-217) in response to UCAN’s objection for Smart Meter 2.0. Customer outreach  
3 and education is an essential piece of the Smart Meter 2.0 project and should be approved.

4 **V. CONCLUSION**

5 To summarize, Cal Advocates does not take issue with SDG&E’s TY 2024 forecast. For  
6 the reasons described above, the intervening parties (TURN and UCAN) have failed to show  
7 their proposals are valid. SDG&E has addressed the proposed disallowances presented by  
8 TURN and UCAN and provided facts to demonstrate their proposals are not warranted. TURN  
9 and UCAN’s proposed disallowances to SDG&E’s TY 2024 request for Customer Services –  
10 Information should be rejected by the Commission. SDG&E’s forecasts reflect sound judgment  
11 to continuously support and enhance the safe, reliable, and efficient operation of the SDG&E  
12 Customer Service - Information business units at a reasonable cost. SDG&E’s TY 2024 forecast  
13 of \$24,353,000 should be approved.

14 This concludes my prepared rebuttal testimony.

**APPENDIX A**  
**GLOSSARY OF TERMS**

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**GLOSSARY OF TERMS**

<b>ACRONYM</b>	<b>DEFINITION</b>
AFN	Access and Functional Needs
BY	Base Year
Cal Advocates	The Public Advocates Office of the California Public Utilities Commission
CFCI	Critical Facilities and Critical Infrastructure
CPUC or Commission	California Public Utilities Commission
CSIN	Customer Service – Information
D	Decision
DAC	Disadvantaged Community
Ex	Exhibit
ESA	Energy Savings Assistance
GRC	General Rate Case
IOU	Investor-Owned Utility
IT	Information Technology
MBL	Medical Baseline
NGAT	Natural Gas Appliance Testing
O&M	Operations & Management
RAMP	Risk Assessment Mitigation Phase
RRMA	Rate Reform Memorandum Account
SB	Senate Bill
SDG&E	San Diego Gas & Electric Company
SoCalGas or SCG	Southern California Gas Company
TURN	The Utility Reform Network
TY	Test Year
UCAN	Utility Consumers Action Network
VGIMA	Vehicle Grid Integration Memorandum Account