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Proceeding: 2024 General Rate Case
Application: A.22-05-015/-016 (cons.)
Exhibit: SDG&E-232

**REBUTTAL TESTIMONY
OF ALEXANDRA G. TAYLOR
(PEOPLE AND CULTURE DEPARTMENT)**

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



May 2023

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**REBUTTAL TESTIMONY OF
ALEXANDRA G. TAYLOR
(PEOPLE AND CULTURE DEPARTMENT)**

I. SUMMARY OF DIFFERENCES

Table AGT-1

TOTAL O&M - Constant 2021 (\$000)			
	Base Year 2021	Test Year 2024	Change
SDG&E ¹	17,218	21,574	4,356
CAL ADVOCATES	17,218	18,576	1,358
TURN	17,218	20,782	3,564
CEJA	17,218	20,659	3,441

II. INTRODUCTION

This rebuttal testimony regarding San Diego Gas & Electric Company's (SDG&E) request for the People and Culture Department addresses the following testimony from other parties:

- The Public Advocates Office of the California Public Utilities Commission (Cal Advocates), as submitted by Refat Amin (Exhibit CA-14), dated March 27, 2023.
- The Utility Reform Network (TURN), as submitted by Robert Finkelstein (Exhibit TURN-15), dated March 27, 2023.
- California Environmental Justice Alliance (CEJA), as submitted by Matthew Vespa, Sara Gersen, Sasan Saadat, and Rebecca Barker (Exhibit CEJA-01 (Baker)), dated March 27, 2023.
- The Public Advocates Office of the California Public Utilities Commission (Cal Advocates), as submitted by C. Emerson (Exhibit CA-13), dated March 27, 2023.

¹ Due to errors discovered when responding to various data requests and in the course of review, SDG&E corrects its Test Year (TY) 2024 O&M forecasted value from \$21.643 million to \$21.574 million to reflect this correction. The TY 2024 forecast was overstated by \$69,051 due to an error in SDG&E's headcount forecast resulting in a reduction to the Long-Term Disability forecast. This correction is reflected for each of the TY 2024 forecasts in Table AGT-1.

1 As a preliminary matter, the absence of a response to any particular issue in this rebuttal
2 testimony does not imply or constitute agreement by SDG&E with the proposal or contention
3 made by these or other parties. The forecasts contained in SDG&E’s direct testimony, performed
4 at the project level, are based on sound estimates of its revenue requirements at the time of
5 testimony preparation.

6 This rebuttal testimony further supports the main themes proposed in the direct testimony
7 of Alexandra G. Taylor (Ex. SDG&E-32 (Taylor)), which includes incremental increases that
8 ensure the safe and reliable delivery of electric and gas services to SDG&E’s 3.6 million
9 customers. This requires SDG&E to have a workforce that possesses the qualifications,
10 experience, and skills necessary to perform their work safely and reliably. This includes the three
11 key areas of responsibility for People and Culture: (1) attracting, hiring, developing, training, and
12 retaining employees, (2) establishing, implementing, and managing employee-related programs,
13 policies, and guidelines to ensure compliance, and (3) administering and managing SDG&E’s
14 Long-Term Disability program, wellness programs, drug and alcohol testing/compliance
15 program, leave and absence policies, and self-insured workers’ compensation program.

16 The following is a brief overview of the points raised by Cal Advocates, TURN and
17 CEJA that will be addressed in SDG&E’s rebuttal testimony.

18 **A. Cal Advocates**

19 Cal Advocates issued its report on SDG&E, Southern California Gas Company’s
20 (SoCalGas) Compensation & Benefits, and Pension & Postretirement Benefits Other than
21 Pension on March 27, 2023. The following is a summary of Cal Advocates’ positions pertaining
22 to SDG&E Headcount:

- 23 • Cal Advocates used historical average headcount from 2017-2020 to
24 calculate TY headcounts of 8,570 and 4,883 for SoCalGas and SDG&E,
25 respectively.²
- 26 • Cal Advocates excluded 2021 in the calculation of historical average
27 medical enrollment “because the 2021 actual headcounts provided by
28 Sempra substantially deviated from the 2017-2020 historical trends.”³

² Ex. CA-13 (Emerson) at 7:5-14.

³ *Id.* at 12:1 16-18.

1 Cal Advocates issued its report on SDG&E's People and Culture Department on March
2 27, 2023. The following is a summary of Cal Advocates' positions:⁴

- 3 • Cal Advocates does not oppose SDG&E's People and Culture
4 Department's Non-Shared O&M expense request for the following cost
5 categories: Total Disability, Workers Compensation, Business
6 Optimization, and Executive Offices.
- 7 • In total, Cal Advocates recommends a \$3.067M reduction in labor and
8 non-labor costs for various departments within People and Culture.
- 9 • Cal Advocates recommends a \$598,000 reduction in the Long-Term
10 Disability category by utilizing 2021 recorded expenses of \$2.259M as a
11 basis to establish the expense level for TY Long-Term Disability
12 activities.
- 13 • Cal Advocates recommends a \$651,000 reduction for the Human
14 Resources department for expenses related to labor and non-labor costs
15 associated with incremental staffing levels for increased program
16 activities.
- 17 • Cal Advocates recommends a \$461,000 reduction for the Diversity and
18 Inclusion department related to labor and non-labor costs.
- 19 • Cal Advocates recommends a \$449,000 reduction in labor and non-labor
20 costs for the Diversity and Workforce Management department.
- 21 • Cal Advocates recommends a reduction of \$608,000 in labor and non-
22 labor costs for the Organizational Effectiveness department.
- 23 • Cal Advocates recommends a \$300,000 reduction for the VP-People and
24 Culture O&M expenses, which covers the incremental non-labor request
25 for executive catering costs.

⁴ Ex. CA-14 (Amin).

1 **B. The Utility Reform Network (TURN)**

2 TURN issued its report on SDG&E’s People and Culture Department on March 27, 2023.

3 The following is a summary of TURN’s position:⁵

- 4 • TURN recommends that Edison Electric Institute (EEI) membership dues
5 be 100% shareholder funded; alternatively, TURN recommends that no
6 more than 50% of the gross amount of dues recorded should be funded by
7 ratepayers.

8 **C. California Environment Justice Alliance (CEJA)**

9 CEJA issued its report on SDG&E’s People and Culture Department on March 27, 2023.

10 The following is a summary of CEJA’s position:⁶

- 11 • CEJA proposes the elimination of ratepayer funds for the cost of Edison
12 Electric Institute (EEI) membership dues.

13 **III. GENERAL REBUTTAL**

14 Cal Advocates is the only intervenor objecting to SDG&E’s forecast methodology for the
15 following areas: Human Resources, Diversity and Inclusion, Diversity and Workforce
16 Management, Organizational Effectiveness, and VP – People & Culture. Without providing any
17 substantive justification, Cal Advocates broadly asserts that the People and Culture Department
18 should not receive any increases beyond what it recorded in 2021. This argument is not a
19 forecast methodology and does not consider the legitimate and reasonable incremental increases
20 justified by the direct testimony of Alexandra G. Taylor (Ex. SDG&E-32 (Taylor)), the
21 Workpapers to direct testimony of Alexandra G. Taylor (Ex. SDG&E-32-WP-R), and SDG&E’s
22 responses to over 160 data requests from Cal Advocates, CEJA, and Community Legal Services
23 (CLS).⁷ Notably, CLS did not submit any testimony suggesting a reduction in SDG&E’s

⁵ Ex. TURN-15 (Finkelstein) at 4.

⁶ Ex. CEJA-01 (Baker) at 100 - 101.

⁷ SDG&E Response to Data Request PAO-SDG&E-014-RA6, dated 7/22/2022; SDG&E Response to Data Request PAO-SDG&E- AUDIT-SWC-009, dated 7/28/2022; SDG&E Response to Data Request PAO-SDG&E-035-RA6, dated 9/1/2022; SDG&E Response to Data Request PAO-SDG&E-AUDIT-SWC-020, dated 9/29/2022; SDG&E Response to Data Request PAO-SDG&E-083-RA6, dated 10/20/2022; SDG&E Response to Data Request CLS-002, dated 2/10/2023; SDG&E Response to Data Request CLS-008, dated 3/21/2023; and SDG&E Response to Data Request CEJA-SEU-018, dated 3/6/2023. *See* Appendix B.

1 forecasts for People and Culture. CEJA’s only objection was to SDG&E’s request for expenses
2 related to EEI’s membership dues. In light of the information already provided and the additional
3 responses set forth in this Rebuttal Testimony, the Commission should adopt SDG&E’s forecast
4 as reasonable.

5 **IV. REBUTTAL TO PARTIES’ O&M PROPOSALS**

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

7 **Table AGT-2**

NON-SHARED O&M - Constant 2021 (\$000)			
	Base Year 2021	Test Year 2024	Change
SDG&E ⁸	15,390	19,605	4,215
CAL ADVOCATES	15,389	16,607	1,218
TURN	15,390	18,813	3,423
CEJA	15,390	18,690	3,300

8
9 **1. Disputed Headcount Forecasts – Cal Advocates**

10 Cal Advocates takes issue with SDG&E’s TY 2024 Headcount forecast of 5,388 and
11 argues the number is inflated. Cal Advocates recommends using the average of SDG&E’s
12 historical 2017-2021 ICP Headcount as a reasonable method when calculating projected
13 headcount growth of 1.5%. Using this average, Cal Advocates projects a headcount forecast of
14 4,883 for TY 2024 for both ICP Expenses and medical costs.⁹

15 Cal Advocates’ projection is flawed for three reasons: (a) Cal Advocates uses incorrect
16 headcount numbers for prior year actuals; (b) Cal Advocates uses 2018 in its projected average
17 even though 2018 was an anomaly with respect to headcount; and (c) Cal Advocates’ projection
18 fails to take into consideration increased regulatory and compliance requirements justifying
19 additional headcount.

⁸ Due to errors discovered when responding to various data requests and in the course of review, SDG&E corrects it is Test Year (TY) 2024 Non-Shared Services O&M forecasted value from \$19.674 million to \$19.605 million to reflect this correction. The TY 2024 Non-Shared Services O&M forecast was overstated by \$69,051 due to an error in SDG&E’s headcount forecast resulting in a reduction to the Long-Term Disability forecast. This correction is reflected for each of the TY 2024 Non-Shared Services O&M forecasts in Table AGT-2.

⁹ Ex. CA-13 (Emerson) at 7.

1 **a. Cal Advocates Uses Incorrect Headcount Numbers For Prior**
2 **Year Actuals**

3 Cal Advocates disagrees with SDG&E’s TY 2024 headcount forecasts and recommends
4 instead an average annual labor inflation rate for SDG&E of 1.5%.¹⁰ Cal Advocates based its
5 proposal on its calculation of the four-year average of year-over-year growth rates (2017-2021)
6 using Incentive Compensation Plan (ICP) related data provided by SDG&E. However, the
7 headcount that Cal Advocates relies on in its forecast (ICP Headcount) is not an accurate
8 representation of current headcount at SDG&E because Cal Advocates’ forecast is based on ICP
9 Headcount and fails to include SDG&E’s employees on leave of absences.

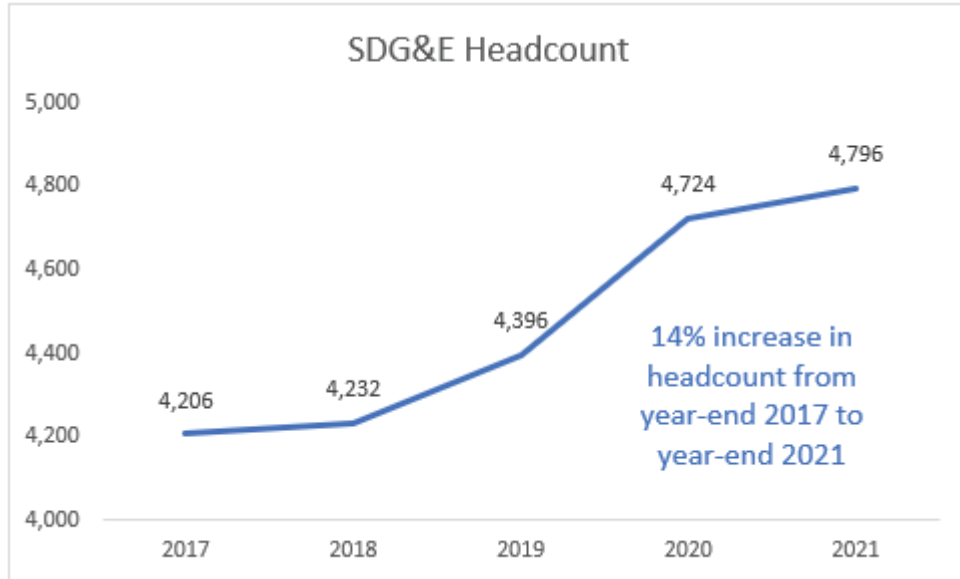
10 As noted in SDG&E’s Response to Data Request PAO-SDGE-146-CE3, “the forecasted
11 number of ICP-eligible employees includes only active employees, which excludes those on
12 leave.” As such, Cal Advocates’ headcount forecast includes **only** active employees; it does not
13 include employees on a leave of absence. For GRC purposes, SDG&E interprets “headcount” to
14 mean a count of the total number of employees (active employees and employees on a leave) at
15 the company as of December 31 of a given year, excluding Senate Bill 901 officers. By using
16 only the forecasted number of ICP-eligible employees to forecast total headcount, Cal Advocates
17 excludes from its forecast the consideration of employees on a leave of absence - a population
18 SDG&E included when making its forecast. When averaging the historical 2018-2021
19 headcount, with the accurate number of employees (active employees and employees on a leave
20 of absence), the year-over-year average growth rate is 3.4%, not 1.5% as suggested by Cal
21 Advocates.

22

Year	2017	2018	2019	2020	2021
Actual Year-End Headcount	4,206	4,232	4,396	4,724	4,796
<u>Year-over-Year Headcount Growth</u>		<u>0.6%</u>	<u>3.9%</u>	<u>7.5%</u>	<u>1.5%</u>

23

¹⁰ *Id.*



b. 2018 was an Anomaly with Respect to SDG&E Headcount.

As explained above, Cal Advocates' headcount calculations and assumptions are incorrect. SDG&E does not dispute that a year-over-year average growth methodology is informative when forecasting headcount. In fact, SDG&E used this methodology as well. However, SDG&E identified that a three-year average of year-over-year growth rates for headcount was more appropriate than Cal Advocates' four-year average methodology. This is because the resulting growth rate from 2017-2018 was 0.6%, which is an anomaly, does not adequately reflect future growth rates, and should thus be disregarded. When removing this one growth rate (from 2017 to 2018), the average year-over-year growth for 2018-2021 for SDG&E is 4.3% per year. SDG&E's forecasted growth rates for 2022, 2023, and 2024 are 2.9%, 4.0%, and 5.0%, respectively. When averaging this period (2022-2024), SDG&E's request is 4.0% average headcount growth per year. Accordingly, SDG&E's headcount forecast is reasonable because it aligns with historical headcount growth of around 4% per year and supports the growth in workforce that SDG&E is expecting given the anticipated projects and programs in this GRC cycle.

c. Cal Advocates' Projection Fails to Consider Increased Regulatory and Compliance Requirements Justifying Additional Headcount.

As stated in the SDG&E Policy rebuttal testimony of Bruce Folkmann (Ex. SDG&E-201), SDG&E proposed additional personnel in its workforce to support the many projects and

1 programs and increasing regulatory requirements in this GRC.¹¹ Developing and maintaining a
2 skilled, qualified, dedicated, and diverse workforce is critical to SDG&E’s continued success. As
3 described in the Policy rebuttal testimony of Bruce Folkmann, SDG&E continues to implement
4 new programs to meet growing regulatory and compliance obligations that result in headcount
5 growth. As Mr. Folkmann explains, Cal Advocates’ headcount recommendation is inaccurate
6 and would not provide adequate personnel to perform necessary safety and reliability work.

7 Cal Advocates’ headcount forecast for SDG&E should be rejected as it is incorrect,
8 flawed, and not supported by data. SDG&E's headcount forecast is consistent with historical
9 average headcount growth and will provide the workforce required to support SDG&E's
10 regulatory and compliance obligations.

11 **2. Long-Term Disability**

12 **a. Cal Advocates**

13 Long-Term Disability (LTD) is a form of income replacement benefit that pays an
14 employee a portion of their income if they are unable to work due to illness or injury for an
15 extended period of time. Cal Advocates opposes SDG&E’s LTD TY 2024 forecast by
16 recommending the use of a different forecast methodology - base year recorded. In its testimony
17 and workpapers, SDG&E used a non-standard escalation, zero-based, forecast methodology.
18 SDG&E explained that the primary driver for using this forecast methodology was that LTD
19 costs are forecasted using base year recorded costs and escalated for anticipated changes in labor
20 costs.¹²

21 SDG&E disagrees with Cal Advocates’ recommendation of utilizing only 2021 expenses
22 of \$2.259 million as a basis for establishing future expense levels for SDG&E’s Long-Term
23 Disability Plan. In fact, in making such a recommendation, Cal Advocates contradicts its own
24 recommendation for SoCalGas LTD costs, where Cal Advocates argues yet a different forecast
25 methodology despite both companies experiencing similar growth patterns in LTD costs. The
26 chart below illustrates continual growth in LTD costs and does not support Cal Advocates’
27 recommendation that LTD costs should remain stagnant at 2021 levels.

28

¹¹ Ex. SDG&E-201 (Folkmann) at BAF-11.

¹² Ex. SDG&E-32 (Taylor) at AGT-14 – AGT-15.

1 **SDG&E TY 2024 Long-Term Disability Expenses (\$000)**

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	TY 2024 Forecast
LTD Expenses	806	2,183	2,259	2,495	2,788 ¹³

2
3 **Cal Advocates TY 2024 Forecast (\$000)**

	2019 Actual	2020 Actual	2021 Actual	TY 2024 Forecast
LTD Expenses	806	2,183	2,259	2,259

4
5 SDG&E’s forecast methodology is the most appropriate because it accounts for estimated
6 changes in labor costs and year-over-year percentage change in headcount. Estimated labor
7 escalation costs cannot be forecast using any of the other methods. Escalation rates are prepared
8 by Willis Towers Watson and consider demographic factors specific to SDG&E, including
9 location, salary information, workforce demographics, medical plan design, and change in
10 headcount. LTD costs are most appropriately calculated based on the *most recent* salary, *most*
11 *recent* medical premium costs, and *most recent* headcount, and then escalated, which cannot be
12 properly forecast using any averaging method (2-year average, 3-year average, 5-year average).
13 Simply put, labor wages and medical costs rise each year but do not fall.

14 In summation, Cal Advocates’ recommendation does not properly forecast actual current
15 or future LTD expenses. It is more appropriate to use zero-based, non-standard escalation based
16 on changes in labor costs, medical premiums, and projected year-over-year percentage change in
17 headcount. The Commission should adopt SDG&E’s forecast as reasonable.

18 **3. Human Resources**

19 **a. Cal Advocates**

20 Cal Advocates does not dispute SDG&E’s use of base year recorded as the forecast
21 methodology for the Human Resources Department. Cal Advocates’ sole argument is that it does
22 not believe SDG&E provided sufficient documentation to justify its request for an additional

¹³ Due to errors discovered when responding to various data requests and in the course of review, SDG&E corrects its TY 2024 Long-Term Disability forecasted value from \$2.857 million to \$2.788 million to reflect this correction. The TY 2024 Long-Term Disability forecast was overstated by \$69,051 due to an error in SDG&E’s headcount forecast resulting in a reduction to the Long-Term Disability forecast.

1 \$564,000 in labor expenses and \$87,000 in non-labor expenses beyond 2021 recorded costs.
2 Essentially, Cal Advocates recommends that the costs of SDG&E’s Human Resources
3 department remain stagnant at the BY 2021 level. SDG&E disagrees with Cal Advocates’
4 position.

5 As described in the People and Culture direct testimony (Ex. SDG&E-32 (Taylor)) and
6 workpapers (Ex. SDG&E-32-WP-R) of Alexandra G. Taylor, the \$564,000 in incremental labor
7 costs is attributable to the addition of six (6) new positions:

- 8 • \$145,000 for “one (1) additional senior HR advisor to provide consistent
9 HR support to our expanding workforce.” (AGT-16:13-14).
- 10 • \$289,000 for “one (1) additional compensation advisor for anticipated
11 compensation initiatives and projects, one (1) HR analyst to implement
12 new initiatives and projects in support of HR operations and two (2) HR
13 coordinators to support routine transactions.” (AGT-17:15-18; WP-R at
14 33-40). One (1) HR coordinator is a new position starting in 2022, and one
15 (1) HR coordinator is an existing position requiring a full year of funding
16 to account for a vacancy in the role in 2021 (Ex. SDG&E-32-WP-R at 37).
- 17 • \$130,000 for “one (1) additional senior labor relations advisor to assist
18 with represented employee matters.” (AGT-18:17-18).

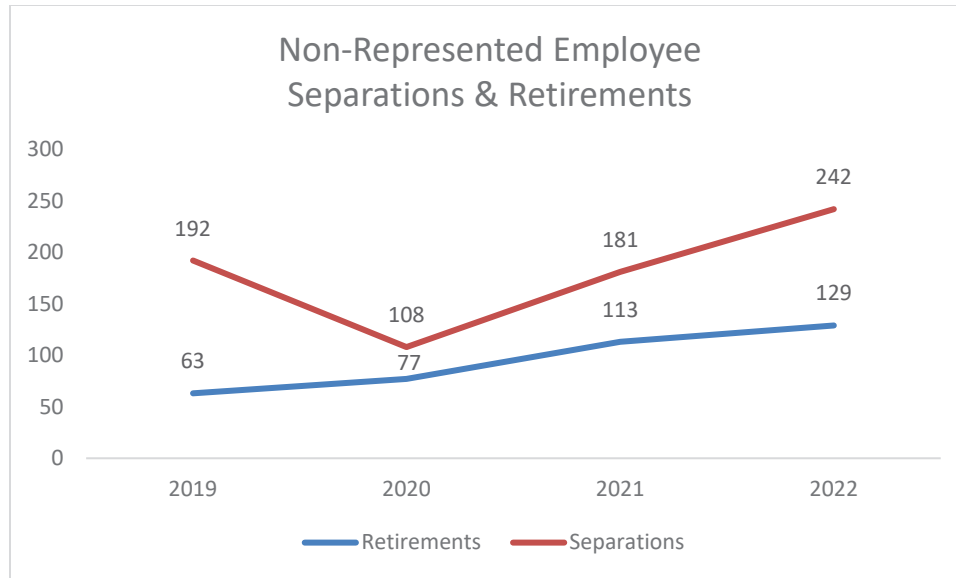
19 The primary driver for the additional positions is to allow Human Resources to be more
20 proactive with their client groups and ensure that the implementation of strategic human
21 resources plans align with Company values and the organization’s short and long-term business
22 goals, all of which have tangible benefit to ratepayers. HR Advisors (retitled HR Business
23 Partner (HRBP)) serve as the primary point of contact on human resources issues for non-
24 represented employees.¹⁴ This includes, for example, employee engagement and morale, internal
25 moves and promotions, compensation administration, operational changes, policy interpretation
26 and legal compliance, as well as the day-to-day issues involving performance management,
27 employee and supervisor coaching, and disciplinary actions. As stated in PAO-SDG&E-014-
28 RA6 response 3A, HRBPs “serve as a consultant[s] to leadership and client organizations for all
29 HR-related initiatives and services that enable organizations to achieve their strategic objectives.

¹⁴ Ex. SDG&E-32 (Taylor) at AGT-15 – AGT-16 and Ex. SDG&E-32-WP-R at 35-37.

1 Assess and anticipate HR-related needs. Develop customized and integrated solutions for large
2 organizations.”

3 Despite the 10% growth in SDG&E’s non-represented headcount from year-end 2019 to
4 year-end 2022, the Human Resources department has maintained the same number of HRBPs
5 since 2019. This reflects 671 total non-represented employees per HRBP as of December 31,
6 2022, without any corresponding increase in HRBP headcount (3,103 non-represented
7 employees as of December 31, 2019, compared to 3,355 non-represented employees as of
8 December 31, 2022). An additional HRBP was added to the team in February 2023 to meet the
9 need for increased HR support given the increased workload associated with the increased
10 headcount since 2019.

11 The HR Coordinators provide day-to-day administrative and transactional support to the
12 HRBPs so that the HRBPs can focus on more complex and strategic initiatives with their client
13 groups (see PAO-SDG&E-014-RA6, response 3A for Sr. HR Advisor and HR Advisor job
14 descriptions). HR Coordinators facilitate HR transactions and projects, such as processing non-
15 represented employee transfers and terminations, respond to HR-related employee inquiries, and
16 troubleshoot HR system issues (see PAO-SDG&E-014-RA6, response 3A for HR Coordinator
17 job description). There has been a 45% increase in non-represented employee separations and
18 retirements since 2019 and a 100% increase in non-represented employee separations and
19 retirements since 2020, requiring the need for an additional HR Coordinator, hired in 2022, to
20 support the continued increase in offboarding activities and additional transactional support for
21 the HRBPs as the headcount continues to increase as the headcount continues to increase.



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The HR Analyst is a new position to be added in 2024 to implement new initiatives and projects in support of HR Operations, such as a new offboarding platform, as well as responding to increased requests for HR to analyze data in support of retention efforts and provide data related to compliance regulations and audits. The HR Analyst will streamline and automate processes for the team, enabling HRBPs to further focus their efforts on more client-facing initiatives with their client groups.

An additional Compensation Advisor is requested in 2024 to provide support for compensation-related initiatives, such as ensuring pay equity and compliance with enhanced legal obligations associated with pay transparency.¹⁵ Compensation Advisors also provide consulting services regarding compensation policy and pay practices and administer the company’s pay philosophy and programs and analyze compensation data and trends.

An additional Labor Relations Advisor is requested to similarly provide counsel and advice to supervisors of approximately 1,400 represented employees on a variety of issues, such as contract interpretation, potential misconduct, and disciplinary action. The Labor Relations Advisor also serves as a point of contact for union leadership and negotiates letters of understanding and processes grievances under the collective bargaining agreement. With a large, represented workforce, a consistent approach to matters involving represented employees leads to less grievances and less external costs, all of which provide ratepayer benefits. SDG&E has

¹⁵ Ex. SDG&E-32 (Taylor) at AGT-17 and Ex. SDG&E-32-WP-R at 36-37.

1 seen a 15% increase in represented headcount from year-end 2018 (1,215 represented
2 employees) to year-end 2022 (1,395 represented employees). The additional Labor Relations
3 Advisor is needed to support the increased workload associated with the increased headcount
4 since 2018.

5 With respect to non-Labor costs, SDG&E seeks an incremental amount of \$87,000 over
6 2021 recorded costs. As stated in the People and Culture direct testimony and workpapers of
7 Alexandra G. Taylor, SDG&E is seeking \$87,000¹⁶ in non-labor costs for:

- 8 • \$30,000 per year for the “digitization of personnel files.” (AGT-17:19)
9 The effort to digitize over 7,000 personnel files reflects a one-time
10 expense divided by the 4-year GRC cycle (total cost of \$120,000). The
11 digitization of personnel files is industry best practice as there is a desire
12 to move away from a heavy reliance on paper files for employee records
13 and supports SDG&E’s sustainability goals by requiring less hardcopy
14 paperwork.
- 15 • \$3,000 for “training and travel expenses not incurred due to COVID-19
16 restrictions that support the team of compensation and HR operations
17 professionals.” (AGT-17:20-22) Training includes the World at Work
18 conference that focuses on compensation education and best practices.
- 19 • \$9,000 for “(1) laptop and (2) monitors for each of the 3 new hires starting
20 in 2024 including (1) Sr labor relations advisor, (1) compensation advisor,
21 and (1) HR analyst.” (Ex. SDG&E-32-WP-R at 38)
- 22 • \$44,000¹⁷ for labor relations conferences and the administration of labor
23 relations documents, including the following, as summarized in Ex.
24 SDG&E-32-WP-R at. 37-38
 - 25 ○ \$1,800 for Arbitration Institute Conference and travel expenses.
 - 26 ○ \$6,000 for Public Utility Employers Institute (PUEI) Conference and

¹⁶ Ex. SDG&E-32 (Taylor) at AGT-17 and Ex. SDG&E-32-WP-R at 35-37. Note that total amounts may be off by up to \$1,000 due to rounding.

¹⁷ SDG&E’s People and Culture Department Direct Testimony (Ex. SDG&E-32) incorrectly stated \$47,000 as the amount required for annual continuing education and certification requirements for Labor Relations (AGT-18:18). The correct amount is \$44,000. The SDG&E People and Culture Department Workpapers (Ex. SDG&E-32-WP-R) reflect the correct amount.

1 travel expenses. There are two PUEI conferences per year.

- 2 ○ \$3,300 for Labor and Management Public Affairs Committee (LAMPAC)
- 3 conference and travel expenses.
- 4 ○ \$20,000 for a temp resource to scan and organize contracts, LOUs, and
- 5 other labor-related documents.
- 6 ○ \$10,000 to host the Public Utility Employers Institute (PUEI) conference,
- 7 which includes the cost of catering, conference space, and
- 8 audio/visual/internet requirements.
- 9 ○ \$3,000 to print new Collective Bargaining Agreement (CBA) books.

10 In support of its request for incremental increases in expenses as set forth in testimony and
11 workpapers, SDG&E provided substantive responses to data requests from Cal Advocates¹⁸
12 explaining the reasoning and rationale for the additional costs and their associated ratepayer
13 benefit.

14 The Commission should adopt SDG&E's forecast as reasonable.

15 **4. Diversity and Inclusion**

16 **a. Cal Advocates**

17 Cal Advocates recommends a reduction in SDG&E's 2024 TY Forecast of almost 48%,
18 or from \$946,000 to \$485,000. Cal Advocates' recommendation essentially freezes funding for
19 SDG&E's Diversity and Inclusion department at 2021 levels. The primary argument put forth by

¹⁸ SDG&E responded to 32 questions from 6 Cal Advocates data requests:

- PAO-SDGE-014-RA6_SDGE-32_2117, received 6/30/22, responded 7/22/22 (11 questions)
- PAO-SDGE-014-RA6_SDGE-32_Q11a_2566_2565, received 6/30/22, responded 7/29/2022 (1 question)
 - Included attachment: PAO-SDGE-014-RA6_SDGE-32_Question 11a_2566_2565
- PAO-SDGE-035-RA6_SDGE-32_2957_2956, received 8/11/22, responded 9/1/22 (4 questions)
 - Included attachment: PAO-SDGE-035-RA6_SDGE-32_Question 1fi and 1fii
- PAO-SDGE-083-RA6_5446, received 9/29/22, responded 10/20/22 (4 questions)
 - Included attachment: PAO-SDGE-083-RA6_SDGE-32_Question 1D_5447
 - Included attachment: PAO-SDGE-083-RA6_SDGE-32_Question 3A_5447
 - Included attachment: PAO-SDGE-083-RA6_SDGE-32_Question 3C_5447
 - Included attachment: PAO-SDGE-083-RA6_SDGE-32_Questions 4a - 4d_5447
- PAO-SDGE-153-RA6_7772_7771, received 12/23/22, responded 1/16/23 (7 questions)
- PAO-SDGE-162-RA6_8778, received 1/11/23, responded 2/2/23 (5 questions)

1 Cal Advocates is that SDG&E did not provide “verifiable, line-item detail” for each incremental
2 requested increase over 2021 recorded expenses.

3 SDG&E disagrees with Cal Advocates’ position and believes it has met its burden of
4 providing a reasonable basis for the requested increases. In addition to the information provided
5 in the direct testimony and workpapers of Alexandra G. Taylor,¹⁹ SDG&E provided substantive
6 responses to over 50 data requests from CLS, providing additional information on the Diversity
7 and Inclusion department and the staffing levels needed to achieve important, company-wide
8 initiatives. CLS did not submit intervenor testimony disputing SDG&E’s TY forecast for the
9 Diversity and Inclusion department.

10 The primary reason for the increase is that, since 2021, SDG&E has committed to
11 initiatives aligned with enhancing diversity and inclusion. SDG&E sees diversity and inclusion
12 as an important part of how it engages with its workforce. As referenced in the People and
13 Culture direct testimony and workpapers of Alexandra G. Taylor (Ex.SDG&E-32 (Taylor) at
14 AGT-19 – AGT-21, and Ex. SDG&E-32-WP-R at 42-47), SDG&E believes that a diverse and
15 inclusive workplace is one that makes everyone safer, regardless of who they are or what they do
16 for the business. A focus on creating opportunities through diversity and inclusion is also part of
17 SDG&E’s Sustainability Strategy, which focuses on a culture that is inclusive, authentic and
18 representative of the communities SDG&E serves.²⁰ When employees feel equally involved in
19 and supported in the workplace, they perform better. Diverse perspectives inspire creativity and
20 drive the innovation needed to identify and solve issues impacting rates. Inclusion enhances
21 employee engagement and innovation, creates a sense of belonging, improves the employee
22 experience, and improves leadership skills and abilities that contribute to gas and electricity
23 rates.

24 In addition to the activities currently performed by the Diversity and Inclusion
25 department, as explained in the direct testimony of Alexandra G. Taylor,²¹ the Diversity and
26 Inclusion department has programs and initiatives planned for implementation over the next few
27 years that will be managed by those within the department, including:

¹⁹ Ex. SDG&E-32 (Taylor) at AGT-19 – AGT-21, and Ex. SDG&E-32-WP-R at 42-47.

²⁰ Ex. SDG&E-32 (Taylor) at AGT-8 – AGT-9.

²¹ Ex. SDG&E-32 (Taylor) at AGT-19 – AGT-20.

- 1 • Executing an equality and equity campaign
- 2 • Producing D&I events, community conversations, and D&I townhall meetings,
- 3 • Supporting and leveraging the creation of division and department-led D&I
- 4 committees
- 5 • Conducting “Ask D&I” sessions for managers
- 6 • Developing and educating HR business partners on employee gender identity and
- 7 expression transition process and providing support to employees going through
- 8 a gender transition
- 9 • Expanding an online library of D&I moments
- 10 • Promoting a Culture and Connections platform where employees can learn
- 11 directly from each other through sharing of lived experiences
- 12 • Conducting educational lunch-and-learn sessions on topics like
- 13 microaggressions, mitigating unconscious bias, and allyship
- 14 • Expanding mentoring and developing programs to identify early leadership
- 15 aptitude, with a focus on women and people of color
- 16 • Evaluating and implementing refreshed internal M-Power mentor program
- 17 • Setting, tracking, and ensuring 100% completion of D&I training
- 18 • Incorporating D&I learning into leadership development programs
- 19 • Conducting D&I sessions at New Employee Orientation
- 20 • Creating a D&I website focused on creating insights for employees and leaders
- 21 • Conducting employee focus groups on relevant D&I topics
- 22 • Creating a tool for employees to anonymously share feedback and suggestions
- 23 related to D&I

24 The current staffing level is unable to manage the anticipated increase in program
25 activities, specifically as they pertain to the creation and ongoing development and support of
26 Employee Resource Groups (ERGs), as well as the implementation and sustainment of diversity
27 and inclusion programs that address the needs of field and represented employees. ERGs are
28 voluntary, employee-led groups that foster a diverse and inclusive workplace aligned with
29 SDG&E’s values, goals, and initiatives. They provide a forum for employees who identify
30 shared characteristics, along with their allies, to support each other and help the Company realize

1 the benefits of its D&I initiatives. SDG&E believes that providing targeted leadership and D&I
2 trainings for these groups, some facilitated by external experts in the field, helps foster an
3 inclusive workplace where employees know how to have challenging conversations with each
4 other in a respectful manner and learn and demonstrate the qualities of being an effective leader.
5 SDG&E currently has five (5) ERGs and plans to grow to nine (9) by 2024.²²

6 The current and future workload for the D&I department is not sustainable at the current
7 staffing level of one Director, one Senior Diversity and Inclusion Advisor, one Diversity and
8 Inclusion Advisor and an Administrative Associate split with another department.²³ Without two
9 (2) additional Diversity and Inclusion Advisors to support the creation and ongoing development
10 and support of ERGs and the implementation and sustainment of diversity and inclusion
11 programs that address the needs of field/represented employees, other initiatives would not be
12 adequately supported.²⁴

13 In sum, having a diverse workforce and inclusive culture impacts customers in that
14 diversity drives the innovation that is needed to provide cleaner energy, proactively identify, and
15 mitigate risk associated with the transmission and delivery of gas and electricity to homes and
16 businesses, and processes that lead to more efficient operations – all of which provide customers
17 with safety, reliability, and affordability. As such, the Commission should adopt SDG&E’s
18 forecast as reasonable.

19 **5. Diversity and Workforce Management**

20 **a. Cal Advocates**

21 Cal Advocates takes issue with the TY 2024 O&M forecast for costs associated with the
22 Diversity and Workforce Management department. With very broad-based statements, Cal
23 Advocates simply argues that SDG&E “has not provided verifiable, line-item detail for review
24 and evaluation and which demonstrates the specific activities associated with the requested
25 increase over 2021 recorded expenses of \$449,000.” In recommending a reduction of \$449,000,

²² Ex. SDG&E-32 (Taylor) at AGT-20 – AGT-21.

²³ Ex. SDG&E-32 (Taylor) at AGT-20. Appendix B, SDG&E Data Request Response to CLS-002, Question 55.

²⁴ Ex. SDG&E-32 (Taylor) at AGT-20 – AGT-21 and Ex. SDG&E-32-WP-R at 45.

1 Cal Advocates utilizes SDG&E’s 2021 recorded expenses of \$2.608 million and does not allow
2 for any increase in labor or non-labor incremental expenses.²⁵

3 SDG&E disagrees with Cal Advocates’ recommended TY 2024 forecast of \$2.608
4 million and disagrees with Cal Advocates’ statement that SDG&E has not provided sufficient
5 information to justify its forecast. The testimony and workpapers provide detailed explanations
6 of all incremental increases in labor and non-labor expenses²⁶ and SDG&E provided substantive
7 responses to over 16 data requests from Community Legal Services (CLS) providing additional
8 information on its Diversity and Workforce Management department and the staffing levels
9 needed to achieve important, company-wide initiatives.²⁷ Notably, CLS did not submit
10 intervenor testimony disputing SDG&E’s TY forecast for the Diversity and Workforce
11 Management Department.

12 In its testimony, Cal Advocates states that non-labor costs “remained at a low level for
13 three consecutive years between 2017 through 2019, averaging \$680,000.”²⁸ To provide some
14 context for these numbers, the fluctuation in non-labor costs is primarily driven by the
15 differences in relocation costs, with approximately \$660,000 in employee relocation costs for
16 SDG&E in 2020.²⁹ As part of the recruitment process, the Diversity and Workforce Management
17 department manages the company-wide relocation program, which provides assistance and
18 resources for job-related geographic moves for new, out-of-area employees and internal
19 transfers. SDG&E saw an increase in relocation costs due to an enhanced effort to fill senior-
20 level positions in support of SDG&E’s efforts to recruit and maintain a qualified workforce and
21 meet the workforce needs of today and tomorrow:

- 22 • 2017: \$194,314
- 23 • 2018: \$119,984
- 24 • 2019: -\$1,998

²⁵ Ex. CA-14 (Amin) at 68.

²⁶ Ex.SDG&E-32 (Taylor) at AGT-21 – AGT-25, and Ex. SDG&E-32-WP-R at 49-57.

²⁷ Appendix B, SDG&E’s Responses to Data Request Number CLS-008, dated 03/21/2023, Questions 11- 14 and Data Request Number CLS-002, dated 02/10/2023, Questions 33, 34, 35, 36, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49.

²⁸ Ex. CA-14 (Amin) at 68.

²⁹ Appendix B, SDG&E’s Response to Data Request CLS-002, dated 02/10/2023, Question 46.

- 1 • 2020: \$658,490
- 2 • 2021: \$455,074
- 3 • 2022: \$438,164

4 Additional non-labor expenses requested are for services and materials to support SDG&E's
5 recruiting efforts that were not incurred in the BY 2021 due to COVID restrictions, including the
6 cost of attending in-person college recruiting events, job fairs, and conferences. Attending these
7 events is important for SDG&E to maintain a pipeline of future professionals.

8 In its testimony, Cal Advocates also cites historical labor expenses from 2017 to 2021,
9 noting that they have fluctuated. SDG&E has a comprehensive recruiting strategy to attract,
10 select and hire the most qualified talent – all of which is managed by this department. An
11 additional Staffing Advisor and Staffing Compliance and Service Specialist will help ensure that
12 SDG&E's selection and hiring process complies with the legal requirements of the Equal
13 Employment Opportunity Commission (EEOC) and the Department of Labor's Office of Federal
14 Contract Compliance Programs (OFCCP). This includes maintaining applicant tracking in
15 accordance with OFCCP, following Department of Transportation guidelines when performing
16 pre-employment drug testing, and completing any documentation required by the Department of
17 Homeland Security (DHS).

18 Looking to the future, the Diversity & Workforce Management department engages in
19 strategic partnerships with various organizations that train individuals in the underserved
20 communities of Southern California in jobs that can lead to future careers in the utility industry.
21 The Workforce Readiness Project Manager will develop and manage various career readiness
22 programs that prepare current and future workplace entrants with the knowledge, skills and
23 abilities needed today and in the future. This body of work involves managing partnerships with
24 other employers, academic institutions, community and governmental entities.

25 Considering the current and future workload of the Diversity and Workforce
26 Management Department, the Commission should adopt SDG&E's forecast as reasonable.

27 **6. Organizational Effectiveness**

28 **a. Cal Advocates**

29 Cal Advocates recommends a reduction in SDG&E's 2024 TY 2024 Forecast to its 2021
30 levels, or a decrease of \$608,000. The primary argument put forth by Cal Advocates is that
31 SDG&E has not adequately supported or justified its TY 2024 forecast or the requested increase

1 in expenses relative to historical expenses. SDG&E disagrees with Cal Advocates' position as
2 SDG&E has provided substantial information detailing the expenses associated with delivering
3 company-wide Organizational Effectiveness programs and initiatives. These programs and
4 initiatives are aimed at safety, individual expertise, leadership competency, workforce planning
5 and people analytics. Explanations for these programs and initiatives were provided in the
6 testimony and workpapers of Alexandra G. Taylor.³⁰

7 Cal Advocates specifically calls out two programs for which non-labor expenses were
8 authorized in the prior GRC – the Human Performance (Just Culture) Program and the Working
9 Foreman Leadership Training Program – and argues that these programs should not be funded in
10 this GRC cycle.³¹ Cal Advocates is correct in stating that money was allocated for these two
11 programs in the prior GRC. However, Cal Advocates is incorrect in stating that both programs
12 were deferred and no costs associated with them were incurred from 2019 to 2021. While it is
13 true that implementation of the Working Foreman Leadership Training Program was delayed, it
14 was delayed due to the COVID-19 pandemic and associated restrictions with hosting in-person
15 training. The Just Culture Program was rolled out in 2019, and then again in 2022, to supervisors
16 of represented employees. The request for costs associated with Just Culture in the next GRC
17 cycle is to continue training on the Program to ensure that its principles remain foundational to
18 how the Company looks at employee behavior.³²

19 Both programs remain important to SDG&E's field and represented workforce and to
20 those who supervise them. Both programs prioritize a culture where employees are encouraged
21 to speak up and raise safety and other concerns. Building on that premise, SDG&E works to
22 ensure a fair process (Just Culture) to ensure that performance issues, "near misses," and other
23 policy infractions are addressed in a timely, consistent, and productive manner. Due to the
24 sensitive nature of the program content, these courses are best delivered and absorbed in person
25 in small group settings and would not have been effective in a COVID-19 virtual environment.
26 The small groups allow time and attention to practice concepts and work through case studies
27 and other real-life examples to ensure our processes are adopted in the field.

³⁰ Ex. SDG&E-32 (Taylor) at AGT-25 – AGT-30, and Ex. SDG&E-32-WP-R at 58-68.

³¹ Ex. CA-14 (Amin) at 70.

³² Appendix B, SDG&E Responses to Data Request PAO-SDG&E-014-RA6, dated 7/22/2022, Questions 8-9.

1 Cal Advocates also argues that SDG&E failed to provide documentation that explains
2 why SDG&E’s current staffing level for Workforce Planning efforts is unable to address the
3 anticipated increased program activities in the TY 2024 forecast. SDG&E disagrees with this
4 statement as a detailed explanation for why the positions are needed was provided in the
5 testimony and workpapers of Alexandra G. Taylor,³³ as well as in the testimony and workpapers
6 of Abigail M. Nishimoto.³⁴ It should be noted that Cal Advocates did not oppose the HR
7 Workforce Planning Tool itself - only the personnel that SDG&E needs to support it.

8 However, the increases to headcount are requested to support the new Workforce
9 Planning platform and will help SDG&E more accurately forecast staffing needs now and in the
10 future. The Workforce Planning platform is part of SDG&E’s RAMP mitigations, and the
11 platform will be managed by a new department to be formed in 2024, consisting of four (4) new
12 positions, that will assist in analyzing staffing needs, economic drivers, and skill readiness of
13 organizational groups to predict future attrition and gaps in talent availability. Complex data sets
14 related to work schedules, time keeping, and labor budgeting will be captured within the
15 platform. It will be the ongoing responsibility of the Organizational Effectiveness department to
16 analyze the data, disseminate it appropriately throughout the organization, provide reports and
17 assist with decision-making relative to workforce planning. As this is a new function for
18 SDG&E, staff to support this platform do not exist and current staff are fully committed to other
19 business objectives.

20 For all these reasons, the Commission should adopt SDG&E’s forecast as reasonable.

21 7. VP – People and Culture

22 a. Cal Advocates

23 Cal Advocates does not oppose SDG&E’s labor costs for the TY 2024 forecast for VP –
24 People and Culture. Cal Advocates only takes issue with SDG&E’s TY incremental non-labor
25 request of \$300,000 for executive catering activities.³⁵ SDG&E disagrees with Cal Advocates’
26 recommended TY 2024 forecast of \$383,000 and believes the TY forecast of \$683,000 is
27 reasonable. The incremental increase of \$300,000 is attributable to catering costs, which cover

³³ Ex. SDG&E-32 (Taylor) at AGT-25 – AGT-30, and Ex. SDG&E-32-WP-R at 65.

³⁴ Ex. SCG-28-R (Nishimoto) at AMN-40, and Ex. SCG-28-WP-R at 62-63.

³⁵ Ex. CA-14 (Amin) at 60.

1 food-related expenses for a variety of leadership events. For example, the VP – People and
2 Culture is tasked with organizing leadership events that focus on collaboration and connection
3 and strengthening trust and relationships among employees in leadership roles at the company.
4 These events include (1) regular Officer & Director Meetings, where leaders meet to discuss
5 relevant issues facing the Company; (2) the HR Safety Stand Down, where the People & Culture
6 division meets to discuss the importance of and commitment to safety; and (3) the HR
7 Leadership Summit, where the HR leadership team meets to strategize and prioritize HR
8 initiatives to support business objectives. Having these costs borne through events at work
9 reduces the time spent away from work activities and increases employee productivity and
10 morale. These costs were incurred prior to the COVID-19 pandemic and, now that the majority
11 of SDG&E’s workforce has returned to a hybrid work environment, these costs have resumed.³⁶
12 SDG&E’s request is simply to reinstate the level of funding for these activities to better align
13 with their pre-pandemic levels. The Commission should adopt SDG&E’s forecast as reasonable.

14 **8. Edison Electric Institute (EEI) Dues**

15 **a. Cal Advocates**

16 Cal Advocates did not take issue with SDG&E’s forecast for this cost category/cost
17 center. The Commission should adopt SDG&E’s forecast as reasonable.

18 **b. TURN & CEJA**

19 In its testimony, TURN recommends reducing SDG&E’s TY 2024 O&M forecast for
20 EEI dues to a funding level of \$0; or alternatively, that the Commission should authorize no
21 more than 50% of the gross amount of dues recorded in 2021 (\$400,000 or 50% of the
22 approximately \$800,000 SDG&E reported in its response to CEJA-SEU-007, Question 3.a.).³⁷
23 TURN states that SDG&E did not provide sufficient documentation to support the benefits of
24 membership to ratepayers and failed to meet its burden regarding the exclusion of activities
25 characterized as “lobbying.”³⁸

³⁶ Ex. SDG&E-32 (Taylor) at AGT-12 and Ex. SDG&E-32-WP-R at 6. Appendix B, SDG&E Data Response CLS-002, 01/27/2023, Response to Question 75; Data Request PAO-SDG&E-014-RA6, dated 06/30/22, Question 2a.

³⁷ Ex. TURN-15 (Finkelstein) at 4 and 5-6.

³⁸ Ex. TURN-15 (Finkelstein) at 4.

1 CEJA makes similar objections to SDG&E’s request for funding for EEI dues, stating
2 “SDG&E has failed to meet its threshold requirement to show that these costs should be
3 recovered from ratepayers, as it has offered no substantive evidence that these costs are
4 necessary or reasonable to support the provision of electric service to SDG&E customers.”³⁹

5 CEJA makes an additional argument by alleging that SDG&E failed to appropriately adjust its
6 EEI dues request to account for nonrecoverable activities aimed at “influencing legislation.”⁴⁰

7 SDG&E disagrees with both TURN and CEJA’s proposed reductions. First, SDG&E
8 shared specific data and information about the benefits of EEI membership in direct testimony
9 and data requests.⁴¹ TURN’s testimony disregards these responses. For example, TURN asserts
10 that it “found nothing in the utility’s testimony or workpapers that indicated the total amount of
11 dues paid in the 2021 base year or forecasted for the 2024 test year.”⁴² SDG&E’s direct
12 testimony, however, provides the total ratepayer amount of EEI and AGA dues that SDG&E is
13 seeking in TY 2024 costs.⁴³ SDG&E’s workpapers also reflect the EEI membership costs that
14 are included in the 2021 Adjusted-Recorded costs for Non-Labor.⁴⁴ In its response to a data
15 request from TURN, SDG&E provided the ratepayer amount of EEI dues that SDG&E recorded
16 in 2021 and 2022.⁴⁵

- 17 • 2021: \$792,294
- 18 • 2022: \$831,101

19 SDG&E also states in this data request that it is seeking \$792,000 in TY 2024 costs for EEI
20 membership. SDG&E has been very clear in the amounts it is seeking for EEI dues.

21 Additionally, SDG&E has provided detailed explanations in both its direct testimony,
22 work papers and data responses about the benefits of EEI membership to ratepayers. However,
23 TURN again disregards SDG&E’s responses to their own data requests and states in its
24 testimony that “[t]he only mention of EEI that TURN was able to find in the corresponding

³⁹ Ex. CEJA-01 (Barker) at 115.

⁴⁰ *Id.*

⁴¹ Ex. SDG&E-32 (Taylor) at AGT-24, Ex. SDG&E-32- WP-R at 61-64.

⁴² Ex. TURN-15 (Finkelstein) at 5.

⁴³ Ex. SDG&E-32 (Taylor) at AGT-33.

⁴⁴ Ex. SDG&E-32-WP-R at 83.

⁴⁵ Appendix B, SDG&E Response to Data Request TURN-SEU-044, question 2.

1 workpapers is a reference to an adjustment in 2017 recorded costs to ‘[e]xclude the portion of
2 EEI dues payment that is attributable to influencing legislation and as contributions to a
3 charitable organization and therefore should not be ratepayer funded.’ There is no similar
4 adjustment described for 2018-2021.”⁴⁶

5 As it relates to the proper allocation of EEI dues attributable to activities aimed at
6 “influencing legislation,” in data request TURN-SEU-044, question 3b, SDG&E provided a
7 detailed explanation on the process to exclude the portion of EEI dues payment that is
8 attributable to influencing legislation and as contributions to a charitable organization. In data
9 request CEJA-SEU-018, question 1e, SDG&E provides a link to EEI’s 2022 Lobbying,
10 Advocacy, and Other Expenditures Report. Additionally, TURN inaccurately describes
11 SDG&E’s response to data request TURN-SEU-044, question 3c. SDG&E did not request any
12 EEI dues payments attributable to influencing legislation or as contributions to a charitable
13 organization from 2017-2021. SDG&E made an adjustment for 2017 and excluded the expense
14 not related to ratepayer expense. For the years 2018-2021, the EEI expense reflected in our
15 workpapers already excluded any expense not related to ratepayers. As such, no further
16 adjustments were required. The amounts requested by SDG&E for EEI dues for the years 2017-
17 2021 includes only expenses that should be funded by the ratepayers. The amounts requested
18 exclude the portion of EEI dues payments attributable to influencing legislation or as
19 contributions to a charitable organization.

20 As stated in its testimony, workpapers and data responses, EEI brings SDG&E employees
21 together with peers and colleagues from other companies in the industry to perform collective
22 activities that are not regularly performed by the individual companies on a full-time basis, such
23 as benchmarking studies, industry surveys, and sharing best practices. This collaborative
24 approach benefits SDG&E ratepayers by reducing the need for expensive customized research
25 and studies, consultants and experts, database development and maintenance, publication
26 development, and specialized training. EEI also serves as a key safety benchmarking
27 organization that allows SDG&E to compare its health and safety processes, improve
28 compliance, and discuss best management practices – all of which have a direct benefit to
29 ratepayers by helping SDG&E achieve important safety and reliability goals.

⁴⁶ Ex. TURN-15 (Finkelstein) at 4 (citation omitted).

1 By utilizing EEI’s technical committees, SDG&E saves both money and labor resources,
2 both of which benefit ratepayers. A few examples of how the EEI membership is utilized
3 include:

- 4 • Through EEI’s committee that focuses on industry accounting issues, SDG&E
5 was able to gain insights and ideas from other committee members when it began
6 negotiating contracts for battery storage, including appropriate accounting for the
7 contracts and the appropriate valuation of these types of assets. The result was a
8 cost savings to ratepayers in that SDG&E did not have to rely on external
9 consultants for valuation of accounting input.
- 10 • EEI’s Cyber Policy and Standards working group provides insights into
11 important cyber policy matters and how other utilities are dealing with them,
12 including standard policy wording.
- 13 • Throughout the COVID-19 pandemic, SDG&E participated in committees
14 involved with identifying utility-specific, COVID-related concerns and
15 developing solutions through information and thought sharing. This forum was
16 invaluable in that it provided SDG&E with a community of similarly situated
17 companies providing a critical service during a world-wide pandemic.

18 SDG&E also utilizes the membership to poll other EEI members on a variety of topics and attend
19 roundtable meetings that often result in a reflection on our own processes.

20 In light of the above, the Commission should adopt SDG&E’s forecast as reasonable.

21 **9. American Gas Association (AGA) Dues**

22 **a. Cal Advocates**

23 Cal Advocates did not take issue with SDG&E’s forecast for this cost category/cost
24 center. The Commission should adopt SoCalGas’s forecast as reasonable.

25 **b. TURN**

26 TURN did not take issue with SDG&E’s forecast for this cost category/cost center. The
27 Commission should adopt SoCalGas’s forecast as reasonable.

28 **c. CEJA**

29 CEJA takes issue with the request for ratepayer funds for SDG&E's membership in AGA
30 and recommends a funding level of \$0. The primary argument put forth by CEJA in support of
31 its recommendation is that SDG&E has not offered “no substantive evidence that these costs are

1 necessary or reasonable to support the provision of gas service” to SDG&E and SoCalGas
2 customers.⁴⁷ CEJA also objects to the amount of AGA dues that SDG&E deducts as attributable
3 to lobbying activities.⁴⁸

4 SDG&E disagrees with CEJA’s proposed funding level of \$0 for SDG&E’s membership
5 in AGA. As set forth in my direct revised testimony, workpapers and responses to data requests,
6 SDG&E utilizes its AGA membership across several divisions in the company and relies heavily
7 on AGA committees to provide benchmarking information, best practices and other resources.⁴⁹
8 Additionally, quarterly meetings and biannual conferences expose SDG&E leaders to new ideas,
9 innovative solutions, and key insights from other member organizations. AGA is an important
10 RAMP mitigation as it brings SDG&E employees together with peers and colleagues from other
11 companies in the industry to perform collective activities not regularly performed by the
12 individual companies on a full-time basis, such as benchmarking studies, industry surveys, and
13 sharing of best practices. This collaborative approach benefits SDG&E ratepayers by reducing
14 the need for expensive customized research and studies, consultants and experts, database
15 development and maintenance, and specialized training. Without these resources, SDG&E would
16 need to commission independent studies and benchmarking, conduct outside research, and use
17 additional labor hours or contractors to get the same information and insight. By utilizing the
18 existing AGA technical committees, SDG&E saves both money and labor resources, both of
19 which benefit ratepayers.

20 Despite the many benefits of AGA membership outlined above, CEJA’s testimony paints
21 AGA solely as a lobbying organization and discredits all the non-lobbying benefits SDG&E
22 garners from its long-standing membership in this industry organization. The testimony above
23 highlights the various non-lobbying services that AGA provides to its members, which
24 undermines CEJA’s claims that AGA is a lobbying organization and should be excluded from
25 the GRC. In addition, SDG&E provided copies of AGA invoices in response to CEJA’s data
26 request.⁵⁰ As CEJA correctly notes in their testimony, the invoices identify the portion of

⁴⁷ Ex. CEJA-01 (Baker) at 101:17-19.

⁴⁸ *Id.* at 105:23 – 106:1-3.

⁴⁹ Ex. SDG&E-32 (Taylor) at AGT-32 – AGT-33.

⁵⁰ Appendix B, Data Request CEJA-SEU-008, Question 14b.

1 membership dues that AGA attributes to lobbying activities. SDG&E deducts these amounts
2 from historical periods and the GRC forecast.

3 For the reasons set forth above, the Commission should adopt SDG&E’s forecast as
4 reasonable.

5 **B. Shared Services O&M**

SHARED O&M - Constant 2021 (\$000)			
	Base Year 2021	Test Year 2024	Change
SDG&E	1,828	1,969	141
CAL ADVOCATES	1,828	1,969	141
TURN	1,828	1,969	141
CEJA	1,828	1,969	141

6
7 **1. Shared Services O&M**

8 **a. Cal Advocates**

9 Cal Advocates does not oppose SDG&E’s People and Culture Department Shared O&M
10 expense request. The Commission should adopt SDG&E’s forecast as reasonable.

11 **b. TURN**

12 TURN does not oppose SDG&E’s People and Culture Department Shared O&M expense
13 request. The Commission should adopt SDG&E’s forecast as reasonable.

14 **c. CEJA**

15 CEJA does not oppose SDG&E’s People and Culture Department Shared O&M expense
16 request. The Commission should adopt SDG&E’s forecast as reasonable.

17 **V. CONCLUSION**

18 To summarize, the Commission should adopt SDG&E’s Non-Shared and Shared forecast
19 as reasonable. The reductions proposed by Cal Advocates across the People & Culture
20 department should be rejected. The People & Culture department is in place to support
21 SDG&E’s employees, who are recruited, hired, and trained to bring clean, safe, and reliable gas
22 and electricity to millions of customers. SDG&E’s success depends on providing our employees
23 with training programs and the growth, development, and support that the People & Culture
24 Department is ultimately responsible for executing.

1 Additionally, the Commission should reject TURN's and CEJA's proposed reduction of
2 costs associated with both EEI and AGA dues.

3 This concludes my prepared rebuttal testimony.

APPENDIX A
GLOSSARY OF TERMS

ACRONYM	DEFINITION
AGT	Alexandra G. Taylor (Witness for SDG&E People & Culture)
CEJA	California Environmental Justice Alliance
D&I	Diversity and Inclusion
EI	Edison Electric Institute
ERG	Employee Resource Group
FTE	Full-Time Employee
GRC	General Rate Case
HR	Human Resource
ICP	Incentive Compensation Plan
LTD	Long-Term Disability
O&M	Operating & Maintenance
SDG&E	San Diego Gas & Electric Company
TURN	The Utility Reform Network
TY	Test Year
VP	Vice President
WP-R	Workpapers - Revised

Appendix B – SDG&E Responses to Data Requests

Appendix B –
SDG&E Response to PAO-SDG&E-014-RA6,
Question 2A

Data Request Number: PAO-SDG&E-014-RA6
Proceeding Name: A2205015_016 - SoCalGas and SDGE 2024 GRC
Publish To: Public Advocates Office (PAO)
Date Received: 6/30/2022
Date Responded: 7/22/2022

2. Referring to p. AGT-12 of Exhibit (Ex.) SDG&E-32, SDG&E described cost drivers for VP - People and Culture department stating, "The cost drivers behind this forecast are the labor and non-labor costs for one (1) officer. There are no incremental labor costs in this area. The incremental non-labor request of \$300,000 is for executive catering costs that were not incurred in 2021 due to COVID-19 restrictions." Referring to p. AGT-11 of Exhibit (Ex.) SDG&E-32, SDG&E provided the forecast method which did not clearly demonstrate how SDG&E calculate the increase in \$300k in TY 2024 estimate. SDG&E stated on p. AGT-11 of its exhibit that "Historical information prior to 2021 does not accurately capture future needs given that SDG&E has been expanding activities in these areas in recent years." Please respond to the following questions:

- a. In a table format, please provide the 5-year historical "executive catering costs" data before covid-19 restrictions were in place.

SDGE Response 2a:

Please refer to the following attachment:

- PAO-SDGE-014-RA6_SDGE-32_2118_Q02a Attachment_2118.

Attachment:

PAO-SDGE-014-RA6_SDGE-32_1917_Q02a
 Question 02a

GRC Witness Name: Alexandra G. Taylor

Fiscal year	Recorded Expenses				
	2017	2018	2019	2020	2021
Executive Catering					
TOTAL VP - People and Culture	581,641	499,171	472,639	369,047	235,863

Appendix B –
SDG&E Response to PAO-SDG&E-014-RA6
Question 3A

Data Request Number: PAO-SDG&E-014-RA6
Proceeding Name: A2205015_016 - SoCalGas and SDGE 2024 GRC
Publish To: Public Advocates Office (PAO)
Date Received: 6/30/2022
Date Responded: 7/22/2022

3. Referring to p. AGT-12 of Exhibit (Ex.) SDG&E-32, SDG&E described cost drivers for human resources department stating "The cost drivers behind this forecast are for the labor and non-labor costs for one (1) director, one (1) senior manager, one (1) senior HR business partner consultant, and five (5) HR advisors. The incremental labor costs of \$145,000 are for one (1) additional senior HR advisor to provide consistent HR support to our expanding workforce." Please respond to the following questions:

a. In a table format, please provide the detailed breakdown of calculation, including the basis-source of each estimate, salary, and job description for the costs SDG&E included for "one (1) director, one (1) senior manager, one (1) senior HR business partner consultant, and five (5) HR advisors."

SDGE Response 3a:

SDG&E objects to the request for employee salaries on the basis of employee privacy as salaries can be tied to specific individuals when combined with other public information on employee names and titles. Further, employee salaries are individualized and representative of the contributions and experience of a specific employee and are not necessarily reflective of the full range of compensation that may be tied to a specific position. Subject to and without waiving its objections, SDG&E responds as follows:

The documentation that supports the addition of FTEs can be found in each cost category section of the direct testimony and workpapers of Alexandra Taylor (Ex. SDG&E-32, Ex. SDG&E-32-WP). The workpaper provides a brief description of the incremental activities requested for all related cost categories and the supporting cost calculations for each associated year of the 2024 GRC.

The People and Culture Department workpapers (Ex. SDG&E-32-WP) document the forecasted incremental FTEs and direct labor costs for each of the cost categories. Note that overheads, benefits and taxes are not included. The GRC presents base year and incremental personnel in the form of "full time equivalents." An FTE is calculated by taking the total annual hours worked (straight-time and overtime hours) divided by the total annual hours in that year, therefore there is not a one for one equivalency between a position and an FTE. It is important to note that the categories referenced in this question reference O&M workpapers.

In determining compensation for a specific job title, SDG&E uses a market-based analysis, which levels jobs based on pay for similar jobs as determined by the competitive labor market and through the use of Market Reference Ranges (MRRs), which are assigned to each job title. The MRR and job descriptions for the positions include:

Position: Director – Human Resources, Labor Relations & Employee Care Services
MRR: \$155,800 to \$233,700

Job Description: Reporting to the Vice President – People and Culture, the Director of Human Resources directs a broad range of functions within SDG&E Human Resources including Employee and Labor Relations, Compensation, and Employee Care Services. Provides leadership, guidance, and strategic direction to the organization's Human Resources initiatives and functions.

Position: Senior Manager

MRR: \$117,900 to \$176,900

Job Description: Provide leadership, oversight, and strategic direction to the HR Advisors and HR Support Services team responsible for the delivery of HR solutions. Ensure compliance with relevant laws, policies, and best practices. Lead HR projects and processes to enhance client support and meet business objectives.

Position: Senior HR Business Partner Consultant

MRR: \$103,200 to \$154,800

Job Description: Serve as a senior level consultant to HR leadership, HR Advisors, and client organizations for all HR-related initiatives and services that enable organizations to achieve their strategic objectives. Ensure compliance with relevant laws, policies, and best practices. Support HR projects and processes to enhance client support and meet business objectives.

Position: Senior Human Resources Advisor

MRR: \$103,200 to \$154,800

Job Description: Serve as a consultant to leadership and client organizations for all HR-related initiatives and services that enable organizations to achieve their strategic objectives. Assess and anticipate HR-related needs. Develop customized and integrated solutions for large organizations. Maintain in-depth knowledge of legal requirements related to day-to-day management of employees, mitigating legal risks, and ensuring regulatory and policy requirements.

Position: Human Resource Advisor

MRR: \$91,100 to \$136,700

Job Description: Serve as primary client contact for strategic and customized Human Resources (HR) solutions, and day-to-day delivery of services. Provide guidance, counsel and policy interpretation on Human Resources issues to leaders and employees. Work collaboratively with other areas of HR to assess client needs and deliver integrated services, while mitigating risks. Leverage HR data to monitor, and identify trends, or issues requiring actions or awareness.

Appendix B –
SDG&E Response to PAO-SDG&E-014-RA6,
Questions 8-9

Data Request Number: PAO-SDG&E-014-RA6
Proceeding Name: A2205015_016 - SoCalGas and SDGE 2024 GRC
Publish To: Public Advocates Office (PAO)
Date Received: 6/30/2022
Date Responded: 7/22/2022

8. Provide the documentation that identifies and explains in detail if SDG&E's expense forecasts for 2022-2024 for the 15 cost categories of People and Culture Department include any projects and/or programs that SDG&E included in its 2019 GRC and was authorized funding.

SDGE Response 8:

See SDG&E response to Question 1c and 1d, which SDG&E incorporates herein. SDG&E further objects to this request as the term “projects and/or programs” is vague and ambiguous. Subject to and without waiving its objections, SDG&E responds as follows:

SDG&E does not interpret this request as seeking expense forecasts for ongoing activities of the cost categories contained within the People and Culture Department chapter. Further, SDG&E is not able to provide the 2019 GRC data for People and Culture in a manner that comports to the current cost format and categorization of the 2024 GRC request, as reporting structures and cost assignments within work groups have changed since the filing and issuance of the final decision in the 2019 GRC. That said, the Organizational Effectiveness Department had two projects in the 2019 GRC that were delayed due to the COVID-19 pandemic: (1) the Working Foreman program, which will resume in 2023 and continue into 2024 and (2) the Human Performance (Just Culture), which has resumed in 2022 with plans to continue into 2024.

9. If SDG&E's expense forecasts for the 15 cost categories of its People and Culture Department include any projects and/or programs that SDG&E included in its 2019 GRC and was authorized funding, identify those programs and/or projects, the associated amounts, and provide documentation that explains in detail the reason for the inclusion in the 2024 GRC.

SDGE Response 9:

See SDG&E response to Question 1c and 1d, which SDG&E incorporates herein. SDG&E further objects to this request as the term “projects and/or programs” is vague and ambiguous. Subject to and without waiving its objections, SDG&E responds as follows:

SDG&E does not interpret this request as seeking expense forecasts for ongoing activities of the cost categories contained within the People and Culture Department chapter. Further, SDG&E is not able to provide the 2019 GRC data for People and Culture in a manner that comports to the current cost format and categorization of the 2024 GRC request, as reporting structures and cost assignments within work groups have changed since the filing and issuance of the final decision in the 2019 GRC. That said, the Organizational Effectiveness Department had two projects in the 2019 GRC that were delayed due to the COVID-19 pandemic: (1) the Working Foreman program, which will resume in 2023 and continue into 2024 and (2) the Human Performance (Just Culture), which has resumed in 2022 with plans to continue into 2024.

Appendix B –
SDG&E Response to PAO-SDGE-146-CE3
Question 1

Data Request Number: PAO-SDGE-146-CE3
Proceeding Name: A2205015_016 - SoCalGas and SDGE 2024 GRC
Publish To: Public Advocates Office
Date Received: 12/20/2022
Date Responded: 01/13/2023

Please provide the following:

The following questions refer to SDG&E's response to data request PAO-SDGE-026-CE3, Q.1. SDG&E provides the historical headcount of ICP eligible employees used to develop the average cost per eligible employee for forecasted years 2022-2024:

1. Please provide documentation that explains how the headcounts for the forecasted years 2022-2024 were developed and calculated.

SDG&E Response 01:

For GRC purposes, SDG&E interprets "headcount" to mean a count of the number of employees of the company as of December 31 of a given year, excluding SB 901 officers. The forecasted number of ICP-eligible employees includes only active employees, which excludes those on leave. Union roles are not ICP-eligible, but union employees on temporary management assignments are eligible for ICP during the temporary management assignments. "Headcount" for purposes of other benefits, such as medical and dental, includes employees on leave. This response serves as documentation and explanation.

To provide context to SDG&E's response, it is important to understand the difference between Full Time Equivalent (FTE) and headcount. SDG&E develops its GRC cost forecasts based on FTEs. FTE is a calculation that measures the number of hours charged over a given time period, which includes overtime hours. For example, one FTE may equal to 40 hours per week, or typically 2,080 hours per year. If one employee works 60 hours per week, that individual would be recorded as 1.5 FTEs. Using the same example, the individual of 1.5 FTEs would be counted as one headcount because it is one employee. Accordingly, FTEs differ from headcount in that one employee position is an indication of activity level and not a specific headcount in any given year. Additionally, the activity level driving the forecasted incremental FTE in an operational area may ultimately be performed using internal labor, outside contractors, overtime or a mix of each. Thus, FTEs are not "hired." Additional or/and incremental FTEs relate solely to activities or average hours to complete an activity.

In the GRC, "headcount" does not equal "FTE." In some cases, headcount may be more than the FTE count if the positions are filled by part-time employees. Also, the headcount forecast encompasses all employees, including those whose work responsibilities are included in the GRC, as well as those whose duties are related to programs or other functional areas outside of the GRC. Headcount is not used in the operating areas to forecast costs. Rather, SDG&E prepares a separate forecast of "headcount," which is used for forecasting employee benefits (Exhibit SCG-25/SDG&E-29 Compensation and Benefits and Exhibit SCG-26/SDG&E-30 Pension and Post-Retirement Benefits Other Than Pension).

SDG&E's headcount forecasts for the years 2022-2024 were developed by each cost witness area forecasting their headcount needs. To do so, similar to forecasting costs, historical headcount data as of December 31 for the years 2017-2021 is analyzed and reviewed. The witness teams determine the 2022-2024 headcount per year based on a variety of factors, such as the number of employees out on leave, contractual obligations, and forecasted incremental employees. The headcount data from each witness is compiled and reviewed. The Compensation and Benefits and Pension and Post-Retirement Benefits Other Than Pension witness teams then use such forecasted headcount to determine the impact on their respective areas.

Appendix B –
SDG&E Response to CEJA-SEU-007
Question 3A

Data Request Number: CEJA-SEU-007
Proceeding Name: A2205015_016 - SoCalGas and SDGE 2024 GRC
Publish To: California Environment Justice Association
Date Received: 9/19/2022
Date Responded: 10/3/2022

For SDG&E

3. In response to Data Request CEJA-SEU-005, Q.1(a), which asked SDG&E to identify all trade association dues included in SDG&E's revenue requirement request along with the most recent annual billing statement, SDG&E stated its "GRC request is not made at the level of detail sought by this Data Request." Please refer to pages 45-47 of SDG&E's 2021 GO 77-M Report, available at <https://www.sdge.com/sites/default/files/regulatory/2021%20REDACTED%20SDGE%20GO-77%20-%20FINAL%20R1.pdf>, which identifies dues, donations, subscriptions and contribution to organizations of \$500 or more. For each listed organization, please:

- a. Identify dues, donations, subscriptions and contributions that are funded by SDG&E ratepayers and the organization to which each identified expense is directed;
- b. Identify the location in SDG&E's testimony and/or workpapers where this expense is identified; and
- c. Identify all expenses listed in response to Question 3(a) where SDG&E shareholders assume a portion of the cost of the identified dues, donations, subscriptions and contributions and the total amount paid by SDG&E shareholders.

SDG&E Response 3a and 3b:

SDG&E objects to this request under Rule 10.1 of the Commission's Rules of Practice and Procedure to the extent it seeks the production of information that is outside the scope of this TY 2024 GRC or is otherwise neither relevant to the subject matter involved in the pending proceeding nor is likely reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving the foregoing objections, SDG&E responds as follows:

See attachment "CEJA-SEU-007_Question 3a_b Attachment.xlsx" for the 2021 membership dues and subscription expenses that were reported in SDG&E's 2021 General Order 77-M report and that are included in the SDG&E's GRC workpapers as 2021 Adjusted-Recorded expenses.

Appendix B –
SDG&E Response to CEJA-SEU-018
Question 1E

Data Request Number: CEJA-SEU-018
Proceeding Name: A2205015_016 - SoCalGas and SDGE 2024 GRC
Publish To: California Environment Justice Association
Date Received: 2/23/2023
Date Responded: 3/6/2023

1. The attachment to SDG&E Response to Data Request CEJA-SEU-007, Q.3 identifies \$792,245.41 as the cost of ratepayer funding membership dues for the Edison Electric Institute (“EEI”) with a reference to page 86 of Exh. SDG&E-32-WP-R.

e. Please provide all documentation that SDG&E has received from EEI regarding the activities it attributes to “influencing legislation.”

SDG&E Response 1e:

As shown in the attachment to CEJA-SEU-007_Question 3a_b row 106, SDG&E is seeking \$792,294.51 in TY 2024 costs for EEI membership.

Below is a link to EEI’s 2022 Lobbying, Advocacy, and Other Expenditures Report.

[Lobby_Disclosure.pdf \(eei.org\)](#)

Appendix B –
SDG&E Response to CLS-002
Questions 33-36, 40-49

Data Request Number: CLS-002
Proceeding Name: A2205015_016 - SDG&E and SDGE 2024 GRC
Publish To: Community Legal Services (CommLegal)
Date Received: 1/27/2023
Date Responded: 2/10/2023

33. Describe what is involved in SDGE’s Diversity and Workforce Management department’s employee-related function of “Diversity Outreach.” (SDGE-32 at AGT-24).

SDG&E Response 33:

SDG&E objects to this request on the grounds that the term “what is involved” is vague and ambiguous and it is vague as to the time period in which information is being requested as department functions may evolve over time.

Subject to and without waiving the foregoing, SDG&E responds as follows:

SDG&E interprets this request as asking for information about the components of diversity outreach performed by the Diversity & Workforce Management department. Diversity outreach efforts are primarily focused externally and include ensuring that job postings are advertised on websites and with organizations whose networks include historically underrepresented populations in certain job classifications and within the utility industry. They also involve attending community hiring events, building relationships with community organizations, and supporting workforce readiness efforts. In order to successfully recruit for open positions, SDG&E needs to stay abreast of recruiting and hiring trends, maintain relationships with diverse organizations and events, and implement best practices to ensure that its diversity outreach strategy is successful.

34. Provide detailed information on SDGE’s Diversity and Workforce Management department’s “strategic [diversity] recruiting plans.” (SDGE-32 at AGT-22). Include the names of partner organizations, indicate how many employees have been hired through referrals from each partner organization, and the hired employee’s ethnicity and/or veteran status.

SDG&E Response 34:

SDG&E objects to this request under Rule 10.1 of the Commission’s Rules of Practice and Procedure to the extent it seeks the production of information that is neither relevant to the subject matter involved in the pending proceeding nor is likely reasonably calculated to lead to the discovery of admissible evidence. SDG&E further objects to this request under Rule 10.1 of the Commission’s Rules of Practice and Procedure on the grounds that the burden, expense and intrusiveness of this request clearly outweigh the likelihood that the information sought will lead to the discovery of admissible evidence. SDG&E further objects to this request on the grounds that it is vague and ambiguous as to the time period for which the information is being requested and seeks information that is considered confidential employee personnel information. SDG&E further objects to this request on the grounds that SDG&E does not track the number of employees that are hired through referrals from partner organizations.

Subject to and without waiving the foregoing, SDG&E responds as follows:

Please see the response to Question 33. Additional recruiting efforts have included workforce readiness programs that help prepare new and returning talent with the knowledge, skills and abilities needed for employment in the utility industry. Some recent examples of this are noted below:

Career Jumpstart: SDG&E partnered with San Diego Workforce Partnerships (SDWP) to support their Career Jumpstart program.

Camp NAWIC: SDG&E partnered with the National Association of Women in Construction (NAWIC) and was a sponsor at Camp NAWIC, a weeklong camp for girls in grades 8-12 to learn skilled construction trades.

35. How many employees are in SDGE's Diversity and Workforce Management department? Please provide their titles and the number of employees in each position. (SDGE-32 at AGT21 – AGT-25).

SDG&E Response 35:

SDG&E objects to this request on the grounds that it is vague and ambiguous as to the time period in which it is seeking information.

Subject to and without waiving the foregoing objection, SDG&E responds as follows:

SDG&E's Diversity and Workforce Management department is currently staffed with seventeen employees with the following job titles:

(1) Director – Diversity & Workforce Management; (1) Talent Acquisition & Workforce Readiness Manager; (1) Staffing Operations, Compliance & HRIS Manager; (1) Talent Acquisition Team Lead; (2) Sr. Talent Acquisitions Advisors; (2) Talent Acquisitions Advisors; (1) Sr Talent Acquisition Specialist; (1) Talent Acquisition Support Supervisor, (3) Talent Acquisition Compliance & Services Specialists; (1) Staffing Operations Advisor; (1) Staffing Operations Specialist; (1) HR Analyst; and (1) HRIS Advisor/Analyst.

Please refer to SDG&E's People and Culture Department Testimony and Workpapers of Alexandra Taylor (Ex. SDG&E-32, page AGT-21 and Ex. SDG&E-32-WP-R, page 49).

36. Please explain the differences and/or overlapping responsibilities of SDGE's "Diversity & Workforce Management" department (SDGE-32 at AGT-21 – AGT-25), and the "Diversity & Inclusion" department (SDGE-32 at AGT-19 – AGT-21).

SDG&E Response 36:

The Diversity & Workforce Management group manages the recruitment and outreach, assessment and selection, hiring and onboarding for all management, associate and represented positions. This includes external hires and internal moves. Through the recruitment and selection process, they focus on building a qualified workforce that reflects the diversity of the communities we serve.

Additionally, this group oversee the Workforce Readiness efforts along with developing and monitoring the official, federally mandated affirmative action plans and following all employment laws and regulations related to the overall recruiting and hiring process.

The Diversity & Inclusion department is responsible for developing and directing Company-wide strategic business objectives to increase representation and advance a culture of inclusion and belonging. (Ex. SDG&E-32 at AGT-19.) Examples of activities the department performs includes but is not limited to educating employees on why diversity is important and how to create an inclusive environment; developing diversity related communications and events; analyzing demographic data and developing recommended actions for consideration, where applicable; supporting the creation of Employee Resource Groups and leveraging Employee Resource Groups and D&I Councils to support employee engagement; developing guidelines and training in support of employee gender transitions, partnering with Community Relations and Staffing on outreach efforts.

Please refer to SDG&E's People and Culture Department Testimony of Alexandra Taylor (Ex. SDG&E-32, page AGT-19, 21).

40. Please describe how SDGE "has largely been expanding [Diversity and Workforce Management department] activities in recent years." (SDGE-32 at AGT-23).

SDG&E Response 40:

The workforce of the Diversity & Workforce Management Department is directly impacted by the volume of hiring and the movement and promotion of employees across SDG&E. This includes the associated activities such as background checks, compliance audits, screening, and posting of positions. As a result of this increase, this department requires more resources in order to maintain the level of service provided to the various client groups across SDG&E.

Please refer to SDG&E's People and Culture Department Testimony and Workpapers of Alexandra Taylor (Ex. SDG&E-32, page AGT-23 and Ex. SDG&E-32-WP-R, page 49).

41. As justification for using the base-year-recorded-costs forecast method in the Diversity and Workforce Management department, SDGE says that "[t]he function of this area has changed in recent years." Please describe these changes and specify how they justify use of the baseyear forecast method. (SDGE-32 at AGT-23).

SDG&E Response 41:

See the response to Question 40. Additionally, this department is working on an initiative to support additional workforce readiness programs across the company.

The primary drivers for using the base year methodology set forth in the testimony and workpapers is that Diversity and Workforce Management costs are forecasted using adjusted-recorded dollars spent in 2021 as the starting point for future needs.

Descriptions of any historical and forecast adjustments are further described in SDG&E's People and Culture Department Testimony and Workpapers of Alexandra Taylor (Ex. SDG&E-32, page AGT-23 and Ex. SDG&E-32-WP-R, page 49).

42. What are SDGE's goals for a qualified workforce? (SDGE-32 at AGT-25).

SDG&E Response 42:

SDG&E objects to this request on the grounds that the term "goals for a qualified workforce" is vague and ambiguous.

Subject to and without waiving the foregoing, SDG&E responds as follows:

SDG&E considers a "qualified workforce" as one comprised of workers who possess the knowledge, skills and abilities to perform the essential functions of a job. Although most of SDG&E's hires are local, there are times when the best qualified candidate is not local and assistance and resources for job-related geographic moves for new, out-of-area employees and internal transfers are needed.

43. Please describe SDGE's workforce resource plan. (SDGE-32 at AGT-23 – AGT-24).

SDG&E Response 43:

For an explanation on forecasted changes in headcount, please refer to SDG&E's response to Data Request Number PAO-SDGE-146-CE3, dated 01/13/2023, Question 2.

44. When did SDGE's workforce readiness programs begin? Please provided detailed information regarding SDGE's workforce readiness programs. (SDGE-32 at AGT-21 – AGT-24).

SDG&E Response 44:

SDG&E's workforce readiness programs have been ongoing on an intermittent basis for over 15 years due to varying levels of support and the availability of appropriate resources. Examples of recent workforce readiness programs are included in SDG&E's response to Question 34.

45. Please detail the reasons for SDGE's increased requisition volume in the Diversity and Workforce Management department. (SDGE-32 at AGT-23; SDGE-32-WP-R at 50).

SDG&E Response 45:

Please see response to Question 40. For an explanation on forecasted changes in headcount, please refer to SDG&E's response to Data Request Number PAO-SDGE-146-CE3, dated 01/13/2023, Question 2.

Please refer to SDG&E's People and Culture Department Testimony and Workpapers of Alexandra Taylor (Ex. SDG&E-32, page AGT-23 and Ex. SDG&E-32-WP-R, page 49).

46. What accounts for the non-labor cost increase from 2019 (\$416,000) to 2020 (\$1,117,000) for SDGE's Diversity and Workforce Management department? (SDGE-32-WP-R at 50).

SDG&E Response 46:

Approximately \$660k accounts for all employee relocation costs for SDG&E. The remainder of the variance accounts for temporary agency labor costs.

47. Please list the costs incurred by SDGE for “HR professional memberships, events and certifications to keep staff current” each year for the years 2017-2022. What was the status of SDGE HR professional memberships and certifications in 2021? (SDGE-32-WP-R at 52, 53, 54).

SDG&E Response 47:

For 2017-2019, costs incurred for HR professional memberships, events and certifications to keep staff current averaged \$13,000 per year. Beginning in 2020 through 2022, costs incurred for these items averaged \$500 per year due to ongoing restrictions associated with the COVID-19 pandemic.

Please refer to SDG&E’s People and Culture Department Testimony and Workpapers of Alexandra Taylor (Ex. SDG&E-32, page AGT-25 and Ex. SDG&E-32-WP-R, pages 52-54).

48. In the Diversity and Workforce Management category, the years 2022 – 2024 each include \$6,000 of non-labor costs for “Recruiting collateral and marketing material costs that were not incurred during 2021 due to job fairs and workforce readiness events not being in person due to Covid restrictions. The SDG&E logo was recently updated which is included on all materials so the materials will need to be re-created with the new SDG&E logo.” When was the SDGE logo updated? Will Diversity and Workforce Management department marketing materials need to be re-created with the new SDGE logo each year? How much of the \$6,000 is for the re-creation of the materials? (SDGE-32-WP-R at 52, 53).

SDG&E Response 48:

The SDG&E logo was updated in July 2021 and in December 2022. Regular practice in the Diversity and Workforce Management Department has been to deplete existing inventory before ordering updated materials. This means that recruiting collateral and marketing materials with the new logo will be ordered gradually over time, as the existing supply is depleted. Additionally, some of the existing career fair banners and stands are broken and need to be replaced.

49. What are SDGE “workforce plan requests”? (SDGE-32-WP-R at 53).

SDG&E Response 49:

Workforce plan requests are SDG&E’s headcount forecasts for the years 2022-2024. They were developed by each organization forecasting their headcount needs. For more information on forecasted changes in headcount, please refer to SDG&E’s response to Data Request Number PAO-SDGE-146-CE3, dated 01/13/2023, Question 2.

Appendix B –
SDG&E Response to CLS-002
Question 55

Data Request Number: CLS-002
Proceeding Name: A2205015_016 - SDG&E and SDGE 2024 GRC
Publish To: Community Legal Services (CommLegal)
Date Received: 1/27/2023
Date Responded: 2/10/2023

55. How many employees currently work in SDGE’s Diversity & Inclusion department? How many employees does SDGE expect to work in SDGE’s Diversity & Inclusion department in 2023 and in each year of the upcoming GRC cycle? Please list the title and salary of each employee for each year. (SDGE-32 at AGT-20 – AGT-21; SDGE-32-WP-R at 44-45).

SDG&E Response 55:

SDG&E objects to this request on the grounds that it is vague and ambiguous, particularly with respect to the phrase “upcoming GRC cycle.”

Subject to and without waiving the foregoing objection, SDG&E responds as follows:

In 2022, there were three and half employees working in the Diversity and Inclusion department: one (1) Director, one (1) Sr. D&I Advisor, one (1) D&I Advisor, and one (1) Admin Associate shared 50/50 with the Diversity and Workforce Planning department.

In 2023, the Diversity and Inclusion department will maintain the same staffing level as 2022. In 2024, two new D&I Advisors are needed to run a fully implemented D&I program for field employees and oversee the creation and sustainment of the increase in the number of ERGs, which is projected to go from one ERG in 2021 to nine ERGs during this GRC period.

Please refer to SDG&E’s People and Culture Department Testimony and Workpapers of Alexandra Taylor (Ex. SDG&E-32, page AGT-19 and Ex. SDG&E-32-WP-R, pages 44-45).

Position	MRR Low*	MRR High*
Director – Diversity and Inclusion	152,100	228,200
Senior D&I Advisor	100,800	151,200
D&I Advisor	89,000	133,500
Admin Assoc (50%)	49,500	74,300

MRRs indicate ranges as of 1/1/2021.

Appendix B –
SDG&E Response to CLS-002,
Question 75

Data Request Number: CLS-002
Proceeding Name: A2205015_016 - SDG&E and SDGE 2024 GRC
Publish To: Community Legal Services (CommLegal)
Date Received: 1/27/2023
Date Responded: 2/10/2023

75. Please list the amount of executive catering costs incurred for SDGE’s VP – People and Culture category each year for the years 2017-2021 and thus far in 2022. (SDGE-32-WP-R at 6).

SDG&E Response 75:

SDG&E objects to this request under Rule 10.1 of the Commission’s Rules of Practice and Procedure on the grounds that the burden, expense, and intrusiveness of this request clearly outweigh the likelihood that the information sought will lead to the discovery of admissible evidence.

Subject to and without waiving the foregoing objection, SDG&E responds as follows:

As addressed in the Joint Motion of SoCalGas and SDG&E to Amend the Assigned Commissioner’s Scoping Memorandum and Ruling, dated October 27, 2022, the companies’ raw financial data reflecting prior year actual spend is usually not available until the end of February. Upon release of the data, it must then be analyzed and adjusted to be compatible with data used in Applicants’ direct testimony. Moreover, the GRC Rate Case Plan does not allow for continuous updating of all data in a case, and, as the Commission noted in SDG&E and SoCalGas’s TY 2019 GRC final decision, “it is generally not feasible or prudent to continue to update forecasts to reflect actual data during the pendency of the GRC proceeding.” (D.19-09-051 at 612).

In accordance with the December 6, 2022, Administrative Judge Ruling Modifying the Procedural Schedule and Partly Denying Sempra Utilities’ Joint Motion to Amend the Assigned Commissioner’s Scoping Memorandum and Ruling, SDG&E will provide 2022 recorded expenditures by March 13, 2023.

Executive Catering Costs (2017-2021)

Fiscal year	2017	2018	2019	2020	2021
Executive Catering	581,641	499,171	472,639	369,047	235,863

Appendix B –
SDG&E Response to CLS-008,
Questions 11-14

Data Request Number: CLS-008
Proceeding Name: A2205015_016 - SoCalGas and SDGE 2024 GRC
Publish To: Community Legal Services (CommLegal)
Date Received: 3/7/2023
Date Responded: 3/21/2023

11. SDGE’s response to CLS-002 Q40 states, “The workforce of the Diversity & Workforce Management Department is directly impacted by the volume of hiring and the movement and promotion of employees across SDG&E. This includes the associated activities such as background checks, compliance audits, screening, and posting of positions. As a result of this increase, this department requires more resources in order to maintain the level of service provided to the various client groups across SDGE.”

a. Please describe “this increase.”

SDG&E Response 11a:

Please refer to SDG&E’s People and Culture Department testimony of Alexandra G. Taylor (Ex. SDG&E-32 at pp. 50-54) for an explanation on the impacts related to an increase in the volume of hiring. For an explanation on estimated changes in headcount, please refer to SDG&E’s response to Data Request Number PAO-SDGE-146- CE3, dated 01/13/2023, Question 2.

b. Please define “client groups” as used in this response.

SDG&E Response 11b:

Client groups are the divisions and departments across SDG&E that are supported by the Diversity and Workforce Management department.

12. Regarding SDGE’s response to CLS-002 Q46:

a. Please list “all employee relocation costs for SDG&E” for the years 2017-2022.

SDG&E Response 12a:

SDG&E objects on the grounds that “all employee relocation costs” is vague and ambiguous. Subject to and without waiving the foregoing, SDG&E responds as follows: SDG&E is interpreting “employee relocation costs” to mean total annual costs for each year between 2017-2022. Please see below the total relocation costs for the years 2017-2022:

- 2017: \$194,314
- 2018: \$119,984
- 2019: -\$1,998
- 2020: \$658,490
- 2021: \$455,074
- 2022: \$438,164

b. Please explain why employee relocation costs were so high for 2020.

SDG&E Response 12b:

There was an increase in relocation costs in 2020 due to an enhanced effort to fill senior-level positions in support of SDG&E's efforts to recruit and maintain a qualified workforce that is aligned with the Company's goal of meeting the workforce needs of today and tomorrow.

- c. In what way will the cost drivers of the higher employee relocation costs in 2020 continue to impact costs during the upcoming 2024 GRC period?

SDG&E Response 12c:

The higher employee relocation costs in 2020 do not have an impact on the costs requested for the Test Year 2024 GRC.

13. Regarding SDGE's response to CLS-002 Q47: Please explain why costs for HR professional memberships, events and certifications to keep staff current are not returning to pre-Covid (2017-2019) levels of costs for the years 2023 and 2024.

SDG&E Response 13:

From 2017-2019, SDG&E was a member of an organization that allowed the People and Culture team to collectively participate in live trainings, webinars, and virtual events related to attracting and hiring diverse talent. A few of the employees who participated in those training courses are still members of the organization on an individual basis and continue to participate in training and events. SDG&E believes, however, that a departmental renewal of the professional membership is not needed at this time.

14. Regarding SDGE's plan to add a "staffing advisor in 2024 to provide support for anticipated hiring due to workforce plan requests" (SDGE-32-WP-R at 53):

- a. Which position provided this support each year for the years 2017-2022?

SDG&E Response 14a:

The Diversity and Workforce Management department currently has Staffing Advisors who provide support for workforce readiness and verification of a candidate's suitability for employment. The Staffing Advisor position requested for 2024 is for an additional Staffing Advisor to help support the additional workload associated with anticipated increases in headcount.

- b. Which position provides this support currently?

SDG&E Response 14b:

See response to Question 14a.

- c. What anticipated changes necessitate the addition of this position in 2024?

SDG&E Response 14c:

For the anticipated changes necessitating the addition of this position in 2024, please refer to SDG&E's People and Culture Department testimony of Alexandra G. Taylor (Ex. SDG&E-32 at pp.21-24). For an explanation on estimated changes in headcount, please refer to SDG&E's response to Data Request Number PAO-SDGE-146- CE3, dated 01/13/2023, Question 2.

Appendix B –
SDG&E Response to TURN-SEU-044
Question 2

Data Request Number: TURN-SEU-044
Proceeding Name: A2205015_016 - SoCalGas and SDGE 2024 GRC
Publish To: The Utility Reform Network
Date Received: 2/27/2023
Date Responded: 3/9/2023

2. Please state the amount of EEI dues payment that SDG&E recorded in 2021 and 2022, and the amount of EEI dues payment that SDG&E proposes to include in its test year 2024 GRC forecast. Please also identify by specific page number each place in SDG&E's test year 2024 GRC testimony and workpapers where each of these figures appears.

SDG&E Response 2:

Please see below for the ratepayer amount of EEI dues that SDG&E recorded in 2021 and 2022:

- 2021: \$792,294
- 2022: \$831,101

SDG&E is seeking \$792k in TY 2024 costs for EEI membership. Please refer to Table AT-17 on page AGT-33 of the SDG&E People and Culture Department testimony of Alexandra Taylor (Ex. SDG&E-32). SDG&E notes that the \$915k shown in Table AT-17 reflects the total ratepayer amount of EEI and AGA dues that SDG&E is seeking in TY 2024 costs:

- EEI - \$792k
- AGA - \$123k

Also, please refer to the table on page 83 of the SDG&E People and Culture Department workpapers (Ex. SDG&E-32-WP-R). EEI membership costs are included in the \$1.374M 2021 Adjusted-Recorded costs for Non-Labor.

Appendix B –
SDG&E Response to TURN-SEU-044
Question 3B

Data Request Number: TURN-SEU-044
Proceeding Name: A2205015_016 - SoCalGas and SDGE 2024 GRC
Publish To: The Utility Reform Network
Date Received: 2/27/2023
Date Responded: 3/9/2023

3. In the workpapers to Ex. SDG&E-32, at page 87 of 122, there is an adjustment for 2017 with the explanation, “Exclude the portion of EEI dues payment that is attributable to influencing legislation and as contributions to a charitable organization and therefore should not be ratepayer funded.”

B. Please explain in detail how SDG&E determined and calculated the portion of EEI dues payment to exclude for 2017.

SDG&E Response 3b:

SDG&E excludes the portion of EEI dues payment that is attributable to influencing legislation and as contributions to a charitable organization as detailed within the EEI invoice. Please see below for SDG&E’s calculations for the portion of EEI dues payment to exclude for 2017.

<u>Line</u>	<u>% Lobbying/BTL</u>	<u>\$ Lobbying/BTL</u>	<u>Net</u>
\$ 514,773	13%	\$ 66,920	\$ 447,853
\$ 51,477	24%	\$ 12,354	\$ 39,123
\$ 11,250	0%	\$ -	\$ 11,250
\$ 22,500	100%	\$ 22,500	\$ -
\$ 600,000		\$ 101,775	\$ 498,225

Appendix B –
SDG&E Response to TURN-SEU-044
Question 3C

Data Request Number: TURN-SEU-044
Proceeding Name: A2205015_016 - SoCalGas and SDGE 2024 GRC
Publish To: The Utility Reform Network
Date Received: 2/27/2023
Date Responded: 3/9/2023

3. In the workpapers to Ex. SDG&E-32, at page 87 of 122, there is an adjustment for 2017 with the explanation, “Exclude the portion of EEI dues payment that is attributable to influencing legislation and as contributions to a charitable organization and therefore should not be ratepayer funded.”

c. Was a similar adjustment made for any of the years 2018-2021, inclusive? If not, why not. If so, please state the amount of total EEI dues payment SDG&E recorded for each of those years, and the portion of EEI dues payment that was excluded as amounts that should not be ratepayer funded.

SDG&E Response 3c:

A similar adjustment was not made in 2018-2021. For 2018-2021, SDG&E implemented a change in accounting treatment to exclude the portion of EEI dues payments that was attributable to influencing legislation and as contributions to a charitable organization when the invoice is processed. Therefore, an adjustment was not required.

