

Company: San Diego Gas & Electric Company (U 902 M)  
Proceeding: 2024 General Rate Case  
Application: A.22-05-\_\_\_\_\_  
Exhibit: SDG&E-32

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

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



**May 2022**

## TABLE OF CONTENTS

I.	INTRODUCTION .....	1
A.	Summary of People and Culture Department Costs and Activities .....	1
B.	Support To and From Other Witnesses.....	1
C.	Organization of Testimony .....	2
II.	RISK ASSESSMENT MITIGATION PHASE INTEGRATION .....	3
A.	RAMP Risk and Cross-Functional Factor Overview.....	4
B.	GRC Risk and CFF Activities.....	4
C.	Response to Party Feedback .....	7
III.	SUSTAINABILITY AND SAFETY CULTURE .....	7
A.	Diversity, Equity, and Inclusion .....	8
IV.	NON-SHARED COSTS .....	9
A.	VP – People and Culture.....	11
1.	Description of Costs and Underlying Activities .....	11
2.	Forecast Method.....	11
3.	Cost Drivers .....	12
B.	Total Disability .....	12
1.	Description of Costs and Underlying Activities .....	12
2.	Forecast Method.....	12
3.	Cost Drivers .....	12
C.	Workers’ Compensation (WC) .....	13
1.	Description of Costs and Underlying Activities .....	13
2.	Forecast Method.....	13
3.	Cost Drivers .....	13
D.	Long-Term Disability (LTD).....	14
1.	Description of Costs and Underlying Activities .....	14
2.	Forecast Method.....	14
3.	Cost Drivers .....	15
E.	Human Resources .....	15
Human Resources Department .....	15	
1.	Description of Costs and Underlying Activities .....	15
2.	Forecast Method.....	15
3.	Cost Drivers .....	16

	Compensation and HR Support Department.....	16
	1. Description of Costs and Underlying Activities .....	16
	2. Forecast Method.....	17
	3. Cost Drivers .....	17
	Labor Relations Department.....	17
	1. Description of Costs and Underlying Activities .....	17
	2. Forecast Method.....	18
	3. Cost Drivers .....	18
F.	Diversity & Inclusion.....	19
	1. Description of Costs and Underlying Activities .....	19
	2. Forecast Method.....	20
	3. Cost Drivers .....	20
G.	Diversity and Workforce Management.....	21
	Staffing & Workforce Readiness and Staffing Operations, Compliance & Human Resource Information Systems (HRIS).....	21
	1. Description of Costs and Underlying Activities .....	21
	2. Forecast Method.....	23
	3. Cost Drivers .....	23
	Relocations.....	25
	1. Description of Costs and Underlying Activities .....	25
	2. Forecast Method.....	25
	3. Cost Drivers .....	25
H.	Organizational Effectiveness (OE) .....	25
	1. Description of Costs and Underlying Activities .....	25
	2. Forecast Method.....	26
	3. Cost Drivers .....	26
	Workforce Planning.....	28
	1. Description of Costs and Underlying Activities .....	28
	a. Description of RAMP Mitigations.....	28
	2. Forecast Method.....	29
	3. Cost Drivers .....	29
I.	Business Optimization .....	30
	1. Description of Costs and Underlying Activities .....	30
	2. Forecast Method.....	30
	3. Cost Drivers .....	31

J.	Executive Offices.....	31
1.	Description of Costs and Underlying Activities .....	32
a.	Description of RAMP Mitigations.....	32
2.	Forecast Method.....	33
3.	Cost Drivers .....	34
V.	SHARED COSTS .....	34
A.	Employee Care Services, Drug and Alcohol Testing Program, and Wellness Programs .....	35
	Employee Care Services (ECS) .....	36
1.	Description of Costs and Underlying Activities .....	36
2.	Forecast Method.....	36
3.	Cost Drivers .....	36
	Drug and Alcohol Testing Program.....	37
1.	Description of Costs and Underlying Activities .....	37
a.	Description of RAMP Mitigations.....	37
2.	Forecast Method.....	38
3.	Cost Drivers .....	38
	Wellness Programs.....	38
1.	Description of Costs and Underlying Activities .....	38
a.	Description of RAMP Mitigations.....	39
2.	Forecast Method.....	40
3.	Cost Drivers .....	40
B.	People Research.....	41
1.	Description of Costs and Underlying Activities .....	41
2.	Forecast Method.....	41
3.	Cost Drivers .....	41
VI.	CONCLUSION.....	42
VII.	WITNESS QUALIFICATIONS.....	43

## APPENDICES

Appendix A – Glossary of Terms .....	AGT-A-1
Appendix B – RAMP Activities by Workpaper .....	AGT-B-1

## SUMMARY

### TY 2024 Summary of Total O&M Costs

<b>PEOPLE AND CULTURE DEPARTMENT (In 2021 \$)</b>			
	<b>2021 Adjusted-Recorded (000s)</b>	<b>TY2024 Estimated (000s)</b>	<b>Change (000s)</b>
Total Non-Shared Services	15,390	19,674	4,284
Total Shared Services (Incurred)	1,828	1,969	141
<b>Total O&amp;M</b>	<b>17,218</b>	<b>21,643</b>	<b>4,425</b>

The Company's Test Year (TY) 2024 General Rate Case (GRC) request of \$21.643 million represents a 25.7% increase over BY 2019 adjusted-record costs. The \$4.425 million increase is driven by the following:

#### Summary of Requests

- With San Diego Gas and Electric Company's (SDG&E) commitment to building a diverse and inclusive workplace, the Diversity and Inclusion group is requesting \$168,000 for the expansion of Employee Resource Groups (ERGs), as well as expenses related to Diversity Best Practices and Spectrum Knowledge Membership fees.
- Leadership training programs, such as Supervisor Effectiveness, Working Foreman, and Just Culture, enhance leadership skills, safety awareness, and policy knowledge to mitigate risks. To continue these programs, the Organizational Effectiveness group is requesting \$98,000 for employee training and development, as well as required testing validation.
- To enhance SDG&E's ability to analyze staffing trends, skill readiness, and predict future attrition and gaps in talent availability, the Organizational Effectiveness group is requesting \$454,000 to add four (4) new employees in Workforce Planning to support these activities.
- SDG&E is expecting operating levels to return to normal. Therefore, the Vice President (VP) of People and Culture is requesting \$300,000 for catering expenses not incurred in 2021 due to COVID-19 restrictions.

- The Human Resource group is requesting \$120,000 to convert roughly 7,000 hard copy personnel files to a digital format, which equates to approximately \$30,000 per year for the current GRC cycle.
- Executive Offices is requesting \$479,000, which includes annual travel expenses that were not incurred in 2021 due to COVID-19 restrictions, as well as anticipated expenses related to a new Chief Operating Officer (COO) position that is expected to be hired in 2023.

I have used the base year recorded methodology to forecast most areas of my testimony and workpapers, with the exception of Workers' Compensation and Long-Term Disability. In these two areas, non-standard escalation, zero-based forecasting methodology was used. The use of base year recorded methodology for all other work groups and costs was selected because it most accurately represents the current and future structure of the organization.

**PREPARED DIRECT TESTIMONY OF  
ALEXANDRA TAYLOR  
(PEOPLE AND CULTURE DEPARTMENT)**

**I. INTRODUCTION**

**A. Summary of People and Culture Department Costs and Activities**

My testimony supports the Test Year 2024 forecasts for operations and maintenance (O&M) costs for both non-shared and shared services for the forecast years 2022, 2023, and 2024 associated with the People and Culture department, which includes Human Resources (HR), Employee Care Services (ECS), Long-Term Disability (LTD), and Workers' Compensation (WC) for SDG&E. Table AT-1 summarizes my sponsored costs.

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

<b>PEOPLE AND CULTURE DEPARTMENT (In 2021 \$)</b>			
	<b>2021 Adjusted-Recorded (000s)</b>	<b>TY2024 Estimated (000s)</b>	<b>Change (000s)</b>
Total Non-Shared Services	15,390	19,674	4,284
Total Shared Services (Incurred)	1,828	1,969	141
<b>Total O&amp;M</b>	<b>17,218</b>	<b>21,643</b>	<b>4,425</b>

To ensure the safe and reliable delivery of electric and gas services to SDG&E's 3.6 million customers, SDG&E requires its employees to possess the qualifications, experience, and skills necessary to perform their work safely and effectively. The People and Culture department is responsible for three key areas of responsibility: (1) attracting, hiring, developing, training, and retaining employees; (2) establishing, implementing, and managing employee-related programs, policies, and guidelines to ensure compliance; and (3) administering and managing SDG&E's LTD, wellness programs, drug and alcohol testing/compliance programs, leave and absence policies, and self-insured workers' compensation program.

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

My testimony also references the testimony and workpapers of several other witnesses, either in support of their testimony or as referential support for mine. A reference list is detailed below:

- 1 • Sustainability Policy testimony of Estela de Llanos (Ex. SDG&E-02);
- 2 • Safety, Risk & Asset Management Systems testimony of Kenneth Deremer (Ex.
- 3 SDG&E-31);
- 4 • RAMP to GRC Integration testimony of R. Scott Pearson and Gregory S. Flores
- 5 (Ex. SCG-03/SDG&E-03, Chapter 2);
- 6 • Corporate Center Compensation & Benefits testimony of Debbie Robinson (Ex.
- 7 SCG-25/SDG&E-29); and
- 8 • Shared Services Billing, Shared Assets Billing, Segmentation & Capital
- 9 Reassignments testimony of Angel Le and Paul Malin (Ex. SCG-30/SDG&E-34).

10 **C. Organization of Testimony**

11 My testimony is organized as follows:

- 12 • Introduction
- 13 • Risk Assessment Mitigation Phase Integration
- 14 • Sustainability and Safety Culture
- 15 • Non-Shared Costs
  - 16 ○ VP – People & Culture
  - 17 ○ Total Disability
  - 18 ○ Workers’ Compensation
  - 19 ○ Long-Term Disability
  - 20 ○ Human Resources
  - 21 ○ Diversity & Inclusion
  - 22 ○ Diversity and Workforce Management
  - 23 ○ Organizational Effectiveness
  - 24 ○ Business Optimization
  - 25 ○ Executive Offices
- 26 • Shared Costs
  - 27 ○ Employee Care Services
  - 28 ○ Drug and Alcohol Testing Program
  - 29 ○ Wellness Programs
  - 30 ○ People Research
- 31 • Conclusion



- Witness Qualifications

## II. RISK ASSESSMENT MITIGATION PHASE INTEGRATION

Certain costs supported in my testimony are driven by activities described in SoCalGas and SDG&E’s respective 2021 Risk Assessment Mitigation Phase (RAMP) Reports (the 2021 RAMP Reports).<sup>1</sup> The 2021 RAMP Reports presented an assessment of the key safety risks for SoCalGas and SDG&E and proposed plans for mitigating those risks. As discussed in the testimony of the RAMP to GRC Integration witnesses R. Scott Pearson and Gregory S. Flores (Ex. SCG-03/SDG&E-03, Chapter 2), the costs of risk mitigation projects and programs were translated from the 2021 RAMP Reports into the individual witness areas.

In the course of preparing the People and Culture Department O&M GRC forecasts, SDG&E continued to evaluate the scope, schedule, resource requirements, and synergies of RAMP-related projects and programs. Therefore, the final presentation of RAMP costs may differ from the ranges shown in the 2021 RAMP Reports. Table AT-2 provides summaries of the RAMP-related costs supported in my testimony.

**TABLE AT-2**  
**Summary of RAMP O&M Costs<sup>2</sup>**

<b>PEOPLE AND CULTURE DEPARTMENT Summary of RAMP O&amp;M Costs (In 2021 \$)</b>	<b>BY 2021 Embedded Base Costs (000s)</b>	<b>TY 2024 Estimated Total (000s)</b>	<b>TY 2024 Estimated Incremental (000s)</b>
<b>RAMP Risk Chapter</b>			
SDG&E-Risk-8 Incident Involving Employee	1,101	1,216	115
<b>Sub-Total</b>	<b>1,101</b>	<b>1,216</b>	<b>115</b>
<b>RAMP Cross-Functional Factor (CFF) Chapter</b>			
SDG&E-CFF-8 Workforce Planning / Qualified Workforce	0	466	466
<b>Sub-Total</b>	<b>0</b>	<b>466</b>	<b>466</b>
<b>Total RAMP O&amp;M Costs</b>	<b>1,101</b>	<b>1,682</b>	<b>581</b>

<sup>1</sup> See Application (A.) 21-05-011/-014 (cons.) (RAMP Proceeding). Please refer to the RAMP to GRC Integration testimony of R. Scott Pearson and Gregory S. Flores (Ex. SCG-03/SDG&E-03, Chapter 2) for more details regarding the 2021 RAMP Reports.

<sup>2</sup> CFF-related information in accordance with the March 30, 2022, Assigned Commissioner Ruling in A.21-05-011/-014 (cons.), is provided in the RAMP to GRC Integration testimony of R. Scott Pearson and Gregory S. Flores (Ex. SCG-03/SDG&E-03, Chapter 2).

1           **A. RAMP Risk and Cross-Functional Factor Overview**

2           As summarized in Table AT-2 above, my testimony includes costs to mitigate the risks  
3 and cross-functional factors (CFF) included in the RAMP report.<sup>3</sup> These risks and factors are  
4 further described in Table AT-3 below:

5                                      **TABLE AT-3**  
6                                      **RAMP Chapter Description**

SDG&E-Risk-8-Incident Involving Employee (IIE)	SDG&E’s IIE risk is defined as the risk of an incident involving one or more on-duty employees that causes serious injury or fatality to a company employee.
SDG&E-CFF-8-Workforce Planning/Qualified Workforce	SDG&E utilizes a decentralized model of workforce planning. This model consists of each department planning for its workforce by analyzing current and future workforce needs, identifying current and future skill gaps, and implementing solutions, such as skills training, to ensure employee and contractor safety.

7  
8           In developing my request, priority was given to these key safety risks to assess which risk  
9 mitigation activities the People and Culture Department currently performs and what incremental  
10 efforts are needed to further mitigate these risks. While developing the GRC forecasts, SDG&E  
11 evaluated the scope, schedule, resource requirement, and synergies of RAMP-related projects  
12 and programs to determine costs already covered in the base year and those that are incremental  
13 increases expected in the test year.

14           Messrs. Pearson and Flores (Ex. SCG-03/SDG&E-03, Chapter 2) discuss all the risks and  
15 CFFs included in the 2021 RAMP Reports and the RAMP to GRC integration process.

16           **B. GRC Risk and CFF Activities**

17           Table AT-4 below provides a narrative summary of the forecasted RAMP-related  
18 activities that I sponsor in my testimony.

19  

---

<sup>3</sup> Unless otherwise indicated, references to the 2021 RAMP Report refer to SDG&E’s respective RAMP Report.

1  
2

**TABLE AT-4**  
**Summary of RAMP Risk and CFF Activities**

<b>RAMP ID</b>	<b>Activity</b>	<b>Description</b>
SDG&E-Risk-8-C02	Drug and Alcohol Testing Program	SDG&E has implemented an employee drug and alcohol testing program managed in accordance with state and federal regulations. The Company's Substance Abuse and Testing (Fitness-For-Duty and Reasonable Cause) Policy (Substance Abuse Policy), which all SDG&E employees are responsible for knowing and complying with, prohibits, among other things, the use of drugs and/or alcohol during working hours and/or reporting to work in an unfit condition due to drugs and/or alcohol. Violations of this policy are cause for disciplinary action up to and including termination of employment.
SDG&E-Risk-8-C07	Employee Wellness Programs	Wellness Programs are designed to promote the physical and mental well-being of all Company employees, supporting SDG&E's commitment to providing quality health and wellness programs to motivate employees and promote safe and healthy lifestyles.
SDG&E-Risk-8-C12	Utilizing OSHA and Industry Best Practices and Industry Benchmarking	SDG&E collaborates with high performers in environmental, health, and safety across industry sectors and regions of the world through the National Safety Council Campbell Institute, and benchmarking with other utilities, industries, and leaders in safety performance. SDG&E benefits from building relationships with other safety leaders, accessing

RAMP ID	Activity	Description
		best practices on employee and contractor safety, and benchmarking on leading indicators and key safety program elements.
SDG&E-CFF-8	Workforce Planning / Qualified Workforce	SDG&E’s HR department, including the Diversity & Workforce Management and the Organizational Effectiveness departments, work with the various operations departments to assess compensation, provide recruitment support, implement field leadership training, and manage succession planning such that each operations department can attract, develop, and maintain a skilled, safe, and qualified workforce. Technical training, knowledge transfer, and skill development for compliance and inspections is a particular area of focus.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15

These activities are discussed further below in Section IV.H and Section V.A, as well as in my workpapers. For additional information and a roadmap, please refer to Appendix B, which contains a table identifying by workpaper the TY 2024 forecast dollars associated with activities in the 2021 RAMP Report that are discussed in this testimony.

The RAMP risk mitigation efforts are associated with specific actions, such as programs, projects, processes, and utilization of technology. For each of these mitigation efforts, an evaluation was made to determine the portion, if any, that was already performed as part of historical activities (*i.e.*, embedded base costs) and the portion, if any, that was incremental to base year activities. Furthermore, for the incremental activities, a review was completed to determine if any portion of incremental activity was part of the workgroup’s base forecast methodology. The result is what SDG&E considers to be a true representation of incremental increases over the base year.

My incremental request supports the ongoing management of these risks that could pose significant safety, reliability, and financial consequences.

1           **C.     Response to Party Feedback**

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

7           Other than as discussed below, the RAMP-related activities described in my GRC  
8 testimony are consistent with the activities presented in the 2021 RAMP Report. General  
9 changes to risk scores or Risk Spend Efficiency (RSE) values are primarily due to changes in the  
10 Multi-Attribute Value Framework (MAVF) and RSE methodology, as discussed in the RAMP to  
11 GRC Integration testimony.

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

- 14           •       Workforce Planning and Qualified Workforce activities are included as a specific  
15                   project associated with SDG&E-CFF-8 Workforce Panning / Qualified  
16                   Workforce.

17           **III.    SUSTAINABILITY AND SAFETY CULTURE**

18           Sustainability, safety, and reliability are the cornerstones of SDG&E’s core business  
19 operations and are central to SDG&E’s GRC presentation. SDG&E is committed to not only  
20 delivering clean, safe, and reliable electric and natural gas service, but doing so in a manner that  
21 supports California’s climate policy, adaptation, and mitigation efforts. In support of the legal  
22 and regulatory framework set by the state, SDG&E has set a goal to reach Net Zero greenhouse  
23 gas (GHG) emissions by 2045, adopted a Sustainability Strategy to facilitate the integration of  
24 GHG emission reduction strategies into SDG&E’s day-to-day operations and long-term  
25 planning, and published an economy-wide GHG Study<sup>4</sup> that recommends a diverse approach for  
26 California by leveraging clean electricity, clean fuels, and carbon removal to achieve the 2045  
27 goals through the lens of reliability, affordability, and equity. The Sustainability Strategy serves  
28 as SDG&E’s guide to enable a more just and equitable energy future in SDG&E’s service

---

<sup>4</sup> SDG&E, The Path to Net Zero: A Decarbonization Roadmap for California, (April 2022) available at [https://www.sdge.com/sites/default/files/documents/path\\_to\\_net\\_zero.pdf?nid=21961](https://www.sdge.com/sites/default/files/documents/path_to_net_zero.pdf?nid=21961).

1 territory and beyond. As a “living” strategy, SDG&E will continue to update the goals and  
2 objectives as technologies, policies, and stakeholder preferences change. See the Sustainability  
3 Policy testimony of Estela de Llanos (Ex. SDG&E-02).

4 In this GRC, SDG&E focuses on three major categories that underpin the Sustainability  
5 Strategy: mitigating climate change, adapting to climate change, and transforming the grid to be  
6 the reliable and resilient catalyst for clean energy. SDG&E's goal is to contribute to the  
7 decarbonization of the economy by way of diversifying energy resources, collaborating with  
8 regional partners, and providing customer choice that enables an affordable, flexible, and  
9 resilient grid.

10 Safety is a core value and SDG&E is committed to providing safe and reliable service to  
11 all its stakeholders. This safety-first culture is embedded in every aspect of the Company's  
12 work. In 2020, SDG&E commenced the development and deployment of a Safety Management  
13 System (SMS), which better aligns and integrates safety, risk, asset, and emergency management  
14 across the entire organization. The SMS takes a holistic and pro-active approach to safety and  
15 expands beyond “traditional” occupational safety principles to include asset safety, system  
16 safety, cyber safety, and psychological safety for improved safety performance and culture.  
17 SDG&E's SMS is a systematic, enterprise-wide framework that utilizes data to collectively  
18 manage and reduce risk and promote continuous learning and improvement in safety  
19 performance through deliberate, routine, and intentional processes.

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

#### 28 **A. Diversity, Equity, and Inclusion**

29 As part of SDG&E's unwavering dedication to its company values – do the right thing,  
30 champion people, and shape the future – SDG&E remains committed to building a diverse and  
31 inclusive workplace, where we embrace different views, backgrounds, and experiences and

1 where employees feel valued and empowered to bring their authentic and best selves to work.  
2 We continue to demonstrate this commitment through concrete actions to advance Company  
3 culture and maintain a workplace that evokes engagement and is rich in opportunities for all  
4 employees to reach their full career potential.

5 In SDG&E’s Sustainability Strategy,<sup>5</sup> we set a company-wide goal to create opportunities  
6 through diversity, equity, and inclusion. This goal, established in 2020, is centered on five  
7 strategic pillars, which are being used not only to track our progress, but also improve equity in  
8 our workplace and in the communities SDG&E serves:

- 9 1. Leading from the top
- 10 2. Accelerating engagement
- 11 3. Creating opportunity
- 12 4. Driving conscious inclusion
- 13 5. Partnering with communities.

14 We take great pride in a culture that is inclusive, authentic, and representative of the  
15 communities we serve and that is focused on creating a meaningful sense of belonging among  
16 SDG&E employees, business partners, and the community. These tenets have also guided the  
17 Commission’s goals to advance equity in its programs and policies for environmental and social  
18 justice, as expressed in the CPUC Environmental and Social Justice Action Plan.<sup>6</sup>

#### 19 **IV. NON-SHARED COSTS**

20 “Non-Shared Services” are activities that are performed by a utility solely for its own  
21 benefit. Sempra Energy (Sempra) provides certain services to the utilities and other subsidiaries.  
22 For purposes of this general rate case, SDG&E treats costs for services received from Sempra as  
23 Non-Shared Services costs, consistent with any other outside vendor costs incurred by the utility.  
24 Table AT-5 summarizes the total non-shared O&M forecasts for the listed cost categories.  
25

---

<sup>5</sup> SDG&E, Building a Better Future (SDG&E’s 2020 Sustainability Strategy), available at [https://www.sdge.com/sites/default/files/documents/SDG%26E%20Sustainability%20Report\\_0.pdf](https://www.sdge.com/sites/default/files/documents/SDG%26E%20Sustainability%20Report_0.pdf).

<sup>6</sup> California Public Utilities Commission, Environmental and Social Justice Action Plan (October 26, 2021), available at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/draft-cpuc-esj-2010262021c.pdf>.

1  
2

**TABLE AT-5  
Non-Shared O&M Summary of Costs**

<b>PEOPLE AND CULTURE DEPARTMENT (In 2021 \$)</b>			
<b>Categories of Management</b>	<b>2021 Adjusted-Recorded (000s)</b>	<b>TY2024 Estimated (000s)</b>	<b>Change (000s)</b>
A. VP - People and Culture	721	1,021	300
B. Total Disability	287	287	0
C. Workers' Compensation	3,189	3,828	639
D. Long-Term Disability (LTD)	2,259	2,857	598
E. Human Resources	2,250	2,900	650
F. Diversity and Inclusion	485	945	460
G. Diversity and Workforce Management	2,608	3,057	449
H. Organizational Effectiveness	1,819	2,428	609
I. Business Optimization	274	374	100
J. Executive Offices	1,498	1,977	479
<b>Total Non-Shared Services</b>	<b>15,390</b>	<b>19,674</b>	<b>4,284</b>

3  
4  
5  
6

The following tables further break down the non-shared service costs by area. In the VP – People and Culture cost area, Table AT-6 provides details of the costs and is followed by an explanation of costs, activities, and cost drivers.



A. VP – People and Culture

**TABLE AT-6  
Summary of VP – People and Culture Costs**

VP - People and Culture	2021 Adjusted-Recorded (000s)	TY2024 Estimated (000s)	Change (000s)
1. VP - People and Culture	721	1,021	300
<b>Total</b>	<b>721</b>	<b>1,021</b>	<b>300</b>

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

The VP – People and Culture provides leadership and strategic direction to an organization of approximately 73 employees.

As described in my testimony, the VP – People and Culture function directs five (5) departments: (1) Human Resources (HR); (2) Diversity and Inclusion (D&I); (3) Diversity and Workforce Management; (4) Organizational Effectiveness; and (5) Business Optimization. The VP – People and Culture ensures that employees possess the qualifications, experience, and skills necessary to perform their work. The VP – People and Culture is also responsible for implementing policies, programs, and activities aimed at attracting and retaining a qualified, skilled workforce that is invested in the Company’s goals and service to the community.

**2. Forecast Method**

The forecast method chosen for this category is base year recorded costs. Labor and non-labor forecasts are based on the base year 2021 recorded data. The base year forecast methodology was utilized to best represent the structure of the organization, while accounting for the additional programs SDG&E plans to implement moving forward. 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. The drivers for using the base year recorded costs methodology include:

- The function of this area has changed in recent years and the base year is representative of our expectations for the 2024 test year.
- This area is not heavily influenced by external factors that would require a different forecast method.

1                     **3. Cost Drivers**

2             The cost drivers behind this forecast are the labor and non-labor costs for one (1) officer.  
3 There are no incremental labor costs in this area. The incremental non-labor request of \$300,000  
4 is for executive catering costs that were not incurred in 2021 due to COVID-19 restrictions.

5             **B. Total Disability**

6                             **TABLE AT-7**  
7                             **Summary of Total Disability Costs**

<b>Total Disability</b>	<b>2021 Adjusted-Recorded (000s)</b>	<b>TY2024 Estimated (000s)</b>	<b>Change (000s)</b>
1. Total Disability	287	287	0
<b>Total</b>	<b>287</b>	<b>287</b>	<b>0</b>

8  
9                     **1. Description of Costs and Underlying Activities**

10             The SDG&E Company Cash Balance Plan (the "Pension Plan") has a provision for  
11 disability benefits for certain qualifying employees who are not expected to return to work. This  
12 benefit provides qualifying employees with disability benefits that match Social Security  
13 Disability payments up to a maximum of their early retirement benefit. This benefit is paid to  
14 qualifying employees from the Pension Plan.

15                     **2. Forecast Method**

16             The forecast method chosen for this cost category is non-standard escalation, zero-based.  
17 Total disability costs are forecasted using base year recorded and escalated for estimated changes  
18 in labor costs. This method is most appropriate because the costs are based on estimated changes  
19 in headcount of employees on disability, which cannot be forecasted using any of the other  
20 methods.

21                     **3. Cost Drivers**

22             The two main cost drivers for Total Disability costs include the number of employees  
23 receiving benefits under the plan and estimated increases to labor wages.

1           **C. Workers' Compensation (WC)**

2                               **TABLE AT-8**

3                               **Summary of Workers' Compensation Costs**

<b>Workers' Compensation</b>	<b>2021 Adjusted-Recorded (000s)</b>	<b>TY2024 Estimated (000s)</b>	<b>Change (000s)</b>
1. Workers' Compensation	3,189	3,828	639
<b>Total</b>	<b>3,189</b>	<b>3,828</b>	<b>639</b>

4  
5                               **1. Description of Costs and Underlying Activities**

6           WC benefits are mandated and governed by the State of California. Employees who are  
7 injured on the job receive state-mandated benefits through SDG&E's self-insured/self-  
8 administered WC Program. Injured employees receive indemnity payments including benefits  
9 related to temporary disability, permanent disability, and supplemental job displacement in  
10 accordance with the Labor Code. The costs of medical treatment, legal fees, and other claim-  
11 related expenses are also captured here.

12                               **2. Forecast Method**

13           The forecast method chosen for this category is non-standard escalation, zero-based.  
14 This method was selected as it most appropriately reflects the multiple types of costs that  
15 influence the overall forecast. The primary driver for using non-standard escalation, zero-based  
16 methodology is that Workers' Compensation costs are forecasted using a three-year average of  
17 recorded costs from 2019 through 2021 and then escalated for medical costs, indemnity, and  
18 remaining costs using non-labor inflation.

19                               **3. Cost Drivers**

20           SDG&E's TY 2024 request for WC costs of \$3,828,283 represents a \$638,811 increase  
21 from BY 2021. The primary drivers for the increase in WC costs are labor and non-labor  
22 escalation, and medical premium escalation described in the Corporate Center – Compensation  
23 & Benefits testimony of witness Debbie Robinson (Ex. SCG-25/SDG&E-29) (see supplemental  
24 workpaper in Ex. SDG&E-32-WP 1HR002.000 and 1HR002.001).

1 **D. Long-Term Disability (LTD)**

2 **TABLE AT-9**  
3 **Summary of Long-Term Disability Costs**

<b>D. Long-Term Disability (LTD)</b>	<b>2021 Adjusted-Recorded (000s)</b>	<b>TY2024 Estimated (000s)</b>	<b>Change (000s)</b>
1. Long-Term Disability (LTD)	2,259	2,857	598
<b>Total</b>	<b>2,259</b>	<b>2,857</b>	<b>598</b>

4  
5 **1. Description of Costs and Underlying Activities**

6 To hire and retain qualified, skilled employees, the Company provides a complete benefit  
7 package, which includes a Long-Term Disability Plan (LTD). The Plan provides income  
8 replacement when an employee suffers from a serious health condition. Our LTD plan is self-  
9 insured and self-administered by SDG&E. All employees are covered by LTD, and the cost is  
10 paid for in part by a Company contribution and, in part, by the employees themselves.  
11 Employees elect a waiting period during open enrollment, and the shorter the waiting period, the  
12 more the employee pays for his or her share of the cost. The employee must provide verified  
13 proof of disability to receive LTD benefits. LTD costs include expenses associated with  
14 administering the benefit, including copy service costs, investigation costs, and medical  
15 evaluation costs.

16 In compliance with SDG&E's LTD plan, eligible employees receive income replacement  
17 benefits equal to 60% of pre-disability earnings. LTD benefits are adjusted if the employee  
18 receives, or is entitled to receive, income from other deductible sources, such as Workers'  
19 Compensation benefits, Social Security benefits, state disability insurance benefits, total  
20 disability under the pension plan, or retirement payments.

21 The Company actively manages its claims to ensure that employees can return to work as  
22 soon as possible. Employees who cannot resume their prior job can be provided with assistance  
23 in obtaining alternative employment opportunities.

24 **2. Forecast Method**

25 The forecast method chosen for this category is non-standard escalation, zero-based.  
26 This method was selected as it most appropriately reflects the multiple types of costs that  
27 influence the overall forecast. The primary driver for using non-standard escalation, zero-based

1 methodology is that LTD costs are forecasted using base year recorded and escalated for  
2 estimated changes in labor costs.

3 **3. Cost Drivers**

4 SDG&E’s TY 2024 request for LTD costs of \$2,856,904, representing a \$597,845  
5 increase from BY 2021. The primary drivers for the increase in LTD costs are associated with  
6 labor escalation and change in headcount described in the testimony of witness Debbie Robinson  
7 (Ex. SCG-25/SDG&E-29) (see supplemental workpaper in Ex. SDG&E-32-WP 1HR002.001).

8 **E. Human Resources**

9 Human Resources is comprised of three distinct departments: Human Resources,  
10 Compensation and HR Support, and Labor Relations.

11 **TABLE AT-10**  
12 **Summary of Human Resources Costs**

<b>Human Resources</b>	<b>2021 Adjusted-Recorded (000s)</b>	<b>TY2024 Estimated (000s)</b>	<b>Change (000s)</b>
1. Human Resources	2,250	2,900	650
<b>Total</b>	<b>2,250</b>	<b>2,900</b>	<b>650</b>

13 **Human Resources Department**

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

15 The HR Advisors (HRAs) serve as the primary point of contact on human resources  
16 issues for SDG&E’s leadership and employees. HRAs work closely across departments to  
17 ensure that the development and implementation of strategic human resources plans align with  
18 Company values and the organization’s short and long-term business goals. They also  
19 administer and interpret the Company’s Human Resources policies to ensure compliance with  
20 state and federal laws and regulations. HRAs provide coaching and counseling on complex  
21 human resource issues, such as employee engagement and motivation, hiring, compensation,  
22 performance management, and corrective action. HRAs also support workplace investigations  
23 by providing guidance on recommended corrective action and play an important role in ensuring  
24 compliance with the various State and Federal laws regulating the employment relationship.  
25

26 **2. Forecast Method**

27 The forecast method chosen for this category is base year recorded costs. This method  
28 was selected as the recorded costs for 2021 most appropriately reflect expected staffing levels

1 and non-labor requirements to operate this area. The drivers for using the base year recorded  
2 costs methodology include:

- 3 • The function of this area has changed in recent years and the base year is  
4 representative of our expectations for the 2024 test year. The base year method,  
5 along with incremental adjustments as described in the cost drivers below, is most  
6 appropriate because it best captures the additional staffing levels required to  
7 support the growing organization.
- 8 • This area is not heavily influenced by external factors that would require a  
9 different forecast method.

### 10 **3. Cost Drivers**

11 The cost drivers behind this forecast are for the labor and non-labor costs for one (1)  
12 director, one (1) senior manager, one (1) senior HR business partner consultant, and five (5) HR  
13 advisors. The incremental labor costs of \$145,000 are for one (1) additional senior HR advisor  
14 to provide consistent HR support to our expanding workforce. There are no incremental non-  
15 labor costs requested.

## 16 **Compensation and HR Support Department**

### 17 **1. Description of Costs and Underlying Activities**

18 Compensation and HR Support is responsible for developing and delivering competitive  
19 compensation programs, ensuring legal compliance and adherence to the Company's  
20 compensation policies and philosophy. The department performs benchmarking market studies  
21 and conducts market analyses, forecasting, modeling, and analytics in support of delivering  
22 competitive compensation packages for non-represented employees and in support of union  
23 negotiations for represented employees. The department also supports the annual pay equity  
24 process to ensure compensation equity across the organization. Additionally, the department  
25 provides administrative and operational support to the HRAs.

26 Cost effective compensation programs are crucial elements in attracting, retaining, and  
27 motivating a high performing workforce. SDG&E's compensation programs are designed to pay  
28 for both organizational and individual performance, which helps motivate employees to perform  
29 according to key business objectives.

1 **2. Forecast Method**

2 The forecast method chosen for this category is base year recorded costs. This method  
3 was selected as the recorded costs for 2021 most appropriately reflect expected staffing levels  
4 and non-labor requirements to operate this area. The drivers for using the base year recorded  
5 costs methodology include:

- 6 • The function of this area has changed in recent years and the base year is  
7 representative of our expectations for the 2024 test year. The base year method,  
8 along with the incremental adjustments as described in the cost drivers below, is  
9 most appropriate because it best captures the staffing levels required to support  
10 the growing organization.
- 11 • This area is not heavily influenced by external factors that would require a  
12 different forecast method.

13 **3. Cost Drivers**

14 The cost drivers behind this forecast are the labor and non-labor costs for one (1)  
15 manager and four (4) administrative employees. The incremental labor costs of \$289,000 are for  
16 one (1) additional compensation advisor for anticipated compensation initiatives and projects,  
17 one (1) HR analyst to implement new initiatives and projects in support of HR operations and  
18 two (2) HR coordinators to support routine transactions. The incremental non-labor cost of  
19 \$30,000 is requested for the digitization of personnel files. This is a one-time expense of  
20 \$117,00, which is divided by the 4-year GRC cycle, rendering the \$30,000 per year cost. The  
21 incremental non-labor request of \$3,000 is for training and travel expenses not incurred due to  
22 COVID-19 restrictions that support the team of compensation and HR operations professionals.  
23 In addition, the incremental non-labor request of \$6,000 is requested for laptop computers,  
24 docking stations, and monitors for two (2) new employees.

25 **Labor Relations Department**

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

27 Labor Relations is responsible for labor strategy, union relations, Collective Bargaining  
28 Agreement (CBA) negotiations, contract administration, grievances, mediations, arbitrations, and  
29 National Labor Relations Board (NLRB) actions. The Labor Relations group ensures  
30 compliance with the CBA, regulations, and laws impacting represented employees. In addition,  
31 the Labor Relations group provides guidance to supervisors of represented employees on matters

1 pertaining to the CBA, including local union relations, contract interpretation, performance  
2 management, dispute resolution, corrective action, and other labor relations matters.

### 3 **2. Forecast Method**

4 The forecast method chosen for this category is base year recorded costs. This method  
5 was selected as the recorded costs for 2021 most appropriately reflect expected staffing levels  
6 and non-labor requirements to operate this area. The drivers for using the base year recorded  
7 costs methodology include:

- 8 • The function of this area has changed in recent years and the base year is  
9 representative of our expectations for the 2024 test year. The base year method,  
10 along with incremental adjustments as described in the cost drivers below, is most  
11 appropriate because it best captures the additional staffing needs required to  
12 support the growing organization.
- 13 • This area is not heavily influenced by external factors that would require a  
14 different forecast method.

### 15 **3. Cost Drivers**

16 The cost drivers behind this forecast are the labor and non-labor costs for one (1)  
17 manager and three (3) management employees. The incremental labor costs of \$130,000 are for  
18 one (1) additional senior labor relations advisor to assist with represented employee matters. The  
19 incremental non-labor request of \$47,000 is requested for annual continuing education and  
20 certification requirements for Labor Relations. This non-labor request also includes the  
21 digitization and organization of union contracts/LOUs and personnel files into LaborSoft and the  
22 Labor Share Drive to create a central, electronic repository, as well as printing costs for the  
23 Collective Bargaining Agreement (CBA) books that are distributed throughout the company. In  
24 addition, the incremental non-labor request of \$3,000 is for a laptop computer, docking station  
25 and monitors for one (1) new employee.



1 **F. Diversity & Inclusion**

2 **TABLE AT-11**  
3 **Summary of Diversity & Inclusion Costs**

<b>Diversity and Inclusion</b>	<b>2021 Adjusted-Recorded (000s)</b>	<b>TY2024 Estimated (000s)</b>	<b>Change (000s)</b>
1. Diversity and Inclusion	485	945	460
<b>Total</b>	<b>485</b>	<b>945</b>	<b>460</b>

4  
5 **1. Description of Costs and Underlying Activities**

6 The Diversity & Inclusion department is responsible for developing and directing  
7 Company-wide strategic business objectives to increase representation and advance a culture of  
8 inclusion and belonging. The department performs the following activities:

- 9 • Supports the development of federally required Affirmative Action Plans;
- 10 • Supports the design, development, and execution of the annual Diversity  
11 and Inclusion Summit;
- 12 • Develops and directs strategic plans, policies, and programs related to  
13 diversity and inclusion;
- 14 • Develops and conducts training for supervisory employees on sexual  
15 harassment, bullying, and other general non-discrimination/harassment  
16 and retaliation requirements, as required by California law;
- 17 • Develops and conducts training for employees in harassment,  
18 discrimination, and sexual harassment prevention in the workplace;
- 19 • Oversees the creation and maintenance of the Company-wide Employee  
20 Diversity Council, as well as several local diversity committees located at  
21 various company locations;
- 22 • Oversees the creation and maintenance of Company Employee Resource  
23 Groups (ERGs). ERGs are voluntary, employee-led groups that foster a  
24 diverse and inclusive workplace aligned with SDG&E's values, goals, and  
25 initiatives. ERGs are intended to be an extension of, and visible  
26 representation of, SDG&E's commitment to diversity, equity, and  
27 inclusion;
- 28 • Oversees the Executive, Diversity, Equity, and Inclusion Council;

- Works with executive leadership to develop, oversee and track aspirational goals and metrics associated with diversity and inclusion; and
- Provides coaching, counseling, and guidance to employees regarding Title VII and other non-discrimination laws.

Overall, there are several benefits when SDG&E has a diverse workforce and inclusive culture. Diverse perspectives inspire creativity and drive the innovation needed to identify and solve issues impacting rates. Inclusion enhances employee engagement and innovation, creates a sense of belonging, improves the employee experience, enhances innovation, and improves leadership skills and abilities that contribute to gas and electricity rates.

## **2. Forecast Method**

The forecast method chosen for this category is base year recorded costs. Labor and non-labor forecasts are based on the base year 2021 recorded data. The base year forecast methodology was utilized to best represent the structure of the organization, while accounting for additional programs SDG&E plans to implement moving forward. Historical information prior to 2021 does not accurately capture the future needs of this department because SDG&E has largely been expanding these activities in recent years. The drivers for using the base year recorded costs methodology includes:

- The function of this area has changed in recent years and the base year is representative of our expectations for the 2024 test year. SDG&E's D&I Director was hired in November 2020. The D&I director is responsible for creating, implementing, executing, and continuously building the D&I strategy. The current D&I team was not fully in place until 2022. As the D&I strategy continues to evolve, it is anticipated that D&I will be in a growth mode until 2024.
- This area is not heavily influenced by external factors that would require a different forecast method.

## **3. Cost Drivers**

The cost drivers behind this forecast are the labor and non-labor costs for one (1) director, one (1) diversity manager, one (1) diversity inclusion advisor, and one (1) administrative associate. The incremental labor costs of \$286,000 are for two (2) additional D&I advisors who will (1) focus on D&I programs for represented employees and (2) oversee the creation,

sustainment, and management of potentially up to nine (9) ERGs. The incremental labor costs also include the salary differential between the departing D&I manager and the new senior D&I advisor, as well as the promotion of the D&I advisor that were not captured in 2021. The incremental non-labor costs of \$174,000 are requested to drive the development and advancement of D&I programs to include external facilitators to provide leadership development training for ERGs, strategic planning consultants, access to research for continual advancement of our D&I Programs, and continuing D&I training for the D&I team. The incremental non-labor request of \$6,000 is for laptop computers, docking stations and monitors for two (2) new employees.

**G. Diversity and Workforce Management**

**TABLE AT-12  
Summary of Diversity and Workforce Management Costs**

<b>Diversity and Workforce Management</b>	<b>2021 Adjusted-Recorded (000s)</b>	<b>TY2024 Estimated (000s)</b>	<b>Change (000s)</b>
1. Diversity and Workforce Management	2,608	3,057	449
<b>Total</b>	<b>2,608</b>	<b>3,057</b>	<b>449</b>

The Diversity and Workforce Management department is comprised of the following employee-related functions: 1) Staffing & Workforce Readiness, 2) Staffing Operations, Compliance & Human Resource Information Systems (HRIS), and 3) Relocations.

**Staffing & Workforce Readiness and Staffing Operations, Compliance & Human Resource Information Systems (HRIS)**

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

The Staffing & Workforce Readiness group manages the recruitment and selection of a qualified workforce that reflects the diversity of the communities we serve, while ensuring compliance with company policies and Federal and State laws and regulations governing the recruitment and selection process. SDG&E’s hiring process consists of recruitment, marketing and branding, creation of job descriptions, advertisement of available positions with targeted outreach to under-represented groups, candidate sourcing, negotiation of compensation packages, management of college recruiting programs, management of the employee relocation process, and ensuring qualified candidate pools for management, associate and represented positions. These functions contribute to better operational efficiency and lower turnover.

1           Additionally, this group oversees Workforce Readiness which is responsible for  
2 developing and executing strategic recruiting plans with the purpose of maintaining and  
3 enhancing diversity across the Company. This includes establishing and supporting workforce  
4 readiness programs to help prepare candidates for careers in the energy industry and sustaining  
5 partnerships with a variety of external organizations that include, but are not limited to,  
6 academia, professional associations, veteran, and organizations that support under-represented  
7 populations. These relationships allow us to meet our goals of attracting, recruiting, and  
8 developing a qualified workforce that is also reflective of the Company's commitment to  
9 diversity. This functional area also develops and monitors the official, federally mandated  
10 affirmative action plans.

11           The Staffing Operations, Compliance & Human Resource Information Systems (HRIS)  
12 group is responsible for verifying a candidate's suitability for employment. This includes  
13 managing the background check process and other pre-employment contingencies such as drug  
14 screens, reference information, and verification of the right to work. This group also maintains  
15 applicant tracking data in accordance with the Office of Federal Compliance Contractors  
16 Programs (OFCCP), follows Department of Transportation (DOT) requirements when  
17 performing pre-employment drug testing, and completes documentation required by the  
18 Department of Homeland Security (DHS). This functional area also manages various internal  
19 and external audits (*e.g.*, Equal Employment Opportunity Commission (EEOC), DHS, and  
20 OFCCP).

21           Human Resource Information System (HRIS) is primarily responsible for supporting the  
22 organization in the areas of operational and tactical reporting, metric tracking and analysis,  
23 technology support, and technology project implementations. Additionally, the department is  
24 responsible for data integrity and data management security. HR operational and tactical  
25 reporting requires working closely with the HR departments to develop meaningful metrics to  
26 monitor and measure key indicators and processes and drive improvements. This area also  
27 supports reporting tools that meet the operational needs of the HR organization and the entire  
28 Company. Examples of reports include compensation, pay equity, training, diversity  
29 information, headcount data, and labor relations. Other responsibilities include the generation  
30 and delivery of reports and information that track progress and compliance activities managed by  
31 other HR departments. HRIS functions as the first line of support for the HR corporate systems

1 and works with the HR departments to identify necessary system enhancements and  
2 improvements. This area also leads projects that include testing, implementing, and managing  
3 HR systems and technology that focus on process improvement and optimization.

## 4 **2. Forecast Method**

5 The forecast method chosen for this category is base year recorded costs. Labor and non-  
6 labor forecasts are based on the base year 2021 recorded data. The base year forecast  
7 methodology was utilized to best represent the structure of the organization, while accounting for  
8 the additional programs SDG&E plans to implement moving forward. Historical information  
9 prior to 2021 does not accurately capture the future needs for this department given that SDG&E  
10 has largely been expanding these activities in recent years. The drivers for using the base year  
11 recorded costs methodology include:

- 12 • The function of this area has changed in recent years and the base year is  
13 representative of our expectations for the 2024 test year. The base year method,  
14 along with including incremental adjustments as described in the cost drivers  
15 below, is most appropriate because it best captures the additional staffing needs  
16 required to manage an increased volume of requisitions. It also incorporates  
17 increased staffing levels due to the conversion of temporary contractor support to  
18 full-time employees.
- 19 • This area is not heavily influenced by external factors that would require a  
20 different forecast method.

## 21 **3. Cost Drivers**

22 The cost drivers behind this forecast are the labor and non-labor costs for one (1) director,  
23 two (2) managers, and fourteen (14) management employees. The incremental labor costs of  
24 \$297,000 are for one (1) project manager to develop, implement and manage workforce  
25 readiness programs, one (1) staffing advisor and one (1) staffing compliance and services  
26 specialist to support the company's workforce resource plan. The incremental labor costs of  
27 \$46,000 is to cover the salary differential between a departing senior staffing advisor and a new  
28 staffing manager's salary. The incremental labor request of \$56,000 is for additional labor costs  
29 not incurred in 2021 due to an incumbent retiring and the position not being filled for a portion  
30 of the year. The initiative to focus more on the development and execution of workforce  
31 readiness programs will help ensure the utility industry has qualified, diverse groups of

1 candidates to meet the workforce needs of the industry today and tomorrow. Additionally, with  
2 the department's additional activities around workforce readiness programs and the increase in  
3 hiring due to the workforce resource plan, a manager is needed to direct and support these  
4 efforts. Therefore, we are converting an existing Senior Staffing Advisor position to a manager-  
5 level position and adding the responsibility of overseeing and directing these additional  
6 activities. The salary differential between a manager and a Senior Staffing Advisor is included  
7 in the incremental labor costs.

8 Incremental non-labor costs of \$50,000 are requested for the following:

- 9 • Recruiting Collateral and Marketing Materials: Recruiting brochures, giveaways,  
10 pop-up displays and recruiting apparel with the Company logo needs to be  
11 updated and/or purchased. An increase in these materials will also be needed for  
12 new workforce readiness efforts.
- 13 • Professional Memberships and Training Resources: To keep staff skills current,  
14 these costs pay for individual employee memberships, certifications, certificate  
15 renewals and conferences, such as Society of Human Resource Management  
16 (SHRM) membership, certificates and conferences, HR Certification Institute's  
17 Professional in Human Resources (PHR) and Senior Professional in Human  
18 Resources (SPHR) certificates. Professional memberships and training have  
19 resulted in enhanced recruiting, sourcing, and overall HR knowledge and skills.  
20 These have impacts on metrics such as time to hire, candidate satisfaction, and  
21 diversity outreach, and helps ensure our processes are compliant with new and  
22 existing rules and regulations. Additionally, we have seen an increase in  
23 employees' network of other HR professionals and diverse organizations, which  
24 we have been able to leverage to benchmark against and source candidates from.
- 25 • Employee travel expenses for employees attending additional college recruiting  
26 events, job fairs, and conferences.
- 27 • Laptop computers, docking stations, and monitors for the staffing advisor and  
28 staffing operations & compliance specialist.

1 **Relocations**

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

3 The Staffing department manages the company-wide relocation program, which provides  
4 assistance and resources for job-related geographic moves for new, out-of-area employees and  
5 internal transfers.

6 **2. Forecast Method**

7 The forecast method chosen for this cost category is base year recorded. This method is  
8 appropriate as it most accurately represents the current and future structure of the organization  
9 and its activities.

10 **3. Cost Drivers**

11 The cost drivers behind this forecast are the number of relocations in the recruitment and  
12 selection of a qualified workforce that is in line with the Company’s goals. No incremental costs  
13 are requested in this area.

14 **H. Organizational Effectiveness (OE)**

15 **TABLE AT-13**  
16 **Summary of Organization Effectiveness Costs**

<b>Organizational Effectiveness</b>	<b>2021 Adjusted-Recorded (000s)</b>	<b>TY2024 Estimated (000s)</b>	<b>Change (000s)</b>
1. Organizational Effectiveness	1,819	2,428	609
<b>Total</b>	<b>1,819</b>	<b>2,428</b>	<b>609</b>

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

18 OE provides individual and organizational development programs and services for  
19 SDG&E and performs five (5) key functions: Talent Management, Talent Development,  
20 Organizational Design, People Research, and Workforce Planning.

21 Talent Management oversees the succession planning process at SDG&E, which includes  
22 the identification of high potential employees and development options to increase their  
23 readiness for broader responsibility. It also oversees the Employee Engagement survey process  
24 for SDG&E, which identifies employee engagement levels, such as supervisor effectiveness,  
25 open communication, safety cultural awareness, diversity, and whether such areas need more  
26 attention or are performing at high levels.  
27

1 Talent Development designs, develops, delivers, and evaluates targeted employee and  
2 leadership development programs and tools that cultivate critical knowledge and skills aligned to  
3 strategic objectives.

4 Organizational Design manages programs designed to enhance organizational  
5 performance and individual development. The group provides services in the areas of strategic  
6 planning, organization design, team effectiveness, change management, performance  
7 management, and leadership coaching.

8 People Research conducts research related to employee and HR issues for the Company.  
9 This research is in compliance areas such as HR assessment and selection, validation studies, and  
10 affirmative action/applicant flow statistical analysis. Other research is provided to measure  
11 employee attitudes, predict turnover, and measure employee skills and competencies. The  
12 research is designed to lead to actionable conclusions for improving workforce effectiveness and  
13 utilization.

## 14 **2. Forecast Method**

15 The forecast method chosen for this category is base year recorded costs. This method  
16 was selected as the recorded costs for 2021 most appropriately reflect expected staffing levels  
17 and non-labor requirements to operate this area. The drivers for using the base year recorded  
18 costs methodology includes:

- 19 • The function of this area has changed in recent years and the base year is  
20 representative of our expectations for the 2024 test year. The base year method,  
21 along with the incremental adjustments described in the cost drivers below, is  
22 most appropriate because it best captures the additional training required for  
23 SDG&E's OE group to develop and deliver quality leadership training programs.
- 24 • This area is not heavily influenced by external factors that would require a  
25 different forecast method.

## 26 **3. Cost Drivers**

27 The cost drivers behind this forecast are the labor and non-labor for one (1) director, two  
28 (2) managers and eleven (11) associate and management employees.

29 Increased involvement is needed in field operations and at leadership levels where the  
30 degree of program accuracy and quality needed is critical to the success at SDG&E. Each role  
31 must demonstrate specialized sets of training expertise, as well as program leadership expertise,



1 to interface with leaders at all levels, manage dependencies towards implementation, evaluate  
2 program success, and improve effectiveness on an ongoing basis.

3 Incremental non-labor costs of \$143,000 are requested for revising several supervisor  
4 training programs. Programs include Supervisor Effectiveness, Field Leadership, Working  
5 Foreman Leadership, and Human Performance (*Just Culture*). The Field Leadership program  
6 enhances supervisor knowledge, leadership skills, safety awareness, and policy knowledge to  
7 mitigate risks associated with retirements and the resulting knowledge gap experienced with the  
8 loss of highly tenured employees. This training is provided to all operations departments. The  
9 *Just Culture* Program is an effective set of techniques and methods (*e.g.*, training, coaching,  
10 incident analysis, behavior analysis) to enhance safety preparedness and investigations used by  
11 best-in-class utilities and companies across the country.

12 Benchmarking efforts by the SDG&E Safety department, Organizational Effectiveness,  
13 and various operations departments have determined that human performance will have a  
14 significant positive impact on safety behaviors and results at SDG&E. While current safety  
15 effectiveness programs are in place, the Field Leadership Program continues to be needed to  
16 create a unified and consistent approach to safety leadership. The implementation of this  
17 program will span across operational areas and impact executive leadership practices regarding  
18 safety.

19 The Working Foreman Leadership training program was created following an internal  
20 needs assessment, analysis, and benchmarking with best-in-class utilities across the country. The  
21 program is a comprehensive training and development program designed to enhance the  
22 leadership skills of approximately 200 working foremen and crew leads and approximately 150  
23 management personnel who oversee field operations (*i.e.*, supervisors, managers, directors, and  
24 executives). Currently, this type of training is offered on an ad hoc basis or not at all. This  
25 program will include safety culture, communication, coaching, and feedback techniques to  
26 effectively influence behaviors and establish new habits in an environment that can be resistant  
27 to change. To implement both the Working Foreman Leadership training, as well as the Field  
28 Leadership program, includes professional consulting, training workshop design, training  
29 instruction, and ongoing reinforcement.

## **Workforce Planning**

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

Workforce Planning is a new department, anticipated to be formed in 2024, that will assist in analyzing staffing trends, economic drivers, and skill readiness of organizational groups to predict future attrition and gaps in talent availability. This function establishes resource acquisition and development plans that increase preparedness for regulatory, safety, customer and productivity requirements, and strategic objectives.

#### **a. Description of RAMP Mitigations**

The activities of Workforce Planning/Qualified Workforce would impact the risks described in SDG&E's Risk Assessment Mitigation Phase (RAMP) risk Chapters. As described below, workforce planning at SDG&E is currently a decentralized activity that is guided by the HR department, which provides guidance to the business units to help them manage their workforce-related safety risks.

The current decentralized model of workforce planning consists of each department planning for its workforce by analyzing current and future workforce needs, identifying current and future skill gaps, and implementing solutions, such as skills training, to promote employee and contractor safety. SDG&E's HR department works with the various business units to assess compensation, provide recruitment support, implement field leadership training, and manage succession planning such that each operations department can attract, develop, and maintain a skilled, safe, and qualified workforce. Technical training, knowledge transfer, and skill development for compliance and inspections is a particular area of focus. These activities support SDG&E's focus on maintaining and improving safety-related impacts as well as reliability. The Workforce Planning/Qualified Workforce would help oversee the current decentralized workforce planning process and ultimately provide guidance at a macro-level to help mitigate the RAMP risks identified in this Testimony.

SDG&E has a mature workforce and expects the number of retirement-eligible employees to continue to increase through 2024. The potential for a significant number of retirements over the next few years heightens the need for, and importance of, successful workforce planning and knowledge transfer.

Each of the above factors may increase workforce attrition and movement, which in turn, has the potential to create gaps in the skills and knowledge required of our workforce. Skill gaps and ineffective knowledge transfer have the potential of leading to a safety incident. Thus, as these factors change, or in some cases continue, an active workforce planning framework (e.g., workforce planning, training, knowledge transfer, succession planning, etc.) is necessary.

**TABLE AT-14  
RAMP Activities by Workpaper**

<b>Workpaper</b>	<b>RAMP ID</b>	<b>Description</b>	<b>BY 2021 Embedded Base Costs (000s)</b>	<b>TY 2024 Estimated Total (000s)</b>	<b>Change</b>	<b>GRC RSE*</b>
1HR006.000	SDGE-CFF-8	Workforce Planning / Qualified Workforce	0	466	466	0
<b>Total</b>			0	466	466	

\* An RSE value was not calculated for an activity with a “0” RSE value

## 2. Forecast Method

The forecast method chosen for this category is base year recorded costs. Labor and non-labor forecasts are based on the base year 2021 recorded data. The base year forecast methodology was utilized to best represent the future structure of the organization. Historical information prior to 2021 does not accurately capture the future needs of this department because SDG&E has not yet established a Workforce Planning department. The drivers for using the base year recorded costs methodology include:

- The function of this area has changed in recent years and the base year is representative of our expectations for the 2024 test year. The base year method best captures the additional staffing needs required to assist SDG&E’s business units in developing viable workforce planning models to support the company’s resource and skill development needs.
- This area is not heavily influenced by external factors that would require a different forecast method.

## 3. Cost Drivers

The incremental labor costs of \$454,000 are for one (1) workforce planning program manager, two (2) senior business analysts, and one (1) workforce planning advisor to develop, manage, and administer the workforce planning requirements to align with the Company’s business strategy, including but not limited to, evaluating trends, assessing current and future

1 competency requirements, and developing short and long-term workforce plans for allocating  
 2 current and future staffing needs and identifying training and skill gaps. The incremental non-  
 3 labor request of \$12,000 is for laptop computers, docking stations and monitors for four (4) new  
 4 employees.

5 **I. Business Optimization**

6 **TABLE AT-15**  
 7 **Summary of Business Optimization Costs**

<b>Business Optimization</b>	<b>2021 Adjusted-Recorded (000s)</b>	<b>TY2024 Estimated (000s)</b>	<b>Change (000s)</b>
1. Business Optimization	113	113	0
2. Business Improvement and Process Optimization	161	261	100
<b>Total</b>	<b>274</b>	<b>374</b>	<b>100</b>

8  
 9 **1. Description of Costs and Underlying Activities**

10 The Business Optimization group is a company-wide organization that supports  
 11 SDG&E’s Building a Better Business (BBB). The Business Optimization group drives  
 12 optimization, continuous improvement, and culture change efforts by managing efficiency,  
 13 process improvement/reengineering, and system enhancement initiatives. These initiatives  
 14 support the Company’s mission and goal to improve lives and communities by building the  
 15 cleanest, safest, and most reliable energy infrastructure company in America. The project  
 16 management activities provided to the various business units include, but are not limited to,  
 17 developing, and identifying business requirements, defining project scope, managing project  
 18 schedules, developing process documents, mitigating risks and issues, and coordinating all  
 19 required communication and training activities. The Business Optimization group also manages  
 20 a continuous improvement program designed to evaluate the awareness, understanding, and  
 21 success of new and existing business processes and/or system enhancements. The overall  
 22 program encourages transparency, drives accountability, and fosters an environment for  
 23 increased productivity and change management.

24 **2. Forecast Method**

25 This department relocated under HR - People & Culture in 2020 and has continued to  
 26 expand since its inception. As such, historical recorded information would not reflect the needs  
 27 for this department for Test Year 2024. Accordingly, the base year recorded data was utilized as

the forecasting method to best represent the structure of the organization, while adding incremental adjustments to account for the additional programs SDG&E plans to implement moving forward. The drivers for using the base year recorded costs methodology includes:

- The function of this area has changed in recent years and the base year is representative of our expectations for the 2024 test year. The Business Optimization group was relocated to a new organization, expanding their charter, client base, and scope of work to align with the Company’s objectives.
- This area is not heavily influenced by external factors that would require a different forecast method.

**3. Cost Drivers**

The cost drivers behind this forecast are the labor and non-labor costs for one (1) director, one (1) manager and four (4) management employees. The incremental labor costs of \$64,000 are requested to support the expansion of the group of two (2) additional project managers. In previous years, the group primarily supported electric operations. Since relocating under HR People & Culture, the group’s focus has expanded into a company-wide continuous improvement organization, which involves managing more complex initiatives with additional analytics and change management requirements. The incremental non-labor request of \$23,000 is for costs not incurred due to the COVID-19 restrictions, such as conference fees and travel expenses for training and employee development. In addition, a request of \$7,000 is for costs associated with enhancing the team’s Continuous Improvement Program, which includes purchasing a Menti Membership, marketing materials, and catering expenses for in person meetings. The incremental non-labor request of \$6,000 is for laptop computers, docking stations, and monitors for two (2) new employees.

**J. Executive Offices**

**TABLE AT-16  
Summary of Executive Offices Costs**

<b>Executive Offices</b>	<b>2021 Adjusted-Recorded (000s)</b>	<b>TY2024 Estimated (000s)</b>	<b>Change (000s)</b>
1. Executive Offices	1,498	1,977	479
<b>Total</b>	<b>1,498</b>	<b>1,977</b>	<b>479</b>

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

2                   The Chief Executive Officer (CEO) and President & CFO provide executive leadership  
3 guidance, and strategic direction of the Company’s mission, vision, and values. The CEO and  
4 President & CFO are responsible and accountable for SDG&E’s overall performance. The  
5 Executive Offices executes the direction utility employees follow in providing safe and reliable  
6 service to customers.

7                   The CEO is the highest-ranking officer at SDG&E. Reporting directly to the CEO are the  
8 President & CFO, SVP & General Counsel, SVP of Customer Service & External Affairs, VP of  
9 People & Culture, VP of Electric Operations, and one (1) executive assistant.

10                  The President & CFO directs the activities of the organization in accordance with  
11 policies, goals, and objectives established by the CEO. Reporting directly to the President &  
12 CFO are the SVP, CIO & Chief Digital Officer, SVP – State Government Affairs & CRO, VP –  
13 Operations Support, VP – Energy Innovation, VP – Controller & Chief Accounting Officer, VP  
14 – Energy Procurement & Sustainability, and one (1) executive assistant.

15                  Costs exclude officer compensation, as defined under CPUC Resolution E-4963, pursuant  
16 to California Public Utilities Code Section 706 (as modified by Senate Bill 901).

17                                   **a.       Description of RAMP Mitigations**

18                  SDG&E collaborates with high performers in environmental, health, and safety across  
19 industry sectors and regions of the world through the National Safety Council Campbell Institute,  
20 and benchmarking with other utilities, industries, and leaders in safety performance. SDG&E  
21 benefits from building relationships with other safety leaders, accessing best practices on  
22 employee and contractor safety, and benchmarking on leading indicators and key safety program  
23 elements.

24                  SDG&E participates in safety benchmarking forums to compare the Company’s health  
25 and safety processes, assess performance against other participants to learn how to reduce  
26 incidents, improve compliance, and discuss best management practices. Some of the key  
27 organizations we benchmark with are the Edison Electrical Institute (EEI) and American Gas  
28 Association (AGA).

29                  As outlined in RAMP Chapter Risk 8, SDG&E believes memberships with EEI and AGA  
30 are important to our business and to our customers in order to improve awareness regarding

1 utility issues, promote appropriate economic development in the service territory, and promote  
 2 policies that would benefit the customers and economy of the region.

3 EEI is the association of the U.S. investor-owned electric companies. Organized in 1933,  
 4 EEI works closely with all its members, representing their interests and advocating equitable  
 5 policies in legislative and regulatory arenas. EEI provides public policy leadership, critical  
 6 industry data, strategic business intelligence, one-of-a-kind conferences and forums, and top-  
 7 notch products and services.

8 AGA is the national trade association representing natural gas utilities. The association  
 9 provides a broad range of programs and services for natural gas pipelines, marketers, gatherers,  
 10 international gas companies, and industry associates. AGA is an important source of information  
 11 regarding the natural gas industry's best practices.

12 Additionally, SDG&E attends the California Investor-Owned Utility and Municipality bi-  
 13 annual meeting to discuss employee and contractor safety. This dedicated forum is a utility  
 14 benchmarking initiative which addresses new regulations, legislation, best management practices  
 15 and other safety topics of interest.

16 **TABLE AT-17**  
 17 **RAMP Activities by Workpaper**

<b>Workpaper</b>	<b>RAMP ID</b>	<b>Description</b>	<b>BY 2021 Embedded Base Costs (000s)</b>	<b>TY 2024 Estimated Total (000s)</b>	<b>Change</b>	<b>GRC RSE*</b>
1HR008.000	SDGE-Risk - 8 – C12	Utilizing OSHA and Industry Best Practices and Industry Benchmarking	915	915	0	0
<b>Total</b>			915	915	0	

18 \* An RSE value was not calculated for an activity with a “0” RSE value

19 **2. Forecast Method**

20 The forecast method chosen for this category is base year recorded costs. Labor and non-  
 21 labor forecasts are based on the base year 2021 recorded data. The base year forecast  
 22 methodology was utilized to best represent the structure of the organization as historical  
 23 information prior to 2021 does not accurately capture future needs. The function of this area has  
 24 changed in recent years and the base year is representative of our expectations for the 2024 test  
 25 year. The base year method, along with including incremental adjustments as described in the

1 cost drivers below, is most appropriate because it best captures the costs associated with the  
2 anticipated hiring of a Chief Operating Officer (COO), including the increased staffing needed to  
3 support the new COO position.

4 Costs for the COO position exclude officer compensation, as defined under CPUC  
5 Resolution E-4963, pursuant to California Public Utilities Code Section 706 (as modified by  
6 Senate Bill 901).

### 7 **3. Cost Drivers**

8 The cost drivers behind this forecast are the labor and non-labor costs for two (2)  
9 executive officers, CEO and President & CFO. Please refer to Ms. Robinson's testimony for  
10 further discussion (Ex. SCG-25/SDG&E-29). Incremental non-labor costs of \$110,000 are  
11 requested for travel expenses not incurred during COVID-19 restrictions. Travel expenses  
12 include, but are not limited to, SDG&E's sustainability and decarbonization efforts that involve  
13 critical planning activities with CAISO, FERC, state legislators, and other IOUs. In addition,  
14 incremental non-labor costs of \$286,000 are requested for training and travel expenses for the  
15 new COO position, anticipated to be filled in 2023. The incremental labor costs of \$83,000 are  
16 requested for an executive assistant to support the new COO.

### 17 **V. SHARED COSTS**

18 As described in the Shared Services Billings, Shared Assets Billing, Segmentation &  
19 Capital Reassignments testimony of Angel Le and Paul Malin (*see* Ex. SCG-30/SDG&E-34),  
20 Shared Services are activities performed by a utility shared services department (*i.e.*, functional  
21 area) for the benefit of: (i) SDG&E or SoCalGas, (ii) Sempra, and/or (iii) any affiliate  
22 subsidiaries. The utility providing Shared Services allocates and bills incurred costs to the entity  
23 or entities receiving those services.

24 Table AT-18 summarizes the total shared O&M forecasts for the listed cost categories.  
25



1  
2

**TABLE AT-18**  
**Shared O&M Summary of Costs**

<b>PEOPLE AND CULTURE DEPARTMENT (In 2021 \$)</b>			
<b>(In 2021 \$) Incurred Costs (100% Level)</b>			
<b>Categories of Management</b>	<b>2021 Adjusted-Recorded (000s)</b>	<b>TY2024 Estimated (000s)</b>	<b>Change (000s)</b>
A. ECS, Drug & Alcohol, and Wellness	1,663	1,800	137
B. People Research	165	169	4
<b>Total Shared Services (Incurred)</b>	<b>1,828</b>	<b>1,969</b>	<b>141</b>

3  
4  
5  
6  
7  
8  
9  
10

I am sponsoring the forecasts on a total incurred basis, as well as the shared services allocation percentages related to those costs. Those percentages are presented in my shared services workpapers, along with a description explaining the activities being allocated. See the testimony of witness Debbie Robinson (Ex. SCG-25/SDG&E-296) (see supplemental workpaper in Ex. SDG&E-32-WP. The dollar amounts allocated to affiliates are presented in the Shared Services Billings, Shared Assets Billing, Segmentation & Capital Reassignments testimony of Angel Le and Paul Malin (see Ex. SCG-30/SDG&E-34).

11  
12

**A. Employee Care Services, Drug and Alcohol Testing Program, and Wellness Programs**

13  
14  
15

**TABLE AT-19**  
**Summary of Employee Care Services, Drug and Alcohol Testing Program, and Wellness Programs Costs**

<b>ECS, Drug &amp; Alcohol, and Wellness</b>	<b>2021 Adjusted-Recorded (000s)</b>	<b>TY2024 Estimated (000s)</b>	<b>Change (000s)</b>
1. Employee Care Services	1,360	1,382	22
2. Drug and Alcohol Testing Program	176	220	44
3. Wellness Programs	127	198	71
<b>Incurred Costs Total</b>	<b>1,663</b>	<b>1,800</b>	<b>137</b>

16

1                   **Employee Care Services (ECS)**

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

3                   ECS is responsible for managing and administering WC programs, short-term disability,  
4 LTD, total disability under the Pension Plan, reasonable accommodations, and leave of absence  
5 and return to work programs for SDG&E, Sempra, Sempra Infrastructure, and domestic based  
6 Sempra International employees. SDG&E’s WC program is self-insured and self-administered.  
7 ECS manages cases in a regulated, time-sensitive, and complex environment. Employee benefits  
8 are delivered in an integrated manner and ECS serves as an employee’s single point of contact.  
9 In addition to managing and administering these programs, ECS also provides guidance to all  
10 departments, employees, and supervisors on disability and leave of absence related issues.

11                  ECS’s Return to Work & Compliance group manages statutory leaves of absence under  
12 state and federal law, such as the Family and Medical Leave Act (FMLA), the California Family  
13 Rights Act (CFRA), Pregnancy Disability Leave Law (PDL), as well as temporary modified duty  
14 placements and reasonable accommodations under the Americans with Disabilities Act (ADA)  
15 and the California Fair Employment and Housing Act (FEHA).

16                  SDG&E is committed to providing reasonable accommodations to qualified individuals  
17 with disabilities who are employees or applicants for employment. ECS engages employees and  
18 applicants with disabilities in an interactive process that assesses workplace barriers and possible  
19 accommodations that would enable the employee or applicant to perform the essential functions  
20 of their position.

21                  A portion of these costs are incurred on behalf of Sempra and Sempra Infrastructure as  
22 there is not a dedicated department within the business unit that provides these services.

23                   **2.       Forecast Method**

24                  The forecast method chosen for this category is base year recorded costs. Labor and non-  
25 labor forecasts are based on the base year 2021 recorded data. The base year forecast  
26 methodology was utilized to best represent the structure of the organization, while accounting for  
27 the additional programs SDG&E plans to implement moving forward. Historical information  
28 prior to 2021 does not accurately capture the future needs for this department.

29                   **3.       Cost Drivers**

30                  The cost drivers behind this forecast are the labor and non-labor costs for one (1)  
31 manager, one (1) supervisor and eight (8) management and associate employees. There are no

1 incremental labor costs in this area. The incremental non-labor costs of \$22,000 are to replace or  
2 upgrade an aging legacy Employee Care Services iVOS claims system.

### 3 **Drug and Alcohol Testing Program**

#### 4 **1. Description of Costs and Underlying Activities**

5 The Department of Transportation (DOT)'s regulated and non-regulated drug and alcohol  
6 testing programs are managed and administered in this department by a Substance Abuse  
7 Prevention Analyst and a Drug and Alcohol Program Coordinator on an employment contract.  
8 Administration of this testing program includes oversight of all pre-employment, random, and  
9 other drug and alcohol testing required of employees in safety-sensitive positions under DOT  
10 regulations as well as non-DOT testing in accordance with Company policy. Employees in  
11 positions designated "safety-sensitive" under the DOT-regulations are subject to random drug  
12 and alcohol testing. This group addresses unique and highly complex employee issues including,  
13 but not limited to, workplace substance abuse, rehabilitation case management, and mental  
14 health behaviors affecting job performance. SDG&E administers pre-employment drug testing  
15 for both SDG&E and Sempra.

#### 16 **a. Description of RAMP Mitigations**

17 SDG&E has implemented an employee drug and alcohol testing program managed in  
18 accordance with state and federal regulations. The Company's Substance Abuse and Testing  
19 (Fitness-For-Duty and Reasonable Cause) Policy ("Substance Abuse Policy"), which all SDG&E  
20 employees are responsible for knowing and complying with, prohibits, among other things, the  
21 use of drugs and/or alcohol during work hours and/or reporting to work in an unfit condition due  
22 to drugs and/or alcohol. Violations of this policy are cause for disciplinary action, up to and  
23 including termination of employment.

24 Supervisory personnel who oversee employees who perform "safety-sensitive" positions  
25 as defined in the United States Department of Transportation's (DOT) regulations (*e.g.*, perform  
26 duties associated with the operation, maintenance, and/or emergency response on pipeline  
27 systems, and/or operate commercial vehicles) are required to complete Supervisor Substance  
28 Abuse Awareness training. Supervisors undergo training that educates them on their  
29 responsibilities under DOT regulations and Company policy, including an overview of the  
30 physical, behavioral, speech, and performance indicators of reasonable cause substance abuse  
31 testing and the criteria for post-accident drug and alcohol testing.

1  
2

**TABLE AT-20**  
**RAMP Activities by Workpaper**

<b>Workpaper</b>	<b>RAMP ID</b>	<b>Description</b>	<b>BY 2021 Embedded Base Costs (000s)</b>	<b>TY 2024 Estimated Total (000s)</b>	<b>Change</b>	<b>GRC RSE*</b>
2100-3414.000	SDGE-Risk - 8 – C02	Drug & Alcohol Testing Program	81	125	44	0
<b>Total</b>			<b>81</b>	<b>125</b>	<b>44</b>	

3 \* An RSE value was not calculated for an activity with a “0” RSE value

4 **2. Forecast Method**

5 The forecast method chosen for this category is base year recorded costs. Labor and non-  
6 labor forecasts are based on the base year 2021 recorded data. The base year forecast  
7 methodology was utilized as it best represents the structure of the organization, while accounting  
8 for additional programs SDG&E plans to implement moving forward. Historical information  
9 prior to 2021 does not accurately capture the future needs for this department given that SDG&E  
10 has been expanding these activities in recent years. The function of this area has changed, and  
11 the base year is representative of our expectations for the 2024 test year, which includes  
12 additional drug and alcohol testing required by DOT, which is estimated to increase over the next  
13 few years.

14 **3. Cost Drivers**

15 The cost driver behind this forecast is for the labor and non-labor costs for two (2)  
16 management employees. The incremental labor costs of \$38,000 are to account for a full-year of  
17 funding for one (1) drug and alcohol coordinator, hired in mid-2021. Incremental non-labor  
18 costs of \$6,000 are being requested for annual Designated Employer Representative (DER)  
19 certification, continuing education, and expenses related to attending a drug and alcohol  
20 conference for the drug and alcohol coordinator.

21 **Wellness Programs**

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

23 Wellness Programs is responsible for managing and administering the Company’s  
24 Employee Assistance Program (EAP) services, back-up care program, and company wellness  
25 programs and activities.

26 The primary function of this work group addresses unique and sensitive employee  
27 situations (*i.e.*, workplace substance abuse, mental health behaviors affecting job performance,

1 workplace violence threats or critical incidents requiring EAP or other intervention). Wellness  
2 Programs provides guidance and support to all HR departments, employees, supervisors, and  
3 managers on these issues and manages all formal EAP referrals.

4 **a. Description of RAMP Mitigations**

5 Employee Wellness Programs are designed to promote the physical and mental well-  
6 being of all Company employees, support SDG&E's commitment to providing quality health and  
7 wellness programs to motivate employees and promote safe and healthy lifestyles. Wellness  
8 Programs coordinate various employee assistance services, including:

- 9 • Health & Education Seminars/Lectures (Stress Management, Weight  
10 Management, Nutrition, Heart Disease, High Blood Pressure, etc.);
- 11 • Financial wellness education;
- 12 • Annual Flu immunizations;
- 13 • Health Screenings (*i.e.*, Body Fat, Cholesterol, Blood Pressure, Glucose, Bone  
14 Density);
- 15 • Work-site programs (*i.e.*, Fitness Classes, Weight Watchers, Yoga, Walking  
16 Class, Chair Massages, Reflexology);
- 17 • Special Events (Safety, Health & Wellness Fairs, Blood Drives, lunch and learns,  
18 wellness safety events);
- 19 • Educational pamphlets/brochures on a variety of health & wellness topics;
- 20 • Employee Assistance Program (EAP) (professional and confidential counseling  
21 service providing assessment, treatment, and referral services to community  
22 resources and licensed counselors who specialize in specific areas of employee  
23 well-being);
- 24 • Formal and Mandatory EAP referrals;
- 25 • Evaluation of management of mental health behaviors affecting job performance,  
26 critical incidents and fitness for duty determinations;
- 27 • Safety stand-down support;
- 28 • Wellness newsletter;
- 29 • Back up dependent and adult care; and

- Occupational Health Nurse (OHN) Services –Occupational health nursing is a specialty practice that delivers health and safety programs and services to employees.

**TABLE AT-21  
RAMP Activities by Workpaper**

<b>Workpaper</b>	<b>RAMP ID</b>	<b>Description</b>	<b>BY 2021 Embedded Base Costs (000s)</b>	<b>TY 2024 Estimated Total (000s)</b>	<b>Change</b>	<b>GRC RSE*</b>
2100- 3506.000	SDG&E- Risk-8 - C07	Employee Wellness Programs	105	176	71	0
<b>Total</b>			<b>105</b>	<b>176</b>	<b>77</b>	

\* An RSE value was not calculated for an activity with a “0” RSE value

**2. Forecast Method**

The forecast method chosen for this category is base year recorded costs. Labor and non-labor forecasts are based on the base year 2021 recorded data. The base year forecast methodology was utilized as it best represents the structure of the organization, while accounting for additional programs SDG&E plans to implement moving forward. Historical information prior to 2021 does not accurately capture the future needs of this department given that SDG&E has been expanding these activities in recent years. The function of this area has changed, and the base year is representative of our expectations for the 2024 test year, which best captures the additional resources and continuing education required for this group.

**3. Cost Drivers**

The cost drivers behind this forecast are the labor and non-labor for one (1) management employee. The incremental labor costs of \$65,000 are for one (1) additional wellness programs coordinator to provide support for the increased demand for wellness services. The incremental non-labor request of \$3,000 is for a laptop computer, docking station and monitors for the wellness program coordinator. In addition, the incremental non-labor request of \$3,000 is for the health and wellness summit, corporate wellness specialist certification, and wellness training.

**B. People Research**

**TABLE AT-22  
Summary of People Research Costs**

<b>People Research</b>	<b>2021 Adjusted-Recorded (000s)</b>	<b>TY2024 Estimated (000s)</b>	<b>Change (000s)</b>
1. People Research	165	169	4
<b>Incurred Costs Total</b>	<b>165</b>	<b>169</b>	<b>4</b>

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

The Manager of Analysis and Workforce Planning performs research, analysis, and workforce planning services for SDG&E, SoCalGas, and Sempra. This position also supervises the employees and activities performed in the People Research non-shared cost center, Organizational Effectiveness.

A portion of these costs are incurred on behalf of SoCalGas and Sempra to ensure compliance with legal, professional, and regulatory issues related to personnel selection issues such as testing, promotion, etc.

**2. Forecast Method**

The forecast method chosen for this category is base year recorded costs. Labor and non-labor forecasts are based on the base year 2021 recorded data. The base year forecast methodology was utilized as it best represents the structure of the organization, while accounting for additional programs SDG&E plans to implement moving forward. Historical information prior to 2021 does not accurately capture the future needs for this department given that SDG&E has been expanding these activities in recent years. The function of this area has changed, and the base year is representative of our expectations for the 2024 test year, which best captures the additional costs to support assessment programs and benchmarking activities.

**3. Cost Drivers**

The cost drivers behind this forecast are the labor and non-labor for one (1) manager. Incremental non-labor costs of \$4,000 are requested for the Society for Industrial Organization Psychology (SIOP) conference and International Selection and Assessment Council (ISAC) business benchmarking meeting in support of continued membership for selection and assessment programs to benchmark against other industries, companies and academic institutions that were not incurred due to COVID-19 restrictions.

1 **VI. CONCLUSION**

2 Activities described in my testimony and detailed descriptions in my workpapers  
3 represent a strong and highly productive People & Culture organization, supporting SDG&E's  
4 goal of providing the safe and reliable delivery of electric and gas service to its 3.6 million  
5 consumers. We ask the Commission to approve, as just and reasonable, the use of base year  
6 recorded forecast methodology, plus known incremental spend for all cost centers except WC  
7 and LTD, which both use non-standard escalation and zero-based forecasts for greater accuracy.

8 This concludes my prepared direct testimony.



1 **VII. WITNESS QUALIFICATIONS**

2 My name is Alexandra Taylor. My business address is 8306 Century Park Ct., San Diego,  
3 CA 92123. I am employed by SDG&E as the Director of Human Resources. I have been in my  
4 current position since November of 2020.

5 I received a Bachelor of Arts degree in Economics from Yale University in May of 2004.  
6 I also received a Juris Doctor from the University of Illinois College of Law in May of 2007.  
7 From 2011 to present, I have been employed by SDG&E and Sempra and held positions of  
8 increasing responsibility in the following departments: Litigation (attorney), Labor &  
9 Employment (attorney), and Human Resources (director).

10

## **APPENDIX A**

### **Glossary of Terms**

**APPENDIX A – GLOSSARY OF TERMS**

AAP	Affirmative Action Plan
ADA	Americans with Disabilities Act
AGA	American Gas Association
BY	Base Year
CBA	Collective Bargaining Agreement
CEO	Chief Executive Officer
CFF	Cross-Functional Factor
CFO	Chief Financial Officer
CFRA	California Family Rights Act
CIO	Chief Information Officer
COO	Chief Operating Officer
CPUC	California Public Utilities Commission
D&I	Diversity & Inclusion
DER	Designated Employer Representative
DHS	Department of Homeland Security
DOT	Department of Transportation
EAP	Employee Assistance Program
ECS	Employee Care Services
EEI	Edison Electric Institute
EEOC	Equal Employment Opportunity Commission
ERG	Employee Resource Group
EX.	Exhibit
FEHA	California Fair Housing and Employment Act
FMLA	Family Medical Leave Act
FTE	Full Time Equivalent
GHG	Greenhouse Gas
GRC	General Rate Case
GRID	General Ratecase Integrated Database
HR	Human Resources
HRA	Human Resources Advisor
HRIS	Human Resource Information System
IIE	Incident Involving Employee
ISAC	International Selection and Assessment Council
LTD	Long Term Disability
MAVF	Multi-Attribute Value Framework
NLRB	National Labor Relations Board
O&M	Operations and Maintenance
OE	Organizational Effectiveness
OFCCP	Office of Federal Compliance Contractors Programs
OHN	Occupational Health Nurse

OSHA	Occupational Safety and Health Administration
PDL	Pregnancy Disability Leave
PHR	Professional in Human Resources
RAMP	Risk Assessment Mitigation Phase
RSE	Risk Spend Efficiency
SCG	Southern California Gas
SDG&E	San Diego Gas & Electric Company
SHRM	Society for Human Resource Management
SIOP	Society for Industrial and Organizational Psychology
SMS	Safety Management System
SPD	Safety Policy Division
SPHR	Senior Professional in Human Resources
SVP	Senior Vice President
TY	Test Year
VP	Vice President
WC	Workers' Compensation

## **APPENDIX B**

### **RAMP Activities by Workpaper**

**APPENDIX B**

**TABLE AT-23  
RAMP Activities by Workpaper**

<b>PEOPLE AND CULTURE DEPARTMENT RAMP Activity - O&amp;M Forecasts by Workpaper (In 2021 \$)</b>						
<b>Workpaper</b>	<b>RAMP ID</b>	<b>Description</b>	<b>BY2021 Embedded Base Costs (000s)</b>	<b>TY2024 Estimated Total (000s)</b>	<b>TY2024 Estimated Incremental (000s)</b>	<b>GRC RSI</b>
1HR006.000	SDG&E- CFF-8 - New	Workforce Planning	0	466	466	
1HR008.000	SDG&E- Risk-8 - C12	Utilizing OSHA and Industry Best Practices and Industry Benchmarki ng	915	915	0	
2100-3414.000	SDG&E- Risk-8 - C02	Drug & Alcohol Testing Program	81	125	44	
2100-3506.000	SDG&E- Risk-8 - C07	Employee Wellness Programs	105	176	71	
<b>Total</b>			<b>1,101</b>	<b>1,682</b>	<b>581</b>	

\* An RSE value was not calculated for an activity with a “0” RSE value