

Company: Southern California Gas Company (U 904 G)  
Proceeding: 2024 General Rate Case  
Application: A.22-05-015  
Exhibit: SCG-01-2R

**SECOND REVISED**  
**PREPARED DIRECT TESTIMONY OF**  
**MARYAM S. BROWN**  
**(POLICY OVERVIEW)**

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



**November 2022**

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1 The following business priorities reflected throughout the testimony supporting the GRC  
2 Application will be discussed in further detail below:

- 3 • Maintaining and enhancing reliability and safety;
- 4 • Supporting sustainability;
- 5 • Promoting innovation and technology to meet operational and customer needs;
- 6 and
- 7 • Developing our workforce.

8 **A. Maintaining and Enhancing Reliability and Safety**

9 Safety and reliability are cornerstones of SoCalGas’s business and operations. Our GRC  
10 proposals will allow us to continue to invest in the reliability and safety of our energy system  
11 with a focus on relevant investments, including the Company’s Gas Integrity Management  
12 Programs, pipeline operations (including the Control Center Modernization project), and  
13 cybersecurity. These investments, together with our Safety Management System, will mitigate  
14 risks that could impact our customers, energy system, and employees.

15 These investments bolster system reliability by providing a dependable source of gas to  
16 residential and commercial customers. They *also* support a modern, flexible, and resilient  
17 energy system that is essential to the State’s increasingly interdependent electric and gas energy  
18 system. Gas-fired generation has long been an integral part of California’s electricity system,  
19 providing baseload power, load following, and reliability. The role of gas generation in the  
20 electricity system is shifting with the addition of large amounts of renewable generation  
21 (primarily solar and wind); gas is not only ensuring reliability, but enabling increasing amounts of  
22 renewable resources in the electric sector.<sup>1</sup>

23 Approximately 97% of capital expenditures and 56% of O&M requested in this TY 2024  
24 GRC support safety, reliability, and maintenance measures. This is consistent with the  
25 California Public Utilities Commission’s (CPUC or Commission) comprehensive risk-informed  
26 GRC framework, which requires SoCalGas to report on safety, reliability, and maintenance  
27 spending annually in its Risk Spending Accountability Reports. Included in that Risk Spending  
28 Accountability Report is the funding directly tied to mitigating activities presented in the Risk

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<sup>1</sup> See Climate testimony of Naim Jonathan Peress (Exhibit (Ex.) SCG-2, Ch. 1).

1 Assessment Mitigation Phase (RAMP).<sup>2</sup> SoCalGas made significant updates to its presentation  
2 in its most recent RAMP Report, and we continue to improve on how safety mitigations are  
3 presented to the CPUC.

#### 4 **B. Supporting Sustainability**

5 Sustainability has long been a part of SoCalGas’s business. This GRC Application goes  
6 beyond prior applications by more explicitly demonstrating how sustainability is a driving force  
7 for our proposals and requests. SoCalGas’s ASPIRE 2045 Sustainability Strategy is a holistic  
8 and broad environmental, social, and governance strategy that includes the Company’s March  
9 2021 ambition to achieve net zero Greenhouse Gas (GHG) emissions by 2045 in support of  
10 California’s climate goals. ASPIRE 2045’s success will require public policy support and  
11 alignment, but it is designed to have, and is already having, a positive impact on the communities  
12 we serve and strengthening business outcomes that benefit both customers and the energy  
13 infrastructure of the future.

14 The Climate testimony of Naim Jonathan Peress (Exhibit (Ex.) SCG-2, Ch. 1) explains  
15 how activities included in SoCalGas’s GRC reflect SoCalGas’s strong commitment to the State’s  
16 climate policy goals and discusses ongoing and planned activities reflecting the key role the gas  
17 grid plays as a facilitator of systemwide energy decarbonization. The Sustainability testimony of  
18 Michelle Sim (Ex. SCG-2, Ch. 2) describes SoCalGas’s overarching sustainability strategy and  
19 discusses SoCalGas’s five sustainability focus areas:

- 20 (1) Accelerating the transition to clean energy;
- 21 (2) Protecting the climate and improving air quality;
- 22 (3) Increasing clean energy access and affordability;
- 23 (4) Advancing a diverse, equitable, and inclusive culture; and
- 24 (5) Achieving world-class safety.

25 SoCalGas’s climate commitment and sustainability focus areas are drivers of many  
26 specific requests and are discussed throughout the testimony presented for this GRC.

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<sup>2</sup> A.21-05-011/-014 (cons.), SoCalGas’s 2021 RAMP Report (May 2021), *available at*:  
<https://www.socalgas.com/regulatory/2021-ramp-report>.

1           **C. Promoting Innovation and Technology to Meet Operational and Customer**  
2           **Needs**

3           SoCalGas intends to invest in a variety of enhancements that will help the Company meet  
4 evolving operational and customer needs. SoCalGas requests funding to maintain a strong  
5 cybersecurity program, a critical need today and going forward. SoCalGas plans to modernize  
6 its Customer Information System (CIS) platform to enable implementation of increasingly  
7 complex California regulatory requirements and keep pace with the rapidly changing energy  
8 industry and evolving service demands of customers. A new, modernized CIS will elevate the  
9 service and support customers receive. Similarly, SoCalGas intends to upgrade its hardware and  
10 software for Cloud enablement and integration capabilities.

11           **D. Developing our Workforce**

12           To engage and foster the talent of all of our employees, and to attract new employees in a  
13 tight labor market, SoCalGas must continue to invest in employee development programs and  
14 policies. Skilled employees are essential to providing safe and reliable service to customers and  
15 for helping the Company meet its sustainability goals. SoCalGas’s employee training, workforce  
16 planning, and total rewards programs are structured to attract, motivate, and retain a high-  
17 performing workforce.

18           **II. OVERVIEW OF GRC REQUEST**

19           Our GRC request reflects SoCalGas’s forecast of revenues necessary to continue  
20 delivering safe, reliable, and increasingly clean gas service at reasonable rates, while meeting the  
21 new challenges we expect to face during this GRC cycle. The projected revenue requirement,  
22 rate increases, and expected bill impacts from our GRC proposal are discussed in more detail in  
23 the Summary of Earnings testimony of Ryan Hom (Ex. SCG-39) and the Present and Proposed  
24 Gas Transportation Revenues & Rates testimony of Sharim Chaudhury (Ex. SCG-42). Post-Test  
25 Year Ratemaking testimony is sponsored by Khai Nguyen (Ex. SCG-40). The following is a  
26 brief summary.

27           **A. Revenue Requirement**

28           SoCalGas requests that the Commission authorize a \$4.398 billion revenue requirement  
29 to be effective January 1, 2024. If approved, this revenue requirement would be an increase of  
30 \$738 million over the estimated 2023 revenue requirement. When the impact of commodity  
31 costs and other ratemaking items such as regulatory account balances are included, these

1 increases result in a 2024 system total bundled revenue increase of \$717 million (or +11.6%)  
2 over estimated 2023 rates.

3 **B. Post Test Year**

4 SoCalGas proposes a post-test year (PTY) ratemaking mechanism to adjust the  
5 authorized revenue requirement for years 2025-2027 by applying attrition adjustments for  
6 operations and maintenance (O&M) expenses, capital-related costs, and exogenous cost changes.  
7 In addition to the PTY ratemaking mechanism, SoCalGas requests post-test year revenue  
8 requirement for a limited set of capital projects: the Honor Rancho Compressor Modernization  
9 project, CIS Replacement project, and Gas Integrity Management Programs. These exceptions  
10 to the post-test year capital mechanism are necessary because the TY 2024 revenue requirement  
11 does not fully reflect adequate revenue to execute such projects and initiatives that are largely  
12 needed for reliability and safety. As explained in more detail by Mr. Nguyen (Ex. SCG-40),  
13 SoCalGas's proposal reflects SoCalGas's actual costs between rate cases and provide SoCalGas  
14 with sufficient revenues during the PTY period to continue providing safe, clean, and reliable  
15 service to its customers, while providing a fair opportunity for SoCalGas to earn the authorized  
16 rate of return.

17 **C. Bill Impacts**

18 If the 2024 revenue requirement identified above is approved by the Commission, an  
19 average non-CARE residential customer (using 36 therms per month) can expect a bill increase  
20 of \$8.28 per month (or +13.2%), as compared to estimated 2023 rates.

21 **III. OPERATIONAL FOCUSES**

22 The following is provided as a general description from a high-level policy perspective of  
23 SoCalGas's areas of operational focus as they relate to safety, reliability, sustainability,  
24 technology and customer experience, and workforce investments. More details are provided in  
25 the testimony and workpapers of individual witnesses.

26 **A. Maintaining and Enhancing Reliability and Safety**

27 As detailed in the Safety and Risk Management Systems testimony of Neena N. Master  
28 (Ex. SCG-27), SoCalGas's safety commitment focuses on three areas – organizational safety  
29 (safety culture), workforce safety (employee and contractor safety), and public/customer safety  
30 (emergency management and physical pipeline infrastructure). That testimony explains how  
31 SoCalGas's safety commitment spreads across the SoCalGas enterprise. Below is additional

1 information on some of the broader and more significant safety activities discussed in this  
2 Application.

3 RAMP

4 As further discussed in the Risk Management Policy testimony of Deana M. Ng (Ex.  
5 SCG-03, Ch. 1), and the RAMP to GRC Integration testimony of Gregory S. Flores and R.  
6 Scott Pearson (Ex. SCG-03/SDG&E-03, Ch. 2), SoCalGas continues its longstanding efforts  
7 to enhance safety and further develop its risk management processes through the  
8 Commission’s risk-informed GRC framework. SoCalGas’s 2021 RAMP Report presented  
9 an assessment of the key safety risks for SoCalGas and the planned mitigation portfolios for  
10 addressing those risks.<sup>3</sup>

11 The RAMP Report is the result of SoCalGas’s collaboration with Commission  
12 stakeholders in developing new methodologies for quantifying and assessing risk mitigation  
13 activities. SoCalGas continues to improve its risk presentation, and SoCalGas has been and will  
14 continue to be a leader and active participant in the Commission’s safety risk proceedings (such  
15 the Safety Model Assessment Proceeding (S-MAP) / Risk Based-Decision-making Framework  
16 proceeding)<sup>4</sup> that establish the risk quantification and presentation guidelines for utilities in the  
17 state. Compared to the Company’s TY 2019 GRC, SoCalGas has made a number of  
18 improvements in its risk analysis and presentation, including implementing the many  
19 requirements of the 2018 S-MAP Settlement Agreement,<sup>5</sup> expanding the use of key performance  
20 risk metrics and establishing leading indicators. In addition, SoCalGas substantially increased  
21 the granularity of its RAMP Report and has added even more granularity in the risk analysis  
22 included in this GRC.<sup>6</sup> SoCalGas and SDG&E are also the first utilities in the state to add a new  
23 attribute, stakeholder satisfaction, to the risk quantification presented in the RAMP; although the  
24 CPUC’s Safety Policy Division recommended removing the attribute in the GRC, SoCalGas’s

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<sup>3</sup> A.21-05-011/-014 (cons.), SoCalGas’s 2021 RAMP Report (May 2021). SoCalGas’s RAMP Report has been integrated into its TY 2024 presentation consistent with new CPUC processes, as explained in the RAMP to GRC Integration witnesses Messrs. Pearson and Flores (Ex. SCG-03/SDG&E-03, Chapter 2).

<sup>4</sup> RAMP to GRC Integration Testimony Messrs. Pearson and Flores (Ex. SCG-03/SDG&E-03, Chapter 2).

<sup>5</sup> *Id.*

<sup>6</sup> Risk Management Policy Testimony of Ms. Ng (SCG-03, Ch 1).

1 effort to add a new attribute demonstrates our interest in continuing to develop and improve the  
2 presentation of our risks in RAMP reports and the GRC.<sup>7</sup>

3 As stated above, the activities included in the RAMP report also demonstrate SoCalGas’s  
4 commitment to safety – SoCalGas identified approximately 150 combined capital and O&M risk  
5 mitigating activities spread across 18 different GRC witness testimonies equating to over \$3.2  
6 billion in capital (2021 dollars in 2022-2024) and just over \$640 million in O&M (2021 dollars  
7 in 2024).

### 8 SMS

9 In this GRC, SoCalGas includes witness testimony on our Safety Management System  
10 (SMS).<sup>8</sup> SoCalGas’s SMS framework integrates and connects all things safety-related that  
11 SoCalGas does to continuously enhance the safety of operations, strengthen our safety culture,  
12 and improve overall safety performance. The SMS guides SoCalGas’s safety strategy in a  
13 uniformed, collaborative, consistent way to improve safety performance across the entire  
14 enterprise. The SMS testimony presents costs that support these ends, such as compliance with  
15 new/revised CalOSHA regulations, continued development of emergency management  
16 programs, and staffing increases in the risk organization.

### 17 PSEP/ISEP/IMPs

18 System integrity is essential to reducing safety risks. Thus, many proposals in this GRC  
19 focus on enhancing system integrity through mandatory programs such as the Pipeline Safety  
20 Enhancement Plan (PSEP), the Integrated Safety Enhancement Plan (ISEP) (which incorporates  
21 aspects of the Gas Transmission Safety Rules (GTSR) and PSEP), and the Transmission,  
22 Distribution, and Storage Integrity Management Programs (TIMP, DIMP, SIMP, respectively).

23 In this GRC, we aim to complete the transition of the PSEP program to a base business  
24 operation (and not a program handled through separate applications and reasonableness reviews),  
25 and seek approval of SoCalGas’s Decision Tree for complying with most of the remaining  
26 SoCalGas pipelines that have not already been hydrotested or replaced through the PSEP  
27 program.<sup>9</sup> We also seek in this GRC to address the new pipeline requirements that have been

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<sup>7</sup> *Id.*

<sup>8</sup> Safety & Risk Management Systems Testimony of Ms. Master (SCG-27).

<sup>9</sup> See Pipeline Safety Enhancement Plan (PSEP) Testimony of William Kostelnik (SCG-08).

1 implemented by the GTSR in recent years. To more effectively and efficiently handle that work,  
2 SoCalGas is creating the ISEP to coordinate work required by California Public Utilities Code  
3 Section 958<sup>10</sup> and also the GTSR. Doing so will allow SoCalGas to more transparently and  
4 efficiently plan, manage, and execute projects for safety, compliance, and reliability. Finally,  
5 SoCalGas requests revenue to continue the TIMP, DIMP, and SIMP, and presents for the first  
6 time a Facilities Integrity Management Program (FIMP), that will provide a comprehensive,  
7 systematic, and integrated approach for managing and enhancing the safety and integrity of  
8 facilities and associated equipment.

### 9 Cybersecurity

10 Companies face constant, ever-changing security threats that are increasing in  
11 complexity, frequency, and sophistication of threat actors. To respond to these threats, robust  
12 cybersecurity is essential. Since the Russian attack against Ukraine, Russian state-sponsored  
13 threat actors have been specifically targeting energy facilities in the United States and Western  
14 nations.<sup>11</sup> Due to the increased risks and ever-changing tactics used by cyber attackers,  
15 SoCalGas requests funding to remain current in its tools and capabilities, hire skilled employees,  
16 and develop effective processes and practices for cybersecurity-related activities.

### 17 Control Center Modernization

18 The purpose of the Control Center Modernization (CCM) project is to enhance the safety,  
19 reliability, and visibility of both the distribution and transmission systems by increasing the  
20 amount of real-time and near-real time field asset data being sent to Gas Control. The CCM  
21 project was presented and authorized in the 2019 GRC. SoCalGas requests funding in this GRC  
22 in order to continue work on the CCM project which will evolve SoCalGas's management of its  
23 pipeline system. The CCM project will digitize the SoCalGas and SDG&E gas systems with the  
24 integration of data from over 9,800 new and existing field assets by the end of 2028, thereby

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<sup>10</sup> “Each gas corporation shall prepare and submit to the commission a proposed comprehensive pressure testing implementation plan for all intrastate transmission lines to either pressure test those lines or to replace all segments of intrastate transmission lines that were not pressure tested or that lack sufficient details related to performance of pressure testing. The comprehensive pressure testing implementation plan shall provide for testing or replacing all intrastate transmission lines as soon as practicable. The comprehensive pressure testing implementation plan shall set forth criteria on which pipeline segments were identified for replacement instead of pressure testing.”

<sup>11</sup> See Cybersecurity Testimony Lance Mueller (Ex. SCG-22). Appendix D contains a number of recent articles highlighting cyberattacks against utility infrastructure.

1 enhancing SoCalGas’s comprehensive view of the gas network. The CCM project will be  
2 responsible for deploying new field equipment, constructing a modernized Gas Control building,  
3 and implementing enhanced operations technology applications and systems to increase  
4 situational awareness for Gas Control.

5 Reliability

6 In tandem with investments to increase system safety, SoCalGas is focused on  
7 maintaining system reliability and providing a dependable and economic source of gas. For  
8 example, the gas Integrity Management Programs are founded upon a commitment to provide  
9 safe *and* reliable service through a process of continual enhancements by regularly identifying,  
10 evaluating, and reducing integrity risks for the natural gas system. The CCM project will also  
11 improve overall system reliability by centralizing and digitizing a wealth of information on the  
12 gas system. Most expenses to improve pipeline safety also increase reliability and add to overall  
13 system resiliency.

14 In this GRC, SoCalGas seeks approval of plans to replace a section of Line 235 that  
15 would go into service in the TY2028 rate case cycle. As explained by several witnesses,<sup>12</sup> a  
16 replacement of approximately 47 miles of Line 235 would improve the reliability and safety of  
17 Line 235 and would only require the pipeline to be out of service for approximately two to three  
18 months. If replacement is not approved, the alternative is repairing specific, smaller segments of  
19 pipeline that must be addressed through the TIMP and other programs. Although this may be a  
20 less expensive option, the repair option may not achieve the same level of safety improvement as  
21 replacement, and it would likely take Line 235 out of service for approximately 12-18 months.<sup>13</sup>  
22 SoCalGas believes the replacement option is in the best interest of ratepayers.<sup>14</sup>

23 **B. Supporting Sustainability**

24 As discussed above, our investments in reliability and safety are made not only with an  
25 eye toward the current gas system and its role in the energy ecosystem, but also to lay the  
26 groundwork for a future integrated energy system that supports increased deployment of

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<sup>12</sup> Gas Transmission Operations & Construction Testimony of Rick Chiapa, Steve Hruby and Aaron Bell (Ex. SCG-06); Gas Integrity Management Programs Testimony of Amy Kitson and Travis Sera (Ex. SCG-09); and Climate Policy Testimony of Mr. Peress (Ex. SCG-02, Ch 1).

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

1 renewable electricity and allows decarbonizing of hard-to-electrify sectors of the economy, all  
2 while maintaining a resilient, affordable energy system even as overall electric load continues to  
3 increase.

4 Sustainability and sustainability-related requests are highlighted throughout this GRC.  
5 This is the first GRC in which SoCalGas presents a Clean Energy Innovations witness to  
6 highlight our many clean energy activities. This is also the first GRC where SoCalGas includes  
7 climate and sustainability policy witnesses to discuss SoCalGas’s broader perspective on these  
8 issues. As detailed in the testimony of Naim Jonathan Peress and Michelle Sim (Ex. SCG-2),  
9 SoCalGas supports and is advancing California’s climate policy goals. SoCalGas is  
10 implementing sustainable business priorities to address a large set of societal challenges that  
11 require consideration as California transitions to economy-wide carbon neutrality by 2045. For  
12 the first time, SoCalGas includes in each applicable witness area a section identifying how  
13 certain requests tie into SoCalGas’s five sustainability focus areas. A few examples of such  
14 requests in each of the five focus areas are included below.

#### 15 **1. Accelerating the Transition to Clean Energy**

16 SoCalGas aims to accelerate the energy transition by increasing delivery of clean fuels,<sup>15</sup>  
17 adapting its system for hydrogen, developing carbon management technologies, and supporting  
18 customer decarbonization.

19 SoCalGas is furthering the State’s decarbonization efforts by focusing on providing a  
20 resilient backbone transmission and storage system that supports the clean energy transition.  
21 SoCalGas expects that an integrated electric and gas energy network with growing penetration of  
22 renewable electricity and cleaner fuels will achieve carbon neutrality faster, more reliably, and  
23 more affordably than a system that does not integrate renewable electricity and clean fuels. As  
24 discussed in testimony, SoCalGas’s GRC requests includes key projects to maintain its system,  
25 meet compliance requirements, and deliver on commitments authorized by the Commission in  
26 prior GRCs. To provide capacity for these key investments in the backbone transmission and  
27 storage systems, SoCalGas requests moderate overall increases in the Gas Distribution witness  
28 area (Ex. SCG-04) with its O&M request in TY 2024 being below the level SoCalGas spent in

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<sup>15</sup> See Sustainability and Climate Policy Testimony of Mr. Peress and Ms. Sim (Ex. SCG-02).

1 2021.<sup>16</sup> The backbone transmission and storage system will be needed in the clean energy future  
2 not only to support clean fuels, but also for electric reliability. Accordingly, SoCalGas's  
3 proposals in this GRC will result in meaningful enhancements in technology, reliability, and  
4 safety, while at the same time helping support the State's transition to clean energy.

5         Accelerating the transition to clean energy requires investment in activities that produce  
6 immediate and near-term emissions reductions efforts that also lay the groundwork for deeper  
7 systemwide decarbonization over the long-term. Some near-term reductions can be achieved  
8 through activities related to RNG. RNG's role in the energy transition was a driver behind  
9 SoCalGas's March 2019 announcement to aim to deliver 20% RNG to its core customers by the  
10 end of 2030. SoCalGas has been preparing its system and standards for RNG by providing gas  
11 system capacity and planning analysis, design services, gas quality testing, field support, and  
12 compression services for RNG developers, and has successfully completed the operational  
13 interconnections at eight dairy farm RNG production sites (including four Senate Bill 1383 Dairy  
14 Farm pilots in the San Joaquin Valley).<sup>17</sup> SoCalGas seeks funding (through forecasts and  
15 reasonableness review) for these activities.

16         SoCalGas presents in this GRC many activities aimed at systemwide decarbonization  
17 over the long term. SoCalGas is developing hydrogen pilot projects to support multiple end use  
18 applications, including industrial users, transportation, thermal generation, building  
19 decarbonization, and distributed energy resources. SoCalGas is also researching the viability of  
20 blending hydrogen into natural gas pipelines. Much of this activity is centered in SoCalGas's  
21 Research Development & Demonstration (RD&D) program, discussed in the Clean Energy  
22 Innovation testimony of Mr. Armando Infanzon (Ex. SCG-12) and the Gas Engineering  
23 testimony of Ms. Maria T. Martinez (Ex. SCG-07). SoCalGas is part of the HyDeal LA initiative

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<sup>16</sup> The minor increase is all the more notable given SoCalGas's extensive infrastructure. SoCalGas is the largest distribution utility in the country, consisting of approximately 100,000+ miles of interconnected gas mains, services, and associated pipeline facilities. The system is designed to deliver natural gas to approximately 21.8 million consumers through 5.9 million meters in more than 500 communities. *See* Gas Engineering testimony of Ms. Maria T. Martinez (Ex. SCG-07). To maintain the distribution system integrity, SoCalGas is also requesting funding for the DIMP. *See* Gas Integrity Management Programs Testimony of Amy Kitson and Travis Sera (Ex. SCG-09).

<sup>17</sup> Testimony of Ms. Martinez (Ex. SCG-07) and Mr. Kostelnik (Ex. SCG-08).

1 that aims to achieve \$1.50 per kilogram of delivered hydrogen to users in the LA basin.<sup>18</sup> In  
2 addition, although it is not part of this GRC, earlier this year SoCalGas filed an application  
3 (A.22-02-007) to begin tracking costs related to a potential green hydrogen pipeline (the  
4 “Angeles Link”) in Southern California to help reduce emissions in hard-to-electrify areas and  
5 industries.

## 6 **2. Protecting the Climate and Improving Air Quality**

7 In March of 2021, SoCalGas published the Company’s climate goal to achieve net zero  
8 GHG emissions in its operations and delivery of energy by 2045. SoCalGas’s goal to achieve  
9 net zero GHG emissions by 2045 includes reducing emissions from SoCalGas operations such as  
10 its fleet, facilities, and pipeline operations, and the energy delivered to customers.<sup>19</sup>

11 To this end, SoCalGas requests in this GRC the funding to build electric charging and  
12 hydrogen refueling infrastructure to support decarbonization of our fleet. SoCalGas plans to  
13 install approximately 1,600 electric vehicle charging ports at all of its employee-assigned  
14 facilities and construct up to nine hydrogen refueling stations and a compact pipeline network  
15 connecting those stations to local small-scale production sites between 2022 and 2024.<sup>20</sup>  
16 SoCalGas has set goals to replace 50% of the Company’s 4,200 over-the-road (OTR) vehicles  
17 with alternative-fuel vehicles, including battery electric, compressed natural gas using RNG, and  
18 hydrogen fuel cell electric vehicles by 2025.<sup>21</sup> By 2035, the Company has a goal to operate a  
19 100% zero-emission OTR fleet.

20 SoCalGas requests funding for several activities aimed at reducing and more quickly  
21 detecting pipeline system leaks. The Control Center Modernization project, discussed above,  
22 will install optical pipeline monitoring (OPM) stations and methane sensors in high consequence  
23 area (HCA). These stations and sensors will communicate incidents such as methane detection,  
24 intrusions, and ground subsidence back to Gas Control, and accelerate the recognition, response,

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<sup>18</sup> Green Hydrogen Coalition, *HyDeal LA: Architecting a Scalable Model for Green Hydrogen Hubs, Starting With Los Angeles* (July 7, 2021) at 5, available at: [https://static1.squarespace.com/static/5e8961cdcb9c05d73b3f9c4/t/60ef84fb65edb26c8618d579/1626309884328/GHC+HyDeal\\_H2+Earthshots+RFI+response\\_July2021\\_HyDealSupporters.pdf](https://static1.squarespace.com/static/5e8961cdcb9c05d73b3f9c4/t/60ef84fb65edb26c8618d579/1626309884328/GHC+HyDeal_H2+Earthshots+RFI+response_July2021_HyDealSupporters.pdf).

<sup>19</sup> Testimony of Naim Jonathan Peress and Michelle Sim (Ex. SCG-2).

<sup>20</sup> As further described in the Real Estate and Facility Operations testimony of Brenton Guy (Ex. SCG-19).

<sup>21</sup> Fleet Services Testimony of Michael Franco (Ex. SCG-18).

1 and remediation of potential abnormal operating conditions and leaks on the pipeline system.  
2 SoCalGas also intends the CCM building itself to be LEED certified.

3 **3. Increasing Clean Energy Access and Affordability**

4 As the overall electric load continues increase, clean energy affordability is vital to an  
5 equitable and just transition to clean energy. As stated above, a modern, flexible, reliable, and  
6 resilient energy system is critical to boosting renewable energy penetration while simultaneously  
7 decarbonizing hard-to-electrify sectors like heavy industry and transportation, all while operating  
8 a resilient, affordable energy system, even as the overall electric load continues to increase.<sup>22</sup>  
9 For these reasons, and those expanded on in the testimony of Mr. Peress (Ex. SCG-2, chapter 1),  
10 SoCalGas has a vital role to play in the affordable transition to the clean energy future.

11 **4. Advancing a Diverse, Equitable, and Inclusive Culture**

12 SoCalGas aims to increase diversity, equity, and inclusion in the workplace and  
13 recognize the diversity in the communities we serve. In support of this objective, SoCalGas  
14 continues to take actions to incorporate diversity, equity, and inclusion (DEI) as a culture in its  
15 workplace, its business partners, and communities. DEI efforts are being broadly deployed  
16 across the company in a proactive way to provide opportunity and equity for SoCalGas  
17 employees, diverse businesses, and the communities served.

18 In this GRC, SoCalGas is seeking funds to continue support of Employee Resource  
19 Groups (ERGs), DEI training for employees, and increased transparency and data and analytics  
20 capabilities for reporting on DEI-related metrics.<sup>23</sup> These efforts continue to promote diversity  
21 within the Company. With respect to SoCalGas’s communities, the Diverse Business  
22 Enterprises (DBE) group seeks funding in this GRC to continue expanding outreach efforts in  
23 under-represented areas with woman, minority, LGBTQ, and service-disabled veteran-owned  
24 business enterprises, and to facilitate compliance with the General Order (GO) 156 target of  
25 21.5% of work going to such businesses – SoCalGas has exceeded such supplier diversity targets  
26 for 29 straight years.<sup>24</sup>

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<sup>22</sup> Testimony of Mr. Peress (Ex. SCG-2).

<sup>23</sup> See People and Culture Department Testimony of Abigail Nishimoto (Ex. SCG-28).

<sup>24</sup> Supply Management, Logistics, and Supplier Diversity Testimony of Mr. Chow (Ex. SCG-17).

1                                   **5.       Achieving World-Class Safety**

2                   Safety is foundational to SoCalGas’s sustainable business practices. As discussed in  
3 more detail in Section III.A above, SoCalGas is focused on organizational safety (safety culture),  
4 workforce safety (employee and contractor safety), and public/customer safety (emergency  
5 management and physical pipeline infrastructure). Requests throughout this GRC advance safety  
6 in each of these categories. SoCalGas continues to integrate and enhance its SMS, furthering its  
7 safety culture.<sup>25</sup> This GRC also includes safety enhancements for employees and contractors –  
8 from uniquely curated training programs, to the maintenance of policies and procedures, to other  
9 efforts.<sup>26</sup> SoCalGas’s request also includes the significant programs to enhance system integrity  
10 (PSEP, DIMP, TIMP, SIMP, FIMP, and ISEP), investments to bolster cybersecurity, and other  
11 pipeline safety activities. These activities are important steps toward maintaining safety for  
12 SoCalGas, its customers, and the public, and help SoCalGas achieve world-class safety.

13                   **C.       Promoting Innovation and Technology to Meet Operational and Customer**  
14                   **Needs**

15                   In this GRC SoCalGas requests funding for activities that keep the Company current  
16 from a technological perspective and facilitate providing safe and reliable service to customers.  
17 Although many of our requests have technological aspects (such as Cybersecurity, and the CCM  
18 project, discussed above), a few are worth highlighting in this testimony.

19                   Cloud Conversion

20                   The information technology industry continues to move toward Cloud-based solutions.  
21 Solutions in the Cloud provide the opportunity to quickly create new environments and remove  
22 them just as quickly, allowing SoCalGas to rapidly experiment, innovate and develop new  
23 solutions to meet customers’ needs, and promote availability, resiliency, and reduced risks due to  
24 hardware and software remaining current. Furthermore, certain software vendors, such as  
25 Microsoft 365, Click and SAP, now only offer Software as a Service (SaaS) solutions.<sup>27</sup> In order  
26 to keep up with this shift, SoCalGas’s on-premise technology must have Cloud functionality and  
27 integration capabilities. As of 2021, 28% of SoCalGas’s applications portfolio has moved to the

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<sup>25</sup> Safety & Risk Management Systems Testimony of Ms. Master (SCG-27).

<sup>26</sup> See Testimony of Wallace Rawls (Ex. SCG-05) and Ms. Nishimoto (Ex. SCG-28).

<sup>27</sup> Information Technology Testimony of Ben W. Gordon (Ex. SCG-21, Ch. 1).

1 Cloud, with more than 50% of the portfolio to be hosted on the Cloud by 2024. SoCalGas  
2 requests funding to continue converting its IT capabilities to Cloud-based solutions.

### 3 CIS Replacement

4 SoCalGas's CIS is the IT system through which we interact with our 21.8 million  
5 consumers. The system calculates and generates over 70 million bills per year, processes 55  
6 million annual payments, and supports more than 12 million customer interactions; CIS also  
7 supports meter data, service orders, account management, customer care, and other customer  
8 related aspects of the business.<sup>28</sup> The existing CIS was implemented decades ago and is  
9 approaching obsolescence. SoCalGas seeks funding to replace its outdated CIS with a new,  
10 modernized CIS platform to keep pace with the rapidly changing energy industry and evolving  
11 service demands of customers. Replacing CIS will elevate the service and support customers  
12 receive. The new CIS will move all customer data to one consolidated location, support  
13 deployment of new features and functions, and allow for faster and more cost-effective  
14 implementation of mandated changes. Upgrading to a modern CIS will result in a "living"  
15 system that is sustainable and upgradeable.

#### 16 **D. Developing our Workforce**

17 SoCalGas knows and appreciates the importance of maintaining a well-trained, skilled  
18 workforce that is compensated sufficiently to retain (and attract) talent. Throughout the  
19 testimony in this GRC are numerous programs to educate and improve SoCalGas's workforce in  
20 areas such as safety training, tools training, damage prevention, leadership programs, and  
21 others.<sup>29</sup> For example, SoCalGas is introducing Field Training Instructors, to provide on-the-job  
22 training to complement classroom, hands-on, and eLearning.<sup>30</sup> Additionally, SoCalGas offers a  
23 competitive total compensation package including long-term incentives,<sup>31</sup> pensions, and post-  
24 retirement health benefits.<sup>32</sup>

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25  
<sup>28</sup> Customer Information System Replacement Program Testimony of Evan Goldman (Ex. SCG-13).

<sup>29</sup> See Testimony of Wallace Rawls (Ex. SCG-05) and Ms. Nishimoto (Ex. SCG-28).

<sup>30</sup> *Id.*

<sup>31</sup> SoCalGas has voluntarily elected to exclude long-term incentives for employees from its GRC request (and also compensation costs for Sempra's executive officers).

<sup>32</sup> Corporate Center – Pension & Postretirement Benefits Other than Pension Testimony of Debbie S. Robinson (Ex. SCG-26).

1 **IV. CONCLUSION**

2 SoCalGas remains focused on our customers and delivering safe and reliable service  
3 while maintaining just and reasonable rates. We are dedicated to sustainability, investing in our  
4 system, and investing in technologies that advance clean energy for our customers that support  
5 the State’s climate policy goals. The costs presented in this GRC reflect these priorities.

6 This concludes my prepared direct testimony.

1 **V. WITNESS QUALIFICATIONS**

2 My name is Maryam S. Brown. My business address is 555 West 5th Street, Los  
3 Angeles, California, 90013. For the past three years, I have been the President of Southern  
4 California Gas Company (“SoCalGas”). Prior to joining SoCalGas, I was the Vice President of  
5 Federal Government Affairs for Sempra. I began working at Sempra in 2016. I have over 20  
6 years of experience in the energy industry across engineering, legal, policy, and regulatory roles.

7 I have a Bachelor of Science degree in mechanical engineering from Louisiana State  
8 University, and I also received my Juris Doctorate from Louisiana State University.

9 I have not previously appeared before the CPUC.

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

**APPENDIX A**  
**Glossary of Terms**

<b>Acronym</b>	<b>Definition</b>
CARE	California Alternate Rates for Energy
CCM	Control Center Modernization
CIS	Customer Information System
CPUC or Commission	California Public Utilities Commission
D.	Decision
DBE	Diverse Business Enterprises
DEI	Diversity, Equity, and Inclusion
DIMP	Distribution Integrity Management Program
ERGs	Employee Resource Groups
Ex.	Exhibit
FIMP	Facilities Integrity Management Program
GHG	Greenhouse Gas
GO	General Order
GRC	General Rate Case
GTSR	Gas Transmission Safety Rule
HCA	High Consequence Area
ISEP	Integrated Safety Enhancement Plan
IT	Information Technology
O&M	Operations & Maintenance
OPM	Optical Pipeline Monitoring
OTR	Over-the-Road
PSEP	Pipeline Safety Enhancement Plan
PTY	Post-Test Year
RAMP	Risk Assessment Mitigation Phase
RD&D	Research Development & Demonstration
RNG	Renewable Natural Gas
SaaS	Software as a Service
S-MAP	Safety Model Assessment Proceeding
SIMP	Storage Integrity Management Program
SMS	Safety Management System
SoCalGas or Company	Southern California Gas Company
TIMP	Transmission Integrity Management Program
TY	Test Year

**SoCalGas 2024 GRC Testimony Revision Log – November 2022**

<b>Exhibit</b>	<b>Witness</b>	<b>Page</b>	<b>Line or Table</b>	<b>Revision Detail</b>
SCG-01-R	Maryam Brown	MSB-5	Line 8	Deleted “Ventura and”
SCG-01-R	Maryam Brown	MSB-5	Line 9	Deleted “s” from projects
SCG-01-R	Maryam Brown	MSB-5	Line 20	Changed “\$8.27” to “\$8.28” and “13.1%” to “13.2%”