

Company: Southern California Gas Company (U 904 G)/
San Diego Gas & Electric Company (U 902 M)
Proceeding: 2028 General Rate Case
Application: A.26-06-014/015
Exhibit: SCG-30.1/SDGE-36.1

(PUBLIC)

REVISED PREPARED DIRECT TESTIMONY OF WILLIAM FULLER

(COMPLIANCE)

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



September 2026

TABLE OF CONTENTS

I.	INTRODUCTION	1
A.	Summary of Proposals	1
B.	Organization of Testimony	1
C.	Support To/From Other Witnesses	2
II.	IMPLEMENTATION OF THE COMPANIES' TY 2024 GRC FINAL DECISION	2
III.	COMPLIANCE DIRECTIVES ADDRESSED IN THE COMPANIES' TY 2028 GRC APPLICATIONS	3
A.	Directives from D.24-12-074 Addressed in the Companies' TY 2028 GRC Applications	3
1.	Deferred Work Requirements	3
2.	Efficiency Studies	4
3.	Classification of Political Activities	4
4.	SoCalGas Membership Dues	7
B.	Other CPUC Directives Addressed in the TY 2028 GRC Applications	7
1.	SDG&E and SoCalGas Covered Information Privacy and Security Assessment Reports	7
2.	SDG&E and SoCalGas 2025 Risk Assessment Mitigation Phase - Environmental Social Justice (ESJ) Pilot Studies	8
IV.	COMPLIANCE WITH NEWLY ENACTED PUBLIC UTILITIES CODE SECTIONS	9
A.	AB 1167 Requirements	9
B.	AB 2666 Requirements	10
V.	CONCLUSION	11
VI.	WITNESS QUALIFICATIONS	12

APPENDICES

Appendix A – Glossary of Terms	A-1
Appendix B – TY 2024 GRC Decision Implementation Directives	B-1
Appendix C – D.24-12-074 Requirements for the TY 2028 GRC	C-1
Appendix D – SDG&E Organizational Efficiency Study	D-1
Appendix E – SoCalGas Organizational Efficiency Study	E-1

Appendix F – Revised Summary of Billing for Costs for Outside Attorneys and Law Firms (PUBLIC).....	F-1
Appendix G – Declaration of Deana M. Ng	G-1
Appendix H – Other CPUC Directives Addressed in the TY 2028 GRC Applications	H-1
Appendix I – SDG&E Covered Information Privacy and Security Assessment Report	I-1
Appendix J – SoCalGas Covered Information Privacy and Security Assessment Report	J-1
Appendix K – SDG&E ESJ Pilot Study Plan Update	K-1
Appendix L – SoCalGas ESJ Pilot Study Plan Update	L-1
Appendix M – Support Documentation for Rates of Return Comparison.....	M-1
 SCG 2028 GRC Testimony Revision Log – September 2026.....	 Log - 1

SUMMARY

- My testimony presents the compliance-related items primarily associated with Southern California Gas Company's (SoCalGas) and San Diego Gas & Electric Company's (SDG&E) Test Year (TY) 2024 General Rate Case (GRC) Decision (D.) 24-12-074.
- This testimony also describes SoCalGas's and SDG&E's compliance with certain statutory requirements and directives derived from other proceedings before the California Public Utilities Commission (CPUC or Commission) since the last GRC.

**REVISED PREPARED DIRECT TESTIMONY OF WILLIAM . FULLER
(REGULATORY COMPLIANCE)**

I. INTRODUCTION

A. Summary of Proposals

I sponsor San Diego Gas & Electric Company's (SDG&E) and Southern California Gas Company's (SoCalGas) (collectively, the Companies) Test Year (TY) 2028 General Rate Case (GRC) Regulatory Compliance testimony. The purpose of this testimony is to demonstrate compliance with new and ongoing California Public Utilities Commission (CPUC or Commission) orders and directives. Specifically, my testimony:

- (1) Indexes regulatory compliance directives set forth in the TY 2024 GRC decision, other CPUC decisions and resolutions, and in applicable provisions of the California Public Utilities Code; and
- (2) Identifies where these directives are addressed in SDG&E and SoCalGas's TY 2028 GRC Applications and related activities.

Of all the potential compliance action items, only those that impact this general rate case are addressed in this exhibit.

B. Organization of Testimony

My testimony is organized in the following manner:

- I. Introduction;
- II. Implementation of the TY 2024 GRC Final Decision;
- III. Compliance Directives Addressed in the TY 2028 GRC Applications;
- IV. Compliance with Newly Enacted Public Utilities Code Sections;
- V. Conclusion; and
- VI. Witness Qualifications.

Appendix A – Glossary of Terms

Appendix B – TY 2024 GRC Decision Implementation Directives

Appendix C – D.24-12-074 Requirements for the TY 2028 GRC

Appendix D – SDG&E Organizational Efficiency Study

Appendix E – SoCalGas Organizational Efficiency Study

Appendix F – Summary of Billing for Costs for Outside Attorneys and Law Firms

Appendix G – Declaration of Deana M. Ng

1 Appendix H – Other CPUC Directives Addressed in the TY 2028 GRC
2 Applications

3 Appendix I – SDG&E Covered Information Privacy and Security Assessment
4 Report

5 Appendix J – SoCalGas Covered Information Privacy and Security Assessment
6 Report

7 Appendix K – SDG&E ESJ Pilot Study Plan Update

8 Appendix L – SoCalGas ESJ Pilot Study Plan Update

9 Appendix M – Support Documentation for Rates of Return Comparison

10 **C. Support To/From Other Witnesses**

11 My testimony and appendices provide numerous references to the testimony and
12 workpapers of other business areas where compliance directives are addressed and discussed in
13 detail. These witnesses describe the actions that SDG&E or SoCalGas have taken to comply
14 with said directive. In some instances, I provide regulatory context and background for these
15 compliance items.

16 **II. IMPLEMENTATION OF THE COMPANIES' TY 2024 GRC FINAL DECISION**

17 Decision (D.) 24-12-074 addressed the Companies' TY 2024 GRC approving, with
18 modifications, TY 2024 revenue requirements and 2025-2027 post-test year revenue increases
19 for the Companies. In the Decision the Commission provides specific direction on how to
20 implement the adopted revenue requirements and addresses utility proposals. In many instances,
21 implementation directives take the form of utility-filed Advice Letters (ALs) and Reports. The
22 Companies' compliance with implementation ALs and reporting directives are detailed in
23 Appendix B. To date, all TY 2024 GRC Decision reports have been timely filed and, aside from
24 one remaining implementation advice letter, all implementation advice letters have been timely
25 filed and approved.¹

¹ D.24-12-074, Ordering Paragraph (OP) 46 directs SoCalGas to file a Tier 2 AL within 30 days of the Customer Information System (CIS) Replacement Program going into service to incorporate the CIS capital revenue requirement into customers' rates. The CIS Replacement Program is expected to go into service in September 2026. (*Id.* at 1099). Thus, this Tier 2 AL has yet to be filed.

1 **III. COMPLIANCE DIRECTIVES ADDRESSED IN THE COMPANIES' TY 2028**
2 **GRC APPLICATIONS**

3 **A. Directives from D.24-12-074 Addressed in the Companies' TY 2028 GRC**
4 **Applications**

5 D.24-12-074 established requirements to be met in the Companies' TY 2028 GRC
6 applications. These requirements are outlined in Appendix C of this testimony, which lists
7 directives from the decision and status, and identifies where each directive is addressed in the
8 present GRC applications and supporting testimony. In addition, certain D.24-12-074
9 compliance deliverables are appended directly to this testimony and are described in more detail
10 below.

11 **1. Deferred Work Requirements**

12 D.24-12-074 requires both Companies to show their "deferred work and reprioritized
13 funds and projects related to safety and reliability at the program level."² This deferred work /
14 reprioritization framework must be similar to the types of deferred work principles adopted in
15 GRCs for other large investor-owned utilities (IOUs).³

16 Deferred work exists when three requirements are met:

- 17 1. The work was requested and authorized related to safe and reliable
18 service;
- 19 2. The Company did not perform the authorized and funded
20 work, as measured by the scope authorized in the 2024 GRC;
- 21 3. The Company is requesting funding in the 2028 GRC to perform this same
22 work.

23 The above three requirements constitute the Companies' deferred work framework. Each
24 SDG&E and SoCalGas cost witness sets forth the existence of qualifying deferred work. For
25 each identified deferred activity, the cost witness provides the following information in their
26 testimonies:

- 27 - TY 2024 authorized funding and TY 2028 requested funding;
- 28 - Description of the project or activity scope; and
- 29 - Reason for the project or activity's deferral.

² D.24-12-074 at 1091 (OP 11).

³ *Id.* at 29.

1 This information is provided in addition to standard information supporting the witness's
2 TY 2028 forecast request for all qualifying deferred work and other forecasted work (costs and
3 activities description, forecast method, cost drivers and the benefits associated with the
4 project/activity).

5 2. Efficiency Studies

6 D.24-12-074 requires both the Companies to have an independent study of each utility's
7 management efficiency, cost-effectiveness, and incentive compensation, and to file the studies in
8 the TY 2028 GRCs.⁴ SDG&E and SoCalGas engaged Accenture to perform the studies
9 concerning management efficiency and cost-effectiveness, which are included herein as
10 Appendix D and Appendix E, respectively. These studies summarize and assess recent progress
11 the utilities have made at both the organizational level and within key activities to drive
12 efficiency and enhance value delivery. To meet the incentive compensation aspect of this
13 compliance requirement, the Companies are also providing an Incentive Compensation Plan
14 (ICP) study. Please refer to the Compensation & Benefits testimony (Ex. SCG-16/SDGE-20) for
15 details concerning the ICP study.

16 In addition to the management efficiency studies, D.24-12-074 ordered an independent
17 study performed on the efficiency of SoCalGas's Transmission Integrity Management Program
18 (TIMP) and Distribution Integrity Management Program (DIMP), and directs that study to be
19 included in this application.⁵ This integrity management program study is attached to
20 SoCalGas's Gas Engineering and System Integrity testimony (Ex. SCG-03, Appendix F).

21 3. Classification of Political Activities

22 D.24-12-074 determined that in order to provide oversight and ensure that political
23 activities costs are excluded from future GRC forecasts, the Commission required annual
24 reporting and attestation mechanisms for SoCalGas to demonstrate its compliance and
25 governance activities related to accounting for Political Activities costs.⁶

26 In addition, OP 53 of D.24-12-074 provides that both SoCalGas and SDG&E shall:

27 *[P]rovide the following information for their Sempra Corporate Center Outside*
28 *Legal expenses used to forecast test year costs as part of its testimony [...] at the*
29 *time of filing their next general rate case application:*

⁴ D.24-12-074 at 1102-1103 (OP 54).

⁵ *Id.* at 1097 (OP 34).

⁶ *Id.* at 873.

- 1 a) *A description of the process used to audit outside legal firm expenses to*
2 *ensure they are properly recorded above the line, including improvements*
3 *made from the process used to develop the 2024 Test Year forecast.*
- 4 b) *Recorded costs booked into each Federal Energy Regulatory Commission*
5 *(FERC) account (including FERC Account 426.4, if used to forecast test*
6 *year costs) must include a description of the costs. If costs are booked to a*
7 *capital account, explain the reason for capitalizing outside legal expenses.*
- 8 c) *An explanation of how the recorded costs benefit ratepayers and why such*
9 *legal expenses are necessary to provide natural gas and electric service,*
10 *for the purpose of verifying if costs are just and reasonable. The matter*
11 *descriptions should sufficiently justify cost inclusion in the forecast,*
12 *including identifying specific matters for which outside legal costs are*
13 *incurred.*
- 14 d) *A year-by-year summary of billing statements/invoices for the recorded*
15 *costs of outside attorneys and law firms that provide service. Each invoice*
16 *should be associated with a docket, a proceeding before a state agency, or*
17 *identification of other matters not associated with a filing. The summary of*
18 *billing statements should be subdivided by matter.⁷*

19 For sub-part a, the Companies employ checks at various intervals in the lifecycle of an
20 engagement with outside counsel in order to confirm the appropriate accounting treatment of
21 legal firm expenses. These checks, other than those used for the initial determination of above-
22 the-line (ATL) or below-the-line (BTL) treatment, were implemented in 2023, prior to the
23 decision in the last GRC. When a matter is first opened for the use of outside counsel, Legal
24 Operations works with the assigned attorney and/or utility accounting to determine whether there
25 is an existing ATL or BTL business project code to assign the matter to, and if not, whether
26 anticipated costs will be BTL based on the work to be performed. If it is expected there may be
27 both ATL and BTL work, then the matter is divided into two separate matters. Annually and
28 quarterly, there is a confirmation process to verify that matters are still appropriately categorized
29 as ATL or BTL. In addition, in preparing their annual General Order (GO) 77 reports, the
30 Companies again verify that the costs of each included matter are correctly categorized as ATL
31 or BTL. At the time that certain matters are closed, the accounting treatment may also be
32 reviewed for whether the accounting treatment is still correct. Finally, in addition to the above,
33 in the last GRC, SoCalGas and SDG&E discovered an error in the inclusion of below-the-line

⁷ *Id.* at 1101-1102 (OP 53) (emphasis added). Note that sub-sections e and f were duplicative of sub-section d, and were removed in response to SDG&E and SoCalGas's letter seeking clarifications to the executive director.

1 outside counsel costs after filing. That error was corrected, and the outside counsel forecast was
2 reduced during the proceeding. SoCalGas and SDG&E have performed additional review to
3 confirm a similar error did not occur for this GRC.

4 For sub-parts b, c, and d, recorded costs booked to Federal Energy Regulatory
5 Commission (FERC) accounts that were used to forecast test year costs, a summary of costs,⁸
6 capitalization information, and information sufficient to show how such costs benefit ratepayers
7 (without disclosing privilege), are attached hereto as Appendix F.

8 OP 57 of D.24-12-074 provides that SoCalGas shall:

9 *[P]rovide the following information in a verified report per Rule of Practice and*
10 *Procedure 1.1, by sworn affidavit or declaration under penalty of perjury in its*
11 *next general rate case (GRC) proceeding:*

- 12 a) *SoCalGas has established and maintains a formal policy and guidance for*
13 *recording above-the-line costs. This policy should clearly define what is*
14 *considered above the line versus below the line for advocacy and lobbying*
15 *activities.*
- 16 b) *SoCalGas's employees are trained to record time and expenses*
17 *differentiating above-the-line and below-the-line activities accurately.*
18 *SoCalGas shall provide information on business units receiving training,*
19 *the number of employees per business unit receiving training, the type of*
20 *training, the frequency of training, and the hours of training. SoCalGas*
21 *shall provide copies of any written training materials, including*
22 *presentation materials used therein, as attachments to the report.*
- 23 c) *SoCalGas shall identify business units and employees involved in political*
24 *and lobbying activities. If booked above-the-line or used to forecast test*
25 *year costs, detailed time records and documentation resulting from such*
26 *an assessment shall be provided.*
- 27 d) *SoCalGas shall demonstrate that it has established procedures to monitor*
28 *and verify that employees have properly identified and booked above-the-*
29 *line costs. SoCalGas shall explain its procedures and process*
30 *improvements adopted, if any.*
- 31 e) *To the extent SoCalGas retains outside consultants or law firms to*
32 *perform political activities and these consultants or law firms conduct any*
33 *work where costs are included in any general rate case forecast as*
34 *benefiting ratepayers, SoCalGas shall provide the Federal Energy*
35 *Regulatory Commission accounts where the costs are booked as above the*
36 *line, and a summary documenting the time, work performed, total cost*

⁸ The costs are identified by matter, except where the law firm on that particular matter is only working on one matter for SoCalGas or SDG&E. In such instance, costs are aggregated for all single-matter firms in order to protect from disclosure specific costs incurred.

1 *incurred, and how such work benefits ratepayers and is not deemed*
2 *political activities, to verify the costs are just and reasonable.*

3 *f) SoCalGas shall submit the report until the Commission determines in a*
4 *future GRC proceeding that the report is not necessary.⁹*

5 In compliance with OP 57 of D.24-12-074, the declaration of SoCalGas Vice President,
6 Chief Risk Officer & Chief Compliance Officer, Deana M. Ng, is provided as Appendix G to
7 this testimony.

8 **4. SoCalGas Membership Dues**

9 D.24-12-074 directs SoCalGas to “provide a list of all membership dues recovered via
10 ratepayer[s] and the related FERC accounts” as part of its TY 2028 GRC application.¹⁰
11 SoCalGas’s annual GO 77-M reports include all dues and memberships paid by SoCalGas each
12 year and provides the associated FERC accounting code.¹¹ Not all dues reflected in the GO 77-
13 M are included in the historical costs for this GRC, in particular, those dues and membership
14 costs that were excluded based on California Assembly Bill (AB) 1167.¹² These exclusions are
15 described in more detail in Section IV.A below.

16 **B. Other CPUC Directives Addressed in the TY 2028 GRC Applications**

17 Lastly, there are multiple regulatory directives for the Companies’ TY 2028 GRC
18 application that come from various CPUC proceedings outside of the Companies’ prior General
19 Rate Case. These directives are outlined in Appendix H of this testimony, which lists directive
20 details and status, and identifies where each directive is addressed in the present GRC
21 applications and supporting testimony. In addition, certain CPUC compliance deliverables are
22 appended directly to this testimony and described in more detail below.

23 **1. SDG&E and SoCalGas Covered Information Privacy and Security** 24 **Assessment Reports**

25 D.11-07-056 “Rules Regarding Privacy and Security Protections for Energy Usage Data”
26 and D.14-12-004 “Decision Extending Privacy Protections to Customers of Gas Corporations
27 and Community Choice Aggregators and to Residential and Small Commercial Customers of

⁹ D.24-12-074 at 1103-1105 (OP 57) (emphasis added).

¹⁰ *Id.* at 313.

¹¹ SoCalGas’s 2021-2025 GO 77-M reports can be viewed here: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/reports-on-utility-costs>.

¹² AB 1167 (Berman, 2025), available at: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB1167.

1 Electric Service Providers” (the “Privacy Decisions”) require the Companies to undergo an
2 independent assessment of its Covered Information privacy and security practices and to report
3 their audit findings as part of their GRC applications.¹³ Covered Information is defined in the
4 Privacy Decisions as Customer Energy Usage Data (CEUD) obtained via Advanced Metering
5 Infrastructure combined with other information that could reasonably be used to identify a
6 residential customer, family, household, residence, or nonresidential customer. Covered
7 Information does not include information provided to the CPUC pursuant to its oversight
8 responsibilities.

9 The Companies engaged KPMG to conduct independent assessments of their Covered
10 Information privacy and security processes, controls, and practices in conjunction with the TY
11 2028 GRC. The Companies’ Covered Information Privacy and Security Assessment Reports are
12 included herein as Appendix I and Appendix J, respectively.

13 2. SDG&E and SoCalGas 2025 Risk Assessment Mitigation Phase - 14 Environmental Social Justice (ESJ) Pilot Studies

15 In accordance with OP 5 of D.22-12-027 (the Phase 2 Decision) in Rulemaking (R.) 20-
16 07-013¹⁴ (the Risk OIR), SDG&E and SoCalGas originally submitted their Environmental and
17 Social Justice (ESJ) Pilot Study Plans as part of their 2025 Risk Assessment and Mitigation
18 Phase (RAMP) Reports, filed on May 15, 2025.¹⁵ In the RAMP proceeding, the Commission’s
19 Safety Policy Division (SPD) filed a Staff Evaluation Report (SPD Report) evaluating
20 SoCalGas’s and SDG&E’s RAMP Reports on October 10, 2025.¹⁶ The SPD Report recognizes
21 that SoCalGas and SDG&E “generally complied with the directives outlined in Decision D.22-
22 12-027 by developing plans to incorporate consideration of ESJ impacts into the RDF[.]”¹⁷

23 The SPD Report also provides recommendations to enhance the value of the pilot studies
24 and recommends that the Companies address and incorporate SPD’s recommendations related to

¹³ D.11-07-056 163-164 (OP 4).

¹⁴ R.20-07-013, Order Instituting Rulemaking (OIR) to Further Develop a Risk-Based Decision-Making Framework for Electric and Gas Utilities (July 16, 2020).

¹⁵ SDG&E Application (A.) 25-05-013 and SoCalGas A.25-05-010.

¹⁶ CPUC, *Safety Policy Division Evaluation Report on Sempra’s 2025 RAMP Applications (A.) 25-05-10* (October 10, 2025), available at: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/safety-policy-division/reports/safety-policy-division-evaluation-report-on-sempras-2025-ramp-applications.pdf>.

¹⁷ SPD Report at 201.

the ESJ Pilots in their upcoming GRCs, including “provid[ing] further details in [the] 2028 GRC filings on future plans for assessing and addressing both risk impacts on [Disadvantaged and Vulnerable Communities (DVCs)] and the benefits of risk mitigations for DVCs.”¹⁸ In response, SDG&E and SoCalGas are providing ESJ Pilot Study Plan updates, which are included herein as Appendix K and Appendix L, respectively.

As part of the RAMP process, the Companies are required to integrate the results into their GRC applications.¹⁹ Further, in the RAMP proceeding, a ruling was issued on March 4, 2026 providing additional compliance requirements.²⁰ Compliance with the RAMP process and Ruling is provided in the Risk-Based Decision-Making Framework (RDF) Integration testimony (Ex. SCG-02B/SDGE-02B).

IV. COMPLIANCE WITH NEWLY ENACTED PUBLIC UTILITIES CODE SECTIONS

A. AB 1167 Requirements

AB 1167 (2025-2026)²¹ added Section 748.3 to the Cal. Pub. Util. Code. Generally, AB 1167: (1) requires certain types of costs to be recorded below-the-line and precludes utilities from recording those costs in rates (or including those costs in GRC forecasts); (2) adopts new public messaging disclosure requirements; and (3) codifies new CPUC reporting requirements.

In order to comply with these new accounting requirements, the Companies removed from the 2025 base year (which forms the basis for most AB 1167 related costs in this case)²² costs newly classified below-the-line under AB 1167, including but not limited to:

- Membership dues, sponsorships, or other contributions to associations organized under Section 501 of the Internal Revenue Code that utilize any portion of those funds to engage in political influence or advertising activities;

¹⁸ SPD Report at 201, 203.

¹⁹ D.20-01-002 at 48.

²⁰ A.25-05-010/013 (cons.), Administrative Law Judge’s Ruling Entering Corrected Safety Policy Division’s 2025 Sempra Ramp Evaluation Report into the Evidentiary Record (March 4, 2026).

²¹ AB 1167 (Berman, 2025), *available at*: https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB1167.

²² To the extent any workpaper that included historical below-the-line costs prior to 2025 used a forecast methodology that relies on additional historical years (averages or trends), the below-the-line costs were also removed from additional historical years.

- Payments to attorneys representing the utilities in CPUC proceedings or experts retained to testify on behalf of or support the participation of utilities in CPUC proceedings to the extent that they exceed CPUC intervenor compensation rates; and
- Costs for advertising where the communication primarily builds the public image of a utility and that is not required by the CPUC or that provides necessary information to customers regarding their safety.

The manual adjustments made to remove the identified historical below-the-line costs associated with AB 1167 are explicitly presented and quantified in the supporting workpapers of multiple SDG&E and SoCalGas witness areas. Not included in workpapers are certain categorical exclusions. For example, AB 1167 states that “investor relations” costs cannot be recovered from ratepayers. Therefore, the costs for the investor relations group were excluded entirely from SoCalGas’s and SDG&E’s requests. Because the entire group was excluded from the request and the forecast, there is no workpaper to manually exclude the costs from. Similar categories of such costs include those related to: Investor Relations, Charitable Contributions, Government Affairs Group, Corporate Citizenship, Corporate Communications, Branding and Marketing within Corporate Relations, Director & Officer insurance, and travel, lodging, food and beverage expenses for the board activities of the Boards of Directors of Semptra, SDG&E, and SoCalGas.

B. AB 2666 Requirements

AB 2666 (2023-2024)²³ added Section 451.8 to the Cal. Pub. Util. Code, which directs the Commission to establish guidelines and adopt processes regarding the reporting and tracking of actual versus forecasted rates of return. To date, the CPUC has not adopted an order or decision implementing AB 2666. In this event, D.24-12-074 directs SoCalGas and SDG&E to calculate their actual annual rates of return, compare their annual rates of return relative to their forecasted annual rates of return, and identify the cost categories where projected (forecasted) costs differed from actual (recorded) costs.²⁴

²³ AB 2666 (Boerner, 2024), available at: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB2666.

²⁴ D.24-12-074 at 806.

The table below compares actual 2025 rates of return to authorized 2025 rates of return for both SoCalGas and SDG&E. Supporting documentation is provided in Appendix M. SoCalGas and SDG&E's annual Risk Spending Accountability Reports (RSAR) compare each utility's GRC projected (authorized) spending by program to the actual spending on those programs and explain any discrepancies between the two.²⁵ SDG&E will be filing its 2025 RSAR in July 2026. The report will be provided to parties on the service list of the TY 2028 GRC applications.

TABLE WF-1
2025 Rate of Return Comparison

Utility	2025 Authorized Rate of Return ²⁶	2025 Actual Rate of Return	Difference
SDG&E	7.45%	7.44% ²⁷	(0.01%)
SoCalGas	7.49%	8.09%	0.60%

V. CONCLUSION

This concludes my prepared direct testimony.

²⁵ SoCalGas and SDG&E's RSAR report for 2024 can be viewed here:
https://www.sdge.com/sites/default/files/regulatory/2024%20SCG%20SDGE%20Joint%20RSA_R.pdf.

²⁶ D.24-10-008, SDG&E AL 4553-E/3369-G (December 14, 2024), and SoCalGas AL 6404-G (December 14, 2024).

²⁷ This represents SDG&E's best estimate its CPUC-jurisdictional actual rate of return for 2025. The results are preliminary because SDG&E's 2025 FERC rates have not been filed at this time. Thus, assumptions were necessary related to FERC rate of return and the fact that SDG&E cannot separate out its net operating income from its FERC Form 1 to know what is FERC-jurisdictional income and what is CPUC-jurisdictional income.

1 **VI. WITNESS QUALIFICATIONS**

2 My name is William Fuller and my business address is 8330 Century Park Court, San
3 Diego, California 92123. I am currently employed by the Sempra Energy Utilities as a Manager
4 of Regulatory Affairs & Compliance within the General Rate Case & Revenue Requirements
5 department of SDG&E / SoCalGas Regulatory Affairs. My responsibilities include managing
6 staff within the department, as well as managing certain cases before the CPUC. I assumed my
7 current position in the fall of 2022. Prior to my current position, from 2018-2022 I served as a
8 Regulatory Business Manager within the California & Federal Regulatory Affairs department at
9 SDG&E, where I managed staff including the Company's tariff group, and managed proceedings
10 before the CPUC and the FERC. I joined Regulatory Affairs and SDG&E in 2007. I received a
11 Bachelors of Arts in Political Science from California Polytechnic University – San Luis Obispo
12 in 2004. This is the first time I have testified before this Commission.

APPENDIX A
GLOSSARY OF TERMS

APPENDIX A

Glossary of Terms

ACRONYM	DEFINITION
AB	Assembly Bill
AL	Advice Letter
ATL	Above-the-Line
BTL	Below-the-Line
CPUC	California Public Utilities Commission
CEUD	Customer Energy Usage Data
DVCs	Disadvantaged and Vulnerable Communities
ESJ	Environmental and Social Justice
GRC	General Rate Case
ICP	Incentive Compensation Plan
IOU	Investor-Owned Utilities
RAMP	Risk Assessment and Mitigation Phase
SPD	Safety Policy Division
TY	Test Year

APPENDIX B

TY 2024 GRC Decision Implementation Directives

SEU Advice Letters Mandated by TY 2024 GRC Decision (D.24-12-074)

IOU	Section	Reference	Subject	Requirement Description	Tier	Due Date	2024 Witness Area	Status
1	Both	8.1.2	p.87-88, p. 1090-OP 10h	Gas Line Extension Allowances	1	60 days from GRC effective date (02/18/25)	Gas Distribution	SDG&E AL 4804-E/3399-G and and SoCalGas AL 6443-G filed 02/18/25, SDG&E approved 07/22/25, SoCalGas approved 7/28/25, both effective 2/18/25
2	SDG&E	18.4.7	p.407, FOF 146 on p.966, COL 116 on p. 1057	Functionalization of Distribution-Related Battery Revenues	2	N/A	Electric Generation Regulatory Accounts	SDG&E AL 4886-E filed 7/14/25, approved 12/9/25, effective 7/14/25
3	SoCalGas	20.3	p.504-505, COL 149, OP 46	SoCalGas's Customer Service- Customer Information System Replacement Program	2	30 days post-CIS In service	Customer Service- Customer Information System Replacement Program	To be filed: CIS scheduled to go-live in September 2026
4	SoCalGas	21.2	p.517-518, FOF 195, COL 156, OP 47	Advanced Meter Infrastructure Balancing Account (AMIBA)	N/A	N/A	Customer Services Field and Advanced Meter Operations	SoCalGas AL 6430-G filed 1/21/25, approved 7/7/2025, effective 2/1/2025
5	SDG&E	29.7.1	p.865, OP 51	Contested Costs for Customer Service- Field Operations – Smart Meter 2.0	2	N/A	Information Technology	SDG&E AL 4605-E/3401-G filed 02/18/2025, approved effective 05/02/25
6	Both	39	p.824-825,	Taxes - Tax Memorandum Account (TMA)	2	30 days from GRC effective date (01/21/2025)	Taxes	SDG&E AL 3395-G and SoCalGas AL 6431-G Filed: 01/21/25 Approved: 04/17/25 Effective: 02/20/25
7	Both	43.1.3	p.839 OP 10a	Continuation of Liability Insurance Premium Balancing Account (LIPBA)	1	60 days from GRC effective date (2/18/2025)	Regulatory Accounts	SDG&E 4804-E/3399-G and and SoCalGas 6443-G filed 02/18/25, SDG&E Approved 07/22/25, SoCalGas approved 7/28/25, Both Effective 2/18/25
8	Both	43.1.4	p.852 FOF 301, COL 207, OP 10b	New Environmental Regulation Balancing Account (NERBA)	1	60 days from GRC effective date (2/18/2025)	Regulatory Accounts Environmental Services	SDG&E 4804-E/3399-G and and SoCalGas 6443-G filed 02/18/25, SDG&E Approved 07/22/25, SoCalGas approved 7/28/25, Both Effective 2/18/25
9	Both	43.1.5	p.248, 259-260, 262, 273, 277, 853, FOF 74, FOF 75, OP 10c, 10d, 10e	Integrity Management Program (IMP) Balancing Accounts	1	60 days from GRC effective date (2/18/2025)	Gas Pipeline Integrity Regulatory Accounts	SDG&E 4804-E/3399-G and and SoCalGas 6443-G filed 02/18/25, SDG&E Approved 07/22/25, SoCalGas approved 7/28/25, Both Effective 2/18/25
10	SDG&E	43.4.1	p.858-859, OP 50	Customer Information System Balancing Account (CISBA) and Transition, Stabilization, and Organizational Change Management Balancing Account (TSOBA)	1	60 days from GRC effective date (2/18/2025)	Regulatory Accounts Information Technology	SDG&E AL 4588-E/3392-G filed 1/21/25, supplemented 1/29/25, Approved 7/1/25 effective 2/1/25
11	SDG&E	43.4.4	p.859	Vehicle Grid Integration Balancing Account (VGIBA) and Vehicle Grid Integration Memorandum Account (VGIMA)	1	60 days from GRC effective date (2/18/2025)	Regulatory Accounts Clean Transportation	SDG&E AL 4588-E filed 1/21/25, supplemented 1/29/25, Approved 7/1/25 effective 2/1/25
12	SDG&E	43.4.5	p.497, 859-860, OP 10f	Tree Trimming Balancing Account (TTBA)	1	60 days from GRC effective date (2/18/2025)	Regulatory Accounts Wildfire Mitigation and Vegetation Management	SDG&E 4804-E/3399-G filed 02/18/25, Approved 07/22/25, Effective 2/18/25

SEU Advice Letters Mandated by TY 2024 GRC Decision (D.24-12-074)

	IOU	Section	Reference	Subject	Requirement Description	Tier	Due Date	2024 Witness Area	Status
13	Both	43.6	p.862, OP 10g	Request to Close the Regulatory Accounts	Within 60 days of the effective date of this decision, IOUs shall file a Tier 1 Advice Letter closing the multiple accounts and transfer any remaining balances to EDFCA for electric and the CFCA and NFCA for gas.	1	60 days from GRC effective date (2/18/2025)	Regulatory Accounts	SoCalGas AL 6430-G filed 1/21/25, approved 7/7/25, effective 2/1/25; SDG&E AL 4588-E / 3392-G filed 1/21/25, supplemented 1/29/25, Approved effective 2/1/25
14	SDG&E	47.1.3.1	p.908-909, COL 310, OP 8	PTY Revenue Requirement and Implementation	T2 AL: SDG&E shall update PTY revenue requirements in accordance with Resolution E-5217 with the initial estimated revenue requirement and then update the forecast with the actual amount that was authorized in a separate Tier 1 AL to be filed by December 31. For 2025, SDG&E shall file a Tier 1 AL within 30 days of the effective date of this decision with the update to the Test Year 2024 revenue requirement to be effective on January 1, 2025. The uncollectible rate for the post-test years should be updated in the annual Tier 1 advice letters to the Commission's Energy Division.	2	November 15 prior to the January 1 rate change; For 2025, Tier 1 AL 30 days from GRC effective date (1/21/25)	Escalation and Post Test Year Ratemaking	SDG&E AL 4588-E/3392-G filed 1/21/25, supplemented 1/29/25, Approved effective 2/1/25
15	SoCalGas	47.1.3.1	p.908-909, COL 310, OP 9	PTY Revenue Requirement and Implementation	SoCalGas shall update PTY revenue requirements via the annual true-up Advice Letter by October 31 of the year prior to the January 1 rate change. For 2025, SoCalGas shall file a Tier 1 Advice Letter with the Commission's Energy Division within 30 days of the effective date of this decision with the update to the Test Year 2024 revenue requirement to be effective on January 1, 2025. The uncollectible rate for the post-test years should be updated in the annual Tier 1 advice letters to the Commission's Energy Division	2	By October 31 prior to January 1 Rate Change; For 2025, Tier 1 AL 30 days from GRC effective date (1/21/25)	Escalation and Post Test Year Ratemaking	SoCalGas AL 6430-G, Filed 1/21/25; Approved 7/7/25, Effective 2/1/25
16	Both	Orders	OPs 3-5	Revenue Requirement Implementation	Within 30 days from the effective date of this Order, Southern California Gas Company and San Diego Gas & Electric Company shall each file respective Tier 1 Advice Letters with revised tariff sheets to implement the revenue requirements authorized in Ordering Paragraphs 1 and 2. The revised tariff sheets shall become effective on January 1, 2024. The balances recorded in Southern California Gas Company's and San Diego Gas & Electric Company's respective General Rate Case Revenue Requirement Memorandum Accounts from January 1, 2024 until the effective date of the new tariffs required by this decision shall be amortized over eighteen (18) months in rates.	1	30 days from GRC effective date (1/21/25)	Escalation and Post Test Year Ratemaking	SoCalGas AL 6430-G Approved 7/7/25, Effective 2/1/2025; SDG&E AL 4588-E/3392-G filed 1/21/25, supplemented 1/29/25, Approved effective 2/1/25

APPENDIX C

D.24-12-074 Requirements for the TY 2028 GRC

Appendix C – D.24-12-074 Requirements for the TY 2028 GRC

	IOU	Section	Directive Reference	Subject	Directive Description	2028 Witness Area	Testimony Reference
1	Both	4.5	p.27-29, COL 3, OP 11	Reprioritization of Funding	Requires SoCalGas and SDG&E to use a deferred work or reprioritization framework in its next GRC similar to the types of deferred work principles adopted in GRCs for other large investor-owned utilities (IOUs). For example, in its GRCs, PG&E is required to make an explicit and specific showing at the program level when PG&E seeks ratepayer funding for work previously authorized on the basis of safety and reliability but whose completion was deferred to a future rate case cycle.	Compliance (SCG-30 / SDGE-36)	Section 3.A.1
2	Both	8.2.1.1.2	p.96, FOF 11d, OP 14	Leak Surveying and Repair Workgroup	Based on TURN's recommendation, SoCalGas and SDG&E shall define the full impact of activities under SB 1371 on cost forecasting within future GRCs. This definition should include the identification of specific thresholds of work that otherwise would not have been performed under BAU activities. In addition, SoCalGas and SDG&E shall demonstrate the prudence of work placed into the SB 1371 Emissions Strategy Program (ESP) to demonstrate that all activities in the ESP are in excess of BAU work and reasonable to perform.	Gas Distribution (SCG-04 and SDGE-04)	SCG - Section III.A.2 SDGE - Section IV.G
3	Both	8.4.2	p.108-109, FOF14d, OP 15	Pressure Betterments	In the next GRC, any forecast for pressure betterment work in other cost categories should be based on planned work.	Gas Distribution (SCG-04 and SDGE-04)	Section IV.I
4	SoCalGas	8.4.3	P.109-110, FOF 14f, OP16-17	Mains and Services Abandonments	In SoCalGas's next GRC, it shall provide more information regarding the expenses and capital costs for leaving mains and services in place, removing them, and the number of requests for removal along with the other information required by the Rate Case Plan.	Gas Distribution (SCG-04)	Section IV.G
5	SoCalGas	8.4.4	p.112, FOF 14h, OP 15i	Regulator Stations	In seeking to meet its burden of proof in its next general rate case, SoCalGas's forecast should provide more information, including the proposed rate of regulator station replacement, the data supporting the rate, their unit cost, and the other information required by the rate case plan.	Gas Distribution (SCG-04)	Section IV.J
6	SoCalGas	8.4.8	p.118, FOF 14o, OP18	Meter Protection	In SoCalGas's next GRC, it shall provide more information regarding this forecast, including the number of new installations, replacements, the condition of meter protection sites needing replacement, their age or useful life, and their unit cost along with the other information required by the Rate Case Plan.	Gas Distribution (SCG-04)	Section IV.I
7	SoCalGas	8.4.8.5	p.124, FOF 14t, OP19	Gas Energy Measurement Systems	In the next GRC, the Commission requires SoCalGas to provide more information to support this request, including the basis of its new customer growth, the age of these components, and past and projected replacement rates.	Gas Distribution (SCG-04)	Section IV.B.3
8	SDG&E	8.6.1.6	p.136-137, OP21	Asset Management	In the next GRC, SDG&E shall describe how the staff positions in this cost category are not duplicated in other cost categories.	Gas Distribution (SDGE-04)	Section III.B.1
9	SDG&E	8.6.1.7	p.137-138, OP 21	Operations Management, Supervision, and Training	In the next GRC, SDG&E shall describe how the staff positions in this cost category are not duplicated in other cost categories.	Gas Distribution (SDGE-04)	Sections III.C.1&2
10	SDG&E	8.6.4.4	P.146-147, FOF 20i, OP 22	Leak Repair Request	In SDG&E's next GRC application, in which forecasts for costs of the NGLA program will be included with its pipeline repair costs and the separate Advice Letter process will cease, SDG&E shall distinguish costs attendant to the NGLA program from the historical pipeline repair program governed by longstanding federal and state regulations.	Gas Distribution (SDGE-04)	Sections III.A.3 and IV.G.
11	Both	8.6.4.5	p.147-149, OP 23	Cathodic Protection	In its next GRC, SDG&E and SoCalGas shall provide a holistic forecast for each of their CP programs, quantify their level of CP activity, and explain the difference in spending between SDG&E and SoCalGas.	Gas Distribution (SCG-04 and SDGE-04)	Sections III.A.8 and IV.H.
12	SDG&E	8.6.4.6	p.150-151, FOF 20m, OP24	System Reliability and Safety	In SDG&E's next GRC, SDG&E must provide sufficient detail regarding System Reliability and Safety work to enable the Commission to evaluate its reasonableness. Such information should include, at the very least, explanations for the specific amounts requested, comparisons with previous requests by percentage, its timeliness and cost-effectiveness, and cost drivers and methodologies specific to the amounts of the changes in the forecasts, in addition to other requirements of the Rate Case Plan.	Gas Distribution (SDGE-04)	Section IV.I.
13	SDG&E	8.6.4.7	p.151-152, FOF 20m, OP 25	Early Vintage Component Program to remove Dresser Mechanical Couplings	In the next GRC, if more Dresser couplings need replacement, the Commission will consider a faster rate of replacement commensurate with data SDG&E shall file to support it, including the information missing in this request.	Gas Distribution (SDGE-04)	Section IV.J

Appendix C – D.24-12-074 Requirements for the TY 2028 GRC

	IOU	Section	Directive Reference	Subject	Directive Description	2028 Witness Area	Testimony Reference
14	SDG&E	8.6.4.8	p.152-153, FOF 20r	Early Vintage Program - Removal of Closed Valves between Pressure Zones	In the next GRC, if more closed valves need replacement, the Commission will consider a faster rate of replacement commensurate with data SDG&E shall file to support it, including the information missing in this request.	Gas Distribution (SDGE-04)	Section IV.J
15	Both	8.6.4.9	p.156, FOF 20v, COL 20v-w, OP26	Control Center Modernization Project	In Sempra's next GRC, Sempra Utilities shall compare SDG&E's Non-Shared CCM gas expenditures to those of SoCalGas, in similar categories, and document how different costs for similar categories were determined by SDG&E and SoCalGas.	Gas Major Projects (SCG-06 and SDGE-06)	Section IV.F (SCG) Section IV.D (SDGE)
16	SDG&E	8.6.4.10	p.157-158	Curb Valve Replacement	In the next GRC, if more curb valves need replacement, the Commission will consider a faster rate of replacement if it is supported by the additional information, including the data missing in this request.	Gas Distribution (SDGE-04)	Section IV.K
17	SoCalGas	10.1.1.2	p.178, FOF 30, OP 27	Compressor Station Operations	In the next GRC, SoCalGas shall provide a time study documenting the time needed to perform employee tasks to support a reasonable level of staffing for Compressor Operations.	Gas Transmission and Storage (SCG-05)	Appendix D
18	SoCalGas	11.1.2.3	p.209, OP30	Land Rights	In the next GRC, SoCalGas shall support this forecast with historical and forecasted metrics for this work, such as the cost per mile of access, and indicate the status of SoCalGas's access to lands through which its pipelines traverse.	Gas Engineering and System Integrity (SCG-03)	Sections IX.B
19	SoCalGas	12.1.3.3	p.228-229, OP 31	PSEP Capital Forecast	In the next GRC, SoCalGas shall describe how its PSEP hydrotest implementation plan complies with Pub. Util. Code Section 958 and pertinent federal regulations and report the dates when each of the hydrotest and capital pipeline replacement projects in this forecast were completed along with the projects remaining to be completed.	Gas Major Projects (SCG-06)	Appendix C
20	SoCalGas	13.1.4.1	p.265, OP 34-35	SoCalGas Facilities Integrity Management Program (FIMP)	SoCalGas shall perform an independent study of the efficiency of SoCalGas's Transmission Integrity Management Program and Distribution Integrity Management Program programs and related activities, including their management, to determine how best to improve their effectiveness, efficiency, and cost-effectiveness. A report of the study's findings shall be filed with SoCalGas's application in the next general rate case. SoCalGas shall make corresponding reductions to O&M costs related to this reduction of FIMP funding, including but not limited to compensation and benefits.	Gas Engineering and System Integrity (SCG-03)	SCG-03 - Appendix F
21	SoCalGas	16.2.1	p.313	CEI Business Development - Membership Dues	We also find merit in CEJA's recommendation to require SoCalGas to justify these various membership contributions to the Commission because they are not evident in the direct testimony, rebuttal testimony, or workpapers. Therefore, in the next GRC application, SoCalGas shall provide a list of all membership dues recovered via ratepayer and the related FERC accounts.	Compliance (SCG-30 / SDGE-36)	Section III.A.4 at 6:4
22	SDG&E (now Both)	19.1.2	p.417	Overhead Pools	To reduce the need for these types of enhanced calculations in future GRCs, we agree with Cal Advocates that SDG&E should develop a more comprehensive and accurate Overhead Pools model, and incorporate that improved model into future versions of the RO models.	Summary of Earnings (SDGE-32)	Section V.
23	SDG&E	19.1.4.1	p.428-429, OP 39	Planned Investments	SDG&E shall report the number of Planned Investment Projects started and completed annually since 2023 along with their unit costs in the next GRC.	Electric Distribution Capital (SDGE-08)	Section IV.A.3.d.iv and SDGE-08-CWP, WP
24	SDG&E	19.1.4.2	p.429-430, OP40	Future Capacity Projects	SDG&E shall report the number of future capacity projects started and completed annually since 2023 along with their unit costs in the next GRC.	Electric Distribution Capital (SDGE-08)	Section IV.A.3.d.iv and SDGE-08-CWP, WP
25	SDG&E	19.1.5.1	p.434, OP 41	Transformers	The Commission finds that better information would be helpful and requires that SDG&E provide information in its next GRC regarding the age of transformers in service, the number of new installations and replacements per year, and other reliability data that may impact transformer maintenance, including data required by D.16-01-008.	Electric Distribution Capital (SDGE-08)	Section IV.D.2.d
26	SDG&E	19.2.3	p.456, OP 42	Electric Regional Operations (ERO)	SDG&E shall provide the units of ERO labor and non-labor and unit costs provided in its supplemental workpapers in this GRC in its original testimony in the next GRC.	Electric Distribution O&M (SDGE-09)	SDGE-09-WP, 1ED005.000 - Electric Regional Operations Supplemental Workpaper

Appendix C – D.24-12-074 Requirements for the TY 2028 GRC

	IOU	Section	Directive Reference	Subject	Directive Description	2028 Witness Area	Testimony Reference
27	SDG&E	19.3.5.1.2	p. 483	Undergrounding and Covered Conductor Mileage Cost Estimates	In the next GRC, the Commission expects SDG&E to provide more information, as required by its WMP, including the number of miles of electrical lines it has undergrounded and installed with covered conductor in HFTDs, along with the number of miles of electrical lines it proposes to underground and install with covered conductor in HFTDs, and where. This information should improve planning designed to avoid leaving a gap in high-risk areas, paying to harden any areas twice, or otherwise contribute to delay, which the Commission expects the utility to avoid in this rate cycle as well. See, for example, SDG&E's overview in its 2023-2025 WMP of its key electrical equipment, including that it has undergrounded over 2,800 miles of its 11,252 miles of transmission and distribution line circuit. SDG&E shall also coordinate its risk analysis for its WMP with its RAMP to the extent possible.	Wildfire Mitigation and Vegetation Management (SDGE-07)	Chapter 2, Section I.A, Section I.G.2, and Chapter 1 Appendix F
28	SDG&E	19.3.5.1.2	FOF 173	Undergrounding and Covered Conductor Mileage Cost Estimates	In its next rate case, San Diego Gas & Electric Company must provide cost and mileage data separately for these two components of system hardening and explain and justify its selection of circuit segments for undergrounding based on risk analyses or other factors.	Wildfire Mitigation and Vegetation Management (SDGE-07)	Chapter 2 Section I.A, Section I.E.2.b, and Section I.G.1
29	SDG&E	19.3.5.1.2	OP 43	Undergrounding and Covered Conductor Mileage Cost Estimates	In its next general rate case or other application seeking funding for undergrounding, San Diego Gas & Electric Company shall provide the cost per mile (based on both (a) miles of underground line installed and on (b) miles of overhead line replaced) and risk reduction for each undergrounding project installed over the previous four years, organized by year and by high-fire threat district.	Wildfire Mitigation and Vegetation Management (SDGE-07)	Chapter 1, Appendix F
30	SDG&E	19.3.5.1.2	OP 44	Undergrounding and Covered Conductor Mileage Cost Estimates	In its next general rate case, or other application seeking funding for covered conductor, San Diego Gas & Electric shall provide the cost per mile and risk reduction for each covered conductor project installed over the previous four years, organized by year and by high-fire threat district.	Wildfire Mitigation and Vegetation Management (SDGE-07)	Chapter 1, Appendix F
31	SDG&E	19.3.5.1.2	OP 45	Undergrounding and Covered Conductor Mileage Cost Estimates	San Diego Gas & Electric Company shall coordinate its risk analysis for its Wildfire Mitigation Plans with its Risk Assessment and Mitigation Phase, to the extent possible.	Wildfire Mitigation and Vegetation Management (SDGE-07)	Chapter 2, Section I.C.2, Section I.C.3, Section I.D.1, and Section I.E.1
32	SDG&E	25.4.3	p.564	EV Infrastructure Rule Capital Costs	SDG&E shall record costs in the memorandum account (EVIMA) pursuant to E-5167 and a reasonableness review of these costs will take place in the next GRC cycle.	Electric Distribution Capital (SDGE-08)	Section VII.B
33	SDG&E	29.7.4	p.685, OP 52	CIS Regulatory & Enhancements 2022-2024	While we acknowledge that ratepayer benefits should arise from CIS enhancements, it is unclear how an Advice Letter mechanism will incorporate these benefits and result in a reduced revenue requirement. Procedurally, it is easier to review and incorporate ratepayer benefits once the enhancements have occurred and the information is reviewed in context of related costs. Instead, SDG&E shall show benefits of these enhancements in its next GRC application, either lowering O&M costs or lowering future capital costs resulting from CIS enhancements.	Customer Services (SDGE-12)	Section II
34	Both	31.6.5	p.729-731, COL 238, OP 53	Sempra Corporate Center and Outside Legal Expenses	SDG&E and SoCalGas shall provide (paraphrased): (1) description of processes used to properly record outside legal expenses; (2) for all FERC accounts, include a description of costs and reasoning for capitalizing outside legal expenses; (3) sufficient justification of reasonableness of cost recovery of outside legal costs; (4) a year by year summary of billing statements / invoices for outside attorneys/firms.	Compliance (SCG-30 / SDGE-36)	Section III.A.3 and Appendix F
35	Both	32.1	p.742, FOF 365, COL 241, OP 54	Short term Incentive Compensation Plan	the Commission finds it reasonable to require Sempra to perform an independent study for both utilities to be filed in the next GRC to assess their management efficiency, including evaluating how ICP metrics can better incentivize cost-effectiveness, without compromising safety, with specific recommendations for controlling costs. In future GRCs, Sempra's executive ICP and compensation can be evaluated partly based on Sempra's progress in meeting cost-effectiveness metrics, without compromising safety.	Compensation and Benefits (SCG-16 / SDGE-20)	Section V.6

Appendix C – D.24-12-074 Requirements for the TY 2028 GRC

	IOU	Section	Directive Reference	Subject	Directive Description	2028 Witness Area	Testimony Reference
36	Both	37.1	p.806	Rate of Return	Pub. Util. Code Section 451.8 directs the Commission to establish guidelines and adopt processes regarding the reporting and tracking of actual versus forecasted rates of return. This statutory directive will take effect January 1, 2025. If the Commission has not adopted an order or decision implementing AB 2666 prior to their next general rate case filings, then SoCalGas and SDG&E shall calculate their actual annual rates of return, compare their annual rates of return relative to their forecasted annual rates of return, and identify the cost categories where projected (forecasted) costs differed from actual (recorded) costs. Such information and related supporting documents shall be provided to the service list of the utilities' rate case proceeding with the filing of its next GRC application.	Compliance (SCG-30 / SDGE-36)	Section IV.B
37	SoCalGas	38.1.3.2	p.819	Net Salvage	Clarification with regard to whether SoCalGas has been underspending its authorized cost of removal amounts is also needed. Cal Advocates states that SoCalGas has underspent its authorized cost of removal for several accounts...Unfortunately, this discrepancy is not resolved. As a result, better evidence will have to be provided on this issue in the next GRC. In the meantime, the Commission finds that retaining the current net salvage values for the Test Year strikes a reasonable balance between these competing positions.	Depreciation (SCG-24)	Section IV
38	Both	43.1.1	p.851	Natural Gas Leak Abatement Program Memorandum Account (NGLAPMA)	The decision denies amortization of the balance amount in customer rates, and instead requires Sempra to continue to record costs in the NGLAPMA until they can be included in the next GRC.	Regulatory Accounts (SCG-21 and SDGE-)	SCG - Section II SDG&E - Section II.B.12
39	SoCalGas	43.2.1	p.854	Morongo Rights-of-Way Memorandum Account (MROWMA)	The Commission authorizes continuation of the MROWMA to record proposed incremental costs, as requested, to be addressed in the next GRC.	Regulatory Accounts (SCG-21)	Section II
40	Both	48.2.1.4	p.914-915	Self-Insurance Option	Regardless of whether SoCalGas and SDG&E exercise the self-insurance option during the 2024 Test Year GRC Cycle, they must provide information explaining their self-insurance decisions during the 2024 Test Year GRC Cycle in their next GRC showing (e.g., the 2028 Test Year). This will include assumptions and conclusions and be part of a supplement to SoCalGas's and SDG&E's master data request for the next GRC cycle due by October 1, 2026.	Insurance (SCG-15/SDGE-19)	Section II
41	Both	48.2.2	p.919-924, COL 316-318 and Appendix C	Customer Services – Information (CSIN) Settlement Agreement	SoCalGas and SDG&E will dedicate a portion of the test year forecast to develop a one time customer insight research effort for small business customers that addresses issues of affordability, payment options, and saving options for small business customers.	Customer and External Relations (SCG-09) and Customer Services (SDGE-12)	SCG - Section III.A.1.a and Appendix B SDG&E - Section III.A.1.a and Appendix B
42	Both	51	p.933	PD Comments regarding Evidentiary Standards	Most of the reductions to requests in this decision are based on SoCalGas and SDG&E not providing sufficient information specific to the cost increases requested, including information required by the Rate Case Plan. See for example the many unexplained requests for increases, such as an insufficiently explained request for field support (Section 8.2.2.1) of \$3.798 million in 2024. To maintain and increase regulatory certainty, it is incumbent for Sempra to better support its requests in the next GRC.	Policy (SCG-01 and SDGE-01)	SDGE - Section II.E
43	Both	Orders	p.42, OP 12	Affordability	Southern California Gas Company and San Diego Gas & Electric Company shall utilize the results of their Affordability Metric calculations to continue seeking ways to make their rates more affordable for the customers most impacted by their proposed rate increases. They shall also include information on the actions taken to make rates more affordable in their next general rate case.	Policy (SCG-01 and SDGE-01)	SCG - Section V. SDGE - Section IV.
44	SoCalGas	45.5.2	p.873-883, COL 303, OP 56-57	Missclassification of Political and Lobbying Activities	Annually, SoCalGas shall provide the following verified report per Rule 1.1, by sworn affidavit or declaration under penalty of perjury, to the Commission's Executive Director and the service list of A.22-05-015 and A.22-05-016 until and unless the Commission decides it is no longer necessary in all future GRC cycles. (1) explain progress in implementing the 10 PWC report recommendations; (2) provide the following attested information in all future GRC proceedings: a policy for recording above the line costs, employee training details, employees involved in political and lobbying activities, procedures to monitor and verify proper entry of above the line costs, and account details where consultant or outside legal work is included in GRC forecasts as a benefit to ratepayers.	Compliance (SCG-30 / SDGE-36)	Section III.A.3 and Appendix G

APPENDIX D

SDG&E Organizational Efficiency Study

San Diego Gas & Electric (SDG&E) Organizational Efficiency Study

Prepared for **SDG&E**

Prepared by **Accenture**

November 2025

Table of Contents

Introduction, Objectives, & Assessment Framework	3
SDG&E Efficiency Efforts	
Workforce Strategy	6
Supply Management & External Workforce	10
Process Optimization – Energization	17
Conclusion: Summary of Progress to Date & Future Considerations	24

Introduction, Objectives, & Assessment Framework

Study Purpose

In its 2024 General Rate Case (GRC) Final Decision, the California Public Utilities Commission (CPUC) directed Sempra California to perform an efficiency study focused on improving cost-effectiveness without compromising safety.¹ This Study summarizes and assesses recent progress San Diego Gas & Electric (SDG&E) has made at both the organizational level and within key programs and initiatives to drive efficiency and enhance value delivery. The findings are intended to inform future efforts to enhance overall efficiency and performance for SDG&E.

For purposes of this Study, *efficiency* is defined as the ability to achieve greater levels of value and outcomes by improving processes and optimizing resources. Within California's regulatory context, this definition reflects the State of California's expectation that utilities operate in a manner that provides safe, reliable, and equitable service at just and reasonable rates, consistent with the public interest.²

SDG&E efficiency efforts highlighted in this report have been assessed against a consistent framework that examines several factors: (1) value proposition, (2) planning and resourcing, (3) governance, (4) value impact, and (5) approach to continuous improvement. By applying this structured framework, the report seeks to assess current performance and identify forward-looking opportunities to support SDG&E in enhancing efficiency and delivering greater value to customers.

This Study, conducted in October and November 2025, focuses on programs and initiatives specific to SDG&E. A separate, parallel study is being conducted regarding SoCalGas' programs. Both studies apply the same efficiency definition and framework. Assessment of Sempra California's incentive compensation is outside the scope of this Study.

SDG&E's Approach to Efficiency

According to SDG&E, efficiency has long been a core organizational focus, supported by a culture of innovation and continuous improvement. SDG&E's approach centers on fostering a more streamlined organizational structure, along with a consistent emphasis on adopting new technologies and modern ways of working to benefit customers. Building on

¹ CPUC, Decision (D.) 24-12-074, *Decision Addressing the 2024 Test Year General Rate Cases of Southern California Gas Company and San Diego Gas & Electric Company*, Application (A.) 22-05-015 and A.22-05-016, December 19, 2024.

² Cal. Pub. Util. Code §§ 216, 451.

this foundation, SDG&E has recently undertaken multiple efforts at the organizational level aimed at further improving efficiency given recent cost pressures.

In Spring 2024, SDG&E launched a centralized effort to identify and implement efficiency improvements across the Company. This early identification and implementation of efficiency measures consisted of both quick-to-implement efficiencies (more central controls on hiring, elevated levels of spending approval, greater limitations on employee expenses and overhead activities) and more transformative initiatives focused on the future of the SDG&E workforce, supply management and external workforce, and end-to-end process optimization within Operations. These recent efforts, which also included efficiencies to reduce truck rolls, claims process improvements, and paperless billing efficiencies, leveraged Lean Six Sigma and kaizen principles to identify efficiency opportunities. Additional details regarding more transformative efforts from SDG&E can be found in subsequent sections.

Subsequently, SDG&E established the Business Transformation Office (BTO) in February 2025 to formalize responsibilities for the coordination of organizational transformation efforts to achieve greater levels of efficiency. The purpose of SDG&E's BTO is to accelerate organizational transformation by facilitating and coordinating strategic improvements across the Company that enhance efficiency and customer value. The BTO's responsibilities include strategic alignment, the facilitation of centralized governance for business transformation efforts, and performance and value tracking for strategic initiatives. Efficiencies driven by SDG&E's business teams via continuous improvement are spotlighted and amplified by BTO-coordinated transformation governance. The establishment of the BTO has enabled greater levels of strategic alignment and cross-organizational coordination, accelerated decision making, and increased emphasis on value realization. In the future, SDG&E's BTO anticipates building on these efforts by forging a closer partnership with the IT organization to promote business and IT priority initiative alignment as different parts of the business are transformed.

Review Methodology & Framework

This Study focuses on three recent programs that have been prioritized by SDG&E leadership to drive efficiency: (A) SDG&E's Workforce Strategy, (B) Supply Management & External Workforce ("Supply Management"), and (C) Process Optimization – Energization ("Energization"). All three efforts have been coordinated and facilitated in part through SDG&E's newly formed BTO.

An understanding of each program was developed through documentation review, encompassing regulatory filings, executive updates, and program planning materials. This

review was complemented by stakeholder interviews with SDG&E program leadership to gather insights into program objectives, design, governance, and implementation progress. This Study applies a common framework, developed by Accenture, outlining key components of successful program design and implementation to assess how various initiatives across the organization are set up to achieve intended efficiencies. This framework can serve as a template for future efforts focused on efficiency. Each program is considered across five pillars:

1. Value Proposition

Value Proposition evaluates the fundamental rationale and intended value outcomes. It considers the benefits the program aims to deliver to SDG&E and its customers, alignment with overall strategy, and connections to CPUC guidance and goals as applicable.

2. Planning & Resourcing

This pillar examines overall planning and resourcing, including the scope of initiatives and efforts, roadmaps and key milestones, and required capabilities to achieve desired outcomes.

3. Governance

Effective oversight and clear responsibility and accountability are critical to achieve outcomes. This dimension considers governance, including key performance indicators (KPIs) connected to target outcomes.

4. Value Impact

Value Impact considers results to date related to the value proposition, including accomplishments against stated goals, milestones, and measurable KPIs that align with value drivers.

5. Continuous Improvement

Finally, this pillar considers the mechanisms in place to sustain progress, such as feedback loop establishment (both within SDG&E and customer-facing as appropriate) and whether the program incorporates lessons learned to drive ongoing improvements over time.

SDG&E Efficiency Efforts

A. Workforce Strategy

Background

The utility workforce is critical to deliver safe, reliable operations for customers and to achieve additional goals set by regulators and legislators. Labor is also a significant cost for utilities. An effective workforce strategy must balance these factors—aligning capabilities, organizational design, and talent with operational priorities to achieve safe and reliable performance in a cost-effective manner.

SDG&E has recently begun to shift its workforce strategy to more comprehensively and centrally identify efficiency opportunities and future workforce needs. SDG&E has pursued multiple workforce-related initiatives in 2025 to achieve efficiencies that were coordinated at a company-wide level (voluntary retirement program, reduction in force, outsourcing initiatives). It has also shifted workforce planning activities and governance to a more centralized model. Previously and as defined in its 2022 GRC submission, SDG&E conducted workforce planning as a decentralized activity led by individual business unit leadership and guided by the HR department.³ Additionally, SDG&E is conducting a larger effort to identify key capabilities needed to meet future needs as well as additional efficiency opportunities to best streamline operations and leverage technology.

1. Value Proposition

SDG&E's workforce strategy aims to support the organization to have the right people (skilled and trained), in the right numbers, supported with the right policies and programs, to uphold safety, reliability, compliance, and operational excellence. Specific value drivers for current workforce efforts include:

- **Improved workforce planning and alignment:** Cross-SDG&E workforce forecasting and planning processes to better align staffing with operational needs, enhance visibility into resource utilization, and support efficiencies.
- **Enhanced governance and decision making:** Establishment of more centralized workforce planning to strengthen oversight and coordination of workforce decisions and staffing priorities across the business.

³ SDG&E, *Prepared Direct Testimony of Alexandra G. Taylor (People and Culture Department)*, Exhibit SDG&E-32, A. 22-05-016, May 2022, at 28.

- **Greater operational efficiency and service quality:** Pursuit of workforce-related initiatives to streamline operations, improve service quality, manage costs, and better manage resources for greater impact across SDG&E.

2. Planning & Resourcing

SDG&E has conducted a comprehensive review of its workforce in 2025 ahead of its next GRC filing. These centralized efforts included the identification and pursuit of initiatives to improve operational efficiency of the SDG&E workforce as well as an evaluation of future incremental workforce needs and capabilities.

Prior to implementation, SDG&E conducted an analysis of workforce initiative outcomes to evaluate their cost-efficiency potential in the context of organizational needs and the Company's ability to continue delivering safe, reliable operations for customers.

Workforce Strategy initiatives include the following:

- **Voluntary Retirement Program (VREP):** SDG&E launched a VREP in Spring 2025. Voluntary retirement programs are a common tool for organizations to manage headcount and labor costs. The VREP offer was accepted by over 270 SDG&E employees, the majority of whom exited the Company in June 2025. The VREP impact on headcount has been fully incorporated into headcount figures for year-end 2025.
- **Reduction in Force (RIF) Initiative for Information Technology (IT):** A RIF for Sempra California's IT group took place in August 2025 based on expected future workforce needs within SDG&E and SoCalGas' IT department. This reduction is fully reflected in 2025 year-end headcount figures.
- **Outsourcing for Non-Core Activities:** Outsourcing of select non-core activities for SDG&E was initiated in September 2025 for functions within the SDG&E Customer (billing, credit & collections functions) and Finance & Accounting (accounts payable functions) departments. SDG&E conducted a review of its internal functions where services could be provided by a third-party in a more cost-efficient manner with improved levels of service and risk management. The impact of these efforts is included within SDG&E's GRC request.
- **Compensation Modernization Framework:** As part of a Sempra-wide effort, SDG&E recently updated its job architecture and is conducting a series of compensation modernization activities through early 2026 to better align pay structures with market standards—supporting competitiveness, equity, and long-term talent retention.

- **Human Capital Management (HCM) Systems Migration:** In the future, SDG&E plans to replace its HCM system with a more modern system to improve efficiency by reducing time spent on manual tasks, enabling more self-service options for employees, and centralizing skillset management.

3. Governance

SDG&E has established two principal leadership forums to foster greater alignment and coordinated planning on the SDG&E workforce: one forum for more tactical workforce decision making (Workforce Council) and another forum covering a broader range of strategic workforce topics (Business Transformation Steering Committee).

Established in 2023, SDG&E's Workforce Council is comprised of officers and HR leadership to actively manage SDG&E's requisition process. Requisition decisions were reviewed and approved by individual officers prior to the establishment of the Workforce Council. The Workforce Council forum promotes greater coordination and decision making regarding requisitions to more holistically consider cross-SDG&E workforce needs and existing skills when considering the need and fulfillment of requisitions.

Strategic coordination and decision making on workforce planning and major initiatives also occur within SDG&E's Business Transformation Steering Committee. Launched in Spring 2025 and facilitated by the Business Transformation Office (BTO), this leadership forum meets one or more times per month and covers a range of transformation initiatives including those related to SDG&E workforce strategy and planning.

4. Value Impact

Increased governance and protocols around workforce planning have been a significant contributor to recent cost efficiencies across its business alongside its workforce efficiency initiatives. SDG&E's HR department actively tracks total headcount at both the organizational and business unit levels as part of workforce planning efforts. SDG&E has seen a reduction in headcount since the end of 2024 (4,779 employees⁴) by approximately 5% through 2025 via its workforce initiatives. SDG&E indicates that its shift to a more centralized and coordinated workforce strategy and planning model has improved its ability to realize workforce efficiencies and to channel those efficiencies toward investments that address emerging customer needs.

⁴ Sempra, 2024 Annual Report, February 2025, at 38.

5. Continuous Improvement

SDG&E embeds continuous improvement within its workforce management practices through strategic planning and governance to enhance productivity, streamline processes, and optimize resource utilization. Additionally, SDG&E and Sempra conduct recurring employee surveys to gauge employee sentiment and feedback regarding employee experiences.

B. Supply Management

Background

Supply Management plays a critical role in supporting utility operations so that materials and services are sourced and managed efficiently to support customer and company priorities including reliability and affordability.

SDG&E defines its Supply Management function as responsible for identifying, purchasing, and managing the procurement contracts of materials and services needed to operate. Supply Management delivers value to both the organization and customers by leveraging technology and tools to assess the market and analyze spending trends to meet purchasing needs while reducing costs and managing contract performance.⁵ Within its Supply Management function, SDG&E also maintains a Supplier Diversity Program, which advocates for the participation of diverse businesses in contracting opportunities with SDG&E in accordance with State of California goals as defined in General Order (GO) 156.⁶

The procurement of materials and services is critical to SDG&E's overall operational performance and cost efficiency efforts. The Company's procurement totaled more than \$2.6 billion in services and materials in 2024 alone.⁷ The Procurement team helps to maintain that critical infrastructure materials and components are available when needed, while also securing external labor to provide technical or professional expertise that the Company either lacks internally or can obtain more cost-effectively from external sources.

SDG&E's Supply Management function is guided by three core principles that reinforce efficiency and value delivery across the organization:

- **Make sourcing easier:** Streamlining procurement processes through digital platforms, simplified vendor onboarding, and cross-functional coordination to reduce administrative burden and accelerate contracting timelines.
- **Maximize every dollar spent:** Applying data analytics and category management to identify cost-saving opportunities, leverage economies of scale, and facilitate spending aligned with operational priorities and affordability goals.

⁵ CPUC, D. 24-12-074, *Decision Addressing the 2024 Test Year General Rate Cases of Southern California Gas Company and San Diego Gas & Electric Company*, A.22-05-015 and A.22-05-016, December 2024, at 549.

⁶ CPUC, GO 156, *Rules for the Utilities' Procurement of Products and Services from Women, Minority, Disabled Veteran, and LGBT Business Enterprises*, D. 86-12-105.

⁷ SDG&E, *2024 Supplier Diversity Program Annual Report and 2025 Annual Plan*, submitted to the CPUC pursuant to GO 156, February 2025, at 2.

- **Buy responsibly:** Integrating sustainability, supplier diversity, and risk management considerations into purchasing decisions to strengthen long-term resilience and community impact.

SDG&E has leveraged a Category Management procurement structure for Supply Management since 2018. This structure, as opposed to a traditional requisition-to-purchase-order process, emphasizes consideration across specific categories of spend to more effectively analyze external market conditions, internal demand, and emerging customer needs to inform a forward-looking procurement strategy.

1. Value Proposition

SDG&E's Supply Management initiatives aim to deliver value through more efficient sourcing, reduced risk, and responsible procurement practices that support affordability, reliability, and community impact.

Specific value drivers identified for current efforts include:

- **Direct and indirect cost benefits:** Strategic sourcing methods, spend analysis, and effective contract management to achieve cost savings, cost avoidance, and additional potential cost savings (e.g., volume rebates, early payment discounts).
- **Process simplification and improved sourcing efficiency:** Digital procurement tools and streamlined processes to make sourcing faster, more transparent, and compliant with company standards, improving the experience for internal business leaders as well as for external suppliers.
- **Enhanced supply chain resiliency and risk management:** Continuous monitoring of supplier and external workforce performance across financial, cybersecurity, and operational dimensions to mitigate disruptions, maintain reliability, and promote compliance with safety and continuity requirements.
- **Expanded competition and innovation through supplier diversity:** Diverse and inclusive procurement practices to increase competition for materials and services, drive down costs, foster innovation, and promote community empowerment.

2. Planning & Resourcing

SDG&E has recently undertaken a series of process, people, and technology enhancements to improve efficiency in Supply Management operations. These initiatives are designed to streamline procurement operations and expand competition for materials and services so that SDG&E maintains a resilient, cost-effective, and compliant supply chain.

Recent process-based Supply Management initiatives and activities include:

- **Invoice and Purchase Requisition Control Enhancement:** Lowered thresholds for senior employee review and approval of invoices and purchase requisitions to improve financial accountability and minimize procurement risk.
- **Rate Card Rationalization and Consolidation:** Consolidation of vendor services into more structured rate agreements via rate card renegotiations to improve cost transparency, capture savings, and streamline contracting of professional services.
- **Service Bundling:** Greater bundling of services procurement to leverage purchasing power and economies of scale for more cost-efficient rates. SDG&E maintains active discussions with contractors to encourage Tier 2 diverse subcontractor participation, with supplier diversity remaining a key consideration and focus.
- **Vendor Onboarding Enhancement:** Updated procurement procedures and onboarding processes to simplify supplier engagement with SDG&E while maintaining compliance with regulatory and risk standards.
- **External Worker Review & Rationalization:** Detailed review and data cleanup related to SDG&E's external workforce (workers with badge and contractor LAN ID) to enable higher accuracy and tracking of external worker performance, minimize system access risks, and achieve cost efficiencies from strategic evaluation of roles such as staff augmentation.

In parallel, SDG&E pursues technology initiatives, often in partnership with its peer Sempra utility, SoCalGas, designed to standardize workflows, strengthen controls, and enhance reporting towards its core principles. The Supply Management team continues to explore ways to leverage emerging technology including AI-enabled solutions to support organizational goals and efficiencies.

Technology-related initiatives for Supply Management include:

- **SAP Ariba Implementation and Enhancement:** Continued enhancement of the company-wide procurement platform to centralize sourcing activities and standardize purchasing processes. Recent implementation efforts have focused on increasing automation and improving data accuracy. For example, virtual payment capabilities via SAP Ariba aim to increase transactional security and reduce manual processing associated with traditional procurement cards by enabling instant, transaction-specific card generation and real-time reconciliation.
- **Supplier Rate Management:** Enhancements to the supplier rate management system (CCMS) to strengthen cost controls by improving the tracking, approval, and analysis of supplier rates. Through features such as hardcoded rates, automated

data validation, and service entry sheets, the system enables more consistent billing oversight and informed sourcing decisions.

- **SAP Fieldglass Integration:** Implementation of SAP Fieldglass modules to enhance oversight of external labor resources, improve spend visibility, and streamline time and payment processes.
- **Third-Party Risk Monitoring Platform Adoption:** Adoption of a new supplier risk management tool to provide ongoing monitoring across financial, cybersecurity, and geopolitical dimensions, supporting SDG&E's efforts to proactively identify and mitigate potential supplier vulnerabilities.
- **Procurement Dashboards and Analytics:** New reporting dashboards to provide real-time visibility into spend, supplier performance, and diversity metrics, allowing Supply Management and business unit teams to track progress against key goals and identify emerging trends.

Beyond core process and technology changes, SDG&E has also established new teams and structures within Supply Management to promote improved sourcing:

- **Responsible Sourcing Team Creation:** In 2024, SDG&E created a centralized Responsible Sourcing Team within Supply Management to oversee supplier diversity, sustainability, and third-party risk management.⁸
- **Procurement Center of Excellence (COE):** Launched in early 2025, SDG&E's new COE is designed to review and optimize performance across four key dimensions: analytics, compliance, digital systems, and supplier management.

For ongoing initiatives under Supply Management, SDG&E follows a defined project management approach to support the efficient delivery of planned updates. This approach includes defined goals, timelines, and a detailed roadmap and milestones to guide implementation.

3. Governance

SDG&E has instituted several mechanisms to strengthen governance and program management across its procurement activities. SDG&E's Procurement Center of Excellence (COE) provides standardized tools, guidance, and analytics to promote best practices across categories. In addition, Quarterly Business Reviews (QBRs) with key suppliers and business units help maintain accountability, assess performance trends, and identify opportunities for continuous improvement. The Company's newly formed

⁸ SDG&E, *2024 Supplier Diversity Program Annual Report and 2025 Annual Plan*, submitted to the CPUC pursuant to GO 156, February 2025, at 6.

Responsible Sourcing Team also serves as a central forum for oversight, working closely with category and portfolio managers throughout the request for proposal (RFP) process to support leadership alignment and consistency in sourcing decisions.

In addition, SDG&E's recent changes to its invoice and purchase requisition controls offer a built-in method of executive oversight. These enhancements are designed so that all major expenditures receive leadership review, reinforcing accountability and promoting consistency in procurement decision making.

SDG&E's recent improvements to its technology systems have led to more comprehensive and higher-quality data capture. New Fieldglass modules, the Company's external worker management platform, have provided greater real-time visibility into services spend metrics. Similarly, enhancements to SAP Ariba and the supplier rate management system (CCMS) have strengthened insights into materials and services procurement activity. Taken together, these upgrades have expanded visibility into spend volumes, categories, and trends. SDG&E notes that such data are increasingly being integrated into dashboard views to support more data-informed decision making.

Finally, SDG&E has developed new dashboards to track key performance indicators related to supplier diversity. Completed in 2024, these dashboards integrate multiple data streams, including monthly submissions from prime contractors through the Diverse Business Enterprise (DBE) Subcontracting Portal. These tools provide business units with clear snapshots of diverse spend performance and allow users to monitor both direct and subcontractor-level expenditures, supporting a more inclusive and competitive supply chain.

4. Value Impact

SDG&E's ongoing efforts to enhance Supply Management efficiency have generated measurable value and operational benefits across the organization. Over the last several years, the Supply Management & Logistics organization has executed an estimated 6,000-7,000 contracts and amendments and 15,000-20,000 purchase orders (PO) for materials and services annually, underscoring the scale of its procurement operations.

In 2024, more than 90% of total marketable spend⁹ was processed through the Supply Management PO system. This high level of PO compliance has enabled greater visibility into spend volume, trends, and sourcing activity to promote efficiency. In that same year, SDG&E approvers utilized approximately 85% of available early payment discounts

⁹ Per SDG&E, total marketable spend excludes items such as wages, benefits, leases, property taxes, and fuel procurement.

negotiated by Supply Management contracting professionals, leveraging collaboration across business units and efficient governance and processes to achieve this percentage.

SDG&E's recent review and rationalization of its external workforce has resulted in a 38% reduction in total external workforce in 2025, with a 64% reduction in staff augmentation workforce. While SDG&E expects this population to fluctuate over time, the External Workforce Management team will continue to monitor and promote judicious use of external workers.

Regarding supplier diversity, SDG&E conducted business with 533 diverse suppliers in 2024, procuring more than \$1.19 billion in goods and services—representing 44.5% of total procurement spend.¹⁰ That year, SDG&E exceeded its procurement targets for Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs), and Disabled Veteran Business Enterprises (DVBES). The Company attributes these outcomes to its comprehensive supplier diversity strategy, which includes executive oversight through the Responsible Sourcing Team, performance monitoring through KPI dashboards, and defined best practices for diverse supplier engagement, interaction, and negotiation.

5. Continuous Improvement

SDG&E's Supply Management team works closely with internal business units to enhance the efficiency of procuring goods and services. As part of this effort, business unit leads are actively integrated into procurement discussions so that purchasing decisions align with operational needs. These cross-functional engagements also serve as a forum to identify opportunities for process and technology improvements, promoting greater coordination and responsiveness across teams.

SDG&E also maintains specific processes to continuously improve supplier diversity activities and procurement. In partnership with advocacy and community organizations, the Company regularly holds supplier diversity symposiums which bring together prime suppliers, SDG&E business unit leads, and diverse businesses to discuss more proactive and efficient ways of collaboration. In addition, SDG&E holds regular supplier relationship meetings to foster two-way dialogue between company leadership and key suppliers. These meetings include a review of supplier diversity performance and safety, helping keep all parties accountable and fostering a culture of continuous improvement.

Continuous improvement is integrated into its formal governance and oversight mechanisms, including the Responsible Sourcing Team, the COE, and the QBR process. Together, these structures help institutionalize best practices, monitor performance, and

¹⁰ SDG&E, *2024 Supplier Diversity Program Annual Report and 2025 Annual Plan*, submitted to the CPUC, pursuant to General Order 156, February 2025, at 2.

identify emerging opportunities to enhance procurement efficiency and value delivery across the organization.

C. Process Optimization – Energization

Background

Process optimization is critical to achieve efficiencies by streamlining work—cutting cycle times, rework, and cost-to-serve while improving quality and reliability. By standardizing steps, removing bottlenecks, and enhancing processes through technology solutions, organizations such as SDG&E can achieve performance gains at scale.

Energization is one of several fundamental end-to-end services that electric utilities such as SDG&E provide to customers. Per the California Public Utilities Code, the energization process involves “connecting customers to the electrical distribution grid and establishing adequate electrical distribution capacity or upgrading electrical distribution or transmission capacity to provide electrical service for a new customer, or to provide upgraded electrical service to an existing customer.”¹¹

In recent years, energization project demand and customer needs have increased. Rising demand from new large load customers, coupled with widespread electrification across transportation and buildings, has significantly expanded the volume and diversity of energization project requests. From 2020 to 2024, SDG&E’s energized project count increased by 19% annually, while the number of full-time equivalent employees (FTEs) dedicated to energization activities remained roughly the same.¹² These trends have heightened the importance of effective energization process design, coordination, and tracking as well as implementing new and expanded capabilities for increased project delivery efficiency and enhanced clarity for customers.

In October 2023, Governor Gavin Newsom signed Senate Bill 410 (SB 410) into law, mandating that the CPUC establish reasonable average and maximum target energization time periods for California’s three major investor-owned utilities, including SDG&E, regarding energization process steps under utility control.¹³ In response, the CPUC issued *D. 24-09-020* in September 2024, establishing new statewide energization targets for Rules 15 and 16, while maintaining existing timelines applying to Rule 45, which covers electric

¹¹ Cal. Pub. Util. Code § 931(b).

¹² SDG&E, Application 25-04-015, *San Diego Gas & Electric Company’s (U 902 E) Notice of Ex Parte Communication*, October 2025, at 2.

¹³ Sen. Bill No. 410 (2023 Reg. Sess.) (Cal. 2023).

vehicle (EV) activities and infrastructure.¹⁴ Specific targets and additional requirements are listed below.¹⁵

Table 1 – Average & Maximum Energization Target Timelines (Utility-Controlled Steps)

Energization Type	Avg. Target (Calendar Days)	Max. Target (Calendar Days)
Rule 15 ¹⁶	182	357
Rule 16 ¹⁷	182	335
Rule 15 / 16 Combined ¹⁸	182	306
Rule 45 ¹⁹	182	335
Application Decision ²⁰	10	45
Main Panel Upgrade ²¹	30	45

1. Value Proposition

In response to increased demand and CPUC mandates, SDG&E put in place a targeted set of initiatives to transform the energization process and deliver measurable improvements in both efficiency and customer experience. The program intends to increase predictability, transparency, and standardization across energization activities under utility control.

Specific value drivers and outcomes identified by SDG&E include:

- **Shorter, more predictable energization timelines:** Standardized and streamlined processes with fewer delays to reduce average and maximum project duration and improve schedule reliability in alignment with CPUC targets.
- **Improved customer communication and satisfaction:** Efforts to enhance customer experience via clearly defined milestones, standardized reporting, and a single point of contact (SPOC) to enhance stakeholder clarity and accountability.
- **Enhanced data quality and visibility:** Defined metrics and performance tracking to improve insight into program performance, enabling data-driven decision making and continuous improvement.

¹⁴ CPUC, D. 24-09-020, *Decision Establishing Target Energization Time Periods and Procedure for Customers to Report Energization Delays*, September 2024, at 2.

¹⁵ CPUC, *Energization Fact Sheet*, September 2024.

¹⁶ Rule 15 is a standard electric energization tariff that covers distribution line extensions (from the substation to the secondary transformer).

¹⁷ Rule 16 is a standard electric energization tariff that covers service line extensions (from the secondary transformer to the meter).

¹⁸ Energization projects that require a combined distribution line and service line extension.

¹⁹ SDG&E's EV Infrastructure tariff is identified as Electric Rule 45.

²⁰ The timing for the utility to approve or deny a customer's application for service.

²¹ The replacement of breakers, fuses, wires, and other equipment to upgrade a building's / home's amps to reduce system overloads and safely support a building's additional electric load.

- **Greater operational efficiency and scalability:** Process optimization and standardization to reduce cost per job and enable SDG&E to meet growing demand more effectively.
- **Enhanced regulatory compliance:** Alignment with CPUC requirements on transparency, timelines, and reporting to support broader regulatory objectives.

2. Planning & Resourcing

The energization process is inherently complex, spanning multiple stages that require coordination among the customer, contractors, permitting bodies, and utility departments. Within SDG&E, more than a dozen teams play a role in energization activities, including Construction, Customer Project Management (CPM), Engineering and Design, Electrical Regional Operations, Electric Distribution Operations, Land and Environmental, and Supply Management.

As detailed in SDG&E's April 2025 *Biannual Energization Report*, the Company initiated a cross-functional effort to assess its energization processes and identify improvement opportunities.²² These efforts spanned multiple SDG&E business units to evaluate existing processes, systems, and organizational structures. SDG&E also convened subject-matter experts and held listening sessions with regional stakeholders to solicit feedback on customer experiences and pain points.

These efforts resulted in the launch of three sets of initiatives to collectively deliver shorter energization timelines and improved customer experience: (1) process improvement initiatives, (2) technology initiatives, (3) and an organizational redesign of the CPM team. The process-based initiatives below were launched in late 2024 and implemented in 2025:

- **Process Initiative 1 - Improved Customer Engagement:** Activities to create a more streamlined customer experience and facilitate consistent communication and interaction at each stage of the energization process, including the creation of a single point of contact (SPOC) for customers. This process initiative informed needed changes to the My Project Center customer portal described below.
- **Process Initiative 2 - KPI Measurement and Reporting:** Activities to establish a standardized set of performance indicators to define expectations, track progress, and enhance accountability.
- **Process Initiative 3 - Service-Level Agreement (SLA) Time Optimization:** Activities to reduce project cycle times by identifying process inefficiencies, minimizing manual tasks, and revising service-level agreement durations.

²² SDG&E, *Biannual Energization Report*, filed pursuant to D. 24-09-020, R. 24-01-018, September 2025, at 2.

- **Process Initiative 4 - Minimizing Errors and Turndowns:** Activities focused on identifying and addressing the root causes of rework and delays by improving accuracy and quality controls.
- **Process Initiative 5 - Job Scope and Status Integrity:** Activities to strengthen process coordination and communication as jobs move through successive stages of the workflow (e.g., scope change tracking).
- **Process Initiative 6 - Resource Right-Sizing and Upskilling:** Activities to evaluate workforce capacity and skill levels with energization program needs to support appropriate staffing and capabilities to meet evolving customer demand. This effort evolved into the CPM Team Organizational Redesign initiative defined below.
- **Process Initiative 7 - Supply Chain Readiness:** Activities to enhance materials forecasting and procurement processes for timely availability of critical equipment required for new service connections and infrastructure upgrades.

In parallel, SDG&E has also pursued three primary technology initiatives which aim to improve customer experience and SDG&E employee efficiency while supporting CPUC reporting requirements. In addition to these three primary initiatives, SDG&E continues to explore additional opportunities to leverage AI and emerging technology to improve the customer experience and streamline the process, with enriched data from Nexus.

- **My Project Center Modernization:** Activities and investments to enhance SDG&E's customer-facing portal (previously named the Builder Services Portal or BSP) via improved functionality for residents, builders and developers, including online service requests, document submission, and real-time status updates.
- **Nexus Digital Application:** Activities and investments to accelerate project delivery and efficiency via improved coordination and visibility across project stages through a centralized digital platform that standardizes data, enhances collaboration, and supports end-to-end project management.
- **Reporting:** Activities to support data management and tracking of energization project stages as defined by the CPUC to meet regulatory reporting requirements.

The initial energization process improvement initiatives in early 2025 also uncovered opportunities to pursue a more customer-centric, efficient organization for the CPM team:

- **Customer Project Management (CPM) Team Organizational Redesign:** The CPM team worked collaboratively over the course of several months in 2025 to create a future-ready CPM organization. This redesign initiative focused on aligning and simplifying the organizational structure, teams, roles, and processes to achieve

more proactive, seamless customer engagement, clearer ownership and accountability, and leaner and standardized operations.

For each of its energization initiatives, SDG&E has established roadmaps and key milestones to guide implementation. These planning elements are designed to track progress of activities and provide line of sight to cross-initiative dependencies.

3. Governance

SDG&E has launched governance forums across the executive, director, and manager levels related to energization to support alignment across initiatives, reinforce accountability, and maintain coordination from frontline management through the executive level.

- At the executive level, the Company has implemented a monthly executive steering series through which program leadership delivers briefings on the status of ongoing initiatives to key executives. These briefings include reporting on KPIs such as energization timelines alongside updates on in-flight people, process, and technology improvement initiatives.
- At the director and manager levels, SDG&E has also established a monthly director meeting series and biweekly manager meeting series for coordination and alignment across energization efforts. These sessions are designed to facilitate regular engagement among key business leadership who directly oversee energization activities alongside IT leadership to provide visibility into program KPIs, progress, and interdependencies.
- At the initiative team level, SDG&E has implemented governance to establish clear accountability, structured decision making, and consistent oversight of initiatives—enabling timely issue resolution and sustained progress toward goals.

In addition, SDG&E has launched coordinated efforts to create, store, track, and visualize energization-related KPIs over time. KPIs are defined by three areas: Energization Timing, Customer, and Productivity. For each metric, SDG&E has established a definition, identified a proposed system of record, noted availability status, set an established target if applicable, and—where available—is working to publish metrics in internal dashboards for visibility to measure progress.

- **Energization Timing:** These metrics track performance for both completed and in-process jobs, including rule-specific views (e.g., Rules 15, 16, combined 15/16, and main panel upgrades) with intended alignment with reporting requirements outlined in *D. 24-09-020*. These metrics are foundational to SDGE's energization work, providing insight into improvement over time and progress toward CPUC-

established targets. To further incentivize an improvement in energization outcomes, SDG&E has included energization timeline reduction targets as part of its 2025 incentive compensation plan (ICP).

- **Customer:** Customer metrics include survey-based measures of satisfaction at the end of an energization project along with select CPUC-requested indicators. SDG&E characterizes these metrics as critical for maintaining responsiveness to customer needs and feedback.
- **Productivity:** Productivity metrics track detailed internal job performance elements such as discrepancies, errors, change orders, and delays. SDG&E is currently building mechanisms and dashboards to track productivity metrics internally, with expected go-live in December 2025. This level of tracking is intended to promote internal team accountability and enable continuous feedback and corrective action when performance falls short of expectations.

4. Value Impact

SDG&E's energization initiatives have yielded measurable improvements in both average project duration and project delivery consistency. A comparative analysis of SDG&E's April and September 2025 *Biannual Energization Reports* showed a reduction in average project duration across all tariff types—from approximately 184 calendar days to 147 calendar days—and an increase in the percentage of projects meeting target timelines, from 51 percent to 64 percent.²³ While SDG&E has demonstrated measurable progress across timeline metrics, further capabilities are needed to meet all obligations outlined in *D. 24-09-020*, including the requirement to isolate and quantify the impact of customer and utility-specific dependencies on overall energization timelines.²⁴

Customer satisfaction with the energization process has shown a marked increase since the beginning of 2025 based on recent end-of-project customer surveys. The percentage of customers indicating overall satisfaction in their energization project experiences with SDG&E increased by over 30 percentage points since the beginning of 2025. SDG&E attributes this improvement to clearer, more streamlined communication, enhanced service request tracking, and ongoing improvements to streamline customer interactions.

SDG&E has continued progress in developing internal productivity metric tracking, indicating substantial progress toward establishing the necessary tracking capabilities. The

²³ SDG&E, *Biannual Energization Reports*, filed pursuant to D. 24-09-020, R. 24-01-018, April 2025 and September 2025 (Excel attachments).

²⁴ SDG&E, *Biannual Energization Report*, filed pursuant to D. 24-09-020, R. 24-01-018, September 2025, at 3.

Company anticipates formalized tracking of such productivity metrics to begin by the end of 2025.

5. Continuous Improvement

SDG&E has implemented several mechanisms, both external and internal, to continue to evolve and improve its energization process over time.

Two central mechanisms drive SDG&E efforts to solicit feedback from external stakeholders and customers for continuous improvement purposes: Stakeholder Listening Sessions and the Customer Experience Survey.

SDG&E regularly conducts listening sessions with a wide range of energization stakeholders, including builders, contractors, affordable housing developers, and other customer representatives, to gather feedback on the current state of the energization process. In 2025, the Company conducted listening sessions with more than 75 external stakeholders to identify recurring challenges and opportunities to improve the energization process.²⁵ Following these sessions, SDG&E has continued engaging stakeholders through follow-ups to share updates on the energization process.

SDG&E also issues a Customer Experience Survey upon project closeout for customers who have recently engaged with the Company for energization services. This survey addresses dimensions such as communication quality, portal usability, and overall satisfaction. Results are analyzed to assess progress and inform improvement strategies.

Insights from both the listening sessions and the survey are used by internal teams to identify pain points and develop actionable recommendations. These findings are presented in executive briefings and cascaded to initiative teams, providing a consistent, data-driven feedback loop to improve program delivery and customer experience.

Beyond external feedback, SDG&E has implemented practices to foster continuous improvement within its own teams. The Company's executive, management, and initiative teams review KPI data on a recurring basis to evaluate performance drivers, define corrective actions, and support responsive decision making. SDG&E also conducts periodic employee insights surveys to collect perspectives on team structure, processes, and overall sentiment, with one recent example being the CPM team survey. SDG&E plans to conduct this survey on a recurring basis, allowing the Company to solicit employee feedback on CPM team operations over time.

²⁵ SDG&E, *Biannual Energization Report*, filed pursuant to D. 24-09-020, R. 24-01-018, September 2025, at 2.

Conclusion

Summary of Progress to Date

Across the three efficiency programs evaluated—Workforce Strategy, Supply Management, Energization—SDG&E has demonstrated measurable progress toward improving efficiency and customer value. These initiatives collectively reflect a broader organizational shift toward more centralized strategic planning and decision making, strengthened governance, and greater emphasis on sustained continuous improvement. This progress suggests early realization of efficiencies consistent with the objectives of the Company's organizational-wide transformation, while ongoing opportunities remain to further embed these efficiencies and strengthen long-term performance.

With regards to Workforce Strategy, SDG&E has advanced a more centralized planning approach to pursue initial workforce efficiencies and begin to identify incremental future workforce and capability needs. Through initiatives such as VREP, targeted reductions in force, and outsourcing of non-core functions, the Company has achieved early efficiencies by reducing its 2025 headcount by approximately 5% from 2024 levels. The recent establishment of the Workforce Council and integration with the Business Transformation Office have strengthened SDG&E-wide workforce planning governance. These improvements suggest that the Company's shift from the prior decentralized model has enabled more strategic, coordinated, and forward-looking workforce planning to pursue additional efficiency-oriented initiatives so that future workforce investments are made in the right places across the organization.

Relating to Supply Management, SDG&E has enhanced procurement efficiency by strengthening controls, advancing digital systems, and implementing more strategic sourcing models. In 2024, over 90% of total marketable spend occurred through purchase order processes, improving cost visibility and accountability. Newer governance mechanisms such as the Responsible Sourcing Team, Procurement Center of Excellence, and quarterly business reviews appear to support greater levels of continuous improvement culture and enable earlier identification of efficiency opportunities. In summary, these developments suggest a maturing procurement function that is increasingly data-driven, strategically aligned, and positioned to deliver sustained efficiency and value.

For Energization, SDG&E has made notable initial progress in improving efficiency and customer experience. Between April and September 2025, average project durations across all projects decreased from 184 to 147 calendar days, energized projects meeting average duration targets rose from 51% to 64%, and customer satisfaction improved by

more than 30 percentage points. These enhancements are due to coordinated process redesign work, continued enhancement of digital tools, and a restructuring of the CPM organization to enable more effective service delivery. Governance implementation across leadership levels and regular stakeholder listening sessions also reinforces accountability—a key success factor for multi-year transformations.

Future Considerations

SDG&E can consider several strategic opportunities to enable the organization to achieve additional efficiencies and value in the future:

1. Increase alignment between organizational-wide goals and key initiatives

SDG&E has made meaningful progress in defining program value propositions and initial efforts to track value impact for its recent efficiency programs via programmatic and organization-wide structures such as the Business Transformation Office. Moving forward, SDG&E should continue to strengthen the connection of its efficiency-related programs to broader organizational goals and objectives as it conducts multi-year organizational strategic planning and goal setting looking towards the end of the decade. This can drive additional clarity and connection of work to larger goals for employees as efficiency-oriented initiatives continue and new initiatives are spearheaded across leadership levels and business teams. Consistent, frequent communication leveraging governance forums and other communications will be key for cross-organization alignment and understanding as work, the workforce, and technology changes.

2. Broaden end-to-end process focus

Traditional process improvement focused within one function or team limits value achievement. SDG&E's initial success in improving the energization process and outcomes for customers demonstrates the value of taking an end-to-end approach across core utility processes. Extending this holistic approach to other main utility processes can unlock significant efficiencies across organizational silos and improve customer experience. Achieving this will require continued cross-functional leadership alignment and coordination, value detailing, integrated business and technology roadmap planning, and shared accountability. Governance through SDG&E-wide structures like the Business Transformation Office, supported by consistent communication, employee upskilling, and change management, can help achieve more robust impact.

3. Build upon recent shift of workforce strategy centralization

SDG&E should continue to build upon its recent centralized workforce governance and planning efforts to better understand how future workforce needs and capabilities will continue to change so that it can invest in the right areas to drive greater outcomes for

customers. While demands upon utilities are growing (increased load, customer project requests, climate risks), new technologies and process efficiencies are enabling greater levels of work productivity while maintaining or improving service quality. SDG&E can unlock additional levels of work efficiencies and consider redeploying workforce capacity to areas of greater need by anticipating critical future core skill needs and increased demands. Continued governance and leadership forums such as the Business Transformation Steering Committee and centralized, coordinated strategic planning efforts will be critical to evaluate and pursue opportunities on a recurring basis as the technology landscape evolves.

4. Advance outcome-based models in procurement

Building on its current progress in Supply Management, SDG&E can further evolve toward outcome-based contracting and performance frameworks, focusing supplier relationships on measurable results such as cost reduction, service quality, and sustainability performance. Regarding additional procurement opportunities, emphasis should be placed on capabilities that are less connected to SDG&E's core business and where better, more cost-effective service levels can be achieved through external sources. Outcome-based frameworks for suppliers can strengthen accountability, enable more strategic sourcing, and create partnerships that directly contribute to the utility's long-term operational and customer goals.

APPENDIX E

SoCalGas Organizational Efficiency Study

Southern California Gas Company (SoCalGas) Organizational Efficiency Study

Prepared for **SoCalGas**
Prepared by **Accenture**

December 2025

Table of Contents

Introduction, Objectives, & Assessment Framework	3
SoCalGas Efficiency Efforts	
Operations	7
Workforce Strategy	21
Supply Chain & Support Services	25
Conclusion: Summary of Progress to Date & Future Considerations	29

Introduction, Objectives, & Assessment Framework

Study Purpose

In its 2024 General Rate Case (GRC) Final Decision, the California Public Utilities Commission (CPUC) directed Sempra California to perform an efficiency study focused on improving cost-effectiveness without compromising safety.¹ This Study summarizes and assesses recent progress Southern California Gas Company (“SoCalGas”, “Company”, or “Organization”) has made at both the organizational level and across key strategic areas and initiatives to drive efficiency and enhance value delivery. These findings are intended to inform future efforts to enhance overall efficiency and performance for SoCalGas.

For purposes of this Study, *efficiency* is defined as the ability to achieve greater levels of value and outcomes by improving processes and optimizing resources. Within California’s regulatory context, this definition reflects the State of California’s expectation that utilities operate in a manner that provides safe, reliable, and equitable service at just and reasonable rates, consistent with the public interest.²

SoCalGas’ efficiency efforts highlighted in this report have been assessed against a consistent framework that examines several factors: (1) value proposition, (2) planning and resourcing, (3) governance, (4) value impact, and (5) approach to continuous improvement. By applying this structured framework, the report seeks to assess current performance and identify forward-looking opportunities to support SoCalGas in enhancing efficiency and delivering greater value to customers.

This Study, conducted from October to December 2025, focuses on strategic areas and initiatives specific to SoCalGas. A parallel study is being conducted at San Diego Gas & Electric (SDG&E). Both studies apply the same efficiency definition and framework. Assessment of Sempra California’s incentive compensation is outside the scope of this Study.

SoCalGas’ Approach to Efficiency

Efficiency is a core organizational focus for SoCalGas, supported by its mission, goal-setting and a culture of data-driven continuous improvement.³ At the organization level,

¹ CPUC, Decision (D.) 24-12-074, *Decision Addressing the 2024 Test Year General Rate Cases of Southern California Gas Company and San Diego Gas & Electric Company*, Application (A.) 22-05-015 and A.22-05-016, December 19, 2024.

² Cal. Pub. Util. Code §§ 216, 451.

³ SoCalGas Mission Statement: “Safe, Reliable, and Affordable energy delivery today. Ready for tomorrow.” Available at: <https://www.socalgas.com/about-us/mission>.

SoCalGas sets annual and long-term strategic goals, which are developed and prioritized by a cross-functional team of leaders. These strategic goals are in line with the Company's three overarching values--Do the Right Thing, Champion People, and Shape the Future--and provide direction to business areas for initiative prioritization. Efficiency initiatives are driven by both top-down strategic planning processes and bottom-up insights from the front lines and are intended to deliver value by streamlining work, reducing costs, and achieving high customer satisfaction while maintaining safety and adhering to state and federal regulations.

SoCalGas has cross-functional resources and capabilities at the organizational level to both facilitate planning and to support the delivery of efficiency initiatives across key strategic areas. These resources and capabilities also help strengthen reporting and review cycles to better connect initiative-level key performance indicators (KPIs) to organizational goals. This includes: (1) the Strategic Planning team, (2) the Value Creation and Decision Analytics team (VCDA), and (3) the Operations Transformation team.

1. **Strategic Planning:** Established in 2020, the Strategic Planning team facilitates the development of long-term business strategies and goals so that strategic objectives are integrated with regulatory policy and sustainability priorities. Through data-driven analysis, scenario planning, and collaboration with leadership and key stakeholders, Strategic Planning helps to align company-wide priorities and business unit priorities, enabling the business groups to create actionable roadmaps. By maintaining a strong connection between business strategy and regulatory frameworks, the team enables SoCalGas to adapt to evolving market and policy conditions while advancing safe, resilient, and sustainable operations.
2. **Value Creation and Decision Analytics (VCDA):** Established in 2010, the VCDA team (originally Performance Management and Organizational Strategy or PMOS) was established with the main objective to drive operational excellence. This team primarily supports other SoCalGas departments with the creation of data-driven initiatives by leveraging advanced data science and analytics capabilities from a team of specialists. The VCDA team has supported departments like Human Resources (HR) to create predictive models of workforce development, enabling teams to enhance workforce strategy and improve tactical workforce deployment. VCDA has also supported the "811 Dig Alert" initiative to develop a Ticket Risk Assessment Model that prioritizes tickets based on several factors, enabling Operations to prioritize the most impactful tickets first. After working with teams across the organization to set up initiatives, VCDA leverages a thorough handover process to build ownership within each business area. The individual business areas are then responsible for sustaining results.

- 3. Operations Transformation:** The SoCalGas Operations Transformation organization was created in June 2025, setting up a specific team focused on optimization of areas within Operations. The team is currently working across Operations to integrate activities and optimize workflows. In particular, the Operations Transformation team is focusing directly on the Customer Service Field and Distribution field operations departments within SoCalGas. Further details on this initiative are discussed later in this report in the Operations section.

In addition, SoCalGas aims to empower employees to drive continuous improvement across the business. SoCalGas has made introductory Lean Six Sigma (LSS) training available to all employees through LinkedIn Learning. Various levels of LSS certification are available, with most choosing to take green and yellow belt classes. Yellow belt classes are available to all associate and management employees. Green belt classes are also available to employees who wish to pursue certification. Coupled with LSS, SoCalGas has also adopted continuous improvement initiatives such as kaizen, “ride-alongs,” and “We-lead” days, where executives and managers accompany field workers to better understand the Company’s operations.

Review Methodology & Framework

This Study applies a common framework, developed by Accenture, outlining key components of successful initiative design and implementation to assess how various initiatives across the organization are set up to achieve intended efficiencies. This framework can serve as a template for future efforts focused on efficiency. Each area is considered across five pillars:

- 1. Value Proposition**

Value Proposition evaluates the fundamental rationale and intended value outcomes. It considers the benefits the initiative aims to deliver to SoCalGas and its customers, alignment with overall strategy, and connections to CPUC guidance and goals as applicable.

- 2. Planning & Resourcing**

This pillar examines overall planning and resourcing, including the scope of initiatives and efforts, roadmaps and key milestones, and required capabilities to achieve desired outcomes.

- 3. Governance**

Effective oversight and clear responsibility and accountability are critical to achieve outcomes. This dimension considers initiative governance, including KPIs connected to target outcomes.

4. Value Impact

Value Impact considers results to date related to the value proposition, including accomplishments against stated goals, milestones, and measurable KPIs that align with value drivers.

5. Continuous Improvement

Finally, this pillar considers the mechanisms in place to sustain progress, such as feedback loop establishment (both within SoCalGas and customer-facing as appropriate) and whether the strategic area and initiatives incorporate lessons learned to drive ongoing improvements over time.

This Study focuses on three strategic areas within SoCalGas' business: (A) Operations-- comprised of Field Operations, System Integrity, and Customer Services, (B) Workforce Strategy, and (C) Supply Chain and Support Services.

An understanding of each area was developed through a review of SoCalGas' regulatory filings, public announcements and reports. This review was complemented by stakeholder interviews with SoCalGas leadership and supplemental information from SoCalGas subject matter experts from each strategic area to gather insights into design, governance, and implementation progress. Over 25 members of SoCalGas' leadership and management teams participated in interviews to discuss their efficiency initiatives and priorities. This report does not include a detailed review of operational data (e.g., budgets, staffing, scheduling) linked to these initiatives.

SoCalGas Efficiency Efforts

A. Operations

Background

Operations are the backbone of SoCalGas, enabling the safe, reliable, and affordable delivery of energy to more than 21 million consumers across Southern California.⁴ As the largest natural gas distribution utility in the United States, SoCalGas and its Operations teams prioritize operational excellence and safety as foundational elements of its mission. Over the past several years, SoCalGas has put additional focus on efficiency, reporting improvements through streamlined processes, advanced technologies, and infrastructure modernization.

SoCalGas Operations encompasses three major areas for purposes of this report: Field Operations, System Integrity, and Customer Services. The following information is based on interviews with stakeholders across these groups and supplemental information provided by SoCalGas in response to interview questions related to this Study's framework. Where applicable, the information is supplemented by public documents filed by SoCalGas.

Field Operations

SoCalGas teams supporting Field Operations report two overarching efficiency objectives: (1) driving end-to-end process improvement by breaking down siloes (especially between the Distribution and Customer Service Field Operations teams) and (2) strengthening a culture of continuous improvement by aligning the employee experience with customer experience.

This report highlights multiple efficiency initiatives that these teams have pursued or are currently pursuing: the integration of operational teams, Advanced Metering Infrastructure (AMI), enhanced leak inspection practices, and workforce optimization.

System Integrity

System integrity is critical to SoCalGas in promoting the safe, reliable, and environmentally responsible operation of its natural gas infrastructure, protecting both customers and communities. By implementing advanced risk-based initiatives, SoCalGas proactively

⁴ SoCalGas, Mission Statement, <https://www.socalgas.com/about-us/mission>.

mitigates threats to pipelines and storage facilities, reducing the possibility of costly incidents and minimizing methane emissions.

This report focuses on two System Integrity efficiency initiatives: 811 Dig Alert and the Storage Integrity Management Program (SIMP).

Customer Services

The SoCalGas Customer Services group is comprised of multiple teams including Customer Service Field Operations, Customer Contact Center, and Remittance Processing. Improvements to customer-facing operations are a critical component of SoCalGas' organizational goals with modernizing customer-facing systems identified as a key priority.

In addition to the efforts that the Customer Service Field Operations team have been supporting in Field Operations, this report highlights several efficiency initiatives within Customer Services, most notably call center modernization and planning & scheduling optimization. Additional digitization and cost efficiency initiatives include paperless billing enrollment, branch office closure, and customer usage and payment analytics.

1. Value Proposition

Initiatives developed in Operations collectively aim to deliver measurable improvements in safety, reliability, and cost efficiency while supporting California's broader environmental and regulatory objectives.

Field Operations and System Integrity initiatives are intended to improve efficiency by reducing damage to lines, mitigating leaks, and optimizing resources between teams. Specific levers and value drivers identified by SoCalGas include:

- **Enhanced gas line integrity:** SoCalGas strives to reduce the rate of damage to buried gas lines to avoid costly repairs and safety incidents. Preventing damage to gas lines is more cost-effective than repairing damaged lines, and punctured lines pose a significant safety risk to those around the line.
- **Reduced costs of field activities:** Efforts such as streamlined processes or more optimized dispatching and scheduling are resulting in reduced labor costs, fewer truck rolls, and lower fuel expenses.
- **Improved safety and responsiveness:** Digital tools have enhanced the ability of field teams to perform assessments remotely, optimize scheduling and routing, and preemptively identify safety risks.
- **Minimized overtime:** Leveraging workforce data and optimization tools, scheduling improvements are being made to reduce overtime hours.

SoCalGas' **Customer Services** initiatives are designed to both promote compliance with regulations while meeting department objectives to balance customer experience improvement and cost reduction. These initiatives have reduced time spent on low-value activities and reduced O&M costs. Specific levers and value drivers identified through interviews with SoCalGas include:

- **Technician drive time:** The amount of time technicians spend driving to, from, and between jobs. This is affected by route optimization as well as job prioritization and consolidation, which prevents unnecessary truck rolls.
- **Customer support agent call time:** Time spent by customer support agents by task. Time is measured in seconds per call, which can add up to thousands of labor hours per year.
- **Reduced billing costs:** Reduced billing operational costs through paperless billing (more environmentally friendly, saves SoCalGas money by not having to print and mail bills each month), and select branch office closures (costs for ratepayers with minimal benefit).

2. Planning & Resourcing

SoCalGas conducts periodic, comprehensive reviews of operational needs and future priorities to deliver on value drivers and to guide resource allocation across Operations. Initiatives are prioritized based on regulatory requirements, safety commitments, and anticipated customer and business value.

Initiatives within the Operations areas are owned by leaders within each group and primarily leverage existing resources to drive execution. Select stakeholders from other functions and in-house analytics capabilities support initiative leadership to promote proper resourcing and performance monitoring. SoCalGas has recently strengthened resources dedicated to delivering efficiency initiatives in Operations with the establishment of the Operations Transformation team. This team has already begun implementation of several initiatives including the integration of operational teams and enhancing leak inspection practices.

Field Operations

Resource planning for Distribution and Customer Services focuses on eliminating inefficiencies and modernizing core processes while contributing to goals of damage prevention, cost efficiency, and environmental stewardship. Initiatives reflect SoCalGas' commitment to California's expectations for safe, reliable, and affordable service. SoCalGas notes that some initiatives create long-term benefits as they continue to grow in

scope and implementation, and their improved impacts on safety and efficiency will become more apparent in future reviews. Initiatives include:

- **Integration of operational teams:** This initiative aims to eliminate duplicative efforts between Distribution and Customer Service Field Operations functions. By considering whether to consolidate certain roles, such as clerical support and dispatch, SoCalGas may further streamline workflows, improve communication, and reduce costs.
- **Advanced Metering Infrastructure (AMI):** SoCalGas is beginning an effort to plan for the most affordable approach to replace its current AMI system which began mass install in 2013. Introduction of this technology enabled new capabilities such as remote meter reads and diagnostics. SoCalGas reports that its goal is to continue to sustain the benefits such as the reduction of truck rolls, improvement in operational efficiency, and enhancement of customer experience through timely usage data and alerts. AMI also supports leak detection capabilities, contributing to safety and compliance objectives.
- **Enhanced leak inspection practices:** SoCalGas has pursued several enhancements to leak inspection practices. These include: (1) the implementation of a dedicated Leak Survey Team (LST) to develop specialized skills and improve productivity; (2) standardization of methods by the Distribution and Customer Service Field Operations teams to incorporate atmospheric corrosion inspection into the leak survey process; and (3) the digitization of leak survey maps.
- **Workforce optimization:** SoCalGas is optimizing its Operations workforce by optimizing work assignments based on worker capability and improving dispatch and scheduling capacity planning with predictive analytics. This is built on the 'Workforce Planning Model' discussed in the subsequent 'Workforce Strategy' section.

Additional efficiency-oriented initiatives will continue to be implemented in 2026. Upon commencement, these initiatives are expected to deliver improvements in safety risk reduction, affordability, and customer/employee experience. These include:

- Atmospheric corrosion inspections (ACOR) being integrated into leak surveys (eliminate the need for multiple truck rolls, reduce frequency from 3-years to 5-years)
- Cross training for workers to perform enhanced leak investigation and leak coding activities (eliminate truck roll for next-day follow-up)
- Further integration of Customer Service Field Operations and Distribution

- Potential to align the district clerical role with other similar clerk positions across the enterprise as well as right size the number of positions needed to conduct the work

System Integrity

This section summarizes efforts made by the Gas Engineering and System Integrity team. SoCalGas reports that planning centers on predictive risk management and regulatory compliance.

- **811 Dig Alert:** This initiative focuses on reducing excavation-related damage by leveraging predictive analytics to prioritize high-risk tickets among the approximately one million 811 notifications received annually. 811 Dig Alert goes beyond meeting the minimum legal requirement (California law mandates contacting 811 before digging⁵) by actively promoting safe digging through extensive public awareness campaigns. SoCalGas reports that 811 Dig Alert is supported by a dedicated data scientist and integrated with KorTerra ticketing and GIS platforms to integrate advanced analytics and GIS platforms. This allows SoCalGas to prioritize high-risk tickets, enabling proactive outreach and reducing third-party damage. This approach enables proactive engagement with excavators and targeted resource allocation, reducing the likelihood of costly repairs and methane emissions associated with line strikes. The initiative was started with the support of the SoCalGas VCDA team.
- **Storage Integrity Management Program (SIMP):** Established in 2016, this initiative addresses the unique risks associated with underground gas storage facilities. SIMP was designed to go above and beyond existing regulatory requirements and was approved by the CPUC as a proactive safety measure.⁶ SIMP applies risk-based inspection intervals and engineering assessments to maintain well integrity while avoiding unnecessary interventions, in line with regulatory mandates from CalGEM and PHMSA.⁷ SIMP requires specialized equipment, trained personnel, and continuous evaluation to incorporate lessons learned and evolving regulatory guidance. SIMP employs industry-leading, risk-based inspection intervals and

⁵ California (CA) Legislature. CA Government Code 4216.

⁶ CPUC. Resolution G-3544. November 2018 at 2.

⁷ California Geologic Energy Management Division (CalGEM), California Code of Regulations Title 14, Article 5 (§1726 et seq.); Pipeline and Hazardous Materials Safety Administration (PHMSA) Final Rule (49 CFR §192.12).

advanced engineering assessments to maintain well integrity while reducing unnecessary interventions.

Customer Services

This section summarizes efforts made by three teams within Customer Services: Customer Service Field Operations, Customer Contact Center, and Remittance.

These initiatives include:

- **Call center modernization:** SoCalGas is implementing digital tools to streamline sections of the customer journey including Interactive Voice Agents, agent assist tools, and call flow optimization such as automated phone number verification. While some short-term benefits are already being realized, such as number of calls handled and customer wait time, SoCalGas expects to leverage the data generated along with continued root cause analysis to develop further improvements from a customer experience and cost perspective.
- **Planning & scheduling optimization:** Supported by the VistaOne system⁸, SoCalGas is optimizing scheduling and dispatch for field technicians to reduce drive time while maintaining service levels and improving its A1 gas leak order response time. This is being done by ‘softening the borders between districts’ and matching the closest qualified workers to work type. SoCalGas expects to continue realizing benefits through training and change management efforts.
- **Paperless billing enrollment:** An ongoing campaign in the Remittance team is to enroll customers in paperless billing.
- **Branch office closure:** This initiative involves the planned closure of underutilized branch offices to reduce operational costs.⁹ Detailed planning to support closure will be subject to approval from the CPUC.
- **Customer usage and payment analytics:** The Remittance team is collaborating with VCDA data scientists to analyze customer usage and payments. Predictive analytics for customer usage and payment behaviors enable proactive issue resolution and targeted interventions, reinforcing SoCalGas’ commitment to

⁸ VistaOne is SoCalGas’ dispatch and scheduling optimization platform that uses data-driven insights to reduce technician travel time, minimize overtime, and improve service efficiency while maintaining safety and reliability standards.

⁹ Note: This effort is pending CPUC approval as of November 2025. For more information, please refer to A.25-05-001 – Application of SoCalGas Company for Approval of the Branch Offices Closure Proposal.

efficiency and customer value. Two successful models have already been developed as a part of this initiative related to (1) identifying and investigating zero consumption customers to pursue meter/billing errors and (2) predicting the propensity to pay, enabling targeted root cause analysis on potential areas of lost revenue.

3. Governance

Governance across Operations emphasizes transparency, accountability, and proactive risk management. SoCalGas reports that its governance integrates ICP-linked metrics, regulatory compliance requirements, and structured reporting to senior leadership. Oversight responsibilities are distributed across executive leadership, program managers, and specialized teams, and are supported by clear reporting lines and performance monitoring mechanisms.

SoCalGas has begun to implement end-to-end (E2E) process ownership for initiatives in Customer Services and is broadening this effort to Gas Distribution. E2E is a framework for managing initiatives that promotes clear ownership and accountability at the start of the initiative and throughout its lifecycle.

An example of an established process utilized across multiple operational areas¹⁰ that would help inform E2E owners of process enhancements is SoCalGas' Event Learning Process (ELP). SoCalGas implemented a formal ELP¹¹ used to conduct root cause analysis (RCA) for incidents or events and develop corrective actions to prevent recurrence. A formal internal policy¹² for Learning Teams (LT) has been established to formalize this process as part of a continuous improvement framework. Effectiveness Reviews are performed on completed corrective actions to verify they were implemented as intended, and to assess whether they effectively addressed the underlying issues, reducing the likelihood of similar incidents in the future. To date, this Effectiveness Review process applies to the RCA ELP and can connect corrective actions, performance metrics, and other insights to responsible E2E owners.

¹⁰ Customer Service Field Operations, Distribution, Transmission, Storage, Billing, Customer Center.

¹¹ SoCalGas Operating Standard 223.0032 was established in 2017 to enhance its longstanding root cause analysis practices and support compliance with federal code 192.617, *Investigation of Failures and Incidents*. Additional internal standards include Gas Standards (GS): GS 191.01 *Investing of Pipeline Accidents and Failures*, GS 183.03 *Field Guidelines – Emergency Incident Distribution / Customer Service*, GS 104.0004 *Environmental Incident Evaluation Process*, GS 223.0030 *Failure Analysis Process for Gas Systems*, GS 224.121 *Field Procedure – Emergency Incidents Storage Wells*, and GS 183.0110 *Field Procedure – Emergency Incidents Transmission*.

¹² SoCalGas Operations Standard, Safety Excellence, 223.0036 Learning Teams, established October 2025.

Efficiency must be achieved while also maintaining safety. The Company's safety and operational governance model is anchored by a formally implemented Safety Management System (SMS) aligned with the American Petroleum Institute's (API) Recommended Practice 1173. This framework defines clear roles, responsibilities, and cross-functional accountability. Implementation of the SMS is led by the Chief Safety Officer, and oversight and governance is shared with the associated enterprise-wide safety councils, including the Executive Safety Council and Contractor Safety Congress, to promote uniform application of safety and compliance standards across Operations.

In addition to standard ICP-linked metrics (e.g., lost time incident rate, safety observation rate, damage prevention), SoCalGas has integrated safety management across departments through its SMS governance teams, which align safety performance indicators with operational outcomes. These governance structures enable effective risk mitigation, knowledge sharing, and oversight of key initiatives such as the 811 Dig Alert, SIMP, and VistaOne field optimization initiatives.

Specific Operations governance mechanisms include:

Field Operations

Governance for initiatives within Field Operations is designed to maintain compliance and strategic alignment while driving operational efficiency.

- **Integration efforts** are overseen by senior leadership in Gas Distribution and Operations Transformation, supported by cross-functional steering committees and monthly progress reviews.
- **AMI modernization** follows formal project management structures with milestone tracking, promoting timely deployment and integration with operational systems.
- **Leak investigation enhancements** are governed within broader integrity initiatives, with performance monitored through safety dashboards and ICP metrics such as leak response times and reductions in truck rolls. SoCalGas reports that it is implementing the end-to-end framework for this initiative.
- **Scheduling optimization** activities are embedded within both Distribution and Customer Services leadership. Distribution conducts regular reviews of emergency response, on-prem time, and KPIs regarding specific work units (e.g., time to complete tasks). As part of Opus (i.e., Distribution work management tool), much of Distribution's scheduling and optimization tasks will be automated in the next few years. Likewise, Customer Services conducts regular reviews of travel time, safety metrics, on-prem time (time spent working at a customer's location compared to other activities), and KPIs regarding specific work units (e.g., completed order

volume). Implementation of VistaOne (i.e., Customer Services' scheduling and optimization tool) has contributed to improvements in SoCalGas's A1 response time, which is also a key operational ICP metric.

Systems Integrity

Governance of Systems Integrity reflects strict adherence to regulatory mandates and risk-based oversight.

- **811 Dig Alert** operates under leadership of Gas and System Integrity, with analytical support from VCDA to maintain and refine the Ticket Risk Assessment model. Performance metrics, including damages per 1,000 tickets, are reviewed regularly through dashboards and management reviews.
- **SIMP** governance is anchored in compliance with CalGEM and PHMSA requirements, and supported by dedicated integrity management teams that maintain risk registers, conduct annual reviews, and track KPIs such as well inspections, anomaly trends, and barrier verification. SIMP inspections are conducted on a biennial cycle or longer, subject to CalGEM-approved extensions of up to seven years based on demonstrated well integrity and corrosion performance. Between 2016 and 2024, SoCalGas completed baseline and reassessment inspections for all active wells, achieving 100% of scheduled assessments in 2024.¹³ SoCalGas reports it has a SIMP Governance team that prepares, communicates, and collaborates with the various operations groups to keep track of records, provide audit responses, and complete data requests associated with the operations of storage facilities and in response to regulatory requests.

Customer Services

Governance of initiatives in Customer Services combines operational oversight with data-driven performance monitoring:

- **Call center modernization** is managed by the Customer Contact Center leadership with IT input, using metrics such as call handling time, automation rates, and customer satisfaction scores tied to the SoCalGas ICP.¹⁴
- **Additional initiatives** – including paperless billing, branch office closures, and predictive analytics – are governed through departmental leadership and regulatory

¹³ SoCalGas, 2024 Safety Performance Metrics Report (U-904G), March 2025 at 5.

¹⁴ One recent customer satisfaction metric included in the SoCalGas ICP is the "Touchpoint Action Program (TAP): Ease of Doing Business with SoCalGas" customer service measure, which has been part of the SoCalGas ICP from 2023 to 2025.

coordination, promoting alignment with cost efficiency and customer experience goals.

4. Value Impact

Operations initiatives have delivered improvements in safety, efficiency, and environmental performance, with additional benefits expected as initiatives mature. These efforts collectively reduce operational risk, optimize resource utilization, and enhance customer experience, while supporting California's broader regulatory and sustainability objectives. Internal estimates indicate reductions in expenses and improved resource utilization. SoCalGas notes that some early-stage initiatives do not have quantified value impact at this time. Additionally, some initiatives are expected to realize benefits primarily in the longer term as these initiatives are designed to act as a strong foundation that will accelerate future initiatives.

Field Operations

Efficiency gains in Field Operations stem from process centralization and technology modernization. SoCalGas states that the integration of roles between Distribution and Customer Service Field Operations is streamlining workflows and lowering costs by reducing redundant field visits and improving coordination. Through these efforts, SoCalGas aims to strengthen strategic alignment between field organizations and their support teams while fostering collaboration and communication.

Leveraging AMI has significantly reduced manual meter reads and truck rolls, cutting operational expenses and vehicle emissions while enabling faster customer-side leak detection and improved customer visibility into energy usage. Complementary enhancements in leak inspection minimize the need for on-site visits, reducing travel time and labor costs, strengthening safety and compliance, and improving customer experience. For example, standardized MSA inspection methods and AMI/analytics support earlier issue detection and remote investigations reduce truck-rolls and travel time.

Interviews with SoCalGas' Distribution leadership highlighted significant improvements in labor productivity through optimization via technology. This has led to a progression towards optimal on-prem time (time spent on-site performing work tasks, but excluding travel, meetings, and training) for staff from 61% in 2019 to 70% in 2024. Improved efficiency in Distribution staff scheduling has also led to reduced overtime by 10% between 2021-2025. While this number will never get to zero due to emergency response needs, SoCalGas indicated that it strives to minimize overtime to manage affordability and cost effectiveness. In 2021, the baseline for overtime was 20.4%, while 2024 overtime was reduced to 14.6%; the 2025 target is 13.5%. SoCalGas indicates that this reduction in

overtime was possible not only through improved scheduling efficiency, but through the use of dedicated off-hours crews.

System Integrity

The two initiatives reviewed within System Integrity (811 Dig Alert and SIMP) have delivered substantial risk reduction and cost savings, as documented by SoCalGas. Since 2014, 811 Dig Alert, supported by predictive analytics, has decreased excavation-related pipeline damage ("dig-ins") incidents by 20%, even while calls to 811 increased by 35% (reaching over one million calls in 2023).¹⁵ In 2024, SoCalGas recorded a 33% reduction in dig-ins from 2014 levels.¹⁶ The chart below shows that SoCalGas' dig-in rate has been steadily declining since 2018, indicating the effectiveness of the public awareness campaign.¹⁷ In average Gas Emergency Response Time¹⁸, SoCalGas has seen a reduction from 81.6 minutes to 26.9 minutes from 2017-2024.¹⁹

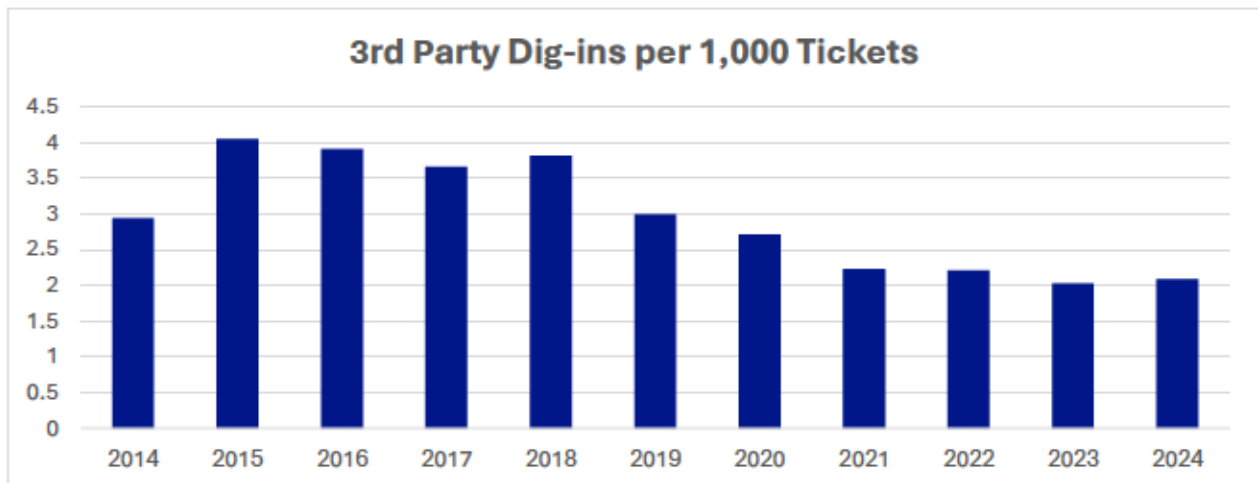


Figure 1: Number of 3rd Party Dig-ins per 1,000 Underground Service Alert (USA) Tickets for SoCalGas

SIMP adds value through risk-based inspection intervals and advanced engineering assessments, minimizing unnecessary interventions while maintaining well integrity. Between 2016 and 2024, SoCalGas completed baseline and reassessment inspections for

¹⁵ SoCalGas, Website, Always Call Campaign, <https://www.socalgas.com/newsroom/stories/socalgas-launches-always-call-811-campaign>.

¹⁶ SoCalGas, Website, SoCalGas 811 Day, August 11, 2025, <https://www.socalgas.com/newsroom/stories/SoCalGas-Observes-811-Day-Reports-Lowest-Number-of-Dig-In-Incidents-in-a-Decade>.

¹⁷ SoCalGas, 2024 Safety Performance Metrics Report (U-904G), March 2025 at 24.

¹⁸ Average time in minutes to respond onsite to a gas-related emergency notification from the time of notification to the time a gas service representative arrives onsite.

¹⁹ SoCalGas, 2024 Safety Performance Metrics Report (U-904G), March 2025 at 38.

all active storage wells, achieving 100% of scheduled assessments in 2024.²⁰ SoCalGas uses best-practice underground storage wells dual-barrier configurations (60%+ have a third barrier) monitored via real time pressure monitoring, annual temperature and noise logs, DarkVision HADES high-resolution imaging system (enhances early detection of metal loss and casing anomalies),²¹ with documentation of casing wall thickness corrosion growth rates (where applicable).

In addition, SoCalGas reports that recent shifts to using a model²² to estimate unplanned releases during well workovers show that frequent well interventions are the largest contributor to life safety risk. SoCalGas reports it was able to work with CalGEM to reduce inspection frequency from every 2 years to up to 7 years. Reducing the inspection cycles led to estimated cost avoidance at over \$100M during the 2023-2025 period. Additionally, there are social cost savings associated with the prevention of emissions releases. These measures lower lifecycle costs and promote compliance with CalGEM and PHMSA requirements, reinforcing SoCalGas' commitment to operational safety and environmental stewardship.

Customer Services

Customer-facing improvements have enhanced both efficiency and service quality. In addition to call center modernization efforts, SoCalGas has implemented various process automation enhancements such as automated cell phone verifications, saving approximately 4,900 labor hours annually through automation and supporting SoCalGas Tariff Rule 9 compliance. Scheduling optimization under VistaOne has cut technician drive time, reducing fuel usage and improving responsiveness. The Company states that additional initiatives (paperless billing enrollment, branch office closures, and predictive analytics for usage and payment behaviors) have lowered operating costs and streamlined customer engagement. With 65.6% of customers enrolled in paperless billing as of July 2025, SoCalGas has become an industry leader in paperless billing.

5. Continuous Improvement

Continuous improvement is a core principle embedded across Operations initiatives. SoCalGas employs structured feedback loops, data-driven performance reviews, and iterative enhancements to evolve initiatives in response to operational insights and emerging technologies. Across all initiatives, SoCalGas leverages tools for KPI tracking and

²⁰ SoCalGas, 2024 Safety Performance Metrics Report (U-904G), March 2025 at 5.

²¹ SoCalGas, 2025 Risk Assessment Mitigation Phase (Chapter SCG-Risk-4, Underground Gas Storage System), March 2024 at 16.

²² PHMSA (prepared by C-FER Technologies). Risk Assessment and Treatment of Wells. September 2020.

process optimization, so that efficiency gains are sustained and aligned with safety, reliability, and affordability goals.

Field Operations

Continuous improvement in Field Operations is driven by operational data from field systems, AMI, and safety inspections. For example, SoCalGas field teams involved in centralized operations provide ongoing input through regular debrief sessions and continuous learning initiatives, so that workflow adjustments and resourcing decisions reflect real-world conditions. Digitalization plays a key role in continuous improvement practices.

Customer-facing operations employ continuous improvement through digital platforms and analytics. Digital platforms such as VistaOne enable continuous optimization of routing, with real-time performance data and technician feedback guiding regular updates to reduce travel time and fuel use.

Upgrades to AMI and workforce management tools through programs like Opus and VistaOne allow SoCalGas to continuously refine scheduling, reduce travel time, and enhance response capabilities. Insights from AMI analytics have led to refinements in remote diagnostic methods, reducing the need for truck rolls and improving response times.

Systems Integrity

Predictive models used in 811 Dig Alert are periodically retrained using field data and technician feedback to improve accuracy in identifying high-risk excavation tickets. SIMP employs API RP 1173 safety management principles, fostering iterative learning and systematic enhancements across operations.²³ Feedback and training mechanisms are supported by the VCDA team, which provides cross-functional KPI monitoring and continuous performance evaluation to sustain efficiency gains and compliance alignment.

In 2023, SoCalGas expanded its Learning Teams initiative, facilitating 11 collaborative sessions across field and customer operations teams to identify systemic improvements in procedures and decision-making.²⁴ SoCalGas uses corrective action tracking and Learning Team events to identify gaps, analyze root causes, and implement improvements, creating

²³ SoCalGas, 2025 Gas Safety Plan, March 2025 at 3.

²⁴ SoCalGas, U 904 G, Revised Safety Culture Improvement Plan, Attachment 1, September 2024 at 6.

a feedback loop that strengthens and supports industry-leading standards for frontline employees and other field technicians.²⁵

The Damage Prevention Analyst Program leverages predictive analytics to anticipate excavation-related risks, with authority for “Stop the Job” interventions where unsafe practices are observed. Together with the 811 Ambassador Program, these contributed to a 50% reduction in dig-in incidents since 2014, reinforcing the value of SoCalGas’ integrated learning and analytics framework.²⁶

Customer Services

In the Customer Contact Center, automation tools and workload analytics are reviewed frequently to enhance agent utilization, streamline call handling, and improve overall customer satisfaction. SoCalGas reports applying continuous improvement to customer engagement initiatives like paperless billing, payment analytics, and the branch office closure, using participation and feedback data to refine initiatives over time.

²⁵ SoCalGas, 2025 Gas Safety Plan, March 2025 at 10.

²⁶ SoCalGas, 2024 Safety Performance Metrics Report (U-904G), March 2025 at 24.

B. Workforce Strategy

Background

Workforce strategy is essential for utilities so that the right people, skills, and processes are in place to deliver safe and reliable service. At the same time, labor is a significant cost and must be managed appropriately for cost-benefit tradeoffs.

Over the last two years, SoCalGas reports enhancements in its workforce management practices with the goals of (1) having the right people with the right capabilities in the right places at the right time and (2) increasing proactive and transparent headcount management supported by data analytics.

SoCalGas tackles these goals through a centrally-led effort to manage both the size of the workforce and the manner in which the workforce is optimally deployed. To this effect, the SoCalGas HR team indicated it has pursued efforts to inject stronger prioritization of labor resources and capability mapping into the organization.

Recent and current initiatives related to Workforce Strategy are summarized below and are grouped into two main categories: Organization Design & Headcount Management, Workforce Planning. Additionally, the team has indicated future efforts to further its Workforce Strategy via Compensation Modernization and Human Capital Management (HCM) Systems Migration, also summarized below.

The following information is based on interviews with HR, Organizational Effectiveness, and VCDA stakeholders as well as supplemental information provided by SoCalGas in response to interview questions related to this Study's framework. Where applicable, the information is supplemented by public documents filed by SoCalGas.

1. Value Proposition

SoCalGas connects its Workforce Strategy initiatives to strategic goals of workforce optimization, system modernization, and the provision of safe, reliable, and affordable energy. Specific value drivers identified by SoCalGas for current workforce efforts include:

- **Optimal workforce size:** Confirming SoCalGas' teams and functions have the right number of people to accomplish its operational goals. Workforce size is informed by both historical trends and predictive analytics, allowing for effective forecasts that account for resource needs for major projects and initiatives.

- **Workforce justification:** Validating that any increase in headcount is appropriately justified and backed by capability mapping.²⁷ The work performed by new roles should be aligned with the department and organization's strategic goals and instituted at the right time.
- **Greater contractor efficiency:** Partnering with Supply Management to establish normalized contractor rates across the organization as well as considering the total cost of contractors compared to employees.

2. Planning & Resourcing

The Workforce Strategy efforts described below are centrally developed and managed through the HR and Organizational Effectiveness teams to deliver on value drivers listed above. Teams such as Distribution and Customer Services reported several efficiency initiatives arising from the workforce management foundation that was put in place. Additional details can be found in SoCalGas' prior cycle GRC filing discussing Organizational Strategy.²⁸

SoCalGas' Workforce Strategy is comprised of the following components:

- **Organization Design & Headcount Management:** At SoCalGas, several initiatives were undertaken to both reduce and continuously manage headcount across SoCalGas business areas.

SoCalGas reports the following ongoing efforts to manage headcount:

- **New hire justification:** SoCalGas interviewees discussed a process for evaluating whether backfills are necessary and prioritizing internal hires for open roles—part of efforts to more holistically consider the costs and benefits of new roles and backfills.
- **Centralized reporting:** SoCalGas has also implemented centralized workforce reporting, promoting a cross-organizational view of workforce levels, skills, and needs to manage headcount.
- **Contractor rationalization:** SoCalGas' HR department has partnered with Supply Management on a contractor optimization initiative, conducting

²⁷ Capability mapping refers to evaluating the capabilities needed to support operations at SoCalGas and mapping those against the capabilities of the current workforce.

²⁸ SoCalGas, Revised Prepared Direct Testimony of Abigail M. Nishimoto (People and Culture Department) Exhibit SCG-28-R-E, A.22-05-015, May 2023 at 30.

analysis to determine if it is more cost-effective to have an employee or contractor in the role.

The following one-time efforts were also conducted to manage headcount:

- **Voluntary early retirements:** Due to lower-than-expected attrition, SoCalGas offered voluntary early retirement incentives to select management and union employees in the first half of 2025.
- **Reduction in Force (RIF):** In August 2025, SoCalGas implemented an involuntary reduction in force. SoCalGas reports that this affected approximately 5% of management employees.
- **Workforce Planning Model:** SoCalGas has implemented a predictive model to determine its workforce needs. The model covers over 2,000 employees across 52 districts within SoCalGas' service territory. Development of the workforce planning model has been conducted by a cross-functional team comprised of resources from HR and VCDA since 2020. SoCalGas now has a full-time team dedicated to maintaining the model and dashboards, including data scientists, a business intelligence (BI) analyst, dashboard analyst, and program manager.
- **Compensation Modernization:** SoCalGas is updating its job architecture and is conducting a series of compensation modernization activities effective January 2026. This will better align pay structures with market standards, supporting competitiveness, equity, and long-term talent retention.
- **HCM Systems Migration:** In the future, SoCalGas plans to replace its HCM system with a more modern system to improve efficiency by reducing time spent on manual tasks, enabling more self-service options for employees, and centralizing skillset management.

3. Governance

Governance of the workforce initiatives includes (1) dashboards providing access and transparency around workforce data and (2) regular reviews using the dashboards to manage headcount.

The SoCalGas HR team maintains centralized workforce optimization dashboards that provide all hiring managers with real-time visibility into progress against cost and staffing targets. This tool enables transparency across the organization and supports data-driven decision-making by allowing teams to monitor key workforce metrics and identify emerging trends. The dashboard's design promotes continuous alignment between HR and

operational teams, enabling timely adjustments to address changes in retirements, skill gaps, or workload distribution.

Periodic review meetings use insights from dashboards to guide discussions among organizational and business unit leadership. These structured reviews promote accountability and reinforce collaboration among HR, operational leadership, and the VCDA team.

4. Value Impact

Workforce Strategy initiatives have delivered tangible financial and operational value. SoCalGas saw a headcount reduction of over 650 internal employees in 2025 due to the voluntary retirement initiative and involuntary RIF. Due to the resulting retirement packages and severance payments occurring in 2025, SoCalGas does not expect to see cost benefits until 2026.

Contractor optimization continues to uncover opportunities for cost reduction. In 2025, the contractor labor workforce has been reduced by over 10% and reliance on hourly staff augmentation has been reduced by over 50%.

5. Continuous Improvement

SoCalGas reports a deliberate effort to embed continuous improvement into its Workforce Strategy. This is demonstrated through the centrally maintained dashboards and reported review processes for headcount management. These elements create feedback loops for ongoing refinement of the Workforce Planning Model and for managers to assess workforce needs in their area. Operations teams report additional feedback loops from the field leading to additional efficiency opportunities in workforce management. Additionally, SoCalGas and Sempra conduct recurring employee surveys to gauge employee sentiment and feedback regarding employee experiences.

C. Supply Chain and Support Services

Background

SoCalGas emphasizes the importance of managing cost efficiency and maintaining a diverse supplier base to effectively support its operations in achieving business goals of “system safety, reliability, affordability and innovation.”²⁹

The SoCalGas Supply Chain function is responsible for identifying, purchasing, and managing the procurement contracts of materials and services needed to operate, while also managing the total cost of ownership and mitigating supply risk. SoCalGas totaled \$2.43 billion in total procurement costs in 2024.³⁰

Support Services refers to SoCalGas’ facilities and vehicle fleet. Coupled with Supply Chain management, Support Services further deliver value for the business by promoting the responsible use of assets. These functions work closely with supply managers so that the business is using the right resources at the right price, supporting SoCalGas’ goals of providing affordable energy to its customers and maintaining a resilient and safe network.

This report addresses multiple efficiency initiatives within Supply Chain and Support Services: fleet telematics and safety, fleet procurement, facilities cost optimization, contractor rate normalization, and AI enhancements.

The following information is based on interviews with Supply Chain and Support Services stakeholders and supplemental information provided by SoCalGas in response to interview questions related to this Study’s framework. Where applicable, the information is supplemented by public documents.

1. Value Proposition

SoCalGas’ Supply Chain and Support Services functions aim to provide value for the business through cost efficiency, responsible procurement, and supplier diversity. This, in turn, drives affordability and more reliable service for customers.

Key value drivers include:

- **Cost avoidance:** SoCalGas aims to maintain the Organization’s efficiency by avoiding unnecessary cost increases for services procurement. Because contracts are often for unique scopes of work, cost avoidance is a metric usually used to evaluate sourcing performance. SoCalGas follows a process for calculating cost

²⁹ SoCalGas, Supplier Diversity: 2024 Annual Report, 2025 Annual Plan at 3.

³⁰ SoCalGas, Supplier Diversity: 2024 Annual Report, 2025 Annual Plan at 4.

avoidance which may vary depending on the type of agreement — such as construction or professional services — since each sourcing effort can involve different elements. As a result, cost avoidance may be measured using methods like rate reductions or comparing the awarded bid to the average of supplier proposals. SoCalGas also seeks early payment discounts to help with controlling costs.

- **Sourcing savings:** SoCalGas is sometimes able to obtain direct cost savings against incumbent spend. However, because spend is closely managed and contracts may be unique, cost avoidance at renewal is more attainable.
- **Safety incidents:** Fleet management strives to maintain safe operations and monitors the number of Controllable Motor Vehicle Incidents (CMVI).

2. Planning & Resourcing

For day-to-day Supply Chain operations, SoCalGas' Contract Management teams manage supplier contracts and strategic sourcing efforts. Teams devote most of their efforts to large service and construction contracts, as well as materials contracts. These Supply Management teams are staffed with senior category managers and a team of category management advisors.

In addition to regular contract management duties, the Supply Chain and Support Services teams have begun the following initiatives to deliver on value drivers listed above:

- **Fleet Telematics and Safety:** The SoCalGas Fleet Management team partners with the VCDA team to monitor trends in fleet utilization and safety incidents, or Controllable Motor Vehicle Incidents (CMVIs). This reduces fuel usage and emissions and enhances safety. The entire fleet was fitted with telematics in 2022; SoCalGas expects an upgrade to be required in 2026.
- **Fleet Procurement:** Fleet Management works with Supply Chain for sourcing components. Fleet procurement also aims to align with California's clean fleet standards.
- **Facilities Cost Optimization:** As part of its duties, the Facilities team evaluates new contracts with landlords and suppliers to strive for the best value while also complying with environmental regulations.
- **Contractor Rate Normalization:** Supply Chain & Support Services has been working across the organization to help reinforce that contractors are being paid comparable rates for similar scopes of work, regardless of which department is purchasing the work.
- **AI Enhancements:** The Supply Chain team has recently piloted an AI tool to conduct work more efficiently. The tool assists the team by analyzing invoices to

increase accuracy, uncover rate variances across the organization, and support the team with market research in strategic sourcing. The pilot has been implemented in the Cathodic Protection category and is still ongoing (the pilot is referred to as Cathodic Protection Metadata Extraction or CPME). CPME uses AI to extract and analyze invoice data. Once proven successful, the goal is to expand the capability to other categories under requests for proposal (RFP).

3. Governance

SoCalGas has several governance measures to manage its Supply Chain initiatives. The Supply Chain team regularly evaluates its suppliers' performance and evaluates the best sourcing strategy to implement when contracts need to be renewed. The Fleet Services team routinely evaluates vehicle utilization, operating costs, and safety performance. Additionally, defensive driver training is part of SoCalGas' ICP to encourage safe operations. Fleet decisions also align with regulatory compliance requirements, including the California Air Resources Board (CARB) standards mandating a transition away from diesel vehicles, as noted in SCG-18-R-E.³¹ Fleet procurement activities are managed by a cross-functional team encompassing fleet management, procurement, and finance, while facilities procurement and cost optimization follow a similar cross-functional governance model to coordinate budgeting, supplier management, and operational efficiency. Technology and AI enhancements are implemented with support from the Organization's Analytics team, enabling data-driven oversight and process validation.

4. Value Impact

In fleet operations, telematics and safety initiatives have generated cost savings. In-sourcing of maintenance has reduced external labor expenses by up to 50%. The Company has also reduced its total fleet size by approximately 10% since 2022, driven by analysis via telematics that increased the utilization of remaining vehicles.

SoCalGas also reports that its Facilities team has achieved savings by negotiating more favorable lease terms, investing in technologies to reduce staffing needs, and benchmarking operating costs against peer utilities. These combined efforts have helped the company to secure advantageous agreements ahead of its headquarters relocation in Q3/Q4 2026 while sustaining long-term operational cost reductions, better amenities for employees, and a preferable location.

³¹ SoCalGas, Revised Prepared Direct Testimony of Michael Franco (Fleet Services), Exhibit SCG-18-R-E, A.22-05-015/-016 (cons.), May 2023, at iii.

In its 2024 Supplier Diversity Report, SoCalGas reports exceeding CPUC diversity targets; SoCalGas spent 44.5% of its procurement spend with diverse suppliers, compared to the CPUC target of 23%. SoCalGas' supplier diversity program is designed to comply with CPUC General Order 156.³²

5. Continuous Improvement

The SoCalGas Supply Chain team continuously looks for opportunities for improvement both within the organization and with suppliers.³³

Ongoing continuous improvement practices include:

- **Rolling strategic sourcing initiatives:** Contract Management teams regularly evaluate contracts against market conditions and business needs. SoCalGas uses external and internal data to develop cost estimates and develop negotiation strategies with suppliers. This process produces rolling initiatives for re-negotiation, contract extensions, or testing the market by running an RFP. Strategic sourcing is also used to bring diverse suppliers to SoCalGas.
- **Inventory management:** Maintaining parts and materials inventory is critical for supporting the Organization's operations. SoCalGas inventory and logistics teams work to maintain optimal supply levels and continuously revise forecasts based on predictive models.
- **Quality management:** Quality teams work closely with Contract Management teams to perform their duties. These teams regularly inspect incoming materials shipments to confirm supplier quality and score suppliers in a centrally maintained repository.

³² SoCalGas, Supplier Diversity: 2024 Annual Report, 2025 Annual Plan at 21.

³³ SoCalGas, Prepared Direct Testimony of Joseph Chow (SUPPLY MANAGEMENT, LOGISTICS, & SUPPLIER DIVERSITY) Exhibit SCG-17-E A.22-05-015, May 2023, at 5.

Conclusion

Summary of Progress to Date

This study has summarized the progress SoCalGas has made to drive efficiency and value delivery at both the organizational level and across the key strategic areas of Operations, Workforce Strategy, and Supply Chain & Support Services. Within these strategic areas, SoCalGas has spearheaded numerous efficiency-oriented initiatives, which have been primarily established via efforts led within business teams. More recently, top-down strategic planning is driving broader efforts.

Based on interviews and documentation reviewed, SoCalGas has made progress in embedding efficiency as a core operating principle across the strategic areas addressed in this study and in capturing the value of initiatives. SoCalGas has also successfully responded to regulatory requirements and, in some cases, exceeded requirements to uncover efficiency opportunities while maintaining safety such as in the 811 Dig Alert and SIMP efforts. The Company's approach has enabled the implementation of initiatives that balance cost reduction, safety, and customer value. Governance for initiatives consistently demonstrates initiative-level oversight and assigned responsibility. While this report does not include a detailed review of operational data linked to these initiatives, shared initiative-level KPIs show a connection to value drivers related to efficiency. A number of initiatives have achieved cost and productivity benefits to date with others still in early stages. A culture of continuous improvement, supported by Lean Six Sigma and data-driven decision-making, is reported throughout the organization.

Within Operations, SoCalGas' Field Operations and Systems Integrity initiatives have reported substantial improvements in safety, cost efficiency, and environmental stewardship across the Company's gas system. These efforts have resulted in measurable outcomes, such as a reported significant decline in dig-in incidents, reduced truck rolls, and improved resource utilization. According to SoCalGas, the initiatives often not only meet but also exceed regulatory requirements via programs such as SIMP, making SoCalGas industry leaders in areas like storage integrity. Collectively, these initiatives demonstrate SoCalGas' commitment to operational excellence, risk management, and the delivery of safe, reliable, and affordable energy to its customers.

SoCalGas' efforts in Customer Services to modernize customer-facing operations indicate labor savings, improved service quality, and enhanced customer engagement. Initiatives such as call center modernization, planning & scheduling optimization, and digitization efforts have returned tangible results in streamlining operations and reducing costs in the short term as well as building a foundation for accelerating initiatives in the long term.

Governance is supported by data-driven dashboards and regular performance reviews, while continuous improvement practices are embedded throughout Customer Services teams.

SoCalGas' workforce strategy expects tangible operational and financial benefits, notably through right-sizing efforts, predictive workforce planning, and centralized reporting. The reduction in headcount in 2025 and improved contractor management (e.g., reduction in hourly staff augmentation by over 50%) reflect a structured approach to resource optimization supported by predictive analytics for field resource allocation.

Within the Supply Chain and Support Services teams, SoCalGas has proactively adopted technology to uncover efficiency initiatives, such as telematics for fleet management and AI for strategic sourcing. The Company reports to have already achieved notable cost savings, including a 10% reduction in fleet size and up to 50% reduction in external labor expenses via in-sourcing of maintenance. With the support of continuous improvement and governance processes in place, SoCalGas expects to continue identifying and capturing efficiency gains in this area.

Future Considerations

SoCalGas can consider several strategic opportunities to enable the organization to achieve additional efficiencies and value in the future.

1. Further strengthen centrally-led planning and prioritization of efficiency initiatives

The central development and prioritization of strategic goals is facilitated by the SoCalGas Strategic Planning team, and efforts have taken place to strengthen the cascade of goals throughout the organization and inform individual initiatives. At the initiative level, SoCalGas' VCDAs team has for many years played a valuable role in partnering with business groups to support planning and execution of several key initiatives across the organization.

Looking forward, SoCalGas should build on these respective efforts and consider establishing a more centralized portfolio management and prioritization process. Implementing a single, organization-level portfolio of key initiatives can enable leadership to make informed trade-offs, focus resources on the most critical initiatives, and optimize execution capacity at an organization level. A disciplined governance approach driven by a central team would also strengthen alignment and transparency across functions, foster greater levels of accountability, enable proactive planning aligned with strategic goals, and validate that high-priority work is completed effectively and on time across the organization. This will allow SoCalGas to build on the existing Continuous Improvement culture to achieve wider organizational transformation.

2. Continue efforts to scale end-to-end process management

Early efforts to implement end-to-end process management (referred to as E2E within SoCalGas) have occurred, starting in Customer Service Field Operations, and are expected to expand to Gas Distribution teams over the next few years. As reported by SoCalGas, the recent efforts in the Customer Service Field Operations team have been successful in increasing the clarity of business ownership and accountability as well as providing a more holistic view of initiatives that considers upstream and downstream process changes. Furthermore, post-initiative effectiveness reviews are beginning to strengthen the team's ability to sustain results and prioritize initiatives across a full process.

SoCalGas should continue with the phased expansion of E2E process management to promote greater accountability and coordination, and connect these efforts with centralized portfolio management for better prioritization of initiatives. This governance expansion across the organization will support stronger value capture across initiatives, including those involving processes that span multiple functions. Approaching efficiency from a more holistic perspective across a full process enables value capture between the seams of multiple groups responsible for steps within key process areas.

3. Improve access and transparency around metrics and initiative performance

During interviews SoCalGas executives conveyed a strong definition of value proposition and value impact at the initiative level. Key performance indicators (KPIs) and targets for initiatives are prevalent across the business and often tracked in Power BI dashboards with frequent reviews across levels.

SoCalGas should continue to strengthen top-down and bottom-up alignment of KPIs to enable consistent measurement and visibility of value across all levels of the organization. While KPIs were consistently identified, KPI tracking and reporting methods appear inconsistent across teams with results not always rolling up to an organizational level. This could hamper efforts to track aggregated value (including financial impacts) and inform strategic planning and decision-making.

Establishing a consistent, integrated view of metrics with clear success criteria, standardized performance tracking, accountable leaders, and structured feedback loops will help leadership evaluate progress and course-correct where necessary. A cohesive KPI governance framework building on existing tools in each business area can enhance transparency, promote accountability, and reinforce the connection between individual initiatives and organizational objectives.

4. Centralize management of Continuous Improvement

SoCalGas has built a strong foundation for continuous improvement (CI) through a culture that embraces Lean Six Sigma principles and empowers employees to identify and implement process enhancements. These grassroots CI efforts have driven improvements in operational performance including several efficiency initiatives outlined in this report.

While this culture is well established, the CI and Lean Six Sigma programs are currently managed in a decentralized manner, which can lead to duplication of effort, inconsistent prioritization, and limited sharing of best practices across business areas. The absence of a centralized structure reduces the organization's ability to systematically capture learnings and sustain momentum across teams leading to less effective feedback loops and missed value capture from efficiency opportunities uncovered through CI activities.

SoCalGas should consider centralized oversight of CI and Lean Six Sigma for a more structured approach and consistency across the organization to ensure future efficiency opportunities can be systematically captured and realized. A centralized CI management function can coordinate efforts across business areas, maintain a repository of improvement learnings and standardized learning models and processes, as well as validate that feedback loops remain active between execution teams and leadership. This approach will help sustain a strong CI culture, promote standardization, and drive company-wide performance improvement. This approach could further complement a more centrally led planning and prioritization process.

APPENDIX F

**REVISED SUMMARY OF BILLING FOR COSTS FOR OUTSIDE
ATTORNEYS AND LAW FIRMS**

(PUBLIC)

2025 RELEASE UNDER E.O. 14176

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5 30,933.48

Corporate	2	107_18A_010	These variable legal costs are allocated similar to shared service Internal non-Sales & AGG costs in accordance with 10-GSE + OGC	6,717.44
Technology & Business Services	2	107_18A_010	These variable legal costs are allocated similar to shared service Internal non-Sales & AGG costs in accordance with 10-GSE + OGC	1,104.43
Technology & Business Services	2	107_18A_101	These variable legal costs are allocated similar to shared service Internal non-Sales & AGG costs in accordance with 10-GSE + OGC	1,110.56
Technology & Business Services	2	107_18A_101	These variable legal costs are allocated similar to shared service Internal non-Sales & AGG costs in accordance with 10-GSE + OGC	18,418.58

5 36,850.91

Three times but only in government only cases

Letter & Employment	2	18A_010	N/A	260.40
Liabilities	2	18A_101	N/A	9,363.52
Letter & Employment	2	107_18A_101	These variable legal costs are allocated similar to shared service Internal non-Sales & AGG costs in accordance with 10-GSE + OGC	19,016.18
Regulatory	2	107	N/A	18,494.77
Corporate	2	107_18A_101	These variable legal costs are allocated similar to shared service Internal non-Sales & AGG costs in accordance with 10-GSE + OGC	180,888.07
Liabilities	2	107_18A_101	These legal costs are shared service costs that are allocated according to 10-GSE + OGC	30,387.29
Corporate	2	107_18A_101	These legal costs are shared service costs that are allocated according to 10-GSE + OGC	30,471.88
Environmental	2	18A	N/A	1,612.63
Liabilities	2	107_18A_010	These variable legal costs are allocated similar to shared service Internal non-Sales & AGG costs in accordance with 10-GSE + OGC	14,353.30
Regulatory	2	107_18A_101	These variable legal costs are allocated similar to shared service Internal non-Sales & AGG costs in accordance with 10-GSE + OGC	1,260.36
Technology & Business Services	2	107_18A_101	These variable legal costs are allocated similar to shared service Internal non-Sales & AGG costs in accordance with 10-GSE + OGC	18,718.58
Regulatory	2	107_18A_101	These variable legal costs are allocated similar to shared service Internal non-Sales & AGG costs in accordance with 10-GSE + OGC	29,267.47
Letter & Employment	2	107_18A_101	These variable legal costs are allocated similar to shared service Internal non-Sales & AGG costs in accordance with 10-GSE + OGC	6,512.86
Technology & Business Services	2	107_18A_101	These variable legal costs are allocated similar to shared service Internal non-Sales & AGG costs in accordance with 10-GSE + OGC	6,261.82

5 411,618.41

17 4,085,024.88

Leisure & Employment		107, 388, 120	These suitable legal costs are allocated entirely to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		31,317.27
Leisure & Employment		107, 388, 120	These suitable legal costs are allocated similarly to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		162.49
					140,677.30
Logistics		107, 388, 120	These suitable legal costs are allocated similarly to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		1,270,964.85
Logistics		107, 388, 120	These suitable legal costs are allocated similarly to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		375,653.28
Logistics		107, 388, 120	These suitable legal costs are allocated similarly to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		398,488.90
					1,028,674.63
Commercial		107, 388, 120	These suitable legal costs are allocated similarly to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		5,141.37
Commercial		107, 388, 120	These suitable legal costs are allocated similarly to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		8,844.80
Technology & Business Services		107, 388, 120	These suitable legal costs are allocated similarly to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		6,164.79
Technology & Business Services		107, 388, 120	These suitable legal costs are allocated similarly to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		37,089.20
					56,701.65
Leisure & Employment		107, 388, 120	These suitable legal costs are allocated entirely to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		2,917.38
Leisure & Employment		107, 388, 120	These suitable legal costs are allocated entirely to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		2,344.88
					5,262.26
Business central		107, 388, 120	These suitable legal costs are allocated entirely to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		77,872.00
Business central		107, 388, 120	These suitable legal costs are allocated entirely to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		70,314.51
					148,186.51
Corporate		107, 388, 120	These suitable legal costs are allocated entirely to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		6,717.49
Technology & Business Services		107, 388, 120	These suitable legal costs are allocated entirely to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		3,164.69
Technology & Business Services		107, 388, 120	These suitable legal costs are allocated entirely to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		31,854.00
					39,086.17
The items below supported only once					
Commercial		107, 388, 120	These suitable legal costs are allocated entirely to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		464.80
Business central		107, 388, 120	These suitable legal costs are allocated similarly to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		80,640.60
Logistics		107, 388, 120	These suitable legal costs are allocated entirely to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		18,700.81
Regulatory		0/0	N/A		30,480.69
Leisure & Employment		107, 388, 120	These suitable legal costs are allocated similarly to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		8,968.08
Regulatory		107, 388, 120	These suitable legal costs are allocated entirely to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		33,638.78
Commercial		107, 388, 120	These suitable legal costs are allocated similarly to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		10,488.00
Real Estate		107, 388, 120	These suitable legal costs are allocated entirely to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		63,698.60
Technology & Business Services		107, 388, 120	These suitable legal costs are allocated similarly to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		7,647.33
Leisure & Employment		107, 388, 120	These suitable legal costs are allocated similarly to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		280.88
Logistics		107, 388, 120	These suitable legal costs are allocated similarly to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		31,270.81
Corporate		107, 388, 120	These suitable legal costs are allocated similarly to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		43,728.19
Regulatory		107, 388, 120	These suitable legal costs are allocated similarly to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		8,000.00
Logistics		107, 388, 120	These suitable legal costs are allocated similarly to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		60,720.27
Logistics		107, 388, 120	These suitable legal costs are allocated similarly to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		10,370.81
Technology & Business Services		107, 388, 120	These suitable legal costs are allocated similarly to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		20,730.78
Technology & Business Services		0/0	N/A		61,270.00
Logistics		107, 388, 120	These suitable legal costs are allocated similarly to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		2,917.38
Leisure & Employment		107, 388, 120	These suitable legal costs are allocated similarly to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		86,037.60
Business central		107, 388, 120	These suitable legal costs are allocated entirely to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		4,968.34
Logistics		107, 388, 120	These suitable legal costs are allocated entirely to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		9,964.00
Leisure & Employment		107, 388, 120	These suitable legal costs are allocated similarly to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		1,008.34
Regulatory		107, 388, 120	These suitable legal costs are allocated entirely to shared service internal non-law A&C costs in accordance with DeCaplan + GSC.		861.70
					1,008,347.28
					7,325,177.37

APPENDIX G

DECLARATION OF DEANA M. NG

**DECLARATION OF DEANA M. NG ON BEHALF OF
SOUTHERN CALIFORNIA GAS COMPANY PURSUANT TO DECISION 24-12-074**

I, Deana M. Ng, declare as follows:

1. I am the Vice President, Chief Risk Officer & Chief Compliance Officer of Southern California Gas Company (SoCalGas). I am providing this declaration in compliance with California Public Utilities Commission (CPUC or Commission) Decision (D.) 24-12-074 (the Decision).
2. Ordering Paragraph (OP) 57 of the Decision states that SoCalGas shall:

...provide the following information in a verified report per Rule of Practice and Procedure 1.1, by sworn affidavit or declaration under penalty of perjury in its next general rate case (GRC) proceeding:

- a) SoCalGas has established and maintains a formal policy and guidance for recording above-the-line costs. This policy should clearly define what is considered above the line versus below the line for advocacy and lobbying activities.*
- b) SoCalGas's employees are trained to record time and expenses differentiating above-the-line and below-the-line activities accurately. SoCalGas shall provide information on business units receiving training, the number of employees per business unit receiving training, the type of training, the frequency of training, and the hours of training. SoCalGas shall provide copies of any written training materials, including presentation materials used therein, as attachments to the report.*
- c) SoCalGas shall identify business units and employees involved in political and lobbying activities. If booked above-the-line or used to forecast test year costs, detailed time records and documentation resulting from such an assessment shall be provided.*
- d) SoCalGas shall demonstrate that it has established procedures to monitor and verify that employees have properly identified and booked above-the-line costs. SoCalGas shall explain its procedures and process improvements adopted, if any.*
- e) To the extent SoCalGas retains outside consultants or law firms to perform political activities and these consultants or law firms conduct any work where costs are included in any general rate case forecast as benefiting ratepayers, SoCalGas shall provide the Federal Energy Regulatory Commission accounts where the costs are booked as above the line, and a summary documenting the time, work performed, total cost incurred, and how such work benefits ratepayers and is not deemed political activities, to verify the costs are just and reasonable.*
- f) SoCalGas shall submit the report until the Commission determines in a future*

GRC proceeding that the report is not necessary.

3. In order to comply with D.24-12-074, SoCalGas provides the following:
- a) SoCalGas has established and maintains a formal policy and guidance for recording above-the-line costs. This policy defines what is considered above-the-line versus below-the-line for advocacy and lobbying activities.
 - b) SoCalGas's employees receive training designed to accurately identify and record above-the-line and below-the-line time and expenses. SoCalGas has developed a mandatory 30-minute video training course that identified employees are required to complete annually. As the training is administered exclusively in video format, separate written materials are not maintained. However, upon request, SoCalGas is available to schedule a walkthrough meeting to review the training content. Appendix A provides, for each employee that received training, the applicable business unit, type of training, training frequency, and training duration.
 - c) Appendix B identifies business units and employees engaged in political and lobbying activities. Time and expenses related to political and lobbying activities are required to be recorded below-the-line per the company policy referenced in response part a) above. With respect to the requests in this GRC, I am not aware of any "political and lobbying activity" costs that are booked above-the-line or used to forecast test year costs.
 - d) SoCalGas has established procedures to monitor and verify that employees accurately identify and record above-the-line costs. Oversight is implemented through multiple layers of review. As part of this process, Business Planners conduct monthly evaluations of costs recorded both above-the-line and below-the-line. In addition, the enterprise compliance department performs independent reviews of below-the-line recorded costs, including transaction sampling and testing, to assess compliance with applicable requirements.
 - e) See Report of Southern California Gas Company Pursuant to CPUC General Order No. 77-M for the Year Ended December 31, 2025, "Vendor Report," submitted June 1, 2026, a copy of which is attached hereto.
4. I am familiar with the facts and representations contained in this declaration and the associated attachments, and, if called upon to testify, I could and would testify to their accuracy based upon my personal knowledge and/or information and belief.
5. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed on June 11, 2026 at Los Angeles, California.


Deana M. Ng

Vice President – Chief Risk Officer &
Chief Compliance Officer
Southern California Gas Company

Appendix A

Training Name: Below-the-Line Accounting Compliance

Training Time: 30 minutes

Training Type: Video

Training Frequency: Annual

Division Name	Department Name	Number of Employees
CEO	CEO	2
CFO	CFO	1
Chf Transfmtn Ofcr	Business Transformation Office	1
Chief Operating Officer	Chief Operating Officer	1
Chief Safety Officer	Chief Safety Officer	2
	Emergency Mngmt & Preparedness	2
	Safety Excellence	2
	Safety Strategy and Culture	1
	Value Creation & Dcsn Anlytcs	1
Comms, Lcl Gv t& Cmnty Affrs	Comms, Lcl Gv t& Cmnty Affrs	1
	Media Relations & Strgc Engmnt	17
	Regnl PA & Cust Engy Sol	74
	SCG Cust Prgms & Assistance	177
	Strategic Comms & Engmt	51
	Regional Public Affairs	1
Controller	Accounting Operations	44
	Controller	1
	Financial Reporting & Acctg	18
Customer Services	Customer Contact Centers	1
	Customer Operations	1
	Customer Services	1
	Northwest Region - Cust Serv	2
	Southeast Region - Cust Serv	1
	Remittance Processing	1
External Affairs and Talent	Diversity & Inclusion	2
	ECS, Labor Relations & Wellness	1
	External Affairs and Talent	2
	Human Resources	1
	Organizational Eff & DEI	1
	Talent & Culture	1
Gas Acquisition	Gas Acquisition	3
	Origin, Enrgy Trdg & Transp	1
Gas Distribution	Distribution Plnng & Proj Mgmt	1
	Fld Ops Support & Optimization	1
	Gas Distribution	2
	Northwest Region - Gas Ops	1
	Southeast Region - Gas Ops	1
Gas Engng & System Integrity	Gas Engineering	1

	Gas Engng & System Integrity	1
	Gas Infrastructure Prog & Sup	1
	Integ Mgmt. & Strategic Plng.	1
	Integrity Management	1
Gas Transmission & Storage Ops	Aboveground Storage	1
	Gas Control & System Planning	1
	Gas Transmission & Storage Ops	1
	Underground Storage	1
Gen Counsel - Lit	Gen Counsel - Lit	23
Gen Counsel, Reg	Gen Counsel, Reg	1
	Regulatory	12
GenCoun Comrcl&Envir	Commercial	6
	Environmental	4
Infrastructure	Infrastructure	2
Infrastructure Proj. Delivery	Honor Rancho Compres Mod Proj	2
	Infrastructure Proj. Delivery	1
	Moreno Compressor Mod Proj	1
	Pipeline Project Delivery	1
	Proj. Delivery Strat. and Cont	1
Legislative Affairs	Legislative Affairs	2
	Sacramento Operations	3
Operations Transformation	Operations Transformation	1
Procurement	Sup Chain Dev & Optimization	1
Regulatory Affairs	GRC & Revenue Reqmts	11
	Regulatory Affairs	1
Risk & Compliance	Ent Risk & Compliance Mgmt.	4
	Enterprise Risk & Compliance	5
	Market & Credit Risk Mgmt	10
	Risk & Compliance	5
San Francisco Ops	CPUC/FERC	20
	San Francisco Ops	1
Strgy&FinPln&Trsr	Financial & Business Plng	44
	IIP Planning & Strategy	15
	Market Development	16
	Market Strategy	4
	Strategic Planning & Regulator	15
	Strgy&FinPln&Trsr	2
Supply Chain &Support Services	Environmental Svcs	66
	Inventory and Logistics	1
	Supply Chain &Support Services	1
	Support Services	1
SVP, CIO & Chief Digital Ofcr	Ent Cybersecurity Technology	1
	Enterprise Business Tech	2
	Enterprise Technology Services	1
	SVP, CIO & Chief Digital Ofcr	1
Systems & Technology	S&T Data, Pltforms & Portfolio	1
	SCG Systems & Tech-Engy Infra	1

	SCG Systems & Technology-Cust	1
	Systems & Technology	2
	Vista Program	1
General Counsel	General Counsel	1
Strtgy, Sustnblty & Envirnmntl	Environmental Svcs	3
	Clean Energy Business Dev	1
	Regulatory & Policy	1
	Environmental Affairs	1
Total		732

Appendix B

Division Name	Department Name	Employee Job Title
CEO	CEO	CEO
		CEO & President
CFO	CFO	acting CFO & acting Treasurer
		SVP & CFO
	Financial & Business Plng	Dir - Financial Planning
Chief Operating Officer	Chief Operating Officer	COO
Chief Safety Officer	Safety Excellence	Dir - Safety Excellence
Comms, Lcl Gv t& Cmnty Affrs	Comms, Lcl Gvt & Cmnty Affrs	VP - Comm&Reg Stkhldr Engagmnt
	Community Relations	Dir - Community Relations
	Customer Energy Solutions	Acct Exec - I
		Acct Exec Team Ldr
		C/I Svcs Mgr
		Customer Clean Engy Sol Mgr
		Dir - Cust Engy Sol
		Mkt Advr - C/I Sales
		Sr Acct Exec - I
		Sr Acct Exec - II
	Media Relations & Strgc Engmnt	Dir - Media & Public Info
		Media & Stakhldr Egmt Mgr
		Prin Md Rels & Strgc Egmt Mgr
		Proj Mgr - I
		Proj Mgr - II
		Sr Md Rels & Strgc Egmt Mgr
		Sr Strgc Outreach Mgr
	Regional Public Affairs	Dir - Regional Public Affairs
		Franchise, Fees & Policy Mgr
		Proj Spec
		Pub Affairs Mgr
		Pub Affrs Mgr
		Pub Affrs Strgc Intvs Mgr
		Regnl Pub Affrs Mgr
		Sr Govtl Affrs Mgr
		Sr Pub Affrs Mgr
		Sr Regnl Public Affrs Mgr
		Strategic Initiatives Ld
		Strategic Partnerships Mgr
	SCG Cust Prgrms & Assistance	Cust Assist Prgms Mgr
		Cust Prgms Reg Supp Mgr
		Dir - SCG Cust Prgms & Assist
		Engy Efficncy-Prgm Outrch Supv
		Engy Prgms & Stgy Mgr
		New Business Mgr
		New Busn Strategic Ops Ld
		Prgm Outreach Mgr
	Strategic Comms & Engmt	Dir - Strgc Comms & Engagement
		Exec Comms Strategy Proj Mgr
		Mktg Comms Mgr
		Proj Mgr - I
		Sr Comms Advr
		Sr Visual Svcs Advr
Controller	Utility Accounting	Dir - Utility Accounting

		Reg Accts Mgr
		Sr Busn Analyst - II
COO	COO	COO
Cust Serv & Digital Enablement	Customer Contact Centers	Performance Advr
Cust Serv Field & Solutions	Customer Energy Solutions	Prin Engineer - C/I Cust Svc
Customer Services	Customer Operations	Techlgy Appls Mgr
	Customer Services	VP - Customer Services
	Remittance Processing	Dir - Remittance Procg
	Southeast Region - Cust Serv	Dir - Customer Services
		Fld Svc Asst
		Fld Tm Ld - Customer Service
External Affairs and Talent	ECS, Labor Relations & Wellness	Dir - Labor Rel, Wellness & ECS
	External Affairs and Talent	SVP - Ext Affrs & Chf Talnt Ofcr
Gas Acquisition	Gas Acquisition	VP - Gas Acquisition
Gas Distribution	Dist PMO & Resrc Mgmt	Dir - Dist PMO & Resrc Mgmt
		Public Affrs Strgy & Pol Mgr
	Distribution Plnng & Proj Mgmt	Dir - Dist Plng & Proj Mgmt
		Techl GIS Supv
	Gas Distribution	VP - Gas Dist
	Northwest Region - Gas Ops	Area Mgr - Gas Ops
	Southeast Region - Gas Ops	Dir - Dist Ops & Constrn
		Dir - Gas Ops
		Ld Constrn Tech
Gas Engng & System Integrity	Gas Engineering	Applied Techlgs Tm Ldr
		Busn Analyst - I
		Dir - Gas Engineering
		Engineer II
		Engineer III
		Laboratory Tech
		Land Svcs Mgr
		Ld Lab Tech
		MRC Fld Commissioning Tm Ld
		Sr Designer
		Sr Engineer - PE
		Techl Advr - I
	Gas Engng & System Integrity	VP - Gas Engng & Sys Integ
	Gas Infrastructure Prog & Sup	Journey Electn
	Hydrogen Engineering & Strat	Commercial Dev Mgr
		Hydrogen Blending Engrg Mgr
		Proj Mgr - III
		Sr Engineer - PE
	Integ Mgmt. & Strategic Plng	Integ Mgmt Regulatory Mgr
		Reg Strgy & Finl Ctrls Mgr
Gas Transmission & Storage Ops	Aboveground Storage	Dir - Aboveground Storage
	Gas Control & System Planning	Dir - Gas Ctrl & Sys Plng
	Gas Transmission & Storage Ops	Transmission & Storage PMO Mgr
		VP - Gas Transmissn & Stor Ops
	Underground Storage	Dir - Underground Storage
General Counsel	Commercial	Asst Gen Counsel
		Sr Counsel
	Environmental	Asst Gen Counsel
		Legal Rsrch Attorney - II - EC
		Sr Counsel
	General Counsel	SVP & General Counsel

	Litigation	Lgl & Clm Strgy & Techlgy Mgr
		Managing Attorney
		Sr Counsel
	Regulatory	Asst Gen Counsel
		Managing Attorney
		Sr Counsel
		Sr Paralegal
Infrastructure	Infrastructure	SVP - Chief Infrastructre Ofcr
Infrastructure Proj. Delivery	Infrastructure Proj. Delivery	VP - Infra Project Delivery
	Pipeline Project Delivery	Dir - Pipeline Proj Del
	Proj. Delivery Strat. and Cont	Dir - Proj Del Strat & Contr
Legislative Affairs	Legislative Affairs	Exec Asst
		SVP & Chief Lgislative Officer
Operations Transformation	Operations Transformation	VP - Operations Transformation
Regulatory Affairs	CPUC/FERC	Dir - Regulatory Affairs
		Reg Busn Mgr
		Reg Case Mgr - II
	San Francisco Operations	Reg Affrs Strgy Mgr
Risk Management	Enterprise Risk & Compliance	Proj Mgr - Ent Risk Mgmt
	Risk & Compliance	Sr Dir - Risk & Compliance
	Risk Management	Exec Asst
		VP - Chief Risk & Compl Ofcr
Strtgy, Sustnblty & Envirnmntl	Clean Energy Business Dev	Clean Transp Prd Dev Mgmt Mgr
		Commercial Dev Mgr
		RD & D Group Mgr
		Techl Dev Mgr
	Clean Hydrogen	Cln Engy Strgc Ptnrshps Mgr
		Commercial Dev Mgr
		Proj Mgr - III
		Sr Dir - Busn Dev
	Environmental Svcs	Envtl Proj Spec
	Regulatory & Policy	Dir - Angeles Link - Reg & Pol
	Strategic Planning	Pub Pol & Plng Mgr
		Pub Pol Mgr
		Sr Pub Pol Advr
		Strgc Decarb Anlytcs Mgr
	Strtgy, Sustnblty & Envirnmntl	Engy & Envtl Affrs Mgr
		Engy Pol Advr
		Envtl Affrs Prgm Mgr
		Pub Pol Mgr
		Sr Envtl Pol Advr
		Sr Mgr Energy Policy
		Sr Strgc Anlytcs Policy Mgr
		SVP - Strat & Sustainability
	Sustainability	Pub Affrs Pol & Strgy Mgr
		Sustainability Mgr
		Sustblty Plng Mgr
Supply Chain & Support Services	Support Services	Fac Mech
Systems & Technology	SCG Systems & Tech-Engy Infra	OPUS Prgm Mgr

**APPENDIX C – EXCERPTS FROM SOUTHERN CALIFORNIA GAS
COMPANY INDEPENDENT ACCOUNTANT’S REPORT ON
APPLYING AGREED-UPON PROCEDURES GENERAL ORDER NO.
77-M YEAR ENDED DECEMBER 31, 2025**

SOUTHERN CALIFORNIA GAS COMPANY
PAYMENTS TO OUTSIDE ATTORNEYS AND LEGAL FIRMS
FOR THE YEAR ENDED DECEMBER 31, 2025

LEGAL FIRM NAME	ACCOUNT NUMBER										GRAND TOTAL
	107	108	184	428	803	824	832	858	821	823	
ALLEN MATKINS LECK GAMBLE MALLORY	47	-	12	-	-	-	-	-	-	348	407
BAKER & HOSTETLER LLP	822	-	204	-	-	-	-	-	-	8,039	7,065
BAKER BOTTS LLP	3,588	-	891	12,418	-	-	-	-	-	28,361	43,258
BRB LAW LLP	4,452	-	1,108	8,457	-	-	-	-	-	32,714	44,729
BRIGHT LABS SERVICES LLC	789	-	191	-	-	-	-	-	-	5,848	6,808
CHAPMAN GLUCKSMAN DEAN & ROEB	2,094	-	520	-	-	-	-	-	-	15,387	18,001
CHARLES C READ LAW PC	-	-	-	-	-	-	-	-	-	70,450	70,450
CONN MACIEL CAREY LLP	357	-	89	50,894	-	-	-	-	-	2,837	53,777
DLA PIPER US LLP	1,195	-	297	-	-	-	-	-	-	8,784	10,278
DOWNEY BRAND LLP	2,820	-	651	-	-	-	-	-	-	19,248	22,519
FROST BROWN TODD LLP	1,217	-	302	-	-	-	-	-	-	8,944	10,463
GIBSON DUNN & CRUTCHER LLP	35,448	-	8,808	-	-	-	-	-	-	260,468	304,722
GREENBERG TRAURIG LLP	7,410	-	1,841	-	-	-	-	-	-	54,445	63,696
HALEY & ALDRICH INC	581	-	144	-	-	-	-	-	-	4,272	4,997
HOLLAND & HART LLP	444	-	110	-	-	-	-	-	-	3,280	3,814
JACKSON LEWIS PC	888	-	221	-	-	-	-	-	-	8,524	7,833
JACOBS & SCHLESINGER LLP	117	-	29	-	-	-	-	-	-	882	1,008
JENNER & BLOCK	5,238	-	1,301	-	-	-	-	-	-	38,478	45,013
JONES DAY	43,335	-	10,788	-	-	-	-	-	-	318,423	372,524
KINSELLA HOLLEY ISER KLUMP	44	-	11	-	-	-	-	-	-	325	380
KLINEDINST	8,674	-	1,858	-	-	-	-	-	-	48,038	57,370
LATHAM & WATKINS LLP	35,002	2	8,202	333,178	37,801	-	-	108,595	53,547	842,588	1,419,713
LAW FIRM OF RUSSELL R JOHNSON III	3,828	-	901	-	-	-	-	-	-	28,648	31,173
LAW OFFICE OF PETER MICHAELS	5,273	-	1,310	-	-	-	-	-	-	38,742	45,325
LITTLER MENDELSON PC	4,179	-	1,038	-	-	-	-	-	-	30,713	35,930
MCQUIREWOODS LLP	13,023	-	3,235	-	-	9,248	1,102,710	-	-	95,895	1,223,911
MCLEAN VASQUEZ PLACE FABREGA APC	4,679	-	1,182	-	-	-	-	-	-	34,379	40,220
MORGAN LEWIS & BOCKIUS LLP	298,843	-	73,748	-	-	-	2,411,982	-	-	2,181,188	4,083,719
MUNGER TOLLES & OLSON	1,047	-	280	-	-	-	-	-	-	7,893	9,000
NOSSAMAN LLP	91,670	5,838	2,056	-	-	-	-	-	1,888	65,203	186,451
OMELVENY & MYERS LLP	-	-	-	-	-	-	795,203	-	-	-	795,203
PARSUS LLP	1,639	-	407	-	-	-	-	-	-	12,042	14,088
PEREZ VAUGHN & FEASBY INC	2,205	-	548	-	-	-	-	-	-	18,201	18,954
PROSKAUER ROSE LLP	8,471	-	2,105	-	-	-	-	-	-	82,248	72,822
REICHMAN JORGENSEN LLP	20,181	-	5,009	82,000	-	-	-	-	-	148,143	235,313
SHEPPARD MULLIN RICHTER & HAMPTON LLP	2,415	-	600	-	-	-	-	-	-	17,745	20,780
SIDEMAN & BANCROFT LLP	-	-	-	-	-	-	-	-	-	61,179	61,179
SOMOS LAW GROUP LLP	-	-	-	4,704	-	-	-	-	-	-	4,704
THOMAS RICHARD LOTTERMAN	-	-	-	-	-	-	186,369	-	-	-	186,369
TURNER DHILLON LLP	17,082	-	4,239	119,417	-	-	-	-	-	125,378	266,094
TYSON & MENDES LLP	353,609	-	87,800	-	-	-	-	-	-	2,598,898	3,038,075
WERKSMAN JACKSON HATHAWAY &	895	-	173	-	-	-	-	-	-	5,107	5,075
WFBM LLP	174	-	43	-	-	-	-	-	-	1,282	1,499
WILLENKEN WILSON LOH & DELGADO LLP	-	-	-	369	-	-	-	-	-	-	369
WILSON TURNER KOSMO LLP	11,275	-	2,802	172,884	-	-	-	-	-	82,881	269,822
WORK ENVIRONMENT LAW GROUP	50	-	12	-	-	-	-	-	-	384	428
ZUBER LAWLER LLP	4,187	-	1,041	-	-	-	-	-	-	30,784	36,012
GRAND TOTAL	994,623	5,838	225,839	782,119	37,801	9,248	4,478,244	108,595	55,433	7,415,478	14,091,818

Account numbers reported on this page are not an indication of the authorized rate-making of payments reported.

Vendor Report

Subdivision (e)(1)(B) requires detailed reporting for outside vendors performing Subdivision (b) Activities and above-the-line activities. Because Section 748.3 was not in effect until January 1, 2026, tracking of applicable vendor BTL activities using the specific statutory definitions and requirements in Section 748.3 did not occur in 2025. The following report is based on reasonably available information for outside vendors performing Subdivision (b) Activities and above-the-line activities) in 2025, prior to the effective date of Section 748.3.

**SOUTHERN CALIFORNIA GAS COMPANY
VENDOR REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025**

Vendor Name	FERC Account	Cost Incurred	Time Incurred	Work Performed	Benefit to Ratepayers	Rationale for recovery through rates
	908	75,462.50	Various	Supporting local government partners and Public sector customers engagement	Increases program participation and effectiveness, aligns program design with customer needs, and facilitates that authorized energy efficiency investments deliver verifiable energy savings.	Activity not expressly excluded under subdivision (b)
	910	8,925.00	N/A ²	Sponsorship and membership dues	Increases program participation and effectiveness, aligns program design with customer needs, and facilitates that authorized energy efficiency investments deliver verifiable energy savings.	Represents the non-lobbying portion of membership dues prior to effective date of AB1167
	923	2,500.00	N/A ²	Tickets for local advocacy event ¹	N/A	N/A
	Various*	5,915,155.85	Various	Professional services for various safety, operational and reporting activities/initiatives	Provides awareness to customers and broader stakeholders on safety and operational activities/initiatives and customer programs.	Activity not expressly excluded under subdivision (b)
	910	20,750.00	N/A ²	Membership dues	Fosters constructive community relationships, supports informed stakeholder engagement, and reduces opposition or delays to projects necessary for reliable and cost-effective utility service.	Represents the non-lobbying portion of membership dues prior to effective date of AB1167
	Various*	30,840.00	N/A ²	Support for Environmental Law activities/efforts. (Fees for participation in the Gas Infrastructure Coalition)	Facilitates compliance with environmental requirements, avoiding greater financial penalties or project delays, and facilitates timely approval of infrastructure needed to provide safe, reliable, and lawful service at the lowest reasonable long-term cost.	Activity not expressly excluded under subdivision (b)
	Various*	38,272.00	164.6	Support with various cases/CPUC filings	Supports compliance with applicable laws and regulations, protecting the utility's interests in disputes and transactions, and reduces financial and operational risks that could otherwise lead to higher costs or service disruptions.	Activity not expressly excluded under subdivision (b)
	Various*	1,086,537.00	718.9	Support with various legal matters including, Securities Law, CPUC filings, investigations	Supports compliance with applicable laws and regulations, protecting the utility's interests in disputes and transactions, and reduces financial and operational risks that could otherwise lead to higher costs or service disruptions.	Activity not expressly excluded under subdivision (b)

¹ Incorrectly recorded to an above-the-line FERC account, but was excluded from 2028 General Rate Case historical activity for 2025, which is used to inform future recovery requests.

² N/A - Not applicable or hours not readily available.

* Costs charged to various FERC accounts.

APPENDIX H

OTHER CPUC DIRECTIVES ADDRESSED IN THE TY 2028 GRC APPLICATIONS

Appendix H – Other CPUC Directives Addressed in the TY 2028 GRC Applications

	IOU	Directive Reference	Subject	Directive Description	2028 Witness Area	Testimony Reference
1	Both	D.21-11-009 (Phase 1, Tracks 1 and 2), D.22-10-002 (Phase 1, Track 3), D.22-12-027 (Phase 2), D.24-05-064 (Phase 3), and D.25-08-032 (Phase 4)	Risk-Informed Decision-Making Framework (RDF)	Requirements for franching, risk quantification, benefit-cost methodologies, discount rate sensitivity analysis, mitigation selection transparency, standardized data template, and a new accountability report, transforming RDF from a high level structure to a more comprehensive and formalized analytical framework.	RDF Integration (SCG-02B/SDGE-02B)	Section II.A
2	Both	A.25-05-010/013 (cons.) Administrative Law Judge's Ruling Directing The Service of Additional Information and Other Requirements (March 4, 2026)	Risk-Informed Decision-Making Framework (RDF)	March 4, 2026 ALJ Ruling identifies seven "areas of deficiency to be addressed in the 2028 Test Year GRC filing." "Addressing the deficiencies," are anticipated to remedy "identified compliance issues, improve the transparency of filing and support decision- making in SDG&E's and SoCalGas's [TY] 2028 GRC application review	RDF Integration (SCG-02B/SDGE-02B)	Section V
3	SDG&E	D. 26-01-021, OP 3	Risk-Informed Decision-Making Framework (RDF)	In future applications for cost recovery, San Diego Gas & Electric Company shall provide and incorporate Cost-Benefit Ratios in its analysis as required by the Commission's Risk- Based Decision-Making Framework.	RDF Integration (SCG-02B/SDGE-02B)	SDG&E – Wildfire and PSPS Risk BCR Workbook: Ex. SCG-02/SDGE-02-WP- S SDGE-04 W
4	SDG&E	D. 26-01-021, OP 6	High Fire Threat Districts	In future Wildfire Mitigation Plans and other reports regarding wildfire mitigation work, San Diego Gas & Electric Company shall fully disclose the work and costs performed within and outside High Fire Threat Districts.	RDF Integration (SCG-02B/SDGE-02B)	SDG&E – Wildfire and PSPS Risk BCR Workbook: Ex. SCG-02/SDGE-02-WP- S SDGE-04 WF
5	SoCalGas	D.17-06-015 at 162, OP 12	Gas Distribution Service Replacements	Directs SCG to include SB 1371 compliance and implementation costs into its GRC forecasts	Gas Distribution (SCG-04)	Section IV.F.2
6	Both	D.20-04-004; D14-03-021, OP8	Mobilehome Park Utility Conversion Program	Establishment of reasonableness of cost incurred for activities related to the conversion of MHP projects from 2022 through 2025.	Gas Distribution (SCG-04 and SDGE-04)	SCG - Section VI; SDG&E - Section VI
7	SDG&E	D.26-01-021, OP8	Asset Management and Inspection program costs	In its next GRC, SDG&E shall specify the Operations & Maintenance costs for all Asset Management and Inspection programs separately from the capital costs for repair or replacement of poles and other equipment and the number of poles being replaced. SDG&E shall also coordinate and optimize pole inspection and replacement programs and demonstrate the lack of redundancy between such programs.	Wildfire Mitigation and Vegetation Management (SDGE-07)	Chapter 1, Section III.A.3, III.A.10, III.A.11, and IV.A.2. Chapter 2, Section I.E.4.a.iv.
8	SDG&E	D. 26-01-021, OP 4	Wood to Steel Replacement	San Diego Gas & Electric Company (SDG&E) shall continue to monitor, evaluate, and report the cost-effectiveness of replacing wood poles with steel poles. In the next general rate case, SDG&E shall perform cost-benefit analyses to compare the costs and benefits of the use of wood poles compared to metal poles and to demonstrate how SDG&E has accounted for savings in using metal poles instead of wood poles.	Wildfire Mitigation and Vegetation Management (SDGE-07)	Chapter 2, Section I.E.4.b.iii.
9	SDG&E	D. 26-01-021, OP 5	Microgrid Projects as Wildfire Mitigations	If San Diego Gas & Electric Company requests cost recovery for any additional microgrid projects in a future application for cost recovery or General Rate Case, that request shall provide evidence of the energy source and cost effectiveness of those microgrid projects as wildfire mitigations.	Wildfire Mitigation and Vegetation Management (SDGE-07)	Chapter 1, Section IV.A.1, V.A and V.B.
10	SDG&E	D. 26-01-021, OP 7	Standby Power	In San Diego Gas & Electric Company's (SDG&E's) next General Rate Case application, SDG&E shall provide evidence of the unit cost of generator and standby sources of power, including renewable options, and the distance at which grid hardening remote customers is unreasonable and standby power is recommended	Wildfire Mitigation and Vegetation Management (SDGE-07)	Chapter 1, Section III.5.C
11	SDG&E	D. 26-01-021, OP 11	Wildfire Mitigation Cost Recovery	If San Diego Gas & Electric Company (SDG&E) seeks recovery of wildfire mitigation costs for years 2024 and 2025, SDG&E shall file an application before it files its next General Rate Case (GRC). SDG&E's application for recovery of wildfire costs for 2026 shall be part of SDG&E's next GRC.	Regulatory Accounts (SDGE-26)	Section II.D.4

Appendix H – Other CPUC Directives Addressed in the TY 2028 GRC Applications

	IOU	Directive Reference	Subject	Directive Description	2028 Witness Area	Testimony Reference
12	SDG&E	D.25-10-034, OP 4	New Electric Energization Memorandum Account (SB 410)	In its next General Rate Case Application, San Diego Gas & Electric Company (SDG&E) shall include the following information for any costs recorded to the Electric Energization Memorandum Account: a. The General Rate Case category and subcategory (i.e., workpaper) for those costs. b. For the project associated with the recorded spending: the current status of the project (e.g., completed, in progress, cancelled); the date the project was placed in service; and, the average cost for comparable projects SDG&E completed in the last four years	Electric Distribution Capital (SDGE-08)	Section VIIA
13	SDG&E	Public Utilities Code Section 935(a)	Staffing Analysis	In each general rate case application, each electrical corporation shall include a detailed analysis of its current qualified staffing level and future required qualified staffing level for each job classification needed to be consistent with the findings and achieve the policies and requirements of this article [i.e., SB 410 Powering Up Californians].	Electric Distribution Capital (SDGE-08)	Section VIII and Appendix D
14	SDG&E	D.18-03-024, OP4	Grid Modernization Plan	Requires SDG&E to present its Grid Modernization Plan (GMP) for review and evaluation in the GRC	Electric Distribution O&M (SDGE-09)	Section LC and Appendix E

APPENDIX I

SDG&E COVERED INFORMATION PRIVACY AND SECURITY ASSESSMENT REPORT



San Diego Gas and Electric Company

CPUC Covered Information Privacy and Security Assessment
Report

For the period January 1, 2025
through December 31, 2025

Final Report

April 13, 2026

kpmg.com

Contents

Document structure1

Executive summary2

Project approach and methodology.....7

Rule assessment results, exceptions, and recommendations8

SDG&E's Management Response to CPUC Covered Information Privacy and Security
Assessment Report19

Appendix I – Detailed assessment procedures and results.....23

Appendix II – Abbreviations used in this report113

Appendix III – Stakeholders interviewed116

Document structure

This report consists of the following sections:

Executive summary – an overview of the project including background, scope, and KPMG’s overall results and noted exceptions and recommendations, where necessary, for each Rule comprising the *California Public Utility Commission Privacy Decision*.

Project approach and methodology – an overview of key project phases and activities performed by KPMG throughout the course of the assessment.

Rule assessment results, exceptions, and recommendations – a summary of KPMG’s assessment associated with each of the nine (9) Rules of the *CPUC Privacy Decision* including KPMG’s interviews and document reviews (e.g., test work), overall results, detailed exceptions, and improvement recommendations associated with each exception.

SDG&E’s Management Response to CPUC Covered Information Privacy and Security Assessment Report – SDG&E’s Management Response to the *CPUC Covered Information Privacy and Security Assessment Report* dated April 13, 2026.

Appendix I – Detailed assessment procedures and results – the full details of KPMG’s assessment criteria, procedures, and results for each Rule.

Appendix II – Abbreviations used in this report – a list of the abbreviations and acronyms used throughout this Report.

Appendix III – Stakeholders interviewed – a list of each stakeholder interviewed by KPMG throughout the course of the assessment.

Executive summary

Through its Smart Meter and meter-to-cash operations, San Diego Gas and Electric Co. (hereinafter “SDG&E,” the “Utility,” or “Company”) collects, processes, stores, and discloses Customer Energy Usage Data (“CEUD”) and other Customer Personally Identifiable Information (“PII”). The PII contains names, addresses, Social Security Numbers (“SSNs”), service account numbers, and financial account information. When combined, CEUD and PII represent Covered Information.

Background

On July 28, 2011, the California Public Utilities Commission (CPUC) issued Decision D.11-07-056 “Rules Regarding Privacy and Security Protections for Energy Usage Data” and Decision D.14-12-004 “Decision Extending Privacy Protections to Customers of Gas Corporations and Community Choice Aggregators and to Residential and Small Commercial Customers of Electric Service Providers” (hereinafter the “Privacy Decisions”). The *Privacy Decisions* requires SDG&E to undergo an independent assessment of its Covered Information privacy and security practices. Covered Information is defined in the *Privacy Decisions* as CEUD obtained via Advanced Metering Infrastructure combined with other information that could reasonably be used to identify a residential customer, family, household, residence, or nonresidential customer. Covered Information does not include information provided to the CPUC pursuant to its oversight responsibilities.

SDG&E engaged KPMG to conduct an independent assessment of the Company’s Covered Information privacy and security processes, controls, and practices in conjunction with general rate case proceedings.¹ This report represents the results of KPMG’s assessment.

Scope

The scope of KPMG’s assessment was limited to SDG&E systems and Lines of Business (LOBs) collecting, processing, storing, or disclosing Covered Information. The scope does not cover an assessment of SDG&E’s practices, procedures, and controls to safeguard employee or contractor PII, or other customer PII that is not Covered Information. In addition, the assessment covered several Sempra Shared Services departments that provide services for all Sempra Energy companies (San Diego Gas & Electric and SoCalGas), including cybersecurity, corporate security, audit services, facilities, and supply management.

To perform the review, KPMG used an assessment framework comprised of multiple criteria based on various industry leading standards. KPMG mapped the Assessment Framework criteria to the nine (9) Rules in the *Privacy Decision* and used the framework to perform the assessment of SDG&E’s privacy and security practices, procedures, and controls to safeguard Covered Information.

¹ Independent privacy and security practices assessment is not intended to be an audit, examination, attestation, special report or agreed-upon procedures engagement as those services are defined in American Institute of Certified Public Accountants literature applicable to such engagements. Accordingly, these services will not result in the issuance of a written communication to third parties by KPMG directly reporting on financial data or internal control or expressing a conclusion, an opinion, or any other form of assurance. KPMG’s services constitute an Advisory engagement under the AICPA Standards for Consulting Services.

- The *Covered Information Privacy and Security Practices Assessment* was based on KPMG’s review and understanding of the practices, procedures, and controls in place from **January 1, 2025 through December 31, 2025** (the Covered Period).
- The exceptions and recommendations were based on KPMG’s review of policy/procedure documents, stakeholder interviews, inspection of sample communications to customers and third parties, Covered Information access reports, system security profiles, and site walk-throughs.
- KPMG performed physical site walk-throughs to observe physical, technical, and administrative privacy and security controls implemented where Covered Information is collected, stored, and processed. KPMG conducted physical site walk-throughs of a Contact Center, the Credit and Billing Operations Department, the Bill Print and Remittance Center, and the Semptra Production Data Center. KPMG’s observations are limited to observations identified through site walk-throughs, stakeholder interviews, virtual screen sharing, and documentation reviews.
- KPMG conducted 48 interviews with personnel from various Lines of Business (LOBs) including Audit Services; Corporate Security; Customer Service and Customer Complaints/Inquiries; Customer Information Service Request (Third-Party Sharing); Usage and Billing; Credit and Payment Services; Human Resources; Privacy Governance; Information Governance and Records Retention; Legal and Regulatory; Vendor Management and Third-Party Compliance (including Supply Chain); Information Technology (including IT Cybersecurity, Incident Management, Risk Management, software development life cycle (SDLC), Middleware, and Data Flows); Electric Service Providers; Advanced Meter and Smart Meter teams; and physical and technical operations assessed through site walkthroughs (e.g., Contact Centers, Data Centers, and Billing Operations Centers). KPMG also conducted interviews with SDG&E’s privacy and security executives to understand general Covered Information oversight, management, and tone at the top.
- As part of its standard CPUC Privacy and Security Assessments, KPMG reviews the CPUC Annual Report for the Covered Period under review. However, because SDG&E had not finalized the 2025 CPUC Annual Report at the time this report was issued, KPMG relied on the prior year’s CPUC Annual Report that was filed during the Covered Period to perform its test procedures.
- KPMG assessed the design and implementation of privacy and security controls followed by an assessment of operating effectiveness of key implemented controls.

The nine (9) Rules noted in the *Privacy Decision* are listed below.

Rule 1	Definitions
Rule 2	Transparency (Notice)
Rule 3	Purpose Specification
Rule 4	Individual Participation (Access and Choice)
Rule 5	Data Minimization
Rule 6	Use and Disclosure Limitation
Rule 7	Data Quality and Integrity
Rule 8	Data Security
Rule 9	Accountability and Auditing

Summary of exceptions

KPMG has noted 5 exceptions (Exceptions are areas where SDG&E's program may not be fully prepared to meet compliance with CPUC *Privacy Decision* requirements, as measured against KPMG's Assessment Framework, developed to test controls around Covered Information identified in the rules). The exceptions are shown below along with the recommendations associated with each exception. There were 1 Low-Risk exception and 4 Medium-Risk exceptions. SDG&E remediated 1 Low-Risk exception prior to the finalization of the assessment report. The risk rating methodology is based on the following definitions:

Risk level	Description
High	Issue poses a significant risk of data breach of Covered Information and/or a significant deviation from the <i>CPUC Privacy Decision</i> .
Medium	Inconsistent implementation of policies and procedures that may impact the ability of SDG&E to protect Covered Information and/or achieve adequate alignment with the <i>CPUC Privacy Decision</i> .
Low	Procedures or practices supporting the protection of Covered Information and alignment with the <i>CPUC Privacy Decision</i> may not be formally defined or documented.

For more details associated with each Rule, see **Rule assessment results, exceptions, and recommendations**, and **Appendix I – Detailed assessment procedures and results**.

CPUC rule number	Risk level	Exceptions noted	KPMG recommendations
CPUC Rule 1 Definitions	-	-	N/A
CPUC Rule 2 Transparency (Notice)	Low	While the "Contact Us" section of the <i>Privacy Notice</i> pdf includes a phone number that customers can use to contact SDG&E with questions about the company's practices over Covered Information, the website <i>Privacy Notice</i> does not state a phone number that customers can call.	SDG&E remediated this exception prior to the finalization of the assessment report. SDG&E has taken actions to correct this issue by updating the contact information in the <i>Privacy Notice</i> to include the phone number.
CPUC Rule 3 Purpose Specification	-	-	N/A
CPUC Rule 4 Individual Participation (Access and Choice)	-	-	N/A
CPUC Rule 5 Data Minimization	-	-	N/A
CPUC Rule 6 Use and Disclosure Limitation	Medium	Sampled SDG&E contracts executed since the completion of the prior Covered Information assessment and current standard contract templates	Management should consider reviewing third-party contracts involving sharing Covered Information and ensure the contracts include the required standard language to enhance

CPUC rule number	Risk level	Exceptions noted	KPMG recommendations
CPUC Rule 7 Data Quality and Integrity		contain privacy and security provisions aligned with CPUC requirements. However, it was noted that legacy contracts contain confidentiality language, with privacy and security provisions that do not align to the CPUC requirements.	customer privacy protection and help ensure Covered Information is properly managed by third parties.
	-	-	N/A
CPUC Rule 8 Data Security	Medium	Sempra has documented policies and standards that require applications and systems to be appropriately classified based on the sensitivity of the data stored within the system to help enforce data and system-level protections and safeguards commensurate with the respective information classification level. During 2025, it was noted that several in-scope systems storing Covered Information were classified with an incorrect information classification label that was less restrictive than the actual data stored within the system or the system was not classified. As a result, the appropriate data protection controls may not be enforced in the system as required by Sempra policies and standards.	Management should update the application database entry to indicate the proper system and data classification level for each in-scope SDG&E application. In addition, Sempra should implement all technical controls based on the classification level to safeguard Covered Information in the application in alignment with Sempra policies and standards.
	Medium	Although Sempra has security measures in place to protect and ensure Data Privacy, some standalone network printers in the Sempra environment are not integrated into the Follow Me system, which allows	Management should establish a plan to integrate all Sempra network printers with the Follow Me system to enforce secure print controls (e.g., user authentication, prevent unauthorized access to printed information left on printers).

CPUC rule number	Risk level	Exceptions noted	KPMG recommendations
		employees to print directly to these printers and bypass the required secure printing process	
CPUC Rule 9 Accountability and Auditing	Medium	Mandatory training for Contractors without a managed Sempra laptop is dependent on system access through a Virtual Desktop Interface (VDI). Delays to this access prevents fulfilling essential onboarding requirements and hinders their compliance with required training protocols, particularly impacting roles that involve handling of Covered Information.	The host manager should collaborate with the Contractor Onboarding Team and IT to ensure that new contractors are provisioned with access to the appropriate IT assets, including the Contractor Training System (CTS), at the time of onboarding that will enable them to promptly complete all required trainings.

Project approach and methodology

KPMG approached the Assessment in four (4) phases: Mobilize, Assess, Validate, and Report.



- **Mobilize** – KPMG validated the Assessment Framework used to review SDG&E’s privacy and security practices based on the nine (9) Rules comprising the *Privacy Decision*. KPMG created this framework at the inception of the *Privacy Decision*, and it has been used across all the California investor-owned utilities (IOUs). The framework has evolved overtime to reflect changes in the environment, market expectations and Utilities maturing programs.
- KPMG worked with SDG&E’s Office of Customer Privacy (OCP) to identify relevant stakeholders, reviewed the organizational structure to identify business groups where Covered Information may reside, reviewed the current IT landscape to identify systems and applications that collect, store, or process Covered Information, and documented existing system profiles for systems and applications that collect, store and process Covered Information.
- **Assess** – As part of the assessment, KPMG performed a variety of interviews with stakeholders representing various LOBs. KPMG interviewed a unique total number of 73 personnel in a total of 48 interviews, submitted 155 document requests, reviewed approximately 200 documents (including policies, standards, guidelines, architecture diagrams, configurations, etc.) inspected 33 system profiles, and performed 4 site walk-throughs of critical SDG&E facilities (Customer Contact Center, Sempra Production Data Center, Billing and Credit Department, Billing and Remittance Center) to observe safeguards in place to protect Covered Information.
- **Validate** – KPMG validated draft observations throughout the Assessment phases with SDG&E Office of Customer Privacy, relevant IT and business stakeholders, and SDG&E leadership.
- **Report** – KPMG developed a final report providing exceptions and recommendations and incorporated SDG&E’s Management Response to the validated Exceptions.

Rule assessment results, exceptions, and recommendations

For each identified Exception, KPMG reviewed the risk and assigned a risk rating of **High**, **Medium**, or **Low** based on the potential impact the Exception could have as it relates to the protection of Covered Information. The risk rating methodology used the following definitions:

Risk level	Description
High	Issue poses a significant risk of data breach of Covered Information and/or a significant deviation from the <i>CPUC Privacy Decision</i> .
Medium	Inconsistent implementation of policies and procedures that may impact the ability of SDG&E to protect Covered Information and/or achieve adequate alignment with the <i>CPUC Privacy Decision</i> .
Low	Procedures or practices supporting the protection of Covered Information and alignment with the <i>CPUC Privacy Decision</i> are not formally defined or documented.

KPMG noted 5 specific exceptions, comprised of 1 Low-Risk exception and 4 Medium-Risk exceptions. The exceptions identify areas where SDG&E's program is not fully prepared to meet requirements under the *Privacy Decision*.

The following tables provide a summary of the criteria that KPMG applied in the assessment of each of the nine (9) Rules of the *Privacy Decision*, the overall assessment results of the set of criteria evaluated, and relevant Exceptions (if any) along with level of risk, risk implication and recommendation.

Rule 2: Transparency Notice

KPMG assessment procedures	KPMG assessed SDG&E's overall customer notice program focusing on: — Reviewing internal and customer-facing <i>Privacy Policies</i> and <i>Privacy Notice</i> that address SDG&E's practices and procedures related to the collection, processing, storage, and disclosure of Covered Information; — Interviewing with SDG&E's Office of Customer Privacy personnel and review of methods and frequency for providing customers with the <i>Privacy Notice</i>; — Interviewing Energy Service Specialists (ESSs) to discuss interactions with customers and the handling of their Covered Information.
Results summary	SDG&E provides its external-facing <i>Notice of Accessing, Collecting, Storing, Using and Disclosing Energy Usage Information (Privacy Notice)</i> and <i>Privacy Policy</i> on its website detailing the manner in which the Company collects, stores, shares, and protects Covered Information and the methods by which customers can access their data. The <i>Privacy Notice</i> includes a contact telephone number and mailing address where customers can contact SDG&E with complaints, inquiries, and disputes regarding their Covered Information and SDG&E's <i>Privacy Notice</i>. There is a "Privacy Center" link located at the bottom of SDG&E's homepage, which takes the customer to privacy related resources, including the <i>Privacy Notice</i>. SDG&E provides its <i>Privacy Notice</i> to new customers with their first bill, and annually thereafter in a bill insert. The <i>Privacy Notice</i> is available in 22 languages to accommodate SDG&E's largest customer demographics. SDG&E also makes available its previous versions of the <i>Privacy Notice</i> upon request. Customers can email privacy@sdge.com or contact the Office of Customer Privacy (OCP) to request prior versions of SDG&E's <i>Privacy Notice</i>.
Exception	While the "Contact Us" section of the <i>Privacy Notice</i> pdf includes a phone number that customers can use to contact SDG&E with questions about the company's practices over Covered Information, the website <i>Privacy Notice</i> does not state a phone number that customers can call.
Risk level	Low
Risk implication	Per CPUC <i>Privacy Decision</i>, utilities must provide customers with "email address, postal address, and telephone number, of an official at the covered entity who can assist the customer with privacy questions, concerns, or complaints regarding the collection, storage, use, or distribution of covered information."
Recommendation	SDG&E remediated this Exception prior to the finalization of the assessment report. SDG&E has taken actions to correct this issue by updating the contact information in the <i>Privacy Notice</i> to include the phone number.

Rule 3: Purpose Specification

KPMG assessment procedures	KPMG assessed SDG&E's specification of the purposes focusing on: — Reviewing how SDG&E specifies the reasons for which it collects, discloses, retains, and provides access to Covered Information; — Reviewing SDG&E's <i>Privacy Notice</i>, as well as other policies and procedures; — Interviewing stakeholders to understand the determination and specification of information and third-party categories; — Examining whether the <i>Privacy Notice</i> includes a description of how customers can access and control their Covered Information collected, processed, stored, and disclosed by SDG&E; — Interviewing SDG&E personnel on procedures to assist customers with accessing, inquire about, or dispute their covered information.
Results summary	SDG&E has documented policies and procedures outlining the acceptable purposes for which Covered Information may be collected, stored, used, and shared. These include detailed policies regarding disclosure of Covered Information for both primary and secondary purposes. In addition, the <i>Privacy Notice</i> includes ways the Customer can contact SDG&E to limit the collection, use, and storage of Covered Information. Per Company policy, Covered Information is not disclosed for secondary purposes, without customer authorization. SDG&E's <i>Privacy Notice</i> includes the categories of third parties SDG&E may share Covered Information with, and circumstances under which that information may be shared. SDG&E has implemented internal policies, procedures, and standards instructing employees on determining the veracity and propriety of third-party requests for customer information, the relevant customer consent forms, and on the appropriate use of Covered Information.
Exception	No exceptions noted.
Risk level	-
Risk implication	-
Recommendation	-

Rule 4: Individual Participation (Access and Choice)

KPMG assessment procedures	KPMG assessed SDG&E's customer-facing program focusing on: — Reviewing internal and external policies and procedures to provide customers with access and consent mechanisms related to their Covered Information; — Reviewing customer portals, perform stakeholder interviews, and conduct walk-throughs of the Customer Contact Center and Branch Offices where SDG&E ESSs interact with customers with respect to their Covered Information; — Reviewing customer authorization forms to understand how customers can grant and revoke authorization for sharing of their Covered Information for secondary purposes; — Examining the process in place to disclose Covered Information pursuant to legal processes and in situations of imminent threat to life or property. Test procedures included review of policies and procedures for tracking these requests and the subsequent notice provided to customers and interviews with SDG&E stakeholders in relevant business functions.
Results summary	SDG&E provides customers with multiple methods to access their Covered Information, including notifications on their monthly bills, via SDG&E's <i>My Energy Center</i> portal and <i>Energy Usage Reports</i> that allow them to review and interpret their CEUD. Customers may contact SDG&E through phone, web, email, or mail with questions or concerns regarding their Covered Information, account, and monthly bills. SDG&E ESSs authenticate customers and validate their account information when answering calls prior to addressing customers' questions or concerns. Internal guidelines for SDG&E employees who interact with customers are in place and address how to provide customers with access to their Covered Information. SDG&E has processes and procedures in place for customers to grant and revoke authorization to third parties through the use of the <i>Customer Information Service Request (CISR)</i> form. Customer-facing policies and notices indicate SDG&E may disclose Covered Information if it is necessary to provide energy services, to comply with relevant laws, to respond to subpoenas or warrants, or to provide emergency responders with pertinent information in the case of imminent threat to life or property.
Exception	No exceptions noted.
Risk level	-
Risk implication	-
Recommendation	-

Rule 5: Data Minimization

KPMG assessment procedures	KPMG assessed SDG&E's adoption of Data Minimization principles in the collection, use, and disclosure of Covered Information focusing on: — Reviewing corporate and department-specific policies and procedures to understand how Covered Information is segregated from other systems; — Interviewing stakeholders to determine how user access to Covered Information is limited based on business need; — Examining how records and assets are retained for only as long as reasonably necessary; — Inspecting the proper disposal of records upon their eligibility for disposition; — Interviewing stakeholders to determine how Data Minimization principles were adopted as part of third-party disclosure practices; — Performing site walk-throughs at the Customer Contact Center, Branch Offices to understand how Data Minimization is implemented in facilities where Covered Information is processed.
Results summary	SDG&E has implemented the Data Minimization principle as a foundational component to its overall privacy program framework. The company has documented policies and procedures limiting the amount of information collected, stored, and retained; the number and level of employees who have access to Covered Information; and the categories of third parties with whom it is shared. SDG&E enforces the same Data Minimization protocols within the Contact Centers as they do for employees working remotely. Data Minimization is reinforced through various trainings and employee compliance with relevant policies and procedures is routinely reviewed. SDG&E management reviews and certifies that Covered Information is retained only as long as necessary for a specific business purpose and that it is properly disposed of in a timely manner.
Exception	No exceptions noted.
Risk level	-
Risk implication	-
Recommendation	-

Rule 6: Use and Disclosure Limitation

KPMG assessment procedures	KPMG assessed SDG&E's Third-Party Management Program focusing on: — Examining processes in place for disclosure of Covered Information to third parties. "Third party" is defined to include suppliers and contractors; — Reviewing procedures and forms for customers to authorize and revoke a third party to receive Covered Information on behalf of the customer; — Examining third-party management policies and procedures and interview of stakeholders to understand how SDG&E implements practices and procedures based on the categories of third parties; — Reviewing third-party contract management process including onboarding, contract compliance reviews, and contract termination; — Reviewing third-party (suppliers, vendors, contractors and consultants) risk management documentation; — Examining data transmission protocols and ongoing monitoring of third parties for compliance with SDG&E policies and contractual provisions.
Results summary	SDG&E has processes in place to allow customers to share their Covered Information with third parties. SDG&E has formal internal procedures to manage customer requests for disclosure to third parties, which include forms for explicit customer authorization and forms to revoke such authorization (<i>CISR</i> forms). Prior to providing services to SDG&E, all third parties must have a written formal agreement and must undergo a risk assessment conducted by the Information Technology Vendor Management Office (IT VMO). In addition, SDG&E has internal third-party management policies and informs third parties about data privacy requirements. Third-party vendors are contractually obligated to maintain the privacy of the information shared.
Exception	Sampled SDG&E contracts executed since the completion of the prior Covered Information assessment and current standard contract templates contain privacy and security provisions aligned with CPUC requirements. However, it was noted that legacy contracts contain confidentiality language, with privacy and security provisions that do not align to the CPUC requirements.
Risk level	Medium
Risk implication	Third-party vendors with access to Covered Information may have safeguards to protect customer privacy at levels less protective than those under which SDG&E operates.
Recommendation	Management should consider reviewing third-party contracts involving sharing Covered Information and ensure the contracts include the required standard language to enhance customer privacy protection and help ensure Covered Information is properly managed by third parties.

Rule 7: Data Quality and Integrity

KPMG assessment procedures	KPMG assessed SDG&E's data validation methods and procedures focusing on: — Interviewing stakeholders to determine how SDG&E validates the quality and integrity of Covered Information; — Examining the Smart Meter systems and infrastructure to understand how usage data is managed and reconciled; — Reviewing policies and procedures and interviews with stakeholders to understand how SDG&E provides customers with the opportunity to modify or remove other data elements collected by the Company.
Results summary	SDG&E has policies in place that address the confirmation, validation, and relevance of customer information. The <i>Privacy Notice</i> provides customers with details to contact the Company by phone, email or mail should they need to view or dispute their information. In addition, Contact Center personnel authenticate and validate customer account information when answering a call. ESSs can assist customers with updating their information. SDG&E's <i>My Account Terms and Conditions</i> indicate it is the customers' responsibility to ensure their personal information is updated and accurate. System checks and manual processes are in place to validate energy usage reads and perform edits to help ensure completeness and accuracy of usage data prior to billing the customer.
Exception	No exceptions noted.
Risk level	-
Risk implication	-
Recommendation	-

Rule 8: Data Security

KPMG assessment procedures	KPMG assessed SDG&E physical and Cybersecurity measures to protect Covered Information focusing on: — Reviewing Cybersecurity policies, procedures, and measures related to: endpoint security (antivirus protection, email/database security), network security (network segmentation, Intrusion Prevention Systems/Intrusion Detection Systems, remote access, wireless, firewalls, network access controls), logging and monitoring, data loss prevention, web-content filtering, mobile security, vulnerability and patch management, business continuity/disaster recovery, change control (SDLC, cybersecurity assessments, privacy impact assessments, secure code reviews), access management (user provisioning and deprovisioning, access governance, privileged access, third-party access), and data classification; — Performing site walk-throughs to observe and validate the physical and technical security controls implemented to safeguard Covered Information at the following critical SDG&E facilities: Customer Contact Center, a Branch Office, Production Data Center, Credit Operations and Billing Operations; — Inspecting system profiles for in-scope systems storing Covered Information related to key configurations and system settings: System Access (user authentication and password configuration), Access Management (restriction of access based on least privilege and need-to-know, segregation of duties, periodic access reviews), Logging and Monitoring (system activity reviews, audit logs and audit trails of changes to customer data), Disaster Recovery, Data Protection (secure transfer mechanisms, encryption, masking of sensitive data in production and development environments); — Reviewing the Sempra and SDG&E incident response and breach management program and interview stakeholders who are responsible and/or accountable in the response to a potential incident involving Covered Information, including communications to regulators and impacted customers; — Reviewing evidence of tools deployed in the environment to detect and analyze potential threats to Covered Information.
Results summary	SDG&E has an established Information Security (IS) Program as part of Sempra shared services that is accountable and responsible for the design and implementation of both physical and logical information security controls to protect Covered Information. Formal policies and procedures have been established and implemented that address specific administrative, physical, and technical controls to protect Covered Information. Monitoring procedures are in place to detect and address noncompliance with policies and procedures. Various technical controls have been implemented to prevent and detect incidents and unauthorized access to systems containing Covered Information. A process is also in place to report and track potential security incidents and breaches to help ensure they are contained and eradicated, and measures are implemented to reduce the likelihood of similar events from occurring in the future.
Exception 1	Sempra has documented policies and standards that require applications and systems to be appropriately classified based on the sensitivity of the data stored within the system to help enforce data and system-level protections and safeguards commensurate with the respective information classification level. During 2025, it was noted that several in-scope systems storing Covered Information were classified with an incorrect information classification label that was less restrictive than the actual data stored within the system or the system was not classified. As a result, the appropriate data protection controls may not be enforced in the system as required by Sempra policies and standards.

Risk level	Medium
Risk Implication	Misclassified or mislabeled Covered Information may result in system settings that are configured with safeguards that are not commensurate to the data sensitivity levels.
Recommendation	Management should update the application database entry to indicate the proper system and data classification level for each in-scope SDG&E application. In addition, Sempra should implement all technical controls based on the classification level to safeguard Covered Information in the application in alignment with Sempra policies and standards.
Exception 2	Although Sempra has security measures in place to protect and ensure Data Privacy, some standalone network printers in the Sempra environment are not integrated into the Follow Me system, which allows employees to print directly to these printers and bypass the required secure printing process.
Risk level	Medium
Risk implication	Unsecured standalone printers allow employees to bypass secure print controls, increasing the risk of unauthorized access to sensitive documents, and reducing accountability for printed information which may result in data leakage impacting the confidentiality, integrity, and availability of Covered Information.
Recommendation	Management should establish a plan to integrate all Sempra network printers with the Follow Me system to enforce secure print controls (e.g., user authentication, prevent unauthorized access to printed information left on printers).

Rule 9: Accountability and Auditing

KPMG assessment procedures	KPMG assessed SDG&E's overall Customer Data Privacy and Cybersecurity programs, focusing on: — Reviewing documentation supporting each program as well as SDG&E's communication of these policies to both employees and contractors; — Interviewing stakeholders to understand the level of executive support and sponsorship of the Customer Privacy Program and Cybersecurity program, including the individuals and roles responsible and accountable for the customer privacy and cybersecurity throughout the Company; — Interviewing members of SDG&E's Executive Management to understand leadership's views on customer data protection; — Reviewing processes to receive, track and resolve customer complaints, disputes, and inquiries related to the protection of Covered Information. Test procedures included a review of internal procedures, interviews with stakeholders involved in the complaints process, and walk-throughs of the Customer Contact Center and Branch Offices; — Examining the employee and contractor training and awareness programs associated with the protection of Covered Information. This assessment included a review of enterprise-wide and targeted training materials provided to SDG&E employees and third-party contractors collecting, handling, storing, or transmitting Covered Information. Additionally, KPMG observed training compliance logs maintained for privacy trainings for employees and contractors.
Results summary	SDG&E has developed Company and department policies addressing proper safeguards of Covered Information. The Company has achieved a high level of maturity for its Customer Privacy Program, including a dedicated Customer Privacy Program Manager, who provides support, oversight, and visibility to reporting. Updates on data privacy and cybersecurity are regularly provided to management and the Board of Directors, and the Company's officers and directors reinforce the importance through awareness programs and town halls. A process exists to respond to complaints and inquiries levied by customers related to customer privacy. A Company-wide cybersecurity training and privacy training has been implemented and a targeted supplemental Customer Privacy training is provided to employees and contractors that have access to Covered Information.
Exception	Mandatory training for Contractors without a managed Sempra laptop is dependent on system access through a Virtual Desktop Interface (VDI). Delays to this access prevents fulfilling essential onboarding requirements and hinders their compliance with required training protocols, particularly impacting roles that involve handling of Covered Information.
Risk level	Medium
Risk implication	Contractors that are on-boarded with access to Covered Information could use, process, or store Covered Information without being trained on how to handle Covered Information. In addition, a contractor with access to Covered Information could start and end their work assignment without ever having access to complete the required Covered Information training.

Recommendation	The host manager should collaborate with the Contractor Onboarding Team and IT to ensure that new contractors are provisioned with access to the appropriate IT assets, including the Contractor Training System (CTS), at the time of onboarding that will enable them to promptly complete all required trainings.
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SDG&E's Management
Response to CPUC
Covered Information
Privacy and Security
Assessment Report



04/13/2026

Doron Rotman
Managing Director
KPMG LLP

Re: San Diego Gas and Electric Response to KPMG's 2025 Covered Information Privacy and Security Assessment Report

Dear Mr. Rotman:

On behalf of San Diego Gas & Electric ("SDG&E") we would like to thank you for the professional services KPMG provided in performing the 2025 SDG&E Covered Information Privacy and Security Assessment.

SDG&E engaged KPMG to perform this independent assessment to validate our company's compliance as required in the Smart Grid Data Privacy Decisions (D.11-07-056 and D.12-08-045). We appreciate the rigor with which KPMG reviewed our privacy and security practices, validated where our programs are sound, and provided guidance on where our programs can do even better.

SDG&E reviewed the exceptions contained in KPMG's 2025 Covered Information Privacy and Security Assessment Report and provides the following attached response.

Sincerely,

Sabrina Butler

Sabrina Butler
Director, Customer Services

Attachment

CPUC rule number	Risk level	Exceptions noted	KPMG recommendations	SDG&E Management Responses
CPUC Rule 1 Definitions	-	-	N/A	N/A
CPUC Rule 2 Transparency (Notice)	Low	While the “Contact Us” section of the <i>Privacy Notice</i> pdf includes a phone number that customers can use to contact SDG&E with questions about the company’s practices over Covered Information, the website <i>Privacy Notice</i> does not state a phone number that customers can call.	SDG&E remediated this exception prior to the finalization of the assessment report. SDG&E has taken actions to correct this issue by updating the contact information in the Privacy Notice to include the phone number.	No further action required.
CPUC Rule 6 Use and Disclosure Limitation	Medium	Sampled SDG&E contracts executed since the completion of the prior Covered Information assessment and current standard contract templates contain privacy and security provisions aligned with CPUC requirements. However, it was noted that legacy contracts contain confidentiality language, with privacy and security provisions that do not align to the CPUC requirements.	Management should consider reviewing third-party contracts involving sharing Covered Information and ensure the contracts include the required standard language to enhance customer privacy protection and help ensure Covered Information is properly managed by third parties.	SDG&E's intention is always to include such language when Covered Information is involved. SDG&E reviews its supply management process to ensure that the appropriate language is included in contract templates that involved Covered Information. The specific language in SDG&E templates is sometimes subject to negotiations between SDG&E and vendors. However, in those circumstances where language is negotiated, SDG&E still requires in totality a level of protection consistent with the regulatory requirements.
CPUC Rule 7 Data Quality and Integrity	-	-	N/A	N/A
CPUC Rule 8 Data Security	Medium	Sempra has documented policies and standards that require applications and systems to be appropriately classified based on the sensitivity of the data stored within the system to help enforce data and system-level protections and safeguards commensurate with the respective	Management should update the application database entry to indicate the proper system and data classification level for each in-scope SDG&E application. In addition, Sempra should implement all technical controls based on the classification level to	SDG&E acknowledges these exceptions from the assessment performed by KPMG and will plan on mitigating these exceptions by next GRC filling audit.

CPUC rule number	Risk level	Exceptions noted	KPMG recommendations	SDG&E Management Responses
		information classification level. During 2025, it was noted that several in-scope systems storing Covered Information were classified with an incorrect information classification label that was less restrictive than the actual data stored within the system or the system was not classified. As a result, the appropriate data protection controls may not be enforced in the system as required by Sempra policies and standards.	safeguard Covered Information in the application in alignment with Sempra policies and standards.	
	Medium	Although Sempra has security measures in place to protect and ensure Data Privacy, some standalone network printers in the Sempra environment are not integrated into the Follow Me system, which allows employees to print directly to these printers and bypass the required secure printing process	Management should establish a plan to integrate all Sempra network printers with the Follow Me system to enforce secure print controls (e.g., user authentication, prevent unauthorized access to printed information left on printers).	SDG&E acknowledges these exceptions from the assessment performed by KPMG and will plan on mitigating these exceptions by next GRC filling audit.
CPUC Rule 9 Accountability and Auditing	Medium	Mandatory training for Contractors without a managed Sempra laptop is dependent on system access through a Virtual Desktop Interface (VDI). Delays to this access prevents fulfilling essential onboarding requirements and hinders their compliance with required training protocols, particularly impacting roles that involve handling of Covered Information.	The host manager should collaborate with the Contractor Onboarding Team and IT to ensure that new contractors are provisioned with access to the appropriate IT assets, including the Contractor Training System (CTS), at the time of onboarding that will enable them to promptly complete all required trainings.	SDG&E acknowledges these exceptions from the assessment performed by KPMG and will plan on mitigating these exceptions by next GRC filling audit.

Appendix I – Detailed assessment procedures and results

CPUC RULE 2 – Transparency (Notice)

Overall assessment result		Exception noted: While the “Contact Us” section of the Privacy Notice pdf includes a phone number that customers can use to contact SDG&E with questions about the company’s practices over Covered Information, the website Privacy Notice does not state a phone number that customers can call. SDG&E remediated this exception prior to the finalization of the assessment report. SDG&E has taken actions to correct this issue by updating the contact information in the Privacy Notice to include the phone number.
CPUC Rule 2	Rule description	When provided: Covered entities shall provide written notice when confirming a new customer account and at least once a year shall inform customers how they may obtain a copy of the covered entity’s notice regarding the accessing, collection, storage, use, and disclosure of Covered Information and shall provide a conspicuous link to the notice on the home page of their website, and shall include a link to their notice in all electronic correspondence to customers.
b		

Assessment procedures	Assessment test results	Exceptions
1. Assess whether SDG&E has documented policies addressing the provision of notice to customers of SDG&E's data collection and handling techniques.	1.a. Reviewed SDG&E's Rule 33: Rules Regarding Privacy and Security for Energy Usage Data (Electric) and Rule 33: Rules Regarding Privacy and Security for Energy Usage Data (Gas) and noted it provides guidance to SDG&E employees regarding: • how to use and protect CEUD, • how the notice is provided to customers, and what it must include, • how customers can control their energy usage data, and • how SDG&E must only collect, store, use, or disclose only as much CEUD as necessary or authorized by the CPUC to meet specific operational or business needs. 1.b. Reviewed SDG&E's intranet site and noted SDG&E's formal privacy framework is based on the Generally Accepted Privacy Principles (GAPP), which helps organizations design and implement comprehensive privacy programs. 1.c. Inspected the link to the Privacy Notice which is the Notice of Accessing, Collecting, Storing, Using and Disclosing Energy Usage Information on SDG&E's website. SDG&E's Privacy Notice informs customers why SDG&E collects energy usage information, how long SDG&E retains energy usage information, when SDG&E shares energy usage information, how to view energy usage information online, and how to view the Privacy Notice online. This CPUC-specific Privacy Notice is publicly available and satisfies the customer notice requirements applicable to Covered Information. 1.d. Viewed link to the Website Privacy Policy which provides a general description of the categories of personal and non-personal information collected through SDG&E's website and digital services, the purposes for which such information is used, and the circumstances under which it may be disclosed, consistent with SDG&E's obligations under the CCPA and other applicable privacy laws. 1.e. Visited SDG&E's website and noted the homepage contains a link to the Privacy Center where privacy-related links are attached, including Privacy Policy, Privacy Notice, California Consumer Privacy Act Policy, California Consumer Privacy Requests, Protecting Your Identity, and Letter of Authorizations. 1.f. Met with members of the Office of Customer Privacy and was informed there are three mechanisms used to share the Privacy Notice:	

Assessment procedures	Assessment test results	Exceptions
	• A billing insert sent to new customers with their first bill • A billing insert sent every year (around April) • SDG&E's website • Customers enrolled in paper billing receive a paper copy of the Privacy Notice. Customers enrolled in paperless billing receive an email with a link to the webpage containing SDG&E billing inserts. 1.g. Met with members of the Office of Customer Privacy and was informed the Privacy Notice is reviewed annually and no updates have been made since 2022. SDG&E does not commit to a regular update schedule (e.g., annually). Instead, changes may occur "at any time" as needed to reflect changes in practices, services, or legal requirements. If changes to the Privacy Notice are made, customers are informed with a billing insert and the Privacy Notice on the website is updated. The Website Privacy Policy effectively tracks updates by displaying the revision date, allowing customers to see the most recent update. No updates have been made since 2019.	
2. Assess whether a procedure exists to assess whether new customers receive written notice of the Company's Privacy Notice upon registration and annually thereafter.	2.a. Met with members of the Office of Customer Privacy and was informed customers receive the Company's Privacy Notice as a billing insert with their initial bill and annually thereafter. The Privacy Notice is also publicly available on the SDG&E website. For the Bill Ready Notification, whether customers choose paperless billing initially or at a later stage, they can find the Privacy Notice by clicking the "Privacy" link in the email footer. During My Energy Center (MEC) registration, if customers opt for paperless billing, they receive two emails: a MEC Registration Confirmation and a Paperless Billing Confirmation, both of which include the "Privacy" link in their footers. Additionally, customers starting a service and enrolling in MEC with paperless billing receive a single Start Service Confirmation email, which also contains a link to the Privacy Notice, ensuring transparency and accessibility. 2.b. Reviewed a sample Account Registration Confirmation email sent to customers upon registration. This email contains the link to SDG&E's website privacy page, which includes a link to the Privacy Notice. The Privacy Notice contains email address, and postal address customers can use to request a hard copy of the Notice. Although a link is provided to the Privacy Notice, the customer is not	

Assessment procedures	Assessment test results	Exceptions
	provided a written copy (via email or mail) of the Privacy Notice upon registration. 2.c. Reviewed the <i>Privacy Notice Annual Bill Insert</i> and noted it contains a copy of the <i>Privacy Notice</i> and SDG&E's <i>Privacy Policy</i> web address. This insert also includes contact information to request a current or prior version of the <i>Privacy Policy</i> and obtain answers to any privacy questions, concerns, or complaints. 2.d. Reviewed the <i>Privacy Notice</i> and noted SDG&E updates the document as necessary and when required by the CPUC and would inform customers of the update through information provided with the bill or via SDG&E's website. 2.e. Reviewed the <i>Privacy Policy</i> and noted SDG&E reserves the right to add to, change, modify, or update the policy by posting a revised version on their website. Any revisions are effective immediately upon posting and date of modification is updated in the policy. 2.f. Emailed privacy@sdge.com on 2/17/2026 and asked for prior versions of the <i>Privacy Notice</i> in effect during the period between 2021 to 2024. Received an email response from SDG&E's Office of Customer Privacy on 3/4/2026 saying the SDG&E <i>Privacy Notice</i> has remained the same during 2021-2024 and no changes have been made. Email contained the link to the Privacy page on SDG&E website	
3. Assess whether SDG&E provides notice to customers on an annual basis and when signing up new customers as required by the CPUC regulation.	3.a. See CPUC Rule 2b(2) for Test Results. 3.b. Visited the SDG&E website https://www.sdge.com/bill-inserts and noted billing inserts for each month from January 2022 to December 2025 can be viewed online, including the annual Privacy Notice insert. Historical inclusions of privacy content in SDG&E bill inserts include February 2025. In February 2025, SDG&E distributed an insert covering Winter Safety, Customer Assistance, Customer Privacy, PSPS, AFN, Tree Safety, and Proposition 65, explicitly identifying customer privacy as one of the topics included in the billing materials for that month.	

CPUC Rule 2	Rule description	When provided: The notice shall be labeled Notice of Accessing, Collecting, Storing, Using and Disclosing Energy Usage Information - be written in easily understandable language, and - be no longer than is necessary to convey the requisite information.
c(1)-(2)		

Assessment procedures	Assessment test results	Exceptions
1. Review SDG&E’S methods for providing customers notice about their privacy and accessing the Privacy Notice.	1.a. See CPUC Rule 2b for Test Results. 1.b. Met with members of the Office of Customer Privacy and was informed customers receive the Company’s Privacy Notice with their first bill and annually thereafter. 1.c. Visited SDG&E’s publicly available website and noted there is a link to “Privacy Center” is at the bottom of the homepage, which brings the user to privacy-related documents, including links to the Privacy Policy and Privacy Notice.	
2. Assess whether a procedure exists to review the readability of the Privacy Notice and make updates based on customer feedback related to readability and content.	2.a. Reviewed SDG&E’s <i>Privacy Notice</i> and noted customers can ask questions or concerns about SDG&E’s privacy policy or practices, or find out how they can limit, view or dispute their information 2.b. Reviewed SDG&E’s <i>Privacy Notice</i> and noted it includes normal font sizes, appropriate spacing, and does not seem longer than necessary to convey the requisite information.	
3. Assess whether SDG&E’S Privacy Notice is written in an easy-to-understand language.	3.a. Performed a Flesch-Kincaid reading level test on the <i>Privacy Notice</i> and noted it is written at approximately an 11th-grade reading level. 3.b. Performed a Flesch-Kincaid reading level test on the <i>Privacy Policy</i> and noted that it was written at a college-level Flesch-Kincaid reading level (15th grade). 3.c. Noted the <i>Privacy Notice</i> and <i>Privacy Policy</i> are available in 22 languages. They can be translated online through Google Translate directly on the website.	

CPUC Rule 2	Rule description	Content: The notice and the posted privacy policy shall state clearly—	
d(1)-(4)		1. the identity of the covered entity, 2. the effective date of the notice or posted privacy policy, 3. the covered entity’s process for altering the notice or posted privacy policy, including how the customer will be informed of any alterations, and where prior versions will be made available to customers, and 4. the title and contact information, including email address, postal address, and telephone number, of an official at the covered entity who can assist the customer with privacy questions, concerns, or complaints regarding the collection, storage, use, or distribution of Covered Information.	
Assessment procedures		Assessment test results	Exceptions
1. Understand the procedures in place to identify covered entities and assess whether the effective date is indicated in the relevant documentation.		1.a. Reviewed the <i>Privacy Notice</i> and noted it identifies SDG&E as the covered entity. The notice does not specify an effective date; it was last updated on August 3, 2022. 1.b. Reviewed the SDG&E <i>Privacy Notice</i> available online and noted the document provides contact methods (mail, email and website link.) which can be used to ask for access to past Privacy Notices. Customers may mail their request to the address provided for the Customer Privacy P.O. Box or email privacy@sdge.com. 1.c. Reviewed SDG&E's <i>Rule 33: Rules Regarding Privacy and Security for Energy Usage Data (Electric)</i> and <i>Rule 33: Rules Regarding Privacy and Security for Energy Usage Data (Gas)</i>, and noted the document identifies a ‘covered entity’ as: • Gas Corporation: Any gas corporation itself is considered a covered entity. • Third-party Service Providers: Any third party under contract with a gas corporation that provides services to it. • Commission-Ordered Third Parties: Any third party that accesses, collects, stores, uses, or discloses covered information pursuant to an order of the California Public Utilities Commission (CPUC), unless specifically exempted, and gets this information from a gas corporation. • Authorized Third Parties: Any third party, when authorized by the customer, that accesses, collects, stores, uses, or discloses covered	

Assessment procedures	Assessment test results	Exceptions
	information relating to 11 or more customers, and obtains this information from a gas corporation.	
2. Understand how the regulatory requirements, management review and approval process works, including potential alterations of the privacy policies.	2.a. Met with members of the Office of Customer Privacy and was informed that the Privacy Notice was last updated in 2022 and the Privacy Policy was last updated in 2019. While there is no formally documented procedure, if a change was made, SDG&E's Office of Customer Privacy would send the proposed changes to the Legal Department for approval before implementation. Changes to the Notice are made if there are significant changes to the business or if the CPUC orders SDG&E to make a change. The Office of Customer Privacy—working closely with Legal—monitors CPUC regulatory activity, CPRA regulatory developments, and other privacy related obligations, meeting biweekly with Legal to interpret emerging requirements and determine whether updates are needed. 2.b. Met with the Chief Counsel -Technology & Business Services and was informed if the Commission were to adopt a new decision, the regulatory lawyers socialize this decision to necessary business groups. It is then the responsibility of the respective business unit to implement the decision.	
3. Inspect original and revision dates of policies to assess if actual updates/edits are made before approvals.	3.a. Met with members of the Office of Customer Privacy and was informed SDG&E last updated the Privacy Notice in 2019 due to an audit completed in 2017. This update was reviewed and approved by the Legal Department. The last revision to the SDG&E Privacy Notice was made on August 3rd 2022 and for the Privacy Policy it was on October 29, 2019.	
4. Assess how SDG&E informs customers of any alterations to the Privacy Notice and where prior versions will be made available to customers.	4.a. Reviewed the Privacy Notice and noted it informs customers that changes to the Notice will be made as necessary and will be communicated through information provided with the customer's bill, as well as on SDG&E's website. The website provides customers with an email address, and a mailing address where individuals can request a current or prior version of the Privacy Notice.	
5. Observe whether SDG&E'S Privacy Notice identifies the title and contact information (including email address, postal	5.a. Reviewed SDG&E's Privacy Notice and noted it includes contact information where customers can ask questions or concerns regarding the Privacy Notice, Privacy Policy or practices, or to find out how they can limit, view or dispute their information. The contact information includes an email address	While the "Contact Us" section of the <i>Privacy Notice</i> pdf includes a phone number that

Assessment procedures	Assessment test results	Exceptions
address, and telephone number) of an official at SDG&E, who can assist the customer with potential privacy questions, concerns, or complaints.	(privacy@sdge.com) and a mailing address directed to the Customer Privacy P.O. Box. While the Contact Us section of the Privacy Notice pdf includes a phone number that customers can use to contact SDG&E with questions about the company's practices over Covered Information, the website Privacy Notice does not include a phone number.	customers can use to contact SDG&E with questions about the company's practices over Covered Information, the website <i>Privacy Notice</i> does not state a phone number that customers can call.
6. Assess whether a specific person or group within SDG&E is responsible or accountable for privacy and security policy development, implementation, monitoring, enforcing, and updating.	6.a. Reviewed the SDG&E Privacy Intranet site and noted the Office of Customer Privacy (OCP) is the team responsible for helping SDG&E employees understand the Company's obligations to protect customer privacy. Personal Data Privacy Compliance Manager (Customer Services) leads the OCP which is a team of 7, supported by 75 "Privacy Pros" across business units function as the operational owners of SDG&E's privacy activities. They work extensively with Legal, Cybersecurity, Awareness & Training, Supply Management, and IT to execute required privacy processes. 6.b. Reviewed SDG&E's Privacy Job Descriptions for key OCP team members and noted: • Senior Privacy and Compliance Advisor manages privacy initiatives and data ethics, focusing on Generative AI and automated decision tools. They guide standards implementation, ensure compliance, and develop innovative solutions to mitigate risks associated with customer information use. • Privacy and Compliance Advisor supports control and process development, consults with experts and legal on framework interpretations, and provides leadership for privacy and compliance initiatives, ensuring robust development and alignment across operations. • The Privacy and Compliance Analyst II supports initiatives for internal and external customers, engaging with experts on control and process development. They assist in training development, prioritize opportunities, and propose enhancements to improve systems and operational effectiveness.	

Assessment procedures	Assessment test results	Exceptions
	- The Customer Information Management Advisor oversees strategy and governance of CIM processes and applications. They ensure efficient operations through consultation and support, manage feature development and fixes, and collaborate with architects to implement strategies. They also work with business and IT to enhance system effectiveness. - The Customer Information Management Analyst handles customer and third-party information requests per legal standards and provides initial support for privacy controls. They develop requirements, conduct testing, and offer training to meet business goals while implementing solutions for moderately complex initiatives with OCP Advisor guidance. 6.c. Reviewed Sempra's Compliance Framework & Risk Assessment Annual Update: Customer Privacy 2023 and noted that SDG&E's Office of Customer Privacy (OCP) collaborates closely with Regulatory Affairs, Legal, and business units through defined oversight, escalation, reporting, and operational roles to ensure compliance with privacy related regulatory requirements. 6.d. Met with members of the Office of Customer Privacy and was informed the Privacy Steering Committee meets about once a month and includes the Legal Department, Vice Presidents, the Chief Information Officer, and Cybersecurity. The Privacy Steering Committee directs the Office of Customer Privacy. When the CPUC considers changes to legislation, the Office of Customer Privacy informs the Privacy Steering Committee and discusses potential impacts.	

CPUC RULE 3 – Purpose specification

Overall assessment result		Exception noted: No exception noted
CPUC Rule 3 a(1)-(3)	Rule description	Categories of information: - each category of Covered Information collected, used, stored or disclosed by the covered entity, and, for each category of Covered Information, the reasonably specific purposes for which it will be collected, stored, used, or disclosed, - each category of Covered Information that is disclosed to third parties, and, for each such category, (i) the purposes for which it is disclosed, and (ii) the categories of third parties to which it is disclosed, and - the identities of those third parties to whom data is disclosed for Secondary Purposes, and the Secondary Purposes for which the information is disclosed.
Assessment procedures	Assessment test results	Exceptions
1. Assess whether SDG&E's <i>Privacy Notice</i> documents the (1) categories and purposes of Covered Information collected, used, stored, or disclosed, (2) each category of Covered Information that is disclosed to third parties and purpose of disclosure, and (3) the identities of those third parties with whom Covered Information is shared for Secondary Purposes.	1.a. Reviewed the <i>Privacy Notice</i> online and noted it provides: 1.b. The kinds of information that will be collected from and about customers - How that information will be collected, used, and protected - In what cases customer information will be disclosed to third parties and the type of companies (e.g. consulting organizations, engineering firms, and energy-efficiency providers) - To whom customer information will be potentially disclosed in the outlined circumstances (e.g. subpoena, emergency responders, as ordered by CPUC or as required by law) 1.c. Met with members of the Office of Customer Privacy and was informed SDG&E does not share Covered Information with third parties for Secondary Purposes. 1.d. Reviewed SDG&E's <i>Rule 33: Rules Regarding Privacy and Security for Energy Usage Data (Electric)</i> and <i>Rule 33: Rules Regarding Privacy and Security for Energy Usage Data (Gas)</i> and noted the document provides the definition of primary uses of Covered Information: - Provide or bill for electrical power or gas	

Assessment procedures	Assessment test results	Exceptions
	• Provide for system, grid, or operational needs • Provide services as required by state or federal law or as specifically authorized by an order of the Commission • Planning, implementing, or evaluating demand response, energy management, or energy efficiency programs under contract with an electrical or gas corporation, under contract with the Commission, or as part of a Commission authorized program conducted by a governmental entity under the supervision of the Commission	
2. Assess whether SDG&E tracks the categories of agents, contractors and other third parties to which they disclose Covered Information for a primary purpose.	2.a. Reviewed SDG&E's List of In-Scope Business Partners/Vendors and noted the document lists vendors who have access to Covered Information. 2.b. Reviewed SDG&E's 2024 Annual Privacy Report submitted to the CPUC and noted SDG&E disclosed Covered Information to 1305 third parties during the 2024 calendar year, which included suppliers, contractors, vendors under contract with SDG&E, local governments, academic researchers, state and federal agencies who properly requested the data, and customer authorized third parties. 2.c. Met with members of the Sempra and SDG&E supply management team (including supply chain technology/systems and policy compliance roles), and learned that when a business stakeholder wants to engage a vendor or supplier, they complete a Purchase Requisition (PR) in the procurement tool. The PR form asks if the engagement will involve sharing Confidential Information with the vendor or supplier, which would then trigger a Vendor Data Request (VDR) and a third-party risk assessment. 2.d. Met with Value Capability Manager – IT Vendor Management Office (ITVMO) and was informed that the ITVMO, in coordination with Supply Management, provides guidance and workflow facilitation for vendor data requests and tracking of IT vendors, including those with access to Covered Information. The ITVMO reviews submissions for completeness and routes information to Cybersecurity, Privacy, and other reviewing functions; however, it does not perform risk assessments or make approval decisions. 2.e. Reviewed the Privacy GreenLight Standard and noted that Privacy GreenLight is SDG&E's enterprise standard process for the disclosure of consumer information when customer consent is not obtained. Privacy GreenLight	

Assessment procedures	Assessment test results	Exceptions
	enables SDG&E to comply with applicable CPUC requirements, including the CPUC Energy Data Access Decision, as well as the California Consumer Privacy Act (CCPA), by governing and approving such disclosures. 2.f. Reviewed SDG&E's Consumer Information Processing Standard and noted Consent to Share (CtS) is the system used for managing and tracking consumer consent forms (CISR forms) to release data to third parties. Green Button is SDG&E's system for managing self-service customer authorizations. 2.g. Met with Community Choice Aggregator Managers, Billing Analysts, a Senior Market Advisor, and a Senior Business Services Analyst, and was informed SDG&E contracts with Energy Service Providers (ESPs) and Community Choice Aggregators (CCAs), who have access to Covered Information and provide energy to SDG&E customers. Each third party must undergo an on-boarding process with SDG&E and enter into a Service Agreement. Once SDG&E and the third party have a signed service agreement, the third party must use the agreement to register with the CPUC. Information sharing between SDG&E and third-party Energy Service Providers (ESPs) remains unchanged, with no on-boarding or off-boarding of third-party ESPs or Community Choice Aggregators (CCAs) occurring during the 2025 audit period. Additionally, there were no changes to data flows or to SDG&E's relationships with third parties. 2.h. Reviewed templates for Service Agreements, which require third party contractors to execute service agreements defining roles and responsibilities and to comply with mandatory information security and customer data protection requirements accessing customer information. Reviewed the Non-Disclosure Agreement (NDA) governing third party access to SDG&E Confidential and Customer Information. The NDA requires execution by third parties and includes mandatory confidentiality, security, and customer information protection safeguards."	
3. Assess whether a procedure exists to assess whether new customers receive notice of SDG&E'S reasons for collecting, using, storing, or disclosing Covered Information.	3.a. See CPUC Rule 2b(2) Test Results.	

Assessment procedures	Assessment test results	Exceptions
4. Assess whether SDG&E effectively monitors compliance with its collection, use, storage, and disclosure practices.	4.a. Reviewed the SDG&E Consumer Information Stewardship Attestation Standard and noted the OCP manages the process by which Data Stewards attest that they are in compliance with these requirements as long as they are processing SDG&E customer personal information (PI). Data Stewards (a director or senior manager responsible for processing one or more consumer PI data elements) are required annually to undergo the Consumer Personal Information Attestation, which asks a series of questions regarding their processing of SDG&E consumer PI, which includes their Covered Information. 4.b. Met with members of the Legal Team and was informed if any changes to CPUC regulations occur, the Legal Team communicates these new regulations to the business unit affected. The business unit is responsible for implementing changes. 4.c. Reviewed documentation associated with Internal Audits conducted in 2025 and noted there were 2 audits conducted that evaluated controls for customer data privacy and cyber security controls. The internal audits provided insights into cybersecurity and privacy through an integrated, risk-based audit approach rather than stand-alone privacy reviews. Cybersecurity controls and customer data considerations were embedded within broader audits, supported by an annually updated audit methodology, enterprise risk discussions, and ongoing monitoring of emerging cyber threats. Audit Board (Primary system for audit technology) was used to document workpapers, track issues, and manage remediation related to control effectiveness.	

CPUC Rule 3	Rule description	Retention time:	
b		The notice required under section 2 shall provide— The approximate period of time that Covered Information will be retained by the covered entity;	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SDG&E'S <i>Privacy Notice</i> addresses the retention of Covered Information.		1.a. Reviewed the <i>Privacy Notice</i> and noted SDG&E keeps energy usage information only for as long as necessary to serve customers. The <i>Notice</i> also indicates retention periods vary based upon the specific circumstances and business needs but will most typically be eight (8) to ten (10) years.	

CPUC Rule 3	Rule description	Customer limitation:	
c(1)		The notice required under section 2 shall provide a description of (1) the means by which customers may view, inquire about, or dispute their Covered Information	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SDG&E'S <i>Privacy Notice</i> and processes address customers' ability to view, inquire, or dispute their Covered Information or other PII.		1.a. Reviewed the <i>Privacy Notice</i> and noted it identifies how customers may contact SDG&E with questions and to find out how they can limit, view, or dispute their disclosed information. 1.b. Reviewed SDG&E's <i>Bill Insert</i> to customers, which includes SDG&E's <i>Privacy Notice</i> providing customers with the option to find out how they can limit, view, or dispute their disclosed information by contacting SDG&E at: • Telephone: 1-800-411-7343 • Email: privacy@sdge.com • U.S. Mail: SDG&E, Attn: Customer Privacy, P.O. Box 129831, San Diego, CA 92112-9831 1.c. Reviewed an example <i>Account Registration Confirmation</i> email. This email contains the link to SDG&E's online privacy page, which includes privacy-related links such as the <i>Privacy Notice</i>. This online version of the <i>Notice</i> contains an email address and postal address customers can use to request a hard copy of the <i>Privacy Notice</i>. 1.d. Met with members of the Customer Contact Center Operations Support team and was informed that customer complaints are received through established internal and external channels and are formally documented within the organization's complaint tracking environment. Complaints are recorded and maintained in the Customer Information System, and are categorized by complaint type, including billing, service, and privacy-related matters. Privacy-classified complaints are infrequent and are subject to additional handling, including consultation with the Office of Customer Privacy and coordination with the call center, in accordance with defined escalation and consultation practices.	

Assessment procedures	Assessment test results	Exceptions
	1.e. Met with members of the Complaint Resolution Team and was informed the Office of Customer Privacy assists with privacy complaints which the Complaint Resolution Team is unable to resolve. 1.f. Reviewed sample documentation evidencing a customer complaint filed with CPUC and SDGE's response from receipt to resolution. Complaint was filed on Feb 20, 2025 and resolved in March 2025 1.g. Reviewed a sample customer bill and noted it provides the customer with a phone number (1-800-411-7343) for inquiries regarding their bills and account management. The customer bill also states if the customer is not satisfied with SDG&E's response, the customer can contact the CPUC at 1-800-649-7570 or by visiting www.cpuc.ca.gov/complaints/.	

CPUC Rule 3	Rule description	Customer limitation:	
c(2)		The notice required under section 2 shall provide a description of – (2) the means, if any, by which customers may limit the collection, use, storage or disclosure of Covered Information and the consequences to customers if they exercise such limits.	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SDG&E’S <i>Privacy Notice</i> addresses the explicit/implicit consent required to collect, use, and disclose Covered Information and other personal information.		1.a. Reviewed the <i>Privacy Notice</i> and noted it addresses implicit customer consent for primary purposes and explicit consent required for third party information sharing: • Sharing with third parties: SDG&E may share Energy Usage information with technology providers, consulting organizations, engineering firms, and energy-efficiency providers to better serve customers. • Other Third Parties: SDG&E may ask customers for permission to share Energy Usage information with other companies required to follow SDG&E’s privacy policies. • Sharing at your choice: Customers can designate third parties to receive their information. • Sharing for other purposes: SDG&E may release Energy Usage information as required by warrant or subpoena, to emergency responders in the case of imminent threat to life or property, as required by the CPUC, or as required by law. • The Privacy Notice also addresses customers rights to limit the information provided to SDG&E. See CPUC Rule 3c(2) Test Results. 1.b. Reviewed the <i>Customer Information Processing Standard</i> and noted several processes for customers to access their data or share data with third parties: • Cts: SDG&E’s privacy control for managing consumer consent forms (CISR forms). • Green Button: SDG&E’s system for managing self-service customer authorizations that meet certain criteria and allows customers to review energy usage data online.	

Assessment procedures	Assessment test results	Exceptions
	Other consumer authorizations: SDG&E will honor specific written or verbal requests by consumers to disclose their personal information to a third party that do not meet CtS or Green Button standards. There are strict processes to validate customers and document their consent.	
2. Assess whether SDG&E communicates to individuals the consequences of denying consent.	2.a. Reviewed the pdf <i>Privacy Notice</i> and noted customers can find out how to limit, view, or dispute their information by contacting SDG&E through mail, email, or by phone. SDG&E's <i>Privacy Notice</i> communicates to individuals the consequences of denying consent by explicitly stating that customers who choose not to provide consent to share their energy usage information may be unable to participate in or receive the benefits of certain SDG&E programs. 2.b. Reviewed SDG&E's Website <i>Privacy Policy</i> and noted it states the customer may choose not to provide any Personal Information and they will still be able to access most portions of the website. 2.c. Reviewed the <i>Smart Meter Opt-Out Program</i> publicly available at SDGE.com and noted that Customers who prefer not to have a smart meter installed may choose to participate in SDG&E's Smart Meter Opt-Out Program. Enrollment can be completed either through an online opt-out form or by calling SDG&E at 1-877-357-8525. Customers who opt out will incur an initial fee and a monthly charge, as approved by the California Public Utilities Commission. Discounted rates are available for income-qualified customers who do not wish to have advanced meters installed on their homes, they can opt-out by submitting an online form, submitting an opt-out request by visiting an SDG&E branch, or calling SDG&E at 1-877-357-8528. This web page also includes a FAQ section with details and additional costs associated with opting out.	
3. Inspect SDG&E'S systems where Covered Information is collected to assess whether customers' implicit or explicit consent preferences are captured (before data transfer).	3.a. Reviewed SDG&E's website <i>Privacy Policy</i> and noted it states: "By using our website or obtaining any product or service through our website, you agree to the collection and use of information as set forth in this policy. If you do not agree to this policy, please do not use the website." 3.b. Reviewed SDG&E's customer account online registration process and noted to create an account, the customer must check a box acknowledging review and agreement to SDG&E's <i>My Account Terms and Conditions</i>, which includes a checkbox to acknowledge and confirm agreement.	

Assessment procedures	Assessment test results	Exceptions
	3.c. Reviewed SDG&E's <i>Website Terms and Conditions</i> (publicly available at https://www.sdge.com/sdgecom-terms-and-conditions) and noted: • "Users must discontinue use of this Web site immediately if they do not agree or accept all these Terms and Conditions." • "Our privacy policy pertaining to any information obtained by Company from this Web site can be found in the Privacy section of the Web site. Additional privacy rules may apply as stated in portions of this Web site restricted for specific User services." 3.d. Reviewed <i>My Energy Center Terms and Conditions</i> and noted by selecting the "I Agree" button when registering for a My Energy Center portal, customers are confirming to comply with the <i>My Energy Center Terms and Conditions</i>.	

CPUC RULE 4 Individual Participation (Access and Control)

Overall assessment result		No exceptions noted.	
CPUC Rule 4 a(1)	Rule description	Access: Covered entities shall provide to customers upon request convenient and secure access to their Covered Information— in an easily readable format that is at a level no less detailed than that at which the covered entity discloses the data to third parties.	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SDG&E's <i>Privacy Notice</i> addresses the provision of access to individuals to their Covered Information.		1.a. Reviewed SDG&E's <i>Privacy Notice</i> and noted that customers can view their usage data online accessing customer account at https://myenergycenter.com. 1.b. Reviewed the My Energy Center portal in the link above and noted it provides detailed instructions for customers to register and create an account to retrieve their energy usage data. 1.c. Reviewed SDG&E's <i>Confirmation Email to New Customers</i> and noted it includes a direct link to the My Energy Center portal and clearly informs customers that the portal enables them to manage their account online. Specifically, the communication states that customers can make payments, view and manage billing information, and review energy usage details, including usage graphs and cost information.	
2. Assess whether SDG&E's internal policies describe the process for providing customers with access to their Covered Information.		2.a. Reviewed the <i>Customer Information Processing Standard</i> and noted it addresses how SDG&E provides customers with access to their Covered Information. This document is available to all employees in SDG&E's intranet and notes SDG&E will not disclose customer information without customer consent except for a primary purpose or specific exceptions. SDG&E has several platforms and systems to track customer authorizations and to disclose customer information: • Consent to Share (Cts): SDG&E's system for managing consumer consent forms. • Green Button: SDG&E's system for managing self-service customer authorizations that meet certain criteria and allows customers to review energy usage data online. Green Button provides customers and	

Assessment procedures	Assessment test results	Exceptions
	authorized third-parties with access to up to 13 months of energy usage data. Other approved consumer authorizations through the use of CISR forms. 2.b. Met with members of the Customer Contact Center and was informed that customers may contact the Contact Center by phone or use online channels to request information or make account-related requests. Prior to proceeding, customers are authenticated using established verification methods, which may include one-time passcodes sent via phone or email, account PINs, and SSN-based verification in certain scenarios.	
3. Assess whether customers can access their Covered Information in a detailed, yet easy-to-read format.	3.a. Reviewed documentation for My Energy Center and noted that SDG&E provides customers with access to Green Button, an energy management tool, to view their energy use, see their current bill and a forecasted bill for the month. Customers can review hourly, weekly, or monthly energy use, analyze bills to see fluctuations, and learn about energy-saving actions. 3.b. Obtained and inspected a screenshot of a customer's online <i>My Energy Center</i> portal and noted customers can access their energy usage information on the main dashboard page. Customers have 24-hour access to their energy usage data. To download their <i>Energy Usage Report</i>, customers can log in using their unique credentials, select the option "Usage," then "Green Button Download," and finally click "Download". 3.c. Reviewed a sample <i>Energy Usage Report</i> downloaded from <i>My Energy Center</i> and noted the document is an Excel file containing energy usage data in a detailed, easy-to-read format for a specified date range. 3.d. Reviewed a sample weekly email alert template sent to customers enrolled in weekly communications. The email provides electric usage information for the prior seven days, including tier-level consumption and associated cost per kWh, presented through dynamic consumption and tier charts. 3.e. Met with members of the Customer Contact Center and was informed customers may call to request or discuss their energy usage data.	

CPUC Rule 4	Rule description	Control:	
b(1)-(3)		Covered entities shall provide customers with convenient mechanisms for— - granting and revoking authorization for secondary uses of Covered Information, - disputing the accuracy or completeness of Covered Information that the covered entity is storing or distributing for any primary or Secondary Purpose, and - requesting corrections or amendments to Covered Information that the covered entity is collecting, storing, using, or distributing for any primary or Secondary Purpose.	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SDG&E has a process in place for providing customers with access to grant and revoke authorization for secondary uses.		- Reviewed the <i>Customer Information Processing Standard</i> and noted SDG&E will not disclose or share consumer information without customer consent except for a primary purpose or specific exceptions (including legal processes such as warrants or subpoenas, to emergency responders in the case of imminent threat to life or property, or as ordered by the CPUC). - Reviewed <i>Rule 34: Release of Customer Data to Third Parties</i> and noted SDG&E customers can grant and revoke a third party's access to their data by completing a CISR form or through the Green Button application. - Reviewed the Green Button page on SDG&E's public webpage and noted SDG&E uses Green Button to allow customers to access their energy use data. There is also a "Green Button Download My Data" option that allows customers to send their energy usage data to third-party applications of their choice. - Met with members of the Office of Customer Privacy and was informed that any disclosure of data for secondary use requires authorization via a completed CISR form in Cts or Green Button. - Inspected a sample CISR form and noted customers can provide authorization and consent for disclosure of specific account information to designated Third Parties for intervals such as single time consent, one year authorization, or customer timed interval (as designated by the customer and for a period of up to three years). - Met with members of the Customer Operations Team and was informed Cts contains a "revoke" button that customers can press to revoke third party authorizations.	

Assessment procedures	Assessment test results	Exceptions
	1.g. Reviewed a screenshot of the "revoke" button within CtS and noted customers can press this button to immediately revoke authorization (previously granted through a CISR form) to third parties with access to their data.	
2. Assess whether SDG&E has a process in place for customers to access their Covered Information and dispute its accuracy and completeness.	2.a. Reviewed SDG&E's <i>Privacy Notice</i> and noted customers can contact SDG&E through phone, web, or mail with questions, concerns, or complaints. 2.b. Obtained and inspected a screenshot of a customer's online account and noted customers can access their CEUD through a "Usage" link. The resulting report organizes the customer's gas and electric usage data by billing period. In addition, the online account provides customers with access to usage and other personal information, as well as the ability to dispute potential incorrect/inaccurate data. 2.c. Reviewed documentation for Account Assist and found that once a customer is validated, internal SDG&E users like Energy Service Specialist (ESS) can use an <i>impersonation view</i> in Account Assist to see the <i>My Energy Center</i> screens as the customer would see them. This enables internal users to better assist customers with questions or concerns. Account Assist also allows internal users, based on permission level, to perform many My Account functions on behalf of the customer, such as resetting passwords and managing account settings. Only internal users can access an "impersonation" view. There is also a function to review interaction logs" as an Account Assist user-only function. 2.d. Reviewed a sample customer bill and noted it provides the customer a phone number (1-800-411-7343) for inquiries regarding their bills and account management. The customer bill also states if the customer is not satisfied with SDG&E's response, the customer can contact the CPUC at 1-800-649-7570 or by visiting www.cpuc.ca.gov/complaints/.	
3. Assess whether SDG&E has a process in place to make corrections or amendments to the collection, storage, use, or distribution of Covered Information upon a customer's request.	3.a. Met with members of the Customer Contact Center and was informed that all ESS personnel can assist a customer with updating or correcting account information and resolve common inquiries or complaints. If the ESS is unable to resolve the inquiry or complaint, it will be escalated to the Customer Complaint Resolution Team. 3.b. Met with members of the Complaint Resolution Team and was informed that complaints are documented and tracked within designated complaint management systems. Privacy-related complaints are identified through	

Assessment procedures	Assessment test results	Exceptions
	complaint categorization and involve consultation with the Office of Customer Privacy for support. 3.c. Reviewed SDG&E's pdf <i>Privacy Notice</i> and noted customers may contact SDG&E through phone, email or mail with any questions, concerns, or complaints. The document also includes contact information for how customers can "limit, view, or dispute their disclosed information." The contact information includes an email address (privacy@sdge.com), a mailing address directed to Customer Privacy and a phone number (1-800-411-7343). 3.d. Reviewed SDG&E's <i>SmartMeter Opt-Out</i> webpage, publicly available at www.sdge.com/residential/smart-meter-opt-out/smart-meter-opt-out-program, for customers who do not wish to have advanced meters installed for their homes. The website provides guidance to customers and necessary forms to complete as well as a phone number they can use to opt-out. 3.e. Reviewed a sample customer bill and noted it provides the customer a phone number (1-800-411-7343) to contact for inquiries regarding their bills and account management. The customer bill also states if the customer is not satisfied with SDG&E's response, the customer can contact the CPUC at 1-800-649-7570 or by visiting www.cpuc.ca.gov/complaints/.	

CPUC Rule 4	Rule description	Disclosure pursuant to legal process: 1. Except as otherwise provided in this rule or expressly authorized by state or federal law or by order of the Commission, a covered entity shall not disclose Covered Information except pursuant to a warrant or other court order naming with specificity the customers whose information is sought. Unless otherwise directed by a court, law, or order of the Commission, covered entities shall treat requests for real-time access to Covered Information as wiretaps, requiring approval under the federal or state wiretap law as necessary. 2. Unless otherwise prohibited by court order, law, or order of the Commission, a covered entity, upon receipt of a subpoena for disclosure of Covered Information pursuant to legal process, shall, prior to complying, notify the customer in writing and allow the customer seven days to appear and contest the claim of the person or entity seeking disclosure. 3. On an annual basis, covered entities shall report to the Commission the number of demands received for disclosure of customer data pursuant to legal process or pursuant to situations of imminent threat to life or property and the number of customers whose records were disclosed. Upon request of the Commission, covered entities shall report additional information to the Commission on such disclosures. The Commission may make such reports publicly available without identifying the affected customers, unless making such reports public is prohibited by state or federal law or by order of the Commission.
c(1)-(6)		

Assessment procedures	Assessment test results	Exceptions
1. Assess whether SDG&E has procedures in place to help ensure proper handling and documentation of any Covered Information data disclosures for legal reasons.	1.a. Reviewed SDG&E's <i>Privacy Notice</i> and <i>Privacy Policy</i> and noted SDG&E does not release Covered Information without customers' consent except under certain circumstances. These circumstances include disclosures: • pursuant to a legal process (such as a warrant or subpoena) • to emergency responders in the case of imminent threat to life or property • as ordered by the CPUC • as required by law 1.b. Reviewed SDG&E's <i>Customer Information Processing Standard</i> and noted SDG&E informs customers what types of personal information is collected and how it is used. Every employee is required to understand and comply with all company policies regarding customer privacy. SDG&E will not disclose or share consumer information without customer consent except for the case of specific exceptions or a primary purpose.	

Assessment procedures	Assessment test results	Exceptions
	1.c. According to Rule 33: Rules Regarding Privacy and Security for Energy Usage Data (Electric) and Rule 33: Rules Regarding Privacy and Security for Energy Usage Data (Gas), primary purposes are: • providing or billing for electrical power or gas, • providing for system, grid, or operational needs, • providing services as required by law or as authorized by the Commission, or • planning, implementing, or evaluating demand response, energy management, or energy efficiency programs. 1.d. Met with Managing Litigation Attorney and Senior Litigation Paralegal and was informed SDG&E has procedures in place for handling and documenting Covered Information data disclosures for legal purposes. Inquiries pursuant to legal process are handled by the Litigation Group (within the Law Department) that reviews them for authenticity and other legal requirements prior to disclosing the requested data. SDG&E only discloses customer data with customer consent, or if a lawful subpoena or warrant is present. 1.e. Met with Managing Litigation Attorney and Senior Litigation Paralegal and was informed SDG&E's Litigation Group is responsible for processing all subpoenas served to the company. SDG&E's process to respond to subpoenas is as follows: • Subpoenas are reviewed by the Litigation Group. If the subpoena is requesting Covered Information, then a Notice of Disclosure of Energy Usage Data letter is sent to the customer. The customer has seven days to contest the subpoena. If the customer does not respond, their information is not redacted. • All responsive documents are combined into one PDF and provided to the requesting party through the Sempra Electronic Data Transfer site. • All records are retained in the document management system. • Subpoenas are tracked in an ongoing log.	
2. Inspect documentation regarding disclosure of Covered Information pursuant to a legal purpose to test	2.a. Reviewed a redacted version of the <i>Notice of Disclosure of Energy Usage Data</i> letter sent to specific customers listed in the subpoena prior to SDG&E disclosing Covered Information and noted customers are provided a seven (7)	

Assessment procedures	Assessment test results	Exceptions
whether SDG&E properly handled the demand.	day notice to respond to the demand pursuant to SDG&E's legal process. The letter stated: "Pursuant to the provisions of the Decision, SDG&E is required to give you this notice and inform you that it will not produce the records until a date at least seven days from the date of this letter, thereby providing you time to appear in court and contest the subpoena should you choose to do so. Enclosed for your review is a copy of the subpoena."	
3. Inspect the Annual Report submitted to the Commission to test whether SDG&E reported the number of demands received for disclosure of customer data pursuant to a legal process and the number of customers whose records were disclosed.	3.a. Reviewed SDG&E's <i>2024 Annual Privacy Report</i> submitted to the CPUC on April 30, 2025, and noted that during 2024, SDG&E received 252 demands for disclosure pursuant to legal process, with 483 customers' records disclosed. The report also indicates that 3 incidents affecting Covered Information were reported during the calendar year.	

CPUC Rule 4	Rule description	Disclosure of information in situations of imminent threat to life or property:	
d		These rules concerning access, control and disclosure do not apply to information provided to emergency responders in situations involving an imminent threat to life or property. Emergency disclosures, however, remain subject to reporting rule 4(c)(6).	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SDG&E has procedures in place to help ensure proper handling and documentation of any Covered Information data disclosures in situations of imminent threat to life or property.		1.a. Reviewed SDG&E's <i>Privacy Notice</i> and noted SDG&E may disclose Covered Information without customer's prior consent to emergency responders in the case of imminent threat to life or property. 1.b. Regarding situations of imminent threat to life or property, state that when an emergency responder requests the names and/or telephone numbers listed on a customer account, this information may be released. In such situations, the disclosure of customer information must be documented by entering a ticket on the Business Partner (BP) account. 1.c. Met with Managing Litigation Attorney and Senior Litigation Paralegal and was informed they respond to all subpoenas served. Disclosures made in response to imminent threat situations are addressed within the Legal Department's existing subpoena and legal request framework. Oversight for these matters is managed by the Legal Department, which is responsible for litigation and claims and oversees paralegals who respond to subpoenas and law enforcement requests.	
2. Inspect documentation regarding disclosure of Covered Information in situations of imminent threat to life of property.		2.a. See CPUC Rule 4d(1) Test Results. 2.b. There were no demands received for disclosure of customer data pursuant to imminent threat to life or property during the covered period. It was noted that imminent-threat scenarios are rare and that law enforcement requests in such scenarios typically do not involve usage data.	
3. Inspect the Annual Report submitted to the Commission to assess whether SDG&E reported the number of demands received for disclosure of customer data pursuant to situations of imminent threat to life or property and the		3.a. Reviewed SDG&E's <i>2024 Annual Privacy Report</i> , submitted to the CPUC on April 30, 2025, and noted that during 2024, SDG&E received zero (0) requests to disclose Covered Information pursuant to situations of imminent threat to life or property.	

Assessment procedures	Assessment test results	Exceptions
number of customers whose records were disclosed.		

CPUC RULE 5 Data Minimization

Overall assessment result		No exceptions noted.	
CPUC Rule 5 a	Rule description	Generally: Covered entities shall collect, store, use, and disclose only as much Covered Information as is reasonably necessary or as authorized by the Commission to accomplish a specific Primary Purpose identified in the notice required under section 2 or for a specific Secondary Purpose authorized by the customer.	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SDG&E has Data Minimization procedures in place as they relate to the collection, storage, usage, and disclosure of Covered Information for Primary Purposes.		1.a. Reviewed SDG&E's <i>Privacy Notice</i> and noted customer information is kept only for as long as necessary to serve them and handle matters like billing disputes, inquiries, and system planning. Retention periods vary based upon the specific circumstances and business needs but will most typically be 8-10 years. 1.b. Reviewed the <i>Consumer Information Processing Standard</i> and noted only information required for a transaction or activity should be collected. Each department collecting consumer information is required to document how every data element collected will be used. 1.c. Reviewed <i>Rule 33: Rules Regarding Privacy and Security for Energy Usage Data (Electric)</i> and <i>Rule 33: Rules Regarding Privacy and Security for Energy Usage Data (Gas)</i> and noted SDG&E has the following data minimization practices in place: - Covered entities are to collect, store, use, and disclose only as much covered information as is reasonably necessary or as needed to accomplish a specific primary purpose. - Covered entities shall keep covered information for only as long as necessary or as authorized by the commission or the customer. - Covered entities shall not disclose to a third party more covered information than is necessary or as authorized by the Commission or the customer.	

Assessment procedures	Assessment test results	Exceptions
	1.d. Met with members of the Office of Customer Privacy and was informed SDG&E does not collect any personal information that is not needed for a specific business purpose. 1.e. Met with Billing Manager, Customer Operations Supervisor, and Collections Supervisor and was informed they follow a clean desk policy. While working from home, employees are required to still maintain the clean desk policy and cannot use personal printers or emails. 1.f. Met with members of the Office of Customer Privacy and was informed that that the OCP performs PIAs to evaluate whether the proposed PI processing is necessary for the project to support data minimization requirements. 1.g. Reviewed a <i>sample PIA</i> performed during the Covered Period and confirmed that the OCP assessed data minimization as part of the assessment.	
2. Assess whether SDG&E has Data Minimization procedures in place as they relate to the collection, storage, usage, and disclosure of Covered Information for Secondary Purposes.	2.a. Met with members of the Office of Customer Privacy and was informed that SDG&E does not disclose Covered Information for Secondary Purposes. It is also cited in SDG&E's <i>Consumer Information Processing Standard</i> that SDG&E does not disclose Covered Information without customer consent, except for a Primary Purpose.	
3. Assess whether SDG&E has internal privacy policies addressing Data Minimization.	3.a. Reviewed the <i>Sempra Information Classification Guidelines</i> internal policy document and noted it outlines classification levels and protections required for information at each level. In addition, the standard states that generally, information should be limited to the fewest number of individuals to reduce the risk of compromise or misuse. 3.b. Reviewed SDG&E's <i>Consumer Information Processing Standard</i> and noted only information required for a transaction or activity should be collected. Each department collecting consumer information is required to document how every data element collected will be used. 3.c. Reviewed the <i>Sempra Code of Business Conduct</i>, also applicable to SDG&E and noted employees are obligated to protect any confidential information they learn about or encounter in the workplace. The code states employees must protect personal employee, business partner and customer information,	

Assessment procedures	Assessment test results	Exceptions
	limiting access and usage only to authorized personnel and only for appropriate business purposes.	
4. Assess whether SDG&E implements Data Minimization across User Access roles to systems and applications where Covered Information is stored, used, or processed.	4.a. During a physical site walk-through of the SDG&E Customer Contact Center, observed that employees practice Data Minimization principles and only access the information that is needed to complete the transaction or activity. 4.b. Reviewed the SDG&E <i>Consumer Information Processing Standard</i> and noted that only the information needed to complete a transaction or activity should be collected.	

CPUC Rule 5	Rule description	Data retention:	
b		Covered entities shall maintain Covered Information only for as long as reasonably necessary or as authorized by the Commission to accomplish a specific Primary Purpose identified in the notice required under section 2 or for a specific Secondary Purpose authorized by the customer.	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SDG&E’S internal policies address a document retention policy covering all relevant aspects.		1.a. Reviewed SDG&E’s internal <i>Information Management Policy</i> which applies to all Sempra employees and noted it includes the processes for preservation, organization, and disposal of all company related information. This policy also includes recordkeeping requirements designated to ensure records are appropriately classified, stored, and disposed of in accordance with business and applicable legal requirements. The policy includes links to the <i>Legal Hold and Preservation Policy</i> , <i>Information Security and Acceptable Use Policy</i> , <i>Information Management</i> site, and <i>Approved Information Repositories</i> , among others. 1.b. Reviewed SDG&E’s <i>Records Retention Schedule</i> and noted the schedule provides detailed retention periods for all document classifications grouped by business functions, subjects, descriptions, and retention timeframes. 1.c. Reviewed SDG&E’s <i>Wireless Communication Device Policy</i> and noted that mobile devices are subject to security controls and that all Company information and software must be erased prior to device repair, separation, redeployment, or disposal, in accordance with current investment recovery practices and applicable legal and regulatory requirements. Any records created or stored on a wireless device is subject to the retention period of the applicable record category, as defined in <i>Master Records Retention Schedule</i> .	
2. Assess whether the SDG&E retention policies are periodically reviewed and updated where necessary.		2.a. Met with Regulatory Affiliate Compliance Manager and was informed that the record function (updating policies and record codes) is managed at Sempra. In addition, each SDG&E business unit is assigned a Records and Information Management (RIM) Coordinator. Records retention schedules for each business unit are reviewed by the assigned RIM Coordinators at least annually. The coordinators ensure their departmental record retention schedule remains accurate and updated. 2.b. Reviewed Sempra’s <i>Information Management Policy and the Records Retention Schedule</i> . The Retention Schedule is live document stored in Iron Mountain	

Assessment procedures	Assessment test results	Exceptions
	Connect that is updated when RIM Coordinators and business teams update their Retention Schedule. Sempra Legal maintains a change log of updates and noted that several record classes were updated during 2025; however, there were no changes to SDG&E retention periods involving Covered Information or Energy Usage Information in 2025.	
3. Assess whether a management procedure exists to help ensure that documents are retained in compliance with Company policies and that records are kept for only as long as reasonably necessary.	3.a. Met with Regulatory Affiliate Compliance Manager and was informed of the following: - Records and Information Management (RIM) Coordinators that are assigned to each business unit: - ensure their departmental record retention schedule is updated and records are cleaned up - manage shared sites, ensure electronic sites are cleaned up, and manage reports received from electronic records services annually - are responsible for providing a status on records contained within reports received from electronic records services (for all records retained, a reason should be stated) - are required to take the Records and Information Management Training annually 3.b. An annual clean-up occurs from May to August where every department "cleans up" their records ensuring they are compliant with the <i>Records Retention Schedule</i>. Compliance certification for every department occurs annually from September to December. The certifications go through multiple level of approvals, concluding with approval from the Records Office. Records are disposed of through approved disposition methods, including the use of on-site shredder bins and coordination with a third-party vendor or electronically. Departments are responsible for gathering records for disposition and are required to maintain samples.	
4. Inspect evidence that SDG&E records are retained and disposed of in compliance with record retention policies.	4.a. Reviewed sample <i>Certificate of Destruction</i> as well as <i>Destruction Logs</i> for the covered period- 4.b. Reviewed the Information Management Policy and noted that Directors (and Managers reporting to a Vice President) and Information Management Officers	

Assessment procedures	Assessment test results	Exceptions
	are required to certify annually that their organization complies with the <i>Information Management Policy</i> and the <i>Master Records Retention Schedule</i>, including requirements to: • Understand and manage Company information in accordance with the Information Management Policy; • Retain Records in accordance with the Master Records Retention Schedule and store Records and Non-Records only in Approved Information Repositories; and • Dispose of Records and Non-Records securely once retention requirements are met and no Legal Hold applies.	
5. Inspect evidence that SDG&E destroys documents that are no longer necessary or when the appropriate retention policy ends.	5.a. Reviewed multiple asset destruction logs. The logs document IT asset and e-waste disposal and the confirm listed IT media (laptop hard drives) were sanitized or physically destroyed under certified standard operating procedures. 5.b. Observed locked shred bins at facilities containing Covered Information during site walkthroughs of the SDG&E Customer Contact Center, Credit Operations, and Billing Operations Center. Noted a contracted third party performs on-site shredding of bin contents on a routine schedule. If additional shredding is needed, the facility employees request an additional pick-up from the third party.	

CPUC Rule 5	Rule description	Data disclosure:	
c		Covered entities shall not disclose to any third-party more Covered Information than is reasonably necessary or as authorized by the Commission to carry out on behalf of the covered entity a specific Primary Purpose identified in the <i>Notice</i> required under section 2 or for a specific Secondary Purpose authorized by the customer.	
Assessment procedures		Assessment test results	Exceptions
1. Understand SDG&E’S privacy policies to assess whether they: — describe the practices related to sharing personal information (if applicable) with third parties and the reasons for information sharing, — identify third parties or classes of third parties to whom personal information is disclosed.		1.a. Reviewed internal SDG&E documentation and conducted interviews with SDG&E personnel and noted information can be shared with third parties via: • Consent to Share (CtS): Customers must submit a signed Letter of Authorization (LOA) through the Consent to Share application before SDG&E can disclose Covered Information to a third party. There are three types of letters of authorization through CtS: CPUC filed form 185-4000, Standard CISR-DRP (Demand Response Provider) form and non-standard (Free Form) • Green Button: Customers can download their energy reports from Green Button to share with third parties • Privacy GreenLight: SDG&E can share aggregated and anonymized data with approved third parties • Contractual signed agreements between SDG&E and approved vendors • As required by the CPUC • As required by legal processes 1.b. Reviewed the <i>Privacy Notice</i> and noted SDG&E describes practices related to sharing personal information with third parties and the reasons for information sharing. Specifically, SDG&E informs customers: • Primary Purposes: SDG&E may share energy usage information with third-party service providers, including service, demand-response, and energy-efficiency providers, that work with SDG&E to fulfill operational purposes such as billing, system planning, and energy-efficiency and demand-response programs. • Customer’s Choice: Customers can designate Third Parties to receive their Covered Information by providing written consent;	

Assessment procedures	Assessment test results	Exceptions
	Other Purposes: SDG&E may release Covered Information pursuant to a legal process, to emergency responders in the case of imminent threat to life or property, or as ordered by the CPUC. 1.c. Reviewed the <i>Customer Information Processing Standard</i> and noted SDG&E employees are expected to ensure consumer information they interact with is accurate and compliant with applicable rules and tariffs. It is noted SDG&E would only disclose consumer information without customer consent for specific exceptions or a primary purpose. Consent-driven and non-consent-driven authorizations to disclose information are tracked within various SDG&E systems. 1.d. Reviewed the <i>Customer Information Processing Standard</i> and noted it outlines the three processes and systems SDG&E uses to share customer information: CtS, Green Button, and Privacy GreenLight. 1.e. Reviewed list of in-scope vendors identified as third parties with access to Covered Information during 2025 and confirmed there is a process to track third parties with access to Covered Information. Third parties are subject to contractual agreements, as well as to <i>Sempra's Supplier Code of Conduct</i>, also applicable to SDG&E. 1.f. Reviewed the <i>Consent to Share Third Party Training Guide</i> and noted that Consent to Share (CtS) is an online tool used to help manage customer consent to share information with Third Parties. A Letter of Authorization (LOA) is required for SDG&E to share customer information, and LOAs enable SDG&E to track the type of information a Customer authorizes to be shared with a Third Party and the duration of that authorization. 1.g. Reviewed SDG&E's Privacy GreenLight Intranet site and noted Privacy GreenLight is the process followed for disclosing aggregate covered information as approved by the CPUC without customer consent. All third-party requests are to be entered into the program except emergency response requests, regulatory requests, subpoenas, and customer-initiated requests. 1.h. Reviewed CPUC-approved <i>CISR</i> form and noted customers must provide written authorization to SDG&E to allow a third party to receive customer information or act on the customer's behalf. In addition, the form states what rights are delegated to third parties, what information the third party is entitled to	

Assessment procedures	Assessment test results	Exceptions
	receive, and whether the authorization is provided on a one-time basis or on a longer-term basis (limiting duration to three years). 1.i. Reviewed Semptra's <i>Supplier Code of Business Conduct</i>, also applicable to SDG&E and noted Semptra instructs third parties to keep non-public information confidential. All nonpublic information must be appropriately secured and protected. 1.j. Met with Customer Services – Personal Data Privacy Advisor and members of the Office of Customer Privacy and was informed SDG&E only shares Covered Information to third parties with prior customer written consent through the CISR process or authorization through Green Button. The customer must designate in the CPUC-approved <i>CISR</i> form the type of information shared and the specified time period for sharing the information. Only upon receiving the customer signed <i>CISR</i> form or authorization through Green Button will SDG&E disclose the requested information to the third party and for the designated purpose.	

CPUC RULE 6 Use And Disclosure Limitation

Overall assessment result	Exceptions Noted: Sampled SDG&E contracts executed since the completion of the prior Covered Information assessment and current standard contract templates contain privacy and security provisions aligned with CPUC requirements. However, it was noted that legacy contracts contain confidentiality language, with privacy and security provisions that do not align to the CPUC requirements.
CPUC Rule 6 #1)-(3)	Rule description Disclosures to third parties – (1) Initial disclosures by an electrical corporation: An electrical corporation may disclose Covered Information without customer consent to a third-party acting under contract with the Commission for the purpose of providing services authorized pursuant to an order or resolution of the Commission or to a governmental entity for the purpose of providing energy efficiency or energy efficiency evaluation services pursuant to an order or resolution of the Commission. An electrical corporation may disclose Covered Information to a third-party without customer consent a. when explicitly ordered to do so by the Commission; or b. for a Primary Purpose being carried out under contract with and on behalf of the electrical corporation disclosing the data; provided that the covered entity disclosing the data shall, by contract, require the third-party to agree to access, collect, store, use, and disclose the Covered Information under policies, practices and notification requirements no less protective than those under which the covered entity itself operates as required under this rule, unless otherwise directed by the Commission. (2) Subsequent disclosures: Any entity that receives Covered Information derived initially from a covered entity may disclose such Covered Information to another entity without customer consent for a Primary Purpose, provided that SDG&E disclosing the Covered Information shall, by contract, require the third party receiving the Covered Information to use the Covered Information only for such Primary Purpose and to agree to store, use, and disclose the Covered Information under policies, practices and notification requirements no less protective than those under which the covered entity from which the Covered Information was initially derived operates as required by this rule, unless otherwise directed by the Commission. (3) Terminating disclosures to entities failing to comply with their privacy assurances: When a covered entity discloses Covered Information to a third-party under this subsection 6(c), it shall specify by contract, unless otherwise ordered by the Commission, that it shall be considered a material breach if the third-party engages in a pattern or practice of accessing, storing, using or disclosing the Covered Information in violation of the third-party's contractual obligations to handle the Covered Information under policies no less protective than those under which the covered entity from which the Covered Information was initially derived operates in compliance with this rule.

		If a covered entity disclosing Covered Information for a Primary Purpose being carried out under contract with and on behalf of SDG&E disclosing the data finds that a third-party contractor to which it disclosed Covered Information is engaged in a pattern or practice of accessing, storing, using or disclosing Covered Information in violation of the third-party's contractual obligations related to handling Covered Information, the disclosing entity shall promptly cease disclosing Covered Information to such third-party. If a covered entity disclosing Covered Information to a Commission-authorized or customer-authorized third-party receives a customer complaint about the third-party's misuse of data or other violation of the privacy rules, the disclosing entity shall, upon customer request or at the Commission's direction, promptly cease disclosing that customer's information to such third-party. The disclosing entity shall notify the Commission of any such complaints or suspected violations.
Assessment procedures	Assessment test results	Exceptions
1. Understand SDG&E's privacy policies to assess whether they: — describe the practices related to sharing personal information (if applicable) with third parties and the reasons for information sharing, — identify third parties or classes of third parties to whom personal information is disclosed.	1.a. Reviewed SDG&E's <i>2024 Annual Privacy Report</i> dated April 30, 2025, and noted SDG&E classified third parties with access to Covered Information into three categories: • Customer authorized third parties • Suppliers, contractors, and vendors under contract • Customer-authorized researchers or government requests 1.b. See CPUC Rule 5c for test results.	
2. Assess whether SDG&E informs customers that personal information is disclosed to third parties only for the purposes (a) identified in the Privacy Notice, and (b) for which the individual has provided implicit or explicit consent, or as specifically allowed or required by law or regulation	2.a. Reviewed SDG&E's <i>Privacy Notice</i> and noted SDG&E only discloses customer information to: • Contracted third parties • Parties as ordered by the CPUC • Third parties with customer consent through CISR form • Legal processes via subpoena or warrant • Emergency responders in cases of imminent threat to life or property 2.b. Reviewed <i>CISR Form 185-1000 Authorization to: Receive Customer Information or Act on a Customer's Behalf</i> and noted by completing the form, customers	

Assessment procedures	Assessment test results	Exceptions
before data is disclosed to third parties.	authorize a specified third party to request and receive the customer's data (such as billing records, account information, and usage data) stated on the form. Customers must specify whether this is a one-time authorization, one-year authorization, or determine an expiration date (limited in duration to three years). To complete the form, customers must provide their signature stating that the customer understands that they may cancel this authorization at any time by submitting a written request. 2.c. Reviewed the <i>Green Button</i> page on SDG&E's public webpage and noted customers can choose to share up to 13 months of energy usage data with selected third parties by logging into the My Energy Center portal.	
3. Assess whether SDG&E communicates specific instructions for handling personal information and the consequences of improper disclosure to the third-party prior to disclosing the information.	3.a. Reviewed Sempra's <i>Supplier Code of Business Conduct</i> also applicable to SDG&E and noted the document outlines policies regarding information protection and confidentiality: - Information may only be used for Sempra Energy business and must be in accordance with all applicable laws, regulations, and contractual obligations. - Non-public information could include, but is not limited to, customer, employee, or other business information and should be limited to only information required to perform the contracted work. - Non-public information must be kept confidential and only be disclosed to those subject to Sempra's confidentiality provisions if it is necessary for the performance of the supplier's work. - Non-public information must be appropriately secured and protected. - Suppliers will not make any announcements or release any information on behalf of Sempra Energy without prior and appropriately authorized written consent of Sempra Energy. 3.b. Inspected confidentiality and non-disclosure clauses in a sample <i>Standard Services Agreement (SSA)</i> between SDG&E and a supplier with access to Covered Information and noted it includes a definition of Covered Information, governance regarding the handling of customer information, and the consequences of improper disclosure.	

Assessment procedures	Assessment test results	Exceptions
	3.c. Inspected confidentiality and non-disclosure clauses in sample <i>Mutual NDA</i> between SDG&E and a supplier with access to Covered Information and noted it includes a definition of confidential information, governance regarding the handling of customer information, and consequences of noncompliance. 3.d. Reviewed <i>Sempra Procurement Policy</i> and noted it outlines policies, procedures, and guidance for procurement purposes, and noted contractors are not allowed to commence work until a valid contract is in place. 3.e. Met with members of SDG&E Customer Contact Center and was informed that customers must be authenticated using their account information (i.e., complete address, last four digits of social security number (SSN), account number, or four-digit PIN) before discussing any customer information. If a customer does not have an SSN, SDG&E can assist the customer in creating a four-digit PIN for the customer to be authenticated with. 3.f. Reviewed templates for service agreements with ESPs, CCAs, and an NDA for CCAs providing energy to SDG&E customers and noted ESPs and CCAs must sign SSAs with SDG&E defining roles and responsibilities of both parties, including provisions with mandatory safeguards around customer information. 3.g. Met with Billing Analysts, CCA Billing Operations Manager, and CCA Strategy and Policy Manager, and was informed that ESPs must be registered with the CPUC prior to executing a service agreement with SDG&E. 3.h. Obtained and inspected a sample SSA and NDA executed between SDG&E and a vendor with access to Covered Information and noted they include confidentiality and data privacy provisions mentioning potential breach of contract damages should the third party not adhere to contract terms. Additionally, the contracts restrict the use of confidential information solely for purposes stated in the contract.	
4. Understand whether third-party contracting documentation is consistent with the SDG&E' policies and procedures.	4.a. Met with members of Supply Management, Cybersecurity, Privacy, and the IT Vendor Management Office (VMO), and was informed of the following: Legal reviews all technology contracts with a dollar value of \$2,000,000 or more consistent with SDG&E Procurement Policy.	

Assessment procedures	Assessment test results	Exceptions
	- Contractors are not allowed to commence work until a valid contract is in place. Once a contract is signed, the contracted business unit is responsible for managing and enforcing the contract. - Agreement templates include a confidentiality clause. In addition, technology contracts also include SDG&E's required Information Security legal terms and conditions. - Multiple risk reviews may occur during vendor onboarding and contracting, based on vendor type, risk profile, and the nature of data involved: - Supplier Risk Screening: Conducted during the sourcing and RFP process to evaluate suppliers across defined risk categories (e.g., financial, cybersecurity, ESG, geopolitical, and catastrophic risk) and apply threshold-based scoring to determine whether additional review or management approval is required. - Cybersecurity Risk Assessment: Coordinated through Supply Management and performed by Cybersecurity, which may include security questionnaires, review of third-party assessment reports (e.g., SOC reports), and use of continuous monitoring tools, as well as management of escalations and exceptions. - Privacy and technology reviews: Triggered when Covered Information is shared or when technology capabilities are involved. Privacy assesses data sharing, and Enterprise Architecture may be engaged, as needed, to validate business needs and avoid duplication of tools or services. - Vendor Data Requests (VDRs) are reviewed by the IT Vendor Management Office (VMO) for completeness and workflow facilitation. The IT VMO does not perform risk assessments or make approval decisions; substantive reviews are conducted by Cybersecurity, Privacy, and other relevant stakeholders, as applicable. 4.b. Met with members of Sempra and SDG&E Supply Management team (including supply chain technology/systems and policy compliance roles), and was informed that when a business stakeholder wants to engage a vendor or supplier, they complete a Purchase Requisition (PR) in the Ariba tool. The PR form asks if the engagement will involve sharing Confidential Information with	

Assessment procedures	Assessment test results	Exceptions
	the vendor or supplier, which would then trigger a Vendor Data Request (VDR) and a third-party risk assessment. 4.c. Reviewed <i>Sempra Procurement Policy</i> and noted Supply Management and the contract-issuing party are responsible for ensuring other interested parties (project managers, risk management, regulatory, tax, etc.) review issued contracts. The Law Department reviews and approves contracts with a dollar value of \$2,000,000 or more and contracts involving high risk products or services. Contractors are not allowed to commence work until a valid contract is in place. 4.d. Met with members of Supply Management, Cybersecurity, Privacy, and the IT Vendor Management Office (VMO), and was informed that before onboarding a vendor, intake is initiated by Supply Management, and vendor information is entered into the system, which triggers the Vendor Data Request (VDR) process. VDRs are reviewed by the IT Vendor Management Office (VMO) for completeness and workflow facilitation. Supplier vetting is performed, which applies a defined risk matrix to assess suppliers across financial, cybersecurity, ESG/supply chain, political/geopolitical, and catastrophic risk categories, with established thresholds and ongoing monitoring. Following IT VMO review, the information is routed to Privacy, Cybersecurity/Information Security, and other relevant stakeholders, as applicable, to support further review based on the nature of the vendor and whether Covered Information is involved. 4.e. Reviewed the <i>IS Third Party Assessment and Attestation</i> form, used in the CEC Consulting Risk Assessment, and noted contractors are asked a series of security infrastructure, monitoring, compliance, and data security questions before a contract is executed. 4.f. Reviewed <i>Sempra Procurement Policy</i> and noted contractors cannot commence work until a valid contract is in place. 4.g. Reviewed <i>Sempra's Supplier Code of Business Conduct</i>, also applicable to SDG&E which states customer information should only be used for Sempra Energy business and all nonpublic information must be kept confidential. 4.h. Reviewed <i>Information Security Requirements</i>, included in technology agreements with SDG&E's third parties, and noted contractors verify their	

Assessment procedures	Assessment test results	Exceptions
	products contain necessary security measures to meet data protection regulations and laws. 4.i. Inspected SDG&E's <i>Standard Services Agreement</i>, which contains a Confidentiality provision that governs the use, protection, and disclosure of Confidential Information, Confidential Customer Information, GIS Data, and Critical Energy Infrastructure Information (CEII). The Agreement restricts the Contractor from disclosing Confidential Information to any third party, except to permitted Contractor Parties solely for purposes of performing the Work, or as required by law. Disclosure pursuant to legal or regulatory requirements is subject to notice and limitation obligations. The Agreement further prohibits the disclosure of non-public information to affiliated entities in accordance with applicable Anti-Conduit Rules. Failure by the Contractor to comply with the confidentiality obligations constitutes a breach of the Agreement and may result in contractual remedies, including injunctive relief, indemnification, and recovery of damages by the Company.	
5. Inspect sample evidence of acknowledgments/certifications from third parties regarding compliance with SDG&E' data privacy policies.	5.a. Obtained and inspected a sample of four executed vendor contracts with access to Covered Information. It is noted that privacy and security provisions exist in contracts; however, language inconsistencies that do not align to formal regulatory requirements were identified in one of the contracts sampled. 5.b. Reviewed two sample <i>IS Third Party Assessment and Attestation</i> forms in which SDG&E asked vendors a series of security questions. Vendors provided responses related to their security requirements.	Sampled SDG&E contracts executed since the completion of the prior Covered Information assessment and current standard contract templates contain privacy and security provisions aligned with CPUC requirements. However, it was noted that legacy contracts contain confidentiality language, with privacy and security provisions that do not align to the CPUC requirements.

Assessment procedures	Assessment test results	Exceptions
6. Assess whether SDG&E has a process in place to review contract compliance for third parties accessing or receiving Covered Information.	6.a. Met with members of the Office of Customer Privacy and was informed that SDG&E's CEC Team completes the CEC Risk Assessment on a third party if they host or store company data. Depending on the risk score assigned to the third party, another assessment will occur every one, three, or five years. Reviews of third parties are triggered if: • a company will host or store data outside of the SDG&E network • SDG&E receives a breach notification of a company that hosts or stores SDG&E data • A vendor with access to Covered Information has a breach 6.b. Inspected SDG&E's <i>Standard Services Agreement</i> template and confirmed that the Additional Terms and Conditions include a "Right to Audit" provision. This provision grants SDG&E the right to view or inspect contractor records and to conduct compliance reviews, audits, or other verifications related to the contractor's obligations under the agreement. 6.c. Reviewed <i>IS Third Party Assessment and Attestation</i> form and noted SDG&E asks a series of security infrastructure, monitoring, compliance, and data security questions that contractor is required to fill out before a contract is executed.	

CPUC Rule 6	Rule description	Secondary purposes:	
d(1)-(3)		No covered entity shall use or disclose Covered Information for any Secondary Purpose without obtaining the customer’s prior, express, written authorization for each type of Secondary Purpose. This authorization is not required when information is— 1. Provided pursuant to a legal process as described in 4(c) above; 2. Provided in situations of imminent threat to life or property as described in 4(d) above; or 3. Authorized by the Commission pursuant to its jurisdiction and control.	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SDG&E engages in Secondary Purposes, and assess if procedures are in place to: — notify individuals and obtain their consent prior to disclosing personal information to a third-party for purposes not identified in the Privacy Notice, — document whether SDG&E has notified the individual and received the individual’s consent, — monitor that personal information is being provided to third parties only for uses specified in the Privacy Notice.		1.a. Met with Personal Data Privacy Compliance Advisor and was informed SDG&E requires customer consent through a <i>CISR</i> form prior to disclosure any Covered Information to third parties. The customer must designate in CPUC-approved <i>CISR</i> form the type of information shared and the specified time period for sharing the information. 1.b. Reviewed <i>My Energy Center Terms and Conditions</i> (https://www.sdge.com/my-energy-center-terms-and-conditions) and noted if a customer wishes to disclose any information on their bill, including usage information, to another person or third party, the customer must provide SDG&E with a written signed authorization through a <i>CISR</i> form. 1.c. Met with members of the Office of Customer Privacy and was informed SDG&E does not share Covered Information for Secondary Purposes without customer consent.	
2. Assess whether SDG&E has secondary use authorization forms customers sign to authorize use of Covered Information for secondary uses.		2.a. See CPUC Rule 6c(2b) test results.	

Assessment procedures	Assessment test results	Exceptions
3. Inspect evidence that customer consent authorizing use of Covered Information for Secondary Purposes is documented.	3.a. Reviewed SDG&E's <i>CISR</i> form templates and noted by completing them customers can authorize a specified third party to request and receive specific customer data stated on the forms. 3.b. Met with SDG&E Personal Data Privacy Compliance Advisor and was informed when a <i>CISR</i> form is submitted to CtS, the system automatically reviews the form and completes multiple checks for accuracy. CtS compares customer account information from the billing and metering systems to customer account information on the form. If information does not match, an exception is triggered and requires an employee to manually review the form. Once approved, the form becomes active and data can be sent out.	

CPUC Rule 6	Rule description	Customer authorization: 1. Authorization. Separate authorization by each customer must be obtained for all disclosures of Covered Information except as otherwise provided for herein. 2. Revocation. Customers have the right to revoke, at any time, any previously granted authorization. 3. Opportunity to Revoke. The consent of a residential customer shall continue without expiration, but an entity receiving information pursuant to a residential customer’s authorization shall contact the customer, at least annually, to inform the customer of the authorization granted and to provide an opportunity for revocation. The consent of a non-residential customer shall continue in the same way, but an entity receiving information pursuant to a non-residential customer’s authorization shall contact the customer, to inform the customer of the authorization granted and to provide an opportunity for revocation either upon the termination of the contract, or annually if there is no contract.	
e(1)-(3)			
Assessment procedures		Assessment test results	Exceptions
1. Assess whether customers receive the <i>Privacy Notice</i> and must provide separate authorization if information is being used for a new Secondary Purpose.		1.a. See CPUC Rule 5c test results. 1.b. Reviewed the <i>CISR</i> form templates and noted customers can provide authorization and consent for disclosure of specific account information to designated third parties for intervals such as single-time consent, one year authorization, or for a specified period of time as designated by the customer (for a period of up to three years).	
2. Understand how customers are notified of their right to revoke any previously granted authorization and the process to do so.		2.a. Reviewed the <i>Privacy Notice</i> and noted customers can limit or dispute third parties’ use of previously authorized access to Covered Information. 2.b. Reviewed <i>CISR Form Authorization to Receive Customer Information or Act on a Customer's Behalf</i> and noted to complete the form, customers must provide explicit consent and sign an acknowledgment clause stating, "I understand that I may cancel this authorization at any time by submitting a written request." 2.c. Met with SDG&E Personal Data Privacy Compliance Advisor and was informed customers can revoke any previously granted authorization via the <i>CISR form</i> . Customers can revoke a form by logging into CtS and pressing the “revoke” button, sending an email to the privacy email stated in the <i>Privacy Notice</i> , or filling out the electronic revoke form. 2.d. Reviewed a screenshot of the "revoke" button within CtS and observed evidence that this is an option offered to customers.	

Assessment procedures	Assessment test results	Exceptions
	2.e. Reviewed a sample <i>CISR Form Authorization to: Receive Customer Information or Act on a Customer's Behalf</i> and noted customers can specify what types of covered information is authorized as well as the duration of authorization. The specific types of information to be requested and/or received are: • Customer billing records, billing history and all meter usage data used for bill calculation • EPA Benchmarking • Copies of correspondence in connection with the customers' account • Investigations of the customers' utility bills • Special metering data in association with the account • Rate analysis • Rate changes • Verification of balances on customer accounts and discontinuance notices The specific duration of these requests are for: • Single-use authorization • One-year authorization • Custom authorization up to three years	

CPUC Rule 6	Rule description	Parity:	
f		Covered entities shall permit customers to cancel authorization for any Secondary Purpose of their Covered Information by the same mechanism initially used to grant authorization.	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SDG&E has a process in place to allow customers to cancel authorization for any Secondary Purposes.		1.a. See CPUC Rule 6e(2) for test results.	

CPUC Rule 6	Rule description	Availability of aggregated usage data:	
g		Covered entities shall permit the use of aggregated usage data that is removed of all PII to be used for analysis, reporting or program management provided that the release of that data does not disclose or reveal specific Covered Information because of the size of the group, rate classification, or nature of the information.	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SDG&E' <i>Privacy Notice</i> or internal policies address the use of aggregate information.		1.a. Reviewed <i>Rule 33: Rules Regarding Privacy and Security for Energy Usage Data (Gas)</i> and <i>Rule 33: Rules Regarding Privacy and Security for Energy Usage Data (Electric)</i> and noted SDG&E permits the use of aggregated usage data removed of all personally identifiable information. This data can be used for analysis, reporting, or program management only if the release does not disclose specific customer information. 1.b. Reviewed the <i>Consumer Information Processing Standard</i> and confirmed that SDG&E does not disclose or share consumer information with third parties without consumer consent, except where disclosure is permitted for a defined primary purpose and is managed through approved enterprise privacy controls (e.g., Consent to Share, Green Button, or Privacy GreenLight), in accordance with the Corporate Privacy Policy. Disclosures involve sharing approved consumer information with third parties. Data Custodians review the required information and any necessary aggregation before release. 1.c. Reviewed <i>Customer Services Policy</i> and noted SDG&E follows CPUC Data Aggregation Standards noted in Decision 14-05-016. 1.d. Reviewed SDG&E's <i>Customer Privacy Guidelines</i> and noted this document addresses the use of aggregated information and defines aggregated and anonymized data: - Aggregated data is data that has no identifiable information to disclose or reveal specific customer information because of the size of the group, rate classification, or nature of the information. - Anonymized data is customer data from which all identifying information has been removed such that the customer cannot be identified or reasonably re-identified.	

Assessment procedures	Assessment test results	Exceptions
2. Assess whether SDG&E has a procedure in place to help ensure aggregate information does not disclose or reveal specific Covered Information.	2.a. Met with members of the Office of Customer Privacy and was informed that data aggregation rules are reviewed and monitored by the Office of Customer Privacy. 2.b. Reviewed SDG&E's Privacy GreenLight Intranet site and noted Privacy GreenLight is the process for disclosing aggregated covered information as approved by the CPUC without customer consent. All third-party requests are to be entered into GreenLight except emergency response requests, regulatory requests, subpoenas, and customer initiated. 2.c. Reviewed SDG&E <i>Privacy GreenLight Standard</i> and noted the GreenLight process includes the following steps: • A third party submits a request • The third-party request sponsor validates the third party • The data custodian verifies the request can be fulfilled • A third-party review is conducted by Legal, Cybersecurity, and Supply Management • The data request is approved by the Business Director, Privacy Director, and Chief Consumer Privacy Officer (approval levels depend on risk level) 2.d. Once the third party no longer needs the data, the third party submits a certificate of destruction attesting they have followed proper disposal policies.	

CPUC RULE 7 Data Quality and Integrity

Overall assessment result		No exceptions noted.	
CPUC Rule 7	Rule description	Covered entities shall ensure that Covered Information they collect, store, use, and disclose is reasonably accurate and complete or otherwise compliant with applicable rules and tariffs regarding the quality of energy usage data.	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SDG&E' privacy policies address the quality of Covered Information and other Customer PII.		1.a. Reviewed the <i>Sempra's Employee Code of Conduct</i> , also applicable to SDG&E and noted it includes policies for employees to protect customer security and integrity of their information. 1.b. Reviewed <i>Sempra's Supplier Code of Conduct</i> , also applicable to SDG&E and noted third parties are required to maintain accurate records and disclosures. 1.c. Reviewed SDG&E <i>Information Protection Standard</i> and noted Information Owners of each business unit are normally managers or directors responsible for protecting Information Assets. 1.d. Reviewed <i>Consumer Information Processing Standard</i> and noted employees and contractors are to ensure they collect, store, use, and disclose accurate consumer personal information. 1.e. Reviewed the <i>Cybersecurity Governance Standard</i> and noted there is a process formally documented for requesting and approving policy exceptions, involving risk classification, mitigation plans, and long-term exception reviews. Critical, high, medium, and low-risk classifications dictate the level of approval needed from different roles, such as Sempra Company CISOs or Cybersecurity Managers. Extensions or changes to policy exceptions require resubmission and reevaluation. 1.f. Reviewed SDG&E's <i>My Energy Center Terms and Conditions</i> and noted it is the customer's responsibility to ensure information in their My Energy Center profile is current and accurate. Customers are instructed to update incorrect information promptly through their My Energy Center portal or by contacting SDG&E's Customer Service at (800) 411-7343.	

Assessment procedures	Assessment test results	Exceptions
2. Inspect sample communication to customers to assess whether SDG&E policies include customer data integrity.	2.a. Reviewed the SDG&E's pdf <i>Privacy Notice</i> and noted customers can limit, view, or dispute their disclosed information by contacting SDG&E at: • Telephone: 1-800-411-7343 • Email: privacy@sdge.com • Mailing address to the Customer Privacy P.O Box 2.b. Reviewed SDG&E's <i>Website Terms and Conditions</i> and noted the User Account section places responsibility for preserving the confidentiality of log-on and user account information on SDG&E customers. The website <i>Terms and Conditions</i> also prompts customers to contact SDG&E with any questions or comments. 2.c. Reviewed screenshots of the My Energy Center setup process and noted before customers can create an account, they must check a box acknowledging they agree to SDG&E's My Energy Center Terms and Conditions, which states that customers have read and agreed to comply with the My Energy Center Terms and Conditions addressing it is the customers' responsibility to provide accurate and up-to-date information.	
3. Assess whether procedures are in place that: — edit and validate personal information as it is collected, created, maintained, and updated, — specify when the personal information is no longer valid.	3.a. Reviewed SDG&E's <i>Consumer Information Processing Standard</i> and noted only information required for an activity or transaction should be collected. After use, customer information should be disposed of accordingly. Employees and contractors are to ensure that the consumer personal information they collect, store, use, and disclose is reasonably accurate. 3.b. Reviewed the Semptra <i>Information Management Policy</i> and noted that employees are required to review and manage Company information in accordance with the policy, including disposing of information in a secure and approved manner, while certain leadership roles must annually certify compliance with the policy. 3.c. Reviewed SDG&E's <i>Protecting Customer Privacy</i> procedures and discussed with CCC Customer Process Improvement advisors and noted that procedures are in place to protect customer account information and require authentication prior to disclosure. The <i>Protecting Customer Privacy</i> document states that customer account information is intended to be kept confidential and provided only to the customer of record, with disclosures documented when applicable. Customer authentication is required before account access or discussion and may include	

Assessment procedures	Assessment test results	Exceptions
	the use of one-time passcodes (OTP), account PINs, and Social Security Numbers used for identification or credit checks, with SSNs masked on screen. 3.d. Reviewed the SDG&E <i>Privacy Notice</i> and noted retention of energy usage data and personal information is addressed: "SDG&E will keep your Energy Usage information only for as long as necessary to serve you and handle matters like billing disputes, inquiries and system planning. Retention periods vary based on the specific circumstances and business needs but will most typically be for eight to ten years."	
4. Inspect sample evidence to assess whether procedures are in place to safeguard personal information is sufficiently relevant for the purposes for which it is to be used and to minimize the possibility that inappropriate information is used to make business decisions about the individual.	4.a. Met with Billing leadership, including the Senior Billing Leader and Billing Supervisor, and was informed that the majority of billing calculations are automated, with exceptions identified and held through SAP Business Process Exception Management (BPEM). These exceptions, which include delayed bills and customer-initiated post-bill adjustments, require manual intervention by billing team members. Billing personnel review and resolve the exceptions before bills are released. In addition, a quality assurance process is in place, supported by dedicated QA resources, whereby billing exceptions are manually reviewed on a recurring basis using defined QA scorecards, with results reported to leadership. 4.b. Inspected SDG&E's <i>My Energy Center</i> registration process and noted customers must agree to provide accurate and up-to-date information. 4.c. See CPUC Rule 7(3) for test results.	

CPUC RULE 8 Data Security

Overall assessment result		Exceptions Noted: - Sempra has documented policies and standards that require applications and systems to be appropriately classified based on the sensitivity of the data stored within the system to help enforce data and system-level protections and safeguards commensurate with the respective information classification level. During 2025, it was noted that several in-scope systems storing Covered Information were classified with an incorrect information classification label that was less restrictive than the actual data stored within the system or the system was not classified. As a result, the appropriate data protection controls may not be enforced in the system as required by Sempra policies and standards. - Although Sempra has security measures in place to protect and ensure Data Privacy, some standalone network printers in the Sempra environment are not integrated into the Follow Me system, which allows employees to print directly to them and bypass the required secure printing process
CPUC Rule	Rule description	Generally: Covered entities shall implement reasonable administrative, technical, and physical safeguards to protect Covered Information from unauthorized access, destruction, use, modification, or disclosure.
a		
Assessment procedures	Assessment test results	Exceptions
1. Assess whether SDG&E has documented policies addressing security provisions for Covered Information: — Risk assessment and treatment — Security policy — Organization of information Security — Asset management — Human resources security — Physical and environmental security — Communications and operations management	1.a. Met with the Senior Director, Cybersecurity and inspection of documentations provided, and noted that Sempra's mission, vision, and strategic objectives are aligned with NIST Cybersecurity Framework. It was also noted that the following policies/procedures/standards/guidelines are in place to address security provisions for SDG&E, including Covered Information. These documents also explain the procedure and remediation plans based on each Common Vulnerability Scoring System scoring model score. This policy is applicable and accessible to all employees of Sempra Energy and is published on the SharePoint and Sempra IS intranet site. 1.b. Reviewed the <i>Risk Management Guide</i> and noted that Sempra has a comprehensive risk assessment guide with complete instructions for completing risk assessments, developing a risk response strategy, and monitoring and reporting risk status with the objective of determining the level of risk presented to the organization. Metrics are formally documented and aligned with the principles and guidelines of ISO 27001 and ISO 31000. It was	

Assessment procedures	Assessment test results	Exceptions
— Access control — Information systems acquisition, development, and maintenance — Information security incident management — Business continuity management — Compliance	also noted that the risk assessment process is conducted on an annual basis. This policy is applicable and accessible to all employees of Sempra Energy and is published on the Sempra IS intranet site. 1.c. Reviewed the <i>Cybersecurity Awareness Standard, Physical Security Policy, and the Physical Security Standards</i> and noted that these policies outline access controls to company facilities, conditions for entry, access control practices, badge access authorization, and security planning and equipment. These policies are published on the Sempra IS intranet site accessible to all Sempra employees, vendors, and contractors. 1.d. Reviewed the Sempra Information Security SharePoint site and noted that company's Cybersecurity Policy & Procedures page is accessible to all Sempra Employees, vendors and contractors and includes various cybersecurity policies, standards, guidelines, and procedures. 1.e. Met with the Director, Chief Information Security Officer (CISO) Sempra Energy and the Director, Cybersecurity & Chief Information Security Officer for SDG&E and SoCalGas and was informed that the Cybersecurity function at Sempra consists of Cybersecurity for Sempra Energy and then Cybersecurity at the Operating companies (e.g. SCG and SDG&E). There is a CISO for Sempra Energy and a CISO for the Operating Companies. Sempra Energy provides overarching cybersecurity governance with policies and standards, awareness and training, Insider Risk and DLP, while the utility cybersecurity functions operationalize cybersecurity processes to ensure safeguarding protecting operational infrastructure and customer data with guidelines designed to ensure service continuity, regulatory compliance, and effective preparation for, response to, and recovery from cyber incidents. 1.f. Reviewed the <i>IT Hardware Asset Management Runbook, Asset Disposal Policy (including Asset Disposal Logs)</i>, and the <i>Data Destruction & Sanitation Information Security Guidelines</i> and noted that these policies describe in detail both the process for tracking the lifecycle of IT hardware assets and the process by which company employees and all affiliates must handle data covering storage locations, retention periods, data classifications, and the methods of destruction for each type of classified data, including Covered Information.	

Assessment procedures	Assessment test results	Exceptions
	1.g. Reviewed the <i>Asset Management, IT Asset Decommission, and Reuse Procedure</i> and noted that the procedures for deciding whether assets should be disposed of or reused are clearly outlined. These policies are applicable and accessible to all employees of Sempra Companies and are published on the Sempra IS intranet site. 1.h. Reviewed the <i>HR Background and Screening Policy</i> and noted it outlines the requirement to conduct background checks on all external candidates prior to hiring. Also noted that Sempra utilizes Third-Party agency to conduct professional preemployment background checks and reference checks and preemployment screening. In addition, these policies are applicable and accessible to all employees of Sempra Energy and are published on the Sempra IS intranet site. 1.i. Reviewed the <i>Physical Security Policy & Corporate Security Standard</i> documents and noted that physical and environmental security requirements are formally documented for the Contact Center, Remittance Processing and Billing Center, Collections Department, and Branch Office. 1.j. Reviewed the <i>Information Protection Standard</i> and noted that data encryption requirements are formally documented. 1.k. Reviewed the <i>Encryption Standard</i> and noted that encryption requirements and remote access encryption requirements are formally documented. 1.l. Reviewed the <i>Email Management Standard</i> and noted requirements for bolstering email security and reducing malicious messages by using email security features. 1.m. Reviewed the <i>Social Media Guidelines</i> and noted that expectations around Sempra personnel conduct while engaging in social media activity that relates in any way to Sempra Energy are formally documented. 1.n. Reviewed the <i>Identity & Access Management (IAM) Cybersecurity Standard</i> and noted that access control requirements are formally documented. 1.o. Reviewed the <i>IT Portfolio Management Office (IT PMO) SharePoint site</i> and noted that the information systems acquisition, development, and maintenance process are formally documented. 1.p. Reviewed the <i>Cybersecurity Incident Detection and Response Policy</i> and noted that cybersecurity incident management procedures are formally documented.	

Assessment procedures	Assessment test results	Exceptions
	The document outlines Sempra's cybersecurity incident response, detailing steps to protect infrastructure and data for service continuity. It includes guidelines for preparing for, responding to, and recovering from incidents, ensuring compliance and operational integrity, and maintains a cybersecurity emergency response plan and data breach playbook. 1.q. Reviewed the <i>Information Technology Disaster Recovery Strategy and Policy</i> and the Business Resumption and Continuity Policy and noted that business continuity management and IT disaster recovery requirements are formally documented. 1.r. Reviewed the <i>Information Security Guidelines</i> and noted that these policies describe in detail the process for tracking the lifecycle of hardware IT throughout the assets lifecycle. These policies describe in detail the process by which Sempra employees and all affiliates shall handle data storage locations, retentions periods, data classifications, and the methods of destruction for each type of classified data classified, including Covered Information. 1.s. Reviewed the <i>BES Asset Recovery Standard</i> and noted that it formally documents the implementation requirements for recovery plans to restore Bulk Electric System (BES) assets following major failures, ensuring compliance with NERC CIP standards and mandating regular testing, updates based on lessons learned, adjustments for organizational or technological changes, and how each recovery plan is tested and documented. 1.t. Reviewed Sempra's <i>Supplier Code of Business Conduct</i>, the <i>Information Security Policy</i>, and the <i>Information Protection Standard</i> and noted that the requirements for compliance with applicable privacy legislation and regulations are formally documented.	
2. Assess whether SDG&E' privacy policies and procedures cover protection of electronic and print media containing Covered Information from unauthorized access, destruction, use modification or disclosure.	2.a. Reviewed the <i>Privacy Policy</i> and <i>Information Security Policy</i> and noted that these policies address how SDG&E employees, contractors and third parties should handle Covered Information, including per "Section 3: Encryption of Information Assets" of the Information Security Policy that Covered Information must be appropriately classified and sensitive data in transit is encrypted per CEMAIL-3.9 & CEMAIL-4.0 of Cybersecurity Email Standard. 2.b. Reviewed the <i>Data Destruction and Sanitization Information Security Guideline</i> and noted that the guidelines describe in detail the process of securely destroying data and sanitizing media at Sempra Energy, specifying methods for	Exception: Sempra has documented policies and standards that require applications and systems to be appropriately classified based on the sensitivity of the data stored within the system to help

Assessment procedures	Assessment test results	Exceptions
	different media types, verification steps, and the importance of maintaining data destruction records. 2.c. Reviewed the <i>Information Protection Standard</i> and noted that it requires the Classification of Information Assets, including systems and applications, based on the sensitivity of the data stored within the information asset. In addition, the standard mandates the level of protection and control requirements to safeguard information commensurate with the information sensitivity classification. 2.d. Inspected SDG&E <i>System Profiles</i> for the in-scope systems containing Covered Information and noted that several systems were classified at a less restricted classification level based on the actual data stored in the system with lower security requirements.	enforce data and system-level protections and safeguards commensurate with the respective information classification level. During 2025, it was noted that several in-scope systems storing Covered Information were classified with an incorrect information classification label that was less restrictive than the actual data stored within the system or the system was not classified. As a result, the appropriate data protection controls may not be enforced in the system as required by Sempra policies and standards.
3. Assess whether a management procedure exists to monitor compliance with the security provisions in the policy and instances of noncompliance are identified and remediated.	3.a. Reviewed the <i>Information Management Policy</i> and noted that "all directors (and managers reporting to VPs) and above shall certify annually that their department is in compliance with this policy." 3.b. Reviewed the <i>Code of Business Conduct</i> and noted that employees are required to complete compliance training and to acknowledge that they understand and will comply with the Code. Failure to adhere to the standards of conduct outlined in the Code could result in disciplinary action, up to and including employment termination. 3.c. Reviewed the <i>Risk Exception SharePoint Site</i> as well as the <i>Exception Form Sample</i> and noted that a formal exception is required to be submitted by risk	

Assessment procedures	Assessment test results	Exceptions
	owners who request exceptions from Sempra policies, procedures, standards, or requirements and must include a business justification and mitigation steps. Risk exceptions will expire after one year of the exception approval and require an annual extension if the requirement cannot be met. 3.d. Met with members of Sempra Enterprise and the Operating Utilities Cybersecurity teams and was informed that both administrative and technical controls, such as risk assessments, vulnerability scans, DLP, and endpoint protection tools, are in place to monitor attempted exfiltration of Covered Information. The team also has procedures to remediate instances of non-compliance.	
4. Review evidence of SDG&E providing customers with the <i>Privacy Notice</i> on the security mechanisms used by SDG&E to protect their Covered Information.	4.a. Reviewed the SDG&E <i>Privacy Notice</i> and noted that it addresses SDG&E's approach to securing Covered Information provided by customers. 4.b. Reviewed the <i>Privacy Policy</i> and noted that "Sempra and its Sempra Companies respect the privacy of every employee and customer and collects and retains private, personal information only as required by law or for the company to operate effectively. " 4.c. Observed that the <i>Privacy Notice</i> includes references to the security mechanisms Sempra employs to protect Covered Information under "Section 3.3: Protect and Secure Handling of Information Assets" Information Protection Standard: We must protect and limit access to personal employee, business partner and customer information, limiting access and usage only to authorized personnel and only for appropriate business purposes." 4.d. See CPUC Rule 2b test results for how SDG&E provides the <i>Privacy Notice</i> to its customers.	
5. Review evidence that SDG&E's policies on Data Security are communicated to internal employees and contractors who have access to Covered Information.	5.a. Reviewed the <i>Information Security Policy</i> and the <i>Privacy Policy</i> and noted that these policies are published on the Sempra IS intranet site, which is accessible to all Sempra employees and contractors with network access, and it provides guidance on data privacy for Sempra Energy. 5.b. Reviewed the <i>Confidentiality Policy</i> and noted it is published on the Legal intranet site accessible to all Sempra employees and noted that "Sempra and the Sempra Companies respect the privacy of every customer. Sempra and the Sempra Companies collect and retain a certain amount of customer-specific	

Assessment procedures	Assessment test results	Exceptions
	information that is required to effectively provide reliable, safe, and cost-effective services for our customers. Sempra and the Sempra Companies have implemented policies and procedures that protect and limit access to customer-specific information and comply with all applicable laws that govern confidential customer information”. 5.c. Reviewed the <i>Service Agreement</i> and <i>Non-Disclosure Agreement templates</i> and noted that Contractors must use, protect, and refrain from disclosing confidential information without consent, return or destroy materials upon request, and uphold confidentiality after the end of the contract. 5.d. Reviewed the <i>Cybersecurity Awareness Standard</i> and noted that the company provides employees and contractors with ongoing cybersecurity education and training. The program includes Cyber Champions, who are volunteers trained to foster strong relationships and communicate cybersecurity best practices throughout the organization. 5.e. Met with members of the Sempra Cyber Safety team and was informed that Sempra increases the awareness around data privacy and cybersecurity through online training and awareness campaigns and monitoring of employee adherence to relevant policies and procedures.	
6. Assess whether a management procedure is in place to monitor whether SDG&E manages its security program to help ensure the protection of Covered Information.	6.a. See CPUC Rule 8a (1d) for test results. 6.b. Met with Cybersecurity Risk & Compliance Manager and was informed that a CEC team has been established. The team provides regular updates on identified risks (e.g., cyberattacks, data loss) and the mitigation efforts. The team quarterly report to the board on high-risk findings and progress to the cybersecurity workplan. 6.c. Reviewed the <i>Cybersecurity Engineering & Consulting - Risk Rating Procedure</i> and noted that the team maintains risk management process for making management decisions on security, privacy, and risks. Formal approvals from Cybersecurity and the Office of Customer Privacy/Customer Data privacy are required prior to new production releases and upgrades. If a project cannot meet the necessary cybersecurity control requirements, then a risk exception is documented and sent for review and approvals. 6.d. Reviewed the <i>Cybersecurity Governance Standard</i> and noted that it provides guidance to Sempra employees and contractors on how to implement the risk	

Assessment procedures	Assessment test results	Exceptions
	management framework, and the risk tiers are defined and formally documented. The policy risk exceptions are documented and accessible to Semptra employees on the SharePoint site. Additionally, the requirement includes conducting an annual risk assessment as well as performing regular vulnerability assessment scans on all systems that store Covered Information. 6.e. Met with Principal, Manager and Cybersecurity stakeholders and noted that Semptra has a process for risk treatment and it is documented in the <i>Cybersecurity Governance Standard</i> which is accessible for all employees on the SharePointShare. A security risk assessment process is in place that mandates recurring reviews based assessed risk levels (e.g., for Critical (P1/P2), High (P3), Medium (P4), and Low risks (P5), with a current focus on high-risk assessments conducted annually. System changes trigger separate reviews, and all changes, particularly significant ones, undergo thorough peer review and approval by the CAB 6.f. Reviewed the <i>Risk Management Policy and Guide</i> and noted vulnerability assessment scans and control monitoring are implemented for all CEUD systems, with regular issuance of vulnerability management reports. A risk ranking process is in place, allowing the team to prioritize addressing critical - high-risk security assessments. 6.g. Reviewed a sample <i>Cybersecurity Engagement Report</i> of a 2025 project involving Covered Information and noted that the Cybersecurity Engineering team reviewed the project components, including data, application, architecture controls, and assessed that the project met the minimum cybersecurity standards with no defects noted.	
7. Review SDG&E' relevant policies to assess if SDG&E incorporates security into their SDLC.	7.a. Reviewed the <i>Release and Environment Management Standard</i> and noted that all software development must comply with secure coding principles and practices throughout stages gates across the SDLC. The requirements include secure coding, development and testing practices, security architecture design, and vulnerability management. 7.b. Met with Director, System and Technology and noted a minimum of two distinct individuals must approve any project deployment to the production environment, and it must be tested in the lower to higher environment. Project deployment involves multiple business units, and elevated risk must be	

Assessment procedures	Assessment test results	Exceptions
	reviewed and approved by the Policy Exception team before moving into production. 7.c. Met with Cybersecurity Risk & Compliance Manager as well as others from application/web development teams and was informed that Sempra uses an agile DevSecOps methodology, where security is moved forward within SDLC to ensure security is incorporated into the process. Product owners and scrum masters will obtain the necessary approvals from Cybersecurity and the Office of Customer Privacy throughout the process. 7.d. Reviewed the <i>Information Security Engineering & Consulting Process Guideline</i> and noted that it applies to all types of IT products including software development and technology infrastructure. There are eight (8) phases, from concept to implementing into production, and each phase details the purpose and IS supporting activities. The process also includes roles and responsibilities.	
8. Assess whether SDG&E uses appropriate facility entry controls to limit and monitor physical access to systems and locations where Covered Information is processed and stored.	8.a. Review of supporting documents <i>Physical Security & Corporate Security Policy</i> and noted that the physical access controls are in place at Sempra facilities to help safeguard Covered Information. 8.b. Met with Corporate Security Manager and was informed that physical access controls are in place to protect Covered Information. 8.c. Performed site walk-throughs of Sempra Production Data Center, SDG&E Customer Contact Center, and the Billing and Remittance Center and observed that the following controls are in place: • Security guards are on-site 24/7 • Access is controlled by badge access readers • Visitor sign-in and escort is required • Clean desk/Clear screen policy • Covered Information is stored in locked in cabinets • Office printers require secure print functionality to complete print job • Locked shred bins are located in the facilities	

Assessment procedures	Assessment test results	Exceptions
9. Assess whether SDG&E has implemented procedures for protecting Covered Information including controls for physically securing all media.	9.a. Reviewed the <i>Information Protection Standard</i> and noted that portable storage devices must be secured in a locked room, drawer, cabinet, or safe when not in use or unattended. 9.b. Reviewed the <i>Information Security Manager & User Standard</i> and noted that user requirements are outlined for actions that must be taken by any user to protect information and technology assets, including physically securing and encrypting media.	
10. Inspect whether physical records containing Covered Information are stored in locked cabinets or rooms restricting unauthorized access.	10.a. Performed site walk-throughs of key Sempra facilities including the SDG&E Customer Contact Centers, Bill Remittance Center, and Data Center and observed the following controls in place: • Badge access readers are installed throughout the facilities that restrict access to a particular area containing Covered Information. • CCTV cameras are installed at various locations around the perimeter. • Security Guards and visitor stations were in place at most building entryways. • There are secure bins located throughout the facilities for securely discarding any sensitive information. Secure printers were in place that require badge access and authentication prior to printing paper that may contain Covered Information. 10.b. Per testing, KPMG observed that although mechanisms are in place to prevent the exfiltration of data and files between the virtual desktop and an external environment, some standalone network printers are outside the Follow Me system which employees can use to print directly to circumvent the printing standard and can be accessed directly via their IP addresses for printing.	Exception: Although SDG&E has security measures in place to protect and ensure Data Privacy, some standalone network printers in the Sempra environment are not integrated into the Follow Me system, which allows employees to print directly to these printers and bypass the required secure printing process.
11. Inquire of SDG&E' personnel to gain an understanding of the logical control procedures in place to prevent unauthorized access to Covered Information.	11.a. Met with the Product Manager, IAM, and was informed that Sempra has adopted baseline user access management and access governance processes and tooling to govern user access to networks and systems storing Covered Information. • Access requests must be approved by system and information owners • Access accounts are provisioned based on a principle of least privilege.	

Assessment procedures	Assessment test results	Exceptions
	User access accounts are reviewed on a periodic basis. 11.b. Met with the Product Manager, IAM and was informed that privileged access management solution has been implemented which also provides password management and privileged session recording. Access rights are granted according to the principles of need-to-know and least privilege. Credentials for privileged user accounts are distinct from those used for regular business activities. The solution has been expanding to encompass more applications and business units, including some managing Covered Information. 11.c. Reviewed the <i>Identity & Access Management (IAM) Cybersecurity Standard</i> and noted that there is an access management procedure for documenting proper authorization prior to granting access or privileges, ensuring swift termination of access when it's no longer needed, periodically reviewing roles and their associated privileges, and regularly assessing individuals and user accounts assigned to those roles. 11.d. Reviewed the <i>System Profiles</i> for in-scope system and noted that access to systems with covered information must be approved by system and information owners, Access accounts are granted strictly according to the need-to-know principle and the principle of least privilege. All user access accounts are reviewed periodically to ensure they remain appropriate.	
12. Inspect evidence that logical controls are in place to prevent unauthorized access to Covered Information including user access provisioning and deprovisioning.	12.a. Reviewed the <i>Identity and Access Management Standard</i> and noted that formal procedures are in place to ensure both internal and external users' credentials are properly verified and authenticated into the Sempra environment. 12.b. Reviewed the <i>sample Access Request and email</i> and noted that requested access to systems in-scope requires Manager's or Designee's approval and access is assigned based on a need-to-know basis. User accounts are periodically reviewed. 12.c. Reviewed one (1) sample user access requests and one (1) sample access removal for a system storing Covered Information and noted that an email chain is used to process the requests. Reviewed screenshots of the user profiles before and after the access requests and access removals and noted that the users were provisioned and deprovisioned in accordance with documented policies and procedures.	

Assessment procedures	Assessment test results	Exceptions
	12.d. Inspected <i>system profiles</i> for SDG&E in-scope systems storing Covered Information and confirmed that logical access controls are implemented on the systems in alignment with Sempra policy requirements.	
13. Review SDG&E's relevant policies to assess if physical controls are in place protecting Covered Information.	13.a. Reviewed the Physical Security Policy and noted that controls around the physical protection of Covered Information are documented, including responsibility for managing access to facilities and performing continuous monitoring of facility perimeter controls. 13.b. Reviewed the Enterprise Records and Information Management (ERIM) Standard and noted that the operations group within ERIM is responsible for managing physical records storage, including records with Covered Information. This includes maintaining a chain of custody and taking appropriate security and fire-retardant measures.	
14. Inquire of SDG&E's personnel to gain an understanding of the controls protecting physical access to systems storing Covered Information.	14.a. Met with Data Center Facility Manager, and was informed that the following physical security controls are in place: • Access to the facility is restricted, the front entry gate is equipped with access readers and motion detectors. The main front entrance door has an access reader and a mantrap. Cameras are placed throughout the facility and monitored by an on-site manned guard station. • Access to server rooms are restricted by a dedicated fence surrounding the area and maintained by an access management system. • Employees not assigned to the facility, contractors, and visitors are required to sign a visitor sheet and are escorted throughout the facility.	
15. Inspect evidence that physical access to sites and systems storing Covered Information is monitored and restricted.	15.a. See CPUC Rule 8a (14) for test results. 15.b. Reviewed the Securing Customer Information SharePoint site and noted that it emphasizes the importance of following SDG&E's Clean Desk Policy by keeping the workspace clear and safeguarding sensitive 15.c. Reviewed the <i>SDG&E Office of Customer Privacy (OCP) Control Library</i> and noted that there is a control for "Enforce Clean Desk Policy" that notes that "Employees should be instructed to remove any documents containing customer information from their workspace when not in use. This includes hard-copies as well as electronic data on computers."	

Assessment procedures	Assessment test results	Exceptions
	15.d. Performed site walkthroughs of various SDG&E facilities where Covered Information is handled, and observed that external doors, and certain interior entry doors have badge access readers to restrict access to authorized individuals. In addition, observed that the Clean Desk Policy and laptop stations were being followed.	
16. Review SDG&E's relevant policies to assess if environmental controls are in place.	16.a. Reviewed the <i>Sempra Energy Utilities Critical Facilities Standards</i> and noted the following environmental controls implemented: • HVAC with chilled water to keep the temperature at an appropriate level • Condensers • Fire detection system, alarms, and fire suppression using a Halon and Sapphire system and sprinklers • Backup power supply and generators • Emergency power off, and leak detection	
17. Inquire of SDG&E's personnel to gain an understanding of the environmental controls to protect systems storing Covered Information from natural disasters and environmental disasters (such as fire or flooding).	17.a. Reviewed the <i>IT Disaster Recovery Policy</i> and noted that each tier includes Recovery Time Objectives, Recovery Point Objectives, impact descriptions, and recovery services. The policy also outlines roles and responsibilities. 17.b. Met with Data Center Facilities Manager and was informed that the appropriate environmental controls are in place at the Production Data Center. 17.c. Performed a walk-through of the Sempra Production Data Center and observed that the environmental controls implemented are in alignment with Sempra policy requirements.	
18. Assess whether SDG&E has the ability to transfer data to third parties using secure channels.	18.a. Met with the Manager of the Office of Customer Privacy and was informed that a third-party risk review process is required to be completed as part of new vendor approvals, including a PIA and an IS risk assessment if they have access to any customer or employee information. There is a <i>Security Risk Assessment Questionnaire</i> as part Vendor intake process 18.b. Met with Cybersecurity Risk & Compliance Manager and was informed that there are multiple secure file transfers methods used by Sempra and between Sempra and its third parties.	

Assessment procedures	Assessment test results	Exceptions
	18.c. Inspected system profiles for systems storing Covered Information and noted that the various systems are configured to provide/support protocols for secured authentication methods. 18.d. Reviewed the <i>Firewall Standard</i> documentation and noted that any changes to the Firewall rule will need appropriate approval to be secured through CAB.	
19. Assess whether SDG&E has deployed an automated tool on network perimeters that monitors for Customer PII, keywords, and other document characteristics to discover unauthorized attempts to exfiltrate data across network boundaries and block such transfers while alerting information security personnel.	19.a. Met with Cybersecurity, Risk & Compliance Domain Architect and was informed that Sempra's next-generation firewalls include Intrusion Prevention System (IPS)/Intrusion Detection System (IDS) functionality. The firewalls are deployed at multiple points on the network. Logs are sent to Security Information and Event Management (SIEM) tool, and all alerts are monitored and reviewed by a 24/7 SOC. Sempra is in the process of transitioning to a new firewall rule automation system that will help streamline firewall integrations. The firewall change automation system will be implemented after the Covered Period under review. 19.b. Reviewed the <i>Network Security Standard</i> and noted that systems with Covered Information are securely segmented from Sempra intra network environment. 19.c. Met with Cybersecurity Operations Manager and was informed that there are controls in place to monitor attempts to exfiltrate data across the network boundaries. 19.d. There is a firewall change request process that requires approval prior to the implementation of any firewall changes. 19.e. Firewalls are deployed at Data Centers through the firewall change request process to detect and detonate any detected malicious or rogue files. Noted "Section 1.4 DMZ Standard" system connected to the DMZ must be scanned by Cybersecurity for vulnerabilities before being opened to the internet and it is formally documented in Sempra Network Security Standard. 19.f. Observed that the DLP tool is configured to flag instances of unauthorized data exfiltration across the network. There is an extra security measure in place for DLP to actively monitor emails with sensitive data, and it is documented on the Sempra intranet for employees, contractors, and affiliates.	

Assessment procedures	Assessment test results	Exceptions
	- A data loss prevention (DLP) tool is implemented to detect data leakage and exfiltration attempts of Covered Information across the network boundaries. - Once flagged, a DLP Analyst will review the incident and determine if it is a true positive. If a true positive is found, the incident is escalated to the appropriate departments. Any follow-up actions that may be needed are determined by the Cybersecurity team. 19.g. Reviewed the <i>Mobile Device Management Standard</i> as well as the <i>End User Computing Device Policy</i> and noted that mobile device management tool is implemented to manage mobile data leakage.	
20. Assess whether SDG&E has deployed an automated tool on workstations that monitors for Customer PII, keywords, and other document characteristics to discover unauthorized attempts to exfiltrate data to removable media and block such transfers while alerting information security personnel.	20.a. See CPUC Rule 8a (19) for test results 20.b. Reviewed the <i>Data Loss Prevention (DLP) Policy Documentation - CoreSITs-Devices-AllGroups</i> and noted that there are formally documented rules in place to monitor and control customer Information. 20.c. Met with the Cybersecurity Manager and noted that there are documented controls in place to detect attempts to circumvent data privacy technology implementation process.	
21. Assess whether SDG&E has controls in place so that users cannot disable and modify security products or services.	21.a. Reviewed the <i>Information Security User Manager Standard</i> and noted that there are policies in place prohibiting users from circumventing or disabling any technology asset security controls or configurations and from preventing automated updates or scans. 21.b. Met with Cybersecurity Operations Manager and was informed that administrative privileges on workstations are disabled by default and users would need to request administrative privileges via the system of record if needed. 21.c. Met with Cybersecurity Operations Manager and was informed that the DLP agent and antivirus agents are installed on every workstation, and a daily health check is reported on the agent's health. It was noted that users do not have administrative access to disable or modify agents on workstations.	

Assessment procedures	Assessment test results	Exceptions
	21.d. Inspected system profiles for systems storing Covered Information and noted that Semptra implements integrity verification mechanisms to detect unauthorized modifications to software, firmware, and information, applying these checks throughout the development process in both non-production and production environments. The various systems are configured with audit logging capabilities to detect system activity. In addition, audit logs are sent to the Semptra SIEM tool for centralized monitoring.	
22. Assess whether SDG&E officials understand the current threat landscape and potential threats to the organization by leveraging multiple threat feeds.	22.a. Met with Threat Vulnerability Management Manager and the Cybersecurity Risk & Compliance Director and was informed that there is a dedicated cyber threat Intelligence team that provides daily and weekly briefs to stakeholders documenting major events and threat hunting activities. Threat intelligence feeds are digested from a variety of sources including law enforcement, industry sources, and industry sharing forums. Threat sources are aggregated and correlated using enterprise security tools and reports are generated for various needs. In addition, analysts monitor the system continuously and address all items based on priority and triage and escalate the incidents based on information available to them, using detailed playbooks. 22.b. Reviewed <i>CAT Pentest and Red Team Guidelines</i> and noted that the Advanced Security Testing team collaborates with various business units and other cybersecurity groups, like Cyber Governance & Risk, to decide the scope, timing, and type of assessments based on identified risks and vulnerabilities. The team uses advanced tools and third-party experts to simulate external cyber threats through various assessments, including red teaming, blue teaming, penetration testing, scanning, tabletop exercises, and workshops. 22.c. Met with the Manager of Cybersecurity and Threat Intel team and was informed that Cybersecurity Threat Intel scans are performed during pre and post-deployment based on inputs from Cybersecurity Threat Intelligence team, and Penetration Testing is performed on a quarterly basis. This is formally documented in the <i>Cybersecurity Assessments Team (CAT) Pentest and Red Team Guidelines</i>.	
23. Assess whether SDG&E scans source code for bugs and	23.a. Reviewed the <i>Cybersecurity Engineering and Consulting Process (CSEC) - Section: Security Testing & Assessment</i> and noted that as part of the Information Technology Product Lifecycle, security testing and assessments are	

Assessment procedures	Assessment test results	Exceptions
vulnerabilities before moving it into production.	performed to resolve risks and prepare for moving to production. Systems cannot be put into production environment without formal approval from Cyber and the CAB. Supporting artifacts, including scan results, source code, and technical analysis are documented and reviewed prior to deployment into production. The Cybersecurity team works with vendors to remediate or mitigate all vulnerabilities. 23.b. Reviewed the <i>Risk Rating Procedure</i> documentation (RRP) and noted there are standardized individual risk rating methodologies within Sempra by using the Security Risk Assessment Methodology (SRAM) and Common Vulnerability Scoring System (CVSS) to produce an overall risk rating that incorporates both company impact and specific vulnerability elements. 23.c. Met with Cybersecurity Risk & Compliance Manager and noted that pre-deployment policy requires a tool-based source code to scan for bugs and vulnerabilities before moving the system to production environment.	
24. Assess whether SDG&E' development/test environments are separate from the production environment, with access control in place to enforce the separation.	24.a. Met with Cybersecurity, Risk & Compliance Domain Architect and was informed that development, test, and QA environments are separated from the production environment using firewalls and access controls. 24.b. Inspected systems profiles for systems storing Covered Information and noted that they have separate environments for development, testing, production and/or quality assurance purposes. 24.c. Reviewed the <i>Non-production Environment Standard</i> and noted that production data should not be used in non-production environments, only testing and dummy data can be used in non-production environment. In addition, no customer PII, Internal, Confidential or Restricted data can be used in nonproduction environment.	
25. Assess whether SDG&E does not use Production Covered Information for testing or development. Test data and accounts are removed before a production system becomes active.	25.a. See CPUC Rule 8a (24) for test results. 25.b. Reviewed the <i>Information Protection Standard</i> and <i>Cybersecurity Engineering & Consulting Process</i> and noted that there is a logical segregation between development, test, quality assurance, and production environments. There are security controls in place based on information classification that must be adhered to, regardless of the location of that information in the network.	

Assessment procedures	Assessment test results	Exceptions
	Covered Information requires the highest level of protection when stored, accessed, disclosed, transported, or disposed.	
26. Assess whether SDG&E utilizes a data masking tool to limit access to and protect Covered Information and other PII.	26.a. Performed site walk-throughs of the SDG&E Customer Contact Center and SDG&E Branch Office and was observed that PII is masked, and minimal information is obtained by customer service representatives to perform tasks. For example, once an SSN has been entered into the system, only the last four characters will remain visible to the agent, while the rest will be hashed out. 26.b. Data classification is performed based on Sempra <i>Information Classification Guidelines</i> to support <i>Information Security Policy</i> and <i>Data Privacy Protection</i>.	
27. Assess whether SDG&E' web applications use encryption when transmitting sensitive data across the network.	27.a. Reviewed the <i>Encryption Standard</i> and noted that information classified as confidential or restricted must be encrypted at all times (using the documented minimum encryption strength and protocols), while internal information must be encrypted when transported outside of the company. 27.b. Reviewed the <i>Information Protection Standard</i> and noted that "all confidential and restricted information must be encrypted at rest and while in transit when moving internally and externally outside SDG&E's network." 27.c. Met with Director, Cybersecurity, Risk & Compliance Domain Architect and was informed that the cybersecurity team is consulted on security controls to ensure that the latest encryption standards are used for all file transfers in transit. 27.d. Inspected systems profiles for systems storing Covered Information and noted that encryption-in-transit protocols are in place to safeguard Covered Information.	
28. Assess whether SDG&E has implemented an Intrusion Detection system within the environment to detect and generate log messages detailing events.	28.a. Reviewed the <i>Network Security Standard</i> and noted that network based IPS sensors are deployed inline on the dematerialized zone (DMZ) and secure zone network connection points that can prevent, capture, inspect network traffic for unusual attack mechanisms and detect compromise of systems through the use of signatures, network behavior analysis and other mechanisms to analyze traffic. 28.b. Met with Cybersecurity, Risk & Compliance Domain Architect and confirmed that SDG&E uses an IPS and IDS. The IPS/IDS is deployed at multiple points on	

Assessment procedures	Assessment test results	Exceptions
	the network via the next-generation firewalls at both the network perimeter as well as at several points internally. The generated logs are sent to SIEM tool. 28.c. Met with Manager Enterprise Cybersecurity Technology and noted there are multiple layers of security controls in place to ensure data security by scanning and aggregating logs for indexing. Alerts are generated when threats are identified, or policy is violated.	
29. Assess whether SDG&E has implemented an Intrusion Prevention system within the environment to detect events and reject packets.	29.a. See CPUC Rule 8a (28) for test results.	
30. Assess whether SDG&E allows only limited access to network resource to vendors and third parties.	30.a. Reviewed the <i>Electronic Access Management Standard</i> and noted that contractors and vendors can be issued accounts for a defined period of time. In addition, the standard states that the principle of least privilege must always be used when establishing accounts. 30.b. Met with Supply Management Manager and Cybersecurity & Risk Manager and was informed that all third-party vendors are required to complete security risk assessments before onboarding any new vendors. 30.c. It was noted that before entering into vendor contracts, Sempra stakeholders identify, establish, assess, manage, and agree upon supply chain risk management processes. It was observed that changes in the scope of vendor services prompt a reassessment of risk, with recertifications based on the reassessment report. 30.d. Reviewed the <i>Contractor and Subcontractor Access to Critical System</i> and noted that System owners must ensure contractors do not use subcontractors to support in-scope systems without an approved Risk Exception, and all contractors (and approved subcontractors) must continue to follow applicable cybersecurity requirements, including risk assessments, use of secured devices, vetted privileged access, and regular cybersecurity training. 30.e. Reviewed <i>Guest and Vendor Network Access Request Form</i> and noted that there is formally structured and documented form used to collect vendors information that require access to In-Scope systems.	

Assessment procedures	Assessment test results	Exceptions
	30.f. Reviewed the <i>Vendor Cybersecurity – Supply Management Responsibility</i> documentation and noted that Supply Management, Cybersecurity Engineering & Consulting, and the IT Vendor Management Office (VMO) work together to coordinate and complete security assessments for third parties that host or process Sempra data. Supply Management is required to submit Vendor Data Requests (VDR) for all new contracts involving Sempra data.	
31. Assess whether SDG&E has a formal process for approving and assessing all network connections and changes to the firewall and router configurations.	31.a. Met with Cybersecurity, Risk & Compliance Domain Architect, and was informed that Sempra has a formal process in place for approving connections and changes to Firewall and Router configurations and formally documented in the <i>Network Security Standard</i> 31.b. Met with Manager, Cybersecurity and Cybersecurity Engineer and noted that major firewall policy violations are rejected, while minor violations must go through the exception review and approval process. All change requests for firewalls must be submitted and approved through the <i>Firewall Request Form</i>. 31.c. Reviewed the <i>Sempra Change Management SharePoint page</i> and noted that all changes and clearances to Sempra IT production environments and systems must have an approved change request. The goal of the Sempra IT Change Management Process is to ensure proper planning, impact assessment, risk assessment, testing, coordination, and approval in order to minimize the risk to production and business processes associated with implemented changes. 31.d. Met with Cybersecurity, Risk and Compliance and noted that the approved Firewall change requests are been tracked in the Information Technology Service Management (ITSM) as the system of record. 31.e. Performed an over-the-shoulder walkthrough and inspected evidence that Sempra has a process and tooling in place to review and approve/reject firewall rule and network changes. 31.f. Inspected the evidence of a CASB download block policy and noted that there is policy in place to block unapproved cloud applications and automatically generate alerts to SOC team to investigate.	
32. Assess whether SDG&E' firewall performs stateful inspection	32.a. Reviewed the <i>Firewall Standard</i> and noted that Sempra employs firewalls that are capable of stateful protocol analysis and provide intrusion detection or prevention technology.	

Assessment procedures	Assessment test results	Exceptions
(dynamic packet filtering) to restrict network access.	32.b. Met with Cybersecurity, Risk & Compliance Domain Architect, and was informed that Sempra uses next-generation firewalls that apply stateful protocol (dynamic packet filtering) to block unauthorized network traffic.	
33. Assess whether SDG&E has implemented a DMZ to limit inbound traffic to only system components that provide authorized publicly accessible services, protocols, and ports.	33.a. Reviewed the <i>Firewall & Network Security Standard</i> and <i>Smart Meter Master Network Diagram</i> and noted that the use of an DMZ is required to manage communications between Sempra networks and untrusted networks and the Internet to limit inbound traffic. 33.b. Reviewed the <i>Firewall & Network Security Standard</i> and noted that there is a requirement for network segmentation to protect internal assets. In alignment with this policy, the <i>Smart Meter Master Network Diagram</i> shows the implementation of a DMZ to inspect and control traffic between the Internet and Sempra's smart meter network, thereby limiting inbound exposure.	

CPUC Rule 8	Rule description	Notification of breach: A covered Third-party shall notify the covered electrical/gas corporation that is the source of the covered data within one week of the detection of a breach. Upon a breach affecting 1,000 or more customers, whether by a covered electrical/gas corporation or by a covered Third-party, the covered electrical/gas corporation shall notify the Commission's Executive Director of security breaches of Covered Information within two weeks of the detection of a breach or within one week of notification by a covered Third-party of such a breach. Upon request by the Commission, electrical/gas corporations shall notify the Commission's Executive Director of security breaches of Covered Information.
b		

Assessment procedures	Assessment test results	Exceptions
1. Assess whether SDG&E has documented incident response and breach management procedures in place including roles and responsibilities, testing and training, incident classification and logging, remediation, and program updates.	1.a. Reviewed SDG&E's <i>Personal Information Breach and Notification Response Plan – PII IRF1110</i> and noted procedures to follow if an information breach occurs, including response team roles, process documentation, investigation into breaches, remediation, notifications sent, and program updates. Specific procedures are also mentioned if an information breach were to occur within a third-party vendor. In certain cases, an information breach within a third-party vendor could lead to contract termination. 1.b. Met with Chief Counsel for Technology and Business Services and was informed he receives a series of monthly reports containing any unauthorized disclosures (including Covered Information) from the Cybersecurity Group. 1.c. Reviewed SDG&E's <i>Personal Information Breach and Notification Response Plan</i> and noted there is respond action plan in place for ISOC to coordinate with the Law enforcement in the event of customer information breaches, activate the Cyber Incident Response Team (CIRT) by the IRF1100 Cybersecurity Incident Response Procedure. 1.d. Met with Strategy and Operations Manager for Digital Enablement Services and was informed vendors are expected to self-report breaches. 1.e. Met with Portfolio Manager for Supply Management and Value Capability Manager for Cybersecurity Risk and Compliance and was informed if a breach were to occur, SDG&E's Cybersecurity Team would investigate the incident to find out what occurred, understand the risk, and ask the vendor to provide an explanation. 1.f. Met with Value Capability Manager of Cybersecurity Risk and Compliance and was informed if a third-party breach occurred, SDG&E would immediately disable vendor's access to the SDG&E online environment. After a breach investigation is completed, SDG&E's Investigation Team meets with security teams involved and discusses the investigation and how to improve processes to avoid further occurrences. SDG&E is	

Assessment procedures	Assessment test results	Exceptions
	constantly updating or creating "playbooks" for incident management as new situations arise.	
2. Assess whether SDG&E' management has adequately reviewed the incident review process in place.	2.a. Met with Value Capability Manager of Cybersecurity Risk and Compliance and was informed the <i>Personal Information Breach and Notification Response Plan</i> is reviewed annually and updated as necessary. 2.b. Met with Value Capability Manager of Cybersecurity Risk and Compliance and was informed after a breach investigation is completed, SDG&E's Investigation Team completes an investigation review and updates the processes and procedures accordingly.	
3. Assess whether SDG&E can perform forensic analysis in the instance of a Covered Information data incident.	3.a. Met with Cybersecurity Operations Manager and was informed that forensics analysis is conducted in-house and can be performed in the event of an incident involving customer PII or Covered Information. Further, there is a contract in place with a third party in case forensic assistance is needed. 3.b. Met with Value Capability Manager of Cybersecurity Risk and Compliance and noted there is a process in place to investigate lost assets and data breach incident, coordinates investigation efforts with the Legal and Privacy team.	
4. Inspect sample evidence of breach incidents for the last 12 months.	4.a. Met with Value Capability Manager of Cybersecurity Risk and Compliance and observed via shared screen demonstration, a sample low-level unauthorized disclosure of Covered Information breach incident, and forensic investigation capabilities were confirmed to be in place.	

CPUC Rule 8	Rule description	Annual report of breaches: In addition, electrical corporations shall file an annual report with the Commission's Executive Director, commencing with the calendar year 2012, that is due within 120 days of the end of the calendar year and notifies the Commission of all security breaches within the calendar year affecting Covered Information, whether by the covered electrical corporation or by a third-party.
c		

Assessment procedures	Assessment test results	Exceptions
1. Assess whether SDG&E tracks the reporting requirement and assigns responsibility and accountability to the appropriate departments.	1.a. Reviewed SDG&E's <i>Procedure for Setting Up SDG&E Annual Privacy Report</i> and noted processes for the creation, approval, and submission of the <i>Annual Privacy Report</i> to the CPUC. SDG&E's Privacy Report Review Team (Privacy Director, Sempra Privacy Attorney, SDG&E Privacy Attorney, and the Regulatory Attorney) grants approval before the Regulatory Department submits final version to the CPUC. 1.b. Met with Chief Counsel for Technology and Business Services and was informed he receives a series of monthly reports containing any unauthorized disclosures (including Covered Information) from the Cybersecurity Group. He identifies and tracks the unauthorized disclosures to be included in the <i>Annual Privacy Report</i> .	
2. Assess whether SDG&E filed its Annual Report to the CPUC as required by the Privacy Decision.	2.a. Reviewed SDG&E's <i>2024 Annual Privacy Report</i> and noted it was submitted to the CPUC on April 30, 2025. The report identified three (3) incidents within the 2024 calendar year and zero (0) reported privacy breaches affecting 1,000 or more customers.	

CPUC RULE 9 Accountability and Auditing

Overall assessment result		Exceptions Noted: Mandatory training for Contractors without a managed Sempra laptop is dependent on system access through a Virtual Desktop Interface (VDI). Delays to this access prevents fulfilling essential onboarding requirements and hinders their compliance with required training protocols, particularly impacting roles that involve handling of Covered Information.	
CPUC Rule 9 a	Rule Description	Availability: Covered entities shall be accountable for complying with the requirements herein, and must make available to the Commission upon request or audit— 1. the Privacy Notices that they provide to customers, 2. their internal privacy and data security policies, 3. the categories of agents, contractors and other third parties to which they disclose Covered Information for a Primary Purpose, the identities of agents, contractors and other third parties to which they disclose Covered Information for a Secondary Purpose, the purposes for which all such information is disclosed, indicating for each category of disclosure whether it is for a Primary Purpose or a Secondary Purpose. (A covered entity shall retain and make available to the Commission upon request information concerning who has received Covered Information from the covered entity.), and 4. copies of any secondary-use authorization forms by which the covered party secures customer authorization for secondary uses of covered data.	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SDG&E has a process in place to provide the Commission with any requested documentation to demonstrate the entity's compliance with the Privacy Decision.		1.a. Obtained the following documents, in line with these CPUC requirements: • <i>Privacy Notice</i> and <i>Privacy Policy</i> provided to customers and made available to the public through SDG&E's website • Internal privacy and data security policies • Listing of agents, contractors, and third parties with access to Covered Information • Templates of secondary-use authorization form (<i>CISR</i> form) by which SDG&E secures customer authorization for Covered Information	

Assessment procedures	Assessment test results	Exceptions
	Procedures for processes related to accessing, collecting, using, and disclosing Covered Information 1.b. Reviewed <i>Procedure for Setting Up SDG&E Annual Privacy Report</i> and noted the Office of Customer Privacy collects metrics from various business units through email communications to compile SDG&E's <i>Annual Privacy Report</i> content. Once compiled, the draft report is created and circulated to SDG&E's Privacy Committee for review. The reviewed draft report is then presented to SDG&E Regulatory Department for final revision and submission to the CPUC. 1.c. Met with Chief Counsel- Technology and Business Services and members of the Office of Customer Privacy and was informed that the OCP is responsible for preparing the annual report. They lead the coordination effort and gather required information from all necessary business units.	

CPUC Rule 9	Rule description	Customer complaints:	
b		Covered entities shall provide customers with a process for reasonable access to Covered Information, for correction of inaccurate Covered Information, and for addressing customer complaints regarding Covered Information under these rules.	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SDG&E provides notice to its customers on how the customers can contact the Company for inquiries, complaints or disputes related to their personal information.		1.a. Reviewed SDG&E's <i>Privacy Notice</i> and noted customers can limit, view, or dispute their disclosed information by contacting SDG&E via email or through mail to the Customer Privacy PO Box. 1.b. Reviewed the SDG&E website and observed SDG&E has a "Customer Service Help" section with three steps containing topics that SDG&E can assist with. Noted that most energy and bill related topics lead customers to two phone numbers and an online chat option under the "Contact Us" section. 1.c. Observed the <i>Annual Privacy Notice Bill Insert</i> and noted SDG&E provides existing customers with a bill insert encouraging customers to review the <i>Privacy Notice</i> on an annual basis.	
2. Assess whether SDG&E has a documented process to receive customer disputes, complaints, and inquiries, addresses and resolve complaints, and communicate resolution back to the customer in a timely and satisfactory manner.		2.a. Reviewed SDG&E's <i>Customer Comments, Compliments and Complaints</i> document and noted customer compliments, comments, and complaints are entered into a tracking system by a supervisor and then routed to the appropriate team. If the customer would like a call back in regard to their compliment, comment, or complaint, then it would be noted on the ticket in the tracking system. 2.b. Met with Senior Complaint Management Advisor, Operations Manager, and Manager Customer Care Center and noted that customers can reach out directly to SDG&E via the Customer Care Center through a phone call. Escalations are routed either to department supervisors or the Complaint Resolution Team (CRT). Documentation of complaints is completed in the Customer Information System (CIS) and are tied to a customer record. Complaints are categorized; any complaints related to Privacy are routed to the OCP for support. 2.c. Met with Senior Complaint Management Advisor, Operations Manager, and Manager Customer Care Center and noted that customers can reach out directly to the CPUC through the regulated utility portal.	

Assessment procedures	Assessment test results	Exceptions
3. Assess whether SDG&E has a process to escalate disputes, complaints, and inquiries to help ensure resolution within a timely manner.	3.a. Met with Senior Complaint Management Advisor, Manager Customer Care Center, and Operations Manager and was informed that complaint escalations are routed to either supervisors or the Complaint Resolution Team. If the complaint is related to a privacy issue, the Office of Customer Privacy is looped in for assistance and resolution. 3.b. Met with Senior Complaint Management Advisor and Manager Customer Care Center was informed for complaints received through the CPUC site, SDG&E has 20 days to provide a response to the customer.	
4. Inspect evidence that SDG&E tracks and resolves customer complaints consistent with SDG&E' policies.	4.a. Inspected a sample customer complaint related to customer data and noted that the Senior Complaint Resolution Advisor was able to resolve the complaint. The item followed the documented procedure for documenting, classifying, and resolving customer complaints. 4.b. Met with members of the Office of Customer Privacy and was informed that the complaint tracking system has a dashboard that tracks outstanding tickets. The dashboard also has an option to view all outstanding complaints which can be filtered to view privacy related complaints.	

CPUC Rule 9	Rule description	Training:	
c		Covered entities shall provide reasonable training to all employees and contractors who use, store or process Covered Information.	
Assessment procedures		Assessment test results	Exceptions
1. Review SDG&E' documented privacy awareness program materials to identify personnel who handle and access Covered Information.		1.a. Met with members of the Office of Customer Privacy and was informed all SDG&E employees are required to complete a training that includes sections regarding Covered Information. In addition, each business unit is assigned a "Privacy Pro" required to complete an additional training with supplementary privacy content. 1.b. Met with members of the Office of Customer Privacy and learned the <i>Supplemental Consumer Privacy Training</i> is required annually for all individuals that have access to Covered Information. To determine employees and contractors that are required to take the supplemental training, employees and contractors are either identified by their Reporting Manager or by self-reporting. Noted that some departments have a department-wide requirement to take the supplemental training. Reviewed the <i>Learning Assignment Tool</i> and noted the procedures followed to assign trainings to SDG&E employees. 1.c. Reviewed the <i>Contractor Training System Assignment Guide</i> and noted within the Contractor Training System, contractors can be assigned to take the <i>Supplemental Consumer Privacy Training</i>. This guide also contains screenshots of the initial assignment email, first reminder notification email, second reminder notification email, final reminder notification email, past due notification email, and completion notification email sent to contractors.	
2. Understand the awareness material and communications to SDG&E personnel to test how internal privacy policies are communicated to associates.		2.a. Met with members of the Office of Customer Privacy and was informed internal privacy policies were communicated to SDG&E employees and contractors through the following trainings: • All SDG&E employees are required to complete the <i>Cybersecurity Training</i> with a <i>Privacy Module</i> annually assigned through the LMS. New hires are required to complete these trainings upon onboarding. • SDG&E employees and contractors with access to Covered Information are required to complete the <i>Supplemental Consumer Privacy Training</i> annually.	

Assessment procedures	Assessment test results	Exceptions
	2.b. Reviewed additional privacy awareness documents, including an example Privacy Point email sent out. Note that Privacy Points are documents created by the Office of Customer Privacy that detail SDG&E privacy requirements and information. Privacy Pros socialize these communications to their respective business units. Some topics of reviewed Privacy Points include: SDG&E aggregation standards, Privacy GreenLight, passwords, and safely handling customer data. 2.c. Reviewed the <i>Cybersecurity Training with a Privacy Module</i> and the 2025 Office of Customer Privacy Deck and noted that they are provided to SDG&E new hires. Privacy trainings must be completed before being granted access to necessary internal platforms. 2.d. Reviewed SDG&E's privacy intranet website containing links to internal privacy resources, trainings, actions to take to report security incidents, and other resources for company employees. 2.e. Met with the Manager, Information Security & Cybersecurity and was informed that eight phishing simulations are run per year. If an employee or contractor fails the simulation, they are assigned Cybersecurity Awareness modules to review. Additionally, their manager and/or host are notified. Additionally, informed that if an employee fails 6 simulations, they face potential termination. If a contractor fails three simulations, their access may be revoked. 2.f. Reviewed SDG&E's <i>Customer Care Center Work@Home Program Agreement</i> and noted ESSs were required to sign this agreement before working from home. Noted this agreement mentions that all company policies are still applicable.	
3. Understand SDG&E's specific training materials to assess whether they adequately communicate/train employees on how to handle Covered Information. In addition, inspect that employees have completed these privacy and security training requirements.	3.a. Reviewed enterprise-wide <i>Cybersecurity Training with a Privacy Module</i> and noted every employee is required to complete this training. The training consists of a video and quiz at the end. This training provides examples of customer information (including PII and Covered Information) and provides guidelines for the collection, storing, sharing, and disposal of customer data. Employees must pass the quiz at the end to receive completion credit. 3.b. Reviewed the <i>Supplemental Consumer Privacy Training</i> PowerPoint and noted this presentation is assigned to employees and contractors that have access to	

Assessment procedures	Assessment test results	Exceptions
	Covered Information. There are four questions embedded into the presentation for viewers to answer. This video discusses: • The importance of privacy • CCPA vs CCRA • Understanding what Personal Customer Information, Sensitive Customer Information, and Covered Information • The difference between a consumer and a customer • Handling customer personal information daily • Privacy incidents • Additionally, noted that there were three questions embedded within the presentation. 3.c. Met with members of the Office of Customer Privacy and was informed the Office of Customer Privacy tracks completion of the <i>Cybersecurity Training</i> and the <i>Privacy Module</i> through reporting. Past due reminders are sent to employees and contractors as well as their managers. Employees receive an email at 7 days past due. Contractors receive an email at 30 days past due. 3.d. Reviewed the <i>Contractor Training System Assignment Guide</i> and noted the process for assigning contractors trainings. 3.e. Inspected the <i>Cybersecurity Training Tracker</i> for employees and noted at the end of 2025, 99.33% of SDG&E employees had completed the training. 3.f. Inspected <i>Supplemental Consumer Privacy Training Tracker</i> for SDG&E employees at the end of 2025 and noted that out of 54 employees that were assigned the training, 90.74% had completed the training. Of the 5 employees that did not complete the training upon the required due date: • 3 are Linemen, in which they would only have access to customer data on a "need to know" basis, • 1 of the employees no longer appears to be an active employee, and • 1 of the employees is an Energy Services Specialist within the Customer Success team.	

Assessment procedures	Assessment test results	Exceptions
4. Inspect evidence that contractors have completed privacy and security training requirements (e.g., training logs, certifications of compliance, etc.).	4.a. Met with members of the Office of Customer Privacy and was informed contractors are under contractual obligation to follow SDG&E data privacy rules. 4.b. Met with members of the Customer Data Privacy Team and noted that before contractors can access the <i>Customer Data Privacy Training</i>, they need system access to VDI, which can be delayed and lead to a delay in completion of the assigned training. 4.c. Inspected <i>Course Contractor Report</i> for contractors and noted at the end of 2025, 100% of contractors had completed the training.	Mandatory training for Contractors without a managed Sempra laptop is dependent on system access through a Virtual Desktop Interface (VDI). Delays to this access prevents fulfilling essential onboarding requirements and hinders their compliance with required training protocols, particularly impacting roles that involve handling of Covered Information.
5. Understand the privacy training required of third parties accessing Covered Information in order to test whether or not they are adequately equipped to handle Covered Information.	5.a. See CPUC Rule 9c (3) for test results. 5.b. Reviewed Sempra's <i>Supplier Code of Conduct</i>, also applicable to SDG&E provided to contractors and noted policies regarding information protection and confidentiality: • Nonpublic information contained in electronic or physical form must be appropriately secured and protected. • Nonpublic information accessed by suppliers must be limited to only that information that is required to perform the contracted work. • If suppliers are granted access through electronic or physical means to Sempra Energy's nonpublic information to perform Sempra Energy-related work, the information may only be used for Sempra Energy business. 5.c. Suppliers must keep nonpublic information confidential and may only disclose nonpublic information if it is necessary for the performance of their work. Such disclosures may be made only to those people who are also subject to Sempra Energy's confidentiality provisions and have a legitimate business need to know.	

Assessment procedures	Assessment test results	Exceptions
	5.d. Inspected a sample NDA and a sample SSA between SDG&E and a supplier with access to Covered Information and noted both contracts included confidentiality and non-disclosure containing a definition of confidential information, governance regarding the handling of customer information, and consequences for noncompliance. 5.e. Reviewed a sample of terms and conditions between SDG&E and ESPs and CCAs and noted the contracts require nondisclosure of confidential information (including confidential customer information) without SDG&E's consent unless any governmental, judicial, or regulatory authority is requiring such confidential information pursuant to any applicable law, regulation, ruling, or order. 5.f. Inspected a sample of executed vendor contracts and noted they include confidentiality clauses protecting SDG&E's confidential information. The contracts also state that contractors may be required to complete training at SDG&E's sole discretion.	

CPUC Rule 9	Rule description	Reporting requirements:
e		On an annual basis, each electrical/gas corporation shall disclose to the Commission as part of an annual report required by Rule 8.b, the following information: (1) the number of authorized third parties accessing Covered Information, (2) the number of noncompliances with this rule or with contractual provisions required by this rule experienced by the utility, and the number of customers affected by each non-compliance and a detailed description of each non-compliance.

Assessment procedures	Assessment test results	Exceptions
1. Assess whether SDG&E tracks the reporting requirements and assigns responsibility and accountability to the appropriate departments.	1.a. See CPUC Rule 9a (1) for test results. 1.b. Met with members of the Office of Customer Privacy and was informed the Office of Customer Privacy leads the filing of the <i>Annual Privacy Report</i>. They maintain trackers for annual report inputs and outreach to required stakeholders. 1.c. Reviewed the <i>Procedure for Setting Up SDG&E's Annual Privacy Report</i> and noted the process for creation, approval, and submission of the <i>Annual Privacy Report</i> to the CPUC. SDG&E's Privacy Report Review Team (Privacy Director, Sempra Privacy Attorney, the Regulatory Attorney, and other Regulatory Individuals) approve the report before the Regulatory Department submits the final draft to the CPUC.	
2. Assess whether SDG&E filed its Annual Report to the CPUC as required by the Privacy Decision.	2.a. Reviewed SDG&E's <i>2024 Annual Privacy Report</i> and noted it was submitted to the CPUC on April 30, 2025 and included: - The number of authorized third parties accessing Covered Information (1305) - The number of non-compliances with CPUC privacy rules or with contractual provisions required by the Privacy Rules known to SDG&E (0) - The number of customers affected by each non-compliance and a description of each noncompliance (N/A)	

Appendix II – Abbreviations used in this report

Abbreviation	Full name
BES	Bulk Electric System
CAB	Change Advisory Board
CCA	Community Choice Aggregator
CCPA	California Consumer Privacy Act
CEC	Cybersecurity Engineering Risk and Consulting
CEUD	Customer Energy Usage Data
CIM	Customer Information Management
CISR	Customer Information Service Request
CPUC	California Public Utilities Commission

Abbreviation	Full name
CTS	Consent to Share
DLP	Data Loss Prevention
DMZ	Demilitarized Zone
ERIM	Enterprise Records and Information Management
ESP	Energy Service Provider
ESS	Energy Service Specialist
GAPP	Generally Accepted Privacy Principles
GRC	Governance Risk & Compliance
HVAC	Heating, Ventilation, and Air Conditioning
IAM	Identity and Access Management
IDS	Intrusion Detection System
IPS	Intrusion Prevention System
IR	Incident Response
IS	Information Security
ISO	International Organization for Standardization
IT	Information Technology
IT PMO	Information Technology Portfolio Management Office
IT VMO	Information Technology Vendor Management Office

Abbreviation	Full name
LMS	Learning Management System
LOA	Letter of Authorization
LOB	Line of Business
NERC CIP	North American Electric Reliability Corporation Critical Infrastructure Protection
NDA	Non-Disclosure Agreement
OCP	Office of Customer Privacy
PI	Personal Information
PIA	Privacy Impact Assessment
PII	Personally Identifiable Information
SDG&E	San Diego Gas and Electric Company
SDLC	Software/System Development Life Cycle
SIEM	Security Information and Event Management
SSN	Social Security Number
SSA	Standard Service Agreement
VDR	Vendor Data Requests

Appendix III – Stakeholders interviewed

#	Title	Organizational Unit	Date
1.	Customer Privacy Project Manager	Customer Operations	01/07/2026
2.	Customer Information Management Advisor	Customer Operations	01/07/2026
3.	Senior Privacy Standards Advisor	Customer Operations	01/07/2026
4.	Customer Information Management Advisor	Customer Operations	01/21/2026
5.	Director Audit Services	Audit Services	01/14/2026
6.	Principal IT Auditor	Audit Services	01/14/2026
7.	Audit Services Manager	Audit Services	01/14/2026
8.	Value Capability Manager	Cybersecurity Risk & Compliance	01/07/2026
9.	Print Domain Engineer - Cyber	Cybersecurity Risk & Compliance	02/19/2026
10.	Director - Cybersecurity & Chief Info Sec Officer	Cybersecurity Risk & Compliance	01/06/2026
11.	Customer Care Center Operations Support Supervisor	Customer Care	01/26/2026
12.	Group Product Manager	Digital & SDGE Customer	01/12/2026
13.	Product Owner Team Lead	Digital & SDGE Customer	01/12/2026
14.	Senior Supervisor, CCC – Complaints Escalation	Customer Contact Center	1/29/2026

#	Title	Organizational Unit	Date
15.	Senior Group Product Manager	Digital & SDGE Customer	01/12/2026
16.	Mgr, Tech/Dgtl Cap & PO	Enterprise Cybersecurity Technology	02/03/2026
17.	Demand Response Manager	Customer Operations	02/17/2026
18.	Security Manager	Corporate Security	01/16/2026
19.	Security Risk & Compliance Manager	Security Compliance & Executive Services	01/27/2026
20.	Special Agent	Corporate Security	01/16/2026
21.	Domain Architect – Cybersecurity	Cybersecurity Risk & Compliance	02/19/2026
22.	Chief Counsel Technology & Business Services	Technology & Business Services	02/16/2026
23.	Regulatory Compliance Advisor	Enterprise Risk & Compliance	02/16/2026
24.	Regulatory Affiliate Compliance Manager	Risk & Compliance	02/16/2026
25.	Regulatory Compliance analyst	Risk & Compliance	01/20/2026
26.	Managing Attorney	Litigation and Wildfire Mitigation	01/16/2026
27.	Senior Paralegal	Litigation and Wildfire Mitigation	01/16/2026
28.	Senior Counsel	General Counsel - Regulatory	02/16/2026
29.	Regulatory Case Manager – III	CPUC/FERC - Gas	01/29/2026
30.	Regulatory Case Manager – II	CPUC/FERC - Gas	01/29/2026
31.	Mgr, Reg Affrs & Comp	Policy & Proceedings	02/16/2026

#	Title	Organizational Unit	Date
32.	Customer Services Technology Manager	Customer Operations	1/21/2026
33.	Customer Operations Privacy Program Manager	Customer Operations	1/21/2026
34.	Portfolio Manager	Supply Management & Div Business Enterprise	01/29/2026
35.	Credit & Collections Supervisor	Customer Operations	01/26/2026
36.	Customer Payments Analyst	Customer Operations	01/21/2026
37.	Customer Operations Analyst	Customer Operations	01/21/2026
38.	Senior Supervisor, CCC	Customer Operations	01/29/2026
39.	Smart Meter Capital Project Manager	Customer Field Operations	01/29/2026
40.	Senior Supervisor, Enterprise Technology	Customer Services Staff	01/21/2026
41.	Billing Analyst – I	Customer Operations	1/21/2026
42.	Senior Market Advisor – I	Customer Operations	1/21/2026
43.	CCA Billing Operations Manager	Customer Operations	1/21/2026
44.	CCA Strategy & Pol Manager	Customer Operations	1/21/2026
45.	Senior Business Services Analyst	Customer Operations	1/21/2026
46.	Manager - Customer Care Centers	Customer Care	1/27/2026
47.	Customer Billing Manager	Customer Operations	1/27/2026
48.	Customer Operations Analytics Supervisor	Customer Operations	1/22/2026

#	Title	Organizational Unit	Date
49.	Senior Director - Enterprise Cloud, Infrastructure, & Automation	Data Center	01/06/2026
50.	Prin Special Agent	Corporate Security	01/16/2026
51.	Factories Manager	Support Services - SDG&E	
52.	Senior Domain Architect	Digital Workspace & Automation	01/06/2026
53.	Director - Digital & SDGE Customer	Digital & SDGE Customer	01/06/2026
54.	Scrum Master Team Lead	IT	01/12/2026
55.	Customer Care Center Operations Strategy Project Manager	Customer Care	01/29/2026
56.	Senior Complaint Resolution Advisor	Customer Care	01/08/2026
57.	Project Manager - II	Customer Care	01/29/2026
58.	Project & Program Management Senior I	Customer Operations	1/28/2026
59.	Customer Care Centers Operations Manager	Customer Contact Centers	1/29/2026
60.	Senior Domain Engineer	Enterprise Cybersecurity Technology	2/10/2026
61.	Capability Owner Team Lead	Enterprise Cybersecurity Technology	02/19/2026
62.	Pers Data Priv Compl Senior I	Customer Services	2/20/2026
63.	Director - Customer Operations	Customer Operations	1/29/2026

#	Title	Organizational Unit	Date
64.	Cybersecurity Risk & Compliance	Site Walkthrough	01/14/2026
65.	Physical	Site Walkthrough	01/15/2026
66.	Dir, Digital & Portfolio Management	SDG&E Utility Ops & AI Dlvry	2/03/2026
67.	Domain Engineer Team Lead	S&T Data, Platforms & Portfolio	1/21/2026
68.	Senior Supv, Project & Program Management	Customer Project Management	1/29/2026
69.	Sr Group Product Mgr	SDGE Technology	2/03/2026
70.	Group Product Mgr	SDGE Technology	2/03/2026
71.	Value Capability Manager	Enterprise Cybersecurity Technology	01/07/2026
72.	Manager, CCC	Customer Contact Centers	2/17/2026
73.	Chief Counsel, Technology & Business Services	Legal	12/1/2025

Contact Us

Doron Rotman
Managing Director
408-367-7607
drotman@kpmg.com

Chris Kypreos
Director
925-249-8835
ckypreos@kpmg.com

www.kpmg.com

kpmg.com/socialmedia



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APPENDIX J

SOCALGAS COVERED INFORMATION PRIVACY AND SECURITY ASSESSMENT REPORT



Southern California Gas Company

CPUC Covered Information Privacy and Security Assessment Report

For the period January 1, 2025
through December 31, 2025

Final Report

April 27, 2026

kpmg.com

Contents

Document structure	1
Executive summary	2
Project approach and methodology	7
Rule assessment results, exceptions, and recommendations	8
SoCalGas Management Response to CPUC Covered Information Privacy and Security Assessment Report	19
Appendix I – Detailed assessment procedures and results	25
Appendix II – Abbreviations used in this report	116
Appendix III – Stakeholders interviewed	120

Document structure

This report consists of the following sections:

Executive summary – an overview of the project including background, scope, and KPMG’s overall results and noted exceptions and recommendations, where necessary, for each Rule comprising the *California Public Utility Commission Privacy Decision*.

Project approach and methodology – an overview of key project phases and activities performed by KPMG throughout the course of the assessment.

Rule assessment results, exceptions, and recommendations – a summary of KPMG’s assessment associated with each of the nine (9) Rules of the *CPUC Privacy Decision* including KPMG’s interviews and document reviews (e.g., test work), overall results, detailed exceptions, and improvement recommendations associated with each exception.

SoCalGas’ Management Response to CPUC Covered Information Privacy and Security Assessment Report – SoCalGas’ Management Response to the *CPUC Covered Information Privacy and Security Assessment Report* dated April 27, 2026.

Appendix I – Detailed assessment procedures and results – the full details of KPMG’s assessment criteria, procedures, and results for each Rule.

Appendix II – Abbreviations used in this report – a list of the abbreviations and acronyms used throughout this Report.

Appendix III – Stakeholders interviewed – a list of stakeholders interviewed by KPMG throughout the course of the assessment.

Executive summary

Through its Advanced Meter and meter-to-cash operations, Southern California Gas Co. (hereinafter “SoCalGas,” the “Utility” or “Company”) collects, processes, stores, and discloses Customer Energy Usage Data (“CEUD”) and other Customer Personally Identifiable Information (“PII”). The PII contains names, addresses, Social Security Numbers (“SSNs”), service account numbers, and financial account information. When combined, CEUD and PII represent Covered Information.

Background

On August 23, 2012, the California Public Utilities Commission (CPUC) issued Decision D.12-08-045 “Decision Extending Privacy Protections to Customers of Gas Corporations and Community Choice Aggregators and to Residential and Small Commercial Customers of Electric Service Providers” (hereinafter the “*Privacy Decision*”). The *Privacy Decision* requires SoCalGas to undergo an independent assessment of its Covered Information privacy and security practices. Covered Information is defined in the *Privacy Decision* as CEUD obtained via Advanced Metering Infrastructure combined with other information that could reasonably be used to identify a residential customer, family, household, residence, or non-residential customer. Covered Information does not include information provided to the CPUC pursuant to its oversight responsibilities.

SoCalGas engaged KPMG to conduct an independent assessment of the Company’s Covered Information privacy and security processes, controls, and practices in conjunction with general rate case proceedings.¹ This report represents the results of KPMG’s assessment.

Scope

The scope of KPMG’s assessment was limited to SoCalGas systems and Lines of Business (LOBs) collecting, processing, storing, or disclosing Covered Information. The scope does not cover an assessment of SoCalGas’ practices, procedures, and controls to safeguard employee or contractor PII, or other customer PII that is not Covered Information. In addition, the assessment covered several Sempra Shared Services departments that provide services for all Sempra Energy companies (SoCalGas and San Diego Gas & Electric), including cybersecurity, corporate security, audit services, facilities, and supply management.

To perform the review, KPMG used an assessment framework comprised of multiple criteria based on various industry leading standards. KPMG mapped the Assessment Framework criteria to the nine (9) Rules in the *Privacy Decision* and used the framework to perform the assessment of SoCalGas’ privacy and security practices, procedures, and controls to safeguard Covered Information.

¹ Independent privacy and security practices assessment is not intended to be an audit, examination, attestation, special report or agreed-upon procedures engagement as those services are defined in American Institute of Certified Public Accountants literature applicable to such engagements. Accordingly, these services will not result in the issuance of a written communication to third parties by KPMG directly reporting on financial data or internal control or expressing a conclusion, an opinion, or any other form of assurance. KPMG’s services constitute an Advisory engagement under the AICPA Standards for Consulting Services

- The *Covered Information Privacy and Security Practices Assessment* was based on KPMG’s review and understanding of the practices, procedures, and controls in place from **January 1, 2025, through December 31, 2025** (the Covered Period).
- The exceptions and recommendations were based on KPMG’s review of policy/procedure documents, stakeholder interviews, inspection of sample communications to customers and third parties, Covered Information access reports, system security profiles, and site walk-throughs.
- KPMG performed physical site walk-throughs to observe physical, technical, and administrative privacy and security controls implemented where Covered Information is collected, stored, and processed. KPMG conducted physical site walk-throughs of a Contact Center, the Credit and Billing Operations Department, the Bill Print and Remittance Center, the Sempra Production Data Centers, and one Branch Office. KPMG’s observations are limited to observations identified through site walk-throughs, stakeholder interviews, virtual screen sharing, and documentation reviews.
- KPMG conducted 67 interviews with personnel from various LOBs including Customer Operations, Customer Services, Audit Services, Cybersecurity Risk & Compliance, Systems & Technology, Customer Contact Centers, Digital Enablement Services, Litigation, Support Services, Corporate Security, Security Compliance & Executive Services, Cloud & Infrastructure, Technology & Business Services, Enterprise Risk & Compliance, Digital & Consumer, General Counsel- Regulatory, CPUC/ FERC- Gas, Policy & Proceedings, Supply Management & Div Business, Digital Workspace & Automation, Advanced Meter Team, Vendor Management, Production Data Center, Information Governance and Remittance Processing. KPMG also conducted interviews with SoCalGas privacy and security executives to understand general Covered Information oversight, management, and tone at the top.
- As part of its standard CPUC Privacy and Security Assessments, KPMG reviews the CPUC Annual Report for the Covered Period under review. However, because SoCalGas had not finalized the 2025 CPUC Annual Report at the time this report was issued, KPMG relied on the prior year’s CPUC Annual Report that was filed during the Covered Period to perform its test procedures.
- KPMG assessed the design and implementation of privacy and security controls, followed by an assessment of the operating effectiveness of key implemented controls.

The nine (9) Rules noted in the *Privacy Decision* are listed below.

Rule 1	Definitions
Rule 2	Transparency (Notice)
Rule 3	Purpose Specification
Rule 4	Individual Participation (Access and Choice)
Rule 5	Data Minimization
Rule 6	Use and Disclosure Limitation
Rule 7	Data Quality and Integrity
Rule 8	Data Security
Rule 9	Accountability and Auditing

Summary of Exceptions

KPMG has noted 5 exceptions (Exceptions are areas where SoCalGas' program may not be fully prepared to meet compliance with CPUC *Privacy Decision* requirements, as measured against KPMG's Assessment Framework, developed to test controls around Covered Information identified in the rules). The Exceptions are shown below along with the recommendations associated with each Exception. There were 1 Low-Risk Exceptions, 4 Medium-Risk Exception, and 0 High-Risk Exceptions.

The risk rating methodology is based on the following definitions:

Risk level	Description
High	Issue poses a significant risk of data breach of Covered Information and/or a significant deviation from the <i>CPUC Privacy Decision</i> .
Medium	Inconsistent implementation of policies and procedures that may impact the ability of SoCalGas to protect Covered Information and/or achieve adequate alignment with the <i>CPUC Privacy Decision</i> .
Low	Procedures or practices supporting the protection of Covered Information and alignment with the <i>CPUC Privacy Decision</i> may not be formally defined or documented.

For more details associated with each Rule, see [Rule assessment results, exceptions, and recommendations](#), and [Appendix I – Detailed assessment procedures and results](#).

CPUC rule number	Risk level	Exceptions noted	KPMG recommendations
CPUC Rule 1 Definitions	-	-	N/A
CPUC Rule 2 Transparency (Notice)	Low	The email address provided in the SoCalGas Privacy Notice Regarding Energy Usage is not actively monitored, as evidenced by an inquiry seeking additional information that was not responded to for more than one month.	Assign ownership of the privacy notice email inbox to a designated team or individual. Implement a formal procedure with a defined Service Level Agreement (SLA) for monitoring the inbox to track inquiries from receipt through resolution and help ensure timely responses.
CPUC Rule 3 Purpose Specification	-	-	N/A
CPUC Rule 4 Individual Participation (Access and Choice)	-	-	N/A
CPUC Rule 5 Data Minimization	-	-	N/A
CPUC Rule 6 Use and Disclosure Limitation	-	-	N/A
CPUC Rule 7 Data Quality and Integrity	-	-	N/A

CPUC rule number	Risk level	Exceptions noted	KPMG recommendations
CPUC Rule 8 Data Security	Medium	Sempra has documented policies and standards that require applications and systems to be appropriately classified based on the sensitivity of the data stored within the system to help enforce data and system-level protections and safeguards commensurate with the respective information classification level. During 2025, it was noted that several in-scope system storing Covered Information were classified with an incorrect information classification label that was less restrictive than the actual data stored within the system or the system was not classified. As a result, the appropriate data protection controls may not be enforced in the system as required by Sempra policies and standards.	Management should update the application database entry to indicate the proper system and data classification level for each in-scope SoCalGas application. In addition, Sempra should implement all technical controls based on the classification level to safeguard Covered Information in the application in alignment with Sempra policies and standards.
	Medium	Although Sempra has security measures in place to protect and ensure Data Privacy, some standalone network printers in the Sempra environment are not integrated into the Follow Me system, which allows employees to print directly to these printers and bypass the required secure printing process	Management should consider bringing all printers under secure print controls, block direct printing paths, enforce authentication, centrally manage devices, encrypt print traffic, and train users to prevent unauthorized access to printed information.
CPUC Rule 9 Accountability and Auditing	Medium	The completion of the SCG utility-specific Customer Data Privacy Training for contractors assigned through the Contractor Training System (CTS) is not consistently monitored. 66 of 145 Contractors assigned the	Management should consider implementing a process to automatically assign the required Covered Information training to contractors with access to Covered Information upon their onboarding. This will

CPUC rule number	Risk level	Exceptions noted	KPMG recommendations
		training in 2025 did not complete the training (and 25 of the 66 contractors were actively supporting SoCalGas at the end of 2025.)	help ensure contractors are properly trained on how to access, collect, store, use, and disclose Covered Information in a timely manner.
	Medium	Mandatory training for Contractors depends on system access to VDI. Delays in provisioning this access prevent contractors from fulfilling essential onboarding requirements and hinder their compliance with required training protocols, particularly impacting roles that involve handling of Covered Information	The host manager should collaborate with the Contractor Onboarding Team and IT to ensure that new contractors are provisioned with access to the appropriate IT assets, including the Contractor Training System (CTS), at the time of onboarding that will enable them to promptly complete all required trainings.

Project approach and methodology

KPMG approached the Assessment in four (4) main phases: Mobilize, Assess, Validate, and Report.



- **Mobilize** – KPMG validated the assessment framework used to review SoCalGas’s privacy and security practices based on the nine (9) Rules comprising the *Privacy Decision*. KPMG created this framework at the inception of the *Privacy Decision*, and it has been used across all the California IOUs. The framework has evolved overtime to reflect changes in the environment, market expectations and Utilities maturing programs.

KPMG worked with SoCalGas’ Customer Data Privacy Team to identify relevant stakeholders, reviewed the organizational structure to identify business groups where Covered Information may reside, reviewed the current IT landscape to identify systems and applications that collect, store, or process Covered Information, and documented existing system profiles for systems and applications that collect, store and process Covered Information.

- **Assess** – As part of this Assessment, KPMG performed a variety of interviews with stakeholders representing various LOBs. KPMG interviewed a unique total number of 126 personnel in a total of 67 interviews, submitted 147 document requests, reviewed approximately 281 documents (including policies, standards, guidelines, architecture diagrams, configurations, etc.), inspected 35 system profiles, and performed 5 site walk-throughs of critical SoCalGas facilities (Customer Contact Center, Sempra Production Data Center, Credit and Billing Department, Bill Print and Remittance Center, and a Branch Office) to observe safeguards in place to protect Covered Information.
- **Validate** – KPMG validated draft observations throughout the Assessment phases with the SoCalGas Customer Data Privacy Team, relevant IT and business stakeholders, and SoCalGas leadership.
- **Report** – KPMG developed a final report providing exceptions and recommendations and incorporated SoCalGas’ Management Response to the validated Exceptions.

Rule assessment results, exceptions, and recommendations

For each identified Exception, KPMG reviewed the risk and assigned a risk rating of **High**, **Medium**, or **Low** based on the potential impact the Exception could have as it relates to the protection of Covered Information. The risk rating methodology used the following definitions:

Risk level	Description
High	Issue poses a significant risk of data breach of Covered Information and/or a significant deviation from the <i>CPUC Privacy Decision</i> .
Medium	Inconsistent implementation of policies and procedures that may impact the ability of SoCalGas to protect Covered Information and/or achieve adequate alignment with the <i>CPUC Privacy Decision</i> .
Low	Procedures or practices supporting the protection of Covered Information and alignment with the <i>CPUC Privacy Decision</i> are not formally defined or documented.

KPMG noted 5 specific Exceptions, comprised of 1 Low-Risk Exceptions, 4 Medium-Risk Exception, and 0 High-Risk Exceptions. The Exceptions identify areas where SoCalGas' program is not fully prepared to meet requirements under the *Privacy Decision*.

The following tables provide a summary of the criteria that KPMG applied in the assessment of each of the nine (9) Rules of the *Privacy Decision*, the overall assessment results of the set of criteria evaluated, and relevant Exceptions (if any) along with level of risk, risk implication and recommendation.

Rule 2: Transparency Notice

KPMG assessment procedures	KPMG assessed SoCalGas' overall customer notice program focusing on: — Reviewing internal and customer-facing <i>Privacy Policies</i> and <i>Privacy Notice</i> that address SoCalGas' practices and procedures related to the collection, processing, storage, and disclosure of Covered Information; — Interviewing SoCalGas Customer Data Privacy Team personnel and review of methods and frequency for providing customers with the <i>Privacy Notice</i>; — Interviewing Customer Service Representatives (CSRs) to discuss interactions with customers and the handling of their Covered Information.
Results summary	SoCalGas provides its external-facing <i>Privacy Notice</i> and <i>Privacy Policy</i> on its website. The homepage includes a "Privacy" link that directs users to a Privacy Center containing these and other privacy-related resources. The company's privacy program is based on the Generally Accepted Privacy Principles (GAPP) and its internal Tariff Rule 42 provides guidance to employees on the protection of customer energy usage data. SoCalGas distributes its <i>Privacy Notice</i> to new customers upon registration and annually to all customers thereafter through a bill insert. The notice is available in 13 languages. Customers can contact SoCalGas with complaints, inquiries, and disputes regarding their information through a contact telephone number, mailing address, or email address provided in the <i>Privacy Notice</i>. Customers can also use this contact information to request prior versions of the notice.
Exception	The email address provided in the SoCalGas Privacy Notice Regarding Energy Usage is not actively monitored, as evidenced by an inquiry seeking additional information that was not responded to for more than one month.
Risk level	Low
Risk implication	Failing to monitor a publicly stated privacy contact channel is a deviation from the commitments made in the SoCalGas Privacy Notice and regulator expectations. This failure can impact the company's ability to manage customer rights and inquiries, posing compliance and reputational risk.
Recommendation	Assign ownership of the privacy notice email inbox to a designated team or individual. Implement a formal procedure with a defined Service Level Agreement (SLA) for monitoring the inbox to track inquiries from receipt through resolution and help ensure timely responses.

Rule 3: Purpose Specification

KPMG assessment procedures	KPMG assessed SoCalGas' specification of the purposes focusing on: — Reviewing how SoCalGas specifies the reasons for which it collects, discloses, retains, and provides access to Covered Information; — Reviewing SoCalGas' <i>Privacy Notice</i>, as well as other policies and procedures; — Interviewing stakeholders to understand the determination and specification of information and third-party categories; — Examining whether the <i>Privacy Notice</i> includes a description of how customers can access and control their Covered Information collected, processed, stored, and disclosed by SoCalGas; — Interviewing SoCalGas personnel on procedures to assist customers with accessing, inquire about, or dispute their covered information.
Results summary	SoCalGas has established and documented policies and procedures that define the acceptable purposes for which Covered Information may be collected, stored, used, and shared. The online <i>Privacy Notice</i> clearly outlines for customers the types of information collected, how it is used and protected, and the specific circumstances under which it may be disclosed to third parties. Furthermore, SoCalGas provides customers with multiple communication channels including dedicated phone lines, email, and a "My Account" online portal- to ask questions, view their information, or limit its use and disclosure. Internal governance for managing customer data is well-defined, with established processes for handling third-party data sharing. This includes a formal Vendor Data Review (VDR) and Third-Party Risk Assessment (TPRA) workflow and a requirement for written customer consent via specific forms like the Customer Information Service Request form (CISRs) before sharing information for non-business purposes. SoCalGas actively monitors compliance with its privacy framework and CPUC Tariff Rule 42, which is further validated by a semi-annual Quality Assurance audit on customer consent controls and a mandated independent assessment of its data privacy and security practices.
Exception	No Exceptions noted
Risk level	-
Risk implication	-
Recommendation	-

Rule 4: Individual Participation (Access and Choice)

KPMG assessment procedures	KPMG assessed SoCalGas' customer-facing program focusing on: — Reviewing internal and external policies and procedures to provide customers with access and consent mechanisms related to their Covered Information; — Reviewing customer portals, perform stakeholder interviews, and conduct walk-throughs of the Customer Contact Center and Branch Offices where SoCalGas CSRs interact with customers with respect to their Covered Information; — Reviewing customer authorization forms to understand how customers can grant and revoke authorization of their Covered Information for secondary purposes; — Examining the process in place to disclose Covered Information pursuant to legal processes and in situations of imminent threat to life or property. Test procedures included review of policies and procedures for tracking these requests and the subsequent notice provided to customers and interviews with SoCalGas stakeholders in relevant business functions.
Results summary	SoCalGas provides customers with multiple methods to access their Covered Information. The primary method is the secure <i>My Account</i> online portal, which offers on-demand access to detailed energy usage data. Customers can view and export up to 12 months of their usage information in a detailed, easy-to-read format. Additionally, <i>Home Energy Reports</i> provide customers with valuable insights by comparing their energy consumption to that of similar and more energy-efficient homes. For customer inquiries, SoCalGas has internal guidelines, such as the <i>Safeguarding Customer Account Information</i> document, which provides guidance for CSRs on how to authenticate a customer's identity by validating two pieces of information before discussing and Covered Information. SoCalGas has established clear processes for customers to grant or revoke a third party's access to their information through a written authorization, typically the <i>Customer Information Service Request (CISR)</i> form. For disclosures required by law, SoCalGas follows a formal procedure, which includes notifying the customer in writing and providing a seven-day period to contest the legal request before any information is released. For situations of imminent threat to life or property, requests are centrally managed by Corporate Security and require a subpoena to be processed by the law department.
Exception	No Exceptions noted
Risk level	-
Risk implication	-
Recommendation	-

Rule 5: Data Minimization

KPMG assessment procedures	KPMG assessed SoCalGas' adoption of Data Minimization principles in the collection, use, and disclosure of Covered Information focusing on: — Reviewing corporate and department-specific policies and procedures to understand how Covered Information is segregated from other systems; — Interviewing stakeholders to determine how user access to Covered Information is limited based on business need; — Examining how records and assets are retained for only as long as reasonably necessary; — Inspecting the proper disposal of records upon their eligibility for disposition; — Interviewing stakeholders to determine how Data Minimization principles were adopted as part of third-party disclosure practices; — Performing site walk-throughs at the Customer Contact Center, Branch Office, Credit and Collections, and Bill Print and Remittance Center to understand how Data Minimization is implemented.
Results summary	SoCalGas continues to build upon the Data Minimization principle as a foundational component of its comprehensive privacy program framework. The company maintains a robust suite of documented policies, procedures, and standards – including CPUC Tariff Rule 42, a formal Privacy Impact Assessment process, and an Information Management Policy – that govern the privacy and security of customer data. These documents collectively validate that the amount of “Covered Information” collected, stored, and retained is limited to what is necessary for specific and authorized business purposes. These data minimization principles are actively enforced through a combination of technical controls, procedural safeguards, and employee oversight. Access to customer information is restricted to authorized personnel on a need-to-know basis, and system-level controls automatically mask sensitive data by default, requiring employees to take specific audited action to view it. These practices are reinforced by physical security measures in branch offices and contact centers, such as secure printing protocols and the management of unattended workstations. Furthermore, the sharing of “Covered Information” with third parties is governed by strict protocols, including contractual agreements and requirements for explicit customer consent. SoCalGas management confirms that “Covered Information” is retained only as long as necessary and is disposed of in a timely and secure manner, in accordance with a detailed Records Retention Schedule. The company has established a formal information management lifecycle, overseen by designated Records & Information Management (RIM) Coordinators who conduct quarterly reviews and lead an annual, certified data clean-up initiative. This structured oversight enables data to be properly classified, securely stored, and confidentially destroyed at the end of its retention period.
Exception	No Exceptions noted.
Risk level	-
Risk implication	-
Recommendation	-

Rule 6: Use and Disclosure Limitation

KPMG assessment procedures	KPMG assessed SoCalGas' Third-Party Management Program focusing on: — Examining processes in place for disclosure of Covered Information to third parties. "Third party" is defined to include suppliers and contractors; — Reviewing procedures and forms for customers to authorize and revoke a third party to receive Covered Information on behalf of the customer; — Examining third-party management policies and procedures and interview of stakeholders to understand how SoCalGas implements practices and procedures based on the categories of third parties; — Reviewing third-party contract management processes including onboarding, contract compliance reviews, and contract termination; — Reviewing third-party (suppliers, vendors, contractors, and consultants) risk management documentation; — Examining data transmission protocols and ongoing monitoring of third parties for compliance with SoCalGas policies and contractual provisions.
Results summary	SoCalGas has processes in place to allow customers to share their Covered Information with third parties. SoCalGas has formal internal procedures to manage customer requests for disclosure to third parties, which include forms for explicit customer authorization and forms to revoke such authorization (CISR forms). Prior to providing services to SoCalGas, all third parties must have a written formal agreement and must undergo a risk assessment conducted by the Information Technology Vendor Management Office (IT VMO) and Sempra Cybersecurity. In addition, SoCalGas has internal third-party management policies and informs third parties about data privacy requirements. Third-party vendors are contractually obligated to maintain the privacy of the information shared.
Exception	No Exceptions noted.
Risk level	-
Risk implication	-
Recommendation	-

Rule 7: Data Quality and Integrity

KPMG assessment procedures	KPMG assessed SoCalGas' data validation methods and procedures focusing on: — Interviewing stakeholders to determine how SoCalGas validates the quality and integrity of Covered Information; — Examining the Advanced Meter systems and infrastructure to understand how usage data is managed and reconciled; — Reviewing policies and procedures and interviews with stakeholders to understand how SoCalGas provides customers with the opportunity to modify or remove other data elements collected by the Company.
Results summary	SoCalGas and its parent company, Sempra, have established comprehensive policies requiring employees, contractors, and third-party suppliers to protect the security, integrity, and accuracy of customer information. SoCalGas' <i>Privacy Notice</i> provides customers with clear channels to view, dispute, or limit the use of their information by contacting the company via dedicated email, mail, or telephone lines. Accountability is also placed on the customer through the My Account portal, where users must agree to Terms and Conditions stating their responsibility for maintaining current and accurate personal information. To ensure the integrity of usage data, SoCalGas employs both automated system validations and manual review processes. The Billing Operations team investigates any exceptions to help ensure data completeness and accuracy before billing. Furthermore, SoCalGas demonstrates a commitment to mature data governance through its formal data minimization and retention policies. The company's standards dictate that only personal information necessary for a specific transaction is collected, its use is limited to identified purposes, and it is securely disposed of when no longer required, with procedures in place to certify its destruction.
Exception	No Exceptions noted.
Risk level	-
Risk implication	-
Recommendation	-

Rule 8: Data Security

KPMG assessment procedures	KPMG assessed SoCalGas' physical and Cybersecurity measures to protect Covered Information focusing on: — Reviewing Cybersecurity policies, procedures, and measures related to: endpoint security (antivirus protection, email/database security), network security (network segmentation, Intrusion Prevention Systems/Intrusion Detection Systems, remote access, wireless, firewalls, network access controls), logging and monitoring, data loss prevention, web-content filtering, mobile security, vulnerability and patch management, business continuity/disaster recovery, change control (SDLC, cybersecurity assessments, privacy impact assessments, secure code reviews), access management (user provisioning and deprovisioning, access governance, privileged access, third-party access), and data classification; — Performing site walk-throughs to observe and validate the physical and technical security controls implemented to safeguard Covered Information at the following critical SoCalGas facilities: Customer Contact Center, a Branch Office, Production Data Center, Credit Operations and Billing Operations; — Inspecting system profiles for in-scope systems storing Covered Information related to key configurations and system settings: System Access (user authentication and password configuration), Access Management (restriction of access based on least privilege and need-to-know, segregation of duties, periodic access reviews), Logging and Monitoring (system activity reviews, audit logs and audit trails of changes to customer data), Disaster Recovery, Data Protection (secure transfer mechanisms, encryption, masking of sensitive data); — Reviewing the Sempra and SoCalGas incident response and breach management program and interview stakeholders who are responsible and/or accountable in the response to a potential incident involving Covered Information, including communications to regulators and impacted customers; — Reviewing evidence of tools deployed in the environment to detect and analyze potential threats to Covered Information.
Results summary	SoCalGas and Sempra have a well-established Information Security (IS) Program that is responsible for the design and implementation of both physical and logical information security controls to protect Covered Information at the enterprise and utility levels. Formal policies and procedures have been established and implemented that address specific administrative, physical, and technical controls to protect Covered Information. Monitoring procedures are in place to detect and address noncompliance with policies and procedures. Various technical controls have been implemented to prevent and detect incidents and unauthorized access to systems containing Covered Information. A process is also in place to report and track potential security incidents and breaches to help ensure they are contained and eradicated, and measures are implemented to reduce the likelihood of similar events occurring in the future.
Exception 1	Sempra has documented policies and standards that require applications and systems to be appropriately classified based on the sensitivity of the data stored within the system to help enforce data and system-level protections and safeguards commensurate with the respective information classification level.

	During 2025, it was noted that several in-scope system storing Covered Information were classified with an incorrect information classification label that was less restrictive than the actual data stored within the system or the system was not classified. As a result, the appropriate data protection controls may not be enforced in the system as required by Sempra policies and standards.
Risk level	Medium
Risk implication	When a system is assigned a data classification lower than what its actual data or data combinations require, appropriate safeguards may not be implemented, increasing the risk of unauthorized access, that may result in privacy breaches.
Recommendation	Management should update the application database entry to indicate the proper system and data classification level for each in-scope application. In addition, SoCalGas should implement all technical controls based on the classification level to safeguard Covered Information in the application in alignment with Sempra policies and standards.
Exception 2	Although Sempra has security measures in place to protect and ensure Data Privacy, some standalone network printers in the Sempra environment are not integrated into the Follow Me system, which allows employees to print directly to these printers and bypass the required secure printing process
Risk level	Medium
Risk implication	Unsecured standalone printers allow employees to bypass secure print controls, increasing the risk of unauthorized access to sensitive documents, and reducing accountability for printed information which may result to data leakage impacting the confidentiality, integrity, and availability of Covered Information.
Recommendation	Management should consider bringing all printers under secure print controls, block direct printing paths, enforce authentication, centrally manage devices, encrypt print traffic, and train users to prevent unauthorized access to printed information.

Rule 9: Accountability and Auditing

KPMG assessment procedures	KPMG assessed SoCalGas' overall Customer Data Privacy and Cybersecurity programs, focusing on: — Reviewing documentation supporting each program as well as SoCalGas' communication of these policies to both employees and contractors; — Interviewing stakeholders to understand the level of executive support and sponsorship of the Customer Privacy Program and Cybersecurity program, including the individuals and roles responsible and accountable for the customer privacy and cybersecurity throughout the Company; — Interviewing members of SoCalGas Executive Management to understand leadership's views on customer data protection; — Reviewing processes to receive, track and resolve customer complaints, disputes, and inquiries related to the protection of Covered Information. Test procedures included a review of internal procedures, interviews with stakeholders involved in the complaints process, and walk-throughs of the Customer Contact Center and Branch Office; — Examining the employee and contractor training and awareness programs associated with the protection of Covered Information. — Performing a review of enterprise-wide and targeted training materials provided to SoCalGas employees and third-party contractors collecting, handling, storing, or transmitting Covered Information. Additionally, KPMG observed training compliance logs maintained for employees and contractors privacy training.
Results summary	SoCalGas has developed Company and department policies addressing proper safeguards of Covered Information. The Company has achieved a high level of maturity for its Customer Privacy Program, including a dedicated Customer Privacy Program Officer and Manager, which provides executive and management support, oversight, and visibility to reporting. Updates on data privacy and cybersecurity are regularly provided to management and the Board of Directors, and the Company's officers and directors reinforce the importance through awareness programs and town halls. A process exists to respond to complaints and inquiries levied by customers related to customer privacy. A Company-wide cybersecurity training and privacy training has been implemented, and a supplemental Customer Data Privacy Training is provided to employees and contractors that have access to Covered Information.
Exception 1	Mandatory training for Contractors without a managed Sempra laptop is dependent on system access through a Virtual Desktop Interface (VDI). Delays to this access prevents fulfilling essential onboarding requirements and hinders their compliance with required training protocols, particularly impacting roles that involve handling of Covered Information
Risk level	Medium

Risk implication	The host manager should collaborate with the Contractor Onboarding Team and IT to ensure that new contractors are provisioned with access to the appropriate IT assets, including the Contractor Training System (CTS), at the time of onboarding that will enable them to promptly complete all required trainings.
Recommendation	Management should consider implementing a more comprehensive monitoring and enforcement process for contractor completion of the Customer Data Privacy Training. This could include follow-up emails, as well as escalation procedures (e.g. management involvement or termination of access to SCG system if the training is not completed within a certain number of days from assignment) for contractors who have not completed the training in a timely manner.
Exception 2	The completion of the SCG utility-specific Customer Data Privacy Training for contractors assigned through the Contractor Training System (CTS) is not consistently monitored and enforced. 66 of 145 Contractors assigned the training in 2025 did not complete the training by the 2025 training assignment deadline (and 25 of the 66 contractors were still actively supporting SoCalGas at the end of 2025.) Note: As of the KPMG report issued in April 2026, nine contractors had not yet completed the required training.
Risk level	Medium
Risk implication	Contractors that are on-boarded with access to Covered Information could use, process, or store Covered Information without being trained on how to handle Covered Information. In addition, a contractor with access to Covered Information could start and end their work assignment without ever having access to complete the required Covered Information training.
Recommendation	Management should consider implementing a more comprehensive monitoring and enforcement process for contractor completion of the Customer Data Privacy training. This could include sending automated follow-up emails, as well as establishing escalation procedures (e.g. management involvement or termination of access to SCG system if the training is not completed within a certain number of days from assignment) for contractors who have not completed the training in a timely manner.

SoCalGas Management Response to CPUC Covered Information Privacy and Security Assessment Report



April 27, 2026

Doron Rotman
Managing Director
KPMG LLP

Re: Southern California Gas Company's Response to KPMG's 2025 Covered Information Privacy and Security Assessment Report

Dear Mr. Rotman:

On behalf of Southern California Gas Company ("SoCalGas") we would like to thank you for the professional services KPMG provided in performing the 2025 SoCalGas covered information privacy and security assessment.

SoCalGas engaged KPMG to perform this independent assessment to validate our company's compliance as required in the California Public Utilities Commission (CPUC) Decision (D.) 12-08-045, *Decision Extending Privacy Protections to Customers of Gas Corporations and Community Choice Aggregators, and to Residential and Small Commercial Customers of Electric Service Providers*. We appreciate the rigor with which KPMG reviewed our privacy and security practices, validated where our programs are sound, and provided guidance on where our programs can do even better.

SoCalGas reviewed the exceptions contained in KPMG's 2025 Covered Information Privacy and Security Assessment Report and provides the following attached response.

Sincerely,

A handwritten signature in black ink that reads "Erin Brooks".

Erin Brooks
Director, Customer Operations

Attachment

CPUC rule number	Risk level	Exceptions noted	KPMG recommendations	SCG Management Response
CPUC Rule 1 Definitions	-	-	N/A	N/A
CPUC Rule 2 Transparency (Notice)	Low	The email address provided in the SoCalGas Privacy Notice Regarding Energy Usage is not actively monitored, as evidenced by an inquiry seeking additional information that was not responded to.	Assign ownership of the privacy notice email inbox to a designated team or individual. Implement a formal procedure with a defined Service Level Agreement (SLA) for monitoring the inbox to track inquiries from receipt through resolution and help ensure timely responses.	SoCalGas Customer Data Privacy will work with the relevant business units to review the process for monitoring the email inbox, including formally assigning ownership and appropriate access to the inbox. Documented procedures will be developed to manage the inbox, along with a defined Service Level Agreement (SLA) to support timely response and resolution of inquiries.
CPUC Rule 3 Purpose Specification	-	-	N/A	N/A
CPUC Rule 4 Individual Participation (Access and Choice)	-	-	N/A	N/A
CPUC Rule 5 Data Minimization	-	-	N/A	N/A
CPUC Rule 6 Use and Disclosure Limitation	-	-	N/A	N/A
CPUC Rule 7 Data Quality and Integrity	-	-	N/A	N/A
CPUC Rule 8 Data Security	Medium	Sempra has documented policies and standards that require applications and systems to be appropriately classified based on	Management should update the application database entry to indicate the proper system and data classification level for	Sempra will classify and update each system in CTM to correspond to the appropriate classification levels.

CPUC rule number	Risk level	Exceptions noted	KPMG recommendations	SCG Management Response
		the sensitivity of the data stored within the system to help enforce data and system-level protections and safeguards commensurate with the respective information classification level. During 2025, it was noted that several in-scope system storing Covered Information were classified with an incorrect information classification label that was less restrictive than the actual data stored within the system or the system was not classified. As a result, the appropriate data protection controls may not be enforced in the system as required by Sempra policies and standards.	each in-scope SoCalGas application. In addition, Sempra should implement all technical controls based on the classification level to safeguard Covered Information in the application in alignment with Sempra policies and standards.	
	Medium	Some standalone network printers in the Sempra environment are not integrated into the Follow Me system, which allows employees to print directly to these printers and bypass the required secure printing process.	Management should establish a plan to integrate all Sempra network printers with the Follow Me system to enforce secure print controls (e.g., user authentication, prevent unauthorized access to printed information left on printers).	Sempra acknowledges the risk of standalone printers and will work with SoCalGas business units to integrate them into the secure printing solution.
CPUC Rule 9 Accountability and Auditing	Medium	Mandatory training for Contractors without a managed	The host manager should collaborate with the Contractor	SoCalGas will coordinate with Sempra HR IT, Identity & Access Management, and the Contractor

CPUC rule number	Risk level	Exceptions noted	KPMG recommendations	SCG Management Response
		Sempra laptop is dependent on system access through a Virtual Desktop Interface (VDI). Delays to this access prevents fulfilling essential onboarding requirements and hinders their compliance with required training protocols, particularly impacting roles that involve handling of Covered Information.	Onboarding Team and IT to ensure that new contractors are provisioned with access to the appropriate IT assets, including the Contractor Training System (CTS), at the time of onboarding that will enable them to promptly complete all required trainings.	Onboarding Team on possible process and system changes to mitigate these issues.
	Medium	The completion of the SCG utility-specific Customer Data Privacy Training for contractors assigned through the Contractor Training System (CTS) is not consistently monitored and enforced. 66 of 145 Contractors assigned the training in 2025 did not complete the training by the 2025 training assignment deadline (and 25 of the 66 contractors were still actively supporting SoCalGas at the end of 2025.) Note: As of the KPMG report issued in April 2026, nine contractors had not yet completed the required training.	Management should consider implementing a more comprehensive monitoring and enforcement process for contractor completion of the Customer Data Privacy training. This could include sending automated follow-up emails, as well as establishing escalation procedures (e.g., management involvement or termination of access to SCG system if the training is not completed within a certain number of days from assignment) for contractors who have not completed the training in a timely manner.	SoCalGas has an existing process in place to monitor and follow up on contractor training completion. We will enhance this process by developing a formal escalation procedure to help ensure contractors complete required Customer Data Privacy training in a timely manner. In addition, SoCalGas will evaluate the feasibility of enhancing the Contractor Training System (CTS) to support automated follow-up notifications for overdue training assignments.

Appendix I – Detailed assessment procedures and results

CPUC RULE 2 – Transparency (Notice)

Overall assessment result		Exceptions Noted: The email address provided in the SoCalGas Privacy Notice Regarding Energy Usage is not actively monitored, as evidenced by an inquiry seeking additional information that was not responded to for more than one month.
CPUC Rule 2	Rule description	When provided: Covered entities shall provide written notice when confirming a new customer account and at least once a year shall inform customers how they may obtain a copy of the covered entity's notice regarding the accessing, collection, storage, use, and disclosure of Covered Information and shall provide a conspicuous link to the notice on the home page of their website, and shall include a link to their notice in all electronic correspondence to customers.
b		

Assessment procedures	Assessment test results	Exceptions
1. Assess whether SoCalGas has documented policies addressing the provision of notice to customers of SoCalGas' data collection and handling techniques.	1.a. Reviewed SoCalGas' <i>Tariff Rule 42 Privacy and Security Protections for Energy Usage Data</i> and noted it provides guidance to SoCalGas employees regarding: • how to use and protect CEUD, • how the notice is provided to customers, and what it must include, • how customers can control their energy usage data, and • how SoCalGas must only collect, store, use, or disclose as much CEUD as necessary or authorized by the CPUC to meet specific operational or business needs. 1.b. Reviewed the SoCalGas <i>Customer Data Privacy Program Book of Privacy</i> and noted that the document also addresses the responsibilities of SoCalGas program member and states, "SoCalGas desires to work collaboratively with external partners to find ways to advance our customer privacy program and only share customer data required for the scope of work." 1.c. Viewed links to the <i>Privacy Notice</i> and <i>Privacy Policy</i> on SoCalGas' website. SoCalGas' <i>Privacy Notice</i> informs customers why SoCalGas collects energy usage information, how long SoCalGas retains their energy usage information, when SoCalGas shares energy usage information, how to view their energy usage information online, and how to view <i>Privacy Notices</i> online. SoCalGas' <i>Privacy Policy</i> governs information collected on its website and mobile apps and details the collection of Personal Information (e.g., name, address, contact information) for services like My Account and program enrollment, as well as Non-Personal Information (e.g., cookies, traffic data). The <i>Privacy Policy</i> further explains that Personal Information is not shared for third-party commercial purposes without consent but may be disclosed to comply with legal warrants or to third parties performing services for SoCalGas. The <i>Privacy Notice</i> mentions, "We [SoCalGas] will update this <i>Notice</i> as necessary and will inform customers of the update by posting the revised <i>Notice</i> on our website. We will also notify you annually to visit the most updated version of this <i>Notice</i>." 1.d. Visited Company website and noted the homepage contains a link to the privacy center where privacy-related links are attached, including: <i>Privacy Policy</i>, <i>Privacy Notice</i>, <i>Notice at Collection and California Consumer Privacy Act Policy</i>, <i>California Consumer Privacy Act Request</i>, and a link for the <i>Privacy Policy</i> and <i>Privacy Notice</i> in additional languages.	

Assessment procedures	Assessment test results	Exceptions
	1.e. Met with SoCalGas' Customer Data Privacy Team and noted there are three mechanisms used to share the <i>Privacy Notice</i>: • A copy sent to customers upon registration, • A billing insert sent every year, and • SoCalGas' website. 1.f. Met with members of the Customer Data Privacy Team and was informed that the <i>Privacy Notice</i> is reviewed when there are required updates, which may not be on an annual basis. and KPMG was informed that no updates have been made since 2023. If changes to the <i>Privacy Notice</i> are made, customers are informed with a billing insert and the <i>Privacy Notice</i> on the website is updated.	
2. Assess whether a procedure exists to assess whether new customers receive notice of the Company's privacy policy upon registration and annually thereafter.	2.a. Met with members of SoCalGas' Privacy Program and learned customers receive the <i>Privacy Notice</i> upon registration and annually. The <i>Privacy Notice</i> is also publicly available on the SoCalGas website. 2.b. Met with members of the Customer Data Privacy Team and was informed that new customers receive the privacy notice as an insert in their first bill; for those with paperless billing, a link to the notice is included. 2.c. Reviewed the <i>Start Service Request Confirmation</i> email and noted it contains links to the SoCalGas <i>Privacy Center</i> and <i>Privacy Notice</i>. Also reviewed the <i>Notice to New Customers</i> email and noted it contains the SoCalGas <i>Privacy Notice</i>. 2.d. Reviewed the November <i>Privacy Notice</i> annual bill insert and noted it contains a copy of the <i>Privacy Notice</i> and SoCalGas' <i>Privacy Policy</i> web address. This insert also includes contact information where customers can request a current or prior version of the <i>Privacy Policy</i> and obtain answers to any privacy questions, concerns, or complaints.	
3. Assess whether SoCalGas provides notice to customers on an annual basis and when signing up new customers as required by the CPUC regulation.	3.a. Reviewed the <i>Notice to New Customers</i> email, sent to new customers when confirming a new account, and noted it contains a written version of the SoCalGas <i>Privacy Notice</i>. Also reviewed the <i>Start Service Request Confirmation</i> email, a second email sent when confirming a new customer account and noted that this electronic correspondence to new customers includes a "Privacy Notice" link in the footer section.	

Assessment procedures	Assessment test results	Exceptions
	3.b. The November <i>Privacy Notice</i> bill insert was reviewed and confirmed to contain a complete copy of the <i>Privacy Notice</i>. The document also includes the web address for SoCalGas' online <i>Privacy Policy</i> and provides specific contact information for customers to request current or prior versions of the policy and to submit any questions, concerns, or complaints. 3.c. Visited SoCalGas' public website and noted a section for "Billing Inserts and Other Notices", including documents provided to customers from 1/1/2025 to 12/31/2025. The billing inserts within this section included copies of the SoCalGas <i>Privacy Notice</i> provided to customers with their bill in each month of the covered period. See site here: https://www.socalgas.com/regulatory/bill-inserts 3.d. See CPUC Rule 2b(2) for Test Results.	

CPUC Rule 2	Rule description	When provided: The notice shall be labeled Notice of Accessing, Collecting, Storing, Using and Disclosing Energy Usage Information (1) be written in easily understandable language, and (2) be no longer than is necessary to convey the requisite information.	
c(1)-(2)			
Assessment procedures		Assessment test results	Exceptions
1. Review SoCalGas' methods for providing customers notice about their privacy and accessing the <i>Privacy Notice</i> .		1.a. See CPUC Rule 2b for Test Results. 1.b. Visited SoCalGas' website and noted the phrase "Privacy Center" at the bottom of the homepage; clicking on it brings the user to the SoCalGas Privacy Center, which houses all privacy-related links, including links to the <i>Privacy Policy</i> and <i>Privacy Notice</i> . 1.c. Met with members of SoCalGas' Privacy Program and learned customers receive a copy of the Company's <i>Privacy Notice</i> upon registration and annually.	
2. Assess whether a procedure exists to review the readability of the <i>Privacy Notice</i> and make updates based on customer feedback related to readability and content.		2.a. Reviewed SoCalGas' <i>Privacy Notice</i> and noted customers can provide questions or concerns regarding the <i>Privacy Notice</i> . 2.b. SoCalGas' <i>Privacy Notice</i> , available online and provided as monthly billing inserts, includes normal font sizes, appropriate spacing, and it does not seem longer than necessary to convey the requisite information.	
3. Assess whether SoCalGas' <i>Privacy Notice</i> is written in an easy-to-understand language.		3.a. Performed a Flesch-Kincaid reading level test on the <i>Privacy Policy</i> and noted it was written at a college-level Flesch-Kincaid reading level. 3.b. Performed a Flesch-Kincaid reading level test on the <i>Privacy Notice</i> and noted it was written at a college-level Flesch-Kincaid reading level. 3.c. Noted the <i>Privacy Policy</i> and <i>Privacy Notice</i> are available in English, Spanish, Arabic, Armenian, Chinese, Farsi, Hmong, Khmer, Korean, Russian, Tagalog, Thai, and Vietnamese. Contact information is available in both English and Spanish to customers for comments, questions, or concerns regarding the <i>Privacy Policy</i> and <i>Privacy Notice</i> .	

CPUC Rule 2	Rule description	Content: The notice and the posted privacy policy shall state clearly— (1) the identity of the covered entity, (2) the effective date of the notice or posted privacy policy, (3) the covered entity’s process for altering the notice or posted privacy policy, including how the customer will be informed of any alterations, and where prior versions will be made available to customers, and (4) the title and contact information, including email address, postal address, and telephone number, of an official at the covered entity who can assist the customer with privacy questions, concerns, or complaints regarding the collection, storage, use, or distribution of Covered Information.	
d(1)-(4)			
Assessment procedures		Assessment test results	Exceptions
1. Understand the procedures in place to identify covered entities and assess whether the effective date is indicated in the relevant documentation.		1.a. Reviewed the <i>Privacy Notice</i> and noted it identifies SoCalGas as the covered entity. 1.b. Reviewed SoCalGas’ <i>Privacy Notice</i> available online and noted a section informing customers how to access past and current <i>Privacy Notices</i> . Customers may call 1-800-427-2200 (Residential Customers), 1-800-427-2000 (Business Customers), mail their request to the address provided for the Customer Privacy Program Manager, or email webmaster@socalgas.com . 1.c. Reviewed SoCalGas’ <i>Tariff Rule 42 Privacy and Security Protections for Energy Usage Data</i> , and noted the document identifies a ‘covered entity’ as: • SoCalGas or any third party that provides services to SoCalGas under contract, • Any third party who accesses, collects, stores, uses, or discloses Covered Information pursuant to an order of the Commission, unless specifically exempted, who obtains this information from SoCalGas, or • Any third party, when authorized by the customer, that accesses, collects, stores, uses, or discloses Covered Information relating to 11 or more customers who obtain this information from SoCalGas.	
2. Understand how the regulatory requirements, management review and approval process works, including potential alterations of the privacy policies.		2.a. Met with members of the Customer Data Privacy Team and noted that the last update to the Privacy Notice was in 2023 to revise the retention language. Although there is not a formally documented procedure for changes, the update process involved a review by senior legal counsel for appropriate language, and the Communications department helped with getting the new notices printed.	

Assessment procedures	Assessment test results	Exceptions
	2.b. Met with the Chief Counsel, Technology and Business Services for Sempra Energy and noted if the Commission were to adopt a new decision, Regulatory Lawyers would socialize this decision to necessary business groups. It is then the responsibility of the respective business units to implement the decision.	
3. Inspect original and revision dates of policies to assess if actual updates/edits are made before approvals.	3.a. Met with members of the Customer Data Privacy Team and noted SoCalGas has not made any significant changes to the <i>Privacy Notice</i> since 2023, which is outside of the Covered Period. 3.b. Observed an email communication from prior to the Covered Period documenting the review and approval of the <i>Privacy Notice</i> by Privacy Program Manager. 3.c. Observed communications evidencing there were no changes made to the <i>Privacy Notice</i> during the Covered Period.	
4. Assess how SoCalGas informs customers of any alterations to the Privacy Notice and where prior versions will be made available to customers.	4.a. Reviewed the <i>Privacy Notice</i> online and noted it informs customers changes to the <i>Notice</i> will be made as necessary and will be communicated on SoCalGas' website, socalgas.com. Customers will also be notified annually in a bill insert to revisit the most updated version of the <i>Notice</i> on the SoCalGas website. The website provides customers with a telephone number (800-427- 2200 for Residential Customers, 800-427-2000 for business customers), an email address (webmaster@socalgas.com), and a mailing address where individuals can request a current or prior version of the <i>Notice</i>. 4.b. Reviewed the <i>Privacy Policy</i> online and noted SoCalGas "reserves the right, at any time, and without notice, to add to, change, modify, or update the <i>Privacy Policy</i> by posting a revised policy on their website. When an update is posted the date of modification is edited accordingly." The website also provides customers with a telephone number and mailing address where individuals can ask any questions or comments regarding the website <i>Privacy Policy</i> or any other questions about the website, SoCalGas, or its services. 4.c. Emailed the webmaster@socalgas.com on 01/28/2026 and requested prior versions of the Privacy Notice in effect during the Covered Period and between 2022 through 2025. SoCalGas sent an automated response but did not respond to the request.	

Assessment procedures	Assessment test results	Exceptions
5. Observe whether SoCalGas' <i>Privacy Notice</i> identifies the title and contact information (including email address, postal address, and telephone number) of an official at SoCalGas, who can assist the customer with potential privacy questions, concerns, or complaints.	5.a. Reviewed SoCalGas' <i>Privacy Notice</i> and noted it includes contact information where customers can provide questions or concerns regarding the <i>Privacy Notice</i> . The contact information includes an email address (webmaster@socalgas.com), a mailing address directed to the Customer Data Privacy, a Residential phone number (1-800-427-2200) and Business Customer phone number (1-800-427-2000).	
6. Assess whether a specific person or group within SoCalGas is responsible or accountable for privacy and security policy development, implementation, monitoring, enforcing, and updating.	6.a. Reviewed the SoCalGas <i>Customer Data Privacy Program Book of Privacy</i> and noted the SoCalGas Customer Privacy Program was created to help ensure that the proper policies, practices, training, systems, and security practices are in place to protect the privacy of customer data. 6.b. Met with the members of the Customer Data Privacy Team and noted the Customer Services Vice President is the Customer Privacy Officer. Their team is responsible for setting policies, assuring customer data privacy across the organization, and achieving enterprise goals. 6.c. Obtained and reviewed job descriptions for the Privacy Program Team, responsible for privacy and security surrounding covered information, and noted: • The Customer Privacy Program Manager is the "privacy expert" responsible for the day-to-day activities of the Customer Data Privacy Program, including performing privacy assessments, managing third-party data sharing, and ensuring regulatory compliance. The Customer Privacy Business System Analyst II is the Energy Data Request Program (EDRP) Administrator responsible for the daily administration and execution of processes related to the Energy Data Request Program. i. This individual promotes and oversees the enforcement of privacy across business units; ii. Performs privacy assessments for specific use cases (Privacy Impact Assessments); iii. Assesses and recommends approval of contracts with consumer data sharing terms;	

Assessment procedures	Assessment test results	Exceptions
	iv. Oversees the EDRP; v. Prepares supporting documentation for the CPUC concerning consumer privacy practices; and vi. Manages privacy control monitoring and improvements in support of the annual audit process. • The EDRP Administrator (Customer Privacy Business System Analyst) manages and executes the daily processes related to sharing customer data with third parties, including the Energy Data Request Program. • All employees handling customer data and Covered Information are obligated to follow Company policies and procedures and are responsible for implementing and monitoring compliance with the <i>Privacy Policy</i>. 6.d. Met with SoCalGas' Customer Data Privacy Team and noted that the traditional responsibilities of a Chief Privacy Officer (CPO) are attributed to the VP of Customer Services. In addition, while there is not an official Privacy Steering Committee, the SoCalGas VPs and Senior VPs participate in an annual enterprise risk assessment to calibrate risk across the enterprise, for which privacy and cybersecurity are represented.	

CPUC RULE 3 – Purpose specification

Overall assessment result		No exception noted.
CPUC Rule 3 a(1)-(3)	Rule description	Categories of information: (1) Each category of Covered Information collected, used, stored, or disclosed by the covered entity, and, for each category of Covered Information, the reasonably specific purposes for which it will be collected, stored, used, or disclosed, (2) each category of Covered Information that is disclosed to third parties, and, for each such category, (i) the purposes for which it is disclosed, and (ii) the categories of third parties to which it is disclosed, and (3) the identities of those third parties to whom data is disclosed for Secondary Purposes, and the Secondary Purposes for which the information is disclosed.
Assessment procedures	Assessment test results	Exceptions
1. 1. Assess whether SoCalGas' Privacy Notice documents the (1) categories and purposes of Covered Information collected, used, stored, or disclosed, (2) each category of Covered Information that is disclosed to third parties and purpose of disclosure, and (3) the identities of those third parties with whom Covered Information is shared for Secondary Purposes.	1.a. Reviewed the <i>Privacy Notice</i> online and noted it provides: - The categories of information that will be collected from and about customers - How that information will be collected, used, and protected - In what cases customer information will be disclosed to third parties - To whom customer information will be potentially disclosed in the outlined circumstances (e.g., subpoena, emergency responders, as ordered by CPUC or as required by law) 1.b. Met with the Customer Data Privacy Team and was informed that SoCalGas has established processes for managing and tracking Covered Information shared with third parties. This includes a Third-Party Risk Assessment (TPRA) workflow and a Privacy Risk Notification process for when a third-party handles and processes Sensitive Personal Information (SPI). 1.c. Reviewed SoCalGas' <i>Rule No. 42 Privacy and Security Protections for Energy Usage Data</i> and noted the document provides the definition of primary uses of Covered Information: - Provide or bill for gas; - Provide for system, grid, or operational needs;	

Assessment procedures	Assessment test results	Exceptions
	• Provide services as required by state or federal law or as specifically authorized by an order of the Commission; or • Planning, implementing, or evaluating demand response, energy management, or energy efficiency programs under contract with the Utility, under contract with the Commission, or as part of a Commission authorized program conducted by a governmental entity under the supervision of the Commission.	
2. Assess whether SoCalGas tracks the categories of agents, contractors and other third parties to which they disclose Covered Information for a primary purpose.	2.a. Reviewed the <i>List of In-Scope Business Partners/Vendors</i> and noted the document lists vendors who have access to Covered Information. 2.b. Reviewed SoCalGas' <i>2024 Annual Privacy Report</i> submitted to the CPUC on April 30, 2025 and noted that SoCalGas disclosed Covered Information to 1090 third parties during the 2024 calendar year, which included suppliers, contractors, vendors under contract with SoCalGas, local governments, academic researchers, state and federal agencies who properly requested the data, and customer authorized third parties. 2.c. Reviewed SoCalGas' <i>Process for Tracking Customer Data Requests</i>, noting the process for handling customer data requests from local governments, which includes distinct procedures for community-aggregated and municipal facility data, and requires a Non-Disclosure Agreement prior to secure data transfer. 2.d. Reviewed the Procurement Policy, which provides guidance regarding the performance of systematic assessments and tracking of IT vendors with access to Covered Information is led by the Supply Management team. The Net Host Manager Program Overview and System Guide further clarifies that this is a collaborative effort involving other departments such as Corporate Security, Legal, and IT. 2.e. Met with members of the Sempra and SoCalGas Supply Management team (including supply chain technology/systems and policy compliance roles), and learned that when a business stakeholder wants to engage a vendor or supplier, they complete a Purchase Requisition (PR) in the procurement tool. The PR form asks if the engagement will involve sharing Confidential Information with the vendor or supplier, which would then trigger a Vendor Data Request (VDR) and a third-party risk assessment.	

Assessment procedures	Assessment test results	Exceptions
3. Assess whether a procedure exists to assess whether new customers receive notice of SoCalGas' reasons for collecting, using, storing, or disclosing Covered Information.	3.a. See CPUC Rule 2b(1) Test Results.	
4. Assess whether SoCalGas effectively monitors compliance with its collection, use, storage, and disclosure practices.	4.a. Reviewed the SoCalGas <i>Customer Data Privacy Program Book of Privacy</i> and noted that 'Monitoring and Enforcement' is a core component of its Privacy Management Framework, which includes monitoring compliance with its privacy policies and procedures. 4.b. Met with the Customer Data Privacy Team and members from the Legal Team and was informed that while the business unit is responsible for implementing changes and ensuring data integrity, the Customer Data Privacy Team's duties include providing the language for customer-facing privacy notices and tracking yearly compliance with CPUC guidelines. 4.c. Reviewed documentation associated with Internal Audits conducted in 2025 and noted that there were no audits conducted with specific relevance to Covered Information; however, the Audit Services 2025 audit plan did include an Internal Audit for SoCalGas that included broader customer data privacy implications for non-Covered Information. 4.d. Reviewed the SoCalGas <i>Customer Data Privacy Program Book of Privacy</i> and confirmed that SoCalGas tracks compliance with each section of CPUC Tariff Rule 42. This program includes a mandated 'independent audit of its data privacy and security practices' referred to as the Covered Energy Usage Data (CEUD) Privacy and Security Assessment, which is to be filled with the company's General Rate Case (GRC) filing.	

CPUC Rule 3	Rule description	Retention time:	
b		The notice required under section 2 shall provide— The approximate period of time that Covered Information will be retained by the covered entity;	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SoCalGas' <i>Privacy Notice</i> addresses the retention of Covered Information.		1.a. Reviewed the <i>Privacy Notice</i> and noted SoCalGas keeps energy usage information "only for as long as necessary to serve customers". The <i>Notice</i> also indicates, "retention periods vary based on the specific circumstances and business needs but will most typically be for ten years."	

CPUC Rule 3	Rule description	Customer limitation:	
c(1)		The notice required under section 2 shall provide a description of (1) the means by which customers may view, inquire about, or dispute their Covered Information	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SoCalGas' <i>Privacy Notice</i> and processes address customers' ability to view, inquire, or dispute their Covered Information or other PII.		1.a. Reviewed the <i>Privacy Notice</i> and noted it identifies how customers may contact SoCalGas with questions and to find out how they can limit, view, or dispute their disclosed information. Customers can contact SoCalGas by calling 1-800-427-2200 (Residential Customers) or 1-800-427-2000 (Business Customers), emailing webmaster@socalgas.com, mailing the provided address to the Customer Privacy Program Manager, or by signing into the customer's online account at socalgas.com/my-account/ 1.b. Reviewed SoCalGas' <i>Bill Insert</i> (Last Updated 2/1/2023) to customers, which included the SoCalGas <i>Privacy Notice</i>. The <i>Notice</i> states SoCalGas provides customers with the option to "find out how you can limit, view, or dispute your disclosed information" by contacting SoCalGas at: • Telephone: 1-800-427-2200 (residential) or 1-800-427-2000 (business) — Email: webmaster@socalgas.com — U.S. Mail: SoCalGas, Attn: Customer Privacy Program Manager, P.O. Box 1626, Monterey Park, CA 91754 1.c. Reviewed a sample <i>Start Service Request Confirmation</i> email for residential customers and a <i>Start Service Request Confirmation</i> email for business customers. These emails contain a link to SoCalGas' privacy center on the homepage of the SoCalGas website. The privacy center contains privacy-related links, including a link to the <i>Privacy Notice</i>. This online version of the <i>Notice</i> contains a telephone number, email address and postal address customers can use to view, inquire about, or dispute their Covered Information. 1.d. Met with members of the Customer Call Center Operations and from the Special Investigations team and was informed when a customer calls with a complaint or inquiry, the Customer Service Representatives (CSRs) registers it into the Customer Complaints Tracking System (CCTS) which is tied to the Customer Information System (CIS).	

Assessment procedures	Assessment test results	Exceptions
	1.e. Reviewed a sample customer bill and noted it provides the customer with a phone number (1-800-427-2200) for inquiries regarding their bills and account management. The customer bill also states that if the customer is not satisfied with SoCalGas' response, the customer can contact the CPUC at 1-800-649-7570 or by visiting www.cpuc.ca.gov/complaints/. 1.f. Reviewed the <i>Customer Complaint Elevation Guidelines</i> and the <i>Referral Chart for Elevated Written Complaints</i> and noted there is a process in place to escalate written, phone, and other customer complaints. 1.g. Reviewed the SoCalGas <i>Customer Data Privacy Program Book of Privacy</i>, which outlines the standard procedure for the Customer Data Privacy Team's response to customers asking to limit the sharing of their personal information. The standard response utilizes templates that refer to the <i>Privacy Policy</i> and <i>Privacy Notice</i>.	

CPUC Rule 3	Rule description	Customer limitation: The notice required under section 2 shall provide a description of – (2) the means, if any, by which customers may limit the collection, use, storage or disclosure of Covered Information and the consequences to customers if they exercise such limits.
c(2)		
Assessment procedures	Assessment test results	Exceptions
1. Assess whether SoCalGas' <i>Privacy Notice</i> addresses the explicit/implicit consent required to collect, use, and disclose Covered Information and other personal information.	1.a. Reviewed the <i>Privacy Notice</i> and noted it addresses implicit customer consent for primary purposes and explicit consent required for third party information sharing: — Sharing with third parties: SoCalGas may share Energy Usage information with service and energy-efficiency providers working with the company to fulfill primary purposes. • Other Third Parties: SoCalGas may ask for a customer's consent to share Energy Usage Information with other entities not related to these purposes. • Sharing at your choice: Customers can designate third parties to receive their information. • Sharing for other purposes: SoCalGas may release Energy Usage information pursuant to a legal process (such as a warrant or subpoena), to emergency responders in the case of imminent threat to life or property, or as ordered by the CPUC. The <i>Privacy Notice</i> also addresses customers' rights to limit the information provided to SoCalGas. See CPUC Rule 3c(2) Test Results. 1.b. Noted customers can fill out three different forms granting or revoking third parties' access to their Covered Information, depending on type of information and authorization: — CISR Form 8204: Authorization or Revocation to Receive Customer Interval Usage Information — CISR Form 8206: Authorization to Receive Customer Information or Act on a Customer's Behalf — CEC Utility Data Release Authorization Form: Authorization to Release Customer Information to the CEC on a Customer's Behalf for Proposition 39	

Assessment procedures	Assessment test results	Exceptions
	1.c. The <i>Consumer Information Processing Standard</i> requires that, in accordance with the California Consumer Privacy Act (CCPA), SCG must inform consumers of the categories of PII to be collected and the purposes for which each category will be used. This information must be provided via "Notice at Collection" at or before the point of collection, as outlined in the SCG external CCPA Policy. 1.d. Met with Customer Services Technical Advisor and was informed if a third-party requests information for a customer, a CISR authorization form must be issued. CISR forms are validated before any information is shared. 1.e. Reviewed the <i>Consent to Share Procedures and Governance</i> document specifies that SoCalGas must obtain "written paper or electronic customer consent for the disclosure to a third party of any customer specific information for non-business purposes." This consent is managed using designated forms, specifically Customer Information System Requests (CISRs) or Letters of Authorization (LOAs). The document also details the internal responsibilities for processing, validating, logging, and retaining these consent forms, which serves to demonstrate internal governance.	
2. Assess whether SoCalGas communicates to individuals the consequences of denying consent.	2.a. Reviewed the <i>Privacy Notice</i> and noted customers may dispute or ask questions by contacting SoCalGas through mail, email, or by phone. The <i>Privacy Notice</i> also states that the consequence for not providing consent to share Energy Usage information is that a customer may not be able to take advantage of the benefits of certain programs. 2.b. Reviewed SoCalGas' Website <i>Privacy Policy</i> and noted, a user may elect not to provide Personal Information and still retain access to most portions of the website. It states: "You may choose not to provide any Personal Information and you will still be able to access most portions of the web site." 2.c. Reviewed the 'We Support Customer Choice' web page publicly available on SCG's site and noted that for customers who do not want an Advanced Meter installed, SCG offers the Advanced Meter Opt-Out Program. This includes: How to Opt Out: To enroll in the program, the customer of record must call our Customer Contact Center at 1-800-427-2200.	

Assessment procedures	Assessment test results	Exceptions
	Opt-Out Fees: If you choose to opt out, you agree to pay an initial fee and a recurring monthly charge, as mandated by the California Utilities Commission (CPUC). Additional Details: The webpage includes detailed information comparing meter options and outlines what to expect regarding billing, manual meter reads, and program fees.	
3. Inspect SoCalGas' systems where Covered Information is collected to assess whether customers' implicit or explicit consent preferences are captured (before data transfer).	3.a. Reviewed SoCalGas' customer account online registration process and noted that to create an account, the customer must check a box acknowledging review and agreement to SoCalGas' My Account Terms and Conditions, which includes a checkbox to acknowledge and confirm agreement. 3.b. Reviewed SoCalGas' <i>Website Terms and Conditions</i> (publicly available at https://www.socalgas.com/terms-and-conditions) and noted: "Users must discontinue use of this Web site immediately if they do not agree or accept all of these Terms and Conditions." "Our privacy policy pertaining to any information obtained by Company from this Web site can be found in the Privacy section of the Web site. Additional privacy rules may apply as stated in portions of this Web site restricted for specific User services." 3.c. Reviewed <i>My Account Terms and Conditions</i>, which state: "You are subject to these My Account Terms and Conditions as long as you take part in My Account, including all its online services. By selecting the 'I Agree' button when registering for My Account, you are confirming that you accept these My Account Terms and Conditions (or any future modifications thereof) – as a pre-condition to your being granted access to My Account." 3.d. Reviewed the website <i>Privacy Policy</i> and noted it states: "By using our website or obtaining any product or service through our website, you agree to the collection and use of information as set forth in this policy. If you do not agree to this policy, please do not use the website." 3.e. SoCalGas' <i>Consumer Information Processing Standard</i> requires that, at or before the point of collection, consumer are informed of the categories of Personal Information (PI), including Covered Information, to be collected and the purposes for which each category will be used. This standard is put into	

Assessment procedures	Assessment test results	Exceptions
	practice via the "Notice at Collection" found within the external SoCalGas CCPA Policy.	

CPUC RULE 4 Individual Participation (Access and Control)

Overall assessment result		No exceptions noted	
CPUC Rule 4 a(1)	Rule description	Access: Covered entities shall provide to customers upon request convenient and secure access to their Covered Information— (1) in an easily readable format that is at a level no less detailed than that at which the covered entity discloses the data to third parties.	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SoCalGas' <i>Privacy Notice</i> addresses the provision of access to individuals to their Covered Information.		1.a. Reviewed SoCalGas' <i>Privacy Notice</i> and noted that customers can view their energy usage data online accessing <i>My Account</i> at www.socalgas.com/my-account/. 1.b. Reviewed <i>Ways to Pay</i> in the link above and noted it directs customers to register and create an account to retrieve their energy usage data online. 1.c. Reviewed SoCalGas' <i>Start Service Request Confirmation</i> email and noted it contains a link to <i>My Account</i> portal.	
2. Assess whether SoCalGas' internal policies describe the process for providing customers with access to their Covered Information.		2.a. Reviewed the <i>My Account</i> registration process and noted for customers to retrieve their energy usage data, they must be authenticated by enrolling and logging into the secure online customer portal. Once customers are authenticated and enrolled, they can view and retrieve their usage data. 2.b. Reviewed the internal <i>Safeguarding Customer Account Information</i> document detailing guidelines and procedures on how CSRs must authenticate a customer of record or an authorized third-party by obtaining two pieces of customer information prior to discussing Covered Information. 2.c. Reviewed the internal <i>Safeguarding Customer Account Information</i> document that specifies when customers call to request Covered Information, staff must first authenticate the caller's identity. Before any information is shared, staff are required to obtain two pieces of customer information: the name on the account, and either the bill account number or the complete address.	

Assessment procedures	Assessment test results	Exceptions
3. Assess whether customers can access their Covered Information in a detailed, yet easy-to-read format.	3.a. Reviewed the provided documentation, "User Access Portal and Energy Report", and a sample Monthly Usage Report and noted customers can access their energy usage information on the portal. Customers can export an <i>Energy Usage Report</i> containing up to 12 months of their energy usage data by clicking on the "Export to Excel" link. The online "My Account" portal provides customers with on-demand access to their energy usage data. 3.b. Reviewed an <i>Energy Usage Report</i> Excel sample and noted it contains information such as bill date, billed days, gas usage, average therms/day, total gas charges, average \$/day, and average daily temperature. This information is presented in a detailed and easy-to-read format. 3.c. Reviewed a sample <i>Home Energy Report</i> and noted they include information comparing the customer's usage details to those of similar homes and to similar homes considered "efficient."	

CPUC Rule 4	Rule description	Control: Covered entities shall provide customers with convenient mechanisms for— (1) granting and revoking authorization for secondary uses of Covered Information, (2) disputing the accuracy or completeness of Covered Information that the covered entity is storing or distributing for any primary or Secondary Purpose, and (3) requesting corrections or amendments to Covered Information that the covered entity is collecting, storing, using, or distributing for any primary or Secondary Purpose.	
b(1)-(3)			
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SoCalGas has a process in place for providing customers with access to grant and revoke authorization for secondary uses.		1.a. Reviewed the <i>Customer Correspondence Procedure – Processing 3rd Party Requests, which confirms that for customer-specific account information to be sent to a third party, a written authorization signed by the customer is required through the Customer Information Service Request form (CISR).</i> 1.b. Reviewed the <i>Process for Handling Requests for Customer Information (Including Obtaining Customer Consent)</i> and noted the process for a Third Party to request interval data on customer accounts with an advanced meter. 1.c. Reviewed the <i>Customer Correspondence Procedures - Processing 3rdParty Requests</i> and noted the internal procedures followed when a customer or third-party requests to have information sent to a third party. 1.d. Inspected sample <i>CISR</i> forms and noted customers must provide consent for disclosure of certain account information for a specified time period to designated third parties. In addition, the customer can revoke authorization at any time by completing the <i>CISR</i> form and checking the “revocation” box. 1.e. Met with Customer Services Technical Advisor and confirmed that if a third-party requests customer information, a “Consent to Share” form (8204 or 8206) must be issued. This process is decentralized, with each of the six departments involved being responsible for validating and maintaining their own records. 1.f. Met with Customer Relations Manager and confirmed that multiple departments (6) are involved with the disclosure of Covered Information across the company and that there is a plan to standardize the process across the departments.	

Assessment procedures	Assessment test results	Exceptions
2. Assess whether SoCalGas has a process in place for customers to access their Covered Information and dispute its accuracy and completeness.	2.a. Reviewed the <i>Privacy Notice</i> and noted customers have access to their Covered Information through monthly bills and their <i>My Account</i> online portal. Customers can also contact SoCalGas through phone, web, or mail with questions, concerns, or complaints. 2.b. Obtained and inspected a screenshot of a customer's online account and confirmed customers can access their CEUD through their <i>My Account</i> portal. 2.c. Met with Customer Contact Center Operations Support Manager and Customer Contact Center Supervisor and was informed CSSs are trained to help resolve common customer disputes, inquiries, or questions. If the representative is unable to resolve the issue, it is escalated to a supervisor. 2.d. Reviewed a sample customer bill and noted it provides the customer a phone number (1-800-427-2200) for inquiries regarding their bills and account management. The customer bill also states if the customer is not satisfied with SoCalGas' response, then the customer can contact the CPUC at 1-800-649-7570 or visit www.cpuc.ca.gov/complaints/.	
3. Assess whether SoCalGas has a process in place to make corrections or amendments to the collection, storage, use, or distribution of Covered Information upon a customer's request.	3.a. Reviewed the <i>Process for Handling Requests for Customer Information (Including Obtaining Customer Consent)</i> and noted that once the representative verifies a customer calling in as the customer of record, they can assist with making corrections or updates to the customer's account. 3.b. Reviewed the <i>Safeguarding Customer Account Information</i> document and noted that for escalated complaints regarding SCG's Privacy Policy, customers should be referred to the website (socalgas.com) and are advised to send an email to the Customer Privacy Program manager at webmaster@socalgas.com. 3.c. Reviewed SoCalGas' <i>Privacy Notice</i> and noted customers may contact SoCalGas through phone, email, or mail to limit, view, or dispute disclosed information. 3.d. Reviewed a sample customer bill and noted it provides the customer a phone number (1-800-427-2200) for inquiries regarding their bills and account management. The customer bill also states if the customer is not satisfied with SoCalGas' response, then the customer can contact the CPUC at 1-800-649-7570 or visit www.cpuc.ca.gov/complaints/.	

CPUC Rule 4	Rule description	Disclosure pursuant to legal process: (1) Except as otherwise provided in this rule or expressly authorized by state or federal law or by order of the Commission, a covered entity shall not disclose Covered Information except pursuant to a warrant or other court order naming with specificity the customers whose information is sought. Unless otherwise directed by a court, law, or order of the Commission, covered entities shall treat requests for real-time access to Covered Information as wiretaps, requiring approval under the federal or state wiretap law as necessary. (2) Unless otherwise prohibited by court order, law, or order of the Commission, a covered entity, upon receipt of a subpoena for disclosure of Covered Information pursuant to legal process, shall, prior to complying, notify the customer in writing and allow the customer seven days to appear and contest the claim of the person or entity seeking disclosure. (6) On an annual basis, covered entities shall report to the Commission the number of demands received for disclosure of customer data pursuant to legal process or pursuant to situations of imminent threat to life or property and the number of customers whose records were disclosed. Upon request of the Commission, covered entities shall report additional information to the Commission on such disclosures. The Commission may make such reports publicly available without identifying the affected customers, unless making such reports public is prohibited by state or federal law or by order of the Commission.
c(1)-(6)		

Assessment procedures	Assessment test results	Exceptions
1. Assess whether SoCalGas has procedures in place to help ensure proper handling and documentation of any Covered Information data disclosures for legal reasons.	1.a. Reviewed SoCalGas' <i>Privacy Notice</i> and noted customers are informed SoCalGas may release energy usage information for the following reasons: • pursuant to a legal process (such as a warrant or subpoena), • to emergency responders in the case of imminent threat to life or property, • as ordered by the CPUC, or • as otherwise required by law. 1.b. Reviewed the <i>Consumer Information Processing Standard</i> and noted SoCalGas will not disclose or share consumer information without customer consent except for the case of specific exceptions or a primary purpose. 1.c. Reviewed SoCalGas' <i>Rule 42- Legal Process Request Policy and Processes</i> and noted when a subpoena or legal request includes Covered Information, the SoCalGas Subpoena Department is required to notify customers in writing and allow them seven days to appear and contest the claim.	

Assessment procedures	Assessment test results	Exceptions
	1.d. SoCalGas' <i>Rule 42- Legal Process Request Policy and Processes</i> also states the following steps for responding to a legal request for Covered Information: • Upon receipt of a legal process request, determine if Covered Information is being requested. • If Covered Information is requested, prepare and send a Notice to the customer to inform the customer of the request for Covered Information. If the customer does not respond within seven days, the Covered Information may be disclosed. If the customer does provide a motion or objection, await the outcome prior to disclosing the Covered Information. • Regardless of what is being requested, anytime a legal process response is prepared ensure all Covered Information has been redacted unless the three steps above have been followed. 1.e. Reviewed the internal <i>Safeguarding Customer Account Information</i> which states that SoCalGas employees may not disclose customer-specific account information to any third-party, Company affiliate, or government agency (including Police and Fire Departments) without the customer's prior written consent or a subpoena. 1.f. Met with Senior Litigation Paralegal and Senior Litigation Counsel and noted subpoenas are received via mail or fax. All subpoenas are sent to Senior Paralegal within the Law Department. If Covered Information is requested, a <i>Notice of Disclosure of Energy Usage Data</i> is sent to the customer and allows seven days for the customers to contest the subpoena. SoCalGas' Law Department manages, tracks, and reports disclosures pursuant to legal process, including the statistics provided in SoCalGas' <i>Annual Privacy Report</i>.	
2. Inspect documentation regarding disclosure of Covered Information pursuant to a legal purpose to test whether SoCalGas properly handled the demand.	2.a. Reviewed a redacted Customer <i>Notice of Subpoena for Disclosure of Energy Usage Data</i> sent to a customer on October 28, 2025. 2.b. Inspected SoCalGas' <i>AMI Usage Subpoena Log</i> and noted in 2025, there was 14 subpoena requests. The log indicates that no customers responded to the <i>Notice of Disclosure of Energy Usage Data</i>. 2.c. Reviewed the <i>Customer Notice of Subpoena for Disclosure of Energy Usage Data</i> sent to specific customer(s) noted in the subpoena prior to SoCalGas	

Assessment procedures	Assessment test results	Exceptions
	disclosing Covered Information. Noted customers are provided a seven (7) day notice to respond to the demand pursuant to SoCalGas' legal process.	
3. Inspect the Annual Report submitted to the Commission to test whether SoCalGas reported the number of demands received for disclosure of customer data pursuant to a legal process and the number of customers whose records were disclosed.	3.a. While the <i>2025 Annual Privacy Report</i> is not available as of the date of this report, KPMG had access to and reviewed SoCalGas' <i>2024 Annual Privacy Report</i> submitted to the CPUC on April 30, 2025 and noted during calendar year 2024, SoCalGas received and answered 14 demands to disclose customer data pursuant to a legal process.	

CPUC Rule 4	Rule description	Disclosure of information in situations of imminent threat to life or property:	
d		These rules concerning access, control and disclosure do not apply to information provided to emergency responders in situations involving an imminent threat to life or property. Emergency disclosures, however, remain subject to reporting rule 4(c)(6).	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SoCalGas has procedures in place to help ensure proper handling and documentation of any Covered Information data disclosures in situations of imminent threat to life or property.		1.a. Reviewed SoCalGas' <i>Privacy Notice</i> and noted SoCalGas may disclose Covered Information without customer's prior consent to emergency responders in the case of imminent threat to life or property. 1.b. Reviewed the <i>Procedures for the Proper Handling of Covered Information in Situations of Imminent Threat to Life or Property</i> provided noting the SoCalGas procedures regarding such requests as: 1. Data requests related to a situation of imminent threat to life or property is directed to Corporate Security 2. Corporate Security then determines if the request was for customer information (PII) and/or covered information a. If the request is for customer information (PII) and/or covered information, then Corporate Security would direct the requestor to contact the law department and submit the request via subpoena b. Corporate Security will not disclose customer information (PII) c. Corporate Security does NOT have access to covered information. If there was a request for covered information, it would need to be fulfilled by the law department or Customer Operations Technology. i. If the law department receives this request, they would advise the requestor that a subpoena is required ii. If Customer Operations Technology received this request, the office of customer privacy would be involved 3. To date, corporate security has NOT received any requests for covered information in a situation of imminent threat to life or property	
2. Inspect documentation regarding disclosure of Covered Information in		2.a. Reviewed the <i>Procedures for the Proper Handling of Covered Information in Situations of Imminent Threat to Life or Property</i> and noted that SoCalGas has established procedures to govern the disclosure of Covered Information in	

Assessment procedures	Assessment test results	Exceptions
situations of imminent threat to life of property.	response to an imminent threat to life or property. All such requests are centrally directed to Corporate Security for initial assessment. If a request is determined to involve Covered Information, the requesting party is referred to the law department, and a subpoena is required to proceed. The fulfillment of the request is handled by either the law department or Customer Operations Technology, with the latter involving the office of customer privacy to ensure proper handling. To date, Corporate Security has not received any requests of this nature.	
3. Inspect the Annual Report submitted to the Commission to assess whether SoCalGas reported the number of demands received for disclosure of customer data pursuant to situations of imminent threat to life or property and the number of customers whose records were disclosed.	3.a. While the <i>2025 Annual Privacy Report</i> is not available as of the date of this report, KPMG had access to and reviewed SoCalGas' <i>2024 Annual Privacy Report</i> submitted to the CPUC on April 30, 2025 and confirmed SoCalGas received zero (0) requests to disclose Covered Information pursuant to situations of imminent threat to life or property. 3.b. Met with Senior Litigation Paralegal and reviewed the <i>AMI Usage Subpoena Log</i> and noted there were no requests due to imminent threat to life or property during 2025.	

CPUC RULE 5 Data Minimization

Overall assessment result		No exceptions noted
CPUC Rule 5	Rule description	Generally: Covered entities shall collect, store, use, and disclose only as much Covered Information as is reasonably necessary or as authorized by the Commission to accomplish a specific Primary Purpose identified in the notice required under section 2 or for a specific Secondary Purpose authorized by the customer.
a		
Assessment procedures	Assessment test results	Exceptions
1. Assess whether SoCalGas has Data Minimization procedures in place as they relate to the collection, storage, usage, and disclosure of Covered Information for Primary Purposes.	1.a. Reviewed SoCalGas' <i>Privacy Notice</i> and noted customer information is kept only for as long as necessary to serve customers and handle matters like billing disputes, inquiries, and system planning. Retention periods vary based on the specific circumstances and business needs, but will most typically be for 10 years. 1.b. Reviewed <i>Rule No. 42 Privacy and Security Protections for Energy Usage Data</i>, applicable to all SoCalGas employees, and noted SoCalGas has the following data minimization practices in place: - Collect, store, use, and disclose only as much Covered Information as is reasonably necessary or as authorized by the Commission to accomplish a specific primary purpose identified in the <i>Notice</i> or for a specific secondary purpose authorized by the customer. - Maintain Covered Information only for as long as reasonably necessary or as authorized by the Commission to accomplish a specific primary purpose identified in the <i>Notice</i> or for a specific secondary purpose authorized by the customer. - Covered entities shall not disclose to any third-party more Covered Information than is reasonably necessary or as authorized by the Commission to carry out on behalf of the covered entity a specific primary purpose identified in the <i>Notice</i> or for a specific secondary purpose authorized by the customer. 1.c. Reviewed SoCalGas' <i>Privacy Impact Assessment User Guide</i> and noted the purpose of the form is to facilitate resolution of privacy risk and compliance	

Assessment procedures	Assessment test results	Exceptions
	challenges in new and updated systems and business processes. The form lists a series of questions to precisely identify the sensitive customer information required to minimize the collection, storage, usage, and disclosure of Covered Information. 1.d. Reviewed the <i>Consumer Information Processing Standard</i> available to all SoCalGas employees on the privacy intranet site and noted that in subsection 3, "Data Minimization", under the section "Standards for Collection of Consumer Information," only the information necessary to complete the transaction or activity required should be collected. Departments collecting consumer information should document how each data element collected will be used and stored. 1.e. Met with Mass Market Credit and Collections Project Manager and Mass Market Credit and Collections Manager and was informed department employees are only allowed access to customer information strictly needed to perform their job function. In addition, SoCalGas has data minimization procedures in place. 1.f. During a walk-through of SoCalGas' Branch Office, KPMG noted SoCalGas has data minimization procedures in place, such as screens automatically locking, managers performing walk-arounds to secure unattended workstations, and a secure printing process that requires employees to use their badge to access documents sent to the printer. 1.g. Met with Director, Risk, Compliance, Audit & Privacy, and noted that the Customer Data Privacy Team performs PIAs to evaluate whether the proposed PI processing is necessary for the project to support data minimization requirements. 1.h. Reviewed a sample PIA performed during the Covered Period and confirmed that the Customer Data Privacy Team assessed data minimization as part of the assessment.	
2. Assess whether SoCalGas has Data Minimization procedures in place as they relate to the collection, storage, usage, and disclosure of	2.a. Met with the Customer Operations Team and was informed SoCalGas does not disclose Covered Information for Secondary Purposes unless formally authorized by the customer with a <i>CISR</i> form.	

Assessment procedures	Assessment test results	Exceptions
Covered Information for Secondary Purposes.		
3. Assess whether SoCalGas has internal privacy policies addressing Data Minimization.	3.a. Reviewed internal policy documents available to all employees and noted SoCalGas provides <i>Information Classification Guidelines</i> which outline the classification levels and the protections required for information at each level. In addition, the guidelines state that generally, information should be limited to the fewest number of individuals to reduce the risk of compromise or misuse. 3.b. Reviewed the SoCalGas <i>Data Privacy Program Book of Privacy</i> and confirmed it addresses CPUC data minimization regulatory requirements, noting the inclusion of a dedicated Data Minimization standard and alignment with CPUC regulations such as Tariff Rule 42. Reviewed the <i>Sempra Code of Business Conduct</i>, also applicable to SoCalGas, which obligates employees to protect any confidential information they learn or encounter in the workplace, including personal employee, business partner, and consumer information, and requires that access and usage be limited to authorized personnel and only for appropriate business purposes.	
4. Assess whether SoCalGas implements Data Minimization across User Access roles to systems and applications where Covered Information is stored, used, or processed.	4.a. During walk-throughs of the SoCalGas Customer Contact Center and Branch Office, employees were observed practicing data minimization principles. This is achieved through system controls where customer information is masked by default, requiring employees to take a specific, audited action to unmask only the information needed to complete a transaction or activity. These principles are further reinforced by secure printing protocols, which limit or disable printing to prevent unnecessary data exposure. 4.a. Reviewed the SoCalGas' <i>Consumer Information Processing Standard</i> and noted that only the information necessary to complete a required transaction or activity should be collected, and access to and usage of that information should be limited to authorized personnel for appropriate business purposes.	

CPUC Rule 5	Rule description	Data retention:	
b		Covered entities shall maintain Covered Information only for as long as reasonably necessary or as authorized by the Commission to accomplish a specific Primary Purpose identified in the notice required under section 2 or for a specific Secondary Purpose authorized by the customer.	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SoCalGas’ internal policies address a document retention policy covering all relevant aspects.		1.a. Reviewed SoCalGas’ internal <i>Information Management Policy</i> which applies to “All Employees of Sempra & the Sempra Companies,” and noted its overview defines Information Management as “the process of preservation, organization, and disposal of all Sempra Company related information.” This policy includes recordkeeping requirements to ensure records are appropriately classified, stored in an “Approved Information Repository,” and disposed of, with the Master Records Retention Schedule being based on “legal requirements, best practices and business needs.” The policy also includes links to related documents such as the <i>Legal Hold and Preservation Policy</i>, <i>Acceptable Use of Company Data</i> and <i>Information Systems Policy</i>, and the <i>Information Management</i> site. 1.b. Reviewed SoCalGas’ <i>Records Retention Schedule</i> and noted the schedule provides detailed retention periods for document classifications grouped by business functions, subjects, descriptions, and retention timeframes. 1.c. Reviewed SoCalGas’ <i>Data Destruction and Sanitization Guidelines</i> and noted the document describes guidelines for destroying and sanitizing data to protect customer data from misuse. All data should be securely destroyed after its retention period has ended. All media should be sanitized or destroyed when its data is no longer needed and before being discarded.	
2. Assess whether the SoCalGas retention policies are periodically reviewed and updated where necessary.		2.a. Met with Regulatory Compliance Advisor and was informed the record function (updating policies and record codes) is managed at Sempra corporate level. In addition, each SoCalGas business unit is assigned a Records & Information Management (RIM) Coordinator. Records retention schedules for each business unit are reviewed by the assigned RIM Coordinators on a quarterly basis. The RIM Coordinators ensure their departmental records retention schedule remains accurate and updated also on a quarterly basis. 2.b. Reviewed Sempra’s <i>Information Management Policy</i> and the <i>Records Retention Schedule</i>. The Retention Schedule is live document stored in IronMountain	

Assessment procedures	Assessment test results	Exceptions
	Connect that is updated when RIM Coordinators and business teams update their Retention Schedule. Sempra Legal maintains a change log of updates and noted that several record classes were updated during 2025; however, there were no changes to retention periods involving SoCalGas Covered Information or Energy Usage Information in 2025.	
3. Assess whether a management procedure exists to help ensure that documents are retained in compliance with Company policies and that records are kept for only as long as reasonably necessary.	3.a. Met with Regulatory Compliance Advisor function and noted the following: - RIM Coordinators are assigned to each business unit and they: i. are responsible for maintaining their departmental record retention schedule and providing guidance for records retention and cleanup ii. are required to take the <i>Records and Information Management Training</i> annually before the annual cleanup. - An annual clean-up begins during the second quarter, April – June, where every department "cleans up" their records ensuring they are compliant with the <i>Records Retention Schedule</i>. Compliance certification for every department occurs annually, and the certifications go through multiple levels of approvals, concluding with approval from the Records Office. - Records can be disposed on-site through a third party or electronically. Records disposed are logged.	
4. Inspect evidence that SoCalGas records are retained and disposed of in compliance with record retention policies.	4.a. Reviewed a sample <i>Disposal Log</i> receiving management approval from 7/7/2025, as shown via email screenshots within the workbook. The approved <i>Disposal Log</i> states the record title, record series code, record owner, etc.	
5. Inspect evidence that SoCalGas destroys documents that are no longer necessary or when the appropriate retention policy ends.	5.a. Reviewed a sample <i>On-site Records Disposal Log</i> and noted management approval was granted on July 07, 2025 to properly dispose of records. 5.b. Observed locked shred bins at facilities containing Covered Information during a walk-through of the SoCalGas Customer Contact Center, Branch Office, Credit Operations and Billing Department, and the Bill Print and Remittance Center. Noted a contracted third party performs on-site shredding of bin contents. If additional shredding is needed, the facility employees will request an additional pick-up from the third party.	

CPUC Rule 5	Rule description	Data disclosure:	
c		Covered entities shall not disclose to any third-party more Covered Information than is reasonably necessary or as authorized by the Commission to carry out on behalf of the covered entity a specific Primary Purpose identified in the <i>Notice</i> required under section 2 or for a specific Secondary Purpose authorized by the customer.	
Assessment procedures		Assessment test results	Exceptions
1. Understand SoCalGas' privacy policies to assess whether they: — describe the practices related to sharing personal information (if applicable) with third parties and the reasons for information sharing, — identify third parties or classes of third parties to whom personal information is disclosed.		1.a. Reviewed internal SoCalGas documentation and conducted interviews with SoCalGas personnel and noted information can be shared with third parties via: • <i>CISR</i> Form: Customers must sign and approve a <i>CISR</i> form before SoCalGas can disclose Covered Information with a third party • EDRP: SoCalGas can share aggregated and anonymized data with approved third parties • Contractual signed agreements between SoCalGas and approved vendors • As required by the CPUC • As required by legal processes 1.b. Reviewed the <i>Privacy Notice</i> and noted SoCalGas describes practices related to sharing personal information with third parties and the reasons for information sharing. Specifically, SoCalGas informs customers: • Primary Purposes: SoCalGas may share energy usage information with various other companies to serve you. These include service and energy-efficiency providers who are working with us to fulfill the primary purposes... • Customer's Choice: You can designate other companies to receive your information...Your express consent is needed to participate in some programs...prohibit SoCalGas...from releasing Energy Usage Information without the customer's written consent... • Other Purposes: We may release your energy usage information: 1) pursuant to a legal process (such as a warrant or subpoena), 2) to emergency responders in the case of imminent threat to life or property, 3) as ordered by the CPUC. 1.c. Reviewed a list of in-scope vendors with access to Covered Information during 2025 and confirmed there is a process to track vendors with access to Covered	

Assessment procedures	Assessment test results	Exceptions
	Information. Vendors are subject to contractual agreements, as well as to <i>Sempra's Supplier Code of Conduct</i>. 1.d. Reviewed CPUC-approved <i>CISR</i> forms and noted customers must provide written authorization to SoCalGas to allow a third party to receive customer information or act on the customer's behalf. In addition, the form states what rights are delegated to third parties, what information the third party is entitled to receive, and whether the authorization is provided on a one-time basis or on a longer-term basis (limited in duration to three years). 1.e. Reviewed documentation regarding the Data Request and Release Program (DRRP), also referred to as the <i>Energy Data Request Program (EDRP)</i>, and noted it provides specific third parties, such as local governments, state/federal agencies, community service development organizations and researchers of accredited academic institutions, access to energy usage and usage-related data. The data is provided at an aggregate level using standards set forth by the CPUC; however, a non-disclosure agreement (NDA) may be required for certain requests, particularly those involving customer-specific data. 1.f. Met with Customer Services Technical Advisor to discuss the SoCalGas "Consent to Share" process (also referred to as the <i>CISR</i> process), which governs sharing Covered Information with third parties. The meeting revealed that while a process requiring customer consent exists, its updated procedures have not been fully operationalized. We were informed that the Customer Correspondence Team often shares files containing Covered information with third parties using unsecure email. The customer must designate the specific type of information or a time period for sharing on the consent form through the use of CPUC-approved <i>CISR</i> forms. <i>[See the Exception associated with CPUC Rule 8a (2).]</i> 1.g. Reviewed CPUC-approved <i>CISR</i> forms (8204 and 8206) and noted the information is consistent with the process overview discussed with Customer Operations (Special Projects) and aligns with the Privacy function's role in managing customer consent and regulatory reporting. 1.h. Reviewed SoCalGas' <i>2024 Annual Privacy Report</i> dated April 30, 2025 and noted SoCalGas classified authorized third parties accessing Covered Information as contractors and vendors under authorized SoCalGas contracts.	

Assessment procedures	Assessment test results	Exceptions
	1.i. Reviewed <i>Supplier Code of Business Conduct</i> and noted Sempra instructs vendors to keep nonpublic information confidential. All nonpublic information must be appropriately secured and protected.	

CPUC RULE 6 Use And Disclosure Limitation

Overall assessment result		No exceptions noted
CPUC Rule 6	Rule description	Disclosures to third parties –
c(1)-(3)		(1) Initial disclosures by an electrical corporation: An electrical corporation may disclose Covered Information without customer consent to a third-party acting under contract with the Commission for the purpose of providing services authorized pursuant to an order or resolution of the Commission or to a governmental entity for the purpose of providing energy efficiency or energy efficiency evaluation services pursuant to an order or resolution of the Commission. An electrical corporation may disclose Covered Information to a third-party without customer consent a. when explicitly ordered to do so by the Commission; or b. for a Primary Purpose being carried out under contract with and on behalf of the electrical corporation disclosing the data; provided that the covered entity disclosing the data shall, by contract, require the third-party to agree to access, collect, store, use, and disclose the Covered Information under policies, practices and notification requirements no less protective than those under which the covered entity itself operates as required under this rule, unless otherwise directed by the Commission. (2) Subsequent disclosures: Any entity that receives Covered Information derived initially from a covered entity may disclose such Covered Information to another entity without customer consent for a Primary Purpose, provided that SoCalGas disclosing the Covered Information shall, by contract, require the third party receiving the Covered Information to use the Covered Information only for such Primary Purpose and to agree to store, use, and disclose the Covered Information under policies, practices and notification requirements no less protective than those under which the covered entity from which the Covered Information was initially derived operates as required by this rule, unless otherwise directed by the Commission. (3) Terminating disclosures to entities failing to comply with their privacy assurances: When a covered entity discloses Covered Information to a third-party under this subsection 6(c), it shall specify by contract, unless otherwise ordered by the Commission, that it shall be considered a material breach if the third-party engages in a pattern or practice of accessing, storing, using or disclosing the Covered Information in violation of the third-party's contractual obligations to handle the Covered Information under policies no less protective than those under which the covered entity from which the Covered Information was initially derived operates in compliance with this rule. If a covered entity disclosing Covered Information for a Primary Purpose being carried out under contract with and on behalf of SoCalGas disclosing the data finds that a third-party contractor to which it disclosed Covered Information is engaged in a pattern or practice of accessing, storing, using or disclosing Covered

		Information in violation of the third-party's contractual obligations related to handling Covered Information, the disclosing entity shall promptly cease disclosing Covered Information to such third-party. If a covered entity disclosing Covered Information to a Commission-authorized or customer-authorized third-party receives a customer complaint about the third-party's misuse of data or other violation of the privacy rules, the disclosing entity shall, upon customer request or at the Commission's direction, promptly cease disclosing that customer's information to such third-party. The disclosing entity shall notify the Commission of any such complaints or suspected violations.
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Assessment procedures	Assessment test results	Exceptions
1. Understand SoCalGas' privacy policies to assess whether they: — describe the practices related to sharing personal information (if applicable) with third parties and the reasons for information sharing, — identify third parties or classes of third parties to whom personal information is disclosed.	1.a. See CPUC Rule 5c for test results. 1.b. Reviewed SoCalGas' <i>2024 Annual Privacy Report</i> dated April 30, 2025 and noted SoCalGas classified third parties with access to Covered Information into three categories: • Customer authorized third parties • Vendors under contract • Local governments, academic researchers, and state and federal agencies who have properly requested the data	
2. Assess whether SoCalGas informs customers that personal information is disclosed to third parties only for the purposes (a) identified in the Privacy Notice, and (b) for which the individual has provided implicit or explicit consent, or as specifically allowed or required by law or regulation before data is disclosed to third parties.	2.a. Reviewed the <i>Privacy Notice</i> and noted SoCalGas only discloses customer information to: • Contracted third parties • Parties as ordered by the CPUC • Third parties • Legal processes via subpoena or warrant • Emergency responders in cases of imminent threat to life or property 2.b. Reviewed SoCalGas' <i>CISR Form 8206</i> and <i>CISR Form 8204</i> and noted by completing the forms, customers authorize a specified third party to request and receive the customer data stated on the form. To complete the forms,	

Assessment procedures	Assessment test results	Exceptions
	customers must provide their signature stating the customer understands they may cancel the authorization at any time by submitting a written request. • <i>CISR Form 8206: Authorization to Receive Customer Information or Act Upon A Customer's Behalf</i> collects customer's authorization for a third party to receive customer information (such as billing history and account data) or act on a customer's behalf. Customers must specify whether this is a one-time authorization, a one-year authorization, or determine an expiration date, which is limited in duration to three years. • <i>CISR Form 8204: Authorization or Revocation of Authorization to Receive Customer Interval Usage Information</i> collects customer's authorization or revocation of a third party to request and receive natural gas interval usage data only. For this form, customer may authorize access for a specific date range or for an indefinite period until the authorization is revoked. 2.c. Met with members responsible for the Customer Information Service Request (CISR) process and confirmed SoCalGas has procedures for handling disclosures of "Covered Information." The process requires separate customer authorization via specific forms (e.g., Form 8204 and Form 8206) for sharing data, which aligns with the principles of Tariff Rule 42. Tariff Rule 42 states separate authorization must be obtained by customers for all disclosures of Covered Information (except for legal processes, imminent threat to life or property, or as authorized by the Commission). 2.d. Reviewed SoCalGas' <i>Safeguarding Customer Account Information</i>, a document used by CSRs/CCRs and noted that upon receipt of third-party data requests for customer information, CSRs/CCRs mail <i>CISR</i> forms to customers to acquire authorization. CSRs/CCRs notify the customers and the third parties that upon receipt and verification of consent, information is released within 10 business days. 2.e. See CPUC Rule 2c(2) for test results.	
3. Assess whether SoCalGas communicates specific instructions for handling personal information and the consequences of improper	3.a. Reviewed Sempra's <i>Supplier Code of Business Conduct</i> and noted the document states policies regarding information protection and confidentiality:	

Assessment procedures	Assessment test results	Exceptions
disclosure to the third-party prior to disclosing the information.	- Information may only be used for Sempra Energy business and must be in accordance with all applicable laws, regulations, and contractual obligations. - Non-public information provided by the Company and/or its business partners include financial, customer, employee or other business information. Non-public information accessed by suppliers must be limited to only that information that is required to perform the contracted work. Nonpublic information must be kept confidential and only be disclosed to those subject to Sempra's confidentiality provisions if it is necessary for the performance of the Supplier's work. - Nonpublic information must be appropriately secured and protected. - Suppliers will not make any announcements or release any information on behalf of Sempra Energy without prior and appropriately authorized written consent of Sempra Energy. 3.b. Inspected confidentiality and non-disclosure clauses in a sample <i>Master Service Agreement (MSA)</i> between SoCalGas and a supplier with access to Covered Information and noted it includes a definition of Covered Information, governance regarding the handling of customer information, and consequences of improper disclosure. 3.c. Inspected confidentiality and non-disclosure clauses in a sample <i>NDA</i> between SoCalGas and a supplier with access to Covered Information and noted it includes a definition of confidential information, governance regarding the handling of customer information, and consequences for noncompliance. 3.d. Reviewed documentation related to SoCalGas' <i>Energy Data Request Program</i> and noted data should be used only for the purpose specified in the request. 3.e. Reviewed the <i>Sempra Procurement Policy</i> and noted it outlines policies, procedures, and guidance for procurement purposes, and noted contractors are not allowed to commence work until a valid contract is in place. 3.f. Obtained and inspected a sample MSA and NDA executed between SoCalGas and a vendor with access to Covered Information and noted they include confidentiality and data privacy provisions mentioning potential breach of contract damages should the third party not adhere to contract terms.	

Assessment procedures	Assessment test results	Exceptions
	Additionally, the contracts restrict use of confidential information solely for the purposes stated in the contract.	
4. Understand whether third-party contracting documentation is consistent with the SoCalGas' policies and procedures.	4.a. Met with the Value Capability Manager, members of the IT Vendor Management Office (IT VMO) and members of the Supply Management/Supply Chain team, and was informed of the following: - Contractors are not allowed to commence work until a valid contract is in place. - Once a contract is signed, the contracted business unit that owns the relationship is responsible for managing the vendor's performance and the offboarding process, as typically governed by the Statement of Work (SOW). - If Covered Information (CI) is shared with a vendor, an Information Security Requirements (ISR) schedule is required as part of the contract. - Several evaluations and oversight processes may occur before and during a contract's lifecycle: i. The IT VMO acts as a workflow facilitator, primarily for Tier 1 vendors, and does not perform risk assessments or make approval decisions. ii. A Cyber Risk Evaluation is conducted by the Cybersecurity Engineering & Consulting team which involves security questionnaires and a review of the vendor's SOC (Service Organization Control) reports to assess their security posture. iii. Continuous monitoring is in place, by the IT VMO and deeper involvement from the cyber team occurs for any escalations or identified risks. 4.b. Was informed by the Customer Data Privacy Team that before onboarding a vendor, a questionnaire is used as part of a "third-party review assessment workflow," and the information is entered into a centralized data management application that was launched in April 2025. The Customer Data Privacy Team participated in the pilot of a new cybersecurity engineering process where this initial review determines whether further cyber assessments are needed under	

Assessment procedures	Assessment test results	Exceptions
	a new, three-tiered model. Vendor assessments performed prior to April 2025 followed a similar workflow; however, done outside of the central application. 4.c. Met with the Director of Systems & Technology, Data, Platforms, and PTFO Governance, and the Value Capability Manager and was informed that for low-risk systems, self-attestation is used to confirm adherence to published cybersecurity standards. Higher-risk systems, however, are subject to a full assessment that includes control validation and remediation tracking. 4.d. Reviewed the <i>Customer Privacy Third-Party Review Questionnaire</i> used by the SoCalGas Customer Privacy Program and Cybersecurity Team to perform a review of third parties that receive SoCalGas data and noted SoCalGas asks numerous questions relating to the entity's use of customer data before providing data to a third party. In addition to asking questions relating to the entity's use of customer data, they actively verify the safeguards implemented by the vendor by reviewing third-party assessment reports (e.g., SOC reports), requesting security certifications, and assessing security-related language during contract negotiations to ensure risks are addressed before providing data to a third party. 4.e. Reviewed the <i>Sempra Procurement Policy</i> and noted contractors cannot commence work until a valid contract is in place. 4.f. Reviewed the <i>Supplier Code of Business Conduct</i> which states customer information should only be used for Sempra Energy business and all nonpublic information must be kept confidential. 4.g. Reviewed the <i>Information Security Requirements</i>, included in technology agreements, and noted contractors certify that their products contain the necessary security to meet all applicable laws and regulatory requirements for storing, processing, and transmitting data – including, but not limited to, personally identifiable information (PII), credit card and financial information, and audit records – and agree to allow third-party validation of said compliance. 4.h. Inspected a sample MSA and sample signed Amendment to No.6 to Agreement which are used when contracting with third parties, and noted they include a confidentiality clause governing the handling of Covered Information. Contractors shall not disclose any confidential information to any third party without prior written consent from SCG or as required by law. The contract	

Assessment procedures	Assessment test results	Exceptions
	template includes a clause for breach of contract damages if the third party fails to adhere to the terms.	
5. Inspect sample evidence of acknowledgments/certifications from third parties regarding compliance with SoCalGas' data privacy policies.	5.a. See CPUC Rule 9c (3b) for test results. 5.b. Obtained and inspected a sample of six executed vendor contracts with access to Covered Information. Noted that privacy and security provisions exist in all six contracts. 5.c. Reviewed sample <i>Sempra SEW Third Party Assessment and Attestation Form 3.0</i> which SoCalGas uses to ask vendors a series of security questions. Vendors provided responses and signed to attest they provided truthful responses.	
6. Assess whether SoCalGas has a process in place to review contract compliance for third parties accessing or receiving Covered Information.	6.a. Met with members of the Customer Data Privacy Team and was informed that the Cyber Engineering Consulting CEC team is part of an assessment team that reviews projects and systems that host or store company data, such as those being moved to the cloud. An initial risk-based assessment is performed on new projects and systems, and continuous automated monitoring is implemented for cloud environments. These reviews are initiated through direct requests, architecture reviews, or other control functions as part of the project's System Development lifecycle. Reviews of third parties are triggered if: • a company will host or store data outside of the SCG network • SCG receives a breach notification of a company that hosts or stores SCG data • a vendor with access to Covered Information had a breach 6.b. Inspected contract template Additional Terms and Conditions included in contracts between SoCalGas and vendors with access to Covered Information and noted it includes a "Right to Audit" clause in which SoCalGas has the right to conduct compliance reviews, audits, or other verifications on the contracted company. 6.c. Reviewed the IS Third Party Assessment and Attestation form and noted it asks a series of security infrastructure, monitoring, compliance, and data security questions the contractor is required to fill out before a contract is executed. 6.d. Reviewed SoCalGas' Customer Privacy Third Party Review Questionnaire used by the SoCalGas Customer Privacy Program and Information Security to perform a review on third parties that receive SoCalGas data and noted the	

Assessment procedures	Assessment test results	Exceptions
	document outlines questions regarding the purpose and scope of the data request and the third party's internal procedure for handling sensitive information.	

CPUC Rule 6	Rule description	Secondary purposes:	
d(1)-(3)		No covered entity shall use or disclose Covered Information for any Secondary Purpose without obtaining the customer’s prior, express, written authorization for each type of Secondary Purpose. This authorization is not required when information is— (1) provided pursuant to a legal process as described in 4(c) above; (2) provided in situations of imminent threat to life or property as described in 4(d) above; or (3) authorized by the Commission pursuant to its jurisdiction and control.	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SoCalGas engages in Secondary Purposes, and assess if procedures are in place to: — notify individuals and obtain their consent prior to disclosing personal information to a third-party for purposes not identified in the Privacy Notice, — document whether SOCALGAS has notified the individual and received the individual’s consent, — monitor that personal information is being provided to third parties only for uses specified in the Privacy Notice.		1.a. Met with SoCalGas (SCG) personnel from Customer Ops (Special Projects) and was informed that SCG requires customer consent via standardized CPUC-approved CISR forms 8204 and 8206 prior to the disclosure of Covered Information to third parties, along with specifying the time period for sharing the information. 1.b. Inspected SoCalGas’ <i>Procedure for Processing Third Party Requests</i> and noted the Customer Energy Solutions (CES) department reviews and processes third-party requests for secondary purposes. The <i>CISR Form 8206</i> is required to verify authorization from the customer of record to release account information to the third party. 1.c. Reviewed the SoCalGas <i>Customer Data Privacy Program Book of Privacy</i> and noted customer consent through a <i>CISR form</i> is required to release to Third Parties any data for a secondary purpose. 1.d. Met with the Customer Data Privacy Team and was informed SoCalGas does not share Covered Information for Secondary Purposes without customer authorization.	
2. Assess whether SoCalGas has secondary use authorization forms customers sign to authorize use of Covered Information for secondary uses.		2.a. See CPUC Rule 6c(2b) for test results.	

Assessment procedures	Assessment test results	Exceptions
3. Inspect evidence that customer consent authorizing use of Covered Information for Secondary Purposes is documented.	3.a. Reviewed SoCalGas' <i>CISR Form 8206: Authorization to Receive Customer Information or Act Upon A Customer's Behalf</i> and <i>CISR Form 8204: Authorization or Revocation of Authorization to Receive Customer Interval Usage Information</i> and noted by completing the forms, customers can authorize a specified third party to request and receive the customer data stated on the forms. 3.b. Met with the Customer Operations team including the Customer Operations (Special Projects) Senior and was informed while a semiannual QA review process is documented to validate the accuracy and completeness of these forms, it is not currently implemented due to resource constraints.	

CPUC Rule 6	Rule description	Customer authorization: (1) Authorization. Separate authorization by each customer must be obtained for all disclosures of Covered Information except as otherwise provided for herein. (2) Revocation. Customers have the right to revoke, at any time, any previously granted authorization. (3) Opportunity to Revoke. The consent of a residential customer shall continue without expiration, but an entity receiving information pursuant to a residential customer’s authorization shall contact the customer, at least annually, to inform the customer of the authorization granted and to provide an opportunity for revocation. The consent of a non-residential customer shall continue in the same way, but an entity receiving information pursuant to a non-residential customer’s authorization shall contact the customer, to inform the customer of the authorization granted and to provide an opportunity for revocation either upon the termination of the contract, or annually if there is no contract.	
e(1)-(3)			
Assessment procedures		Assessment test results	Exceptions
1. Assess whether customers receive the Privacy Notice and must provide separate authorization if information is being used for a new Secondary Purpose.		1.a. See CPUC Rule 5c for test results. 1.b. Reviewed the SoCalGas <i>Customer Data Privacy Program Book of Privacy</i> and noted customer consent through a <i>CISR</i> form is required to release data to third parties for a secondary purpose. 1.c. Reviewed SoCalGas’ <i>Safeguarding Customer Account Information</i> , an internal guidance document followed by Customer Service Representatives, and noted representatives are instructed to inform customers that a completed <i>CISR</i> form is required for customer information to be sent to a third party. 1.d. Reviewed the <i>CISR</i> form templates and noted customers can provide authorization and consent for disclosure of specific account information to designated third parties. • For CISR Form 8206, which covers general customer information, the authorization can be for a single-consent, a one-year authorization, or for a specified period of time as designated by the customer (for up to three years). • For CISR Form 8204, which covers interval usage data, the authorization can be for a specified date range or for an indefinite period until it is revoked.	

Assessment procedures	Assessment test results	Exceptions
2. Understand how customers are notified of their right to revoke any previously granted authorization and the process to do so.	2.a. Reviewed <i>Privacy Notice</i> and noted customers are informed they can limit or dispute third parties' use of previously authorized access to Covered Information. 2.b. Reviewed <i>CISR Form 8204</i> and <i>CISR Form 8206</i> and noted to complete the form, customers must provide explicit consent and sign an acknowledgment clause stating, "I understand that I may cancel this authorization at any time by submitting a written request." 2.c. Met with the Customer Operations (Special Projects) Senior and was informed customers can limit the length of their authorization on the <i>CISR</i> form. Once a form expires, another form needs to be completed to continue data sharing. To revoke access, the customers can fill out another <i>CISR</i> form and check the "revocation" box. 2.d. Reviewed the SoCalGas <i>Customer Data Privacy Program Book of Privacy</i> and noted customer consent is required to release any data of a secondary nature to third parties. The document also explains that the <i>CISR</i> form is a CPUC-approved form collecting customer authorization for SoCalGas to release customer information to a third-party and it describes the process for a customer to revoke their authorization. 2.e. Reviewed a sample <i>CISR Form 8206</i> and noted customers can specify what types of covered information is authorized as well as the duration of authorization. The specific types of information are included to be requested and/or received are: • Customer billing records, billing history and all meter usage data used for bill calculation • EPA Benchmarking • Copies of correspondence in connection with the customers' account • Investigations of the customers' utility bills • Special metering data in association with the account • Rate analysis • Rate changes	

Assessment procedures	Assessment test results	Exceptions
	• Verification of balances on customer accounts and discontinuance notices The specific duration of these requests is for: • Single-use authorization • One-year authorization • Custom authorization up to three years	

CPUC Rule 6	Rule description	Parity:	
f		Covered entities shall permit customers to cancel authorization for any Secondary Purpose of their Covered Information by the same mechanism initially used to grant authorization.	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SoCalGas has a process in place to allow customers to cancel authorization for any Secondary Purposes.		1.a. See CPUC Rule 6e(2) for test results.	

CPUC Rule 6	Rule description	Availability of aggregated usage data:	
g		Covered entities shall permit the use of aggregated usage data that is removed of all PII to be used for analysis, reporting or program management provided that the release of that data does not disclose or reveal specific Covered Information because of the size of the group, rate classification, or nature of the information.	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SoCalGas' Privacy Notice or internal policies address the use of aggregate information.		1.a. Reviewed SoCalGas' <i>Consumer Information Processing Standard</i> and noted customer information can be released to third parties for legitimate business reasons when it has been sufficiently aggregated, anonymized, or pseudonymized to hide the customer's identity. 1.b. Examined <i>Rule No. 42- Privacy and Security Protections for Energy Usage Data</i> and noted SoCalGas is permitted to use aggregated usage data once removed of all personally identifiable information. 1.c. Reviewed the <i>Data Request and Review Process (DRRP)</i> document and noted SoCalGas has the DRRP to provide specific third parties access to energy usage and usage-related data. If publicly available data is insufficient for the third party, additional information can be requested through the DRRP for legitimate business reasons. Third parties using this program include local governments, state/federal agencies, community service development organizations, and researchers of accredited academic institutions. The DRRP was created to provide these third parties with aggregated (not customer-specific) data that follows the aggregation standard set forth by the CPUC, and for which customer consent is not required.	
2. Assess whether SoCalGas has a procedure in place to help ensure aggregate information does not disclose or reveal specific Covered Information.		2.a. Met with members of the Customer Data Privacy Team and was informed that data shared externally is highly aggregated and mandated by the CPUC. A formal process occurs for data requests, which are handled through the Energy Data Request Program (EDRP). The Customer Data Privacy Team stated that information requests are not released without customer consent, with the exception of data processed through the EDRP. 2.b. Reviewed <i>Data Request and Review Process (DRRP)</i> documentation and noted eligible third parties are: - Local governments - State/federal agencies	

Assessment procedures	Assessment test results	Exceptions
	- Community service development organizations - Researchers of accredited academic institutions access 2.c. Reviewed SoCalGas' <i>Energy Data Request Program (EDRP)</i> webpage available on SoCalGas' website and noted it contains: - Quarterly reports containing total monthly sum and average of customer gas usage by zip code and customer class (residential, commercial, industrial). These reports follow CPUC procedures regarding aggregation rules and are accessible by the public - Instructions for eligible third parties to submit requests for customized reports of aggregated data - Data request log that allows requestors to see the status of their submitted requests - A downloadable EDRP Offline Worksheet to gather the required information, then transferred to the online form for submission. 2.d. See CPUC Rule 6g(1) for test results.	

CPUC RULE 7 Data Quality and Integrity

Overall assessment result		No exceptions noted	
CPUC Rule 7	Rule description	Covered entities shall ensure that Covered Information they collect, store, use, and disclose is reasonably accurate and complete or otherwise compliant with applicable rules and tariffs regarding the quality of energy usage data.	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SoCalGas' privacy policies address the quality of Covered Information and other Customer PII.		1.a. Reviewed <i>Sempra Employee Code of Conduct</i> and noted employees are required to protect the security and integrity of information. 1.b. Reviewed the <i>Information Protection Standard</i> and noted the Information Owner of each business unit is a manager or director responsible for protecting Information Assets. 1.c. Reviewed the <i>Consumer Information Processing Standard</i> and noted employees and contractors are to ensure they collect, store, use, and disclose reasonably accurate and complete or otherwise compliant with applicable rules and tariffs consumer personal information. 1.d. Reviewed <i>Supplier Code of Conduct</i> and noted third parties are required to maintain accurate records and disclosures.	
2. Inspect sample communication to customers to assess whether SoCalGas policies include customer data integrity.		2.a. Reviewed SoCalGas <i>Privacy Notice</i> and noted customers can limit, view, or dispute their disclosed information by contacting SoCalGas at: - Email address: webmaster@socalgas.com - Mailing address to the Customer Data Privacy - Residential Telephone: 800-427-2200 2.b. Reviewed screenshots of the setup process of the <i>My Account</i> portal and noted before customers can create an account, they must check a box confirming they have reviewed and agreed to the <i>My Account Terms and Conditions</i> , which states the customers have read and agreed to comply with the <i>My Account Terms and Conditions</i> addressing it is the customers' responsibility for preserving the confidentiality of their account information.	

Assessment procedures	Assessment test results	Exceptions
	2.c. Reviewed SoCalGas Website <i>Terms and Conditions</i> and noted a “User Account” section which places the responsibility for preserving the confidentiality of log-on and user account information on the customer. The website <i>Terms and Conditions</i> also prompts customers to contact SoCalGas with any questions or comments.	
3. Assess whether procedures are in place that: — edit and validate personal information as it is collected, created, maintained, and updated, — specify when the personal information is no longer valid.	3.a. Reviewed the <i>SoCalGas Customer Data Privacy Program Book of Privacy</i> and noted SoCalGas’s standards on data minimization instruct that only the personal information necessary to complete a specific transaction or activity should be collected. The use of this information is limited to the purposes identified in formal agreements and notices. The policy further requires that customer information be securely disposed of once it is no longer required for the purposes for which it was collected, with procedures in place to obtain a Certificate of Destruction to verify secure disposal. 3.b. Reviewed <i>Sempre Information Management Policy</i> and noted employees must read the policy and dispose of information accordingly, with an annual certification of compliance required for all Directors (and managers reporting to a Vice President) and above, and Information Management Officers. 3.c. Reviewed SoCalGas <i>Consumer Information Processing Standard</i> and noted employees and contractors are to ensure the consumer personal information they collect, store, use, and disclose is reasonably accurate.	
4. Inspect sample evidence to assess whether procedures are in place to safeguard personal information is sufficiently relevant for the purposes for which it is to be used and to minimize the possibility that inappropriate information is used to make business decisions about the individual.	4.a. Reviewed SoCalGas <i>Privacy Notice</i> and noted retention of energy usage data and personal information is addressed: “SoCalGas will keep your Energy Usage information only for as long as necessary to serve you and handle matters like billing disputes, inquiries and system planning. Retention periods vary based on the specific circumstances and business needs, but will most typically be for ten years.” 4.b. Inspected the <i>My Account</i> registration process and noted that to complete registration, customers are required to agree to the “MyAccount Terms and Conditions,” where it is stated that, “As a My Account user, it is your responsibility to ensure that the contact and other required information in your user profile is current and accurate, and updated promptly if necessary, including your name, address, phone number and email address”, under the Contact Information and Banking Changes section	

Assessment procedures	Assessment test results	Exceptions
	4.c. Met with Billing Operations team members and was informed when SoCalGas processes bills, validations are run against the data. If data fails the validation, an exception occurs, is tracked online, and is reviewed by a member of the billing team to be resolved. It was noted that reports are used to validate billing accuracy, investigate these exceptions, and support compliance reviews. 4.d. Reviewed SoCalGas' <i>Safeguarding Customer Account Information Procedures</i> and noted employees are instructed with guidelines and procedures to reinforce SoCalGas' existing policy on confidentiality of customer specific information, and to not disclose customer specific information to any third party, SoCalGas affiliate, or persons not acting as the customer's agent without the customers' prior written consent or a subpoena. 4.e. Reviewed the SoCalGas <i>Customer Data Privacy Program Book of Privacy</i>, which details the categories of consumer Personal Information (PI) collected and outlines the specific exceptions to its data destruction and retention policies.	

CPUC RULE 8 Data Security

Overall assessment result		Exceptions Noted: 1) Sempra has documented policies and standards that require applications and systems to be appropriately classified based on the sensitivity of the data stored within the system to help enforce data and system-level protections and safeguards commensurate with the respective information classification level. During 2025, it was noted that several in-scope systems storing Covered Information were classified with an incorrect information classification label that was less restrictive than the actual data stored within the system or the system was not classified. As a result, the appropriate data protection controls may not be enforced in the system as required by Sempra policies and standards. 2) Although Sempra has security measures in place to protect and ensure Data Privacy, some standalone network printers in the Sempra environment are not integrated into the Follow Me system, which allows employees to print directly to these printers and bypass the required secure printing process 3)
CPUC Rule	Rule description	Generally: Covered entities shall implement reasonable administrative, technical, and physical safeguards to protect Covered Information from unauthorized access, destruction, use, modification, or disclosure.
a		
Assessment procedures	Assessment test results	Exceptions
1. Assess whether SoCalGas has documented policies addressing security provisions for Covered Information: — Risk assessment and treatment — Security policy — Organization of information Security — Asset management	1.a. Met with the Senior Director, Cybersecurity and inspection of documentations provided, and noted that Sempra's mission, vision, and strategic objectives are aligned with NIST Cybersecurity Framework. It was also noted that the following policies/procedures/standards/guidelines are in place to address security provisions for SoCalGas, including Covered Information. These documents also explain the procedure and remediation plans based on each Common Vulnerability Scoring System scoring model score. This policy is applicable and accessible to all employees of Sempra Energy and is published on the SharePoint and Sempra IS intranet site. 1.b. Reviewed the <i>Risk Management Guide</i> and noted that Sempra has a comprehensive risk assessment guide with complete instructions for completing risk assessments, developing a risk response strategy, and monitoring and	

Assessment procedures	Assessment test results	Exceptions
— Human resources security — Physical and environmental security — Communications and operations management — Access control — Information systems acquisition, development, and maintenance — Information security incident management — Business continuity management — Compliance	reporting risk status with the objective of determining the level of risk presented to the organization. Metrics are formally documented and aligned with the principles and guidelines of ISO 27001 and ISO 31000. It was also noted that the risk assessment process is conducted on an annual basis. This policy is applicable and accessible to all employees of Sempra Energy and is published on the Sempra IS intranet site. 1.c. Reviewed the <i>Cybersecurity Awareness Standard, Physical Security Policy, and the Physical Security Standards</i>, and noted that these policies outline access controls to company facilities, conditions for entry, access control practices, badge access authorization, and security planning and equipment. The policies are published on the Sempra IS intranet site accessible to all Sempra employees, vendors, and contractors. 1.d. Reviewed the Sempra Information Security SharePoint site and noted that company's Cybersecurity Policy & Procedures site is accessible to all Sempra employees, vendors and contractors and includes various cybersecurity policies, standards, guidelines, and procedures. 1.e. Met with the Director, Chief Information Security Officer (CISO) Sempra Energy and the Director, Cybersecurity & Chief Information Security Officer for SoCalGas and SDG&E and was informed that the Cybersecurity function at Sempra consists of Cybersecurity for Sempra Energy and then Cybersecurity at the Operating companies (e.g. SCG and SDG&E). There is a CISO for Sempra Energy and a CISO for the Operating Companies. Sempra Energy provides overarching cybersecurity governance with policies and standards, awareness and training, Insider Risk and DLP, while the utility cybersecurity functions operationalize cybersecurity processes to ensure safeguarding protecting operational infrastructure and customer data with guidelines designed to ensure service continuity, regulatory compliance, and effective preparation for, response to, and recovery from cyber incidents. 1.f. Reviewed the <i>Hardware Asset Management Process</i> and the <i>Data Destruction & Media Sanitation Guidelines</i> and noted that these policies describe in detail the process for tracking the lifecycle of hardware IT assets throughout the assets lifecycle. These policies describe in detail the process by which Sempra employees and all affiliates shall handle data storage locations, retentions periods, data classifications, and the methods of destruction for each type of	

Assessment procedures	Assessment test results	Exceptions
	classified data, including Covered Information. It was observed during the interview with stakeholders that before disposal, all assets must be inspected by IT to determine data retention requirements. 1.g. Reviewed the Asset Management, IT Asset Decommission, and Reuse Procedure and noted that the procedures for deciding whether assets should be disposed of or reused are clearly outlined. These policies are applicable and accessible to all employees of Sempra Companies and are published on the Sempra IS intranet site. 1.h. Reviewed the <i>HR Background and Screening Policy, Employment Verification and Reference Checks Policy & Employment Eligibility & Hiring of Relatives Policy</i> and outlines the requirement to conduct background checks on all external candidates prior to hiring. Also noted that Sempra utilizes Third-Party agency to conduct professional preemployment background checks and reference checks and preemployment drug screening. These policies are applicable and accessible to all employees of Sempra Energy and are published on the IS Security intranet site. 1.i. Reviewed the <i>Physical Security Policy & Corporate Security Standard</i> documents and noted that physical and environmental security requirements are formally documented. 1.j. Reviewed the <i>Information Protection Standard</i> and noted that data encryption requirements are formally documented. 1.k. Reviewed the <i>Encryption Standard</i> and noted that encryption requirements and remote access encryption requirements are formally documented. 1.l. Reviewed the <i>Email Management Standard</i> and noted that requirements for managing email communications are formally documented. 1.m. Reviewed the <i>Social Media Guidelines</i> and noted that expectations around Sempra personnel conduct while engaging in social media activity that relates in any way to Sempra Energy are formally documented. 1.n. Reviewed the <i>Electronic Access Management Standard</i> and the <i>Identity & Access Management (IAM) Cybersecurity Standard</i> and noted that access control requirements are formally documented.	

Assessment procedures	Assessment test results	Exceptions
	1.o. Reviewed the <i>IT Portfolio Management Office (IT PMO) SharePoint</i> site and noted that the information systems acquisition, development, and maintenance process are formally documented. 1.p. Reviewed the <i>Cybersecurity Incident Detection and Response Policy</i> and noted that cybersecurity incident management procedures are formally documented. The document outlines Sempra's cybersecurity incident response, detailing steps to protect infrastructure and data for service continuity. It includes guidelines for preparing for, responding to, and recovering from incidents, ensuring compliance and operational integrity, and maintains a cybersecurity emergency response plan and data breach playbook. 1.q. Reviewed the <i>Information Technology Disaster Recovery Policy</i>, as well as the <i>Business Continuity Policy</i> and noted that business continuity management and IT disaster recovery requirements are formally documented. 1.r. Reviewed the <i>Information Security Guidelines</i> and noted that these policies describe in detail the process for tracking the lifecycle of hardware IT throughout the assets lifecycle. These policies describe in detail the process by which Sempra employees and all affiliates shall handle data storage locations, retentions periods, data classifications, and the methods of destruction for each type of classified data classified, including Covered Information. 1.s. Reviewed the <i>BES Asset Recovery Standard</i> and noted that it formally documents the implementation requirements for recovery plans to restore Bulk Electric System (BES) assets following major failures, ensuring compliance with NERC CIP standards and mandating regular testing, updates based on lessons learned, adjustments for organizational or technological changes, and how each recovery plan is tested and documented. 1.t. Reviewed the <i>Supplier Code of Business Conduct</i>, the <i>Information Security Policy</i>, and the <i>Information Protection Standard</i> and noted that the requirements for compliance with applicable privacy legislation and regulations are formally documented.	
2. Assess whether SoCalGas' privacy policies and procedures cover protection of electronic and print media containing Covered	2.a. Reviewed the <i>Privacy Policy</i> and <i>Information Security Policy</i> and noted that these policies address how SoCalGas employees, contractors and third parties should handle Covered Information including per "Section 3: Encryption of Information Assets" of the Information Security Policy that Covered Information	Sempra has documented policies and standards that require applications and

Assessment procedures	Assessment test results	Exceptions
Information from unauthorized access, destruction, use modification or disclosure.	must be appropriately classified and sensitive data in transit is encrypted per CEMAIL-3.9 & CEMAIL-4.0 of Cybersecurity Email Standard 2.b. Reviewed the <i>Data Destruction and Sanitization Information Security Guidelines</i> and noted that the guidelines describe in detail the process of securely destroying data and sanitizing media at Sempra Energy, specifying methods for different media types, verification steps, and the importance of maintaining data destruction records. 2.c. Reviewed the <i>Information Protection Standard</i> and noted that it requires the Classification of Information Assets, including systems and applications, based on the sensitivity of the data stored within the information asset. In addition, the standard mandates the level of protection and control requirements to safeguard information commensurate with the information sensitivity classification. 2.d. Inspected SoCalGas <i>System Profiles</i> for the in-scope systems containing Covered Information and noted that several systems were classified at a less restricted classification level based on the actual data stored in the system with lower security requirements.	systems to be appropriately classified based on the sensitivity of the data stored within the system to help enforce data and system-level protections and safeguards commensurate with the respective information classification level. During 2025, it was noted that several in-scope systems storing Covered Information were classified with an incorrect information classification label that was less restrictive than the actual data stored within the system or the system was not classified. As a result, the appropriate data protection controls may not be enforced in the system as required by Sempra policies and standards.
3. Assess whether a management procedure exists to monitor compliance with the security provisions in the policy and	3.a. Reviewed the <i>Information Management Policy</i> and noted that all directors (and managers reporting to VPs) and above are required to certify annually that their department is in compliance with the policy. 3.b. Reviewed the <i>Code of Business Conduct</i> and noted employees are required to complete compliance training and to acknowledge that they understand and will	

Assessment procedures	Assessment test results	Exceptions
instances of noncompliance are identified and remediated.	comply with the Code. Failure to adhere to the standards of conduct outlined in the Code could result in disciplinary action, up to and including employment termination. 3.c. Reviewed the <i>Risk Exception SharePoint Site</i> as well as the <i>Exception Form Sample</i> and noted that a formal exception is required to be submitted by risk owners who request exceptions from Sempra policies, procedures, standards, or requirements and must include a business justification and mitigation steps. Risk exceptions will expire one year after the exception approval and require an annual extension if the requirement cannot be met. 3.d. Met with members of Sempra Enterprise and the Operating Utilities Cybersecurity teams and was informed that both administrative and technical controls, such as risk assessments, vulnerability scans, DLP, and endpoint protection tools, are in place to monitor attempted exfiltration of Covered Information. The team also has procedures to remediate instances of non-compliance.	
4. Review evidence of SoCalGas providing customers with the Privacy Notice on the security mechanisms used by SoCalGas to protect their Covered Information.	4.a. See CPUC Rule 2b for test results. Reviewed the SoCalGas Privacy Notice and noted that it addresses SoCalGas's approach to securing the Covered Information provided by customers. 4.b. Reviewed the SoCalGas <i>Privacy Notice</i> that is available on https://www.socalgas.com/privacy-notice and noted that it addresses the security mechanisms used by SoCalGas to protect Covered Information. Reviewed the Privacy Policy and noted that "Sempra and its Sempra Companies respect the privacy of every employee and customer and collects and retains private, personal information only as required by law or for the company to operate effectively. Observed that the Privacy Notice includes references to the security mechanisms Sempra employs to protect Covered Information under "Section 3.3: Protect and Secure Handling of Information Assets" Information Protection Standard: We must protect and limit access to personal employee, business partner and customer information, limiting access and usage only to authorized personnel and only for appropriate business purposes." 4.c. Reviewed the <i>Privacy Policy</i> and noted that "Sempra and its Sempra Companies respect the privacy of every employee and customer and collects and retains private, personal information only as required by law or for the company to operate effectively. We must protect and limit access to personal employee,	

Assessment procedures	Assessment test results	Exceptions
	business partner and customer information, limiting access and usage only to authorized personnel and only for appropriate business purposes."	
5. Review evidence that SoCalGas' policies on Data Security are communicated to internal employees and contractors who have access to Covered Information.	5.a. Reviewed the <i>Information Security Policy</i> and the <i>Privacy Policy</i> and noted that these policies are published on the Sempra IS intranet site, which is accessible to all Sempra employees and contractors with network access, and it provides guidance on data privacy for Sempra Energy. 5.b. Reviewed the <i>Confidentiality Policy</i> and noted it is published on the Legal intranet site accessible to all Sempra employees and noted that "Sempra and the Sempra Companies respect the privacy of every customer. Sempra and the Sempra Companies collect and retain a certain amount of customer-specific information that is required to effectively provide reliable, safe, and cost-effective services for our customers. Sempra and the Sempra Companies have implemented policies and procedures that protect and limit access to customer-specific information and comply with all applicable laws that govern confidential customer information." 5.c. Reviewed the <i>Service Agreement and Non-Disclosure Agreement templates</i> and the Confidentiality Clauses and noted that Contractors must use, protect, and refrain from disclosing confidential information without consent, return or destroy materials upon request. 5.d. Reviewed the <i>Cybersecurity Awareness Standard</i> and noted that the company provides employees and contractors with ongoing cybersecurity education and training. The program includes Cyber Champions, who are volunteers trained to foster strong relationships and communicate cybersecurity best practices throughout the organization. 5.e. Met with members of the Sempra Cyber Safety team and was informed that Sempra increases the awareness around data privacy and cybersecurity through online training and awareness campaigns and monitoring of employee adherence to relevant policies and procedures.	
6. Assess whether a management procedure is in place to monitor whether SoCalGas manages its	6.a. See CPUC Rule 8a (1d) for test results. 6.b. Met with Cybersecurity Risk & Compliance Manager and was informed that a cybersecurity operations team and CEC team have been established. The team provides regular updates on identified risks (e.g., cyberattacks, data loss) and	

Assessment procedures	Assessment test results	Exceptions
security program to help ensure the protection of Covered Information.	the mitigation efforts. The team reports to the board on high-risk findings and progress to the cybersecurity workplan quarterly. 6.c. Reviewed <i>the Cybersecurity Engineering & Consulting - Risk Rating Procedure</i> and noted that the team maintains risk management process for making management decisions on security, privacy, and risks. Formal approvals from Cybersecurity and Customer Data Privacy Teams are required prior to new production releases and upgrades. If a project does not meet the necessary cybersecurity control requirements, then a risk exception is documented and sent for review and approvals. 6.d. Reviewed the Cybersecurity Governance Standard and noted that it provides guidance to Sempra employees and contractors on how to implement the risk management framework, and the risk tiers are defined and formally documented. The policy risk exceptions are documented and accessible to Sempra employees on the SharePoint site. Additionally, the requirement includes conducting an annual risk assessment as well as performing regular vulnerability assessment scans on all systems that store Covered Information. 6.e. Met with Principal, Manager, and Cybersecurity stakeholders and noted that Sempra has a process for risk treatment and it is documented in the <i>Cybersecurity Governance Standard</i> which is accessible for all employees on the SharePoint. A security risk assessment process is in place that mandates recurring reviews based on assessed risk levels (e.g., for Critical (P1/P2), High (P3), Medium (P4), and Low risks (P5), with a current focus on high-risk assessments conducted annually. System changes trigger separate reviews, and all changes, particularly significant ones, undergo thorough peer review and approval by the Change Advisory Board (CAB). 6.f. Reviewed the Risk Management Policy and Guide and noted vulnerability assessment scans and control monitoring are implemented for all CEUD systems, with regular issuance of vulnerability management reports. A risk ranking process is in place, allowing the team to prioritize addressing critical - high-risk security assessments. 6.g. Reviewed a sample <i>Cybersecurity Engagement Report</i> of a 2025 project involving Covered Information and noted that the Cybersecurity Engineering team reviewed the project components, including data, application,	

Assessment procedures	Assessment test results	Exceptions
	architecture controls, and assessed that the project met the minimum cybersecurity standards with no defects noted.	
7. Review SoCalGas' relevant policies to assess if SoCalGas incorporates security into their SDLC.	7.a. Reviewed the <i>Release and Environment Management Standard</i> and noted that all software development must comply with secure coding principles and practices throughout the stage gates across the SDLC. The requirements include secure coding, development and testing practices, security architecture design, and vulnerability management. 7.b. Met with Director, System and Technology and noted a minimum of two distinct individuals must approve any project deployment to the production environment, and it must be tested in the lower to higher environment. Project deployment involves multiple business units, and elevated risk must be reviewed and approved by the Policy Exception team before moving into production. 7.c. Met with Cybersecurity Risk & Compliance Manager as well as others from application/web development teams and was informed that Sempra uses an agile DevSecOps methodology, where security is moved forward within the SDLC to ensure security is incorporated into the process. Product owners and scrum masters will obtain the necessary approvals from the Cybersecurity and Customer Data Privacy Teams throughout the process. 7.d. Reviewed the <i>Information Security Engineering & Consulting Process</i> and noted that it applies to all types of IT products including software development and technology infrastructure. There are eight (8) phases, from concept to implementation into production, and each phase details the purpose and IS supporting activities. The process also includes roles and responsibilities.	
8. Assess whether SoCalGas uses appropriate facility entry controls to limit and monitor physical access to systems and locations where Covered Information is processed and stored.	8.a. Reviewed the supporting documents <i>Physical Security & Corporate Security Policy</i> and noted that the physical access controls are in place to protect Covered Information. 8.b. Reviewed the <i>Sempra Information Security intranet site</i> and noted the following controls are in place to protect Covered Information: • Access is controlled by badge access readers • Visitor sign-in and escort procedure	

Assessment procedures	Assessment test results	Exceptions
	• Visitor/Parking forms to identify and track visitors entering the facility 8.c. Met with Corporate Security Manager and was informed that physical access controls are in place to protect Covered Information. Performed site walk-throughs of the Semptra Production Data Center, SoCalGas Customer Contact Center, SoCalGas Credit Operations and Billing Department, Semptra Bill Print and Remittance Center, a SoCalGas Branch Office and observed that the following controls are in place: • Security guards are on-site 24/7 • Access is controlled by badge access readers • Visitor sign-in and escort is required • Clean desk/Clear screen policy • Covered Information is stored in locked cabinets • Office printers require secure print functionality to complete a print job • Locked shred bins are located in the facilities	
9. Assess whether SoCalGas has implemented procedures for protecting Covered Information including controls for physically securing all media.	9.a. Reviewed <i>Information Protection Standard</i> and noted that portable storage devices must be secured in a locked room, drawer, cabinet, or safe when not in use or unattended. 9.b. Reviewed the <i>Information Security Manager & User Standard</i> and noted that user requirements are outlined for actions that must be taken by any user to protect information and technology assets, including physically securing and encrypting media.	
10. Inspect whether physical records containing Covered Information are stored in locked cabinets or rooms restricting unauthorized access.	10.a. Performed site walk-throughs of key Semptra facilities including the SoCalGas Customer Contact Centers, Bill Print and Remittance Center, and Data Center and observed the following controls in place: • Badge access readers are installed throughout the facilities that restrict access to a particular area containing Covered Information. • CCTV cameras are installed at various locations around the perimeter. • Security Guards and visitor stations were in place at most building entryways.	Although Semptra has security measures in place to protect and ensure Data Privacy, some standalone network printers in the Semptra environment are not integrated into the Follow Me system,

Assessment procedures	Assessment test results	Exceptions
	• There are secure bins located throughout the facilities for securely discarding any sensitive information. • Secure printers were in place that require badge access and authentication prior to printing paper that may contain Covered Information. 10.b. Per testing, KPMG observed that although mechanisms are in place to prevent the exfiltration of data and files between the virtual desktop and an external environment, some standalone network printers are outside the Follow Me system which employees can use to print directly to circumvent printing standard and can be accessed directly via their IP addresses for printing.	which allows employees to print directly to these printers and bypass the required secure printing process.
11. Inquire of SoCalGas' personnel to gain an understanding of the logical control procedures in place to prevent unauthorized access to Covered Information.	11.a. Met with the Product Manager, IAM Manager and was informed that Semptra has adopted baseline user access management and access governance processes and tooling to govern user access to networks and systems storing Covered Information and a privileged access management solution has been implemented which also provides password management and privileged session recording. Further, additional logical controls have been implemented, including: • Access requests must be approved by system and information owners • Access accounts are provisioned based on a principle of least privilege • User access accounts are reviewed on a periodic basis 11.b. Met with the Product Manager, IAM and was informed that a privileged access management solution has been implemented which also provides password management and privileged session recording. Access rights are granted according to the principles of need-to-know and least privilege. Credentials for privileged user accounts are distinct from those used for regular business activities. The solution has been expanding to encompass more applications and business units. 11.c. Reviewed the <i>Identity & Access Management (IAM Cybersecurity Standard)</i> and noted that there is access management procedure for documenting proper authorization prior to granting access or privileges, ensuring swift termination of access when it's no longer needed, periodically reviewing roles and their associated privileges, and regularly assessing individuals and user accounts assigned to those roles.	

Assessment procedures	Assessment test results	Exceptions
	11.d. Reviewed the System Profiles for in-scope system and noted that access to systems with covered information must be approved by system and information owners, Access accounts are granted strictly according to the need-to-know principle and the principle of least privilege. All user access accounts are reviewed periodically to ensure they remain appropriate.	
12. Inspect evidence that logical controls are in place to prevent unauthorized access to Covered Information including user access provisioning and deprovisioning.	12.a. Reviewed the <i>Identity and Access Management Standard</i> and noted that formal procedures are in place to ensure both internal and external users' credentials are properly verified and authenticated into the Sempra environment. 12.b. Reviewed the sample Access Request and email and noted that requested access to systems in-scope requires Manager's or Designee's approval, and access is assigned based on a need-to-know basis. User accounts are periodically reviewed. 12.c. Reviewed one (1) sample user access requests and one (1) sample access removal for a system storing Covered Information and noted that an email chain is used to process the requests. Reviewed screenshots of the user profiles before and after the access requests and access removals and noted that the users were provisioned and deprovisioned in accordance with documented policies and procedures. 12.d. Inspected system profiles for SoCalGas in-scope systems storing Covered Information and confirmed that logical access controls are implemented on the systems in alignment with Sempra policy requirements.	
13. Review SoCalGas' relevant policies to assess if physical controls are in place protecting Covered Information.	13.a. Reviewed the <i>Physical Security Policy</i> and noted that controls around the physical protection of Covered Information are documented, including responsibility for managing access to facilities and performing continuous monitoring of facility perimeter controls. 13.b. Reviewed the <i>Enterprise Records and Information Management (ERIM) Standard</i> and noted that the operations group within ERIM is responsible for managing physical records storage, including records with Covered Information. This includes maintaining a chain of custody and taking appropriate security and fire-retardant measures. 13.c. Performed site walk-throughs of the SoCalGas Customer Contact Center, a Branch Office, and the Sempra Production Data Center that store Covered	

Assessment procedures	Assessment test results	Exceptions
	Information and observed that the physical access controls implemented were in alignment with Sempra policy requirements. 13.d. Validated through a site walk-through of the Sempra Bill Print and Remittance Center that the print operators could not see the Covered Information during the bill print and mail insert processes.	
14. Inquire of SoCalGas' personnel to gain an understanding of the controls protecting physical access to systems storing Covered Information.	14.a. Met with Data Center Facility Manager and was informed that the following physical security controls are in place: • Access to the facility is restricted, and the front entry gate is equipped with access card readers and motion detectors. The main front entrance door has an access reader and a mantrap. Cameras are placed throughout the facility and monitored by an on-site, manned guard station. • Access to server rooms is restricted by a dedicated fence surrounding the area and maintained by an electronic access management system. • Employees not assigned to the facility, contractors, and visitors are required to sign a visitor sheet and are escorted throughout the facility.	
15. Inspect evidence that physical access to sites and systems storing Covered Information is monitored and restricted.	15.a. See CPUC Rule 8a (14) for test results. 15.b. Reviewed the <i>Customer Operations - Major Markets Billing Compliance Management Framework Matrix</i> and noted that "to protect customer data, employees follow the "clean desk" policy, which mandates that no sensitive information is left unattended after the employee leaves the area. employees are required to shred or lock up all customer specific information." 15.c. Performed site walkthroughs of various SoCalGas facilities where Covered Information is handled, and observed that external doors, and certain interior entry doors have badge access readers to restrict access to authorized individuals. In addition, observed that the Clean Desk Policy and laptop stations were being followed.	
16. Review SoCalGas' relevant policies to assess if environmental controls are in place.	16.a. Reviewed the <i>Sempra Energy Utilities Critical Facilities Standards</i> and noted the following environmental controls implemented: • HVAC with chilled water to keep the temperature at an appropriate level • Condensers	

Assessment procedures	Assessment test results	Exceptions
	• Fire detection system, alarms, and fire suppression using a Halon and Sapphire system and sprinklers • Backup power supply and generators • Emergency power shutoff, and leak detection	
17. Inquire of SoCalGas' personnel to gain an understanding of the environmental controls to protect systems storing Covered Information from natural disasters and environmental disasters (such as fire or flooding).	17.a. Reviewed the <i>IT Disaster Recovery Policy</i> and noted that each tier includes recovery time objectives (RTOs), recovery point objectives (RPOs) impact descriptions, and recovery services. The policy also outlines roles and responsibilities. 17.b. Met with Data Center Facilities Manager and was informed that appropriate environmental controls are in place at the Production Data Center. 17.c. Performed a walk-through of the Sempra Production Data Center and observed that the environmental controls implemented are in alignment with Sempra policy requirements.	
18. Assess whether SoCalGas has the ability to transfer data to third parties using secure channels.	18.a. Met with Customer Services Technology Manager and was informed that a third-party risk review process is required to be completed as part of new vendor approvals, including a PIA and an IS risk assessment if they have access to any customer or employee information. 18.b. Met with Cybersecurity Risk & Compliance Manager and was informed that there are multiple secure file transfers methods used by Sempra, and between Sempra and its third parties. 18.c. Inspected system profiles for systems storing Covered Information and noted that the various systems are configured to provide/support protocols for secured authentication methods. 18.d. Reviewed the <i>Firewall Standard</i> documentation and noted that any changes to the Firewall rule will need appropriate approval to be secured through CAB.	
19. Assess whether SoCalGas has deployed an automated tool on network perimeters that monitors for Customer PII, keywords, and other document characteristics to discover unauthorized attempts to	19.a. Met with Cybersecurity, Risk & Compliance Domain Architect and was informed that Sempra's next-generation firewalls, including Intrusion Prevention System (IPS)/Intrusion Detection System (IDS) functionality. The firewalls are deployed at multiple points on the network. Logs are sent to Security Information and Event Management (SIEM) tool, and all alerts are monitored and reviewed by a 24/7 SOC. Sempra is in the process of transitioning to a new firewall rule	

Assessment procedures	Assessment test results	Exceptions
exfiltrate data across network boundaries and block such transfers while alerting information security personnel.	automation system that will help streamline firewall integrations. The firewall change automation system will be implemented after the Covered Period under review. 19.b. Reviewed the <i>Network Security Standard</i> and noted that systems with Covered Information are securely segmented from the Sempra intra network environment. 19.c. Met with Cybersecurity Operations Manager, and was informed that there are controls in place to monitor attempts to exfiltrate data across the network boundaries: • There is a firewall change request process that requires approval prior to the implementation of any firewall changes. • There is an extra security measure in place for DLP to actively monitor emails with sensitive data, and it is documented on the Sempra intranet for employees, contractors, and affiliates. • A data loss prevention (DLP) tool is implemented to detect data leakage and exfiltration attempts of Covered Information across the network boundaries. • Once flagged, a DLP Analyst will review the incident and determine if it is a true positive. If a true positive is found, the incident is escalated to the appropriate departments. Any follow-up actions that may be needed are determined by the Cybersecurity team. • Firewalls are deployed at Data Centers through the firewall change request process to detect and detonate any detected malicious or rogue files. Noted "Section 1.4 DMZ Standard" system connected to the DMZ must be scanned by Cybersecurity for vulnerabilities before being opened to the internet and it is formally documented in Sempra Network Security Standard. 19.d. Observed that the DLP tool is configured to flag instances of unauthorized data exfiltration across the network. 19.e. Reviewed the <i>Mobile Device Management Standard</i> as well as the <i>End User Computing Device Policy</i> and noted that mobile device management tool is implemented to manage mobile data leakage.	

Assessment procedures	Assessment test results	Exceptions
20. Assess whether SoCalGas has deployed an automated tool on workstations that monitors for Customer PII, keywords, and other document characteristics to discover unauthorized attempts to exfiltrate data to removable media and block such transfers while alerting information security personnel.	20.a. See CPUC Rule 8a (19) for test results. 20.b. Reviewed the <i>Data Loss Prevention (DLP) Policy</i> Documentation - CoreSITs-Devices-AllGroups and noted that there are formally documented rules in place to monitor and control customer Information 20.c. Met with the Cybersecurity Manager and noted that there are documented controls in place to detect attempts to circumvent data privacy technology implementation process.	
21. Assess whether SoCalGas has controls in place so that users cannot disable and modify security products or services.	21.a. Reviewed the <i>Information Security Manager & User Standard</i> and noted that there are policies in place prohibiting users from circumventing or disabling any technology asset security controls or configurations and from preventing automated updates or scans. 21.b. Met with Cybersecurity Operations Manager and was informed that Administrative privileges on workstations are disabled by default and users would need to request administrative privileges via the system of record if needed. 21.c. Met with Cybersecurity Operations Manager and was informed that the DLP agent and antivirus agents are installed on every workstation and a daily health check is reported on the agent's health. It was noted that users do not have administrative access to disable or modify agents on workstations. 21.d. Inspected system profiles for systems storing Covered Information and noted that the various systems are configured with audit logging capabilities to detect system activity. In addition, audit logs are sent to the Semptra SIEM tool for centralized monitoring. 21.e. Inspected system profiles for systems storing Covered Information and noted that Semptra implements integrity verification mechanisms to detect unauthorized modifications to software, firmware, and information, applying these checks throughout the development process in both non-production and production environments. The various systems are configured with audit logging capabilities to detect system activity. In addition, audit logs are sent to the Semptra SIEM tool for centralized monitoring.	

Assessment procedures	Assessment test results	Exceptions
22. Assess whether SoCalGas officials understand the current threat landscape and potential threats to the organization by leveraging multiple threat feeds.	22.a. Met with Threat Vulnerability Management Manager and the Cybersecurity Risk & Compliance Director and was informed that there is a dedicated cyber threat Intelligence team that provides daily and weekly briefs to stakeholders documenting major events and threat hunting activities. Threat intelligence feeds are digested from a variety of sources including law enforcement, industry sources, and industry sharing forums. Threat sources are aggregated and correlated using enterprise security tools, and reports are generated for various needs. In addition, analysts monitor the system continuously and address all items based on priority and triage and escalate the incidents based on information available to them, using detailed playbooks. 22.b. Reviewed <i>CAT Pentest and Red Team Guidelines</i> and noted that the Advanced Security Testing team collaborate with various business units and other cybersecurity groups, like Cyber Governance & Risk, to decide the scope, timing, and type of assessments based on identified risks and vulnerabilities. The team uses advanced tools and third-party experts to simulate external cyber threats through various assessments, including red teaming, blue teaming, penetration testing, scanning, tabletop exercises, and workshops. 22.c. Met with the Manager of Cybersecurity and Threat Intel team and was informed that Cybersecurity Threat Intel scans are performed during pre and post-deployment based on inputs from Cybersecurity Threat Intelligence team, and Penetration Testing is performed on a quarterly basis. This is formally documented in the Cybersecurity Assessments Team (CAT) Pentest and Red Team Guidelines.	
23. Assess whether SoCalGas scans source code for bugs and vulnerabilities before moving it into production.	23.a. Reviewed the <i>Information Security Engineering & Consulting Process</i> and noted that as part of the Information Technology Product Lifecycle, security testing and assessments are performed to resolve risks and prepare for moving to production. Supporting artifacts, including scan results, source code, technical analysis is documented and reviewed prior to deployment into production. The Cybersecurity team works with vendors to remediate or mitigate all vulnerabilities. 23.b. Reviewed the <i>Risk Rating Procedure</i> documentation (RRP) and noted there is a standardized individual risk rating methodologies within Sempra by using the Security Risk Assessment Methodology (SRAM) and Common Vulnerability	

Assessment procedures	Assessment test results	Exceptions
	Scoring System (CVSS) to produce an overall risk rating that incorporates both company impact and specific vulnerability elements. 23.c. Met with Cybersecurity Risk & Compliance Manager and noted that Pre-deployment policy requires a tool-based source code to scan bugs and vulnerabilities before moving the system to production environment.	
24. Assess whether SoCalGas' development/test environments are separate from the production environment, with access control in place to enforce the separation.	24.a. Met with Cybersecurity, Risk & Compliance Domain Architect and was informed that development, test, and QA environments are separated from the production environment using firewalls and access controls. 24.b. Inspected systems profiles for systems storing Covered Information and noted that they have separate environments for development, testing, production and/or quality assurance purposes. 24.c. Reviewed the draft <i>Non-production Environment Standard</i> and noted that production data should not be used in nonproduction environments, only testing and dummy data can be used in non-production environments. In addition, no customer PII, Internal, Confidential or Restricted data can be used in non-production environments.	
25. Assess whether SoCalGas does not use Production Covered Information for testing or development. Test data and accounts are removed before a production system becomes active.	25.a. See CPUC Rule 8a (24) for test results. 25.b. Reviewed the <i>Information Protection Standard</i> and <i>Cybersecurity Engineering & Consulting Process</i> noted that there is a logical segregation between development, test, quality assurance, and production environments. There are security controls in place based on information classification that must be adhered to, regardless of the location of that information in the network. Covered Information requires the highest level of protection when stored, accessed, disclosed, transported, or disposed of.	
26. Assess whether SoCalGas utilizes a Data Masking tool to limit access to and protect Covered Information and other PII.	26.a. Performed site walk-throughs of the SoCalGas Customer Contact Center and Branch Office and was informed that PII is masked, and minimal information is obtained by customer service representatives to perform their tasks. For example, once a social security number has been entered into the system, only the last four characters will remain visible to the agent while the rest will be hashed out.	

Assessment procedures	Assessment test results	Exceptions
	26.b. Data classification is performed based on Sempra Information Classification Guidelines to support Information Security Policy and data privacy protection.	
27. Assess whether SoCalGas' web applications use encryption when transmitting sensitive data across the network.	27.a. Reviewed the <i>Encryption Standard</i> and noted that information classified as confidential or restricted must be encrypted at all times (using the documented minimum encryption strength and protocols), while internal information must be encrypted when transported outside of the company. 27.b. Reviewed the <i>Information Protection Standard</i> and noted that all confidential and restricted information must be encrypted at rest and while in transit when moving internally and externally outside SoCalGas's network. 27.c. Met with Director, Cybersecurity, Risk & Compliance Domain Architect and was informed that the cybersecurity team is consulted on security controls to ensure that the latest encryption standards are used for all file transfers in transit 27.d. Inspected systems profiles for systems storing Covered Information and noted that encryption-in-transit protocols are in place to safeguard Covered Information.	
28. Assess whether SoCalGas has implemented an Intrusion Detection system within the environment to detect and generate log messages detailing events.	28.a. Reviewed the <i>Network Security Standard</i> and noted that network based IPS sensors are deployed inline on the dematerialized zone (DMZ) and secure zone network connection points that can prevent, capture, inspect network traffic for unusual attack mechanisms and detect compromise of systems through the use of signatures, network behavior analysis and other mechanisms to analyze traffic. 28.b. Met with Cybersecurity, Risk & Compliance Domain Architect and confirmed that Sempra uses an IPS and IDS. The IPS/IDS is deployed at multiple points on the network via the next-generation firewalls at both the network perimeter as well as at several points internally. The generated logs are sent to SIEM tool. 28.c. Met with Manager Enterprise Cybersecurity Technology and noted there are multiple layers of security controls in place to ensure data security by scanning and aggregating logs for indexing. Alerts are generated when threats are identified, or policy is violated.	
29. Assess whether SoCalGas has implemented an Intrusion Prevention system within the	29.a. See CPUC Rule 8a (28) for test results.	

Assessment procedures	Assessment test results	Exceptions
environment to detect events and reject packets.		
30. Assess whether SoCalGas allows only limited access to network resource to vendors and third parties.	30.a. Reviewed the <i>Electronic Access Management Standard</i> and noted that contractors and vendors can be issued accounts for a defined period of time. In addition, the standard states that the principle of least privilege must always be used when establishing accounts. 30.b. Met with Supply Management Manager and Cybersecurity & Risk Manager and was informed that all third-party vendors are required to complete security risk assessments before onboarding any new vendors. 30.c. It was noted that before entering into vendor contracts, Sempra stakeholders identify, establish, assess, manage, and agree upon supply chain risk management processes. It was observed that changes in the scope of vendor services prompt a reassessment of risk, with recertifications based on the report. 30.d. Reviewed the <i>Contractor and Subcontractor Access to Critical System</i> and noted that System owners must ensure contractors do not use subcontractors to support in-scope systems without an approved Risk Exception, and all contractors (and approved subcontractors) must continue to follow applicable cybersecurity requirements, including risk assessments, use of secured devices, vetted privileged access, and regular cybersecurity training. 30.e. Reviewed Guest and Vendor Network Access Request Form and noted that there is formally structured and documented form used to collect vendors information that require access to In-Scope systems. 30.f. Reviewed the <i>Vendor Cybersecurity – Supply Management Responsibility</i> documentation and noted that Supply Management, Cybersecurity Engineering & Consulting, and the IT Vendor Management Office (VMO) work together to coordinate and complete security assessments for third parties that host or process Sempra data. Supply Management is required to submit Vendor Data Requests (VDR) for all new contracts involving Sempra data.	
31. Assess whether SoCalGas has a formal process for approving and assessing all network connections	31.a. Met with Cybersecurity, Risk & Compliance Domain Architect and was informed that Sempra has a formal process in place for approving connections and	

Assessment procedures	Assessment test results	Exceptions
and changes to the firewall and router configurations.	changes to firewall and router configurations and formally documented in the Network Security Standard. 31.b. Met with Manager, Cybersecurity and Cybersecurity Engineer and noted that major firewall policy violations are rejected, while minor violations must go through the exception review and approval process. All change requests for firewalls must be submitted and approved through the Firewall Request form 31.c. Reviewed the <i>Sempra Change Management SharePoint page</i> and noted that all changes and clearances to Sempra IT production environments and systems must have an approved change request. The goal of the Sempra IT Change Management Process is to ensure proper planning, impact assessment, risk assessment, testing, coordination, and approval in order to minimize the risk to production and business processes associated with implemented changes. 31.d. Met with Cybersecurity, Risk and Compliance and noted that approved Firewall change requests are been tracked in the Information Technology Service Management (ITSM) as the system of record. 31.e. Performed an over-the-shoulder walkthrough and inspected evidence that Sempra has a process and tooling in place to review and approve/reject firewall rule and network changes. 31.f. Inspected the evidence of a cloud access security broker (CASB) download block policy and noted that there is policy in place to block unapproved cloud applications and automatically generate alerts to Security Operations Center (SOC) team to investigate.	
32. Assess whether SoCalGas' firewall performs stateful inspection (dynamic packet filtering) to restrict network access.	32.a. Reviewed the <i>Firewall Standard</i> and noted that that Sempra employs firewalls that are capable of stateful protocol analysis and provide intrusion detection or prevention technology. 32.b. Met with Cybersecurity, Risk & Compliance Domain Architect and was informed that that Sempra uses next-generation firewalls that apply stateful protocol (dynamic packet filtering) to block unauthorized network traffic.	
33. Assess whether SoCalGas has implemented a DMZ to limit inbound traffic to only system components that provide	33.a. Reviewed the <i>Firewall & Network Security Standard</i> and <i>Smart Meter Master Network Diagram</i> and noted that the use of an DMZ is required to manage communications between Sempra networks and untrusted networks and the Internet to limit inbound traffic.	

Assessment procedures	Assessment test results	Exceptions
authorized publicly accessible services, protocols, and ports.		

CPUC Rule 8	Rule description	Notification of breach: A covered Third-party shall notify the covered electrical/gas corporation that is the source of the covered data within one week of the detection of a breach. Upon a breach affecting 1,000 or more customers, whether by a covered electrical/gas corporation or by a covered Third-party, the covered electrical/gas corporation shall notify the Commission's Executive Director of security breaches of Covered Information within two weeks of the detection of a breach or within one week of notification by a covered Third-party of such a breach. Upon request by the Commission, electrical/gas corporations shall notify the Commission's Executive Director of security breaches of Covered Information.
b		

Assessment procedures	Assessment test results	Exceptions
1. Assess whether SoCalGas has documented incident response and breach management procedures in place including roles and responsibilities, testing and training, incident classification and logging, remediation, and program updates.	1.a. Reviewed SoCalGas' <i>Personal Information Breach and Notification Response Plan– PII IRF1110</i> and noted procedures to follow if an information breach occurs, including response team roles, documentation of the process, investigation into breaches, remediation, notifications sent, and program updates. Specific procedures are also mentioned if an information breach was to occur within a third-party vendor. In certain cases, an information breach within a third-party vendor could lead to contract termination. 1.b. Met with Chief Counsel for Technology and Business Services and noted he receives a series of monthly reports detailing any unauthorized disclosures (including Covered Information) from the Cybersecurity Group. 1.c. Reviewed SoCalGas's <i>Personal Information Breach and Notification Response Plan</i> and noted there is respond action plan in place for ISOC to coordinate with Law enforcement in the event of customer information breaches, activate the Cyber Incident Response Team (CIRT) by the IRF1100 Cybersecurity Incident Response Procedure. 1.d. Met with Strategy and Operations Manager for Digital Enablement Services and noted vendors are expected to self-report breaches. 1.e. Met with Portfolio Manager for Supply Management and Value Capability Manager for Cybersecurity Risk and Compliance and was informed if a breach were to occur, the Cybersecurity Team would investigate the incident to find out what occurred, understand the risk, and ask the vendor to provide an explanation. 1.f. Met with Value Capability Manager of Cybersecurity Risk and Compliance and noted if a third-party breach occurred, SoCalGas would immediately disable the vendor's access to SoCalGas online environment. After a breach investigation is completed, SoCalGas' Investigation Team meets with the security teams involved and discusses the investigation	

Assessment procedures	Assessment test results	Exceptions
	and how to improve processes and avoid further occurrences. SoCalGas is constantly updating or creating "playbooks" for incident management as new situations arise.	
2. Assess whether SoCalGas' management has adequately reviewed the incident review process in place.	2.a. Met with Value Capability Manager of Cybersecurity Risk and Compliance and was informed that the <i>Personal Information Breach and Notification Response Plan</i> is reviewed annually and updated as necessary. 2.b. Met with Value Capability Manager of Cybersecurity Risk and Compliance and was informed that after a breach investigation is completed, SoCalGas' Investigation Team completes an investigation review and updates the processes and procedures accordingly. 2.c. Reviewed a list of numerous incident responses in the eGRC system and noted the incident remediations aligned with the <i>Cybersecurity Incident Response Standard</i>.	
3. Assess whether SoCalGas can perform forensic analysis in the instance of a Covered Information data incident.	3.a. Met with Cybersecurity Operations Manager and was informed that forensics analysis is conducted in-house and can be performed in the event of an incident involving customer PII or Covered Information. Further, there is a contract in place with a third party in case forensic assistance is needed. 3.b. Met with Value Capability Manager of Cybersecurity Risk and Compliance and noted there is a process in place to investigate lost assets and data breach incidents, and coordinates investigation efforts with the Legal and Privacy team.	
4. Inspect sample evidence of breach incidents for the last 12 months.	4.a. Met with Value Capability Manager of Cybersecurity Risk and Compliance and observed via shared screen demonstration, a sample low-level unauthorized disclosure of Covered Information breach incident, and forensic investigation capabilities were confirmed to be in place. 4.b. Reviewed a sample privacy incident involving customer information and noted the investigation process uses a built-in workflow within the eGRC tool. The tool documents information including description, severity, justification, case number, status, legal, supporting documentation, and case logs. The Customer Data Privacy Team, Information Security, and Legal can collaborate in the tool until the incident is closed.	

CPUC Rule 8	Rule description	Annual report of breaches: In addition, electrical corporations shall file an annual report with the Commission's Executive Director, commencing with the calendar year 2012, that is due within 120 days of the end of the calendar year and notifies the Commission of all security breaches within the calendar year affecting Covered Information, whether by the covered electrical corporation or by a third-party.
c		

Assessment procedures	Assessment test results	Exceptions
1. Assess whether SoCalGas tracks the reporting requirement and assigns responsibility and accountability to the appropriate departments.	1.a. Reviewed the <i>2024 SoCalGas CPUC Annual Privacy Report: Schedule/Plan</i> and noted SoCalGas follows a schedule to file the <i>Annual Privacy Report</i> by the due date as required by the Commission. 1.b. Reviewed SoCalGas' <i>Customer Privacy Compliance Plan</i> and noted it includes monitoring compliance for each section required by the <i>CPUC Privacy Decision</i> , including collection, use, storage, and disclosure practices. This plan also includes "Breach Detection Process" which is listed as an ongoing task item. 1.c. Met with Chief Counsel for Technology and Business Services and noted he receives a series of monthly reports containing any unauthorized disclosures (including Covered Information) from the Cybersecurity Group. He identifies and tracks any unauthorized disclosures to be included in SoCalGas <i>Annual Privacy Report</i> .	
2. Assess whether SoCalGas filed its Annual Report to the CPUC as required by the Privacy Decision.	2.a. Reviewed SoCalGas' <i>2024 Annual Privacy Report</i> and noted it was submitted to the CPUC on April 30, 2025. The report identified 13 breaches within the 2024 calendar year and zero (0) reported privacy breaches affecting 1,000 or more customers.	

CPUC RULE 9 Accountability and Auditing

Overall assessment result		Exceptions Noted: 1) Mandatory training for Contractors is dependent on system access to VDI. Delays to this access prevents fulfilling essential onboarding requirements and hinders their compliance with required training protocols, particularly impacting roles that involve handling of Covered Information. 2) The completion of the SCG utility-specific Customer Data Privacy Training for contractors assigned through the Contractor Training System (CTS) is not consistently monitored. 66 of 145 Contractors assigned the training in 2025 did not complete the training (and 25 of the 66 contractors were actively supporting SoCalGas at the end of 2025.	
CPUC Rule 9	Rule Description	Availability: Covered entities shall be accountable for complying with the requirements herein, and must make available to the Commission upon request or audit— (1) the Privacy Notices that they provide to customers, (2) their internal privacy and data security policies, (3) the categories of agents, contractors and other third parties to which they disclose Covered Information for a Primary Purpose, the identities of agents, contractors and other third parties to which they disclose Covered Information for a Secondary Purpose, the purposes for which all such information is disclosed, indicating for each category of disclosure whether it is for a Primary Purpose or a Secondary Purpose. (A covered entity shall retain and make available to the Commission upon request information concerning who has received Covered Information from the covered entity.), and (4) copies of any secondary-use authorization forms by which the covered party secures customer authorization for secondary uses of covered data.	
a			
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SoCalGas has a process in place to provide the Commission with any requested documentation to demonstrate the entity's compliance with the Privacy Decision.		1.a. SoCalGas made available for this assessment the following documents, in line with the CPUC requirements: • <i>Privacy Notice</i> and <i>Privacy Policy</i> provided to customers and made available to the public through SoCalGas website • Internal privacy and data security policies	

Assessment procedures	Assessment test results	Exceptions
	• Listing of agents, contractors, and third parties with access to Covered Information • Templates of secondary-use authorization form (<i>CISR</i> form) by which SoCalGas secures customer authorization for Covered Information • Procedures for processes related to accessing, collecting, using, and disclosing Covered Information 1.b. Reviewed SoCalGas' <i>Customer Operations Compliance & Risk frameworks</i> which tracks the different business units responsible for the sections in the <i>Annual Privacy Report</i> as required by the CPUC. In addition, the document monitors compliance with sections of the <i>CPUC Privacy Decision</i>. SoCalGas' Customer Data Privacy Team is responsible for working with the appropriate business units within the Company to complete the <i>Annual Privacy Report</i> and submit it to the CPUC. Note that the frameworks were published in 2024, however, changes were not made for the 2025 covered period. 1.c. Met with members of the Customer Data Privacy Team and was informed that in conducting the Annual Privacy Report, the team starts by reaching out to groups that they contacted the previous year. They consult with Legal for information related to Customer Information subpoenas as well as Corporate Security for information related to threats and incidents. The report goes through multiple levels of review by the Customer Data Privacy Team, Regulatory Team, multiple business units, and Legal. 1.d. Reviewed the <i>Guide to Filing the Annual Privacy Report</i> and noted SoCalGas follows a schedule and documents the proper steps with examples for how to file the <i>Annual Privacy Report</i> by the due date as required by the Commission.	

CPUC Rule 9	Rule description	Customer complaints:	
b		Covered entities shall provide customers with a process for reasonable access to Covered Information, for correction of inaccurate Covered Information, and for addressing customer complaints regarding Covered Information under these rules.	
Assessment procedures		Assessment test results	Exceptions
1. Assess whether SoCalGas provides notice to its customers on how the customers can contact the Company for inquiries, complaints or disputes related to their personal information.		1.a. Reviewed SoCalGas' <i>Privacy Notice</i> and noted customers can limit, view, or dispute their disclosed information by contacting SoCalGas via email, through mail to the Customer Privacy Program Manager, or by phone. 1.b. Met with representatives from SoCalGas' Customer Contact Centers and was informed customers could contact SoCalGas' Customer Contact Center or email inquiries to inquire, complain, or dispute issues related to their personal information. 1.c. Reviewed SoCalGas website and observed SoCalGas provides multiple telephone numbers (including numbers for multilingual customer service), a postal mailing address, and a link to find a payment location near the customer under the "Contact Us" section. 1.d. Observed the <i>Annual Privacy Notice Bill Insert</i> and noted SoCalGas provides existing customers with a bill insert encouraging customers to review the <i>Privacy Notice</i> on an annual basis. 1.e. Met with Branch Office Manager during the walk-through of the Alhambra Branch Office and noted customers can go to a Branch Office to inquire about their account.	
2. Assess whether SoCalGas has a documented process to receive customer disputes, complaints, and inquiries, addresses and resolve complaints, and communicate resolution back to the customer in a timely and satisfactory manner.		2.a. Reviewed SoCalGas' <i>Customer Contact Operating Procedures- Customer Comment Tracking System</i> and noted the document outlines the process to receive and address customer complaints for resolution. Customer compliments, comments, and complaints are tracked within the comment tracking system. Customer comments are organized into urgent, high, and low priority and dealt with according to each priority's procedures. 2.b. Reviewed the <i>Bill Investigation Procedure</i> addressing the procedures CSSs follow when a customer has questions about or disagrees with their bill amount. 2.c. Reviewed <i>Customer Complaint Elevation Guidelines</i> and <i>Referral Chart for Elevated Written Complaints</i> and noted SoCalGas provides their employees with	

Assessment procedures	Assessment test results	Exceptions
	escalation guidelines for when written and phone complaints require further assistance for resolution. 2.d. Reviewed the <i>Customer Complaints Procedures</i> and noted the procedures that CSRs are to follow when dealing with customer My Account issues. 2.e. Reviewed <i>Residential Marketing Support Center (RMSC) Procedure - Reporting My Account and Breach Issues</i> and noted the procedures that Residential Marketing CSRs take when reporting privacy-related complaints. 2.f. Inspected a sample <i>Customer Complaint</i> and noted the workflow followed SoCalGas procedures for documenting, classifying, and resolving customer complaints.	
3. Assess whether SoCalGas has a process to escalate disputes, complaints, and inquiries to help ensure resolution within a timely manner.	3.a. Reviewed <i>Customer Contact Operating Procedures - Customer Comment Tracking System</i> and noted CSR Leads are automatically alerted when disputes, complaints, or inquiries are classified as "Urgent" in the comment tracking system. These situations require immediate action, while "High" priority complaints require action on the same day, next morning, or within two days. 3.b. Reviewed <i>Customer Contact Operating Procedures – Customer Comment Subjects</i> and noted that it documents the designated region/department and base/workgroup a customer comment, compliment, or complaint should be routed to. 3.c. Met with members of the Customer Contact Center and was informed customers can file an informal complaint with the CPUC regarding SoCalGas. Once filed, members of the Investigations Case Team have 20 business days to respond in writing to the customer and the CPUC, noting that they can request an extension if necessary.	
4. Inspect evidence that SoCalGas tracks and resolves customer complaints consistent with SoCalGas' policies.	4.a. Met with members of the Customer Contact Center and was informed there were no CPUC Complaints for 2025 specifically associated with customer data privacy and security concerns.	

CPUC Rule 9	Rule description	Training:	
c		Covered entities shall provide reasonable training to all employees and contractors who use, store or process Covered Information.	
Assessment procedures		Assessment test results	Exceptions
1. Review SoCalGas' documented privacy awareness program materials to identify personnel who handle and access Covered Information.		1.a. Met with members of the Customer Data Privacy Team and was informed all SoCalGas employees are required to complete two trainings that include sections regarding Covered Information. In addition, each business unit is assigned a "Privacy Pro" required to complete additional training with supplementary privacy content. 1.b. Met with members of the Customer Data Privacy Team and learned that contractors are identified by reviewing organization charts and departments that handle Customer Information. Contractors that are onboarded by these departments are assigned the SoCalGas' <i>Customer Data Privacy Training</i>. 1.c. Reviewed the <i>FACTA for Credit and Collections</i> training and noted it includes content on personally identifiable information. 1.d. Reviewed the <i>FACTA for Branches & CCC</i> training and noted it also includes content on personally identifiable information. 1.e. Reviewed the <i>Collections Customer Confidentiality & Conflict of Interest</i> training and noted the training discusses disclosure of customer information as well as customer information that should never be shared. Additionally, it references the SoCalGas clean desk policy. Employee acknowledgement is required at the end of the training.	
2. Understand the awareness material and communications to SoCalGas personnel to test how internal privacy policies are communicated to associates.		2.a. Met with members of the Customer Data Privacy Team and was informed internal privacy policies were communicated to SoCalGas employees and contractors through the following trainings: All SoCalGas management employees are assigned and required to complete the <i>Cybersecurity Training with a Privacy Module</i> on an annual basis. New hires are required to complete these training courses upon onboarding.	

Assessment procedures	Assessment test results	Exceptions
	- All SoCalGas represented employees along with contractors who have access to Covered Information are required to complete SoCalGas <i>Customer Data Privacy Training</i>. [See the exception associated with CPUC Rule 9c (4).] - Each department is assigned a "Privacy Pro" who is required to complete the <i>Privacy Pro Training</i>, with detailed privacy content. Privacy Pro training sessions are conducted quarterly and attend monthly internal training sessions with the Customer Data Privacy Team. 2.b. Reviewed additional privacy awareness documents and communications related to customer privacy, including the following: - Phishing resources - Articles on cyber safety at work and home - Information on the SoCalGas cyber safety programs - Articles on scams, hacks, and fraud 2.c. Reviewed SoCalGas' <i>New Hire Welcome Package</i> that is mailed to new employees and noted the following documents are mailed to new employees: <i>Employee Standards of Conduct</i> <i>Confidential Information and Invention Assignment Agreement</i> 2.d. Reviewed SoCalGas' <i>Ethics and Compliance – Reporting and Investigating Concerns Policy</i> and the <i>Code of Business Conduct: Sharing responsibility in our values</i> and noted that they are provided to new employees at new employee orientation. 2.e. Met with members of the Customer Data Privacy Team and noted a Privacy Pro is assigned to every business unit and is required to attend privacy-related meetings. At each meeting, Privacy Pros are presented with information to share with their respective business units. 2.f. Met with the Manager, Information Security & Cybersecurity and was informed that eight phishing simulations are run per year. If an employee or contractor fails the simulation, they are assigned Cybersecurity Awareness modules to review. Additionally, their manager and/or host are notified. Additionally,	

Assessment procedures	Assessment test results	Exceptions
	informed that if an employee fails 6 simulations, they face potential termination. If a contractor fails three simulations, their access may be revoked. 2.g. Reviewed SoCalGas privacy intranet accessible by all employees, which contains links to internal privacy resources, training, steps to report security incidents, and other data protection resources. 2.h. Reviewed a sample <i>Letter of Agreement Master Work from Home</i> signed by CSSs working remotely. Noted the agreement outlines the eligibility to work from home and expectations to maintain such eligibility. The agreement also mentions that all company policies and employee responsibilities are still applicable.	
3. Understand SoCalGas' specific training materials to assess whether they adequately communicate/train employees on how to handle Covered Information. In addition, inspect that employees have completed these privacy and security training requirements.	3.a. Reviewed the enterprise-wide <i>Cybersecurity Training</i> which includes a privacy module and noted every SoCalGas employee is required to complete this training. The training consists of a video and quiz at the end. This training provides examples of customer information (including PII and Covered Information) and provides guidelines for the collection, storing, sharing, and disposal of customer data. Employees must pass the quiz at the end to receive completion credit. 3.b. Reviewed <i>Customer Data Privacy Training</i> which is mandatory for employees and contractors with access to Covered Information and noted the training is a PowerPoint discussing personal, sensitive, and Covered Information. Once completed, employees and contractors must mark it "completed" and acknowledge they understand the content and have completed the training. 3.c. Reviewed the 2025 Q2 and Q3 <i>Privacy Pro Trainings</i> and noted they provide Privacy Pros with knowledge regarding personal and Covered Information and also require Privacy Pros to complete a personal information certification. 3.d. Met with members of the Customer Data Privacy Team and Compliance Team and was informed the Learning Management System tracks employee training completion. Employees receive automated email reminders to complete their required training. Employees' managers are notified at 3 days till the training due date and again once the training is past due. 3.e. Reviewed multiple training tracking compliance logs and noted SoCalGas' Privacy Department tracks completeness of required privacy related trainings.	

Assessment procedures	Assessment test results	Exceptions
	3.f. Inspected <i>2025 Cyber Safety/Privacy Bundle Training Log</i> and noted at the end of 2025, 99.4% of SoCalGas employees had completed the <i>Cybersecurity Training with the Privacy Module</i>. Note: It appears 1 employee completed the training in 2026 and therefore is not counted as part of the 2025 completion percentages. 3.g. Met with members of the Customer Data Privacy Team and was informed that sub-contractors are treated as employees and are therefore expected to abide by corporate privacy and security policies.	
4. Inspect evidence that contractors have completed privacy and security training requirements (e.g., training logs, certifications of compliance, etc.).	4.a. Met with members of the Customer Data Privacy Team and was informed that contractors with access to covered information are assigned the <i>Customer Data Privacy Training</i>. Contractors have 60 days to complete the training. If it is not completed, it will be re-assigned, and the contractor's manager will be informed to communicate with the contractor. 4.b. Met with members of the Customer Data Privacy Team and noted that before contractors can access the <i>Customer Data Privacy Training</i>, they need system access to VDI, which can be delayed and lead to a delay in completion of the assigned training. 4.c. Inspected the <i>2025 Contractor Training Log</i> for contractors completing the Customer Data Privacy Training and noted that 54% of contractors had completed the required training; it appears that 66 of the 145 contractors did not complete the training. Additionally, noted that 25 of those 66 contractors were actively supporting SoCalGas at the end of 2025.	Mandatory training for Contractors is dependent on system access to VDI. Delays to this access prevents fulfilling essential onboarding requirements and hinders their compliance with required training protocols, particularly impacting roles that involve handling Covered Information. The completion of the SCG utility-specific Customer Data Privacy Training for contractors assigned through the Contractor Training System (CTS) is not consistently monitored. 66 of 145 Contractors assigned the

Assessment procedures	Assessment test results	Exceptions
		training in 2025 did not complete the training (and 25 of the 66 contractors were actively supporting SoCalGas at the end of 2025.)
5. Understand the privacy training required of third parties accessing Covered Information in order to test whether or not they are adequately equipped to handle Covered Information.	5.a. See CPUC Rule 9c (3) for test results. 5.b. Reviewed Sempra's <i>Supplier Code of Business Conduct</i> provided to contractors and noted policies regarding information protection and confidentiality: • Nonpublic information contained in electronic or physical form must be appropriately secured and protected. • Nonpublic information accessed by suppliers must be limited to only that information that is required to perform the contracted work. • If suppliers are granted access through electronic or physical means to Sempra Energy's nonpublic information to perform Sempra Energy-related work, the information may only be used for Sempra Energy business. • Suppliers must keep nonpublic information confidential and may only disclose non-public information if it is necessary for the performance of their work. Such disclosures may be made only to those people who are also subject to Sempra Energy's confidentiality provisions and have a legitimate business need to know. 5.c. Inspected a sample <i>Standard Services Agreement</i>, sample <i>Standard Services Agreement Amendment</i>, and sample <i>Nondisclosure Agreement</i> between SoCalGas and a supplier with access to Covered Information and noted they all included confidentiality and non-disclosure clauses containing a definition of confidential information, governance regarding the handling of customer information, and consequences for noncompliance. 5.d. Inspected a sample of executed vendor contracts and noted they include confidentiality clauses protecting SoCalGas' confidential information. The contracts also state the contractor may be required to complete training at SoCalGas' sole discretion.	

CPUC Rule 9	Rule description	Reporting requirements:
e		On an annual basis, each electrical/gas corporation shall disclose to the Commission as part of an annual report required by Rule 8.b, the following information: (1) the number of authorized third parties accessing Covered Information, (2) the number of non-compliances with this rule or with contractual provisions required by this rule experienced by the utility, and the number of customers affected by each noncompliance and a detailed description of each noncompliance.

Assessment procedures	Assessment test results	Exceptions
1. Assess whether SoCalGas tracks the reporting requirements and assigns responsibility and accountability to the appropriate departments.	1.a. See CPUC Rule 9a (1) for test results. 1.b. Reviewed SoCalGas' <i>Customer Operations Compliance & Risk frameworks</i> and noted the Customer Data Privacy Team is responsible for working with the appropriate business units within the Company to complete the <i>Annual Privacy Report</i> and submit it on time to the CPUC. These documents also track the different business units responsible for information required to be included in the <i>Annual Privacy Report</i>. 1.c. Reviewed the <i>Guide to Filing the Annual Privacy Report</i> and noted SoCalGas follows a schedule to ensure the <i>Annual Privacy Report</i> is submitted to the CPUC by the due date enforced by the Commission.	
2. Assess whether SoCalGas filed its Annual Report to the CPUC as required by the Privacy Decision.	2.a. Reviewed SoCalGas' <i>2024 Annual Privacy Report</i> and noted it was submitted to the CPUC on April 30, 2025, and included: - The number of unique authorized third parties accessing Covered Information (1090) - The number of non-compliances with CPUC privacy rules or with contractual provisions required by the Privacy Rules known to SoCalGas (0) - The number of customers affected by each non-compliance and a description of each non-compliance (N/A)	

Appendix II – Abbreviations used in this report

Abbreviation	Full name
CCPA	California Consumer Privacy Act
CASB	Cloud Access Security Broker
CAB	Change Advisory Board
CEUD	Customer Energy Usage Data
CIS	Customer Information System
CISR	Customer Information Service Request
CPUC	California Public Utilities Commission
CEC	Cybersecurity Engineering Risk and Consulting
CSR	Customer Service Representatives
CSS	Customer Service Specialists
DLP	Data Loss Prevention
DMZ	Demilitarized Zone
EDRP	Energy Data Request Program
ERIM	Enterprise Records and Information Management

Abbreviation	Full name
GAPP	Generally Accepted Privacy Principles
GRC	Governance Risk & Compliance
HVAC	Heating, Ventilation, and Air Conditioning
IAM	Identity and Access Management
IDS	Intrusion Detection System
IPS	Intrusion Prevention System
IR	Incident Response
IS	Information Security
ISO	International Organization for Standardization
IT	Information Technology
IT PMO	Information Technology Portfolio Management Office
ITVMO	Information Technology Vendor Management Office
LOB	Line of Business
MSA	Master Service Agreement
NDA	Non-Disclosure Agreement
PIA	Privacy Impact Assessment
PII	Personally Identifiable Information
QA	Quality Assurance

Abbreviation	Full name
RMSC	Residential Marketing Support Center
SCG	Southern California Gas Company
SDLC	Software/System Development Life Cycle
SIEM	Security Information and Event Management
AMI	Advanced Metering Infrastructure
CISR / CISRs	Customer Information Service Request Form(s)
CCTS	Customer Complaints Tracking System
CPO	Chief Privacy Officer
CTS	Contractor Training System
DRRP	Data Request and Release Program
IOUs	Investor-Owned Utilities
LOA / LOAs	Letters of Authorization
PR	Purchase Requisition
RIM	Records & Information Management
SLA	Service Level Agreement
SOC	Security Operations Center
SPI	Sensitive Personal Information
TPRA	Third-Party Risk Assessment

Abbreviation	Full name
VDR	Vendor Data Review / Request
VDI	Virtual Desktop Infrastructure

Appendix III – Stakeholders interviewed

#	Title	Organizational Unit	Date
1	Director, Chief Information Security Officer	Information Security	1/6/2026
2	Director, Cybersecurity & Chief Information Security Officer	Cybersecurity Risk & Compliance	1/6/2026
3	Personal Data Privacy Compliance Associate II	Cybersecurity Risk & Compliance	1/6/2026
4	Manager, Personal Data Privacy Compliance	Cybersecurity Risk & Compliance	1/6/2026
5	Personal Data Privacy Compliance Senior II	Cybersecurity Risk & Compliance	1/6/2026
6	Personal Data Privacy Compliance Senior I	Cybersecurity Risk & Compliance	1/6/2026
7	Personal Privacy Compliance Associate II	Cybersecurity Risk & Compliance	1/6/2026
8	Technology Rules & Standards Associate II	Information Governance	1/07/2026
9	Value Capability Manager	Information Technology	1/7/2026
10	Personal Data Privacy Compliance Senior I	Information Technology	1/7/2026
11	Manager, Regulatory Affairs & Compliance	Records Retention	1/7/2026
12	Senior Director, Enterprise Cloud, Infrastructure, & Automation	Data Center	1/7/2026
13	Manager, Security Risk & Compliance	Data Center	1/7/2026
14	Group Product Manager	Information Management	1/7/2026
15	Senior Director, SDG&E Technology	IT Risk	1/8/2026
16	Senior Manager, STGC PLNG & Corporate Development	Customer Billing	1/8/2026
17	Client Service Delivery Management Senior II	Customer Billing	1/8/2026

#	Title	Organizational Unit	Date
18	Client Service Delivery Management Principle I	Customer Billing	1/8/2026
19	Scrum Master Team Lead	IT	1/12/2026
20	Senior Product Owner	Systems & Technology-Customer	1/12/2026
21	Group Product Manager	Systems & Technology-Customer	1/12/2026
22	Senior Supervisor, Pers Data Privacy Compliance	Customer Operations	1/07/2026
23	Director, Audit Services	Audit Services	1/14/2026
24	Manager, General Audit	Audit Services	1/14/2026
25	Pers Data Privacy Compliance Senior I	Customer Operations	1/07/2026
26	Technology Rules & Standards Senior I	Customer Contact Centers	1/14/2026
27	Senior Supervisor, CCC	Customer Contact Centers	1/29/2026
28	Senior Supervisor, CCC - Complaints Esc	Customer Contact Center	1/29/2026
29	Senior Supervisor, CCC – Complaints Escalation	Customer Contact Center	1/29/2026
30	Manager, CCC	Customer Contact Centers	2/17/2026
31	Manager, CCC	Customer Contact Centers	2/17/2026
32	Manager, CCC Training & Coaching	Customer Contact Centers	2/17/2026
33	Technology Rules & Standards Senior I	Customer Contact Centers	2/17/2026
34	Senior Supervisor, CCC	Customer Contact Centers	1/29/2026
35	Technology Rules & Standards Senior I	Training	1/14/2026
36	Mass Market Credit and Collections Manager	Billing Operations Support	1/15/2026
37	Mass Market Credit and Collections Project Manager	Billing Operations Support	1/15/2026
38	Acctg Pol & Research Sr Lead	Risk & Compliance - SDGE & SCG	1/20/2026
39	Senior Litigation Counsel	Gen Counsel - Lit-SDGE & SCG	1/16/2026
40	Senior Legal Counsel	Gen Counsel - Lit-SDGE & SCG	1/16/2026

#	Title	Organizational Unit	Date
41	Senior Litigation Paralegal	Gen Counsel - Lit-SDGE & SCG	1/16/2026
42	Paralegal Senior II	Gen Counsel - Lit-SDGE & SCG	1/16/2026
43	Manager, Security	Corporate Security	1/16/2026
44	Manager, Business Systems Analysis	Customer Operations	1/21/2026
45	Senior Supervisor, Enterprise Technology	Customer Operations	1/21/2026
46	Business Systems Analysis Senior I	Customer Operations	1/21/2026
47	Business Systems Analysis Associate II	Customer Operations	1/21/2026
48	Senior Supervisor, Enterprise Technology	Customer Services Staff	1/21/2026
49	Business System Analysis Senior I	Customer Services Staff	1/21/2026
50	Senior Software Developer	Customer Operations	1/21/2026
51	Senior Data Engineer	Customer Operations	1/21/2026
52	Senior Product Owner	Customer Operations	1/21/2026
53	Director, Dist PMO & Resource Management	Customer Operations	1/21/2026
54	Senior Domain Engineer	Customer Operations	1/21/2026
55	Domain Engineer Team Lead	S&T Data, Platforms & Portfolio	1/21/2026
56	Manager, Customer Support & Operations	Customer Operations	1/22/2026
57	Business Proc Improvement Senior I	Customer Operations	1/26/2026
58	Customer Blg Resolution Senior II	Customer Operations	1/27/2026
59	Manager, High Volume Customer Blg	Customer Operations	1/29/2026
60	Manager, Plant Manager	Remittance Processing	1/28/2026
61	Technology Sp & Skld Trd Senor I	Remittance Processing	1/29/2026
62	Project & Program Management Senior I	Customer Operations	1/28/2026
63	Rates Senior	CPUC/FERC - Gas	1/29/2026

#	Title	Organizational Unit	Date
64	EDRP Administrator	Reg Tariffs & Info-So Cal Gas	1/29/2026
65	Senior Supervisor, CCC - Complaints Esc	Customer Contact Centers	1/29/2026
66	Senior Supv, Project & Program Management	Customer Project Management	1/29/2026
67	Technology Rules & Standards Senior I	Customer Project Management	1/29/2026
68	Senior Supervisor, CCC	Customer Project Management	1/29/2026
69	Manager, Business System Analysis	Customer Operations	1/29/2026
70	Group Product Manager	Enterprise Cybersecurity Technology	1/30/2026
71	Senior Group Product Manager	Enterprise Cybersecurity Technology	2/5/2026
72	Group Product Manager	Enterprise Cybersecurity Technology	2/5/2026
73	Contractor	Enterprise Cybersecurity Technology	2/5/2026
74	IT Senior Business Analyst	Enterprise Cybersecurity Technology	2/5/2026
75	Senior Product Owner	Enterprise Cybersecurity Technology	2/5/2026
76	Senior Software Engineer	Enterprise Cybersecurity Technology	2/5/2026
77	Value Capability Manager	Enterprise Cybersecurity Technology	2/10/2026
78	Senior Domain Engineer	Enterprise Cybersecurity Technology	2/10/2026
79	Senior Product Owner	Enterprise Cybersecurity Technology	2/10/2026
80	Capability Owner Team Lead	Enterprise Cybersecurity Technology	2/19/2026
81	Value Capability Manager	Enterprise Cybersecurity Technology	2/25/2026
82	Value Capability Manager	S&T Data, Platforms & Portfolio	2/25/2026
83	Change Management & Org Eff Senior II	Organizational Eff & DEI	2/25/2026
84	Project & Program Management Senior II	IIP Planning & Strategy	2/25/2026
85	Senior Manager, Business Systems Analysis	IIP Planning & Strategy	2/25/2026

#	Title	Organizational Unit	Date
86	Manager, Responsible Sourcing	Procurement - SDG&E & SCG	3/4/2026
87	Value Capability Manager	Enterprise Portfolio Management & Enablement	3/10/2026
88	Sustainability Senior I	Procurement - SDG&E & SCG	3/10/2026
89	Business System Analysis Assoc II	Procurement - SDG&E & SCG	3/10/2026
90	Category Management Senior II	Procurement - SDG&E & SCG	3/14/2026
91	Value Capability Manager	Enterprise Cybersecurity Technology	3/4/2026
92	Director, Systems & Technology, Data, Platforms, & PTFO Governance	Enterprise Cybersecurity Technology	3/4/2026
93	Capability Owner Team Lead	Enterprise Cybersecurity Technology	3/5/2026
94	Domain Engineer III - Cybersecurity	Enterprise Cybersecurity Technology	3/5/2026
95	Capability Owner Team Lead	Enterprise Cybersecurity Technology	3/6/2026
96	Capability Owner Team Lead	Enterprise Cybersecurity Technology	3/6/2026
97	Senior Domain Engineer - Cybersecurity	Enterprise Cybersecurity Technology	3/6/2026
98	Senior Domain Engineer - Cybersecurity	Enterprise Cybersecurity Technology	3/6/2026
99	Senior Supervisor, Project & Program Management	Supply Chain Management & DBE	3/10/2026
100	Supply Chain Dev & Opt Prin I	Supply Chain Management & DBE	3/10/2026
101	Supply Chain Dev & Opt Prin I	Supply Chain Management & DBE	3/10/2026
102	Director, Customer Ops	Supply Chain Management & DBE	3/10/2026
103	VP - Customer Services	Customer Services	3/4/2026
104	Customer Relations Manager	Customer Services	3/4/2026
105	Customer Service Representatives (CSRs)	Customer Services	3/4/2026
106	Customer Services Technical Advisor	Customer Services	3/4/2026
107	Manager, Predict Analytics & BI	Customer Contact Centers	1/14/2026

#	Title	Organizational Unit	Date
108	Senior Supervisor, Facilities Management	Support Services	1/14/2026
109	Dir, Cust Contact Centers	Customer Contact Centers	1/14/2026
110	Manager, Finance	Remittance Processing	1/15/2026
111	Supervisor, Accounts Receivable	Remittance Processing	1/15/2026
112	Supervisor, Accounts Receivable	Remittance Processing	1/15/2026
113	Manager, High Volume Cust Blg	Remittance Processing	1/15/2026
114	Senior Supervisor, CCC	Remittance Processing	1/15/2026
115	Cust Support & Ops Senior I	Remittance Processing	1/15/2026
116	Manager, Information Security & Cybersecurity	Cybersecurity	2/12/2026
117	Manager, Category Management	Supply Chain Management & DBE	3/10/2026
118	Supply Chain Development & Operation Senior I	Supply Chain Management & DBE	3/14/2026
119	Director, Risk, Compliance, Audit & Privacy	Enterprise Risk	3/14/2026
120	General Counsel - Regulatory	Enterprise Risk	3/14/2026
121	Regulatory Compliance Advisor	Enterprise Risk	3/14/2026
122	Regulatory Affairs & Compliance, Senior I	Enterprise Risk	3/09/2026
123	Pers Data Privacy Compliance Senior I	Customer Services	2/20/2026
124	Collection Supervisor	Customer Operations	1/26/2026
125	Pers Data Priv Compliance Senior I	Customer Operations	2/16/2026
126	Chief Counsel, Technology & Business Services	Legal	12/1/2025

Contact us

Doron Rotman
Managing Director
408-367-7607
drotman@kpmg.com

Chris Kypreos
Director
925-249-8835
ckypreos@kpmg.com

www.kpmg.com

kpmg.com/socialmedia



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APPENDIX K

SDG&E ESJ PILOT STUDY PLAN UPDATE



2025 Risk Assessment Mitigation Phase

APPENDIX 4

Environmental Social Justice

Pilot Study/

Test Year 2028 GRC Update

Updated June 2026

TABLE OF CONTENTS

I.	INTRODUCTION AND SUMMARY REQUIREMENTS OF THE ESJ PILOT STUDY	1
	TEST YEAR 2028 GRC UPDATE	3
II.	EXECUTIVE SUMMARY	4
	About SDG&E	4
	ESJ Pilot Study Plan	4
	Key Findings from the ESJ Pilot Study	6
III.	DISADVANTAGED AND VULNERABLE COMMUNITIES IN SDG&E SERVICE TERRITORY	10
IV.	ACTION ITEM #1: RISK IMPACTS	13
	Wildfire and PSPS	13
	Electric Infrastructure Integrity	15
	TEST YEAR 2028 GRC UPDATE	15
V.	ACTION ITEM #2: CLEAN ENERGY INVESTMENTS	16
	Wildfire and PSPS	17
	Electric Infrastructure Integrity	18
	Examples of Non-RAMP Activities	18
	TEST YEAR 2028 GRC UPDATE	19
VI.	ACTION ITEM #3: AIR QUALITY, PUBLIC HEALTH, AND ASSEMBLY BILL (AB) 617	19
	Background	20
	Wildfire and PSPS	23
	TEST YEAR 2028 GRC UPDATE	24
	Electric Infrastructure Integrity	25
	Examples of Non-RAMP Activities	26
VII.	ACTION ITEM #4: CLIMATE RESILIENCY	27
	Wildfire and PSPS	27
	Electric Infrastructure Integrity	27
VIII.	ACTION ITEM #5: WILDFIRE SMOKE	29
	Background	30
	Review of Recent Smoke-Related Studies	30
	Discussions with Academia	32
	External Smoke-Related Tools and Models	32
	2026-2028 Wildfire Mitigation Base Plan	34
IX.	ACTION ITEM #6: MITIGATION IMPACTS & BENEFITS	34

	Wildfire and PSPS	34
	Electric Infrastructure Integrity.....	36
	Examples of Non-RAMP Activities	43
X.	ACTION ITEM #7: OUTREACH & PUBLIC PARTICIPATION	43
	Community Engagement Plan / CAVA Outreach	43
	Wildfire and PSPS	44
	Electric Infrastructure Integrity.....	46
	Examples of Non-RAMP Activities	46
	TEST YEAR 2028 GRC UPDATE	48
XI.	CONCLUSION.....	49
	TEST YEAR 2028 GRC UPDATE.....	50

I. INTRODUCTION AND SUMMARY REQUIREMENTS OF THE ESJ PILOT STUDY

San Diego Gas & Electric Company (SDG&E) prepared this Environmental and Social Justice (ESJ) Pilot Study at the direction of the California Public Utilities Commission (Commission or CPUC), in accordance with Decision (D.) 22-12-027 (the Phase 2 Decision) in ongoing Rulemaking (R.) 20-07-013 (the Risk OIR). The Phase 2 Decision requires SDG&E and the other large California energy utilities¹ to “conduct an [ESJ] Pilot Study that includes consideration of Disadvantaged and Vulnerable Communities (DVCs)² as defined in this decision and [...] file the results of their Pilot studies as described in this decision”³ with their next Risk Assessment Mitigation Phase (RAMP) filing.

The Risk OIR Phase 2 Scoping Memo provides an opportunity for considering potential impacts on ESJ communities, including the potential impacts on achieving any of the nine goals set forth in the Commission’s ESJ Action Plan.⁴ The CPUC adopted an ESJ Action Plan in February 2019 as a comprehensive strategy and framework for addressing ESJ issues in each CPUC proceeding.⁵ The ESJ Action Plan’s “focus[es] on equity, defined as ‘increasing access to power, redistributing and providing additional resources, and eliminating barriers to opportunity, to empower low-income communities of color to thrive and reach full potential.’”⁶

The ESJ Action Plan “require[s utilities] to overlay planned infrastructure mitigations on the CalEnviroScreen map to identify what portions of the mitigations would occur within

¹ Southern California Gas Company (SoCalGas), Pacific Gas and Electric Company (PG&E), and Southern California Edison Company (SCE).

² D.20-08-046 at 108, Conclusions of Law (COL) 2, the Commission defines a DVC as: Top 25% of census tracts according to CalEnviroScreen (CES); California Tribal lands; Census tracts with median household incomes less than 60% of state median income; Census tracts that score in the highest 5% of Pollution Burden within CalEnviroScreen, but do not receive an overall CalEnviroScreen score due to unreliable public health and socioeconomic data.

³ D.22-12-027 at 65-67, Ordering Paragraph (OP) 5.

⁴ R.20-07-013, Assigned Commissioner’s Phase II Scoping Memo and Ruling Extending Statutory Deadline (April 13, 2022) at 5.

⁵ CPUC adopted the most recent version 2.0 of the ESJ Action Plan on April 7, 2022. More information and links to the ESJ Action Plan versions are available at <https://www.cpuc.ca.gov/news-and-updates/newsroom/environmental-and-social-justice-action-plan>.

⁶ D.22-12-027 at 42.

disadvantaged communities when geographic locations of proposed mitigations are known.”⁷ The Phase 2 Decision confirms “CalEnviroScreen” refers to the Office of Environmental Health Hazard Assessment’s (OEHHA) geospatial California Communities Environmental Health Screening Tool,⁸ which must be used in identification of DVC communities in addition to median income, tribal lands, and pollution burden. SDG&E utilizes the DVC map in Figure 1 to fulfill this requirement.

The Phase 2 Decision also requires SDG&E and other utilities to work with the CPUC’s Energy Division Staff and consult with the Disadvantaged Communities Advisory Group (DACAG) and the Community-Based Organization Working Group (CBOWG) prior to finalizing their ESJ Pilot Study plans, assessing “each utility’s ESJ Pilot Study plan is on an appropriate DACAG and CBOWG meeting agenda in time for these groups to provide meaningful feedback on the plans” so that “a public webinar on their ESJ Pilot Study during the planning phase of the pilot,”⁹ with the following action items to be addressed in each ESJ Pilot Study:

- Action Item #1: Consider equity in the evaluation of consequences and risk mitigation within the Risk-Based Decision-Making Framework (RDF), using the most current version of CalEnviroScreen to better understand how risks may disproportionately impact some communities more than others;
- Action Item #2: Consider investments in clean energy resources in the RDF, as possible means to improve safety and reliability and mitigate risks in DVCs;
- Action Item #3: Consider mitigations that improve local air quality and public health in the RDF, including supporting data collection efforts associated with Assembly Bill 617 regarding community air protection program;
- Action Item #4: Evaluate how the selection of proposed mitigations in the RDF may impact climate resiliency in DVCs;

⁷ CPUC, *Environmental & Social Justice Action Plan Version 2.0* (April 7, 2022), Appendix A, ESJ Action Item 4.1.4 at 43, available at: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf>.

⁸ D.22-12-027 at 42 (citing CalEnviroScreen refers to the OEHHA, California Communities Environmental Health Screening Tool, available at <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40>).

⁹ *Id.* at 65-67 (OP 5).

- Action Item #5: Evaluate if estimated impacts of wildfire smoke included in the RDF disproportionately impact DVCs;
- Action Item #6: Estimate the extent to which risk mitigation investments included in the RDF impact and benefit DVCs independently and in relation to non-DVCs in the IOU service territory; and
- Action Item #7: Enhance outreach and public participation opportunities for DVCs to meaningfully participate in risk mitigation and climate adaptation activities consistent with Decision 20-08-046.¹⁰

In accordance with the instructions set forth in the Phase 2 Decision, SDG&E has complied with all requirements and submits the following results of its ESJ Pilot Study.¹¹

TEST YEAR 2028 GRC UPDATE

SDG&E originally submitted its ESJ Pilot Study Plan as part of its 2025 RAMP Report, filed on May 15, 2025. In the RAMP proceeding, the Commission’s Safety Policy Division (SPD) filed a Staff Evaluation Report on October 10, 2025, evaluating SoCalGas’s and SDG&E’s RAMP Reports (SPD Report).

The SPD Report concludes that SoCalGas and SDG&E “generally complied with the directives outlined in Decision D.22-12-027 by developing plans to incorporate consideration of ESJ impacts into the RDF[.]”¹² The SPD Report also provides recommendations to enhance the value of the pilot studies and recommends that SoCalGas and SDG&E address and incorporate SPD’s recommendations related to the ESJ Pilots in their upcoming General Rate Case (GRC), including “provid[ing] further details in [the] 2028 GRC filings on future plans for assessing and addressing both risk impacts on DVCs and the benefits of risk mitigations for DVCs.”¹³

¹⁰ *Id.*

¹¹ Also in accordance with D.22-12-027, SDG&E will submit a White Paper summarizing its ESJ Pilot Study within two months of its RAMP filing deadline, which will: (1) identify areas for further exploration and challenges they faced incorporating ESJ into the RDF; (2) discuss how to better target mitigations that improve local air quality; and (3) explore how to better target mitigations that improve climate resilience in disadvantaged and vulnerable communities. D.22-12-027 at 67 (OP 6).

¹² SPD Report at 201.

¹³ *Id.* at 201, 203.

Specifically, SPD made recommendations regarding the ESJ Pilot Study Plan Action Items 1, 2, 3 and 7.¹⁴ Consistent with the SPD Report, SDG&E addresses SPD’s recommendations related to its ESJ Pilot Study here as part of its Test Year (TY) 2028 GRC. For ease of reference, SDG&E has included its original ESJ Pilot Study Plan and identifies where there are updates under the “Test Year 2028 GRC Update” headings.

II. EXECUTIVE SUMMARY

About SDG&E

For more than 140 years, SDG&E has provided safe and reliable energy to the 3.7 million community members that depend on us today. In addition to providing safe and reliable energy infrastructure, SDG&E is committed to helping California meet its ambitious carbon neutrality goal of reaching net-zero greenhouse gas emissions (GHG) by 2045. This commitment includes SDG&E adopting its own sustainability strategy and goal to reach net zero GHG emissions by 2045.¹⁵ To that end, SDG&E published a California economy-wide decarbonization roadmap in April 2022, which showed that a holistic pathway to electrification and cleaner fuels is needed to mitigate climate change.¹⁶ SDG&E maintains its unwavering commitment to clean, safe, and reliable energy while recognizing that energy costs are important to families, businesses, and our local communities. Energy affordability remains top of mind as SDG&E advances decarbonizing California in a just and equitable manner.

ESJ Pilot Study Plan

In accordance with the Phase 2 Decision, Ordering Paragraph 5, SDG&E held the following workshops jointly with SoCalGas to review their ESJ Pilot Study Plans.¹⁷

- CBOWG Workshop – July 12, 2024
- DACAG Workshop – July 19, 2024

¹⁴ *Id.* at 202.

¹⁵ SDG&E, *Building a Better Future: Our Commitment to Sustainability* (October 2020) (Sustainability Strategy), available at: https://www.sdge.com/sites/default/files/documents/SDG%26E%20Sustainability%20Report_0.pdf.

¹⁶ 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.

¹⁷ Recordings and workshop material available at www.cpuc.ca.gov/about-cpuc/divisions/safety-policy-division/risk-assessment-and-safety-analytics/risk-assessment-mitigation-phase/sempra-ramp/sempra-2025-ramp/environmental-and-social-justice-pilots.

- Public Workshop – August 12, 2024

SDG&E appreciates these key engagements and stakeholder feedback, which included several important recommendations. Through this engagement, SDG&E affirmed its proposed approach to focus this ESJ Pilot Study on two risks: 1) Wildfire & Public Safety Power Shutoff (PSPS) and 2) Electric Infrastructure Integrity (EII).¹⁸ As discussed in more detail below, (i) the Wildfire and PSPS Risk refers to the risk of a catastrophic wildfire, especially those initiated by SDG&E equipment, and/or PSPS events; and (ii) the EII Risk is the risk of an asset failure or an asset no longer complying with the latest engineering standards resulting in a public safety or reliability incident.

One of the recommendations from the workshops is for SoCalGas and SDG&E to consider alternative community vulnerability screening tools to help identify vulnerable geographic areas and populations across SoCalGas's and SDG&E's service territories. As a result of this feedback, SDG&E considered several other screening tools, described in Section III *infra*. At the suggestion of Safety Policy Division Staff, SDG&E contacted Michael Méndez, PhD, Assistant Professor of Environmental Policy & Planning, University of California, Irvine, on the wildfire smoke issue referenced in Action Item #5.¹⁹ Dr. Méndez referred SDG&E to David Eisenman, MD, Internal Medicine, University of California, Los Angeles. Dr. Eisenman recommended a research paper, which SDG&E reviewed as discussed in Action Item #5.

SDG&E also included Cost-Benefit Ratios (CBRs) as part of their analysis in the ESJ Pilot Study, consistent with Action Item #6's requirement to "[e]stimate the extent to which risk mitigation investments included in the RDF impact and benefit DVCs independently and in relation to non-DVCs in the IOU service territory" and Safety Policy Division (SPD) guidance in PG&E's RAMP proceeding.²⁰

¹⁸ See SDG&E's Chapter SDG&E-Risk-4: Wildfire and PSPS and Chapter SDG&E-Risk-5: Electric Infrastructure Integrity for further risk and mitigation definitions.

¹⁹ Dr. Michael Méndez from UC Irvine (<http://www.michaelanthonymendez.com/>); see Section VIII *infra* for more information.

²⁰ See D.22-12-027 at 67 (OP 5(f)); see also CPUC, *Safety Policy Division Evaluation Report on PG&E 2024 RAMP Application (A.) 24-05-008* (November 8, 2024) at 36, available at: [spd-evaluation-report-2024-pge-ramp-final-with-attachments.pdf](#).

Key Findings from the ESJ Pilot Study

Action Item #1: Risk Impacts in DVCs.

- Wildfire and PSPS: Within the DVCs in the SDG&E service territory, approximately 745 miles of the electric distribution system and about 9,000 customer electric meters are in the High Fire Threat District (HFTD). About 26% of HFTD Tier-3 Wildfire and PSPS Risk exists in these DVC areas, with a lower percentage (5%) in HFTD Tier-2. SDG&E estimates total annual Wildfire and PSPS Risk to be \$3,020 million in its service territory overall, with about \$540 million in these DVC areas or 18% of the exposure. In the SDG&E service territory, DVCs make up less than 10% of HFTD square mileage, with Tribal Lands making up the majority of DVCs in HFTD, and these areas have 31% of risk.
- Electric Infrastructure Integrity: About 7% of miles in the electric distribution system are in DVCs in SDG&E's service territory, which includes approximately 150,000 DVC customer electric meters. SDG&E estimates total annual EII Risk to be about \$398 million with about \$28 million in DVCs or 7%. DVCs make up approximately 7% of total service area square mileage and they bear an approximately proportionate amount of EII Risk compared to their area (7%).

Action Item #2: SDG&E's Clean Energy Resource Investments in DVCs

- Wildfire and PSPS: – Two notable safety and reliability controls that consider clean energy are Microgrids, when integrated with renewable sources, and Standby Power Program, when permanent solutions include renewable batteries charged by renewable sources. The Access and Functional Need (AFN) customer classification, which has significant overlap with DVC (all CalEnviroScreen census tracts have AFN population), is a criteria consideration for microgrid project selection. AFN is also relevant to other ESJ Pilot Study controls and mitigations in this risk.
- Electric Infrastructure Integrity: SDG&E maintains a system that will better support electrification and clean energy investments. EII Risk treatments mainly entail electric infrastructure upgrades to support public safety and reliability.

Other areas of SDG&E's electric infrastructure planning and development may more directly support public health and air quality, such as capacity-driven electric distribution upgrade programs and overhead to underground electric distribution programs.

Action Item #3: Air Quality, Public Health & Assembly Bill (AB) 617

- The AB 617 communities in SDG&E service territory (11 census tracts with a population of 47,554) are all considered DVC communities and consist of portside communities and communities along the southwest area of the U.S.-Mexico border (see Figures 6 and 7 *infra*). Since 2017, SDG&E has been working with California Air Resources Board (CARB) and other stakeholders to implement AB 617 and help the Community Air Protection Programs be effective at reducing emissions.
- Wildfire and PSPS: While no Wildfire or PSPS control relates directly to improved air quality or public health, such controls do relate to technologies, communications, and partnerships to inform the public (including DVCs) about air quality so that they can make risk-informed decisions to manage their health and well-being.
- Electric Infrastructure Integrity: Because the scope of EII controls and mitigations are mostly focused on improving or preserving system reliability, there are no controls or mitigations directly related to improving local air quality or public health for this risk.

Action Item #4: How RAMP Mitigations May Impact Climate Resiliency – This topic is addressed in greater detail in SDG&E's Chapter RAMP-5: Climate Change Adaptation and in SDG&E's Climate Adaptation and Vulnerability Assessment (CAVA).²¹

- Wildfire and PSPS – Wildfire is identified as a Climate Hazard for electric distribution, transmission, substation, communication, facilities assets, and gas assets (pressure pipes, medium-pressure pipes, regulators, compressors, and valves). All controls and mitigations in the Wildfire and PSPS Chapter are

²¹ Pursuant to D.20-08-046 and D.24-08-005, SDG&E's submitted its 2025 CAVA on May 15, 2025.

intended to reduce utility-caused wildfires, thus all impact climate resiliency in and outside of DVCs in HFTD.

- **Electric Infrastructure Integrity** – Several controls for this risk facilitate infrastructure hardening, which consider the effects of climate change and extreme weather. Such programs include but are not limited to enhancements in system protection, vegetation management, and restoration of service. Substation Reliability for Distribution (Control 250) has a greater CBR for substations that are located in or serve DVCs. Other planned investments are proportionately applied to DVC communities or have similar impacts to both DVC and non-DVC communities.

Action Item #5: Wildfire Smoke – SDG&E lacks adequate information to make predictive estimates regarding Wildfire Smoke and defers to industry experts such as government, academia, and fire agencies to develop models or calculations. SDG&E's comprehensive wildfire mitigation efforts, including but not limited to infrastructure hardening, situational awareness, and emergency operations, are key ways to mitigate the risk of wildfire smoke and are described in Chapter SDG&E-Risk-4: Wildfire and PSPS.

Action Item #6: Mitigation Impacts & Benefits

- **Wildfire and PSPS** – During 2028-2031, SDG&E plans to underground approximately 600 miles of overhead systems in HFTD, including 125 miles, or 21%, directly benefitting DVCs in the HFTD, resulting in an estimated wildfire risk reduction in these areas of 99% and near elimination of the need for PSPS.
- **Electric Infrastructure Integrity** – SDG&E focused its analysis of RAMP controls and mitigations on three programs: 1) C236 Distribution Overhead Switch Replacement, 2) C250 Substation Reliability for Distribution, and 3) C269 Distribution Circuit Reliability. In some cases, and as discussed below, the mitigations directly benefit more customers in high-population density DVCs, resulting in relatively higher CBRs.
 - Approximately 13% of system circuit miles planned for C236 Distribution Overhead Switch Replacement are located in or serve DVCs. SDG&E forecasts approximately \$303,000 of program costs to be spent on

overhead switches that serve DVCs. On these circuits, approximately 7,200 customer meters are in DVCs, compared to 49,000 in non-DVCs.

- Approximately 6% of system circuit miles planned for the C250 Substation Reliability for Distribution program are located in or serve DVCs. SDG&E forecasts \$2.5 million of program costs to be spent on substations serving DVCs as part of the program. On these circuits, approximately 16,000 customer meters are in DVCs, compared to 242,000 in non-DVCs.
- Approximately 6% of system circuit miles planned for the C269 Distribution Circuit Reliability program are located in or serve DVCs. SDG&E forecasts \$242,000 of program costs to be spent on distribution reliability for circuits serving DVCs as part of the program. On these circuits, approximately 2,000 customer meters are in DVCs, compared to approximately 28,000 in non-DVCs.

Action Item #7: Outreach and Public Participation

- Wildfire and PSPS – The Wildfire and PSPS controls having elements of customer outreach and engagement focus on program awareness and participation, awareness of community resources and services, and data and information available to them before, during and after times of crisis. Some of the controls are supported by CBOs, potentially increasing their effectiveness in DVC areas.
- Electric Infrastructure Integrity – One EII control provides robust customer education about the dangers and risks associated with electricity and working in proximity to SDG&E's electrical equipment and infrastructure. This control is applied across SDG&E's service territory, in both DVC and non-DVC communities.

III. DISADVANTAGED AND VULNERABLE COMMUNITIES IN SDG&E SERVICE TERRITORY

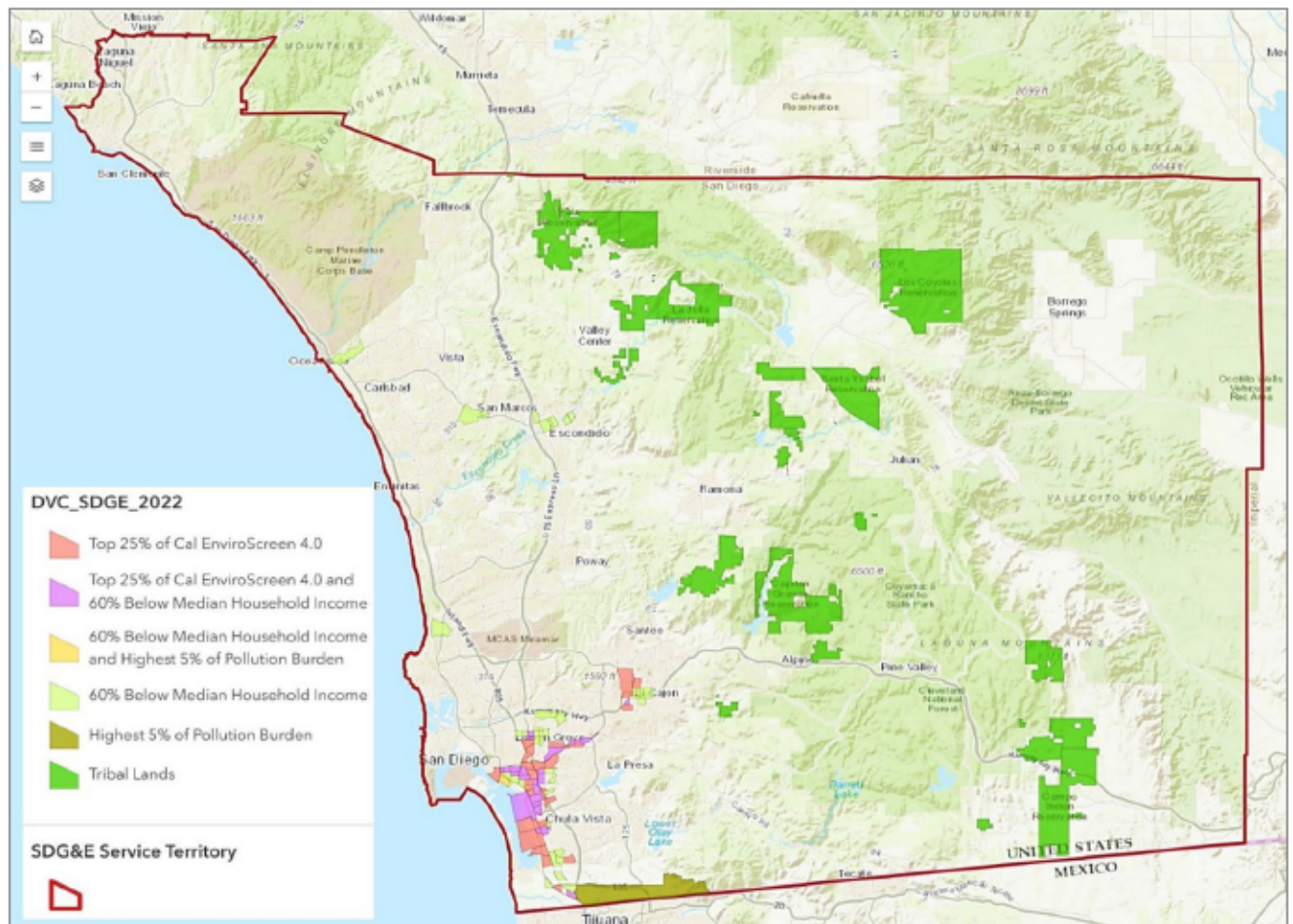
For the ESJ Pilot Study, SDG&E used CalEnviroScreen 4.0 map to identify the relevant DVCs, as illustrated in Figure 1.²² The CalEnviroScreen 4.0 map identifies the DVC population as

- California tribal lands;
- Communities in the 25% highest scoring census tracts of CalEnviroScreen;
- Census tracts that score in the highest 5% of Pollution Burden within CalEnviroScreen, but do not receive an overall CalEnviroScreen score due to unreliable public health and socioeconomic data; and
- Census tracts with median household incomes less than 60% of state median income.

There are no DVCs in the Orange County portion of SDG&E's service territory (northwest region of Figure 1).

²² Figure 1 is excerpted from the OEHHA, California Communities Environmental Health Screening Tool, *see* Map of CalEnviroScreen 4.0, *available at* <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40>).

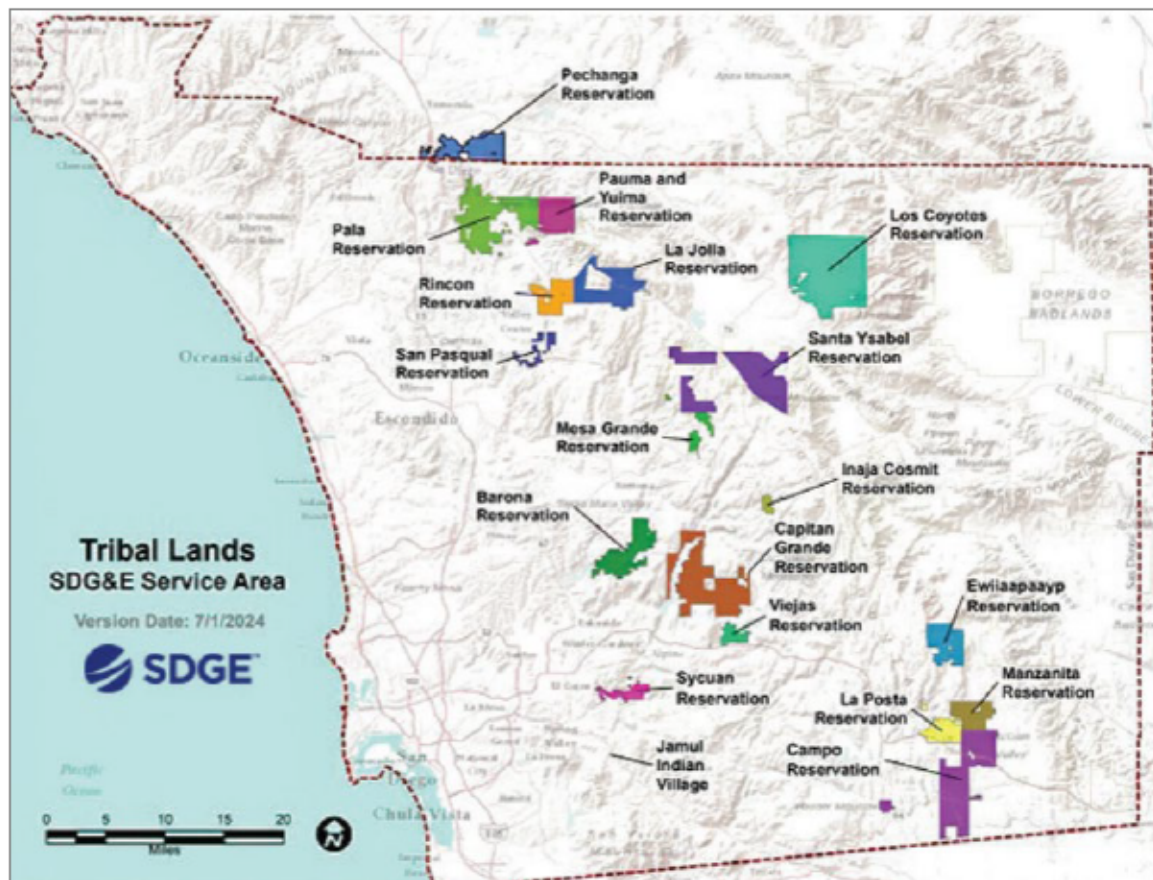
Figure 1 - Disadvantaged and Vulnerable Communities in SDG&E Service Territory



SDG&E is proud to be an energy partner to the 17 Tribal Nations within the Company's service territory and are illustrated in Figure 2.²³ San Diego County is home to the highest number of reservations in the United States.

²³ Figure 2 also recognizes the Capitan Grande and Pechanga reservations. See SDG&E, SDG&E Tribal Relations, Serving Tribal Nations, available at <http://www.sdge.com/tribal-relations>.

Figure 2 - Tribal Lands in SDG&E Service Territory



During the ESJ Pilot Study public workshops (described *supra* Section II), SDG&E was asked to consider vulnerability screeners in addition to CalEnviroScreen 4.0. SDG&E analyzed the following nine (9) additional vulnerable community screening tools and data.

1. Climate and Economic Justice Screening Tool;
2. California Healthy Places Index 3.0;
3. City of San Diego Climate Equity Index;
4. CDC/ASTDR Environmental Justice Index;
5. Environmental Defense Fund US Climate Vulnerability Index;
6. OEHHA DAC – defined by Senate Bill (SB) 535 (minus Tribal Areas);
7. FEMA National Risk Index;
8. AB 617 Communities; and

9. CARB Climate Vulnerability Metric.

In general, each of the above-identified tools provided a slightly different screening to identify DVCs in SDG&E's service territory than CalEnviroScreen 4.0. These tools use different criteria to identify vulnerable communities, making a direct comparison of each screening tool difficult. When the results of vulnerability screening by all nine tools are considered in the aggregate, the defined DVC area expands to a larger community level than the census tract level viewpoint provided by CalEnviroScreen 4.0. Considering the above, SDG&E agrees that CalEnviroScreen is an effective tool to identify DVCs and agrees with the CPUC's requirement to use it for purposes of this ESJ Pilot Study.²⁴

IV. ACTION ITEM #1: RISK IMPACTS

Consider equity in the evaluation of consequences and risk mitigation within the Risk-Based Decision-Making Framework (RDF), using the most current version of CalEnviroScreen to better understand how risks may disproportionately impact some communities more than others.

SDG&E evaluated the forecasted Potential Consequences and risk mitigations related to the Wildfire and PSPS and EII Risks in the identified DVCs. To address both Risk and control/mitigation impacts to DVCs, SDG&E focused on the risk analysis for Action Item #1 and evaluated applicable controls and mitigations in Action Item #6 for the same risk categories.

Wildfire and PSPS

For the purposes of this RAMP Report, SDG&E's Wildfire Risk is defined as "the risk of catastrophic wildfire, initiated by SDG&E equipment, whether through normal operation or failure, that may pose an immediate threat to the communities, the environment, and overall safety resulting in fatalities, widespread property destruction, and a multi-billion-dollar liability."²⁵ SDG&E defines PSPS Risk as "the risk created from proactive de-energization of infrastructure during extreme fire weather conditions, which can result in negative impacts on customers and communities."²⁶

²⁴ D.22-12-027 at 65-67 (OP 5); see also CPUC, *Environmental & Social Justice Action Plan Version 2.0* (April 7, 2022) Appendix A, ESJ Action Item 4.1.4 at 43, available at: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf>.

²⁵ See Chapter SDG&E-Risk-4: Wildfire and PSPS, Section I.A.

²⁶ *Id.*

Wildfire and PSPS Risk focuses on the primary electric distribution system contained within the HFTD, and EII Risk focuses on the primary electric distribution system contained in the non-HFTD portion of the SDG&E's service area. The main analysis SDG&E performed for Action Item #1 overlaid SDG&E's primary electric distribution system data within SDG&E's identified DVC map.

SDG&E's Wildfire and PSPS Risk reduction is focused on our HFTD Tier-2 and Tier-3 areas and finds the majority of DVCs in HFTD are Tribal Lands. SDG&E overlaid its primary electric distribution system data within the HFTD and DVC maps and measured the intersection of electric distribution lines through these census tract and tribal land polygons. Approximately 745 miles of the electric distribution system²⁷ overlaps with DVCs in HFTD. Of this, approximately 9,100 customer meters are in DVCs, as shown in Table 1.

To understand proportional impacts, SDG&E used GIS to analyze the total area of HFTD DVCs, in square miles, and compared it to the total HFTD square mileage.

About 26% of Tier-3 Wildfire and PSPS risk is in DVC areas, with a lower percentage (5%) in Tier-2. SDG&E estimates \$540 million of DVC Risk in HFTD. DVCs make up less than 10% of HFTD square mileage, with Tribal Lands being the majority of DVCs in HFTD, and they bear a disproportionate amount of risk compared to their area – approximately 31%.

Table 1 - Wildfire and PSPS Risk: DVC and non-DVC in HFTD (2024 \$)

	DVC Customer Meters	Baseline Risk (M\$)	DVC Risk (M\$)	Non-DVC Risk (M\$)	DVC Risk (%)
HFTD Tier-2	3,320	\$988	\$49	\$939	5%
HFTD Tier-3	5,794	\$1,905	\$491	\$1,414	26%
Total HFTD	9,114	\$2,893	\$540	\$2,353	31%

SDG&E's risk analysis focused on customer meter counts. SDG&E understands there could be discrepancies between census tract populations and customer meter count. However, using customer meters for the analysis is useful because no additional hypothetical assumptions are necessary to extrapolate the results to census tract populations.

²⁷ This estimate includes overhead and underground mileage.

Electric Infrastructure Integrity

For the purposes of the 2025 RAMP Report, SDG&E's EII Risk is defined as the risk of an asset failure caused by degradation, age, operation outside of design criteria due to unexpected events or field conditions (*e.g.*, force of nature), or an asset no longer complying with the latest engineering standards, which results in a public safety or reliability incident.

SDG&E's EII Risk reduction prioritizes safety and reliability measures designed to protect its employees, customers, and the public. Since this risk is primarily concentrated on the distribution system, the ESJ Pilot Study also focuses on these areas.

SDG&E overlaid the electric distribution system to the DVC map for Action Item #1 and used census tract and tribal land polygons to measure the intersection of electric distribution line through these polygons. While EII Risk is concentrated on SDG&E's primary distribution system, EII Risk also exists outside of the distribution system. However, by examining the total mileage of primary electric distribution inside and outside DVCs, SDG&E uses estimates to find total EII Risk in DVCs using a percentage-based approach.

To understand proportional impacts, SDG&E used GIS to analyze the total area of DVCs, in square miles, compared to the square mileage of SDG&E's total service territory.

Approximately 7% of the electric distribution system miles overlap with DVCs, with approximately 150,000 customer meters located in DVCs and 1.34 million meters located in non-DVC areas. Total annual EII Risk is estimated at approximately \$398 million. Using the percentage-based approach, SDG&E estimates \$28 million of EII Risk relates to DVC areas. DVCs make up approximately 7% of total service area square mileage and they bear an approximately proportionate amount of EII Risk compared to their area (7%).

TEST YEAR 2028 GRC UPDATE

The SPD Report contains the following recommendation regarding Action Item No. 1:

Regarding Action Item 1: SDG&E estimates a disproportionate exposure to wildfire risk exposure for DVCs (primarily tribal lands) in the HFTD (31 percent risk exposure despite making up less than 10 percent of the square mileage). SPD recommends that SDG&E include in its 2028 GRC filing references to its Wildfire Mitigation Plan's measures to address the mitigations that reduce risk the most in DVCs.²⁸

²⁸ SPD Report at 202.

The Wildfire Mitigation Plan is addressed in the Wildfire Mitigation and Vegetation Management testimony (Exhibit SDGE-07). To address SPD's recommendation regarding disproportionate wildfire risk exposure for DVCs, particularly Tribal lands in the HFTD, a feeder-segment-level "DVC indicator" column has been incorporated into the TY 2028 GRC Benefit Cost Ratio Workpaper workbooks.²⁹ This column enables identification of feeder segments with assets located within DVC boundaries. In addition, Segment Profile Cards have been updated to include this indicator. These site-specific summary cards provide a standardized summary of wildfire, PSPS, and Protective Equipment Device Settings (PEDS) risk, along with corresponding mitigation options, for the highest-risk distribution segments across SDG&E's service territory.

This enhancement improves visibility into equity considerations by enabling systematic identification of feeder segments serving DVCs and supports more informed wildfire risk mitigation planning. It facilitates an initial evaluation of DVC risk exposure and enables assessment of mitigation effectiveness at a more granular level.

This capability also supports targeted analysis and transparent reporting of mitigation and control measures aimed at reducing risk in DVCs, and enables evaluation of how specific strategies, such as covered conductor installation, targeted vegetation management, and enhanced community engagement, reduce risk in high-priority DVC areas.

Development of data sources tracking and analyzing community vulnerability and engagement with DVCs are primarily occurring in the CAVA. SDG&E's efforts to incorporate direct consideration of vulnerable communities continue to advance through active refinement across multiple proceedings (*e.g.*, Risk OIR, Climate Change Adaptation OIR, etc.).³⁰ For a more detailed discussion on community vulnerability and engagement with DVCs, refer to Section 4 of the CAVA.

V. ACTION ITEM #2: CLEAN ENERGY INVESTMENTS

Consider investments in clean energy resources in the RDF, as possible means to improve safety and reliability and mitigate risks in DVCs.

²⁹ See SCG-02/SDGE-02-WP-S.

³⁰ See R.18-04-019 (CAVA); R.21-06-017 (High Distributed Energy Resource (DER)/Distribution Planning); R.22-11-013 (DER).

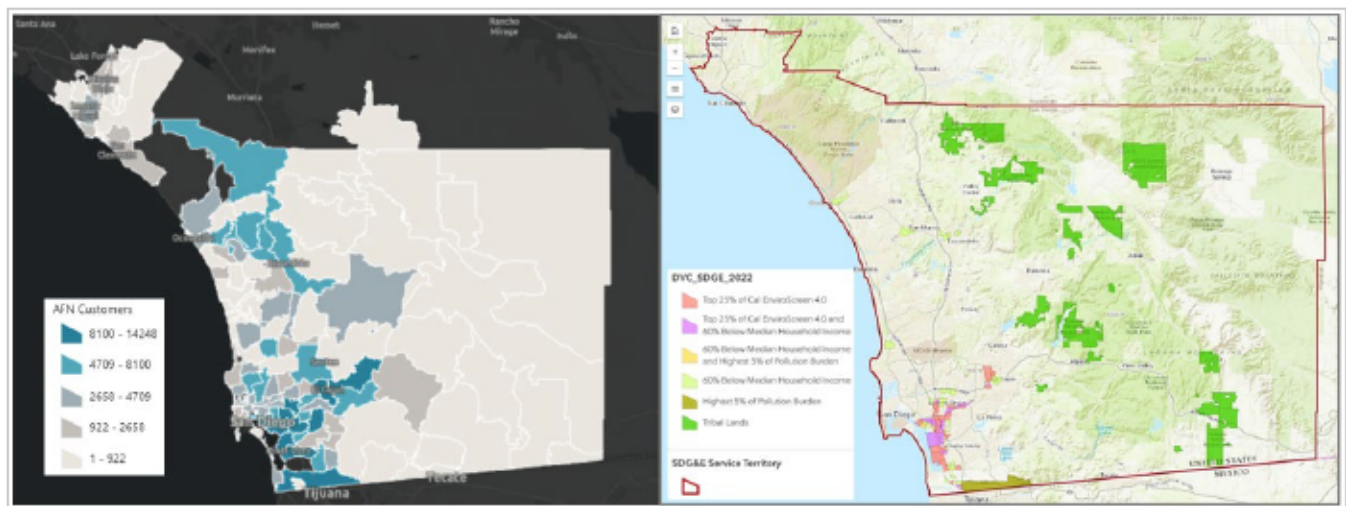
SDG&E considered 2025 RAMP programs that address clean energy resources and, where applicable, evaluated if and how DVCs could benefit from these projects by improving safety and/or reliability, or general risk reduction.

Wildfire and PSPS

For Wildfire and PSPS, the two risks that support clean energy investments are C506 Microgrids, and C504 Standby Power Program (Fixed Backup Power Commercial).

C506 Microgrids is the control that best supports clean energy within the Wildfire and PSPS Risk mitigation portfolio. Microgrids are a critical component to SDG&E's efforts to keep customers energized during planned and unplanned outages. Microgrids are small electric grids that can operate independently from the larger grid. They are supportive of clean energy when integrated with a network of distributed energy resources, like solar panels and energy storage. AFN customers are a prioritization factor when identifying projects. Figure 3 depicts how AFN customers have significant overlap with DVC, namely in densely populated urban areas. Every CalEnviroScreen DVC census tract in SDG&E's service territory has AFN population ranging between 126 to 2,025 per census tract (and 4% to 33% of the population of each).

Figure 3 - SDG&E AFN (left – zip code based) and DVC (right – census tract based)



The C504 Standby Power Program (Fixed Backup Power Commercial) control offers backup power solutions to enhance resiliency. This control is supportive of clean energy when the solutions include permanent backup batteries when powered or charged by clean energy sources such as solar arrays. DVC benefits will depend on location and clean energy sources.

Electric Infrastructure Integrity

Several of the EII controls focus on modernizing SDG&E's distribution system outside of HFTD, which ultimately supports building and maintaining clean energy infrastructure, including substations, underground tee connectors, and supervisory control and data acquisition (SCADA) capacitors, for example. EII Risk mitigations mainly entail electric infrastructure upgrades to support public safety and reliability. Other areas of SDG&E's electric infrastructure planning and development may more directly support public health and air quality. For example, capacity-driven electric distribution upgrade programs may facilitate EV adoption that results in carbon emission reductions. Proactive overhead-to-underground electric distribution conversion programs may also reduce utility truck rolls associated with mandated overhead inspection and maintenance activities, resulting in reduced carbon emissions.

Examples of Non-RAMP Activities

SDG&E is committed to clean energy efforts. Some examples of these efforts outside of the focus of RAMP include the following.

- SDG&E Path to Net Zero – A Decarbonization Roadmap for California (April 2022);³¹
- SDG&E Microgrid and Battery Energy Storage Systems (BESS);³²
- Microgrid Incentive Program (MIP) – Customer/Community Owned;
- Hydrogen Innovation;³³
- Hydrogen-fueled Fleets for Business;³⁴
- Vehicle-to-Grid (V2G);³⁵ and

³¹ SDG&E, *Path to Net Zero, A Decarbonization Roadmap for California* (April 2022) available at www.sdge.com/sites/default/files/documents/netzero2.pdf.

³² SDG&E, *Battery Energy Storage Systems (BESS) and Microgrids*, Fact Sheet, available at <https://www.sdge.com/sites/default/files/BESS%20and%20Microgrids%20-%20Fact%20Sheet%20%281%29.pdf>.

³³ SDG&E, *Hydrogen Innovation*, available at www.sdge.com/more-information/environment/sustainability-approach/hydrogen-innovation.

³⁴ SDG&E, *Hydrogen-fueled Fleets for Business*, available at www.sdge.com/more-information/environment/sustainability-approach/hydrogen-innovation/hydrogen-fueled-fleets-business.

³⁵ SDG&E, *Vehicle Grid Integration*, available at <http://sdge.com/V2G>.

- Electric Program Investment Charge (EPIC)³⁶ Program.

TEST YEAR 2028 GRC UPDATE

The SPD Report contains the following recommendation regarding Action Item 2:

Regarding Action Item 2: SPD recommends that SDG&E incorporate a quantitative analysis of electric infrastructure integrity related to clean energy resources in its action plan responding to this action item.³⁷

Although the EII Risk chapter supports the State's clean energy objectives, clean energy resources themselves are not within the scope of this risk. Clean energy resources such as solar generation, wind generation, BESS, and other resource facilities are classified as generation or storage assets, rather than transmission and distribution infrastructure assets, and therefore are not addressed under the EII Risk chapter. The EII Risk chapter instead prioritizes investments in safety and reliability programs - such as pole and conductor replacements, underground cable renewal, substation upgrades, inspection programs, and vegetation management - that are designed to protect employees, customers, and the public. These efforts maintain a reliable grid, strengthen resilience, and enable the integration of growing renewable and emerging technologies. SDG&E will continue to assess clean energy resource considerations in the 2029 RAMP.

VI. ACTION ITEM #3: AIR QUALITY, PUBLIC HEALTH, AND ASSEMBLY BILL (AB) 617

Consider mitigations that improve local air quality and public health in the RDF, including supporting data collection efforts associated with Assembly Bill 617 regarding community air protection program.

SDG&E evaluated how EII and Wildfire/PSPS controls and mitigations may impact local air quality and public health, with specific emphasis on AB 617 communities.³⁸

³⁶ SDG&E, *Electric Program Investment Charge, Pioneering clean energy technology*, available at www.sdge.com/epic.

³⁷ SPD Report at 202.

³⁸ CARB, *Community Air Protection Program*, available at: <https://ww2.arb.ca.gov/capp/about>. In response to AB 617 (C. Garcia, Chapter 136, Statutes of 2017), CARB established the Community Air Protection Program (CAPP). CAPP's focus is to reduce exposure in communities most impacted by air pollution..

Background

Two communities, the International Border Community³⁹ and Portside Environmental Justice Neighborhoods⁴⁰ in San Diego have been selected by the CARB Board to participate in the Community Air Protection Program, and SDG&E considered mitigations that improve local air quality and public health in these areas.

The AB 617 census tracts and neighborhoods within SDG&E's service territory are provided in Table 2. Figure 4 shows the location of the AB 617 Portside Environmental Justice Neighborhoods. Figure 5 shows the location of the AB 617 International Border Community.

In total, there are 11 census tracts with a population of 47,554 people. These tracts are also DVC communities.

Table 2 - AB 617 Census Tracts in SDG&E Service Territory

Census Tract	Neighborhood	Population (CalEnviroScreen 4.0)
6073005000	Barrio Logan	2,195
6073005100	Downtown	7,702
6073003902	Logan Heights / SE SD	4,388
6073003901	Logan Heights / SE SD	4,379
6073003603	Logan Heights / SE SD	3,907
6073003601	Logan Heights / SE SD	3,006
6073004000	Logan Heights / SE SD	4,513
6073003502	Logan Heights / SE SD	4,754
6073004700	Logan Heights / SE SD	1,703
6073011602	National City	3,900
6073021900	National City	7,107

³⁹ CARB, *International Border Community*, available at: <https://ww2.arb.ca.gov/our-work/programs/community-air-protection-program/communityhub-2-0/international-border-community>.

⁴⁰ CARB, *Portside Environmental Justice Neighborhoods*, available at: <https://ww2.arb.ca.gov/our-work/programs/community-air-protection-program/communityhub-2-0/portside-environmental-justice>.

**Figure 4 - Community Hub 2.0 / AB 617 Portside
Environmental Justice Neighborhoods**

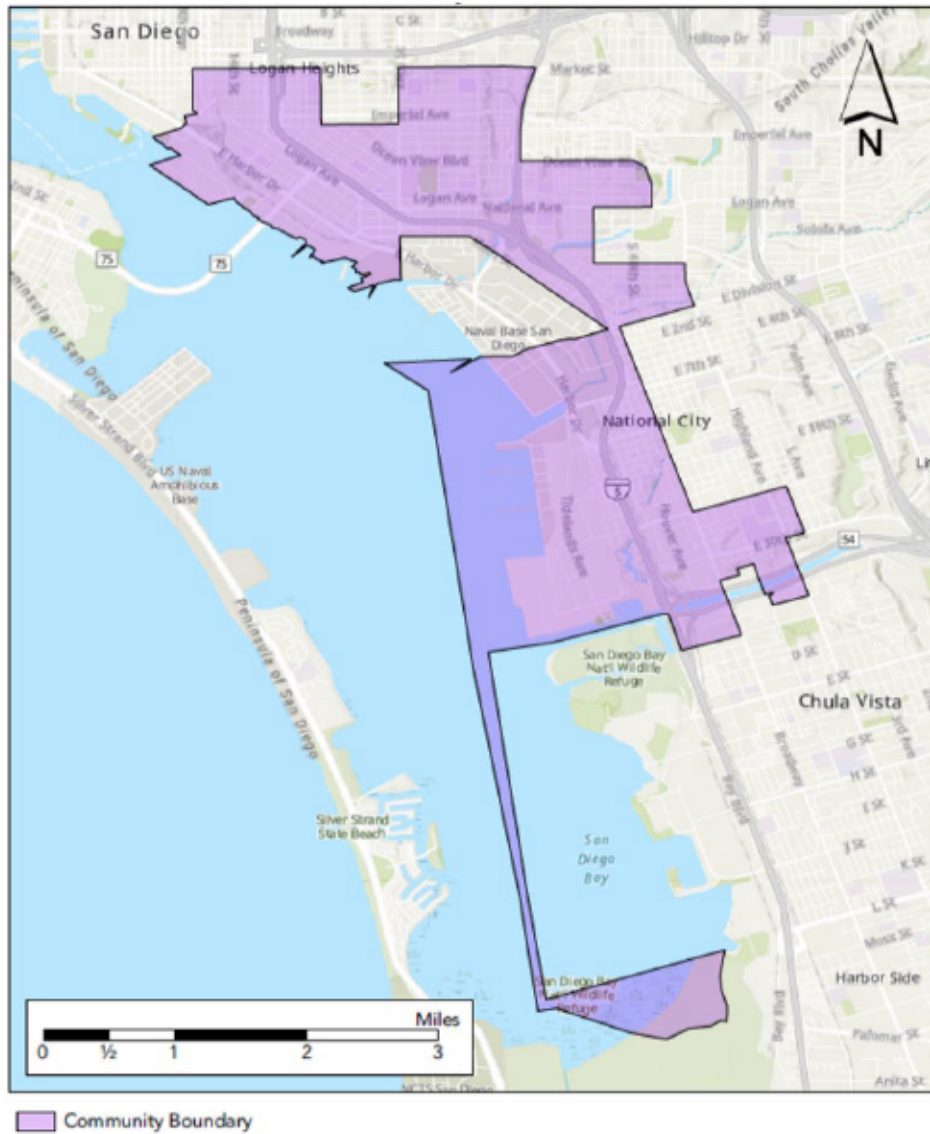
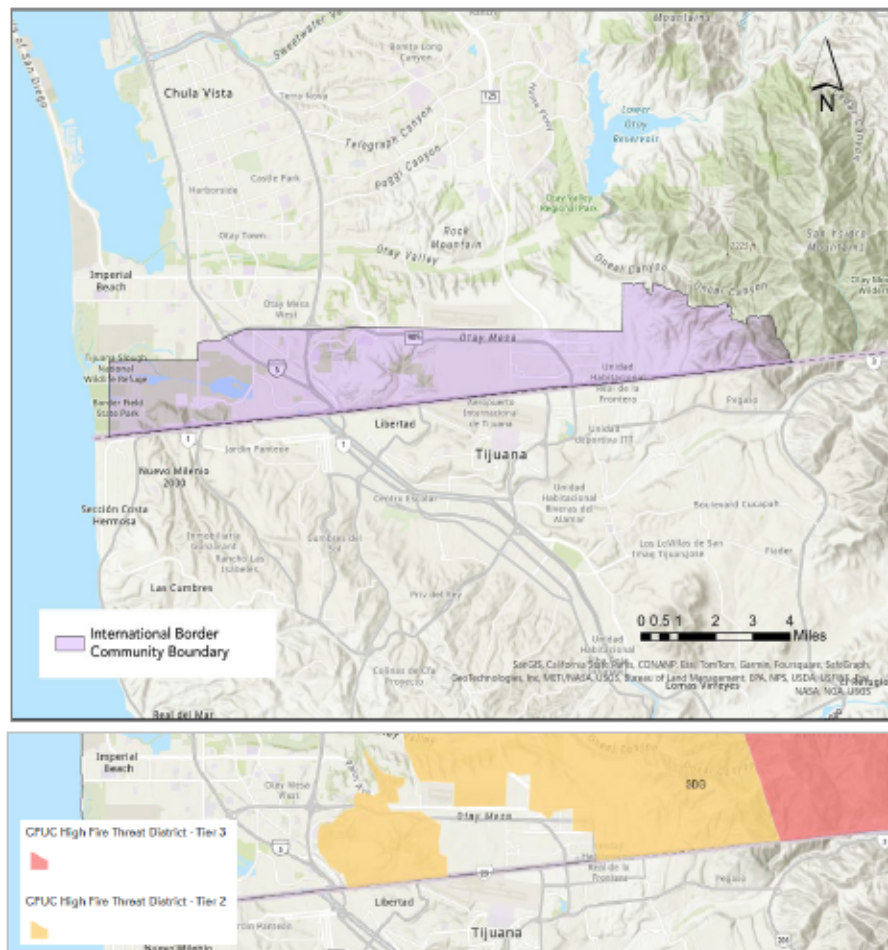


Figure 5 - CommunityHub 2.0 / AB 617 International Border Community & SDG&E HFTD 2 & 3



Since 2017, SDG&E has been working with CARB and other stakeholders to implement AB 617 and help the Community Air Protection Programs be effective at reducing emissions. Each community has a Community Emissions Reduction Program (CERP).^{41,42} Within each, SDG&E is an important partner in the implementation of the AB 617 program in San Diego's disadvantaged communities.

AB 617 also requires compilation and submittal of emissions inventories for various industrial sources in the state (independent of location). SDG&E has been reporting its annual toxic and criteria emissions from its air permitted equipment (*i.e.*, combustion turbines at power plants and diesel engines at Construction & Operations (C&O) centers) to the Air Pollution Control District (APCD). For the annual reports submitted over the last few years, APCD has concluded that SDG&E-targeted sites are low-risk and do not pose any significant impacts to receptors (residential and commercial sites near the SDG&E-targeted sites).

Wildfire and PSPS

While no 2025 RAMP controls and/or mitigations are designed for the express purpose of improving air quality or public health, the activities and programs discussed in the Wildfire and PSPS Chapter provide information about weather and air quality conditions that can increase public awareness of conditions and enable them to take self-preservation action.

For example, the Wildfire and PSPS Risk Chapter describes a group of controls that focus on Situational Awareness and Forecasting,⁴³ which help SDG&E monitor current wildfire, weather, and environmental conditions. The Emergency Preparedness, Collaboration and Public Awareness control provides public information before, during and after a Wildfire or PSPS event.⁴⁴ Together, monitoring and communication of current conditions help provide information and awareness of potentially adverse air quality conditions. Air Quality monitors

⁴¹ San Diego County Air Pollution Control District, *Community Emissions Reduction Plan, Portside Environmental Justice Neighborhoods* (Phase II, July 2021), available at: www.sdapcd.org/content/dam/sdapcd/documents/capp/cerp/Portside-Environmental-Justice-CERP-July-2021.pdf.

⁴² San Diego County Air Pollution Control District, *International Border Communities, San Ysidro & Otay Mesa, Community Emissions Reduction Program* (March 2024), available at: ww2.arb.ca.gov/sites/default/files/2024-07/IBCSC%20CERP%2003.29.24.pdf.

⁴³ See Chapter SDG&E-Risk-4: Wildfire and PSPS, Section III.

⁴⁴ See *id.*

are a technology that, while not specifically mentioned, is a component of the Safety Compliance and Industrial Hygiene Program in the Employee Safety Chapter (SDG&E-Risk-6, C328). These monitors help support risk informed decisions for the safety of SDG&E employees and are also utilized by the Fire Science and Climate Adaptation (FSCA) business unit as a tool to support enhanced situational awareness. Finally, the data from these AQI monitors are also made available to the public, to raise awareness and promote risk-informed decision-making on exposure to air quality levels.

The Wildfire and PSPS controls that support this action item are discussed as follows. Note that the easternmost area of the International Border Community in Figure 5 is near the HFTD; therefore, that population may be applicable to any discussion about HFTD customers.

- C572 Situational Awareness and Forecasting is supported by various tools and technologies. Some of these technologies include cameras that are publicly accessible that could provide real-time visuals of smoke-related air quality conditions. Additional information about the cameras is provided in Action Item #5, which discusses SDG&E's Wildfire Mitigation Plan. Other tools that can provide public awareness and forecasting information include weather data, indexes and metrics, and fire detection.
- C328 Safety Compliance & Industrial Hygiene Program, presented as part of the Employee Safety Chapter, includes the deployment of Air Quality monitors – another tool that is used for situational awareness and employee safety. These monitors are also made accessible to the public and are discussed in more detail in Action Item #5.

TEST YEAR 2028 GRC UPDATE

The SPD Report contains the following recommendation regarding Action Item No. 3:

Regarding Action Item 3: SDG&E's 2025 RAMP controls and mitigations do not directly aim to improve air quality or public health; however, as part of these controls and mitigations, SDG&E can support a public health response to adverse conditions, such as in SDG&E's Safety Compliance and Industrial Hygiene Program (C328), which allows public access to data from air quality monitors that are in place to protect SDG&E employees. SPD recommends that SDG&E provide some quantitative, data-driven analysis on how to improve air quality by

reducing emissions (both toxic air pollutants and greenhouse gas emissions), thereby protecting the electric grid and public health, particularly for DVCs.⁴⁵

SDG&E responded to this recommendation in its Comments on SPD's Report on SoCalGas's and SDG&E's RAMP Report stating:⁴⁶

SDG&E plays an important role in supporting the electrification of mobile equipment and reducing harmful emissions, including diesel particulate matter, ozone causing pollutants, and greenhouse gases (GHG). In compliance with AB 617, SDG&E reports emissions from its power plants, turbines, stationary combustion engines, and other facilities to the San Diego Air Pollution Control District (APCD).

The APCD and the California Air Resources Board (CARB) are the primary agencies responsible for maintaining air quality monitors in designated Disadvantaged Communities (DACs), which significantly overlap with DVCs. These agencies have developed a plan to reduce pollutant levels and are actively engaging with major regional polluters, particularly in the 'Portside' and 'International Border' communities.

It is important to note that SDG&E has not been identified as a primary contributor to elevated emissions levels in these areas. Moreover, air quality monitoring data is collected and maintained by APCD and CARB, and such data is accessible to the Commission. SDG&E does not operate regional air quality monitoring for toxic or criteria pollutants beyond those required for its own facilities. While SDG&E may conduct air contaminant monitoring for industrial hygiene and worker safety purposes in accordance with Cal/OSHA regulations, these activities are not intended to support regional environmental monitoring or to assess community-level exposure in DVCs. For these reasons, and given APCD's and CARB's regulatory expertise, SDG&E continues to support efforts to evaluate air quality impacts in DVCs led by APCD and CARB.

Electric Infrastructure Integrity

As noted above, EII Risk mitigations mainly entail electric infrastructure upgrades to support public safety and reliability. Other areas of SDG&E's electric infrastructure planning

⁴⁵ SPD Report at 202.

⁴⁶ A.25-05-010/013 (cons.) SoCalGas and SDG&E Comments on SPD's Evaluation on SoCalGas's and SDG&E's RAMP Report (November 17, 2025) at 18-19 (citing APCD, Community Air Protection Program (AB 617), available at www.sdapcd.org/content/sdapcd/community/community-air-protection-program.html).

and development may more directly support public health and air quality. For example, capacity-driven electric distribution upgrade programs may facilitate EV adoption that results in carbon emission reductions. Proactive overhead-to-underground electric distribution conversion programs may also reduce utility truck rolls associated with mandated overhead inspection and maintenance activities, resulting in reduced carbon emissions.

Examples of Non-RAMP Activities

SDG&E also engages in Non-RAMP efforts to improve air quality and public health for its entire service territory, including DVCs and the AB 617 communities, by partnering with and supporting programs such as the following:

- CERP – Portside Environmental Justice Neighborhoods;⁴⁷
- CERP – International Border Communities;⁴⁸
- SDG&E Integrated Resource Plan - Minimizing Criteria Air Pollutants in DAC;⁴⁹
- SDG&E Integrated Resource Plan - DAC Mitigations;⁵⁰
- CAPP Participation;⁵¹
- Fleet / Zero-Emission Vehicles (ZEV);⁵²
- Community Impact Platform;^{53 54} and

⁴⁷ San Diego County Air Pollution Control District, *Community Emissions Reduction Plan, Portside Environmental Justice Neighborhoods* (Phase II, July 2021), available at: www.sdapcd.org/content/dam/sdapcd/documents/capp/cerp/Portside-Environmental-Justice-CERP-July-2021.pdf.

⁴⁸ San Diego County Air Pollution Control District, *International Border Communities, San Ysidro & Otay Mesa, Community Emissions Reduction Program* (March 2024), available at: ww2.arb.ca.gov/sites/default/files/2024-07/IBCSC%20CERP%2003.29.24.pdf.

⁴⁹ R.20-05-003, 2022 Individual Integrated Resource Plan of SDG&E, Public Version (November 1, 2022) at 78-83.

⁵⁰ *Id.* at 36-38.

⁵¹ *Id.* at 82.

⁵² SDG&E, *SDG&E's Sustainability Strategy*, available at: <https://www.sdge.com/more-information/environment/sustainability-approach>.

⁵³ SDG&E, *SDG&E's Community Impact Platform Earns CIO 100 Award* (March 30, 2022), available at: <https://www.sdgetoday.com/news/sdges-community-impact-platform-earns-cio-100-award>.

⁵⁴ Sempra, *SDG&E's Digital Tool for Advancing Environmental Justice Named a Fast Company 2022 World Changing Idea* (May 10, 2022), available at: <https://www.sempira.com/sdges-digital-tool-advancing-environmental-justice-named-fast-company-2022-world-changing-idea>.

- Tree Planting & Programs.⁵⁵

VII. ACTION ITEM #4: CLIMATE RESILIENCY

Evaluate how the selection of proposed mitigations in the RDF may impact climate resiliency in DVCs.

SDG&E's 2025 CAVA identifies Wildfire as a Climate Hazard, which provides the foundation to this action item.⁵⁶ Climate vulnerabilities must be addressed with the goals of providing safe and reliable service and mitigating the increasing risk through innovative and community-centric approaches. As part of the CPUC's ongoing Climate Adaptation OIR, the CPUC, California IOUs, and various stakeholders and consultants are working to identify a climate and community resilience measurement that can be utilized within the CAVA framework, ultimately feeding into the RAMP and GRC. With new developments, SDG&E will work to utilize and align efforts across proceedings that ultimately aim to incorporate DVC and equity concerns into risk-informed decision-making. For additional information on the CAVA and a complete list of climate controls and mitigations included in RAMP, see Volume 1, Chapter SDG&E RAMP-5 Climate Change Adaptation.

Wildfire and PSPS and EII controls and mitigations may impact climate resiliency within DVCs, as follows:

Wildfire and PSPS

CAVA identifies wildfire as a climate-related hazard for electric distribution, transmission, substations, communication, facilities assets, and gas assets including pressure pipes, medium-pressure pipes, regulators, compressors, and valves. All controls and mitigations in Chapter RAMP-1 Wildfire and PSPS support climate resiliency. Action Item #6 details the strategic underground control for Wildfire and PSPS Risk and DVCs.

Electric Infrastructure Integrity

Several of the EII controls focus on hardening, modernizing, and maintaining the electric infrastructure, which will ultimately be supportive of climate resilience.

⁵⁵ SDG&E, *SDG&E Celebrates Arbor Day with New Milestone – 45,000 Trees Planted Since 2021* (April 26, 2024), available at: www.sdgetoday.com/news/sdge-celebrates-arbor-day-new-milestone-45000-trees-planted-2021.

⁵⁶ See discussion in SDG&E's 2025 CAVA, submitted pursuant to D.20-08-046 and D.24-08-005 on May 15, 2025.

- C250 Substation Reliability for Distribution Components – Substations are essential to the daily operation of the electric system. Modern substation infrastructure relies on protective relaying devices to strategically isolate substation equipment to minimize the impact of an outage and increase reliability. Proactive planning and replacement will allow the distribution system to continue operating at optimum conditions and maintain its reliability, shorten outage times, and allow for operational flexibility to the system. This control could improve climate resilience to extreme temperatures, inland flooding, and coastal flooding. Impacts to DVC are discussed in Action Item #6.
- C253 Restoration of Service provides the reconstruction of overhead and underground distribution facilities that are damaged due to a variety of drivers including Climate Hazards such as wildfire and inland flooding. While this control responds to events as they occur, SDG&E also proactively prepares for event response under advisement from the Meteorology department, attempting to optimize costs and risk reduction as a regular practice with prearranged readiness for responding to these widespread events. This control could improve climate resilience to extreme temperatures, wildfires, inland flooding, and coastal flooding and is applied equally to the entire service territory.
- C254 Underground Cable Replacement Program – Reactive replaces underground cable and restores service after cable failures involved in severe weather conditions and other factors. This control could improve climate resilience to wildfires. This control is performed within the entire service territory.
- C262 Distribution Substation SCADA Expansions – Installs SCADA within the substation enables faster faulted circuit identifications, faster isolation of faulted electric distribution circuits, higher accuracy fault locating, and improved system performance. This control could improve climate resilience to wildfires. This control is performed within the entire service territory.
- C263 Non-HFTD Wireless Fault Indicator – Helps narrow search areas of system failures so SDG&E can quickly identify faults and dispatch crews, improving reliability and customer support. Enables a more complete system view enabling status information of all conductors downstream. This control could improve

climate resilience to extreme temperatures. This control is performed within the entire service territory.

- C269 Distribution Circuit Reliability – By expanding the distribution SCADA-switching infrastructure and/or removing reliability deficiencies on a distribution circuit, the infrastructure will be well-controlled and operated during times of climate emergencies. This control could improve climate resilience to extreme temperatures. Impacts to DVC are discussed in Action Item #6.
- C270 SCADA Capacitors – These modern capacitors can monitor imbalances and internal faults and provide a method for remote isolation, enabling situational awareness and response during extreme weather conditions. This control could improve climate resilience to wildfires. This control is performed within the entire service territory.
- C533 Vegetation Management Enterprise System – Maintaining and managing vegetation within the service territory is a critical component of wildfire mitigation efforts. This control could improve climate resilience to wildfires. This control is performed within the entire service territory.

VIII. ACTION ITEM #5: WILDFIRE SMOKE

Evaluate if estimated impacts of wildfire smoke included in the RDF disproportionately impact DVCs.

For this action item, SDG&E took steps to accomplish the following:

- Identify current sources of publicly available smoke / air quality models;
- Review current research (with primary focus on research published in 2023 or 2024) as to how smoke relates to DVC communities, and report on findings;
- Discuss approach academia; and
- Review relevant information from SDG&E's 2026-2028 Wildfire Mitigation Plan (WMP).⁵⁷

⁵⁷ SDG&E's 2026-2028 Wildfire Mitigation Plan (May 2, 2025) (2026-2028 Base WMP), available at <https://www.sdge.com/2026-2028-wildfire-mitigation-plan>.

Background

SDG&E's core wildfire mitigation efforts are aimed at reducing the risk of ignition, or the incidence of ignition evolving into a catastrophic wildfire. These efforts have the simultaneous effect of reducing the impacts of wildfire smoke. While SDG&E is recognized as a utility leader in preventing utility-caused wildfires, it does not have expertise on the science of smoke impacts (which are not utility-specific). SDG&E defers to leaders in the field (such as the Federal government, state agencies and universities) for the mission/focus, tools, and resources to study and advance research on this topic. Utility-specific research presents several challenges, including the difficulty of accurately identifying and quantifying the potential number of SDG&E customers impacted by smoke related to utility-caused wildfires and assessing the extent of the effects on both customers and the environment. The complexity arises, for example, from the variability in wildfire behavior, identifying and quantifying the type of material burned, the duration of the fire, the diverse locations and existing characteristics of the customers impacted, and the difficulty in predicting long-term environmental impacts.

SDG&E is committed to collaborating with Safety Policy Division, Energy Safety, academia, and intervenors to accurately assess the impact of wildfire smoke on air quality, health, and the environment, and consider incorporating this impact into the risk and cost-benefit calculations.

2025 RAMP Controls Addressing Smoke

Within Chapter SDG&E-Risk-4: Wildfire and PSPS, SDG&E discusses the control measure: C572 Situational Awareness and Forecasting, describing the Air Quality Management Program that monitors particulate matter from wildfire smoke. It does not forecast smoke impacts and the mitigation is for the safety of employees and the general public – inclusive but not specifically for DVC. In addition, air quality stations and cameras are discussed in greater detail in SDG&E's 2026-2028 Base WMP in sections 10.2.1.2 Air Quality Station and 10.4.1.2 Cameras.

Review of Recent Smoke-Related Studies

Studies show that vulnerable communities may be more susceptible to the adverse impacts of wildfire smoke in the event of a catastrophic wildfire, due to potential challenges in transportation/mobility, shelter/air conditioning and purifying technologies, working conditions / locations, reduced access to healthcare, etc. As technology, such as AI, and more sophisticated

models leveraging AI are developed to help forecast smoke travel paths, there is hope that earlier notification, effective resource allocation and targeted actions could be identified.

SDG&E reviewed the following publicly available studies on health impacts of wildfire smoke in Table 3.

Table 3 - Reviewed Publicly Available Studies on Health Impacts of Wildfire Smoke

Model	Link
NASA “Wildfire Digital Twin” Pioneers New AI Models and Streaming Data Techniques for Forecasting Fire and Smoke	https://science.nasa.gov/science-research/science-enabling-technology/nasa-wildfire-digital-twin-pioneers-new-ai-models-and-streaming-data-techniques-for-forecasting-fire-and-smoke/
It’s the Smoke, Not the Fire AJPH Vol. 113 Issue 7	https://ajph.aphapublications.org/doi/10.2105/AJPH.2023.307327
Social Vulnerability in US Communities Affected by Wildfire Smoke, 2011 to 2021	https://ajph.aphapublications.org/doi/full/10.2105/AJPH.2023.307286
A Comparison of Smoke Modelling Tools Used to Mitigate Air Quality Impacts from Prescribed Burning	https://www.nwfirescience.org/sites/default/files/publications/A%20comparison%20of%20smoke%20modelling%20tools%20used%20to%20mitigate%20air%20quality%20impacts%20from%20prescribed%20burning.pdf
Tainted Air	https://socialecology.uci.edu/news/tainted-air
Policy Brief: Local Air Quality Monitoring During Wildfire Events: Reducing Hazardous Exposures for Farmworkers	https://socialecology.uci.edu/sites/default/files/users/mkcruz/policybrief_draft4_080824.pdf
Air Quality Monitoring and the Safety of Farmworkers in Wildfire Mandatory Evacuation Zones	https://agupubs.onlinelibrary.wiley.com/doi/full/10.1029/2024GH001033
CARB 2022 Scoping Plan for Achieving Carbon Neutrality (2022 Scoping Plan)	https://ww2.arb.ca.gov/sites/default/files/2022-12/2022-sp_1.pdf
CARB 2022 Scoping Plan Appendix K: Climate Vulnerability Metric (CVM)	https://ww2.arb.ca.gov/sites/default/files/2022-11/2022-sp-appendix-k-climate-vulnerability-metric_0.pdf
CARB 2022 Scoping Plan Appendix G: Public Health	https://ww2.arb.ca.gov/sites/default/files/2022-11/2022-sp-appendix-g-public-health.pdf
Why It’s So Hard to Forecast Wildfire Smoke	http://www.newyorker.com/science/elements/why-its-so-hard-to-forecast-wildfire-smoke
Fire Intensity and spRead forecAst (FIRA): A Machine Learning Based Fire Spread Prediction Model for Air Quality Forecasting Application	https://doi.org/10.1029/2024GH001253
Exploring spatial heterogeneity in synergistic effects of compound Climate Hazards: Extreme heat and wildfire smoke on cardiorespiratory hospitalizations in California	https://www.science.org/doi/10.1126/sciadv.adj7264
Wildfires, Compound Extreme Events, Climate Change, and Cardiovascular Health	https://www.jacc.org/doi/epdf/10.1016/j.jacc.2025.01.009

Model	Link
Impacts of Fine Particulate Matter From Wildfire Smoke on Respiratory and Cardiovascular Health in California	
Smoke and COVID-19 case fatality ratios during California wildfires	https://iopscience.iop.org/article/10.1088/1748-9326/ac4538
USC scientists use AI to predict a wildfire's next move	https://today.usc.edu/using-ai-to-predict-wildfires/
High-Resolution Smoke Forecasting for the 2018 Camp Fire in California Fire and Smoke Model Evaluation Experiment (FASMEE)—Phase 2	https://journals.ametsoc.org/view/journals/bams/103/6/BAMS-D-20-0329.1.xml
Disruptions from Wildfire Smoke: Vulnerabilities in Local Economies and Disadvantaged Communities in the U.S	https://www.frbsf.org/wp-content/uploads/sites/3/disruptions-from-wildfire-smoke-cdrb06.pdf
Wildfire smoke impacts respiratory health more than fine particles from other sources: observational evidence from Southern California	https://www.frbsf.org/wp-content/uploads/sites/3/disruptions-from-wildfire-smoke-cdrb06.pdf

Discussions with Academia

During the Public Workshop, SPD recommended that SDG&E contact Dr. Michael Méndez from UC Irvine, a professor whose latest research focuses on climate-induced disasters and social vulnerability. Through discussions with Dr. Méndez, SDG&E understands his agreement with SDG&E's approach to the action item. Dr. Méndez suggested that SDG&E contact David Eisenman, who, upon contact, recommended "It's the Smoke, Not the Fire," which SDG&E included in the research.

External Smoke-Related Tools and Models

SDG&E reviewed current public studies on wildfire smoke, as well as several tools and models that inform the public about wildfire smoke conditions. Table 4 summarizes these tools and models.

Table 4 - Selected Smoke Related Tools and Models

Model	Type	Owner / Developer	Link
HRRR-Smoke	Forecast	NOAA	https://apps.gsl.noaa.gov/smoke/index.html
HYSPLIT / HEIMS	Forecast	NOAA	www.arl.noaa.gov/hysplit/smoke-forecasting
ALERTCalifornia	Real-Time Data	UCSD with SDG&E Cameras	https://cameras.alertcalifornia.org
SDG&E AQI Monitors & Weather Awareness System	Real-Time Data	SDG&E	https://sdgweather.com
PurpleAir	Real-Time Data	Purple Air with SDG&E AQI Monitors	https://map.purpleair.com
AirNow Fire & Smoke Map	Real-Time Data	EPA	www.airnow.gov/fires/using-airnow-during-wildfires
Google Maps – Wildfire Layer	Real-Time Data	Google	www.google.com/maps
Google Maps – Air Quality Layer	Real-Time Data	Google	www.google.com/maps
AQview 3.0	Real-Time Data	CARB	https://aqview.arb.ca.gov/
Smoke Ready CA App	Real-Time Data & Limited Forecast	CARB	https://ww2.arb.ca.gov/smokereadyca
SD APCB Website	Real-Time Data (Simple)	SD APCB	www.sdapcd.org/content/sdapcd/air-quality/air-quality-forecast.html http://sd.sdapcd.org/airvision
CalFire Smoke & Haze Forecast	Real-Time Data & Limited Forecast	CalFire	https://www.fire.ca.gov/incidents
Fire and Resource Assessment Program (FRAP) Map	Static Map of Fire Risk	CalFire	www.fire.ca.gov/what-we-do/fire-resource-assessment-program/fire-probability-for-carbon-accounting
High Fire Threat Districts (HFTD)	Static Map of Fire Risk	CPUC	https://egis.fire.ca.gov/FireProbability

2026-2028 Wildfire Mitigation Base Plan

Within SDG&E's 2026-2028 Base WMP, SDG&E discusses Air Quality Stations (Section 10.2.1.2) and Cameras and AI Technology (Section 10.4.1.2) as a way to monitor smoke.

IX. ACTION ITEM #6: MITIGATION IMPACTS & BENEFITS

Estimate the extent to which risk mitigation investments included in the RDF impact and benefit DVCs independently and in relation to non-DVCs in the IOU service territory.

SDG&E evaluated applicable Wildfire and PSPS and EII controls and mitigations with respect to the DVCs, to determine their benefits compared to the larger service territory.

Wildfire and PSPS

SDG&E's primary objective is to promote public safety by preventing ignitions during periods of high-fire weather and minimizing the scope, duration, and impact of PSPS on as many customers as possible. Proactive de-energization of overhead infrastructure for safety remains an important component of SDG&E's wildfire mitigation strategy. SDG&E recognizes the challenges that de-energization events pose for customers, communities, and public safety partners, particularly in DVC communities. Therefore, the use of PSPS de-energization is a measure of last resort with the need to promote safety during high fire risk conditions affecting DVC communities.

C518 Strategic Undergrounding

SDG&E continues to advocate for the deployment of strategic undergrounding in DVC communities instead of covered conductor deployment due to its superior wildfire risk reduction effectiveness (99%), which nearly eliminates the need for PSPS de-energizations during extreme fire weather. Additionally, the cost-effectiveness of strategic undergrounding is evident when comparing lifecycle costs of these two grid mitigation alternatives due to the continuous maintenance and inspections required for above-ground infrastructure, as well as the ongoing operational and economic costs associated with PSPS de-energizations.

Proposed circuits for strategic undergrounding were layered onto SDG&E's DVC map to identify locations where circuits served DVCs as shown in Figure 6. Through this analysis, SDG&E finds the only DVCs intersecting with the strategic undergrounding control are Tribal Lands.

In this RAMP and for years 2028-2031, SDG&E's mitigation plan includes undergrounding approximately 600 miles of overhead conductor, including 127 miles in the DVC shown in Table 5. The selection of these locations is based on SDG&E's WINGS-Planning model that utilizes the Cost-Benefit Approach and evaluates wildfire, PSPS, and PEDS impacts at the span/segment level where evaluation of the risk benefit (in dollars) and installation and maintenance costs are performed to evaluate risk buy-down and cost-effectiveness of the projects.

Figure 6 - Strategic Undergrounding Circuits Scoped and DVC Intersection

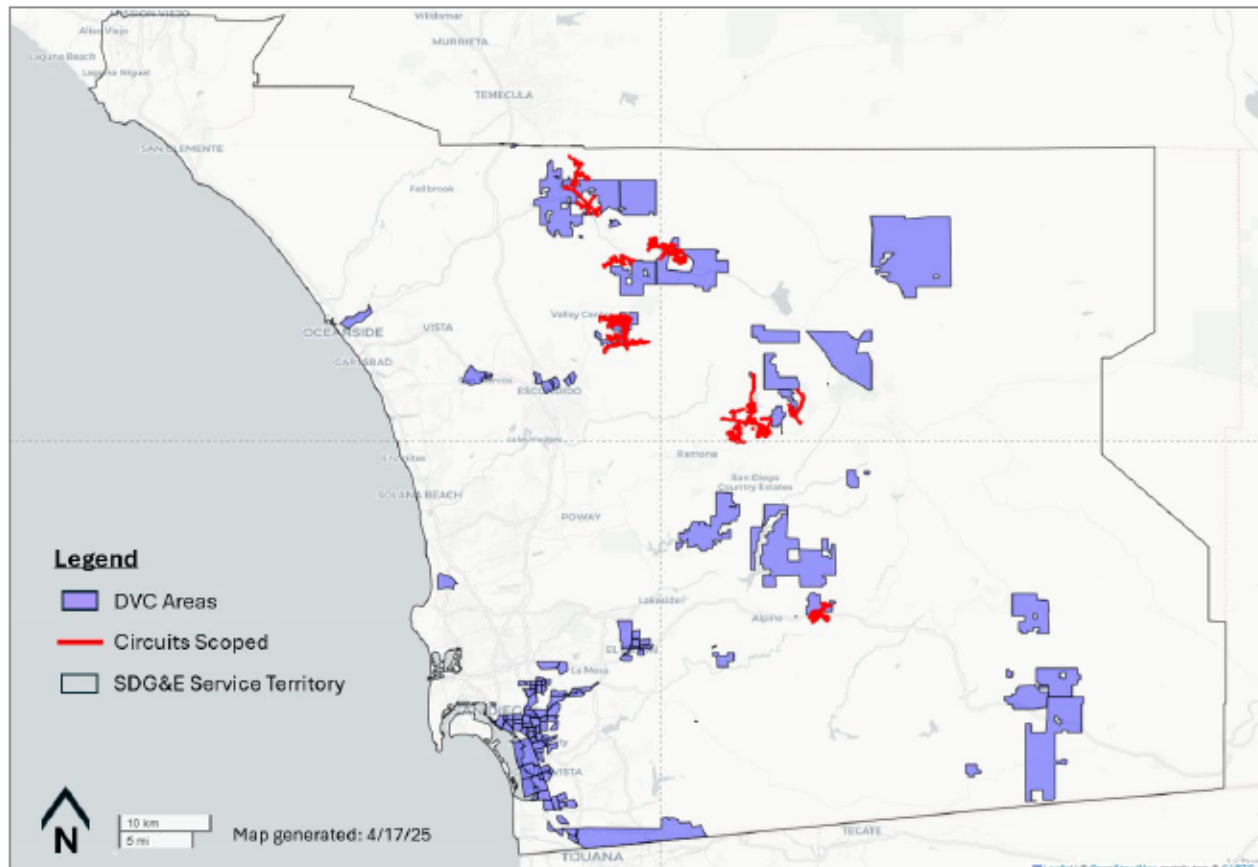


Table 5 - DVC Impacts of Undergrounding Overhead Conductor (2024 \$)

Name	Feeder ID	Feeder-Segment	Total Customers ⁵⁸ in feeder-segment	Total Customers ⁵⁹ downstream of feeder segment	Total OH Miles	Baseline Risk (M\$)	Risk Reduced (M\$)	Risk Reduction (%)	PV Risk Reduced (M\$) Year 55	PV Total Cost Capital + O&M (M\$) Year 55	SUG CBR WA CC
San Pasqual Reservation	1030	1030-20R	140	283	15.91	25.24	24.82	98.3	\$ 375.71	\$ 32.22	11.6
San Pasqual Reservation	1030	1030-42R	293	697	16.91	28.31	27.81	98.2	\$ 420.87	\$ 34.33	12.2
Pala Reservation	217	217-835R	87	154	18.55	10.65	10.40	97.6	\$ 173.00	\$ 41.23	4.2
Mesa Grande Reservation	222	222-1433R	16	16	6.19	9.58	9.41	98.1	\$ 149.29	\$ 13.13	11.3
Mesa Grande Reservation	237	237-30R	296	296	32.13	65.30	64.18	98.2	\$ 971.31	\$ 65.04	14.9
Viejas Reservation	358	358-682F	172	173	10.58	37.48	36.91	98.4	\$ 613.81	\$ 23.56	26.0
Rincon Reservation	215	CB215	0	492	0.15	0.13	0.13	99.8	\$ 2.22	\$ 0.33	6.6
Rincon Reservation	215	215-38R	80	492	6.51	5.42	5.34	98.5	\$ 88.76	\$ 14.48	6.1
La Jolla Reservation Pauma and Yuima Reservation	214	214-1122R	223	355	20.17	26.19	25.70	98.1	\$ 371.00	\$ 38.95	9.5
Totals			1,307	2,958	127.1	208.3	204.7	98.4	\$3,165.97	\$ 263.28	12.0

Electric Infrastructure Integrity

SDG&E focused the DVC mitigations analysis on the following three control programs. These were selected because SDG&E possessed granular data to distinguish between DVCs and non-DVCs. In addition, they have varied impacts to DVC areas.

- C236 Distribution Overhead Switch Replacement Program
 - C236 Alternative 2
- C250 Substation Reliability for Distribution
- C269 Distribution Circuit Reliability

⁵⁸ Customer meter counts.

⁵⁹ Customer meter counts.

SDG&E finds, for the three EII control programs selected, that CBRs for DVC are typically higher than the whole program CBRs.⁶⁰ However, these DVC-specific controls address less than a quarter of the overall risk reduction in each control. Focusing only on DVCs would not lead to a substantial reduction in EII Risk for the entire service territory.

DVCs are geospatial in the form of census tracts and tribal lands, thus, SDG&E used GIS analysis to understand how EII Risks could impact DVCs. Program location data overlaid with SDG&E's DVC map identified locations where assets could affect DVCs. If DVC areas were found to overlap with the asset or be connected to the same circuit as the asset, DVCs were considered to be served by the asset. Including the connected circuit is valuable as the program impacts its immediate location as well as the surrounding area. SDG&E estimated the overlap of connected circuit miles inside a DVC to create a percentage-based calculation.

SDG&E's C236 Distribution Overhead Switch Replacement Program aims to replace overhead distribution switches that have shown signs of severe or quickly emerging corrosion that may lead to catastrophic switch failure. To mitigate the likelihood of a catastrophic switch failure, SDG&E may operate the next upstream protection device instead, causing a prolonged and expanded outage. Replacement of these switches allows for a reduced customer impact when isolation devices are needed during planned and unplanned outages. Program overhead switch location data were overlaid with SDG&E's DVC map to identify locations where the assets' connected circuits serve DVCs, as shown in Figure 7.

⁶⁰ SDG&E is providing CBR information in response to CPUC, *Safety Policy Division Evaluation Report on PG&E 2024 RAMP Application (A.)24-05-008* (November 8, 2024) at 36, available at: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/safety-policy-division/reports/spd-evaluation-report-2024-pge-ramp-final-with-attachments.pdf>.

Figure 7 - C236 Distribution Overhead Switch Replacement - Circuits Scoped and DVC Intersection

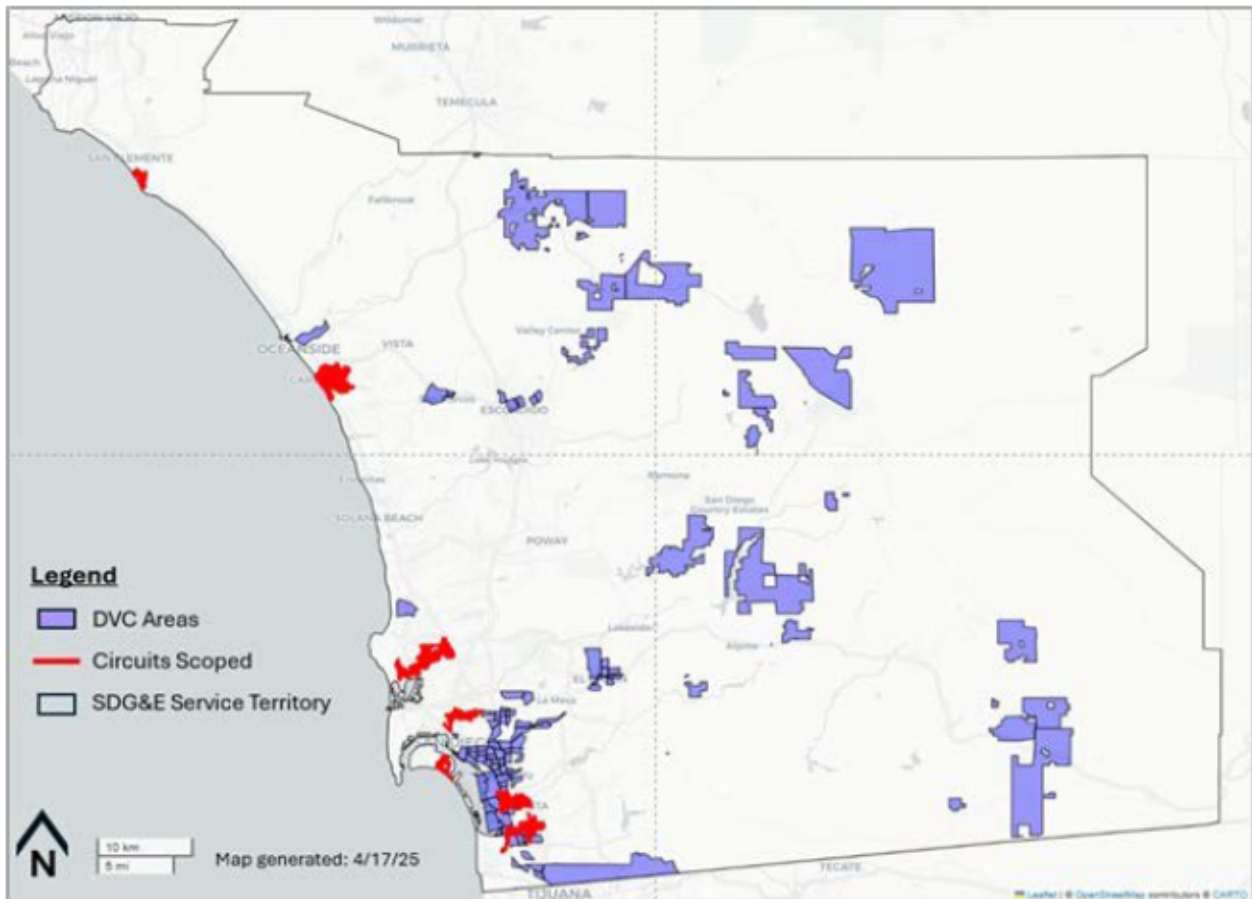


Figure 7 shows approximately 13% of C236 connected circuits overlapping with DVCs, of which SDG&E forecasts about \$303,000 of 2028-2031 program costs⁶¹ to be spent on overhead switches that serve DVCs. SDG&E forecasts approximately \$21 million on risk reduction⁶² in DVCs overhead switch replacement from 2028-2031. On these circuits, approximately 7,200 customer meters are in DVCs, compared to 49,000 in non-DVCs. The program has nineteen (19) projects forecasted in 2028, with 4 projects serving DVCs.

In the A210 Alternative 2, SDG&E considered a program that would only replace distribution overhead switches that benefit customers living within the DVC. The limited scope

⁶¹ Averaged 2028-2031 costs for each discount rate, applied DVC percentage (13%).

⁶² Averaged 2028-2031 benefits for each discount rate, applied DVC percentage (13%).

of this alternative program was developed using a subset of those projects. This is discussed further in EII Chapter SDG&E-Risk-5.

Program CBRs are shown in Table 6 with Alternative 2 to highlight DVC vs non-DVC.

Table 6 - 2028-2031 CBRs for C236 Distribution Overhead Switch Replacement and Alternative 2

Controls	Total Cost (2028-2031)	Total Benefit (2028-2031)	DVC Overlap ⁶³	DVC Cost (2028-2031)	DVC Benefit (2028-2031)	CBR
C236 WACC	\$2,097,334	\$72,087,537	13%	\$272,653	\$9,371,380	34.37
C236 Hybrid	\$2,097,334	\$97,634,825	13%	\$272,653	\$12,692,527	46.55
C236 Societal	\$2,788,719	\$317,462,544	13%	\$362,534	\$41,270,131	113.84
A210 - DVC Only - WACC	\$84,709	\$5,334,798	100%	\$84,709	\$5,334,798	62.98
A210 - DVC Only - Hybrid	\$84,709	\$7,176,654	100%	\$84,709	\$7,176,654	84.72
A210 - DVC Only - Societal	\$109,810	\$22,833,584	100%	\$109,810	\$22,833,584	207.94

The CBR is higher for DVC in C236 but reduces about \$23 million of risk in 2028-2031 using the societal discount, compared to \$317 million total C236 program risk (7%).

SDG&E's C250 Substation Reliability for Distribution Components aims to mitigate substation risk as substations play a critical role in our electric grid. Asset age and equipment characteristics (*e.g.*, transformer type) can be predictable and impactful asset data leading to the natural decline of substation electric infrastructure integrity. Program substation location data and their connected circuits were overlaid with SDG&E's DVC map to identify locations where a substation serves DVCs, as shown in Figure 8.

⁶³ Control distribution miles overlapping with DVCs.

Figure 8 - C250 Substation Reliability for Distribution - Substations Circuits Scoped and DVC Intersection

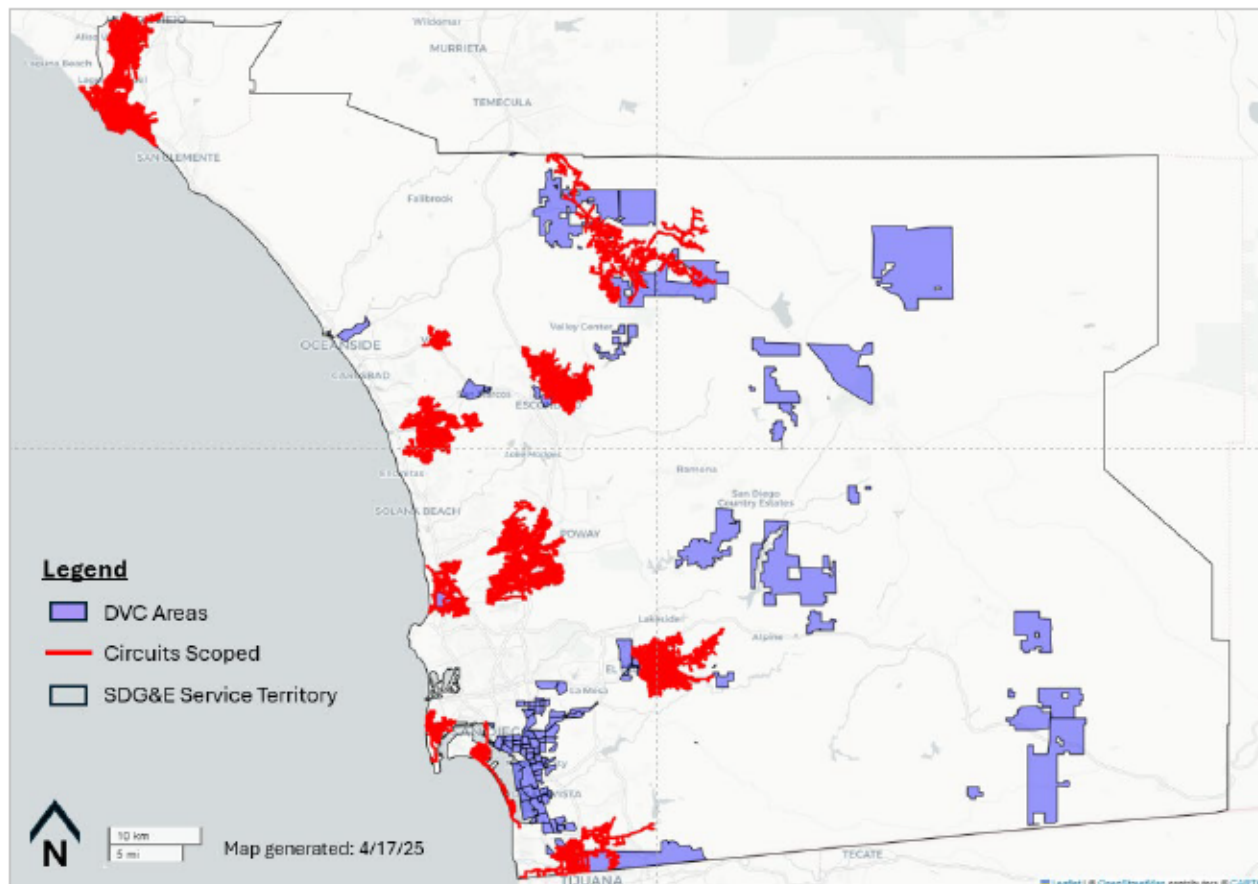


Figure 8 shows approximately 6% of C250 substations connected circuits overlapping with DVC, of which SDG&E forecasts about \$2.5 million of 2028-2031 program costs⁶⁴ to be spent on substations serving DVCs. SDG&E forecasts approximately \$580,000 on risk reduction⁶⁵ in DVCs for substation reliability 2028-2031. On these circuits, approximately 16,000 customer meters are in DVCs, compared to 242,000 in non-DVCs. Four (4) of the 15 substations in this control were tagged as located in or serving a DVC. SDG&E has 14 circuit breakers and 3 power transformers targeted for replacement at these substations.

⁶⁴ Averaged 2028-2031 costs for each discount rate, applied DVC percentage (6%).

⁶⁵ Averaged 2028-2031 benefits for each discount rate, applied DVC percentage (6%).

With substations, SDG&E can isolate the specific CBRs for DVCs. C250 program CBRs are shown in Table 7, with the top three rows showing all program substations and the bottom three rows analyzing the substations serving DVCs.

Table 7 - 2028-2031 CBRs for C250 - Substation Reliability for Distribution - DVC and All Service Territory

Control	Total Cost (2028-2031)	Total Benefit (2028-2031)	DVC Overlap⁶⁶	DVC Cost (2028-2031)	DVC Benefit (2028-2031)	CBR
C250 WACC	\$37,000,090	\$5,435,724	6%	\$2,220,005	\$326,143	0.15
C250 Hybrid	\$37,000,090	\$6,802,719	6%	\$2,220,005	\$408,163	0.18
C250 Societal	\$49,441,516	\$16,754,119	6%	\$2,966,491	\$1,005,247	0.34
C250 DVC Substations - WACC	\$2,745,982	\$1,178,267	21%	\$567,112	\$243,341	0.43
C250 DVC Substations - Hybrid	\$2,745,982	\$1,474,581	21%	\$567,112	\$304,537	0.54
C250 DVC Substations - Societal	\$3,381,603	\$3,631,682	21%	\$698,383	\$750,030	1.07

While the CBR is higher for the DVC portion of C250, reducing about \$3.6 million of risk in 2028-2031 using the societal discount, the total program risk reduction of \$16.7 million (22%) is higher compared to only looking at the DVC portion by itself.

SDG&E's C269 Distribution Circuit Reliability program helps mitigate the EII Risk by expanding the distribution SCADA-switching infrastructure and/or removing reliability deficiencies on a distribution circuit. This program allows for the addition of equipment necessary and/or the re-arrangement of circuit(s) to improve service reliability of electric customers and maintain reliability standards. Electric service reliability deteriorates in the absence of comprehensive remedial solutions offered by these projects and consistent review of distribution circuits. Program circuit data was layered onto SDG&E's DVC map to identify locations where assets and their connected circuits serve DVCs, as shown in Figure 9.

⁶⁶ Control distribution miles overlapping with DVC.

Figure 9 - C269 - Distribution Circuit Reliability - Circuits Scoped and DVC Intersection

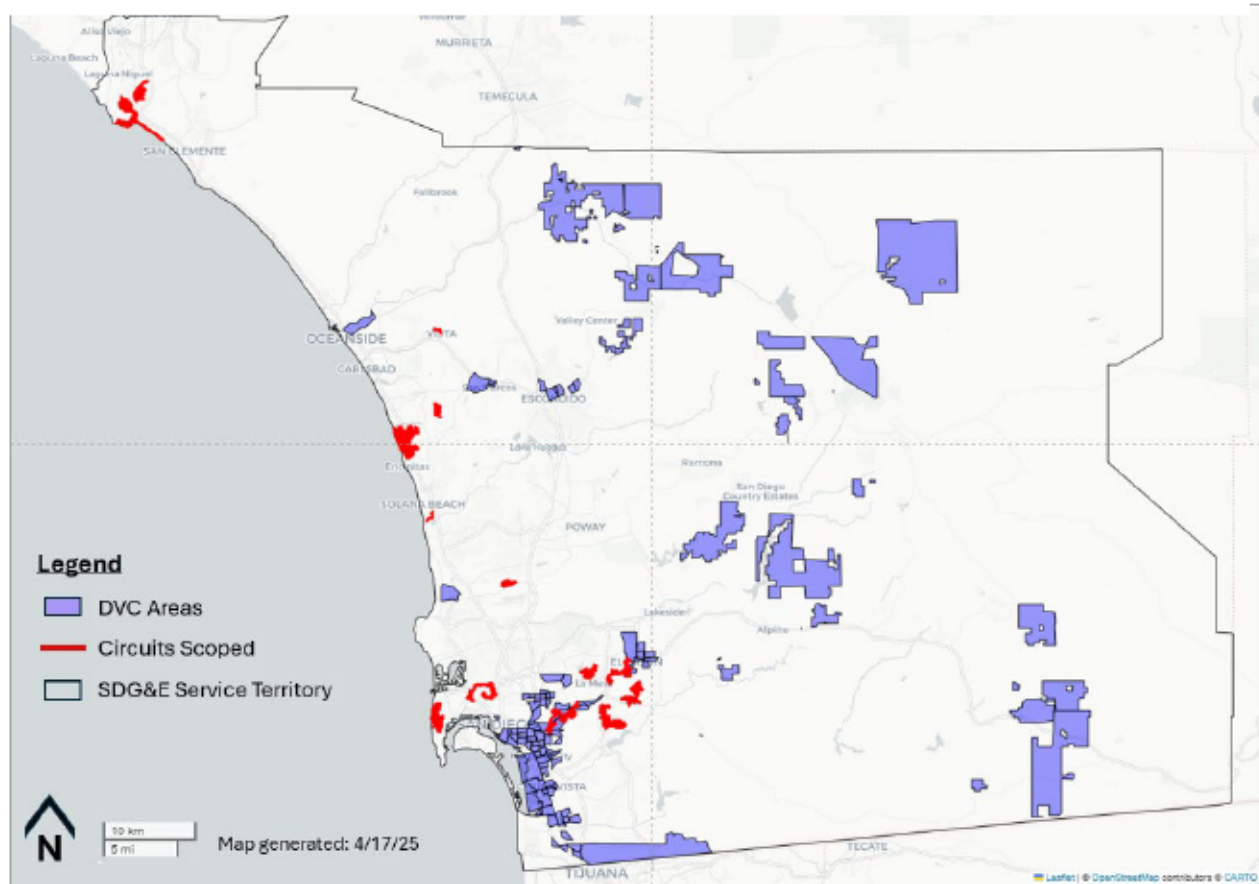


Figure 9 shows approximately 6% of C269 connected circuit mileage overlapping with DVCs, of which SDG&E forecasts about \$242,000 of 2028-2031 program costs⁶⁷ to be spent on distribution circuit reliability serving DVCs. SDG&E forecasts approximately \$13.5 million⁶⁸ on risk reduction in DVCs for distribution circuit reliability 2028-2031. On these circuits, approximately 2,000 customer meters are in DVCs, compared to approximately 28,000 in non-DVCs. The program preliminarily has 14 projects forecasted in 2028, with 3 projects serving DVCs.

The program CBRs shows no distinction from all circuits and DVC CBRs as shown in Table 8.

⁶⁷ Averaged 2028-2031 costs for each discount rate, applied DVC percentage (6%).

⁶⁸ Averaged 2028-2031 benefits for each discount rate, applied DVC percentage (6%).

Table 8 - 2028-2031 CBRs for C269 - Distribution Circuit Reliability - DVC and All Service Territory

Control	Total Cost (2028-2031)	Total Benefit (2028-2031)	DVC Overlap ⁶⁹	DVC Cost (2028-2031)	DVC Benefit (2028-2031)	CBR
C269 WACC	\$3,628,086	\$112,910,857	6%	\$217,685	\$6,774,651	31.12
C269 Hybrid	\$3,628,086	\$148,983,010	6%	\$217,685	\$8,938,981	41.06
C269 Societal	\$4,824,084	\$415,606,648	6%	\$289,445	\$24,936,399	86.15

Examples of Non-RAMP Activities

SDG&E's Climate Adaptation Vulnerability Assessment includes details about the Climate Intelligence Platform (CIP), which uses digital twin technology for a granular geospatial visualization of the CAVA findings.⁷⁰ The CIP overlays Climate Hazard data (e.g., extreme heat index, inland flooding, sea level rise) onto a fine-grained hexagonal grid along with DVCs, SDG&E's assets to visualize climate vulnerability across multiple time horizons (2030, 2050, 2070) and across different emission-linked climate change scenarios.

X. ACTION ITEM #7: OUTREACH & PUBLIC PARTICIPATION

Enhance outreach and public participation opportunities for DVCs to meaningfully participate in risk mitigation and climate adaptation activities consistent with Decision 20-08-046.

SDG&E summarizes relevant outreach and public participation opportunities from its Community Engagement Plan, discusses outreach and public participation controls from the Wildfire and PSPS Risk and the EII Risk, and supplements the discussion with references to similar SDG&E activities outside of RAMP.

Community Engagement Plan / CAVA Outreach

SDG&E's CAVA addresses the requirements set forth in the CPUC Climate Adaptation OIR (R.18-04-019), among them the requirements to conduct community engagement in all DVCs (see Figure 10) and file a Community Engagement Plan (CEP)⁷¹ every four years.

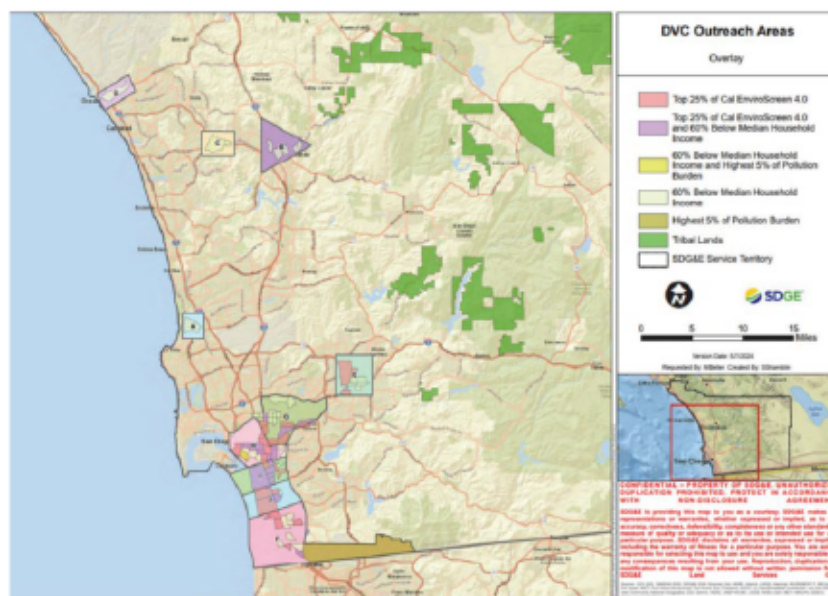
⁶⁹ Control distribution miles overlapping with DVC.

⁷⁰ See discussion in SDG&E's 2025 CAVA, submitted pursuant to D.20-08-046 and D.24-08-005 on May 15, 2025.

⁷¹ R.18-04-019, SDG&E Community Engagement Plan (May 15, 2024), available at https://www.sdge.com/sites/default/files/regulatory/R1804019_SDGE%20CEP.pdf.

SDG&E's community engagement approach, as detailed in the CEP, centers around key foundational principles, which includes: (1) partnering with trusted Community-Based Organizations (CBOs) to facilitate mutually beneficial networks; (2) working with Tribal Nations, centering the two-way exchange of information between SDG&E and tribes, for which the foundation is reciprocity and respect; and (3) considering a set of elements in the organization of outreach events, such as the provision of both in-person and virtual meeting options, the availability of food while upholding support to local vendors, the potential inclusion of incentives in the form of giveaways or raffles, and the creation of partnerships and the use of trusted community spaces. Outreach efforts help facilitate the meaningful inclusion and participation of communities in the CAVA process and support informed decision-making that incorporates climate and equity concerns.

Figure 10 - SDG&E Community Engagement Plan (CEP) - DVC Outreach Areas



Wildfire and PSPS

There are several RAMP Wildfire and PSPS controls that provide outreach to communities (including DVC) to participate in risk control activities. While several of the controls increase public awareness, the following are most supportive of meaningful participation. SDG&E strives to reach all customers, including DVC, in the most effective way, and in many instances, through multiple channels.

- C506 Microgrids – DVC is one of the selection criteria for targeting locations within the Microgrid Incentive Program (MIP).⁷²
- C512 Customized Resiliency Assessments provide customers frequently impacted by PSPS de-energizations with resiliency assessments to better understand their resiliency to de-energizations and their awareness of services and resources. Provides information about PSPS, resiliency options, services, and resources available to them. This mitigation is provided to DVC and non-DVC customers equally (outside of the PSPS frequency).
- C516 Generator Assistance Program – Eligible customers receive program materials via mail and email campaigns and are directed to an online portal to learn more about the program. Customers enrolled in the California Alternate Rates for Energy (CARE) program are eligible for an enhanced rebate. This mitigation is provided to DVC and non-DVC customers equally.
- C572 Situational Awareness and Forecasting – Provides situational awareness that customers can access that is delivered through various tools and technologies. Among the capabilities available to the public are monitors of particulate matter from wildfire smoke and a network of cameras to provide visual assessments. SDG&E's Weather Awareness System and Fire Potential Index (FPI) is available for customers to see current and forecasted susceptibility metrics to provide them with situational awareness of risk to customers. This mitigation is available to DVC and non-DVC customers equally.
- C556 Engagement with AFN Populations – SDG&E conducts a dedicated campaign focused on communicating with AFN customers, promoting PSPS resources and services through its partnerships and robust support model. Because of the large overlap of AFN customers with DVC communities, the DVC community is a beneficiary of this control.
- C557 Public Outreach and Education Awareness – Outreach and awareness programs are delivered through SDG&E's approximately 50 CBO Energy Solutions Partner Network, providing supports before, during and after wildfire,

⁷² D.23-04-034.

PSPS, and other potential emergency events. DVC benefits will be dependent upon the activity and outreach success CBO that serve them.

- C567 Public Emergency Communication Strategy – The Wildfire Safety Public Education and Outreach plan increases community resiliency to wildfires and mitigates the impact of PSPS de-energizations. Media updates, in-community signage, and situational awareness postings are used across social media and SDG&E’s external-facing blog to provide the latest real-time updates to customers and the general public. Social media toolkits are also developed and shared with community partners to help amplify and reach a broader audience. This mitigation is provided to DVC and non-DVC customers equally, however certain community partners could provide additional benefit to DVC.

Electric Infrastructure Integrity

The EII control that provides safety outreach to the public (including DVC) to increase awareness of the risk and encourage the public to take actions for personal safety is described below.

- C215 Electric Public Safety Communications – Through a dedicated marketing campaign, SDG&E provides education to customers and the general public about the dangers and risks associated with electricity and working in proximity to SDG&E’s electrical equipment and delivery infrastructure. This is primarily accomplished through a variety of integrated tactics, including bill messaging, organic and paid social media, television, out-of-home (*e.g.*, billboards & bus shelters to reach those who might not have bills nor access to traditional media), print and digital advertising, press releases, messaging on company website (including internal company employee site, PowerUp) and warning signage near electric facilities.

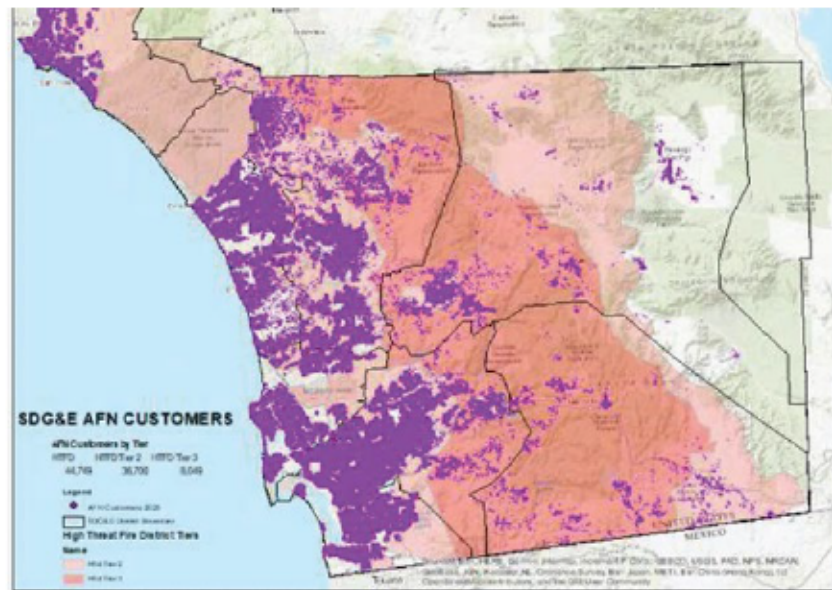
This control is performed across the entire service territory.

Examples of Non-RAMP Activities

SDG&E conducts several types of community outreach, including specialized focus on vulnerable communities. Some of the efforts to engage the public and encourage participation in services and offerings are as follows.

- Outreach to DAC⁷³ – a population with large overlap of DVC;⁷⁴
- Partnerships and strategy identified in “Equity-First Community Engagement for Climate Adaptation Planning Efforts;”⁷⁵
- Annual Support to Access and Functional Needs (AFN)⁷⁶ Population During PSPS⁷⁷ (a larger population that includes DVC, see Figure 11 below);
- Tribal Outreach – in 2024, SDG&E conducted over 100 meetings with tribes; and
- Community Based Organizations (CBO) Outreach – in 2024, SDG&E participated in over 700 booth events and presentations reaching over 90,000 customers.

Figure 11 - SDG&E AFN Customer Locations



⁷³ OEHHA, *SB 535 Disadvantaged Communities*, available at: <https://oehha.ca.gov/calenviroscreen/sb535>.

⁷⁴ R.20-05-003, 2022 Individual Integrated Resource Plan of SDG&E, Public Version (November 1, 2022) at 81.

⁷⁵ SDG&E, *Development & Recommendations for Equity-First Community Engagement for Climate Adaptation Planning Efforts* (2023), available at: www.sdge.com/sites/default/files/documents/FINAL_Framework%20Outline%20%26%20Development_04192023.pdf.

⁷⁶ SDG&E, *Commitment to Supporting Accessibility*, available at: www.sdge.com/access-and-functional-needs-afn.

⁷⁷ R.18-12-005, SDG&E 2025 Plan to Support Access and Functional Needs Populations During Public Safety Power Shutoffs (January 31, 2025).

TEST YEAR 2028 GRC UPDATE

The SPD Report contains the following recommendation regarding Action Item No. 7:

Regarding Action Item 7: in response to this action item, SDG&E points to its Community Engagement Plan (CEP), filed May 2024, which describes its 10-member Equity-First Community Climate Coalition (EC3). The CEP implies that the membership of the EC3 lacks representation from DVCs: ‘SDG&E is currently exploring expanding the EC3 to be more representative of the communities, specifically DVCs, for which the CEP is designed. SDG&E plans to seek out additional members to join the EC3 to facilitate more representative and robust engagement on the CAVA from DVCs.’ The ESJ Pilot Study evaluated here does not address the planned expansion of the EC3 to better represent DVCs. SPD recommends that SDG&E describe the steps it has taken to improve DVC representation on its EC3 in the 2028 GRC filing.⁷⁸

Since the filing of the CEP, SDG&E has conducted additional outreach and successfully secured several new member organizations to expand and strengthen DVC representation within the Equity-First Community Climate Coalition (EC3). These new members are listed below. Additional membership applications are pending and therefore not included at this time.

EC3 Community-Based Organization (CBO) Members at Time of CEP Filing:

- Bayside Community Center
- Climate Science Alliance
- Metropolitan Area Advisory Committee on Anti-Poverty (MAAC)
- San Diego Workforce Partnership (2024 only)
- Casa Familiar
- Jacobs Center for Neighborhood Innovation (2024 only)
- San Ysidro Health

New EC3 Members Added Post-CEP Filing:

- San Diego Canyonlands
- San Diego Urban Corps
- Lifeline Community Services
- Boys & Girls Club of East County
- Partnership for the Advancement of New Americans (PANA)

⁷⁸ SPD Report at 202 (citation omitted).

As SPD acknowledged in its Report, SDG&E sought to broaden representation from communities in its service territory and specifically DVCs. An objective in expanding EC3 membership was to ensure region-wide representation, including organizations serving East County—identified as a geographic gap during the initial CEP development—as well as institutions with strong youth and workforce engagement. In addition, PANA was added to reach the refugee community. Combined, bringing these additional voices into the process helps facilitate meaningful representation from populations that have been historically underserved or excluded from decision-making, particularly youth and DVCs.

XI. CONCLUSION

The goal of the ESJ Pilot Study Plan was to evaluate the impact of selected risks and mitigation activities to DVC and how those topics compare to non-DVC areas. To accomplish that, SDG&E focused on applying the CPUC's six Action Items to two risks: 1) Wildfire and PSPS; and 2) EII. SDG&E also reviewed recent studies and models of smoke impacts to DVCs.

In assessing risk by geographic region, the results show Wildfire and PSPS impacted the Tribal Nations the most, due to that DVC sub-group's location within the HFTD. EII Risk was most impactful to the other (non-Tribal) DVC communities due to the population densities within the boundaries of the controls. Planned EII Risk mitigation investments in DVCs are proportional to the percentage of DVC customer meters.

The controls and mitigation programs of both risks identify potential benefits to DVCs. To effectively manage the risks from an enterprise and service territory-wide perspective, SDG&E's risk reduction strategy entails implementing risk reduction programs within various DVC and non-DVC communities.

The Action Items that addressed Clean Energy and Air Quality/Public Health were difficult to consider within the focus and objectives of RAMP. While SDG&E has several Non-RAMP activities associated with these topics, they are not the focus of the safety, reliability, and financial risk attributes of RAMP. Therefore, some of the controls and mitigations that addressed these topics may provide yet-to-be quantified benefits that are not within RAMP's current scope.

Regarding Action Item #5 (Smoke Impacts), SDG&E maintains that the company is not an expert on forecasting smoke impacts to DVC communities nor otherwise. SDG&E is willing

to be a participant in future studies but defers to subject matter leaders to perform the studies and subsequent analysis.

Finally, with regard to DVC outreach and public participation described in Action Item #7, SDG&E recently increased the frequency of several public engagement activities involving Wildfire and PSPS Risk, driven by inputs from the CBO network. The EII mitigation portfolio also has an outreach activity focusing on public safety, and while it does not have a specific DVC focus, SDG&E takes pride in its efforts to reach all communities and customer types in their communications. In addition, SDG&E's Community Engagement Plan is consistent with this ESJ Pilot Study Action Item with respect to climate adaptation and vulnerability engagement.

SDG&E is exploring the best approach to incorporate and apply the key takeaways from its CAVA into its RAMP and GRC efforts, recognizing the potential insights and intersectionality with this ESJ Pilot Study. This effort will continue in the near term, with consideration for inclusion in other applicable regulatory policy filings as part of a broader, integrated data-driven approach to grid and community resilience. Technological innovations and digital tools like SDG&E's Climate Intelligence Platform discussed in SDG&E's CAVA may provide further insights into this intersection (climate, asset, and community) of vulnerabilities in our service territory through the lens of future climate scenarios. Outputs from this digital solution may also help inform SDG&E's upcoming ESJ whitepaper and climate resilience measures that are fit for purpose, bolstering the resilience of SDG&E's grid and the communities it serves.

SDG&E will further discuss lessons learned in its upcoming White Paper, consistent with the requirements of the Phase 2 Decision.⁷⁹

TEST YEAR 2028 GRC UPDATE

The SPD Report contains the following recommendations regarding the ESJ Whitepaper SDG&E submitted on July 15, 2025:⁸⁰

1. SPD recognizes that Sempra timely submitted its ESJ White Paper on July 15, 2025. It lacked detail and did not expand on the key findings presented in its PSPs.

⁷⁹ D.22-12-027 at 67 (OP 6).

⁸⁰ SPD Report at 203.

2. SPD recommends Sempra provide further details in its 2028 GRC filings on future plans for assessing and addressing both risk impacts on DVCs and the benefits of risk mitigations for DVCs.

Response to Recommendations:

The RDF OIR Phase 2 Decision requires that the White Paper shall: (a) identify areas for further exploration and challenges they faced incorporating ESJ into the Risk-Based Decision-Making Framework; (b) discuss how to better target Mitigations that improve local air quality; and, (c) explore how to better target Mitigations that improve climate resilience in disadvantaged and vulnerable communities.⁸¹

SDG&E appreciates SPD's feedback. As described in the ESJ White Paper,⁸² SDG&E provided an expanded discussion on its key ESJ Pilot Study Plan findings and recommendations for each of the three required elements and included sufficient detail to support and explain those conclusions.

SDG&E will continue to evaluate the potential next steps to assess both risk impacts to DVCs and the benefits of risk mitigations for those communities. As part of this effort, SDG&E intends to further leverage its ESJ Whitepaper and review ESJ pilot studies and whitepapers developed by other IOUs. This review is intended to identify alternative analytical approaches, lessons learned, and identified challenges, and to inform potential future ESJ planning efforts. Through this process, SDG&E will evaluate whether there are potential gaps or methodologies not addressed by its PSP that could support a more consistent and unified approach to ESJ analysis across the IOUs. SDG&E notes that the feasibility of any additional analysis is dependent on the ability to evaluate risk at the DVC level and the availability and quality of data necessary to perform such analysis. SDG&E identified challenges to DVC analysis in its RAMP, which were discussed thereafter in the ESJ White Paper.⁸³

- The unavailability of granular mitigation scope and location data limits DVC impact analysis, presenting challenges for successful ESJ incorporation into the RDF.

⁸¹ D.22-12-027 at 67 (OP 6).

⁸² R.20-07-013, Submission of ESJ White Paper Pursuant to D.22-12-027 (July 15, 2025) at SCG/SDG&E-RAMP-1-3, available at <https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=573391832>.

⁸³ *Id.*

- Some RAMP risks cannot be analyzed or quantified with respect to a specific population, such as DVCs.
- It is important to fully understand the qualitative meaning behind the quantitative risk impacts when considering specific population segments such as DVCs in the context of the utility's entire service territory

As mentioned above, the incorporation of a feeder-level DVC indicator and updated Segment Profile Cards improves visibility into wildfire risk for vulnerable communities, enabling more targeted and equitable mitigation planning. SDG&E will continue to refine and assess this capability to enhance analysis, reporting, and integration of community vulnerability considerations, consistent with broader efforts described in the CAVA. In addition, DVC analysis will also be addressed in other proceedings, such as the Climate Change Adaptation OIR, as well as through other activities and venues identified in the "Examples of Non-RAMP Activities" sections throughout this ESJ Pilot Study, which demonstrate how SDG&E's DVC-related efforts extend beyond the RAMP process.

APPENDIX L

SOCALGAS ESJ PILOT STUDY PLAN UPDATE



2025 Risk Assessment Mitigation Phase
Appendix 4

Environmental Social Justice
Pilot Study Plan/
Test Year 2028 GRC Update

Updated June 2026

TABLE OF CONTENTS

Introduction.....	2
Test Year 2028 GRC Update	2
Purpose And Objective	3
Workshops	4
Disadvantaged and Vulnerable Communities.....	5
Approach and Methodology	6
Executive Summary	9
Action Item No. 1	10
Medium Pressure Gas System Risk	10
Excavation Damage Risk.....	15
Action Item No. 2	17
Honor Rancho Compressor Modernization Project.....	17
Action Item No. 3	20
Alternative Fuel Fleet Vehicles (AFVS) Program.....	20
Action Item No. 4	24
Medium Pressure Gas System Risk	24
Excavation Damage Risk.....	30
Action Item No. 5	31
Test Year 2028 GRC Update	31
Action Item No. 6	33
Medium Pressure Gas System Risk	33
Excavation Damage Risk.....	39
Test Year 2028 GRC Update	40
Action Item No. 7	42
Test Year 2028 GRC Update	44
Conclusion	50
Test Year 2028 GRC Update	51

Introduction

In February 2019 and updated in April 2022, the California Public Utilities Commission (Commission or CPUC) adopted its Environmental Social Justice (ESJ) Action Plan as a comprehensive strategy and framework for furthering principles of ESJ in Commission policy-setting and decision-making processes. The April 7, 2022 update to the ESJ Action Plan, Version 2.0 represents a continuation of efforts to systematize considerations of ESJ principles across Commission activities and reinforces its focus on equity, defined as “increasing access to power, redistributing and providing additional resources, and eliminating barriers to opportunity, to empower low-income communities of color to thrive and reach full potential.”¹ The Phase 2 Decision (D.) 22-12-027² of the Risk-Based Decision-Making Framework (RDF) Order Instituting Rulemaking (OIR) (Rulemaking 20-07-013) directs the Investor Owned Utilities (IOUs) to undertake Environmental and Social Justice Pilots as part of each IOU’s next Risk Assessment and Mitigation Phase (RAMP) filing and requires the IOUs to consider seven Action Items in the pilots. Southern California Gas Company (SoCalGas) has addressed these requirements in this ESJ pilot study plan (SoCalGas ESJ Pilot Study Plan or Pilot Study).

Test Year 2028 GRC Update

SoCalGas originally submitted its ESJ Pilot Study Plan as part of its 2025 RAMP Report, filed on May 15, 2025. In the RAMP proceeding, the Commission’s Safety Policy Division (SPD) provided a Staff Evaluation Report (SPD Report) on October 10, 2025, evaluating SoCalGas’s and SDG&E’s RAMP Reports.

The SPD Report concludes that SoCalGas and SDG&E “generally complied with the directives outlined in Decision D.22-12-027 by developing plans to incorporate consideration of ESJ impacts into the RDF[.]”³ The report also provides recommendations to enhance the value of the

¹ CPUC, Environmental & Social Justice Action Plan Version 2.0 (April 7, 2022) at 8, *available at*: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf>.

² D. 22-12-027 at 65-67 (Ordering Paragraph (OP) 5).

³ SPD Report at 201.

pilot studies and recommends that SoCalGas and SDG&E address and incorporate SPD’s recommendations related to the ESJ Pilots in their upcoming General Rate Case (GRC), including “provid[ing] further details in [the] 2028 GRC filings on future plans for assessing and addressing both risk impacts on DVCs and the benefits of risk mitigations for DVCs.”⁴

Consistent with the SPD Report, SoCalGas addresses SPD’s recommendations related to its ESJ pilot study here as part of its Test Year (TY) 2028 GRC. For ease of reference, SoCalGas has included its original ESJ Pilot Study Plan and identifies where there are updates under the “Test Year 2028 GRC Update” headings.

Purpose And Objective

As the nation’s largest natural gas distribution utility, delivering energy to over 21 million customers, SoCalGas’s risk-based decision-making is guided by an unwavering commitment to delivering safe, reliable, and affordable energy to customers. SoCalGas invests in mitigations to proactively reduce risk and enhance safety in the communities it serves. In this Pilot Study, SoCalGas analyzed the impacts of several of these mitigation investments to evaluate equity among Disadvantaged and Vulnerable Communities (DVCs) and non-DVCs. The SoCalGas ESJ Pilot Study Plan seeks to incorporate social justice into the risk assessment and mitigation process by exploring equity issues and the needs of the most vulnerable, including actions targeting improved air quality and climate resilience. In compliance with D.22-12-027,⁵ the following action items are evaluated in this Pilot Study:⁶

- Action Item No. 1: Consider equity in the evaluation of Consequences and risk mitigation within the RDF, using the most current version of CalEnviroScreen to better understand how risks may disproportionately impact some communities more than others;
- Action Item No. 2: Consider investments in clean energy resources in the RDF, as possible means to improve safety and reliability and mitigate risks in DVCs;

⁴ *Id.* at 201, 203.

⁵ *Id.*

⁶ Action item No. 5 from D.22-12-027 does not apply to SoCalGas, as a natural gas utility.

- Action Item No. 3: Consider Mitigations that improve local air quality and public health in the RDF, including supporting data collection efforts associated with AB 617 regarding community air protection program;
- Action Item No. 4: Evaluate how the selection of proposed mitigations in the RDF may impact climate resiliency in DVCs;
- Action Item No. 5: Evaluate if estimated impacts of wildfire smoke included in the RDF disproportionately impact DVCs;
- Action Item No. 6: Estimate the extent to which risk mitigation investments included in the RDF impact and benefit DVCs independently and in relation to non-DVCs in the IOU service territory; and
- Action Item No. 7: Enhance outreach and public participation opportunities for DVCs to meaningfully participate in risk mitigation and climate adaptation activities consistent with D.20-08-046.

Workshops

In accordance with D.22-12-027 Ordering Paragraph 5, SoCalGas held the following workshops jointly with San Diego Gas & Electric Company (SDG&E):

1. Community-based Organization Working Group (CBOWG)
Workshop – July 12, 2024
2. Disadvantaged Communities Advisory Group (DACAG)
Workshop – July 19, 2024
3. Public Workshop – August 12, 2024

SoCalGas was appreciative of the stakeholder feedback provided in these workshops which is summarized below. Stakeholder feedback topics included risk analysis and mitigation impacts. These topics were addressed in multiple workshops, including whether SoCalGas intends to modify mitigations based on the analysis in this Pilot Study, and what next steps would be if the analysis revealed an inequity to DVCs. Presenters and attendees also discussed specific mitigations and action items, such as how hydrogen microgrids and hydrogen blending can help disadvantaged communities, and whether the utilities would study indoor air quality as part of this study. In addition, there was meaningful dialogue about DVC screening tools, and how the

definition of a DVC would be applied to the action items in the Pilot Study. For example, the public workshop on August 12, 2024 included a discussion regarding consideration of defining DVCs by where DVC community members work, as opposed to only analyzing where DVC community members reside as reflected in census tracts. Further, SoCalGas and SDG&E received suggestions for multiple screening tools to consider for ESJ analysis, including the Healthy Places Index,⁷ the Climate and Economic Justice Screening Tool from the White House Council on Environmental Quality Climate,⁸ and the Living Infrastructure Field Kit from Accelerate Resilience Los Angeles.⁹ Stakeholders also expressed interest in how to actively participate in risk mitigation planning activities including how best to address meaningful risks facing their communities and ensuring DVCs receive the benefits flowing to their communities. This included asking the utilities to consider impacts to DVC small businesses and coordination with Assembly Bill (AB) 617¹⁰ communities¹¹ as part of their risk mitigation planning activities.

Disadvantaged and Vulnerable Communities

SoCalGas followed the DVC definition provided in D.22-12-027 which adopts the definition from D.22-08-046:

- the 25 percent highest scoring census tracts according to the most current version of CalEnviroScreen;
- all California tribal lands;

⁷ Public Health Alliance of California, California Healthy Places Index, *available at*: <https://www.healthyplacesindex.org/>.

⁸ Public access to the CEJST tool was removed on January 22, 2025, but previous versions of the tool remain available. See CEJST, Explore the map, *available at*: <https://edgi-govdata-archiving.github.io/j40-cejst-2/en/#3/33.47/-97.5>.

⁹ Accelerate Resilience L. A. (ARLA), Living Infrastructure Field Kit, *available at*: <https://livinginfrastructure.org/>.

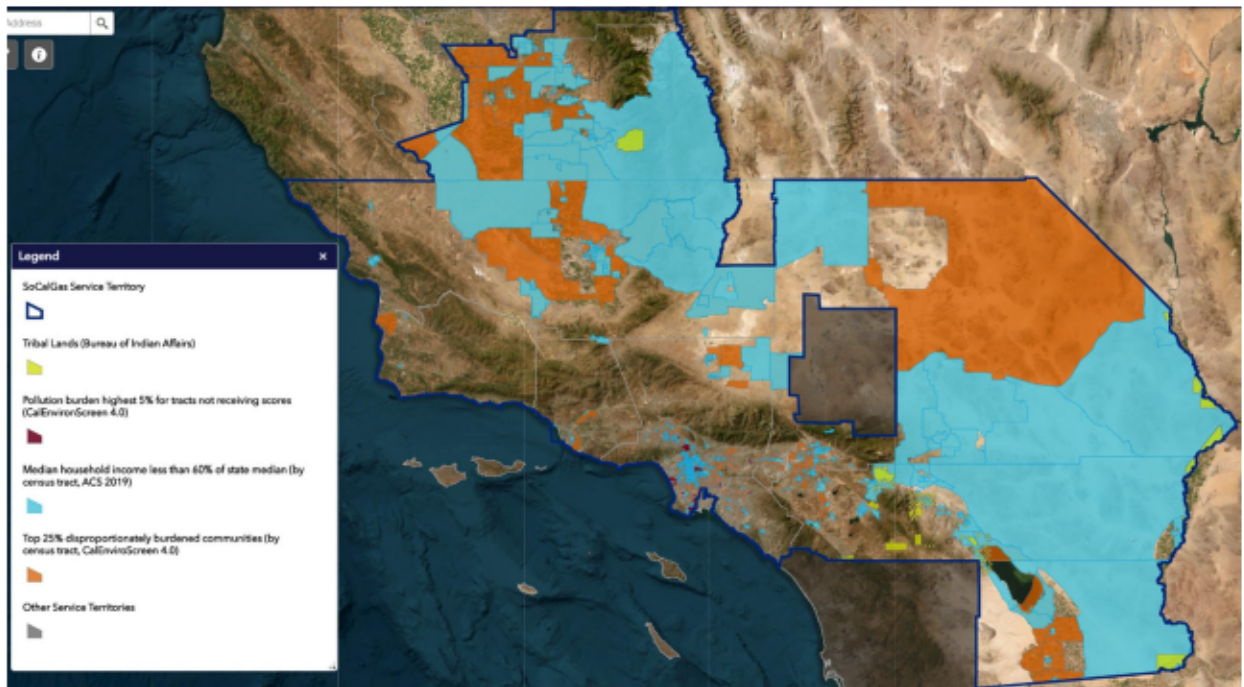
¹⁰ AB 617 (Garcia, 2017), *available at*: https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB617. AB 617 provides funding to support early actions to address localized air pollution through targeted incentive funding to deploy cleaner technologies in these communities in addition to other requirements.

¹¹ CARB, Community Air Protection Program Communities – Community Hub 2.0, *available at*: <https://ww2.arb.ca.gov/capp/cst/ch2/community-air-protection-program-communities>.

- census tracts that score in the highest five percent of Pollution Burden within CalEnviroScreen, but do not receive an overall CalEnviroScreen score due to unreliable public health and socioeconomic data; and,
- census tracts with median household incomes less than 60 percent of state median income.¹²

Figure 1 illustrates DVCs within SoCalGas's service territory, following the aforementioned DVC definition and data sources.

Figure 1: DVCs in SoCalGas Territory



Approach and Methodology

For Action Items 1, 4, and 6 of this Pilot Study, SoCalGas evaluated two enterprise risks and their associated mitigation impacts to DVCs:

1. **Medium Pressure Gas System Risk:** Medium pressure gas system risk is defined as the risk of failure of a medium pressure pipeline (including appurtenances to and at the meter) which results in serious injuries, fatalities, and/or damages to

¹² D.22-12-027 at 48.

the infrastructure.¹³

- a. The analysis for this Pilot Study focused primarily on pipeline replacement of medium pressure mains, however, the medium pressure gas system risk is addressed by a number of additional programs which mitigate risk that were not included in this analysis. Those include, but are not limited to, cathodic protection activities, leak survey, leak repair, pipeline monitoring, regulator station replacement and enhancement activities, several maintenance and inspection programs, as well as multiple infrastructure protection programs. Additional details on these activities and programs can be found in the Medium Pressure Gas System RAMP Chapter SCG-Risk-3.
2. Excavation Damage Risk: Excavation damage risk is defined as risk to both high and medium pressure infrastructure associated with third-party digging activities that may damage SoCalGas's natural gas system and possibly lead to asset failure resulting in catastrophic consequences.
 - a. The analysis for this Pilot Study primarily focused on Locate and Mark, the process of identifying and displaying underground pipelines at street level (e.g., spray paint or flags). Mitigations that were not analyzed as part of this Pilot Study include public awareness campaigns such as media advertising of 811 DigAlert¹⁴ announcements, damage prevention strategies, and damage prevention mapping. Additional details on these activities and programs can be found in the Excavation Damage RAMP Chapter SCG-Risk-4.

For Action Item 2 of the Pilot Study, SoCalGas evaluated its efforts and mitigations to improve safety and reliability through decarbonized energy solutions. SoCalGas selected the Honor Rancho Compressor Modernization project (HRCM) for evaluation for this action item. For Action Item 3, SoCalGas evaluated air quality enhancements through SoCalGas's alternative fuel

¹³ See Chapter SCG-Risk-3: Risk Quantification Framework.

¹⁴ DigAlert, About DigAlert, available at: <https://www.digalert.org/about>.

fleet vehicles (AFVs) program as part of SoCalGas's efforts to achieve its goal to have a zero emissions fleet by 2035. For Action Item 7, SoCalGas evaluated opportunities to leverage community collaborations to bring further awareness to climate resilience and adaptation in DVCs through broader community engagement.

Data Methodology - Medium Pressure Gas System Risk

SoCalGas's risk analysis in this Pilot Study of the medium pressure gas system used inputs from the 2023 Quantitative Risk Assessment (QRA) which is a data-driven risk model that analyzes threats and factors, including pipe-specific data such as age and material, or community-level factors such as population density and consists of data as of year-end 2022, to determine the probabilities of failures for each pipe segment. All results were calculated based on average risk at the census-tract level utilizing the CalEnviroScreen census tract data merged with geospatial medium pressure pipeline segment location data across SoCalGas's service territory. The segment location data was extracted from Geographic Information System (GIS) software, and pipe segment risk value data was extracted from Copperleaf, an enterprise-wide risk-informed investment decision support system.¹⁵ Using inputs from the QRA, Copperleaf calculated monetized values of risk associated with each pipe segment, which was used to plan 2024 mitigation activities. Geospatial analysis was used to examine safety, reliability, and climate risk at the pipeline segment level across DVCs and non-DVCs within the SoCalGas service territory. The impact of SoCalGas's 2024 mitigation investments was integrated with current risk data to evaluate differences in risk reductions and climate resilience enhancements between DVC and non-DVC communities.

Data Methodology – Excavation Damage Risk

To evaluate baseline Excavation Damage risk in DVCs and non-DVCs, SoCalGas mapped the geospatial location of excavation damage dig-ins dating back to 2019. The dig-in locations were then mapped between DVC and non-DVC areas as defined by CalEnviroScreen 4.0.¹⁶

¹⁵ See Chapter SCG/SDG&E RAMP-2: Enterprise Risk Management Framework at Section IV.

¹⁶ State of California – Office of Environmental Health Hazard Assessment (OEHHA), CalEnviroScreen 4.0, available at: <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40>.

Executive Summary

Action Item 1: On average, this evaluation indicated that pipelines in DVCs face a 54% higher baseline safety risk per foot and a 74% higher baseline reliability risk per foot than those in non-DVCs across the entire SoCalGas service territory.

Action Item 2: The Honor Rancho Compressor Modernization (HRCM) project includes replacing 25% of its horsepower (hp) with zero-emissions electric engines. This upgrade is expected to reduce expected peak daily emissions of nitrogen oxides (NOx) during normal operation (i.e., not including startup emissions) by up to 95%, and also lowering levels of carbon monoxide (CO), volatile organic compounds (VOC), respirable particulate matter (PM₁₀¹⁵),¹⁷ and sulfur oxides (SOx). These reductions do not reflect the preferential use of electric engines.

Action Item 3: SoCalGas's AFV fleet conversion program has achieved significant air emissions reductions, with approximately 15,000 metric tons of CO₂ reduction per year. Moreover, approximately 96% of the AFV fleet serve a DVC, AB 617 Community Air Protection Program (CAPP) community, or Consistently Nominated Communities (CNC) community. These AFV vehicles are stationed at 92% of SoCalGas's facilities with 76% of those facilities located in a DVC, CAPP community, or CNC community.

Action Item 4: Wildfire, storm surge, and flood risk are 9-12% higher in non-DVCs, as DVCs are primarily in non-coastal, dense urban areas. Mitigation efforts occur in both DVCs and non-DVCs, and these efforts improve regional climate resilience in both types of communities.

Action Item 6: Pipeline replacements reduced average safety risk per foot by 40% in both DVCs and non-DVCs where mitigation occurred. Pipeline replacements successfully reduced average reliability risk per foot by approximately 50% in DVCs where mitigations occurred and by approximately 44% in non-DVCs where pipeline replacement mitigation occurred.

Action Item 7: SoCalGas leveraged previously established Regional Advisory Boards from its Climate Adaptation Vulnerability Assessment (CAVA) program. Organized into four regions,

¹⁷ Fine particulate matter (PM_{2.5}) is a subset of respirable particulate matter (PM₁₀). PM_{2.5} is assumed to be equal to PM₁₀ emissions for combustion of natural gas.

SoCalGas was able to tap into knowledgeable and engaged representatives of DVC communities that had been providing input on climate risks over the past year. These groups were also introduced to the RAMP process along with the ESJ Pilot Study Plan and were asked for input on risks to medium pressure pipelines and third-party excavation damages. This Pilot Study effort was able to expand the conversation on broader risks facing DVCs in order to help prioritize investments to mitigate these impacts.

Action Item No. 1

Consider equity in the evaluation of consequences and risk mitigation within the Risk-Based Decision-Making Framework (RDF), using the most current version of CalEnviroScreen to better understand how risks may disproportionately impact some communities more than others.

Medium Pressure Gas System Risk

For purposes of this Pilot Study, the medium pressure gas system safety risk is derived from the likelihood and expected safety consequences of a serious incident based on RAMP safety risk parameters. Similarly, the medium pressure gas system reliability risk is derived from the likelihood and expected reliability consequences of a serious incident or hazardous leak based on RAMP safety risk parameters. These inputs and results are based on calculations by SoCalGas's Quantitative Risk Assessment (QRA).

Figure 2 shows the mean safety risk per foot across the medium pressure gas system. The blue gradient symbology on the map reflects relative safety risk with higher risk shown with the darker blue shading. Areas with no coloring indicate no medium pressure pipes in this region. Generally, safety risk is concentrated in dense urban areas such as downtown Los Angeles, or pockets in smaller areas such as East Los Angeles and Burbank.

Figure 2: Mean Safety Risk per Foot Across the Medium Pressure Gas System

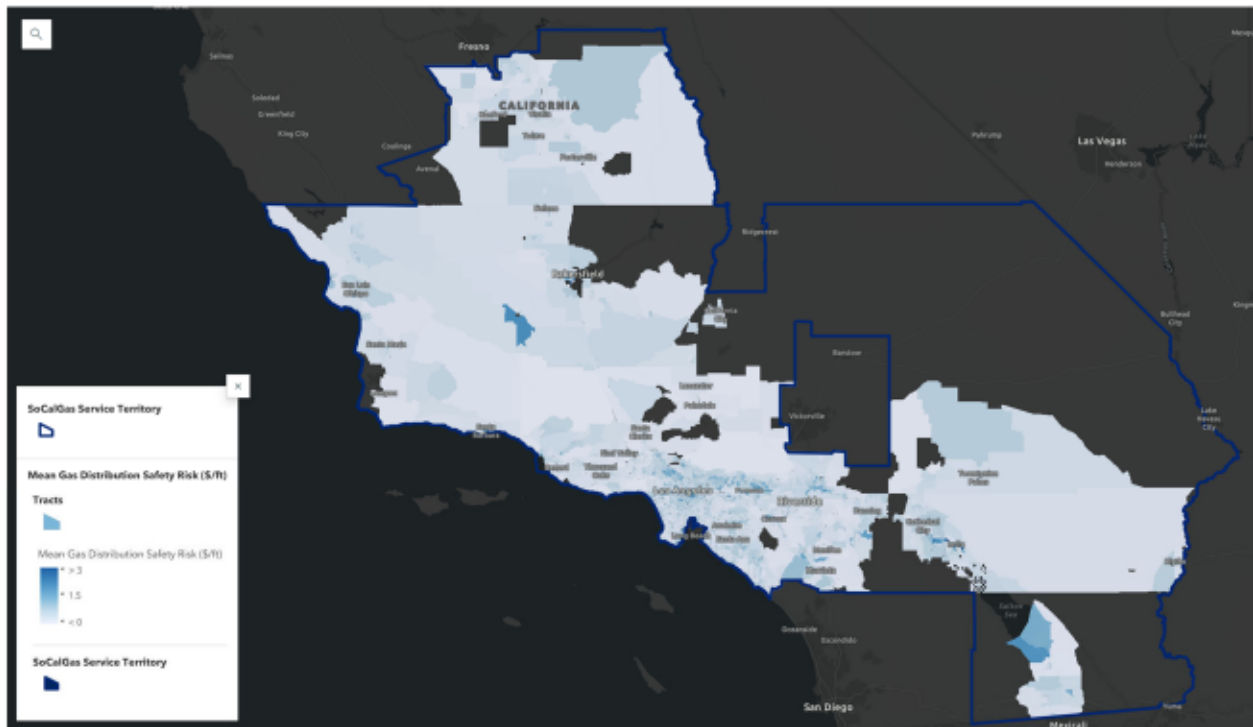


Figure 3a and 3b shows DVCs (blue cross-hatching) overlaid with census tract-level average baseline safety risk per foot (blue shading). On average across the SoCalGas service territory, safety risk per foot is 54% higher in DVCs compared to non-DVCs. Several factors account for this difference, including pipe factors, such as pipe age and material, along with community-level factors such as higher population density in urban areas where DVCs are often located.

Figure 3a: Mean Medium Pressure Gas System Safety Risk in DVCs and non-DVCs across SoCalGas Service Territory

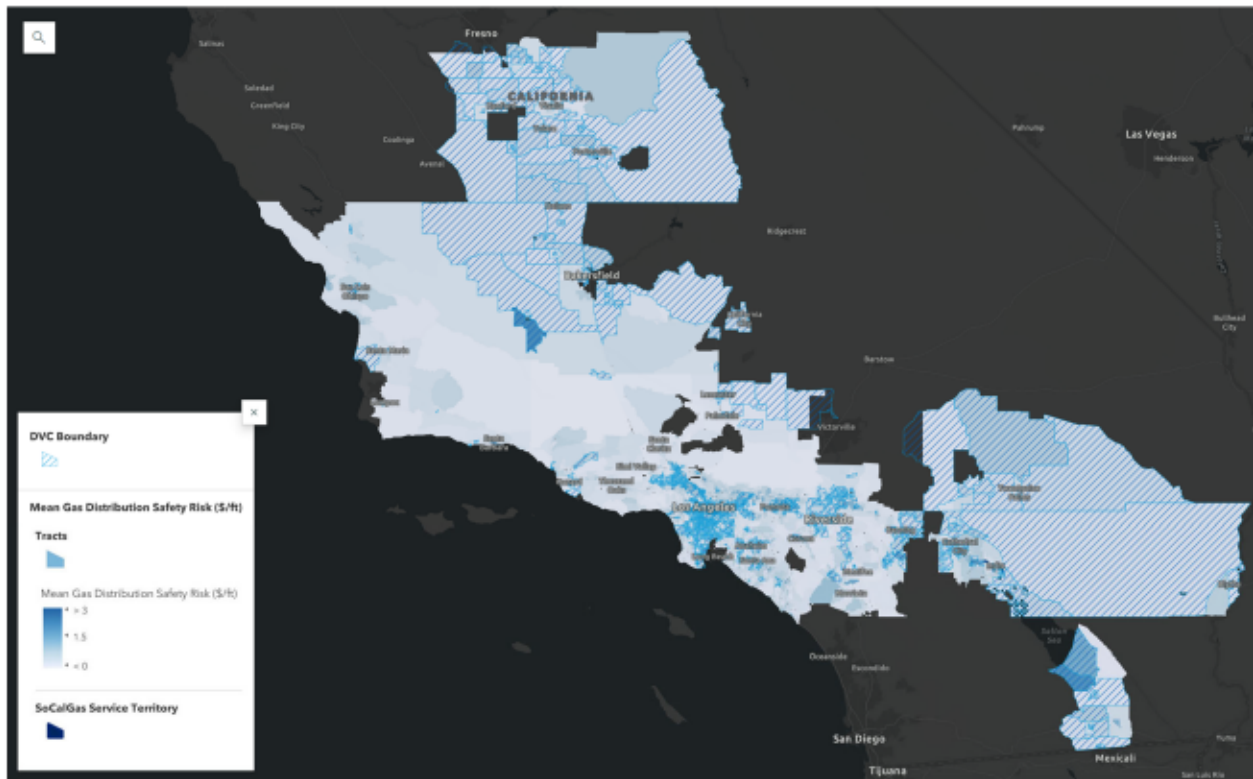


Figure 3b: Mean Medium Pressure Gas System Safety Risk in DVCs and non-DVCs in Los Angeles Basin Area

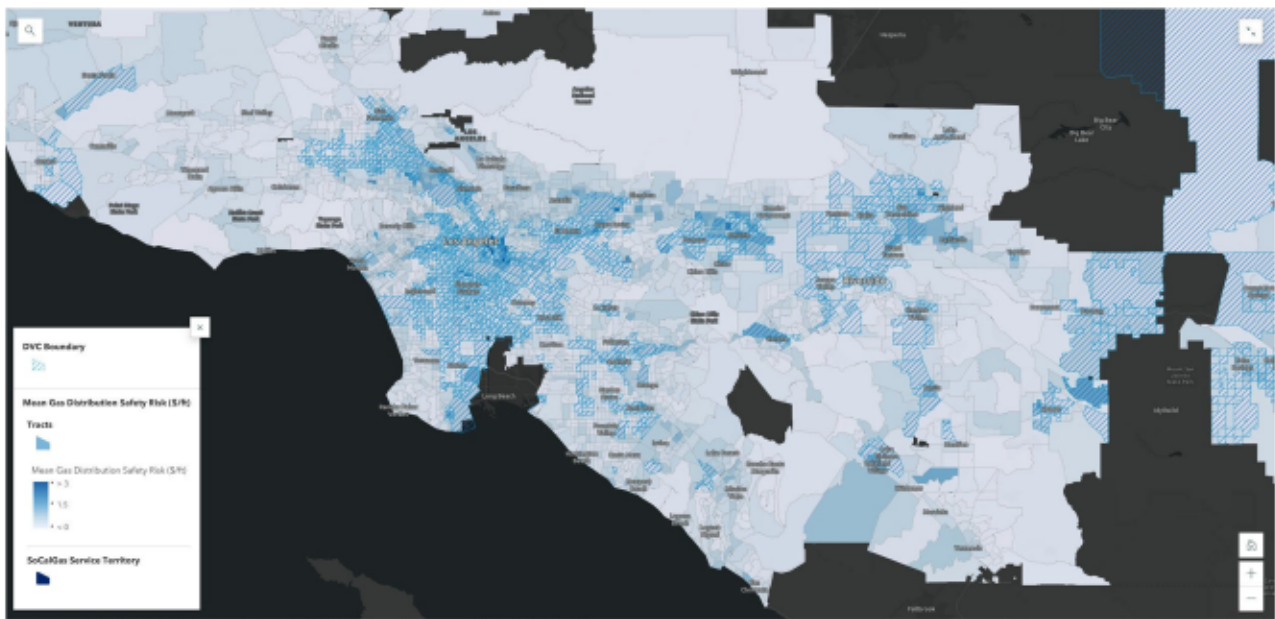


Figure 4 shows the mean medium pressure gas system reliability risk per foot across medium pressure pipes in SoCalGas's service territory. As reflected in the legend, the blue gradient on the map reflects relative reliability risk with higher risk shown with the darker blue shading.

Areas with no coloring indicate no medium pressure pipelines in this region. As with safety risk, medium pressure pipe segments with higher reliability risk are generally concentrated in urban areas such as the Los Angeles Basin and surrounding communities, with other areas of elevated reliability risk in rural counties such as Tulare, Kern, Kings, and San Bernardino.

Figure 4: Mean Medium Pressure Gas System Reliability Risk in SoCalGas Service Territory

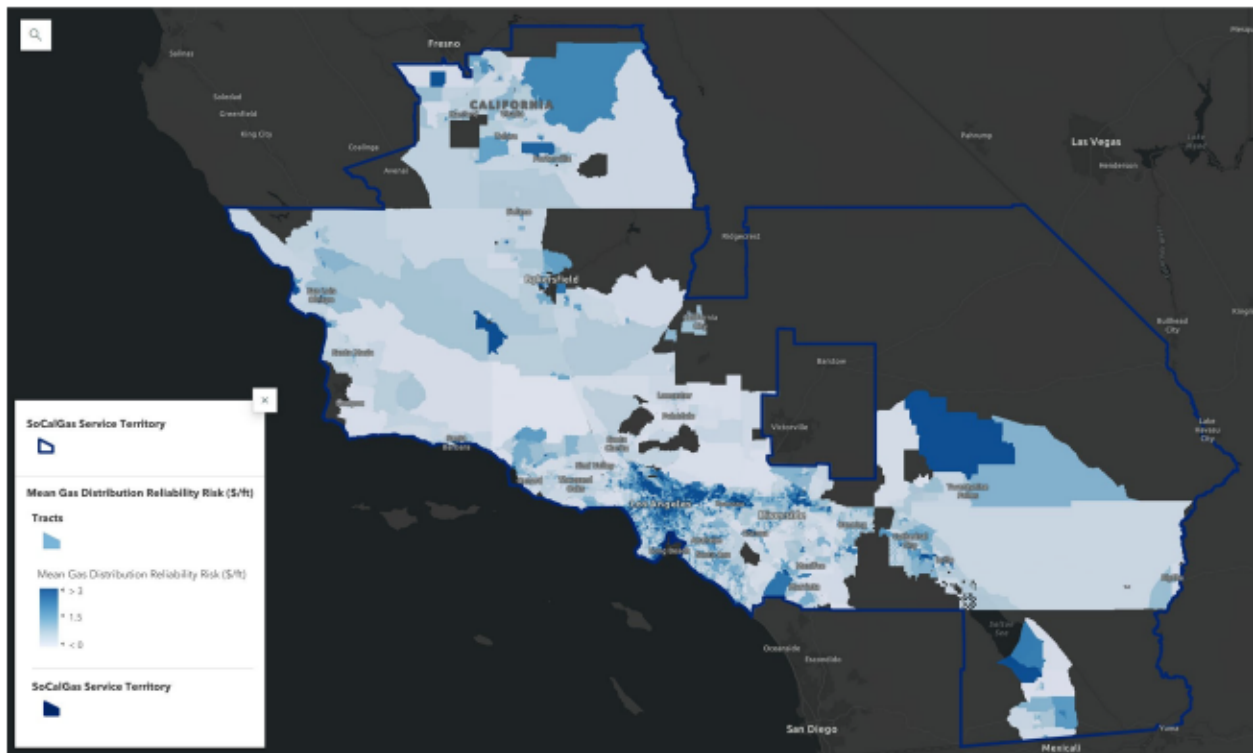


Figure 5a and 5b shows DVCs (blue cross-hatching) overlaid with census tract-level average baseline reliability risk per foot (blue shading). On average across the SoCalGas service territory, this analysis indicates that reliability risk per foot is 74% higher in DVCs compared to non-DVCs. Similar to safety risk, several factors account for this difference, including pipe factors, such as pipe age and material, along with community-level factors such as higher population density in urban areas where DVCs are often located.

Figure 5a: Mean Medium Pressure Gas System Reliability Risk in DVCs and non-DVCs across SoCalGas Service Territory

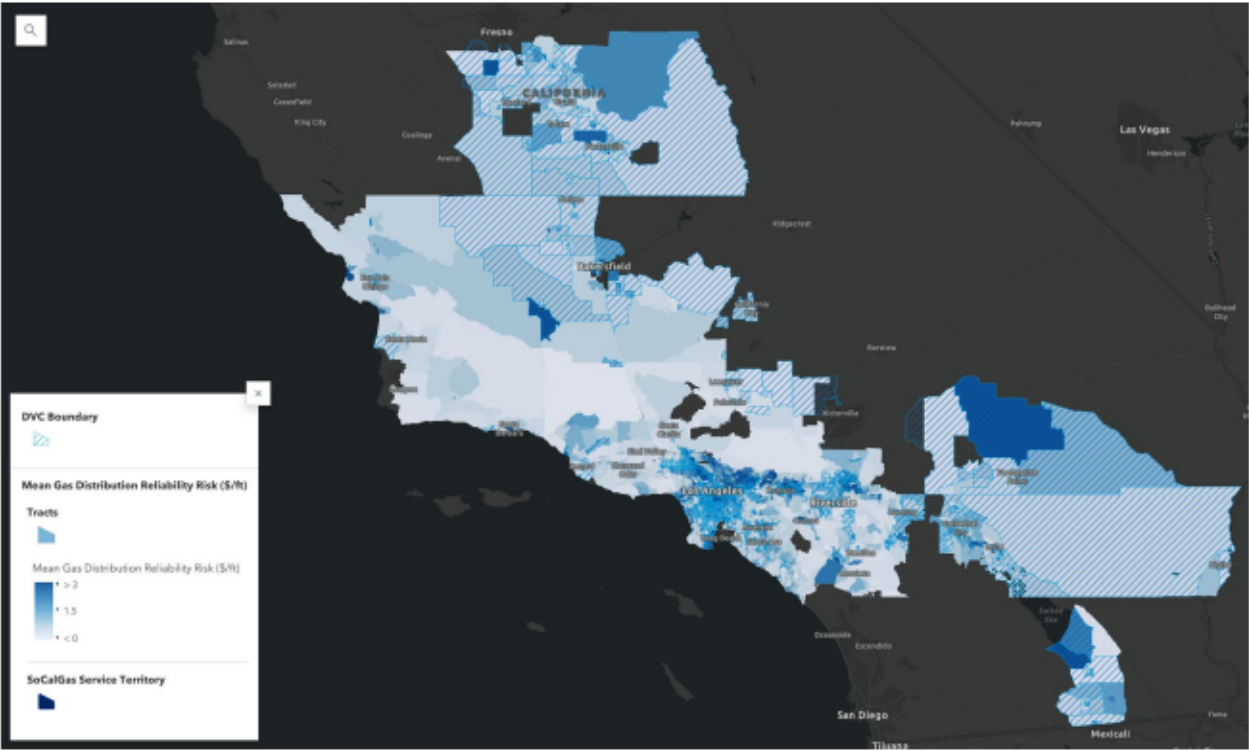
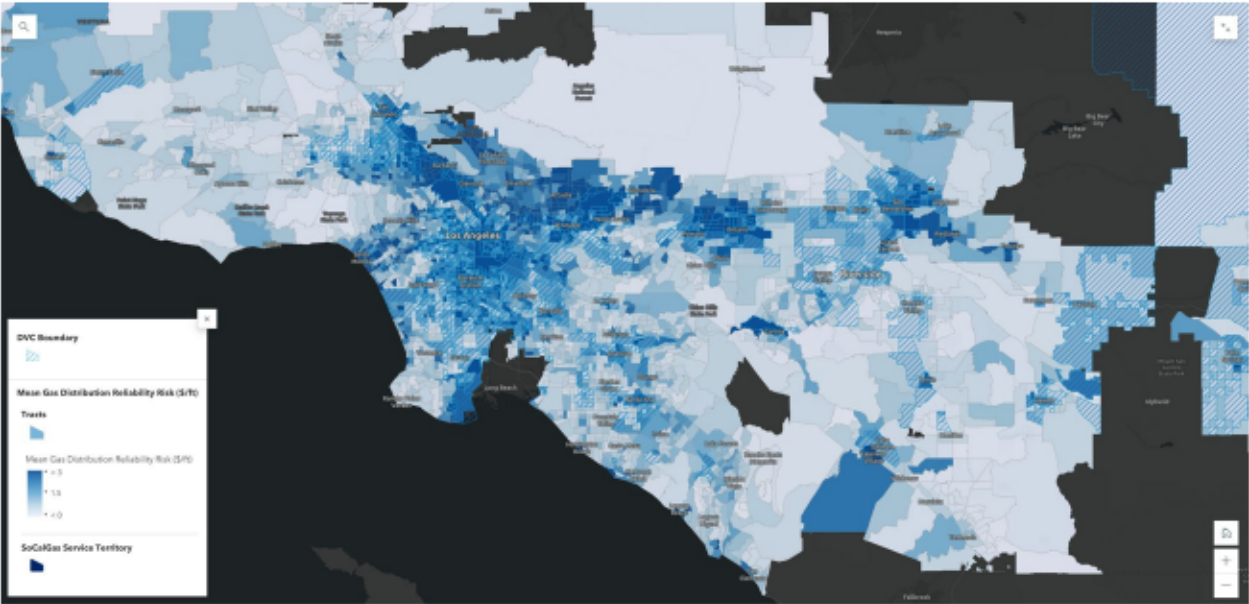


Figure 5b: Mean Medium Pressure Gas System Reliability Risk in DVCs and non-DVCs in Los Angeles Basin Area



Excavation Damage Risk

Figure 6a and 6b shows DVCs (purple shading) overlaid with clustered locations of excavation damages (red-yellow-green dots) on SoCalGas pipelines from 2019 – 2024. This analysis includes excavation damages on both medium pressure and high pressure pipelines across the SoCalGas service territory. Because excavation damages are primarily caused by outside factors such as third-parties accidentally hitting pipelines, locations of damages appear in a relatively unpredictable pattern.

Figure 6a: Map of Clustered Excavation Damages in DVCs and non-DVCs in the SoCalGas Service Territory

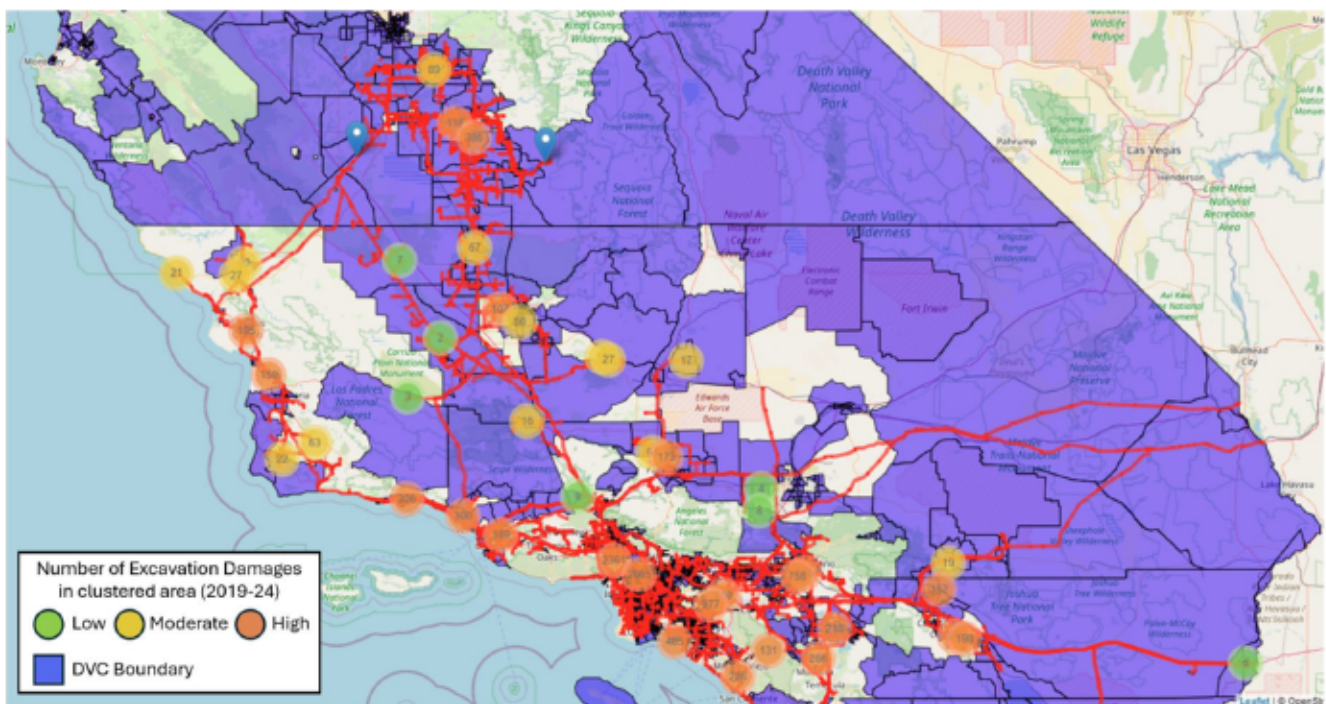


Figure 6b: Map of Clustered Excavation Damages in DVCs and non-DVCs in Los Angeles Basin Area

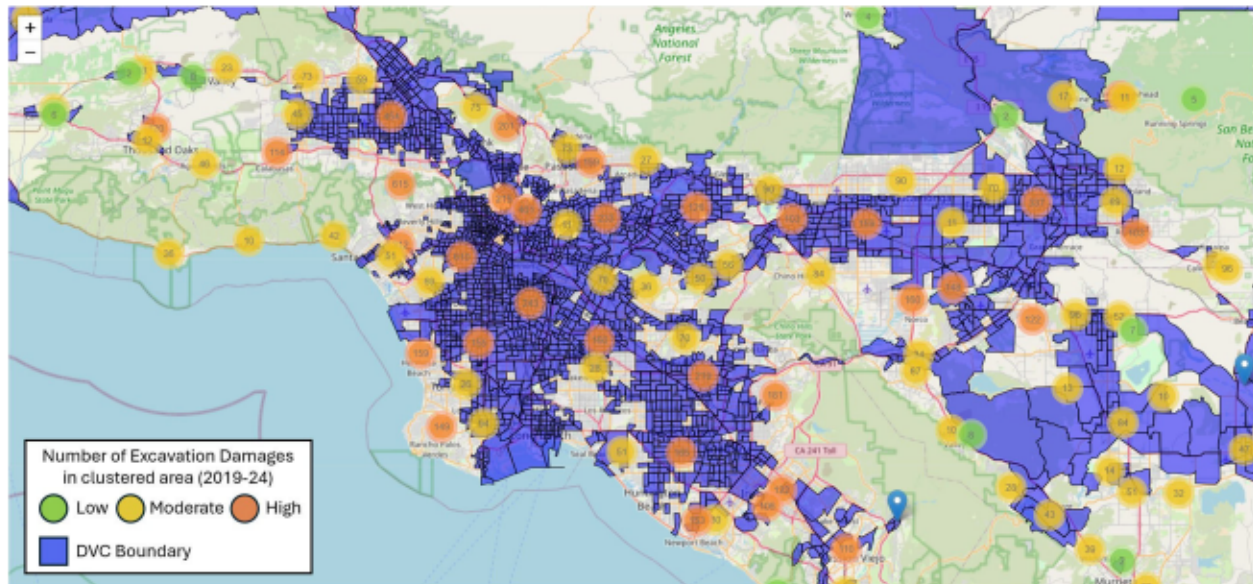
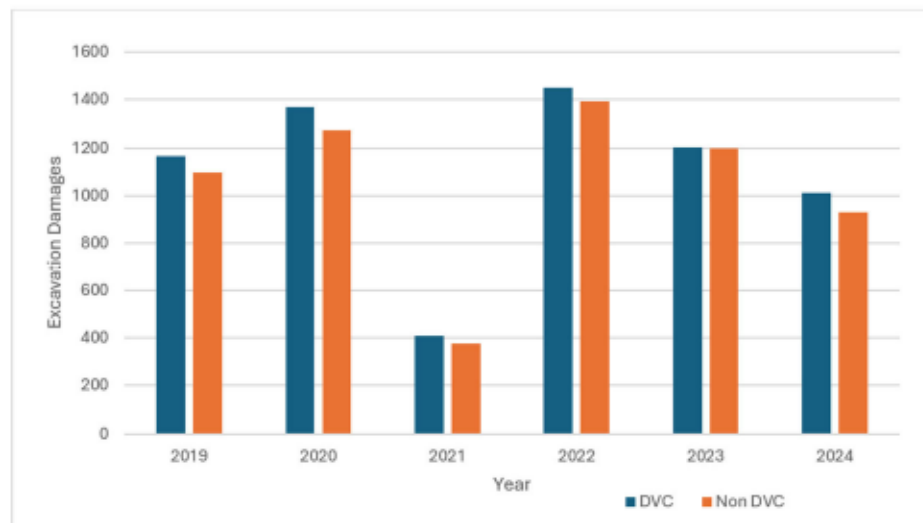


Figure 7 shows a year-by-year comparison of excavation damages across SoCalGas's service territory, categorized between DVC and non-DVC locations. This analysis indicates that the number of excavation damages in DVCs and the number of excavation damages in non-DVCs is relatively even each year. The total volume of excavation damages decreased by 70% in 2021, with the percentage of excavation damages in DVCs and non-DVCs comparable to other years. Based on the unpredictable trend of excavation damage locations mentioned above, SoCalGas did not find a direct relationship between excavation damage locations and DVC or non-DVC neighborhoods in its analysis.

Figure 7: Year-on-Year Comparison of Excavation Damages in DVCs and non-DVCs



Action Item No. 2

Consider investments in clean energy resources in the RDF, as possible means to improve safety and reliability and mitigate risks in DVCs.

Honor Rancho Compressor Modernization Project¹⁸

The Honor Rancho Storage Field (Honor Rancho) is located approximately 40 miles north of downtown Los Angeles in the city of Santa Clarita. Honor Rancho has been operating safely since 1975, with 35 active wells with a working capacity of 27 billion standard cubic feet (BCF) designed for a maximum withdrawal capability of 1.0 BCF per day. Approximately 25% of SoCalGas's total firm injection capacity is currently provided by Honor Rancho, making this facility a critical part of SoCalGas's natural gas system including its role in providing electric generation resiliency for the greater Los Angeles area.

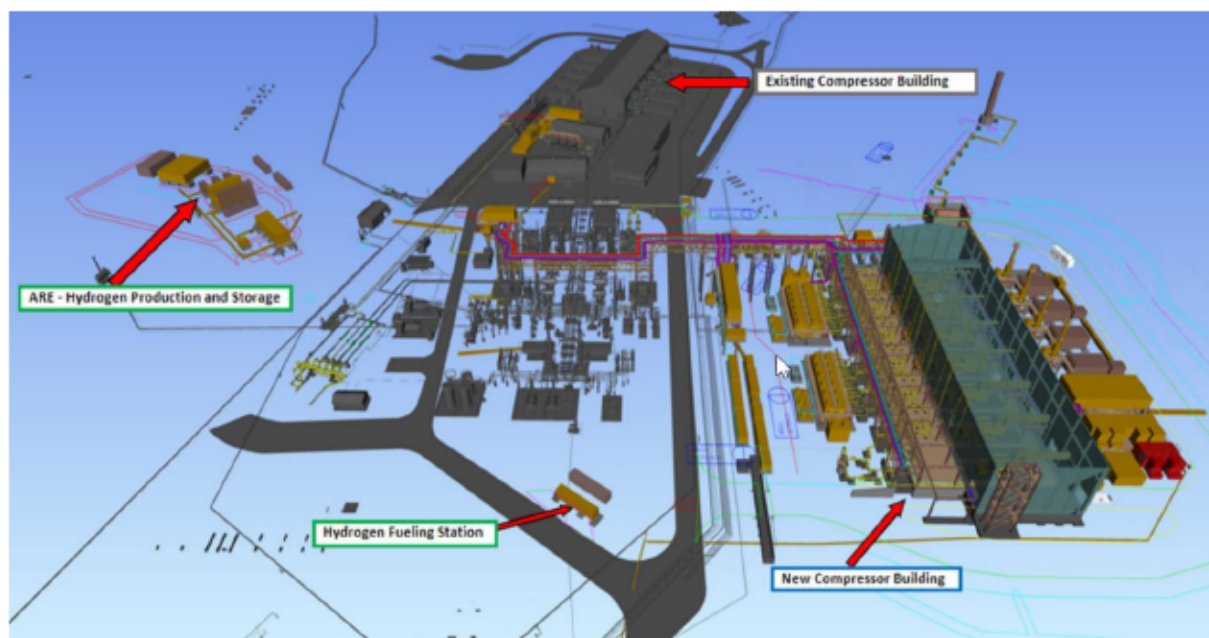
Figure 8: Honor Rancho Storage Field



¹⁸ The Honor Rancho Compressor Modernization Project (HRCM) was introduced in the 2019 GRC. In the 2024 GRC Decision (D.24-12-074), the Commission recognized the importance of the project and the role of compressor stations in maintaining operational reliability and safety of the gas system.

To meet air quality compliance requirements of the South Coast Air Quality Management District (South Coast AQMD) and enhance reliability, the HRCM project will modernize the compressor station through the installation of a combination natural gas-fueled lean burn engines and zero-emission electric motor driven compressors. Specifically, five aging natural gas-fueled lean-burn engines driving five compressors will be replaced by a combination of four new natural gas-fired lean-burn engines equipped with selective catalytic reduction (SCR) and oxidation catalysts and two electric motors driving a total of six new compression units. Upon commissioning of the new compressor assets, SoCalGas will decommission the five existing engines and five compressors.

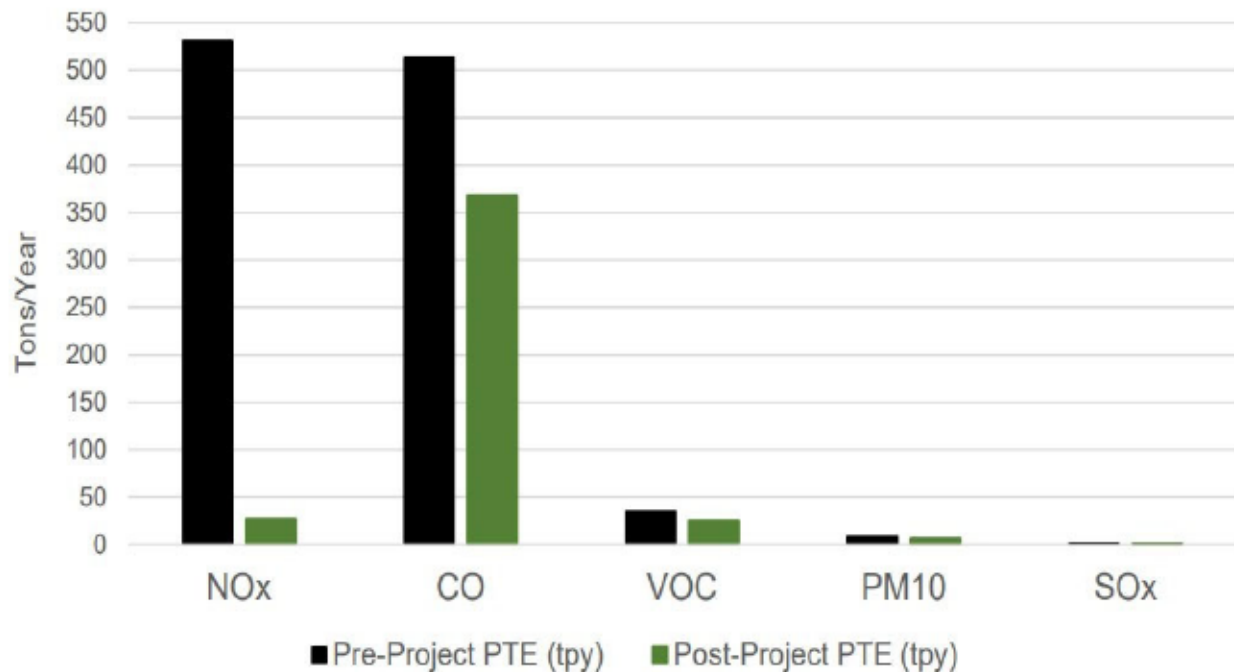
Figure 9: Honor Rancho Compressor Modernization Project Layout



The HRCM project estimates significant reductions in criteria air pollutants from the replacement of the compressor engines. The two new electric motors have zero combustion emissions, while the new lean-burn engines with SCR emissions control equipment are expected to achieve significant and measurable reductions in NO_x emissions. Expected peak daily emissions of NO_x during normal operations (i.e., not including startup emissions) are projected to decrease by approximately 95% from the existing actual levels, while CO, VOC, PM₁₀, and SO_x emissions are expected to decrease by approximately 30%. Projected emissions do not reflect further reductions in emissions from the preferential operation of the two new electric motors, with zero combustion emissions. The permitted NO_x emissions (e.g., potential to emit

(PTE)) from the compressor engines at the facility is expected to decrease by up to 95% and the total horsepower (hp) of lean-burn engines is expected decrease from 27,500 hp to 20,000 hp, over 25%¹⁹.

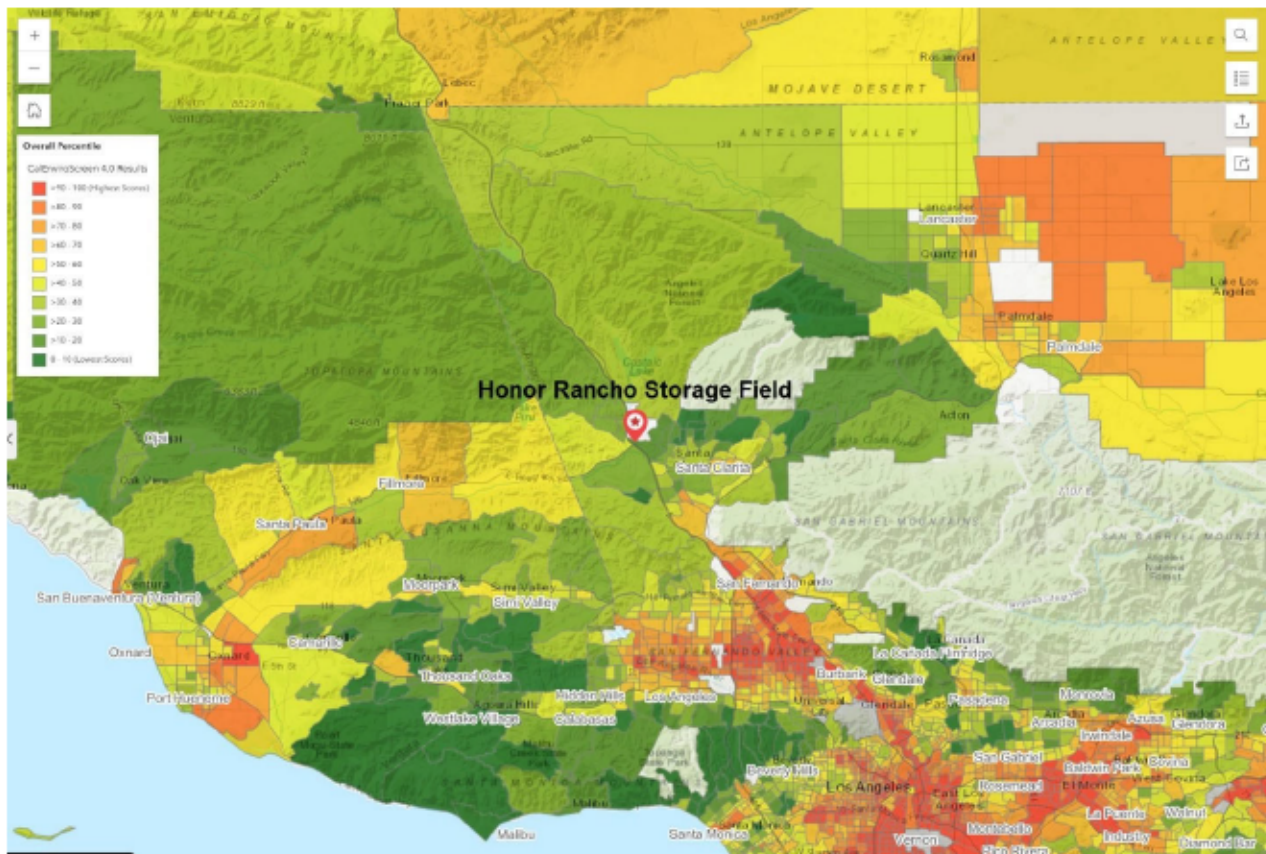
Figure 10: Pre and Post Project PTE for HRCM



The HRCM Project is expected to significantly improve regional air quality for surrounding communities and reduce emissions of criteria air pollutants including DVCs and non-DVCs by modernizing the facility with cleaner compressor engine technologies.

¹⁹ 2024 GRC, Direct Testimony of SoCalGas Witnesses Larry T. Bittleston and Steve Hruby (Ex. SCG- 10-R), Appendix E (Honor Rancho Compressor Modernization Supplemental Project Description) at Section II.

Figure 11: Honor Rancho Relative to DVCs



Action Item No. 3

Consider Mitigations that improve local air quality and public health in the RDF, including supporting data collection efforts associated with AB 617 regarding community air protection program.

Alternative Fuel Fleet Vehicles (AFVS) Program

SoCalGas's alternative fuel fleet vehicles (AFVs) program to convert existing natural gas-powered fleet vehicles to alternative fuels and the addition of more AFVs is described herein. Many of these vehicles are used in areas near SoCalGas facilities that are designated by the United States Environmental Protection Agency (EPA) as nonattainment areas for one or more

National Ambient Air Quality Standards under the federal Clean Air Act.²⁰ SoCalGas adopted the use of AFVs beginning in the 1980's with Compressed Natural Gas (CNG) vehicles and has continued to expand its AFV fleet with the adoption of additional alternative fuel vehicle technologies. AFVs facilitate SoCalGas's mission to deliver safe, reliable and affordable energy today and to be ready for the future by reducing vehicle emissions in the communities SoCalGas serves. SoCalGas's analysis evaluated AFV fleet data with an in-service date of 2004 to present day, focusing on their emissions data and location based on (1) AB 617 designated communities, (2) Consistently Nominated Communities as identified by the California Air Resources Board, and (3) DVCs identified by the Office of Environmental Health Hazard Assessment pursuant to Senate Bill 535²¹.

SoCalGas AFVs include the following fuel types: renewable natural gas (RNG), non-plug-in hybrid, fuel cell electric, and battery electric. As of 2024, AFVs make up 43% of SoCalGas's total fleet with the majority being RNG vehicles.

Table 1: SoCalGas Alternative Fuel Fleet Vehicle Types

AFV Type	Total
RNG	1583
NON-PLUG-IN HYBRID	149
FUEL CELL ELECTRIC	50
BATTERY ELECTRIC	101
Grand Total	1883

SoCalGas's analysis shows that an estimated 96% of its AFV fleet operates within a DVC, AB 617, or Consistently Nominated Community. These vehicles are stationed at 92% of SoCalGas's facilities, with an estimated 76% of those facilities being in a DVC, AB 617 designated community, or Consistently Nominated Community.

²⁰ EPA, Current Nonattainment Counties for All Criteria Pollutants, *available at*: <https://www3.epa.gov/airquality/greenbook/anc1.html>.

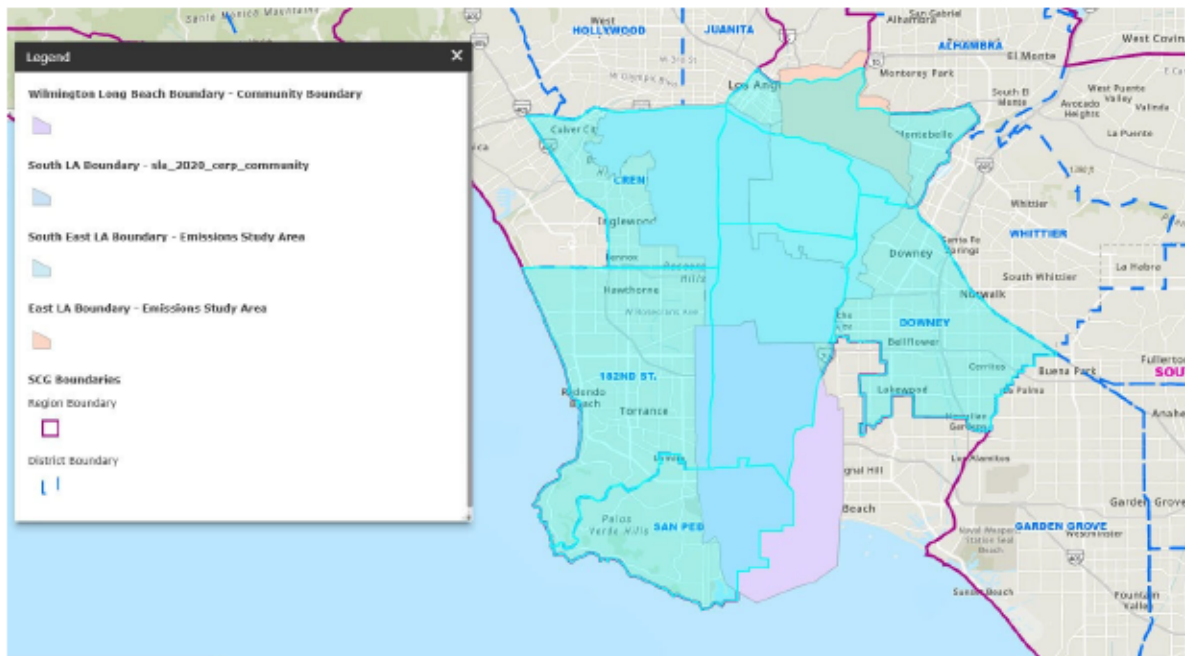
²¹ OEHHA, Disadvantaged Community Map, *available at*: <https://oehha.ca.gov/calenviroscreen/sb535>.

Table 2: AFV Fleet Data

Total AFV Count	Total SCG Fleet Count	% of AFV in SCG Fleet
1883	4415	43%
Total AFV that serves DVC, AB 617, or CNC	Total AFV Count	% of AFV that serve DVC, AB 617, or CNC
1806	1883	96%
Facilities that contain AFV	Total SCG Facilities	% of Facilities that contain AFV
65	71	92%
Facilities with AFV & serve DVC, AB 617, or CNC	Total SCG Facilities	% of Facilities that contain AFV & serve DVC, AB 617, or CNC
54	71	76%

SoCalGas's AFVs on average drive 54 miles per day. To provide an illustrative perspective Figure 13 shows a sample of SoCalGas facilities and their respective district boundaries within the Los Angeles area with AFVs (teal blue outline) and the AB 617 designated communities (solid-colored polygons) they serve.

Figure 12: LA Basin of AB 617 Designated Communities and SCG Facilities Boundaries²²



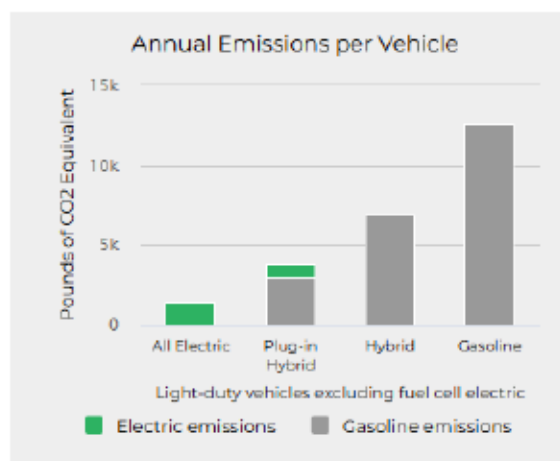
SoCalGas's RNG vehicles make up most of the AFV fleet and translate to an estimated 15,000 metric tons of CO2 reduction per year which is equivalent to an estimated 13,000 passenger

²² District boundaries refer to SoCalGas operating facilities and are divided by SoCalGas regions.

vehicles per year.²³ Additionally, EPA and the California Renewable Transportation Alliance (CRTA) have both identified the air quality benefits of RNG vehicles in addition to the associated reduction of CO2 emissions.²⁴ CRTA highlights the benefits of RNG vehicles not only as vehicles using a fuel with the lowest carbon intensity score of California fuels, but also their multiple air quality and climate goal benefits, the ease of use and benefits in the commercial waste use industry, and the available extensive fueling infrastructure for RNG vehicles.²⁵

Non-plug-in hybrid, fuel cell electric, and battery electric AFVs further advance SoCalGas's efforts in supporting decarbonized energy and improved air quality. The chart below, cited from the United States Department of Energy (DOE), shows the estimated emissions per vehicle for electric, plug-in hybrid, non-plug-in hybrid, and gasoline. This chart illustrates the air quality benefits of AFVs compared to gasoline, specifically for non-plug-in hybrid and electric vehicles utilized by SoCalGas in its fleet.

Table 3: DOE State Averages²⁶



²³ The calculation is based on every RNG service truck equates to 10 metric tons of reduced CO2 emissions. See SoCalGas, *SoCalGas to Convert 200 New Service Trucks to Run on RNG* (April 22, 2021), available at: <https://www.socalgas.com/newsroom/stories/socalgas-to-convert-200-new-service-trucks-to-run-on-rng>.

²⁴ Refer local air quality improvement benefits of RNG discussed by the EPA, see EPA, *Renewable Natural Gas – Benefits*, available at: <https://www.epa.gov/lmop/renewable-natural-gas#benefits>; see also CRTA, *RNG = lower GHGs, cleaner air, healthier California*, available at: <https://ca-rta.org/renewable-transportation-fuels/renewable-fuel/>.

²⁵ CRTA, *RNG = lower GHGs, cleaner air, healthier California*, available at: <https://ca-rta.org/renewable-transportation-fuels/renewable-fuel/>.

²⁶ DOE, *Alternative Fuels Data Center - Emissions from Electric Vehicles*, available at: <https://afdc.energy.gov/vehicles/electric-emissions>.

Fuel cell electric AFVs powered by hydrogen (FCEVs) are also part of SoCalGas's AFV fleet and have been shown to have positive effects on reduced CO₂ emissions as zero emissions vehicles and further expands technologies available for AFVs. The DOE and the EPA also recognize the substantial air quality benefits of FCEVs as zero emission vehicles.²⁷

Action Item No. 4

Evaluate how the selection of proposed mitigations in the RDF may impact climate resiliency in DVCs.

Medium Pressure Gas System Risk

Medium pressure pipeline risk exposure to wildfire, storm surge, and flood events was evaluated at part of this Action Item. As part of this evaluation, this risk was integrated with the SoCalGas service territory and DVC boundaries to understand the intersection of risk across communities and identify communities where mitigation efforts may increase climate resilience. Through this Pilot Study, SoCalGas's analysis indicated that wildfire, storm surge, and flood risk are higher in non-DVCs, as most DVCs are primarily located in non-coastal, dense urban areas, whereas non-DVCs are located more prevalently in mountainous regions of Southern California, with a higher wildfire risk, and along the coastline, which is highly impacted by storm surges and flooding.

Since mitigation efforts occur in both DVCs and non-DVCs, SoCalGas's analysis indicated that pipeline replacements improve regional climate resilience. Impacts to climate resilience in DVCs are discussed below.

²⁷ DOE, Alternative Fuels Data Center – Fuel Cell Electric Vehicle Emissions, *available at*: <https://afdc.energy.gov/vehicles/emissions-hydrogen>.

Figure 13: Wildfire Risk Exposure Baseline to 2050



Figure 13 shows the baseline 2025 wildfire risk (left) and the future projected change in this risk in 2050 (right) under the IPCC's SSP5-8.5 high emissions scenario.²⁸ As reflected in the legends, areas with projected high baseline wildfire risk are shown with the blue gradient while areas where risk is expected to increase are shown with red gradient. Currently wildfire risk exposure in the SoCalGas service territory is predominantly concentrated in mountainous regions around Los Angeles. Wildfire risk is expected to increase in these mountainous regions more than the urban regions of the area.²⁹ For example, in San Bernardino County, projections indicate a 10% increase in the number of days with extreme wildfire conditions by 2050. Projections of increased wildfire exposure poses direct threats to pipeline infrastructure, potentially leading to weakened or melted infrastructure above ground, and soil instability underground.³⁰ An increase in projected future wildfire events can result in increased risk of leaks and service interruptions due to pressure and flow disruptions.³¹

²⁸ Refer to IPCC's SSP5-8.5 climate scenarios, *see* ICCP, IPCC Sixth Assessment Report - Chapter 8: Water Cycle Changes (2021), *available at*: <https://www.ipcc.ch/report/ar6/wg1/chapter/chapter-8/>.

²⁹ World Weather Attribution, Climate change increased the likelihood of wildfire disaster in highly exposed Los Angeles area (January 28, 2025), *available at*: <https://www.worldweatherattribution.org/wp-content/uploads/WWA-scientific-report-LA-wildfires.pdf>.

³⁰ IOPscience, Increasing exposure of energy infrastructure to compound hazards: cascading wildfires and extreme rainfall (October 19, 2019), *available at*: <https://iopscience.iop.org/article/10.1088/1748-9326/ab41a6>; *see also*, Advancing Earth and Space Sciences (AGU), Interdependencies Between Wildfire-Induced Alterations in Soil Properties, Near-Surface Processes, and Geohazards (January 3, 2024), *available at*: <https://agupubs.onlinelibrary.wiley.com/doi/pdfdirect/10.1029/2023EA003498>.

³¹ ScienceDirect, How vulnerable are US natural gas pipelines to electric outages? (March-April 2023), *available at*: <https://www.sciencedirect.com/science/article/pii/S1040619023000180?via%3Dihub>.

The analysis of this Pilot Study indicated that non-DVCs are more prevalent in the mountainous regions of Southern California, contributing to a higher wildfire risk exposure for non-DVCs than DVCs, which are largely located in urban areas where wildfire risk is lower. This analysis also concluded that overall, wildfire risk exposure in non-DVCs is 11% higher than DVCs in 2050 under a high emissions scenario. Furthermore, in the mountainous San Bernardino County, 2050 wildfire risk is 33% higher in non-DVCs compared to DVCs under a high emissions scenario.

Figure 14: Mitigation activities may improve wildfire resilience in affected tracts

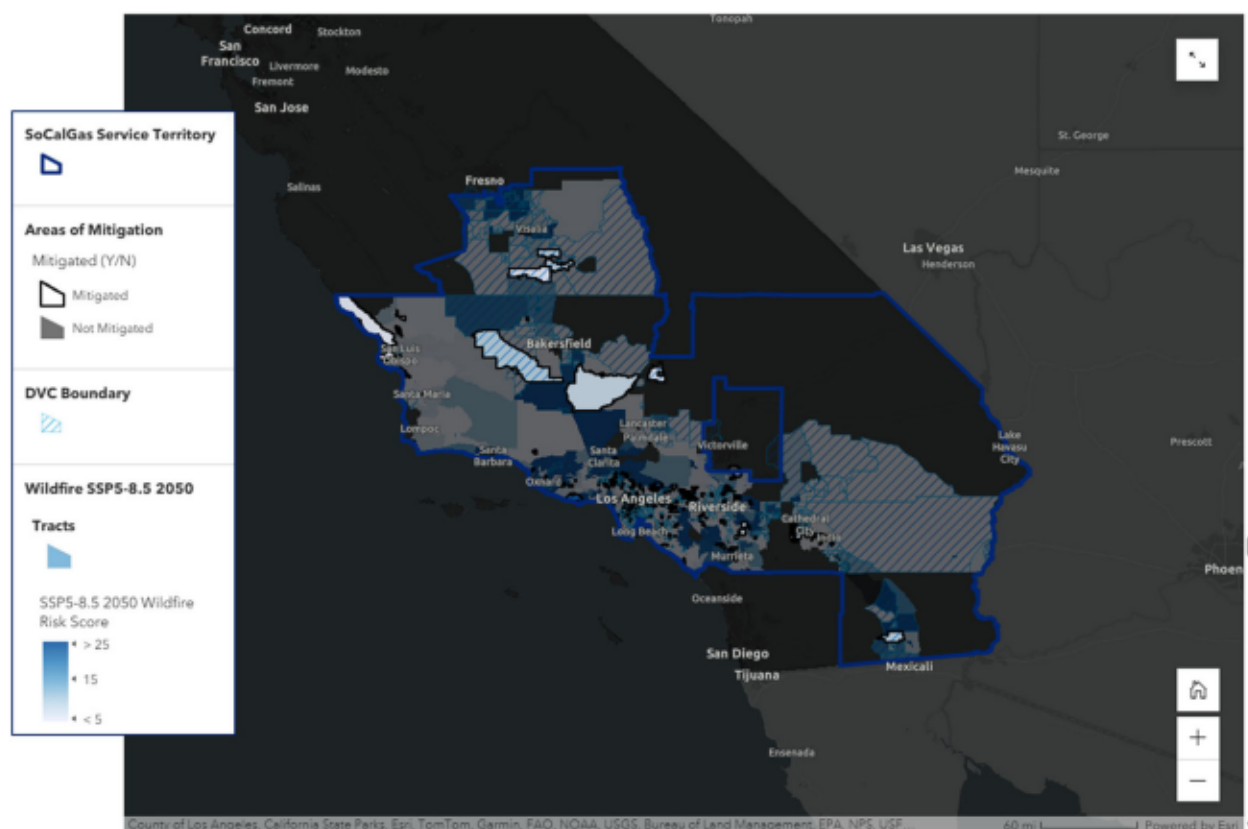


Figure 14 shows projected 2050 wildfire risk (blue shading) along with DVC boundaries (blue cross-hatching) and highlights tracts where mitigation efforts occurred (black outline). Both DVC and non-DVC tracts with projected higher wildfire risk exposure experienced pipe replacements, pipeline replacements may improve local infrastructure's resilience to post-wildfire soil instability.³²

³² AGU, Interdependencies Between Wildfire-Induced Alterations in Soil Properties, Near-Surface Processes, and Geohazards (January 3, 2024), available at: <https://agupubs.onlinelibrary.wiley.com/doi/pdfdirect/10.1029/2023EA003498>.

Figure 15: Storm Surge Risk Exposure Baseline to 2050

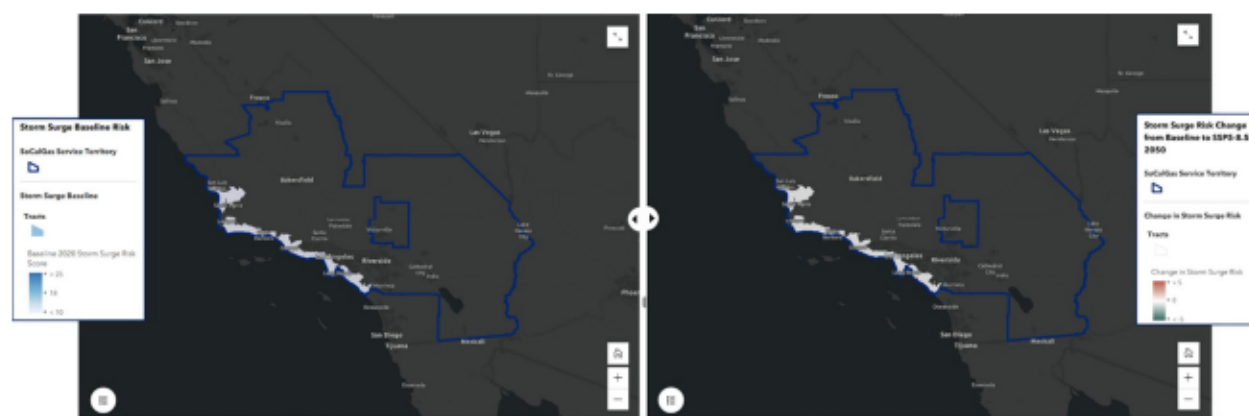


Figure 15 shows baseline 2025 storm surge risk (left) and the future projected change in 2050 (right) under the IPCC's SSP5-8.5 scenario. Areas with high baseline storm surge risk are shown with the blue gradient while areas where risk is expected to increase are shown with red gradient. Currently, projected storm surge risk is concentrated in coastal regions like Santa Barbara and Huntington Beach. Anticipated higher risk exposure in 2050 could be attributed to projected sea level rise and potential changes in the frequency and severity of tropical cyclones. For example, by 2050 the surge depths from a Category 1 or 2 Tropical Cyclone in Huntington Beach may increase by as much as six inches deeper under a high emissions scenario. As a result, increased flooding is also expected in this area. Storm surge events can lead to coastal incursion, exposing pipelines and making them more vulnerable to physical damage. Additionally, saturated ground can cause shifting or settling, potentially leading to cracks or gas leaks. Finally, exposure to salt water can contribute to corrosion, with older pipes being particularly susceptible to damage.³³ These impacts can result in malfunctions or short circuits in above ground infrastructure, causing service disruptions and safety concerns for local communities. Overall, storm surge risk exposure in non-DVCs is 12% higher than DVCs in 2050 under a high emissions scenario.

³³ NJP Clean Water, Analysis and ranking of corrosion causes for water pipelines: a critical review (September 15, 2023), available at: <https://www.nature.com/articles/s41545-023-00275-5>.

Figure 16: Mitigation activities do not target coastal communities with higher storm surge risk

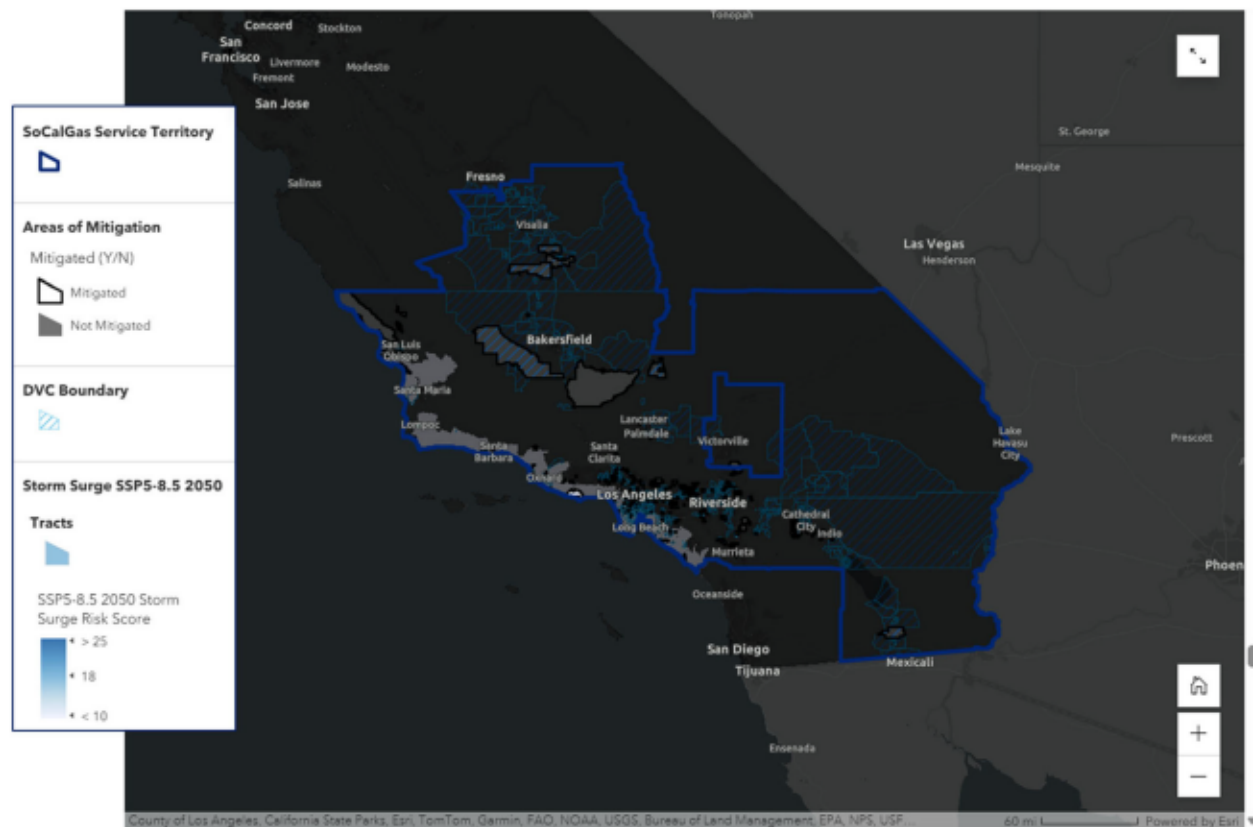


Figure 16 shows 2050 storm surge risk (blue shading) along with DVC boundaries (blue cross-hatching) and highlights tracts where mitigation efforts occurred (black outline). Across SoCalGas’s service territory, this analysis indicates that mitigation activities appear to have minimal overlap with high storm surge risk regions. Among other mitigation efforts not evaluated in this Pilot study such as pipeline coating, wrapping cathodic protection, burial depth and backfill material targeting coastal regions, pipeline replacements in conjunction with these mitigations potentially improve climate resilience which could improve corrosion resistance.

Figure 17: Flood Risk Exposure Baseline to 2050



Figure 17 shows baseline 2025 flood risk (left) and the future projected change in 2050 (right) under the IPCC's SSP5-8.5 scenario. Areas with high baseline flood risk are shown with a blue gradient, while areas where risk is expected to increase are shown with a red gradient. Flood risk is currently distributed throughout larger census tracts north of Los Angeles, in addition to concentrated pockets within inlet regions like Long Beach. This analysis indicates that across the service territory flood risk is expected to increase northwest of Los Angeles and decrease east of Los Angeles by 2050. Flooding can lead to soil erosion and displacement, which may undermine the structural integrity of pipelines, resulting in potential leaks or ruptures. After an event, standing water can exacerbate corrosion processes, particularly in older or inadequately protected pipeline segments. Flood risk exposure varies by neighborhood, however, overall flood risk exposure in non-DVCs is estimated to be 9% higher than DVCs in 2050 under a high emissions scenario.

Figure 18: Mitigation activities may improve flood resilience in affected tracts

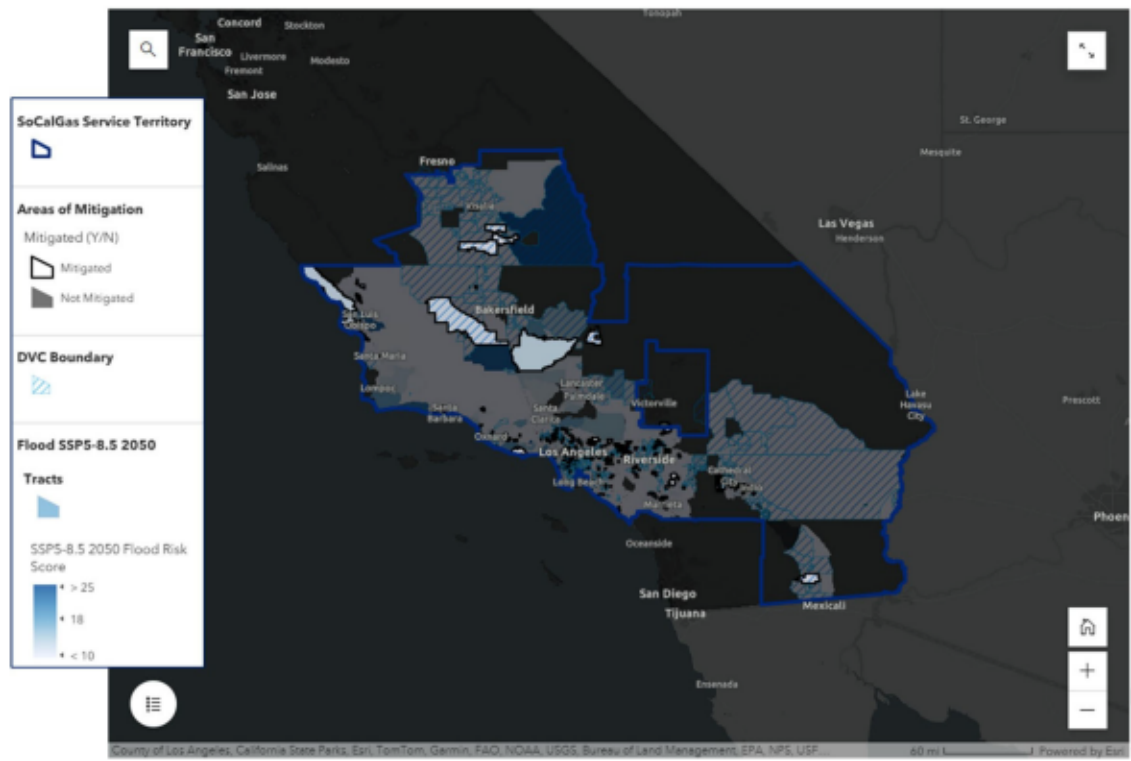


Figure 18 shows 2050 flood risk (blue shading) along with DVC boundaries (blue cross-hatching) and highlights tracts where mitigation efforts occurred (black outline). Both DVC and non-DVC tracts with relatively higher flood risk exposure are projected to experience pipe replacement, improving local infrastructure resilience to corrosion.

Excavation Damage Risk

Excavation Damage risk is primarily caused by third-parties failing to follow proper procedures such as calling 811 DigAlert prior to digging, or due to incorrect/unsafe excavation practices. As a result, there is no expected climate resilience impact from excavation damage mitigation activities. Perils such as wildfire, storm surge, and flooding would likewise not be expected to cause a significant impact on excavation damage risk to DVCs or non-DVCs in the future.

Examples of Other SoCalGas Mitigation Activities Not Evaluated for this Action Item

In addition to the mitigations evaluated in this Action Item, SoCalGas established the Climate Advisory group in 2020. As part of the Climate Advisory Group activities, SoCalGas regularly engages in partnerships with academic and research institutions to leverage innovative technologies and expertise to further advance climate resilience initiatives.³⁴ Highlighted in Volume 1, Chapter RAMP-5, is the Climate Change Adaptation Table, Controls and Mitigations that Align with Increasing Resilience to Climate Hazards. This table highlights the list of mitigations SoCalGas is undertaking which address climate hazards.

Action Item No. 5

Evaluate if estimated impacts of wildfire smoke included in the RDF disproportionately impact DVCs.

This Action Item does not apply to SoCalGas.

Test Year 2028 GRC Update

The SPD Report contains the following recommendation regarding Action Item No. 5:

Regarding Action Item 5: SoCalGas says this action item does not apply to it. However, SPD finds that SoCalGas didn't provide any rationale for saying this action item is inapplicable. SPD recommends that SoCalGas should update its Pilot Study Plan with an explanation of why the evaluation of wildfire smoke impacts does not apply or develop a risk mitigation plan if merited upon reevaluation. The update should be served to the service list in the upcoming GRC.³⁵

The SPD Report further states that D.22-12-027 “does not exempt natural gas companies from Action Item 5,”³⁶ and that “[i]t is conceivable that a gas pipeline leak or rupture that produces fire might possibly cause a wildfire[.]”³⁷

³⁴ See Chapter SDG RAMP-5: Climate Change Adaptation at Section II.

³⁵ SPD Report at 202.

³⁶ *Id.* at 200 (citing D.22-12-027 at 50-51).

³⁷ *Id.* at 200.

SoCalGas confirms its understanding that Action Item 5 does not apply to SoCalGas. Action Item 5 directs IOUs to “[e]valuate if estimated impacts of wildfire smoke included in the RDF disproportionately impact DVCs[.]”³⁸ The Commission in D.22-12-027 further clarified that, “the Pilot Study should focus its evaluation of the impact of wildfire smoke on DVCs within a utility’s service territory and based on *utility-caused* wildfires within the service territory.”³⁹ The decision further authorizes IOUs to “use public studies of the health impacts of wildfire smoke” and to “draw upon the research results from CARB’s 2021-2022 solicitation regarding health impacts of short-term exposure to wildfire smoke[.]”⁴⁰ Based on the discussion in decision D.22-12-027, SoCalGas understood that Action Item 5 was targeted towards the electric utilities and not applicable to SoCalGas as a natural gas utility. It is known that electric infrastructure poses a wildfire risk, and there are several examples of this occurrence. SoCalGas confirmed its understanding that Action Item 5 was not applicable to SoCalGas in a March 21, 2024 meeting with SPD representatives, at the July 12, 2024 Community Based Organizations Working Group (CBOWG) workshop, the July 19, 2024 Disadvantaged Communities Advisory Group (DACAG) workshop, and the August 12, 2024 public workshop.⁴¹ At no time did any party or SPD raise any concern with SoCalGas’s approach. In addition, SoCalGas is not a party to the Wildfire Mitigation Plan (WMP) proceedings with the Office of Energy Infrastructure Safety (OEIS), or the WMP portion of the 2024 GRC Track 3 proceedings, further confirming its understanding that this action item applies to electric utilities.

To the extent Action Item 5 was intended to apply to SoCalGas, similar to what SDG&E stated in its ESJ Pilot Study Plan,⁴² SoCalGas lacks adequate information to make predictive estimates regarding Wildfire Smoke and defers to industry experts such as government, academia, and fire agencies to develop models or calculations and to study and advance research on this topic, as stated as follows:

³⁸ D.22-12-027 at 51.

³⁹ *Id.* at 50 (emphasis added).

⁴⁰ *Id.*

⁴¹ Parties to A.25-005-010/013 (cons) were invited to the public workshop.

⁴² SDG&E, Environmental Social Justice Pilot Study Plan (2025 RAMP) Appendix 4 (May 15, 2025) at 25, available at: [Appendix 4 SDG&E Environmental and Social Justice Pilot Study 0.pdf](#).

Utility-specific research presents several challenges, including the difficulty of accurately identifying and quantifying the potential number of [SoCalGas] customers impacted by smoke related to utility-caused wildfires and assessing the extent of the effects on both customers and the environment. The complexity arises, for example, from the variability in wildfire behavior, identifying and quantifying the type of material burned, the duration of the fire, the diverse locations and existing characteristics of the customers impacted, and the difficulty in predicting long-term environmental impacts.⁴³

Action Item No. 6

Estimate the extent to which risk mitigation investments included in the RDF impact and benefit DVCs independently and in relation to non-DVCs in the IOU service territory.

Medium Pressure Gas System Risk

Figure 20 highlights the census tracts where at least one or more medium pressure pipe main replacements occurred across the SoCalGas service territory in 2024. Overall, an estimated 7% of census tracts experienced at least one medium pressure pipe main replacement in 2024, with approximately 114 miles of pipe replaced. Pipeline main replacement mitigation efforts ⁴⁴ were primarily concentrated in urban areas and surrounding communities such as Los Angeles and Ontario.

Of the estimated 114 total miles of pipe replaced, 34 miles were replaced in DVCs and 80 miles were replaced in non-DVCs. Based on the total mileage of pipe in DVCs and non-DVCs, 0.25% of DVC pipeline was replaced compared to 0.23% of non-DVC pipeline. This represents an 8.7% higher rate of replacement in DVCs than non-DVCs on a per mile basis. There is a nominal difference of <1% which indicates almost an equal rate of safety risk reduction in DVCs and non-DVCs based on 2024 medium pressure pipe replacements.

⁴³ See *id.* at 26.

⁴⁴ Other mitigations which impact the Medium Pressure Gas System risk were not evaluated as part of this study, as described in the Approach and Methodology section.

Figure 19: Census Tracts with Medium Pressure Pipe Main Replacements in 2024

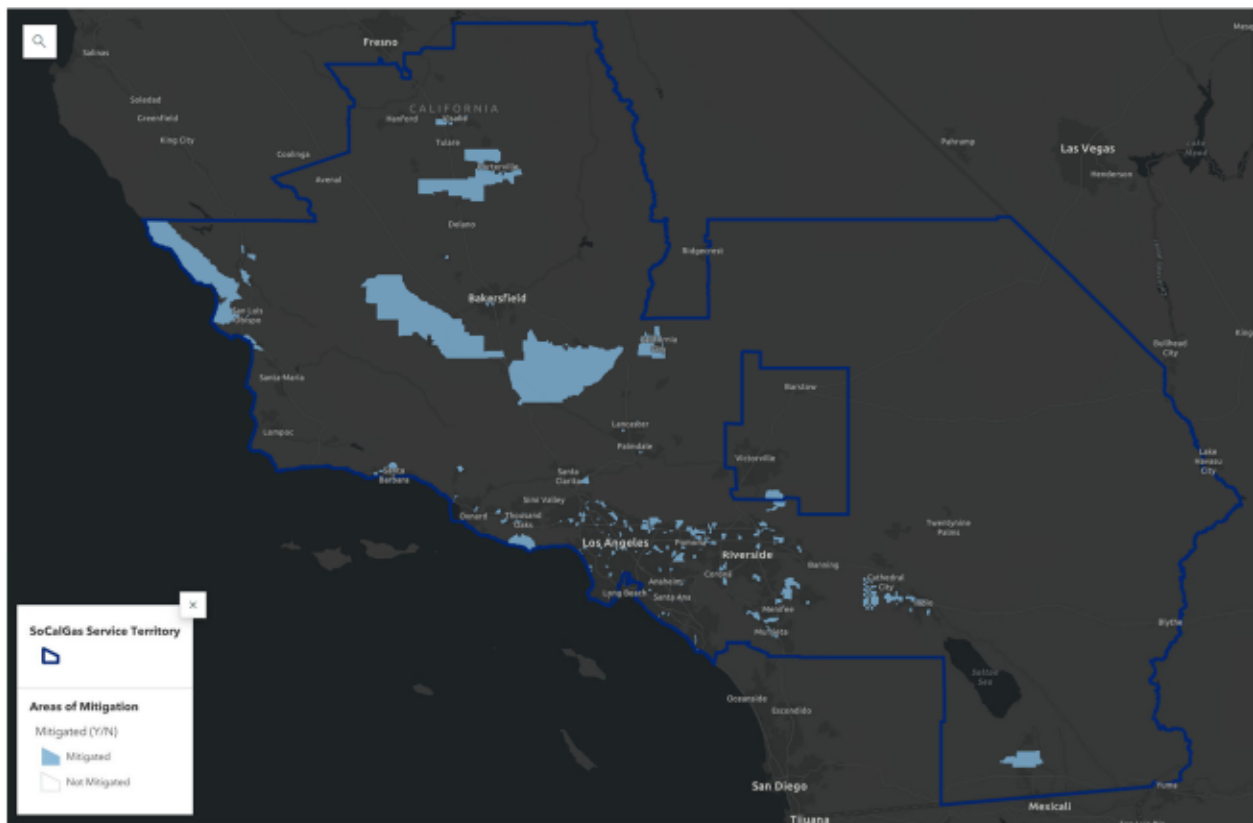


Figure 20a and 20b show changes in average safety risk per foot across medium pressure pipes where 2024 pipe main replacement efforts occurred in the SoCalGas service territory. Blue shaded areas on the map reflect improvements to relative safety risk. Pipe replacements across the SoCalGas service territory are projected to have reduced average safety risk per foot by 40% in the pipes where pipeline replacement mitigation efforts occurred.

Figure 20a: Change in Safety Risk by Medium Pressure Pipe Main Replacements

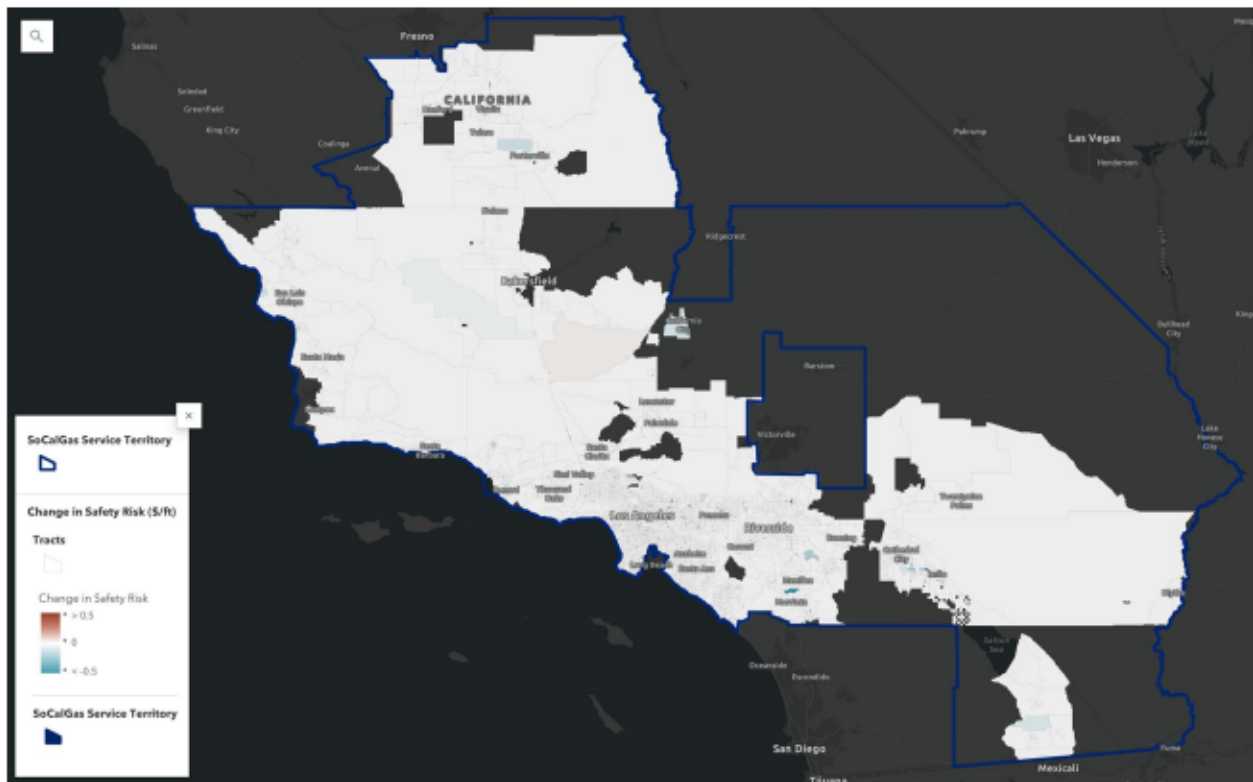


Figure 20b: Change in Safety Risk by Medium Pressure Pipe Main Replacements in Los Angeles Basin



Figure 21a and 21b show where census tract-level average safety risk per foot has changed, overlaid with DVC boundaries (blue cross-hatching). Pipe replacements located in DVCs are projected to have reduced average safety risk per foot by an estimated 40.0% in the pipes where mitigation efforts occurred, while pipe replacements located in non-DVCs reduced average safety risk per foot by an estimated 40.3%. This difference of <1% indicates a near equal rate of safety risk reduction in DVCs and non-DVCs based on 2024 medium pressure pipe replacements.

Figure 21a: Change in Safety Risk by Medium Pressure Pipe Main Replacements with DVC Overlay

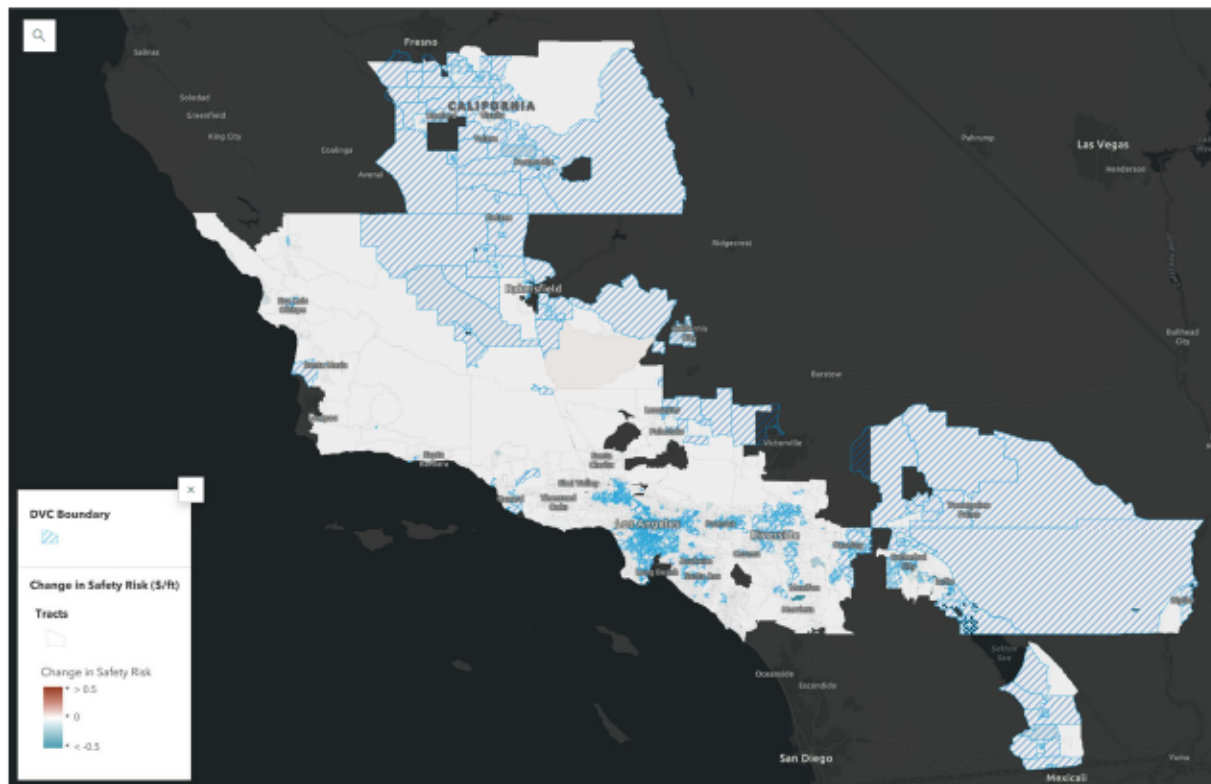


Figure 21b: Change in Safety Risk by Medium Pressure Pipe Main Replacements in LA Basin with DVC Overlay

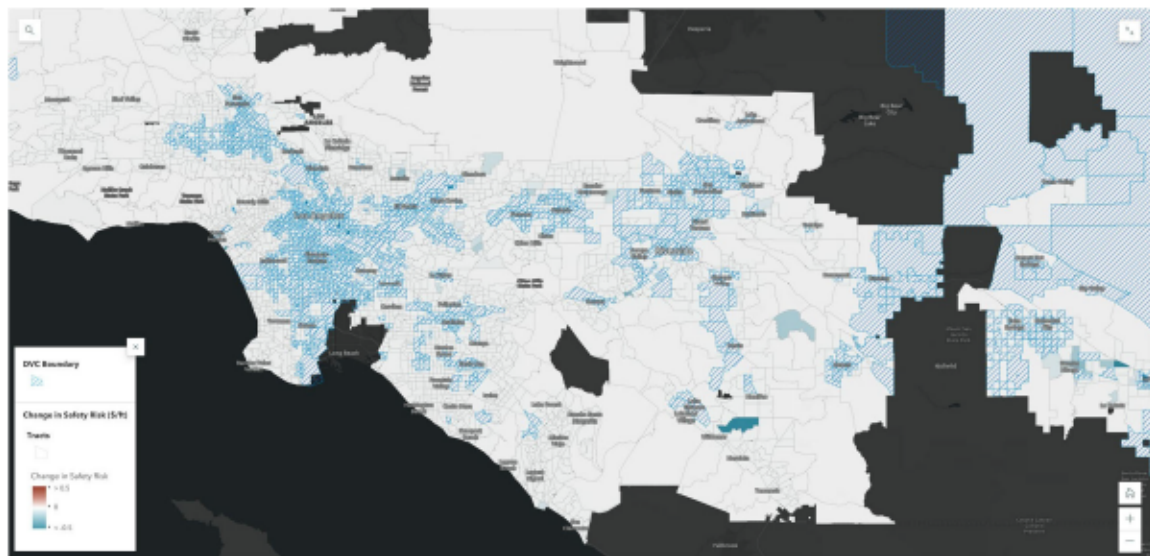


Figure 22 visualizes change in average reliability risk per foot across medium pressure pipes in SoCalGas's service territory. Blue shaded areas on the map reflect improvements to relative reliability risk. Pipe replacements across the SoCalGas service territory are projected to have reduced average reliability risk per foot by 47% in pipes where mitigation efforts occurred.

Figure 22: Change in Reliability Risk by Medium Pressure Pipe Main Replacements

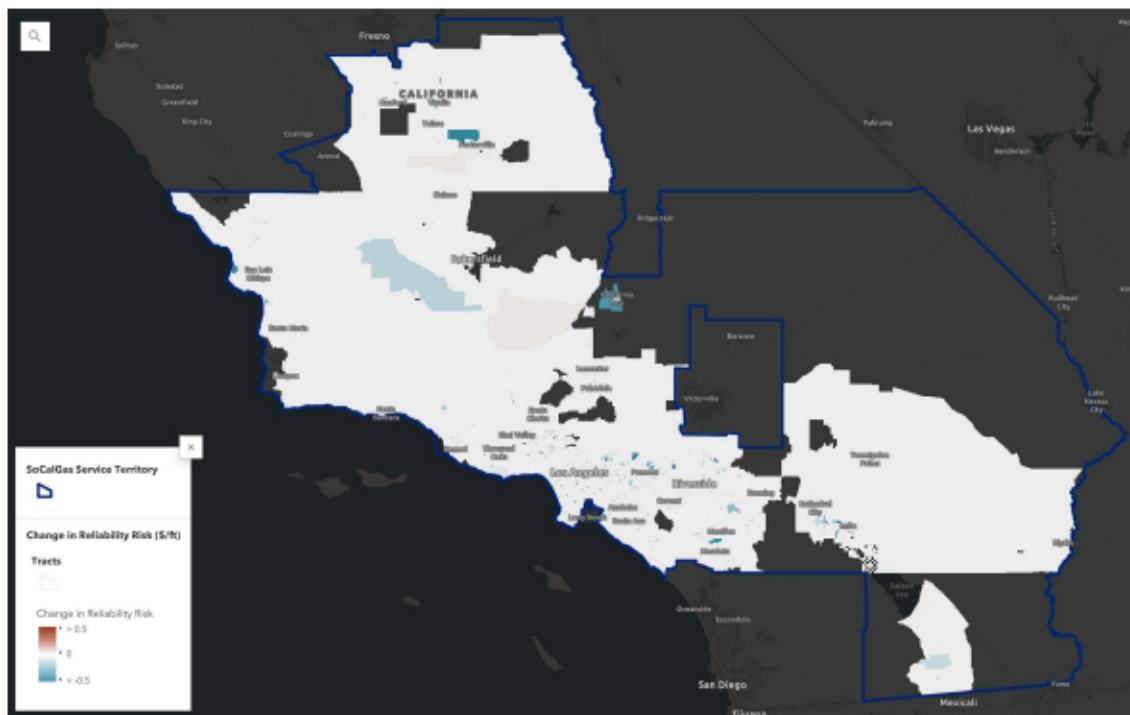


Figure 23a and 23b show where census tract-level average reliability risk per foot has changed, overlaid with DVC boundaries (blue cross-hatching). Pipe replacements located in DVCs reduced average reliability risk per foot by 50% in the pipes where mitigation efforts occurred, while pipe replacements located in non-DVCs reduced average reliability risk per foot by 44%. This indicates a reliability risk reduction in DVCs at a 1.13x rate compared to non-DVCs based on 2024 medium pressure pipe replacements.

Figure 23a: Change in Reliability Risk by Medium Pressure Pipe Main Replacements with DVC Overlay

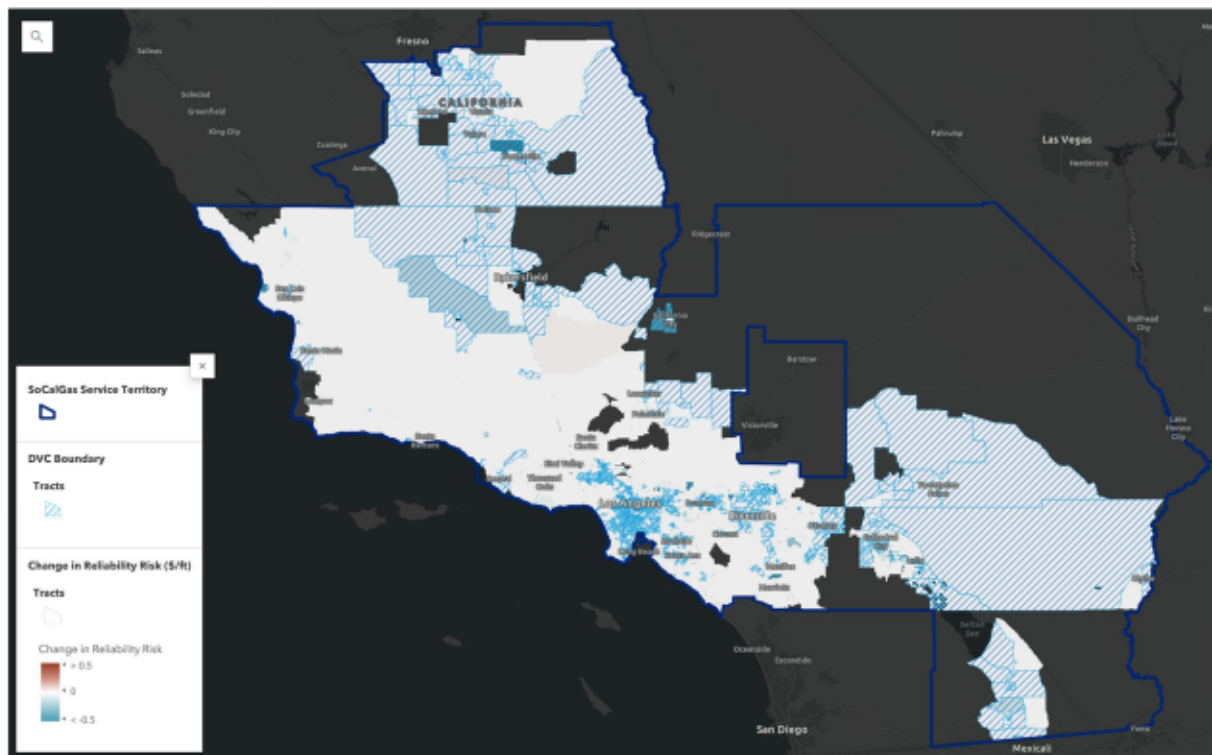
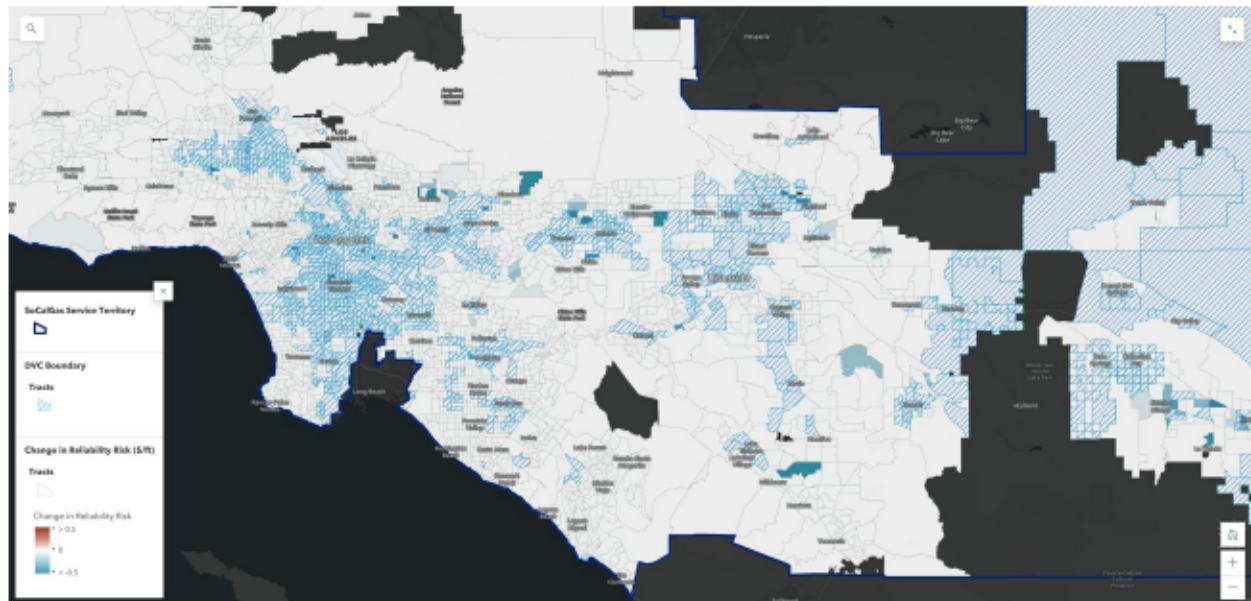


Figure 23b: Change in Reliability Risk by Medium Pressure Pipe Main Replacements in Los Angeles Basin with DVC Overlay



Excavation Damage Risk

One of SoCalGas's primary risk mitigation activities for Excavation Damage is Damage Prevention Activities, which includes Locate and Mark, the company's activities responding to 811 DigAlert ticket requests to mark subsurface facilities or confirming that no conflict exists in the proposed excavation area. Damage Prevention Activities are largely reactive in nature, as SoCalGas's ability to mitigate excavation damage is dependent upon third-parties making 811 DigAlert ticket requests, regardless of the location of the request. Due to the nature of how those orders are placed, the location data of 811 DigAlert ticket requests would not provide a full picture of mitigation impact between DVC and non-DVC areas. To quantify mitigation impact, further assessment of damage prevention quality and effectiveness between DVC and non-DVC areas would need to be analyzed, requiring incorporation of excavation damage data into a larger data system for better visibility. This integration will provide a broader view of high-pressure and medium-pressure asset information, including pipeline locations, recent damages, and other critical data, to continue advancing the mitigation of this risk. Those lessons learned and next steps will be documented in SoCalGas's ESJ White Paper.

Examples of Other SoCalGas Mitigation Activities Not Evaluated for this Action Item

Medium Pressure Gas System Risk

Other mitigation activities for the Medium Gas Pressure System risk include cathodic protection activities, leak survey, leak repair, pipeline monitoring, regulator station replacement and enhancement activities, several maintenance and inspection programs, as well as multiple infrastructure protection programs. While this Pilot Study focused on pipeline replacement and its significant contribution to risk mitigation in specific areas, the entire portfolio of medium pressure mitigation activities plays an important role in addressing this risk across the SoCalGas service territory.

Excavation Damage Risk

Other mitigation activities not evaluated as part of this Pilot Study include Damage Prevention Public Awareness which includes media advertising of 811 DigAlert announcements, as well as Damage Prevention Strategies advancing safe excavation practices in compliance with California State Excavation Law 4216, and Damage Prevention Mapping to enhance and continuously improve the quality of SoCalGas's subsurface facility mapping. These activities are proactive efforts by SoCalGas to advance damage prevention with employees, third-parties, and the public. As noted herein, no representative location data associated with these activities is available at this time, as this outreach work is applied across the SoCalGas service territory.

Test Year 2028 GRC Update

The SPD Report contains the following recommendation regarding Action Item No. 6:

Regarding Action Item 6: SoCalGas reports that, in 2024, medium pressure pipe main replacements took place primarily in urban areas and surrounding communities, where DVCs are found: there was an 8.7 percent per mile higher rate of replacement in DVCs. SoCalGas estimates that reliability risk decreased more for DVCs than in the larger service territory as a result of these replacements. However, SoCalGas estimates that safety risk decreased by about the same amount for DVCs as in the larger service territory (40.0 percent decrease for DVCs and 40.3 percent decrease for other areas). SPD recommends that

SoCalGas explain in its upcoming GRC filing why the safety risk did not decrease more for DVCs, given that there was a higher rate of replacement in DVCs.⁴⁵

In the ESJ Pilot Study Plan, SoCalGas reported a higher rate of pipe replacements in non-DVCs based on the 34 miles of replacements in DVCs and 80 miles of replacements in non-DVCs, which respectively cover 0.25% of total medium pressure mains in DVCs and 0.23% in non-DVCs. The ~40% average safety risk reduction per foot was calculated by evaluating pre- and post-mitigation risk values in DVCs and pre- and post-mitigation risk values in non-DVCs relative to the baseline safety risk in each category.

DVCs and non-DVCs have differing amounts of safety risk per mile, prior to pipe replacement mitigation activities. While the risk reduction between DVCs and non-DVCs is nearly identical on a percentage basis (*e.g.*, 40.0% v. 40.3%), the difference in absolute value demonstrates a greater risk reduction in DVCs than in non-DVCs. A 40.0% reduction in average safety risk in DVCs equates to 0.25 safety risk reduced per mile,⁴⁶ while a 40.3% reduction in average safety risk in non-DVCs equates to 0.20 safety risk reduced per mile. Therefore, when comparing the absolute amount of reduction in average safety risk, DVCs saw 0.05 more reduction in safety risk per mile.

Figure 24 below shows the different average safety risk values, on a per mile basis, for pre- and post-mitigation in DVCs and non-DVCs, along with corresponding amount of risk reduction. The last column shows the 40% average reduction that was reported in the pilot study.

Figure 24: Average Safety Risk per Mile for Medium Pressure Pipe Replacements Pre and Post Mitigations

Medium Pressure Pipe Replacements					
Average Safety Risk per mile					
	Category	Pre-Mitigation	Post-Mitigation	Pre Mitigation and Post Mitigation Delta	% Change of Pre and Post Mitigation (As reported in PSP)
Absolute Impact	DVCs	0.62	0.37	0.25	-40%
	Non-DVCs	0.49	0.30	0.20	-40%
				0.05 More safety risk reduction in DVCs	

⁴⁵ SPD Report at 202-203.

⁴⁶ While values were presented on a per foot basis in the original ESJ Pilot Study, values in this response are presented on a per mile basis, for readability.

Action Item No. 7

Enhance outreach and public participation opportunities for DVCs to meaningfully participate in risk mitigation and climate adaptation activities consistent with D.20-08-046.

As part of this Pilot Study, SoCalGas enhanced participation opportunities for DVCs by expanding its existing outreach and engagement programs as detailed herein. For example, SoCalGas previously established four Regional Advisory Boards for its Climate Adaptation Vulnerability Assessment (CAVA) program, one in the Central Valley/Central Coast region, one in the Los Angeles region, one in the Orange County/Coastal region, and one in the south inland region. These groups were created to help assess the impacts of climate change on DVCs and prioritize investments to mitigate these impacts. These Regional Advisory Boards are made up of community-based organization leaders who provide direct services to DVCs. Additionally, leaders from labor groups, agricultural organizations, women's groups, youth groups, senior citizen groups, Americans with Disabilities Act (ADA), assisted living groups, housing organizations, environmental groups, homeless services, food banks, ethnic and cultural organizations, etc. were engaged to provide their perspectives on climate change risk and climate adaptation options.

To enhance this existing outreach and public participation program, the ESJ Pilot Study Plan team and the CAVA team worked closely together to integrate the Pilot Study and RAMP materials into SoCalGas's Climate Adaptation program. SoCalGas hosted four workshops with its Regional Advisory Boards in October through November 2024. In addition to discussing climate risks, each workshop included a segment to introduce RAMP and the ESJ Pilot Study Plan. This included an evaluation of the highest enterprise risks and the impact on DVCs.

Feedback from these workshops included a discussion around agricultural communities and the risk of third-party excavation damage. Advisory Board members expressed the desire to have continued outreach and engagement, in all appropriate languages and translations, to better disseminate 811 DigAlert announcements. Advisory Board members also stressed the importance of post-excavation damage. For instance, Advisory Board members highlighted communications

with surrounding neighbors and areas about the third-party dig-in, describing what happened and how it can be avoided in the future. Finally, community members also asked about mapping availability and if anything could be downloaded or understood prior to calling 811.

SoCalGas enhanced opportunities for engagement as part of this Pilot Study by expanding its climate risk discussions to include SoCalGas's highest enterprise risks. This was a new opportunity for the Regional Advisory Boards to weigh in on third-party dig-in risks, especially in DVCs. It also served as an introduction to the RAMP process for many of SoCalGas's community stakeholders, further expanding their knowledge and opportunities to provide input on SoCalGas's risk mitigation activities.

The ESJ Pilot Study team continues to work with other internal stakeholders to increase outreach opportunities for DVCs through existing programs. These include Customer Programs, Public Affairs, Community Relations, Research & Development, and Sustainability. SoCalGas also developed training for various departments within SoCalGas that is specifically focused on engagement in DVCs, climate equity, available tools, and best practices.

Test Year 2028 GRC Update

The SPD Report contains the following recommendation regarding Action Item No. 7:

Regarding Action Item 7: in response to this action item, SoCalGas points to its four Regional Advisory Boards (RABs), created to support its CAVA planning process and described in its Community Engagement Plan (CEP), filed May 2024. SoCalGas's description of its work with the RABs presented in its ESJ Pilot Study Plan and in its CEP, includes reference to four workshops SoCalGas held with the RABs in late 2024, intended to discuss climate risks, the ESJ Pilot Study Plan, and the RAMP process. However, SoCalGas provides few details about these workshops. Given that the RAB feedback summarized from those workshops pertains only to excavation risk, SPD is interested to know more about which climate risks were discussed and if so what feedback SoCalGas received about them, as well as general feedback from the RABs about ways to increase meaningful community participation in SoCalGas's planning processes. SoCalGas should provide more details about its 2024 workshops with its RABs in the GRC filing, including the dates, times, and durations of workshops or meetings, who attended, and what happened at those workshops, as well as next steps for the RABs in SoCalGas's planning processes.⁴⁷

SoCalGas expanded engagement with disadvantaged and vulnerable communities by integrating ESJ and RAMP discussions into its existing Climate Adaptation RABs. SoCalGas demonstrated cultural competence and transparency through strong partnerships with community-based organizations (CBOs) and collaborative RAB workshops, which shaped SoCalGas's Community Engagement Plan (CEP) and engagement strategies for diverse communities. CBOs provided outreach expertise, acted as trusted liaisons, and offered feedback on the CEP and Climate Change Vulnerability Assessment (CAVA) methodology, promoting engagement approaches that are culturally tailored and community driven. SoCalGas will continue to execute on its CEP plan, work with CBOs and participate in community events and workshops throughout the service territory. SoCalGas's community outreach and public participation activities were detailed in SoCalGas's CEP and in its CAVA⁴⁸ and are also summarized below.

SoCalGas and the RABs hosted four workshops in late 2024 that introduced enterprise risks, particularly third-party excavation damage, and gathered feedback emphasizing the need for

⁴⁷ SPD Report at 203.

⁴⁸ R.18-04-019, SoCalGas Climate Adaptation and Vulnerability Assessment (May 15, 2025), available at: [Climate Adaption and Vulnerability Assessment](#).

ongoing, multilingual outreach, improved post-incident communication, and accessible mapping tools. The RABs were led by CBOs that focused on areas including:

- Low-income community members
- Youth
- Older adults
- Immigrants
- Small businesses
- People who speak English as a second language
- Community members with disabilities
- Tribal communities

The workshops provided Climate Adaption Program updates, reviewed CAVA findings, and obtained feedback on the CAVA findings, survey results, future climate impacts and potential future investments for SoCalGas moving forward. SoCalGas also used this opportunity to introduce the ESJ Pilot Study and associated action items, as well as to provide an overview of the risks and mitigations being considered for DVC analysis.

Feedback from these workshops included a discussion concerning agricultural communities and the risk of third party dig-ins. Advisory Board members expressed the desire to have continued outreach and engagement, in all appropriate languages and translations, to better spread the word about 811. Advisory Board members also stressed the importance of post-incident communications. SoCalGas enhanced opportunities for engagement by expanding its climate risk discussions to include discussion of SoCalGas's highest enterprise risks. This also served as an introduction to the RAMP process for many of SoCalGas's partners, further expanding their knowledge and opportunities to provide input on SoCalGas's risk mitigation activities. Next steps to increase meaningful community participation were also discussed, with different ideas proposed.

The sections below provide additional details about the types of CBOs who attended the workshops, the logistics of the workshops as well as feedback received during the workshops.

Northern Region

The Northern Region workshop, covering the areas north of Los Angeles up to the central valley at Visalia and spanning west to coastal cities, was held on Thursday, October 31, 2024 from 9am-12pm at the Ventura County of Labor, Agriculture and Business (CoLAB) in Ventura, California. SoCalGas provided an update on its Climate Adaptation Program, highlighting the May 2024 submission of its equity-focused CEP, SoCalGas's continued work on its CAVA, and ongoing CPUC engagement, including an October 2024 workshop and anticipated regulatory updates in early 2025. CBOs that participated in the October 31, 2024 workshop are shown below:

Organization	Organization Focus
Agua Dulce Women's Club	Community Services (Rural/Disconnected Community)
CoLAB Ventura County	Public Education
Community Action Partnership of Kern	Community Services
El Concilio	Family Services

Community input from the workshop and public survey results emphasized that climate concerns are highly localized and increasingly unpredictable, underscoring the need for tailored solutions, clearer emergency preparedness education, and stronger neighborhood-level social cohesion. While residents are willing to take mitigation actions, many lack emergency plans, evacuation awareness, and coordination with neighbors, particularly around pets, medical needs, and limited evacuation routes. Residents expressed concerns with climate events occurring in their local communities as significant climate events change and occur rapidly. CAVA findings shared during the workshop indicate SoCalGas has relatively high resilience to several climate hazards due to its largely underground infrastructure, with wildfires posing limited risk and landslides emerging as a growing concern. Next steps include refining community adaptive capacity metrics beyond income-based measures, expanding community-based preparedness efforts, coordinating more closely across IOUs to reduce duplication, and integrating adaptation and resiliency measures into future filings, including the TY 2028 General Rate Case.

Los Angeles Region

The Los Angeles Region workshop, covering the area from the heart of Los Angeles through the Palos Verde Peninsula, was held on Friday, November 1, 2024 from 9am-12pm in SoCalGas's Energy Resource Center (ERC) in Downey, California. For the Los Angeles region, SoCalGas shared updates on its Climate Adaptation Program, including the May 2024 CEP, which was co-created with Tribal Nations and a wide range of CBOs, and SoCalGas's continued work on its CAVA, informed by regional workshops that elevated local concerns. CBOs that participated in the November 1, 2024 workshop are shown below:

Organization	Organization Focus
Girl + Environment	Environmental Justice
Mar Vista Family	Family Services

The workshop discussed the results from the public surveys and that climate concerns are highly placed and season-specific, particularly drought and extreme heat in inland DVCs. While residents expressed a willingness to take mitigation actions, many lack emergency plans, evacuation awareness, and strong neighborhood-level social cohesion. Residents advocated for targeted climate outreach when climate events like drought or flooding are occurring to support emergency response. Participants emphasized the need for localized, plain-language outreach, trusted CBO partnerships, and preparedness education delivered through existing community events rather than standalone utility-led forums. CAVA findings were also discussed and indicated that SoCalGas is relatively resilient to wildfire impacts due to largely underground infrastructure, while landslides represent a growing risk requiring further study, and adaptive capacity metrics must extend beyond income to include socioeconomic, infrastructure, and institutional factors. SoCalGas plans to refine adaptive capacity scoring and expand equity-focused engagement by continuing to work with the RAB in distributing public surveys and identifying community events for collaboration. SoCalGas describes these adaptation measures in the TY 2028 General Rate Case (*see* Ex. SCG-09, Customer & External Relations testimony).

Orange Coast Region

The Orange Coast Region workshop, covering the area between western San Gabriel Valley south along the Orange County coastline ending at San Clemente, was conducted on Wednesday, October 30, 2024 from 9am-12pm at the Orange County Conservation Corps in Anaheim, California. SoCalGas provided updates on its Climate Adaptation Program, including the co-created CEP with Tribal Nations and a wide range of CBOs, updates on SoCalGas's CAVA, and ongoing CPUC regulatory activities. CBOs that participated in the October 30, 2024 workshop are shown below:

Organization	Organization Focus
Orange County Conservation Corps	Workforce Development/Environmental
Orange County Hispanic Chamber	Small Business/Entrepreneurship
The Vietnamese Community of Southern California	Community Services
Vital Link	Underserved Youth (Education)

The workshop discussed the results from public surveys and highlighted that community concerns are highly localized, with wildfire, coastal erosion, sea level rise, and erosion risks varying by region. While many respondents expressed a willingness to take individual preparedness actions, social cohesion and emergency readiness remain low, particularly around evacuation planning. Respondents also mentioned how fast the environment and climate change. Participants emphasized the need for neighborhood-based engagement, trusted communication channels, and culturally relevant approaches. Communities expressed strong interest in SoCalGas support through emergency preparedness kits, safety information, access to cooling and warming centers, and post-disaster bill assistance. Discussion also focused on community adaptive capacity scoring, the importance of incorporating socioeconomic and community factors beyond income, and the value of IOU collaboration to avoid duplicative efforts. Key CAVA findings identified landslides and localized geologic instability as higher risks than wildfires for SoCalGas infrastructure, underscoring next steps to include the need for targeted, community-informed resilience strategies and continued engagement with local partners.

South Inland Region

The South Inland Region workshop, covering communities east of Los Angeles through high desert and eastern desert communities touching Nevada, Arizona and Mexico border, was held on Monday, November 4, 2024 from 9am-12pm at SoCalGas's regional headquarters facility in Redlands, CA. The meeting provided updates on SoCalGas's Climate Adaptation Program, including progress on the CEP, which was submitted in May 2024 and co-created with Tribal Nations, CBOs, and a broad range of local partners. Participants also discussed the broader regulatory context, including RAMP and General Rate Case timelines, and how climate impacts and risks such as cyber threats, third-party damage, worker safety, and security intersect with SoCalGas's infrastructure and operations. CBOs that participated in the November 4, 2024 workshop are shown below:

Organization	Organization Focus
Community Access Center	Services for the Disabled Community
Soboba Band of Indians	Tribal Communities
Young Visionaries Youth Leadership Academy	Underserved Youth
Youth Action Project	Underserved Youth (Workforce Development)

Public survey results highlighted that community members are most concerned about climate impacts affecting their immediate surroundings, particularly inland communities facing drought and extreme heat. While many respondents reported taking steps such as clearing vegetation and investing in energy-efficient or resilient infrastructure, participants indicated there were significant gaps in emergency preparedness, evacuation awareness, and social cohesion, causing residents to hesitate in fear of being targeted for robbery if they disclose their stock of emergency resources such as water and food. It was also shared that stakeholders emphasized the importance of localized solutions, improved communication, and post-emergency outreach when engagement is highest. Suggested actions for SoCalGas included providing emergency kits and checklists, expanding access to cooling and warming centers with reliable power, improving centralized information on evacuation and resiliency resources, and strengthening community-

focused engagement efforts. The discussion reinforced that equity, funding constraints, and community adaptive capacity must remain central considerations as CAVA findings inform future studies, mitigation strategies, and future general rate cases.

SoCalGas's engagement through its RAB workshops and partnerships with CBOs has strengthened the incorporation of community-driven insights into climate adaptation, risk mitigation, and equity-focused planning. CBO feedback underscores the importance of localized, culturally competent outreach, improved emergency preparedness, and sustained multilingual communication. Moving forward, SoCalGas is committed to continuing collaboration with community partners, by participating and supporting in future community events hosted by these organizations to maintain strong, trust-based relationships. These efforts will promote future strategies that are responsive, inclusive, and aligned with the evolving needs of the communities SoCalGas serves.

Conclusion

The goal of the ESJ Pilot Study Plan was to evaluate the impact of selected risks and mitigation activities on Disadvantaged and Vulnerable Communities (DVCs) and how that compares to non-DVC areas. The analysis primarily focused on pipeline replacement for the Medium Pressure Gas System risk and Locate and Mark activities for the Excavation Damage risk. Initial findings highlighted pipe replacements had a difference of <1% (near equal rate) of safety risk reduction in DVCs and non-DVCs. Similarly, pipe replacements located in DVCs successfully reduced average reliability risk per foot by 50% in the pipes where mitigation efforts occurred, while pipe replacements located in non-DVCs reduced average reliability risk per foot by 44%. Further, SoCalGas evaluated projects where air quality benefits could be realized for the various communities across the service territory along with leveraging existing community outreach and engagement efforts. SoCalGas's ESJ White Paper, to be filed no later than July 15, 2025, will provide an opportunity to discuss in greater detail what challenges were faced in the execution of this Pilot Study along with possible improvements to target mitigations and their impact on DVCs.

Test Year 2028 GRC Update

The SPD Report contains the following recommendations:⁴⁹

SPD recognizes that Sempra timely submitted its ESJ White Paper on July 15, 2025. It lacked detail and did not expand on the key findings presented in its PSPs.

SPD recommends Sempra provide further details in its 2028 GRC filings on future plans for assessing and addressing both risk impacts on DVCs and the benefits of risk mitigations for DVCs.

The RDF OIR Phase 2 Decision requires that the ESJ White Paper: (a) identify areas for further exploration and challenges IOUs faced incorporating ESJ into the Risk-Based Decision-Making Framework; (b) discuss how to better target mitigations that improve local air quality; and, (c) explore how to better target mitigations that improve climate resilience in disadvantaged and vulnerable communities.⁵⁰

SoCalGas appreciates SPD's feedback. In the ESJ White Paper, SoCalGas provided a discussion of its key ESJ pilot study findings and recommendations for each of the three required elements and included details to support and explain those conclusions.

SoCalGas continues to evaluate the potential next steps SoCalGas could take to assess and evaluate risk impacts on DVCs. These next steps include leveraging the previously submitted ESJ Whitepaper and reviewing ESJ pilot studies and whitepapers from other IOUs to gather further insight into other possible approaches to the Pilot Study action items, identified challenges, and possible future ESJ plans. Through this review, SoCalGas plans to identify potential gaps or areas not addressed as alternatives to its own Pilot Study approach to advance a more consistent, unified approach to ESJ analysis across the IOUs.

⁴⁹ SPD Report at 203.

⁵⁰ D.22-12-027 at 67 (OP 6).

As noted in the ESJ Whitepaper, SoCalGas identifies several areas for potential future assessment.⁵¹ The Pilot Study's evaluation of Action Items 1, 4, and 6 focused on Medium Pressure Gas System Risk and Excavation Damage Risk, along with select mitigations addressing each risk, based on available data. As data availability improves through consolidation of asset information into an integrated data lake, SoCalGas may expand its ESJ analysis to include additional mitigations. For the Medium Pressure Gas System Risk, potential options include using the Quality Risk Assessment (QRA) model to continue assessing medium pipe replacements, as well as other mitigations such as leak survey and cathodic protection. Other assets, including regulator stations, may also be evaluated. For mitigations in response to Excavation Damage as a risk driver, further analysis could include evaluation of the DVC impacts of mitigations such as public awareness, damage prevention strategies, and mapping, provided supporting data is available.

Building on the structure used for the Medium Pressure Gas System Risk, SoCalGas can also assess other asset-based risks, such as High Pressure Gas System and Gas Storage System, for their impacts on DVCs. Risk mitigation activities for each risk could also be evaluated on a DVC and non-DVC basis. Determining a logical and quantifiable way to delineate between DVC and non-DVC impacts will require a thorough assessment of available data, but the steps outlined in the Pilot Study Plan offer a path for future ESJ analysis. Future expansion of these assessments will help identify gaps, improve ESJ integration, and strengthen SoCalGas's approach to understanding risk impacts on DVCs.

⁵¹ R.20-07-013, Submission of ESJ White Paper Pursuant to D.22-12-027 (July 15, 2025) at SCG-4, available at: [SoCalGas ESJ Whitepaper](#).

APPENDIX M

SUPPORT DOCUMENTATION FOR RATES OF RETURN COMPARISON

Southern California Gas Company
CPUC Jurisdiction
Return on Ratebase

Total Company ROR Previously Reported to CPUC	2025	2024	2023	2022	2021	2020	2019	2018	2017
Operating Income (FERC Form Page 114 Line 26)	1,154,272,144	1,229,063,052	1,044,647,224	358,956,187	(276,397,942)	664,937,404	795,027,767	512,661,736	466,018,958
Less Shareholder Incentive Awards	(13,865,000)	(22,680,000)	(29,500,000)	(11,100,000)	(12,800,000)	(16,800,000)	(11,900,000)	(4,200,000)	(5,900,000)
Operating Income less awards	1,140,407,144	1,206,383,052	1,015,147,224	347,856,187	(289,197,942)	648,137,404	783,127,767	508,461,736	460,118,958
Ratebase (10K)	13,985,281,000	12,446,481,000	11,671,137,000	10,494,485,000	9,371,894,000	8,228,262,000	7,400,868,000	6,413,439,000	5,493,046,000
ROR %	8.15%	9.69%	8.70%	3.31%	-3.09%	7.88%	10.58%	7.93%	8.38%

Jurisdictional ROR	2025	2024	2023	2022	2021	2020	2019	2018	2017
Operating Income less awards	1,140,407,144	1,206,383,052	1,015,147,224	347,856,187	(289,197,942)	648,137,404	783,127,767	508,461,736	460,118,958
CPUC Below the line adjustments:	(8,347,425)	(13,219,165)	(10,070,428)	(10,677,793)	(9,055,950)	(12,851,560)	-	-	-
Ratebase (10K)	13,985,281,000	12,446,481,000	11,671,137,000	10,494,485,000	9,371,894,000	8,228,262,000	7,400,868,000	6,413,439,000	5,493,046,000
Jurisdictional ROR:									
CPUC	8.09%	9.59%	8.61%	3.21%	-3.18%	7.72%	10.58%	7.93%	8.38%

Total Company ROE Reported to CPUC	2025	2024	2023	2022	2021	2020	2019	2018	2017
Proprietary Capital	8,833,975,363 54%	8,159,850,367 53%	7,408,869,896 52%	6,697,536,890 53%	5,441,480,229 53%	5,143,303,328 52%	4,747,847,347 56%	- #DIV/0!	- #DIV/0!
Long-Term Debt	7,579,885,453 46%	7,341,595,407 47%	6,745,968,480 48%	6,047,783,414 47%	4,752,069,719 47%	4,751,324,048 48%	3,802,076,265 44%	- #DIV/0!	- #DIV/0!
Operating Income less Awards & BTL Adj	1,132,059,719	1,193,163,887	1,005,076,796	337,178,394	(298,253,892)	635,285,844	783,127,767	508,461,736	460,118,958
Interest Charges	(397,183,410)	(356,793,511)	(316,437,883)	(205,881,664)	(157,860,205)	(163,844,313)	-	-	-
Total Return After Interest and awards	734,876,309	836,370,376	688,638,913	131,296,730	(456,114,097)	471,441,531	783,127,767	508,461,736	460,118,958
Ratebase (10K)	13,985,281,000	12,446,481,000	11,671,137,000	10,494,485,000	9,371,894,000	8,228,262,000	7,400,868,000	6,413,439,000	5,493,046,000
Ratebase Equity %	7,444,330,257	6,533,213,457	6,120,962,554	5,558,434,943	4,937,224,813	4,423,169,822	#DIV/0!	#DIV/0!	#DIV/0!
Ratebase ROE	9.87%	12.80%	11.25%	2.36%	-9.24%	10.66%	#DIV/0!	#DIV/0!	#DIV/0!

San Diego Gas and Electric
FERC and CPUC Jurisdiction
Return on Ratebase
Data from FERC Form 1 & 10K, and TRR Filing

Total Company ROR Reported to CPUC		2025	2024	2023	2022	2021	2020
Operating Income (FERC Form Page 114 Line 26)		1,339,754,526	1,201,583,931	1,199,860,953	1,137,021,764	1,009,548,373	1,015,606,925
Less Shareholder Incentive Awards		-	-	-	-	2,878,453	(5,000,000)
Operating Income less awards		1,339,754,526	1,201,583,931	1,199,860,953	1,137,021,764	1,012,426,826	1,010,606,925
Ratebase (10K)		18,019,000,000	16,842,000,000	15,220,000,000	13,780,000,000	12,527,000,000	11,109,000,000
ROR %		7.44%	7.13%	7.88%	8.25%	8.08%	9.10%

Jurisdictional ROR		2025	2024	2023	2022	2021	2020
Operating Income Allocation by Jurisdiction							
Electric (FERC Form 1)		1,150,989,587	978,271,471	1,018,540,480	949,959,086	876,868,922	888,988,754
Transmission Return (Filed in TRR)		429,424,153	341,921,639	399,076,536	372,214,658	371,997,318	353,905,663
CPUC - Electric (derived)		721,565,434	636,349,832	619,463,944	577,744,428	504,871,604	535,083,091
CPUC - Gas (FERC Form 1)		188,764,939	223,312,460	181,320,473	187,062,678	135,557,904	121,618,171
Subtotal		1,339,754,526	1,201,583,931	1,199,860,953	1,137,021,764	1,012,426,826	1,010,606,925
CPUC Below the line adjustments:							
Wildfire Fund Amortization		(18,317,245)	(22,544,281)	(36,730,733)	(30,599,448)	(30,806,328)	(30,806,328)
Franchise Fee Agreement Amortization		(6,150,649)	(6,150,650)	(6,150,650)	(6,150,650)	(3,075,325)	(4,689,912)
Impairment		(650,525,832)	-	-	-	-	-
Other		(18,723,126)	(19,874,656)	(34,174,747)	(30,666,969)	(15,497,018)	(13,921,930)
		(693,716,852)	(48,569,587)	(77,056,130)	(67,417,067)	(49,378,671)	(49,418,170)
Ratebase Allocation:							
Transmission Ratebase (Filed in TRR)		5,814,950,591	5,506,692,192	5,319,978,229	5,032,105,090	4,874,468,448	4,601,951,905
CPUC - Electric (10K Support)		9,296,399,259	8,587,842,891	7,476,345,007	6,610,183,140	5,895,255,768	5,042,722,288
CPUC - Gas (10K Support)		3,119,131,200	2,844,272,807	2,505,122,505	2,217,736,915	1,818,077,565	1,400,562,216
Subtotal		18,230,481,050	16,938,807,890	15,301,445,741	13,860,025,144	12,587,801,781	11,045,236,409
Jurisdictional ROR:							
Transmission		7.38%	6.21%	7.50%	7.40%	7.63%	7.69%
CPUC		1.74%	7.09%	7.25%	7.90%	7.66%	9.43%
Authorized		7.67%	7.67%	7.18%	7.55%	7.55%	7.55%

Total Company ROE Reported to CPUC	2025		2024		2023		2022		2021		2020	
Proprietary Capital	10,932,550,647	52.82%	10,563,428,465	54.23%	9,901,206,253	53%	9,066,194,983	54%	8,248,583,645	56%	7,729,413,681	56%
Long-Term Debt	9,766,937,078	47%	8,916,888,018	46%	8,720,787,158	47%	7,780,098,566	46%	6,400,965,290	44%	6,040,400,358	44%
Operating Income less Awards	646,037,674		1,153,014,344		1,122,804,823		1,069,604,697		963,048,155		961,188,755	
Interest Charges LTD Only	(410,419,168)		(370,213,411)		(347,394,227)		(284,837,340)		(243,336,929)		(239,335,433)	
Less Shareholder Incentive Awards/Penalties	-	-	-	-	-	-	-	-	2,878,453	-	(5,000,000)	-
Total Return After interest and awards	235,618,506		782,800,933		775,410,596		784,767,357		722,589,679		716,853,322	
Ratebase (10K)	18,019,000,000		16,842,000,000		15,220,000,000		13,780,000,000		12,527,000,000		11,109,000,000	
Ratebase Equity %	9,643,924,296		9,043,782,337		8,141,678,087		7,587,489,055		7,042,622,255		6,342,767,219	
Ratebase ROE	2.44%		8.66%		9.52%		10.34%		10.26%		11.30%	

Transmission ROE	2025		2024		2023		2022		2021		2020	
Allocation: Transmission Return net of Interest Charges												
Transmission Total Return (Filed in TRR)	429,424,153		341,921,639		399,076,536		372,214,658		371,997,318		353,905,663	
Interest Charges based on Debt Return in TRR Filing	(113,593,091)		(101,945,519)		(99,199,993)		(85,046,279)		(80,911,679)		(79,929,055)	
Transmission Equity Return	315,831,062		239,976,120		299,876,543		287,168,379		291,085,640		273,976,608	
Ratebase	5,814,950,591		5,506,692,192		5,319,978,229		5,032,105,090		4,874,468,448		4,601,951,905	
Ratebase Equity % (year-end)	3,071,198,799		2,986,067,968		2,828,601,672		2,708,135,519		2,744,621,073	-	2,583,214,988	-
Transmission Ratebase ROE	10.28%		8.04%		10.60%		10.60%		10.61%		10.61%	

CPUC ROE	2025		2024		2023		2022		2021		2020	
Allocation: CPUC Return after Interest and Awards												
Operating Income after awards (from above)	216,613,521		811,092,705		723,728,287		697,390,039		591,050,837		607,283,092	
Interest Charges (derived)	(296,826,077)		(268,267,892)		(248,194,234)		(199,791,061)		(162,425,250)		(159,406,378)	
CPUC Return after Interest and Awards	(80,212,556)		542,824,813		475,534,053		497,598,978		428,625,586		447,876,714	
CPUC Ratebase	12,415,530,459		11,432,115,698		9,981,467,512		8,827,920,055		7,713,333,333		6,443,284,504	
Ratebase Equity % (2 year average equity)	6,644,899,042		6,138,793,850		5,339,414,936		4,860,794,397		4,336,400,814		3,678,841,816	
Ratebase ROE	-1.21%		8.84%		8.91%		10.24%		9.88%		12.17%	

*FERC Ratebase and return is based on the annual TRR Filing.

*FERC Interest is calculated by the debt return in the TRR Filing

*Actuals amounts vary based on TO cycle true-ups that occur out of cycle

SDG&E's FERC formula rate process has a two-year lag between when base year costs are incurred and put into rates. This means that the 2025 base year costs will not be in rates until 1/1/2027 at the earliest. Additionally, SDG&E's FERC TO5 Protocols allow for any interested Party to terminate TO5 before June 30th of each year. Due to this the 2025 FERC rate base and FERC return on rate base should be considered preliminary with the potential to change dramatically.

SCG 2028 GRC Testimony Revision Log – September 2026

Page	Line or Table	Revision Detail
1	Line 1	Removed witness initial.
4	Line 21	Removed “SoCalGas” from heading.
A-1	Appendix A	Corrected acronyms in the Glossary of Terms.
F-1	Appendix F	Revised Appendix F- Confidential Summary of Billings for Costs for Outside Attorneys and Law Firms.