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Proceeding: 2028 General Rate Case
Application: A.26-06-____
Exhibit: SDGE-22

PREPARED DIRECT TESTIMONY OF ALEXANDRA G. TAYLOR

(SAFETY & CULTURE)

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



June 2026

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SUMMARY

SAFETY & CULTURE (In 2025\$)			
O&M	2025 Adjusted-Recorded (\$000s)	Estimated TY 2028 (\$000s)	Change (\$000s)
Total Non-Shared Services	26,778	27,446	668
Total Shared Services (Incurred)	3,342	3,706	364
Total O&M	30,120	31,152	1,032

SAFETY & CULTURE (In 2025 \$)						
Capital	Est. 2026 (000s)	Est. 2027 (000s)	Est. 2028 (000s)	Est. 2029 (000s)	Est. 2030 (000s)	Est. 2031 (000s)
Total CAPITAL	2,149	2,149	2,149	2,149	2,149	2,149

Summary of Requests

San Diego Gas & Electric Company’s (SDG&E) Test Year (TY) 2028 General Rate Case (GRC) forecast for Safety & Culture operations and maintenance (O&M) is \$31.152 million, as compared to 2025 adjusted record of \$30.120 million for an increase of \$1.032 million. This increase in O&M is driven by the following:

- Overall, incremental labor costs within this testimony reflect labor true-up adjustments not accounted for in base year recorded costs.
- **Organizational Effectiveness & Inclusion** – Incremental labor costs due to timing of backfills and leaves. These roles are not new, but because the positions are currently vacant, they are not captured in SDG&E’s recorded 2025 base year costs. Incremental non-labor costs to keep staff skills current for in-house organizational development and enhance assessment selection programs to comply with legal requirements and company policy.
- **Human Resources** – Incremental labor costs for labor true-up adjustment due to timing of backfills and leaves. Incremental non-labor costs for recruiting expenses, professional development and to obtain certifications necessary to stay up to date with technical skills.
- **Safety** – Forecasted safety costs generally reflect base year recorded costs. Any incremental costs are in connection with the compensation modernization initiative, as outlined in the Compensation & Benefits testimony, Exhibit (Ex.) SCG-16/SDGE-20.

In addition, the Safety & Culture testimony presents a capital forecast for 2026 through 2031 for capital expenditures related to the Contractor Safety Overhead Pool, technology enhancements for High Energy Control Assessments, and safety analytics. *See Appendix C – Capital Expenditures.*

**PREPARED DIRECT TESTIMONY OF ALEXANDRA G. TAYLOR
SAFETY & CULTURE**

I. INTRODUCTION

A. Summary of Safety & Culture Costs and Activities

My testimony supports the Test Year (TY) 2028 forecasts for operations and maintenance (O&M) costs associated with the Safety & Culture activities (including both non-shared and shared services), as well as related capital costs. Table AT-1 summarizes my sponsored costs. These costs support enterprise safety oversight, workforce readiness, and organizational effectiveness necessary to safely and reliably operate SDG&E’s electric and gas systems.

Certain forecasted activities and estimated costs were presented previously in SDG&E's 2025 RAMP Application (A.) 25-05-010/013 (consolidated) filed on May 15, 2025. Those activities and any changes that have occurred since the RAMP filing are detailed in Section VI below. Except where explicitly stated, SDG&E is not seeking incremental funding in this testimony for safety-related RAMP mitigations; forecasted safety costs generally reflect base year recorded levels.

**TABLE AT-1
Test Year 2028 Summary of Total Costs**

SAFETY & CULTURE (In 2025 \$)	2025 Adjusted-Recorded (000s)	TY2028 Est. (000s)	Change (000s)
Total Non-Shared Services	26,778	27,446	668
Total Shared Services (Incurred)	3,342	3,706	364
Total O&M	30,120	31,152	1,032

SAFETY & CULTURE (In 2025 \$)	Est. 2026 (000s)	Est. 2027 (000s)	Est. 2028 (000s)	Est. 2029 (000s)	Est. 2030 (000s)	Est. 2030 (000s)
Total CAPITAL	2,149	2,149	2,149	2,149	2,149	2,149

This testimony presents the forecasts for three main areas in the Company: (1) People & Culture, which includes the Human Resources organization and related departments; (2) Safety, which covers key areas within SDG&E’s Safety Management organization, and (3) Business Transformation Office (BTO), which is responsible for organizational transformation initiatives. For purposes of my testimony, these areas are collectively referred to as “Safety & Culture.”

1 A strong organizational people and safety culture is foundational to protecting
2 employees, contractors, and the public, and it is built through the deliberate and integrated efforts
3 of Human Resources, Organizational Effectiveness and Inclusion, and Safety. My testimony
4 encompasses SDG&E's enterprise-wide programs and initiatives that integrate safety as a
5 foundational value while advancing a culture centered on people, learning, and organizational
6 development. Through leadership accountability, workforce development, labor engagement,
7 and robust safety management systems, these functions work together to shape behaviors,
8 reinforce expectations, and embed safety across every level of the organization. This
9 enterprise-wide approach validates that policies, training, performance management, and
10 decision-making consistently prioritize hazard identification, risk reduction, and learning. By
11 aligning people, processes, and leadership around safety as a core value, SDG&E strengthens its
12 ability to prevent serious injuries, fatalities, and high-consequence events while continuously
13 improving outcomes for employees, contractors, and the communities it serves.

- 14 • **People & Culture** includes the areas of Human Resources and Organizational
15 Effectiveness & Inclusion, which focuses on advancing workforce development,
16 cultivating inclusion and belonging, and deploying leadership programs that
17 reinforce SDG&E's commitment to safety and operational excellence. Together,
18 these functions drive initiatives that promote an inclusive, respectful, and high-
19 performing culture — one where employees are empowered to speak up, engage
20 in continuous learning, and contribute to a safe and productive work environment.
- 21 • **Safety** encompasses oversight and management of SDG&E's centralized safety
22 department, contractor safety programs, industrial hygiene and compliance
23 initiatives, and the implementation of the Safety Management System (SMS),
24 which integrates risk-based decision-making and predictive analytics into daily
25 operations. These programs are complemented by employee safety training, field
26 safety oversight, and initiatives that strengthen engagement and accountability
27 across all levels of the organization.
- 28 • **BTO** plays a critical role in driving organizational transformation and change
29 management initiatives to advance greater levels of efficiency and enhance
30 customer value. BTO focuses on aligning organizational structures, streamlining
31 workflows, and implementing technology solutions that enhance decision-making

1 and resource allocation. These efforts enable SDG&E to address affordability
2 while meeting evolving regulatory requirements and customer expectations.

3 The TY 2028 forecast includes O&M costs for non-shared and shared services, as well as
4 capital investments for safety-related infrastructure and oversight. Most costs are labor-driven,
5 reflecting internal staff, supplemented by non-labor expenses for training, compliance tools,
6 contracted resources, and event facilitation. Capital expenditures primarily support the
7 Contractor Safety Overhead Pool and technology enhancements for High Energy Control
8 Assessments (HECA) and safety analytics.

9 These activities directly advance SDG&E's overarching goals of safety, reliability,
10 affordability, and efficiency. Safety programs mitigate risks to employees, contractors, and the
11 public; reliability is strengthened through proactive hazard identification and compliance;
12 affordability is supported by leveraging internal expertise and reducing reliance on external
13 vendors; and efficiency is achieved through process improvements and data-driven decision-
14 making.

15 Incremental funding requests are primarily driven by labor costs for labor true-up
16 adjustments due to timing of backfills and leaves; these roles are not new, but because the
17 positions are currently vacant, they are not captured in SDG&E's recorded 2025 base year costs.
18 Incremental non-labor costs are requested to keep staff skills current for in-house organizational
19 development and enhance assessment selection programs to comply with legal requirements and
20 company policy and incremental non-labor human resource costs for recruiting expenses,
21 professional development, and to obtain certifications necessary to stay up to date with technical
22 skills.

23 **B. Organization of Testimony**

24 My testimony is organized as follows:

- 25 • Introduction
- 26 • Affordability & Efficiency
- 27 • Non-Shared O&M Costs
 - 28 ○ Human Resources (People & Culture)
 - 29 ▪ VP - People & Culture
 - 30 ▪ Organizational Effectiveness & Inclusion
 - 31 ▪ Human Resources

- Total Disability
 - Workers' Compensation (WC)
 - Long-Term Disability (LTD)
 - Safety Management
 - Safety Oversight & Culture
 - Contractor Safety
 - Safety Compliance & Industrial Hygiene
 - Safety Management System
 - Business Transformation Office (BTO)
 - BTO
 - Business Optimization
 - Investment Portfolio Optimization (IPO)
- Shared O&M Costs
 - Human Resources (People & Culture)
 - Employee Care Services
 - Drug & Alcohol Testing Program
 - Wellness Programs
 - People Research & Analytics
 - Safety Management
 - Field Safety & Training
 - BTO
 - Business Transformation Office - VP
- Capital
 - Contractor Safety Overhead Pool
- Risk Assessment Mitigation Phase (RAMP) Integration
- Conclusion
- Witness Qualifications

C. Support To and From Other Witnesses

My testimony also references the testimony and workpapers of several other chapters, whose areas intersect with Safety & Culture. Safety & Culture encompasses enterprise-wide functions that impact every employee and all areas of the business. The forecasts presented in

1 my testimony therefore reflect inputs, dependencies, and collaborative work with multiple
2 witness areas. For example, People & Culture-related cost drivers are informed by enterprise
3 headcount forecasts, escalation assumptions, and organizational structure changes addressed in
4 other testimonies. Safety-related components of my testimony interface with witnesses
5 sponsoring RAMP mitigations, risk identification, and operational safety functions.
6 Additionally, the BTO coordinates with organizations sponsoring IT, operations, and governance
7 activities for alignment with enterprise transformation priorities. A reference list is detailed
8 below:

- 9 • Compliance testimony (Exhibit (Ex.) SCG-30/SDGE-36)
- 10 • Compensation & Benefits testimony (Ex. SCG-16/SDGE-20)
- 11 • Post-Test Year Ratemaking testimony (Ex. SDGE-33)
- 12 • Risk-Based Decision-Making Framework testimony (Ex. SCG-02B/SDGE-02B)
- 13 • Shared Services testimony (Ex. SCG-22/SDGE-27)

14 **II. AFFORDABILITY & EFFICIENCY**

15 SDG&E has embarked on affordability and efficiency efforts while maintaining a safety-
16 first mindset. SDG&E's efforts to address affordability and ratepayer impact are evident in its
17 recorded 2025 base year costs across this witness area. SDG&E is implementing numerous
18 efforts to drive operational efficiencies, resulting in base year costs that are generally lower than
19 costs recorded in prior years. SDG&E's affordability commitment is further demonstrated by
20 using a base year forecast (vs. a three- or five-year average) throughout the workpapers
21 encompassed by this testimony chapter for this GRC cycle.

22 In its 2025 RAMP application, the SDG&E Employee Safety and Contractor Safety
23 chapters identified risk mitigation activities to drive continuous safety improvement. SDG&E is
24 committed to pursuing these risk mitigation activities but is not seeking incremental funding or
25 additional FTE to support those activities within this GRC. As discussed in each of the
26 respective safety-related workpaper sections below, SDG&E seeks to achieve the stated risk
27 reduction benefits by identifying operational efficiencies and leveraging cross-functional
28 support.

29 SDG&E has further demonstrated its commitment to affordability and efficiency through
30 its evolving organization design. The newly established BTO builds on SDG&E's culture of
31 continuous improvement by strengthening enterprise-wide coordination of transformation

1 initiatives that accelerate progress toward the Company’s affordability and efficiency goals. The
2 BTO provides a centralized structure that facilitates strategic alignment and governance while
3 tracking outcomes to support measurable value realization. Specific efforts include:

4 **Workforce Optimization and Operational Efficiency**

5 SDG&E continues to adapt its business while advancing its commitment to safety,
6 reliability, and customer affordability and has taken steps to align its organizational structure
7 with current and future operational needs. These efforts are focused on right-sizing the
8 organization in a manner that supports safe and reliable service while helping manage customer
9 costs.

10 As part of this ongoing effort, SDG&E implemented targeted workforce optimization
11 initiatives in 2025 and 2026. These actions included offering a Voluntary Retirement
12 Enhancement Program (VREP) in both years, which provided a health reimbursement account
13 for retirement-eligible employees and the opportunity to transition from the organization in a
14 structured and voluntary manner.

15 In 2025, SDG&E implemented a reduction in force within the Information Technology
16 division to streamline operations. This effort resulted in the elimination of 46 positions at
17 SDG&E. In addition, in January 2026, the Company outsourced select functions within Office
18 of the Customer, finance and accounting, and facilities to enhance operational efficiency,
19 leverage specialized expertise, and utilize advanced technologies offered by external managed
20 service providers. The Company approached these changes with a focus on aligning internal
21 resources to core capabilities. This transition resulted in the elimination of an additional 46
22 positions.

23 SDG&E has also strengthened its workforce planning by continuing to utilize a
24 Workforce Council to review all requisitions. This increased governance is designed to prioritize
25 core capabilities and evaluate opportunities to redeploy or optimize existing resources to align
26 with organizational priorities. This approach helps promote efficient use of resources while
27 supporting critical operational requirements. Collectively, these workforce optimization efforts
28 reflect SDG&E’s commitment to prudent cost management with a focus on safety, reliability,
29 and customer affordability.

III. NON-SHARED O&M COSTS

“Non-Shared Services” are activities that are performed by a utility solely for its own benefit. Corporate Center provides certain services to the utilities and other subsidiaries. For purposes of this general rate case, SDG&E treats costs for services received from Corporate Center as Non-Shared Services costs. Tables AT-2 and AT-3 summarize the total non-shared O&M forecasts for the listed cost categories.

**TABLE AT-2
Non-Shared O&M Summary of Costs**

SAFETY & CULTURE (In 2025 \$)			
Category	2025 Adjusted-Recorded (000s)	TY2028 Est. (000s)	Change (000s)
A. Human Resources	16,798	19,262	2,464
B. Safety Management	3,268	3,385	117
C. Business Transformation Office	6,712	4,799	-1,913
Total Non-Shared Services	26,778	27,446	668

**TABLE AT-3
Non-Shared O&M Workpaper Summary**

SAFETY & CULTURE (In 2025 \$)			
A. Human Resources	2025 Adjusted-Recorded (000s)	TY2028 Est. (000s)	Change (000s)
1. VP - People & Culture	731	748	17
2. Organizational Effectiveness	2,224	3,090	866
3. Human Resources	5,807	6,694	887
4. Total Disability	283	283	0
5. Workers’ Compensation	3,973	4,170	197
6. Long-Term Disability	3,780	4,277	497
Total	16,798	19,262	2,464
B. Safety Management	2025 Adjusted-Recorded (000s)	TY2028 Est. (000s)	Change (000s)
1. Safety Oversight & Culture	840	865	25
2. Contractor Safety	932	973	41
3. Safety Compliance & Industrial Hygiene	1,032	1,064	32
4. Safety Mgt. System	464	483	19
Total	3,268	3,385	117

C. Business Transformation Office	2025 Adjusted-Recorded (000s)	TY2028 Est. (000s)	Change (000s)
1. BTO	5,980	3,618	-2,362
2. Business Optimization	464	476	12
3. IPO	268	705	437
Total	6,712	4,799	-1,913

A. Human Resources (People & Culture)

1. Workpaper 1HR000 VP - People & Culture

**TABLE AT-4
VP – People & Culture Workpaper Summary**

SAFETY & CULTURE (In 2025 \$)							
A. Human Resources	2025 Adjusted-Recorded (000s)	Est. 2026 (000s)	Est. 2027 (000s)	Est. 2028 (000s)	Est. 2029 (000s)	Est. 2030 (000s)	Est. 2031 (000s)
VP - People & Culture	731	749	749	748	748	748	748
Total	731	749	749	748	748	748	748

a. Description of Costs and Underlying Activities

The VP - People & Culture provides enterprise-wide leadership for approximately 70 employees in Human Resources and Organizational Effectiveness & Inclusion functions that are directly tied to workforce readiness, regulatory compliance, and safe utility operations. Costs in this area reflect the labor and non-labor resources required to implement policies, programs, and activities that attract, develop, and retain a qualified, skilled workforce aligned with SDG&E’s operational and safety goals. These activities include succession planning, leadership development, diversity and inclusion initiatives, compliance with state and federal employment laws, and core HR areas, such as talent acquisition, compensation, labor relations, and employee engagement. Investments in this division validates that employees possess the necessary qualifications, experience, and skills to perform their work safely and effectively, while fostering a culture of accountability, inclusion, and continuous improvement.

b. Forecast Method

The forecast method developed for this cost category is Base Year 2025 recorded costs. This method is most appropriate because the organizational structure and functional scope of the

1 People & Culture organization are expected to remain stable through Test Year 2028, and the
 2 base year most accurately reflects ongoing operational requirements.

3 **c. Cost Drivers**

4 The cost drivers behind this forecast are the labor and non-labor expenses for one officer¹
 5 and for support for the People & Culture division. There are no incremental labor and non-labor
 6 costs in this area.

7 **2. Workpaper 1HR001 Organizational Effectiveness & Inclusion**

8 **TABLE AT-5**
 9 **Organizational Effectiveness & Inclusion Workpaper Summary**

SAFETY & CULTURE (In 2025 \$)							
A. Human Resources	2025 Adjusted-Recorded (000s)	Est. 2026 (000s)	Est. 2027 (000s)	Est. 2028 (000s)	Est. 2029 (000s)	Est. 2030 (000s)	Est. 2031 (000s)
Organizational Effectiveness	2,224	2,602	2,855	3,090	3,090	3,090	3,090
Total	2,224	2,602	2,855	3,090	3,090	3,090	3,090

10 **a. Description of Costs and Underlying Activities**

11 Organizational Effectiveness & Inclusion (OE&I) provides individual and organizational
 12 development programs and services for SDG&E and performs four key functions:
 13 Organizational Development, Talent Development, Diversity and Inclusion, and People
 14 Research.

15 Organizational Development manages SDG&E’s succession planning process, a
 16 structured approach to identifying high-potential employees and preparing them for expanded
 17 roles. This includes assessing talent readiness, implementing targeted development strategies,
 18

¹ Decision (D.) 24-12-074 at 769 determined that SDG&E’s Vice President (VP) – People and Culture fell within the definition “executive officer” contained in Resolution (Res.) E-4963 because of misperceived “administrative functions” performed by that role. However, as described herein, SDG&E’s VP-People and Culture is solely responsible for human resources related activities and does not lead administrative functions that would elevate this role to that of an “executive officer” per Res. E-4963. Nor is SDG&E’s VP – Pepple and Culture treated as an “executive officer” under Rule 3b-7 of the Securities Exchange Act (17 Code of Federal Regulations (CFR) Section (§) 240.3b-7). Because SDG&E’s VP-People and Culture is not an “executive officer,” recovery of compensation for that role is allowable under Res. E-4963 and has been included in SDG&E’s forecasts.

1 and creating pathways that build bench strength for critical positions across the organization. It
2 also oversees the Employee Engagement survey process for SDG&E, which assesses employee
3 engagement levels, such as supervisor effectiveness, open communication, safety cultural
4 awareness, and diversity and inclusion. It also focuses on organizational design programs
5 designed to enhance organizational performance and individual development. The group
6 provides services in the areas of strategic planning, organization design, team effectiveness,
7 change management, performance management, and leadership coaching.

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

11 Diversity & Inclusion (D&I) leads company-wide strategies to foster a culture of
12 inclusion and belonging. It develops policies, programs, and training on harassment prevention,
13 non-discrimination, and compliance with California law and federal requirements. The team
14 organizes various initiatives, such as the Union D&I Ambassador program, oversees voluntary,
15 employee-led Employee Resource Groups for alignment with SDG&E values and objectives, and
16 facilitates the Executive Diversity, Equity, and Inclusion Council. Additionally, it provides
17 guidance to employees on Title VII and other non-discrimination laws to create a respectful and
18 equitable workplace.

19 A diverse workforce and an inclusive culture support SDG&E's operational performance
20 by improving employee engagement, reducing turnover and execution risk, and strengthening
21 succession readiness. Diverse perspectives spark creativity and fuel the innovation needed to
22 address complex challenges, including those that impact customer rates. Inclusion strengthens
23 engagement and collaboration, fosters a sense of belonging, and enhances the overall employee
24 experience. These outcomes are particularly important in a safety-sensitive utility environment
25 where workforce stability, leadership continuity, and effective change management directly
26 affect safety, reliability, and affordability.

27 People Research provides specialized analysis on workforce and HR-related issues to
28 support data-driven decision-making and compliance. This includes conducting validation
29 studies, developing and maintaining legally defensible selection tools, and performing applicant
30 flow statistical analyses. These activities support adherence to federal and state regulations
31 while enabling SDG&E to implement fair, consistent, and effective talent practices across the

1 organization. Other research is provided to measure employee attitudes, predict turnover, and
2 measure employee skills and competencies. The research is designed to lead to actionable
3 conclusions for improving workforce effectiveness and utilization.

4 **b. Forecast Method**

5 The forecast method chosen for this category is base year 2025 recorded costs plus
6 limited incremental adjustments. The base year remains the most representative benchmark for
7 Test Year 2028 staffing and non-labor requirements for the following reasons:

- 8 • The base year method, along with the incremental adjustments described in the
9 cost drivers below, is most appropriate because it best captures the additional
10 training required for SDG&E's OE&I group to develop and deliver quality
11 leadership training and diversity & inclusion programs.
- 12 • This area is not heavily influenced by external factors that would require a
13 different forecast method.

14 **c. Cost Drivers**

15 The OE&I staffing levels supported by this request are consistent with historical
16 resourcing levels and are necessary to restore internal capacity that was constrained due to
17 vacancies during the base year. The cost drivers behind this forecast are the labor and non-labor
18 for one director, four managers and ten associate and management employees. The additional
19 labor costs of \$566,000 includes: \$298,000 for two Organizational Development Advisors,
20 \$149,000 for one Employee Development Advisor, and \$119,000 for labor true-up adjustment
21 due to timing of backfills and leaves. These roles are not new, but because the positions are
22 currently vacant, they are not captured in SDG&E's recorded 2025 base year costs.

23 These positions provide essential enterprise-wide organizational effectiveness
24 capabilities, including change management, workforce development, and leadership and
25 succession planning that support SDG&E's ability to execute strategic initiatives. Attrition over
26 the past two years reduced OE&I capacity for change management, leadership development, and
27 succession planning, requiring deferral of planned initiatives and constrained the Company's
28 ability to sustain strategic programs, including digital transformation, employee engagement, and
29 operational effectiveness. The absence of these positions limits timely internal support, increases
30 the risk of delays across critical transformation efforts, and weakens workforce and leadership
31 readiness, with potential downstream impacts to productivity and retention. Backfilling these

1 roles is necessary to mitigate organizational and execution risk, maintain progress towards
2 enterprise priorities, including adoption and education related to advanced technology
3 capabilities and development of a high-performance culture, and preserve the organization's
4 ability to operate efficiently and competitively in an evolving regulatory and business
5 environment. Incremental non-labor costs of \$174,000 are requested for the following items:

- 6 • \$50,000 for Professional Conferences, Training Resources, and Certifications: To
7 keep staff skills current, these costs pay for individual employee certifications,
8 certificate renewals, and conferences, such as the Society of Human Resource
9 Management (SHRM), Association for Talent Development (ATD), and Society
10 for Industrial and Organizational Psychology (SIOP). These certifications and
11 training provide access to industry knowledge, networking, benchmarking, and
12 continuous learning opportunities. These experiences help to expand skill sets
13 and contribute to sharing industry standards and policies. Certifications are
14 necessary for staff to have the ability to deliver internal training and development
15 programs such as Crucial Conversations, Ken Blanchard Situational Leadership,
16 and the Harrison Assessment. Professional certifications are critical for
17 employees facilitating internal training programs because they demonstrate
18 mastery of proven methodologies and compliance with industry standards.
19 Certified facilitators deliver consistent, high-quality content that strengthens
20 program integrity and credibility across the organization. This investment
21 reduces reliance on external vendors, lowers long-term costs, and builds
22 sustainable in-house expertise.
- 23 • \$25,000 for Custom-Built Technical and Job-specific Assessments: These
24 assessments develop in-house capabilities for custom-built technical and job-
25 specific assessments; purchase/license platform; create procedures for job
26 analysis, item development, and test validation. The assessments further support
27 evidence-based talent practices and compliance with legal standards for selection
28 tools.
- 29 • \$25,000 to develop and validate leadership assessments for the selection of
30 leaders. This request supports a one-time cost of \$100,000 in 2028, normalized at
31 \$25,000 per year over the GRC cycle, to select and validate a leadership selection

1 assessment for supervisory and leadership roles. Selection assessments are a best
2 practice for validating hiring and promotion decisions are job-related, consistent,
3 and legally defensible, and are among the strongest predictors of job performance.
4 Existing leadership assessment tools are either no longer vendor-supported or
5 have exceeded their validation lifecycle, requiring selection of a new tool and
6 completion of a formal validation study to maintain compliance and alignment
7 with company policy. This effort will be jointly coordinated across SDG&E and
8 SoCalGas to promote consistency, efficiency, and methodological rigor. The
9 investment supports objective leadership selection and the development of a
10 capable workforce necessary to safely and reliably serve customers.

- 11 • \$50,000 to Validate/Revalidate Existing Major Selection Assessment Programs
12 (non-leadership): These validation studies will support the company’s compliance
13 with legal requirements and company policy such as: Operations and Support
14 Assessment, Field & Technical Assessment and Manager/Director assessment;
15 job-specific assessments. This would assume a split across the CA utilities.
- 16 • \$5,000 for new Native American Heritage Employee Resource Group (ERG):
17 Launching this new ERG is critical to strengthening inclusion and fostering a
18 sense of belonging among diverse employee populations. ERGs enhance
19 engagement, retention, and innovation by creating spaces for connection,
20 feedback, and leadership development. ERG costs represent modest discretionary
21 spending that support employee engagement and retention while reducing
22 downstream risks associated with disengagement and turnover. These costs are
23 targeted and limited.
- 24 • \$19,000 for new hire non-labor costs including laptop computers, docking
25 stations, monitors, training, and misc. office expenses. (\$5,000 x 3.8 Full-Time
26 Equivalents (FTE)).

27 Our requests reflect strategic investments in organizational effectiveness, inclusion, and
28 talent development to support business continuity, compliance, and employee engagement.
29 These activities are essential to maintain operational excellence and meet regulatory and
30 workforce expectations.

3. Workpaper 1HR002 Human Resources

TABLE AT-6
Human Resources Workpaper Summary

SAFETY & CULTURE (In 2025 \$)							
A. Human Resources	2025 Adjusted-Recorded (000s)	Est. 2026 (000s)	Est. 2027 (000s)	Est. 2028 (000s)	Est. 2029 (000s)	Est. 2030 (000s)	Est. 2031 (000s)
Human Resources	5,807	6,531	6,533	6,694	6,664	6,664	6,664
Total	5,807	6,531	6,533	6,694	6,664	6,664	6,664

a. Description of Costs and Underlying Activities

Human Resources includes seven key functions: (1) HR, Compliance and Operations, (2) HRIS, (3) Labor Relations, (4) Compensation, (5) Talent Acquisition, (6) Relocations, and (7) Ethics & Investigations.

The **HR, Compliance and Operations** group serves as the primary point of contact on human resources issues for SDG&E’s leadership and employees. HR Business Partners (HRBPs) work closely across departments to align the development and implementation of strategic human resources plans with Company values and the organization’s short and long-term business goals. They administer and interpret SDG&E’s Human Resources policies to support compliance with state and federal laws and regulations. HRBPs provide coaching and counseling on complex human resource issues, such as employee engagement and motivation, hiring, compensation, performance management, and corrective action. HRBPs also support workplace investigations by providing guidance on recommended corrective action and play an important role in meeting compliance with the various State and Federal laws regulating the employment relationship. HR Specialists and an HR Analyst provide administrative and operational support to the HRBPs. These functions are essential to operating a large safety-sensitive utility workforce under complex regulatory and workforce requirements.

Human Resource Information System (HRIS) is primarily responsible for supporting the organization in the areas of operational and tactical reporting, metric tracking and analysis, technology support, and technology project implementations. Additionally, the department is responsible for data integrity and data management security. HR operational and tactical

1 reporting requires working closely with the HR departments to develop meaningful metrics to
2 monitor and measure key indicators and processes and drive improvements. This area also
3 supports reporting tools that meet the operational needs of the HR organization and the entire
4 Company. Examples of reports include compensation, pay data, training, workforce
5 demographic information, headcount data, and labor relations. Other responsibilities include the
6 generation and delivery of reports and information that track progress and compliance activities
7 managed by other HR departments. HRIS functions as the first line of support for the HR
8 corporate systems and works with the HR departments to identify necessary system
9 enhancements and improvements. This area also leads projects that include testing,
10 implementing, and managing HR systems and technology that focus on process improvement
11 and optimization.

12 **Labor Relations** is responsible for labor strategy, union relations, Collective Bargaining
13 Agreement (CBA) negotiations, contract administration, grievances, mediations, arbitrations, and
14 National Labor Relations Board (NLRB) actions. The Labor Relations group supports
15 compliance with the CBA, regulations, and laws impacting represented employees. In addition,
16 the Labor Relations group provides guidance to supervisors of represented employees on matters
17 pertaining to the CBA, including local union relations, contract interpretation, performance
18 management, dispute resolution, corrective action, and other labor relations matters.

19 **Compensation** is responsible for developing and delivering competitive compensation
20 programs, that meets legal compliance and adherence to SDG&E's compensation policies and
21 philosophy. The department performs benchmarking market studies and conducts market
22 analyses, forecasting, modeling, and analytics in support of delivering competitive compensation
23 packages for non-represented employees and in support of union negotiations for represented
24 employees. The department also regularly reviews pay data for compensation equity across the
25 organization. Cost effective compensation programs are crucial elements in attracting, retaining,
26 and motivating a high performing workforce. SDG&E's compensation programs are designed to
27 pay for both organizational and individual performance, which helps motivate employees to
28 perform according to key business objectives.

29 The **Talent Acquisition** group manages the recruitment and selection of a qualified
30 workforce, while complying with company policies and federal and state laws and regulations
31 governing the recruitment and selection process. SDG&E's hiring process consists of

1 recruitment, marketing and branding, creation of job descriptions, advertisement of available
2 positions, candidate sourcing, negotiation of compensation packages, management of college
3 recruiting programs, management of the employee relocation process, and verifying qualified
4 candidate pools for management, associate, and represented positions. These functions
5 contribute to better operational efficiency and lower turnover. The Talent Acquisition group is
6 responsible for verifying a candidate's suitability for employment. This includes managing the
7 background check process and other pre-employment contingencies, such as drug screens,
8 reference information, and verification of the right to work. This group maintains applicant
9 tracking data in accordance with the Office of Federal Compliance Contractors Programs
10 (OFCCP), follows Department of Transportation (DOT) requirements when performing pre-
11 employment drug testing, and completes documentation required by the Department of
12 Homeland Security (DHS). This functional area also manages various internal and external
13 audits (e.g., Equal Employment Opportunity Commission (EEOC), DHS, and OFCCP). These
14 relationships allow us to meet our goals of attracting, recruiting, and developing a qualified
15 workforce.

16 The Talent Acquisition department manages the company-wide relocation program,
17 which provides assistance and resources for job-related geographic moves for new, out-of-area
18 employees and internal transfers.

19 The **Ethics & Investigations** group is responsible for promoting a culture of integrity
20 and accountability across SDG&E. Activities include conducting impartial investigations of
21 employee concerns, adhering to state and federal employment laws, and providing guidance to
22 leadership on corrective actions and risk mitigation. The group also delivers training and
23 communication on ethical practices and compliance with company policy and monitors trends to
24 proactively address emerging issues. These efforts help maintain a respectful, compliant, and
25 transparent work environment that aligns with SDG&E's core values and regulatory obligations.

26 **b. Forecast Method**

27 The forecast method chosen for this category is base year recorded costs plus limited
28 incremental cost adjustments. This method was selected as the recorded costs for 2025 most
29 appropriately reflect expected staffing levels and non-labor requirements to operate this area.
30 The drivers for using the base year recorded costs methodology include:

- The base year is representative of our expectations for the 2028 test year. The base year method, along with incremental adjustments as described in the cost drivers below, is most appropriate because it best captures the employee development, training, and recruiting needs required to support the organization.
- This area is not heavily influenced by external factors that would require a different forecast method.

c. Cost Drivers

The cost drivers behind this forecast are for the labor and non-labor costs for one senior director, seven managers, six team leads, and 24 associate and management employees. The additional labor costs of \$412,000 are for labor true-up adjustment due to timing of backfills and leaves.

The incremental non-labor costs of \$194,000 are as follows:

- \$64,000 for employee professional development costs to attend external training events and conferences, and to obtain certifications necessary to stay up to date with technical skills. Conferences, training, and certifications such as the Society for Human Resource Management (SHRM), LinkedIn Talent Connect, World-at-Work, Association of Workplace Investigations (AWI), and eCornell Labor Relations Certification.
- \$80,000 in recruiting expenses to attend recruiting and professional association events focused on talent engagement, community outreach, talent pipeline, and future workforce development. Professional association events provide essential training, compliance updates, competitive intelligence, and access to talent pipelines. These events support a skilled, informed, and competitive Talent Acquisition function.
- \$30,000 setup fee for new interview tool with training for managers to improve candidate and recruiter experience, replacing our current tool that has poor question quality and limited usability with a more intuitive, customizable solution that supports better hiring outcomes.
- \$3,000 Printing costs for the Collective Bargaining Agreement (CBA) books that are distributed throughout the company. This supports a one-time cost of \$12,000 in 2031, normalized at \$3,000 per year over the GRC cycle.

- \$17,000 for new hire non-labor costs including laptop computers, docking stations, monitors, training, and misc. office expenses. (\$5,000 x 3.4 FTE).

These non-labor investments support faster hiring cycles, improved compliance outcomes, and reduced reliance on external advisors, contributing to greater efficiency and long-term cost moderation.

4. Workpaper 1HR003 Total Disability

**TABLE AT-7
Total Disability Workpaper Summary**

SAFETY & CULTURE (In 2025 \$)							
A. Human Resources	2025 Adjusted-Recorded (000s)	Est. 2026 (000s)	Est. 2027 (000s)	Est. 2028 (000s)	Est. 2029 (000s)	Est. 2030 (000s)	Est. 2031 (000s)
Total Disability Workpaper	283	283	283	283	283	283	283
Total	283	283	283	283	283	283	283

a. Description of Costs and Underlying Activities

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

b. Forecast Method

The forecast method chosen for this category is base year recorded costs. This method was selected as the recorded costs for 2025 most appropriately reflect future ongoing total disability costs. This area is not heavily influenced by external factors that would require a different forecast method.

c. Cost Drivers

The two main cost drivers for Total Disability costs include the number of employees receiving benefits under the plan.

1 **5. Workpaper 1HR004.000 Workers' Compensation (WC)**

2 **TABLE AT-8**
 3 **Workers' Compensation Workpaper Summary**

SAFETY & CULTURE (In 2025 \$)							
A. Human Resources	2025 Adjusted-Recorded (000s)	Est. 2026 (000s)	Est. 2027 (000s)	Est. 2028 (000s)	Est. 2029 (000s)	Est. 2030 (000s)	Est. 2031 (000s)
Workers' Compensation Workpaper	3,973	3,835	4,002	4,170	4,340	4,514	4,688
Total	3,973	3,835	4,002	4,170	4,340	4,514	4,688

4 **a. Description of Costs and Underlying Activities**

5
 6 Workers' Compensation (WC) benefits are mandated and governed by the State of
 7 California. Employees who are injured on the job receive state-mandated benefits through
 8 SDG&E's self-insured/self-administered WC Program. Injured employees receive indemnity
 9 payments including benefits related to temporary disability, permanent disability, and
 10 supplemental job displacement in accordance with the Labor Code. The costs of medical
 11 treatment, legal fees, and other claim-related expenses are also captured here.

12 **b. Forecast Method**

13 The forecast method chosen for this category is non-standard escalation, zero-based.
 14 This method was selected as it most appropriately reflects the multiple types of costs that
 15 influence the overall forecast. The primary driver for using non-standard escalation, zero-based
 16 methodology is that Workers' Compensation costs are forecasted using a three-year average of
 17 recorded costs from 2023 through 2025 and then escalated for medical costs using medical
 18 premium escalation, for indemnity using labor escalation, and for remaining costs using non-
 19 labor inflation.

20 **c. Cost Drivers**

21 SDG&E's TY 2028 request for WC costs of \$4,170,322 represents a \$348,560 increase
 22 from BY 2025. The primary drivers for the increase in WC costs are labor and non-labor
 23 escalation, and medical premium escalation (*see* supplemental workpaper in Ex. SDGE-22-WP
 24 1HR004.000).

1 influence the overall forecast. The primary driver for using non-standard escalation, zero-based
2 methodology is that LTD costs are forecasted using base year recorded and escalated for
3 estimated changes in labor costs.

4 **c. Cost Drivers**

5 SDG&E's TY 2028 request for LTD costs of \$4,276,898 represent a \$477,307 increase
6 from base year 2025. The primary drivers for the increase in LTD costs are associated with labor
7 escalation and change in headcount (*see* supplemental workpaper in Ex. SDGE-22-WP
8 1HR004.001).

9 **B. Safety Management**

10 Safety is a company core value and SDG&E is committed to providing safe and reliable
11 service to its customers. SDG&E's safety-first culture focuses on its employees, contractors,
12 customers, and the public, and is embedded in every aspect of its work. SDG&E is committed to
13 a culture where leadership sets the example and demonstrates safe behaviors expected of its
14 employees and contractors. SDG&E's leadership team is committed to championing people,
15 doing the right thing, shaping the future, and executing on operational excellence. SDG&E's
16 safety efforts include developing a trained workforce, safely operating and maintaining its
17 electric and gas infrastructure, and providing safe and reliable gas and electric service.
18 SDG&E's strong safety culture and commitment to further developing processes and programs is
19 designed to manage safety risks and promote system reliability.

20 SDG&E operates within a structured Safety Management System (SMS) that embeds
21 safety across all operations. The SMS applies the American Petroleum Institute (API)
22 Recommended Practice (RP) 1173 guidelines to bring consistency and accountability with a
23 proactive and preventive approach to safety risk.² An effective SMS must be accompanied by a
24 strong safety culture. An integrated SMS and safety culture drives continuous safety
25 improvement and helps build trust across the organization, stakeholders, and the public.

26 SDG&E takes a process-based approach to safety. SDG&E has processes, programs, and
27 committees in place that encourage feedback on safety from employees and contractors on the
28 management of risks and unsafe practices or incidents. To promote strong safety principles

² Released in July 2015 in response to major industry incidents, API RP 1173 is the American National Standard for Pipeline Safety Management Systems.

1 throughout the Company and foster a culture of learning and continuous safety improvement,
 2 SDG&E continuously strives for a work environment where employees at all levels can raise
 3 asset and system safety, public safety, customer safety, and employee safety concerns and offer
 4 suggestions for improvement. SDG&E encourages two-way formal and informal
 5 communication between the Company and the public, employees and management, and
 6 contractors and the Company, to identify and proactively manage safety risks before incidents
 7 occur. The vision and emphasis on risk management begins at the top, with strong support for
 8 the risk management process.

9 My testimony supports the TY 2028 forecasts for O&M non-shared costs associated with
 10 effective safety management. Table AT-10 below details SDG&E’s Safety Management Non-
 11 Shared O&M costs of \$3.386 million for TY 2028, which is an increase of \$117,000 compared
 12 to the 2025 adjusted-recorded. The increase reflects changes in connection with the
 13 compensation modernization initiative. Details supporting this request are included in each of
 14 the four safety non-shared O&M and one shared O&M workpaper sections, described below.

15 **TABLE AT-10**
 16 **Safety Management Program Non-Shared O&M Costs**

SAFETY & CULTURE (In 2025 \$)							
B. Safety Management	2025 Adjusted-Recorded (000s)	Est. 2026 (000s)	Est. 2027 (000s)	Est. 2028 (000s)	Est. 2029 (000s)	Est. 2030 (000s)	Est. 2031 (000s)
1. Safety Oversight & Culture	840	866	865	865	865	865	865
2. Contractor Safety	932	974	973	973	973	973	973
3. Safety Compliance & Industrial Hygiene	1,032	1,065	1,064	1,064	1,064	1,064	1,064
4. Safety Mgt. System	464	484	483	483	483	483	483
Total	3,268	3,389	3,385	3,385	3,385	3,385	3,385

17

1 **1. Workpaper 1HR005 - Safety Oversight & Culture**

2 **TABLE AT-11**
 3 **Safety Oversight & Culture Workpaper Summary**

SAFETY & CULTURE (In 2025 \$)							
B. Safety Management	2025 Adjusted-Recorded (000s)	Est. 2026 (000s)	Est. 2027 (000s)	Est. 2028 (000s)	Est. 2029 (000s)	Est. 2030 (000s)	Est. 2031 (000s)
Safety Oversight & Culture	840	866	865	865	865	865	865
Total	840	866	865	865	865	865	865

4 **a. Description of Costs and Underlying Activities**

5 The identified costs within the Safety Oversight & Culture workpaper support the
 6 oversight and management of SDG&E’s centralized safety department. The entire workpaper is
 7 designated as RAMP.³ SDG&E’s centralized Safety department currently consists of
 8 approximately 25 employees who manage and support safety programs and activities across
 9 SDG&E. The Safety department includes employees who provide management and oversight of
 10 SDG&E field safety activities, overall compliance with safety and health Cal/OSHA regulations,
 11 contractor safety services program, Behavior Based Safety program, and SDG&E’s safety
 12 management system. Led by the Director – Safety, the Safety department currently reports to
 13 SDG&E’s Chief Safety Officer. SDG&E’s Chief Safety Officer is responsible for the oversight,
 14 leadership, and execution of all SDG&E’s safety programs and activities and to drive a “safety
 15 first” culture across SDG&E. In addition to the centralized Safety department, safety-dedicated
 16 personnel reside within the operational organizations (captured outside of this Workpaper).

17 SDG&E’s safety performance measures have shown consistent improvement overall year
 18 over year,⁴ which demonstrates a strong safety culture dedicated to learning and continuous
 19 improvement. SDG&E’s safety program is comprised of all the safety management workpapers
 20 outlined in this testimony. The costs captured within this specific workpaper are described

³ SDG&E details its safety culture efforts, goals and objectives in RAMP Chapter SDG&E-Risk-6 (Employee Safety).

⁴ Refer to Rulemaking (R.) 20-07-013, 2025 Safety Performance Metrics Report of SDG&E (filed April 1, 2026).

1 below. Incremental costs relate to the Company’s compensation modernization initiative, as
2 referenced in the Compensation & Benefits testimony, Ex. SCG-16/SDGE-20. Additional detail
3 on SDG&E’s safety programs can be found in the accompanying workpapers.

4 SDG&E continuously works to advance its safety culture and measure the effectiveness
5 of the initiatives. Current cost drivers captured within this workpaper include:

6 Centralized Safety Department Oversight: This workpaper captures internal labor for
7 oversight and leadership of SDG&E’s centralized Safety department. SDG&E’s Safety
8 department manages and supports safety programs and activities across SDG&E. SDG&E’s
9 workforce is faced with the presence of high energy hazards. The activities performed by
10 SDG&E’s safety department are fundamental to protecting workers, communities, and critical
11 infrastructure. Effective safety oversight provides disciplined controls, proactive hazard
12 identification, and rigorous compliance with regulatory standards. A strong safety organization
13 not only mitigates the likelihood and severity of incidents, but also fosters a culture of
14 accountability, operational excellence, and continuous learning. By providing clear leadership,
15 data-driven insights, and strategic alignment across all operational functions, the safety
16 department plays a pivotal role in safeguarding lives, maintaining system reliability, and
17 strengthening public trust in the utility’s essential services.

18 Annual Start Strong Event: Starting in January 2023, SDG&E hosts an annual “Start
19 Strong” safety event for approximately 1,400 operational (field) employees. This event, in
20 partnership with IBEW Local 465, emphasizes SDG&E’s joint commitment to safety and sets
21 clear expectations for the year. Key objectives include all employees understanding their role in
22 safety and to foster psychological safety where all employees are empowered and feel
23 comfortable speaking up, raising safety concerns, submitting near misses, and stopping the job
24 whenever they are unsure how to safely perform a task.

25 Annual Safety Congress and Safety Leadership Award Ceremony: SDG&E currently has
26 approximately 60 Safety Committees (34 office-based, 27 field-based committees) that represent
27 their respective work location or department. Safety Committees meet regularly to discuss safety
28 topics and identify actionable items to promote safety across their teams. Since 2002, SDG&E
29 has held an annual Safety Congress, which provides a platform for the Safety Committee
30 members and other safety leaders to collaborate and share insights through networking and
31 workshops. Each year at the Safety Congress, SDG&E recognizes outstanding safety leaders

with the prestigious Gary Tehan Safety Leadership Award (individual award), Grant Valentine Team Safety Award, and the new Office Safety Leadership Awards, honoring individuals and teams who exemplify SDG&E’s safety vision.

i. Description of RAMP Mitigations

This entire workpaper is captured by RAMP Control 323. RAMP C323 outlines SDG&E’s efforts to hold an annual Start Strong Safety Event and an annual Safety Congress and award ceremony to recognize and reinforce the importance of safe behavior and a “safety first” mindset. Safety engagement, awards, and recognition play a crucial role in fostering a strong safety culture. Recognizing employees for their safety efforts motivates them to continue prioritizing safety in their daily tasks. It also engages employees by making them feel valued and appreciated for their contributions to a safer work environment. Highlighting and rewarding exemplary safety practices encourage other employees to follow suit. This dissemination of best practices leads to overall improvements in safety performance across the organization, impacting employee, contractor, and public safety.

**TABLE AT-12
RAMP and GRC Risk Control Activities - O&M
In 2025 \$ (000s)**

SAFETY & CULTURE (Non-Shared)				
RAMP Workpaper	RAMP Workpaper Control/Mitigation Name	2025 RAMP 2028 Estimate In 2024 \$ (000s)	2028 GRC 2028 Forecast In 2025 \$ (000s)	Change (000s)
1OR06C323	SDG&E-Risk-6 Employee Safety Culture Survey Recognition & Awards	819	865	46
Total RAMP O&M (Non-Shared)		819	865	46

ii. Description of Selection and Prioritization of RAMP Risk Mitigations

The RAMP risk mitigation efforts are associated with specific actions, such as programs, projects, processes, and utilization of technology and are designed to address a specific safety and/or reliability risk. The Company’s selection and prioritization of these RAMP mitigation activities considered many aspects when determining if these risk mitigation activities are an

1 effective and worthwhile investment. The ERM process for identifying and assessing system
2 risk is described in the RDF Integration testimony (Ex. SCG-02B/SDGE-02B).

3 Promoting a strong culture of safety is foundational to preventing employee injuries,
4 protecting the public, and avoiding high-consequence events. Gas and electric utility operations
5 inherently involve high energy hazards, such as energized electrical equipment, pressurized gas
6 systems, excavation work, and operations in public spaces. While engineering controls and
7 procedures are essential, they cannot address every dynamic field condition. An organization's
8 safety culture shapes the choices workers make when risks emerge.

9 SDG&E balanced risk mitigation and cost effectiveness in its determination of these risk
10 mitigation activities. SDG&E's modest spending on safety culture programs outweighs the cost
11 of a single serious incident. SDG&E's investment in safety culture demonstrates its leadership
12 commitment—to employees, contractors, and the public—that safety is a core organizational
13 value. The two primary activities within this RAMP risk mitigation are SDG&E's annual Start
14 Strong Safety Event and annual Safety Congress and award ceremony – both designed to
15 promote a culture of safety across SDG&E's workforce.

16 SDG&E's annual Start Strong Safety Event allows Company leaders to communicate
17 directly with a majority of its front-line, union-represented workers – a population of workers
18 that are typically hard to reach via e-mail communications given the nature of their field work.
19 SDG&E prioritizes this event given its impact to demonstrate its safety commitment to its front-
20 line workforce. Field work relies heavily on individual judgment, often under changing
21 conditions. Safety culture influences whether employees follow critical procedures such as
22 lockout/tagout, grounding, leak response, and traffic control, consistently use proper Personal
23 Protective Equipment (PPE), and stop work whenever unsafe conditions exist.

24 SDG&E's annual Safety Congress and award ceremony recognizes and showcases the
25 work performed throughout the year by SDG&E's Safety Committees. SDG&E currently has
26 approximately 60 Safety Committees (34 office-based, 27 field-based committees) that represent
27 their respective work location or department. Safety Committees meet regularly to discuss safety
28 topics and identify actionable items to promote safety across their teams. Since 2002, SDG&E
29 has held an annual Safety Congress, which provides a platform for the Safety Committee
30 members and other safety leaders to collaborate and share insights through networking and
31 workshops. Each year at the Safety Congress, SDG&E recognizes outstanding safety leaders

1 with the prestigious Gary Tehan Safety Leadership Award (individual award), Grant Valentine
2 Team Safety Award, and the new Office Safety Leadership Awards, honoring individuals and
3 teams who exemplify SDG&E's safety vision.

4 These efforts reinforce and demonstrate SDG&E's values and help foster a strong safety
5 culture. Recognizing employees for their safety efforts motivates them to continue prioritizing
6 safety in their daily tasks. It also engages employees by making them feel valued and
7 appreciated for their contributions to a safer work environment. When an organization
8 consistently recognizes and rewards safety achievements, it demonstrates a genuine commitment
9 to safety. This commitment builds trust and confidence among employees, stakeholders, and the
10 community.

11 A strong safety culture helps protect the public by facilitating early risk detection and
12 mitigation to reduce the likelihood of catastrophic events. Utility incidents have the potential to
13 impact customers and communities, not just workers. A strong safety culture:

- 14 • Reinforces public protection during work activities (*e.g.*, excavation safety,
15 barricading, traffic control)
- 16 • Encourages timely escalation of conditions that could impact customers (*e.g.*, gas
17 odors, damaged equipment)
- 18 • Supports safe restoration decisions, even when they delay service.

19 **b. Forecast Method**

20 The forecast method developed for this Safety Oversight & Culture cost category is base
21 year recorded costs. Incremental costs relate to the Company's compensation modernization
22 initiative, as referenced in the Compensation & Benefits testimony, Ex. SCG-16/SDGE-20.
23 Labor and non-labor forecasts are based on the base year 2025 recorded data. This method is
24 most appropriate because it best represents the current structure of the organization, while taking
25 into account current efforts to support affordability. Historical averages do not accurately
26 capture the current and planned state of SDG&E's safety programs. The primary drivers for
27 using the base year recorded costs methodology include:

- 28 • Most recent contract pricing for Start Strong Safety Event and Safety Congress
29 third-party suppliers and vendors.
- 30 • Current staffing levels.

- Current focus on operational efficiencies while applying a proactive, preventative, risk-based approach to safety.

c. Cost Drivers

The primary cost drivers behind this forecast are:

- Internal labor costs for SDG&E’s Director – Safety who provides leadership and oversight of centralized safety department.
- Non-labor costs to host SDG&E’s annual Start Strong Safety Event, Safety Congress and Safety Leadership Award Ceremony.

2. Workpaper 1HR006 - Contractor Safety

**TABLE AT-13
Contractor Safety Workpaper Summary**

SAFETY & CULTURE (In 2025 \$)							
B. Safety Management	2025 Adjusted-Recorded (000s)	Est. 2026 (000s)	Est. 2027 (000s)	Est. 2028 (000s)	Est. 2029 (000s)	Est. 2030 (000s)	Est. 2031 (000s)
Contractor Safety	932	974	973	973	973	973	973
Total	932	974	973	973	973	973	973

a. Description of Costs and Underlying Activities

The costs within the Contractor Safety workpaper support SDG&E’s centralized Contractor Safety Services department. The entire workpaper is designated as RAMP. The Contractor Safety workpaper is comprised of the following programs and activities:

Contractor Safety Program: SDG&E’s Contractor Safety Program oversees and manages Class 1 contractors to confirm work is being performed safely and risk is being managed effectively. The Contractor Safety Program includes both O&M and capital costs. O&M costs (i.e., internal labor) are included within this workpaper. Capital costs are separately captured in the Contractor Safety Overhead Pool (workpaper SO9060, referenced below). This program is primarily managed by SDG&E’s Contractor Safety Services (CSS). SDG&E’s CSS team is made up of both internal and contracted resources to support the various activities to confirm contractors are working safely. SDG&E operating groups also have field safety oversight responsibilities for all construction work being performed by Class 1 Contractors working for

1 their respective groups. For purposes of the Contractor Safety Program, SDG&E institutes a
2 number of safeguards to confirm that all contracted work is performed in accordance with Cal
3 OSHA regulations, applicable laws, Commission Orders, such as General Order (GO) 95, Rules
4 for Overhead Electric Line Construction, and GO 128 Rules for Construction of Underground
5 Electric Supply and Communications Systems. Safeguards include:

- 6 1. Safety Requirements: Adherence to the Contractor Safety Program Standard for
7 SDG&E and the Class 1 Contractor Safety Manual to confirm each group is
8 adhering to the same requirements and/or standards.
- 9 2. Administrative Activities: Administrative activities associated with Class 1
10 Contractor work, such as educating contractors and internal resources on the
11 program requirements, assisting with program compliance, and following up with
12 contractors that fall out of compliance.
- 13 3. Contractor Pre-Qualification: Pre-qualification of all Class 1 Contractors
14 according to SDG&E's Contractor Safety Program. All Class 1 Contractors are
15 required to annually acknowledge and communicate the contents of the Class 1
16 Contractor Safety Manual to their employees where known hazards and
17 mitigations are jointly acknowledged before performing work.
- 18 4. Contract Requirements: All new and existing contracts and Master Service
19 Agreements (MSAs) between SDG&E and a contractor state that compliance with
20 SDG&E's Class 1 Contractor Safety Manual is a requirement of the contract
21 terms and conditions. SDG&E currently uses certain third-party administration
22 tools to verify that contractors comply with SDG&E's established safety
23 requirements according to the Class 1 Contractor Safety Manual and the MSA
24 contractual requirements.

25 SDG&E leverages third-party software administrator, ISNetworld, to monitor risk in a
26 cost-effective manner. ISNetworld is used to house and verify the established SDG&E pre-
27 qualification requirements for Class 1 Contractors. It contains historical safety-related
28 performance for all Class 1 contractors who perform work for SDG&E. ISNetworld also gives
29 SDG&E a place to communicate with contractors. ISNetworld monitors new and changing
30 Cal/OSHA requirements, verifies SDG&E's Class 1 Contractors meet minimum Cal/OSHA
31 requirements for written safety programs for the work performed, and grades Class 1 Contractors

1 according to the pre-qualification criteria SDG&E establishes. The nationwide-level data
2 captured by the third-party administration program is reviewed by SDG&E to standardize the
3 pre-qualification process as well as for selection of Class 1 contractors. Absent third-party
4 software administration tools, SDG&E would need additional resources and dedicated support to
5 perform these activities.

6 Contractor Field Safety Oversight: SDG&E's CSS oversees safety for all operating
7 groups that use Class 1 Contractors. Additional contracted resources have been added to the
8 Contractor Oversight Program to support the additional data received by new Class 1 Contractors
9 and business units to pre-qualify, process, track, trend, and communicate safety data. These
10 additional resources are a non-labor cost that will be added to the Contractor Safety Overhead
11 Pool. CSS's contracted safety professionals perform field level safety assessments on Class 1
12 Contractors who perform work on behalf of SDG&E.

13 Duties of CSS with respect to field safety oversight include but are not limited to:

- 14 • Safety inspections/observations: This is a proactive measure to observe
15 contractors are working in accordance with appropriate work methods. If at-
16 risk behaviors are identified they are documented, tracked, and corrected.
- 17 • Incident/Near Miss response, review, and investigation: When an incident
18 occurs, a CSS Program Manager dispatches the appropriate individual to
19 document the incident initial findings. Initial findings are used in conjunction
20 with reviewing contractors' incident reports to confirm accuracy.
- 21 • Pre-work safety meetings: Contracted safety professionals perform jobsite
22 reviews with all parties involved to identify and agree with potential hazards
23 and mitigations prior to work starting and review site specific safety plans
24 when SDG&E requires contractors to submit them.
- 25 • Post-Job evaluations: SDG&E construction team conducts post major project
26 or annual jobsite performance reviews of contractors. This review has the
27 ability to affect a contractor's qualification status and ability to continue
28 working with SDG&E.

29 Additionally, SDG&E has a variety of administration tools and programs to support the
30 safety oversight of Class 1 Contractors as described below.

- 31 • Administration and Tools – Predictive Solutions is used by SDG&E as the
32 primary software application for safety observations of Class 1 Contractors.
33 Predictive Solutions allows SDG&E to easily collect safety observations,
34 track and trend, then communicate the results of observations in a clear format
35 so SDG&E can potentially mitigate at-risk behaviors or incidents.

- 1 • Stop the Job – The Stop the Job (STJ) Process is a protocol SDG&E has
2 established for all contractors. It gives authority to everyone onsite to stop a
3 job or task if an unsafe work condition or activity is identified. All work must
4 immediately cease in the area of concern once the STJ is declared until site
5 supervision and the involved contractor(s) have done an investigation, the
6 identified situation is abated, controlled, or otherwise determined to be safe,
7 and the situation and outcome are explained to effected personnel.
- 8 • Near Miss/Close Call Reporting Program – SDG&E requires its contractors to
9 report all incidents per the Class 1 Contractor Safety Manual including Near
10 Miss/Close Call incidents immediately, then monthly in a report. This
11 information is then tracked and used during SDG&E’s Class 1 Contractor
12 safety observations and communicated to contractors, if applicable.

13 Promoting a Strong Contractor Safety Culture: SDG&E strives to promote a positive
14 safety culture with its contracted workforce through outreach, education, and collaboration.
15 SDG&E starts with its company culture, values, and the way it does business. SDG&E not only
16 establishes touchpoints throughout the year with contractors but identifies items during the year
17 where collaboration or improvement should be reviewed and implements mitigation measures
18 for any identified gaps. SDG&E holds an Annual Contractor Safety Summit and Contractor
19 Safety Quarterly Meetings to provide a forum to share industry leading best practices with
20 contractors, communicate new requirements, give contractors the opportunity to collaborate with
21 SDG&E on safety, and foster an improved safety culture for contractors and SDG&E. The
22 Contractor Safety Summit is a broad-scoped meeting with focused attendance from SDG&E and
23 Class 1 Contractor senior leadership. The quarterly safety meetings are attended by SDG&E and
24 Class 1 Contractor senior leadership, but field-level personnel are also encouraged to attend.

25 Additionally, SDG&E engages its internal workforce and Class 1 Contractors with
26 periodic safety culture assessments to better gauge where it is with the safety culture and
27 maturity of the Contractor Safety Program. The results of these assessments are used for action
28 planning and upcoming initiatives targeted to improve safety and cultural gaps.

29 **i. Description of RAMP Mitigations**

30 This entire workpaper is captured in RAMP Control 301 and RAMP Mitigation 307.
31 RAMP Control 301 is SDG&E’s Contractor Safety Program. RAMP Mitigation 307 outlines
32 SDG&E’s plans to enhance its Contractor Safety Program by implementing High Energy Control
33 Assessments (HECAs) and enhancing data analytics. Introduction of HECAs would provide
34 enhanced data analytic capabilities for proactive and preventive action. RAMP M307 forecasted

1 incremental funding and FTEs to implement the program enhancements. SDG&E is committed
2 to advancing these mitigation activities and believes the stated risk reduction benefits can be
3 achieved by identifying operational efficiencies and leveraging internal resources. SDG&E is
4 not seeking incremental funding at this time.

5 SDG&E's Contractor Safety Program offers several key benefits that help reduce safety
6 risks, including:

- 7 1. Hazard Identification and Mitigation: A structured contractor safety program
8 reduces the risk of safety-related events by promoting safe work practices so that
9 potential hazards are identified and addressed before contractors begin work.
- 10 2. Compliance with Regulations: The Program confirms that contractors comply
11 with relevant safety regulations and standards, reducing the risk of safety-related
12 events.
- 13 3. Enhanced Communication: The Program encourages and provides opportunities
14 for clear communication channels between SDG&E and its Class 1 Contractors,
15 which improve the dissemination of safety protocols and procedures so that
16 everyone is on the same page with respect to safety.
- 17 4. Training Verification: Regular verification of safety training for contractors
18 confirms they are aware of the latest safety practices and protocols which helps
19 promote a safe working environment.
- 20 5. Incident Reduction: By proactively managing safety, SDG&E can reduce the
21 number of safety-related events and near-misses, leading to a safer workplace.
- 22 6. Improved Safety Culture: SDG&E's strong Contractor Safety Program fosters a
23 culture of safety among contractors, encouraging them to prioritize safety in their
24 daily activities.

TABLE AT-14
RAMP and GRC Risk Control/Mitigation Activities - O&M
In 2025 \$ (000s)

SAFETY & CULTURE (Non-Shared)				
RAMP Workpaper	RAMP Workpaper Control/Mitigation Name	2025 RAMP 2028 Estimate In 2024 \$ (000s)	2028 GRC 2028 Forecast In 2025 \$ (000s)	Change (000s)
1OR07C301	SDG&E-Risk-7 Contractor Safety Class 1 Contractor Safety Program	1,092	973	-119
1OR07M307	SDG&E-Risk-7 Contractor Safety Risk Informed Class 1 Contractor Safety Program Management	184	0	-184
Total RAMP O&M (Non-Shared)		1,276	973	-303

ii. Description of Selection and Prioritization of RAMP Risk Mitigations

The RAMP risk mitigation efforts are associated with specific actions, such as programs, projects, processes, and utilization of technology and are designed to address a specific safety and/or reliability risk. The Company’s selection and prioritization of these RAMP mitigation activities considered many aspects when determining if these risk mitigation activities are an effective and worthwhile investment. The ERM process for identifying and assessing system risk is described in the RDF Integration testimony (Ex. SCG-02B/SDGE-02B).

SDG&E’s RAMP mitigation selection process was data driven and complies with state and federal regulations. California Labor Code § 6400 requires all employers to provide a safe workplace which extends to contracted crews working on SDG&E infrastructure. Since implementation of SDG&E’s Contractor Safety Program in 2019, SDG&E has seen gradual, sustained safety improvements. For example, SDG&E’s Contractor DART rate was 0.93 in 2019 and has shown sustained improvement in each subsequent year, with a rate of 0.64 in 2025. However, SDG&E Contractors continue to experience serious safety incidents and potential Serious Injury and Fatality (SIF) events. From 2021 (when SDG&E’s SIF data collection commenced) through 2025, SDG&E Contractors experienced 42 SIF-potential events. The selection of RAMP Mitigation 307 focuses on SIF prevention by increasing awareness and

1 assessment of high energy hazards. Implementation of this program will allow for improved
 2 training and data collection for contractor safety observations in the field for the purpose of
 3 identifying high energy hazards and assessing whether adequate direct controls are present to
 4 support reduction of SIF events. In an effort to balance risk mitigation with ratepayer
 5 affordability and cost effectiveness, SDG&E plans to implement RAMP Mitigation 307 by
 6 identifying operational efficiencies and leveraging current resources.

7 **b. Forecast Method**

8 The forecast method developed for the Contractor Safety cost category is base year
 9 recorded costs. Incremental costs relate to the Company’s compensation modernization
 10 initiative, as referenced in the Compensation & Benefits testimony, Ex. SCG-16/SDGE-20. For
 11 labor and non-labor, the base year provides an appropriate baseline in comparison to future
 12 targets for the enterprise. The use of the base year forecast method is representative of the
 13 expectations for the 2028 test year. This method is most appropriate because it is indicative of
 14 the current organizational structure and current contractor safety programs. Use of alternate
 15 forecast method(s) or certain historical data is not appropriate because they do not represent the
 16 current and future structure of this organization and the current size of the contracted workforce
 17 it oversees.

18 **c. Cost Drivers**

19 The cost drivers behind this forecast include the internal labor and non-labor
 20 administration tools and programs to support the safety oversight of Class 1 Contractors. Non-
 21 labor costs, described above, include third-party software tools such as Veriforce, ISNetworld
 22 and Predictive Solutions.

23 **3. Workpaper 1HR007 - Safety Compliance & Industrial Hygiene**

24 **TABLE AT-15**
 25 **Safety Compliance & Industrial Hygiene Workpaper Summary**

SAFETY & CULTURE (In 2025 \$)							
B. Safety Management	2025 Adjusted-Recorded (000s)	Est. 2026 (000s)	Est. 2027 (000s)	Est. 2028 (000s)	Est. 2029 (000s)	Est. 2030 (000s)	Est. 2031 (000s)
Safety Compliance & Industrial Hygiene	1,033	1,065	1,064	1,064	1,064	1,064	1,064
Total	1,033	1,065	1,064	1,064	1,064	1,064	1,064

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

2 The Safety Compliance & Industrial Hygiene workpaper supports the following safety
3 compliance activities:

4 Occupational Health & Safety Training: SDG&E provides comprehensive safety, health,
5 emergency, and regulatory training. Regular training and education keep employees updated on
6 best practices and new regulations. Believing in proactive measures, SDG&E develops and
7 provides extensive in-person and online safety and health training via a Learning Management
8 System (LMS). Accessible anytime, from any location, the LMS tracks completion of online
9 courses to confirm compliance. Safety training courses cover a range of occupational hazards
10 and their controls, including confined spaces, arc flash, hot work, hazardous energy, operating
11 cranes, workplace violence, and PPE. Industrial hygiene training courses include respiratory
12 protection, hearing conservation, protection from wildfire smoke, infectious materials, radio
13 frequency, heat illness, hazard communication, asbestos, silica and lead, and metals.

14 Employee Safety Handbook & Standards: SDG&E’s Employee Safety Handbook &
15 Standards is a collection of information, instructions, standards, and procedures intended to
16 provide guidance on safe work practices. These safety standards and procedures establish the
17 framework and guidance for employee safety performance. Within the Handbook is SDG&E’s
18 Injury and Illness Prevention Program (IIPP), a comprehensive, written plan for preventing
19 workplace injuries and illnesses and includes the following elements:

- 20 • Management commitment/assignment of responsibility
- 21 • Safety communication system with employees
- 22 • Compliance system for safe work practices
- 23 • Scheduled inspections/evaluation system
- 24 • Accident and illness investigation
- 25 • Procedures for correcting unsafe or unhealthy conditions
- 26 • Safety and health training instruction
- 27 • Recordkeeping and documentation

28 Cal/OSHA regulatory requirements are incorporated in several stand-alone safety
29 standards, which are reviewed and updated at least every five years or when regulatory or
30 procedural changes are implemented, whichever comes first.

1 Industrial Hygiene Program: SDG&E has a robust Industrial Hygiene Program in
2 compliance with Cal/OSHA regulations. Industrial Hygienists are responsible for monitoring
3 changes in employee safety and health regulations, developing internal safety procedures to
4 confirm compliance with the applicable regulations, and managing Company-wide
5 implementation of key industrial hygiene programs, such as Hazard Communication, Hearing
6 Conservation, Respiratory Protection, Wildfire Smoke Protection, Radiofrequency Protection,
7 Ventilation, Indoor and Outdoor Heat Illness Prevention, Silica Dust Control, and Asbestos and
8 Lead Exposure Management.

9 A Comprehensive Environmental & Safety Compliance Management Program: SDG&E
10 uses an Environmental & Safety Compliance Management Program (ESCMP) to address
11 compliance requirements, awareness, goals, monitoring, and verification related to all applicable
12 environmental, health and safety laws, rules and regulations, training, and company standards, in
13 accordance with the internationally accepted environmental management system standard, ISO
14 14001.27. With ESCMP, SDG&E implements annual facility environmental and safety self-
15 assessments and inspections, tracks corrective actions identified in these activities to closure,
16 provides environmental and safety trainings to employees, tracks documentation of safety
17 incidents and completion of incident-related corrective actions, and monitors completion of
18 mandatory safety meetings. The objectives are to identify, correct, and remediate workplace
19 hazards, confirm employee accomplishment of compliance training, and develop lessons learned
20 to share with employees, with the ultimate goal to reduce injuries and illnesses.

21 Program Enhancements: SDG&E regularly reviews and assesses the effectiveness of its
22 programs and identifies opportunities for continuous improvement. SDG&E plans to enhance its
23 Safety Compliance & Industrial Hygiene Program to further develop and improve its safety
24 programs including: Fall Protection, Arc Hazard Management, and Excavation and Trenching.
25 These programs contain elements that necessitate detailed engineering analysis to continually
26 assess the effectiveness of existing controls and enable them to stay current with advancing
27 technologies to maintain employee safety. SDG&E also plans to implement new and existing
28 programs, such as centralized PPE review and approval processes across business units, and
29 enhancements to audits of high-energy activities. SDG&E also plans to enhance the program by
30 improving tracking, logistics, and overall management of SDG&E's occupational health and
31 safety programs including prescription protective eyewear, respiratory protection, and hearing

1 conservation. These program enhancements would provide several important risk reduction
2 benefits including:

- 3 • Reduction in Workplace Injuries/Illnesses: Comprehensive safety and training
4 programs equip employees to recognize hazards and implement safe practices,
5 mitigating the risk of accidents and injuries/illnesses
- 6 • Enhanced Emergency Response: Preparing employees to respond effectively to
7 emergencies, such as gas leaks or electrical failures can mitigate the impact of
8 such incidents
- 9 • Compliance with New and Emerging Regulations: Regular training provides
10 employees with the knowledge and awareness to comply with safety regulations,
11 enhancing overall operational safety
- 12 • Enhanced Safety Culture: Ongoing training fosters a culture of safety within the
13 organization, encouraging employees to prioritize safety and look out for one
14 another, which can further reduce risk

15 In summary, SDG&E's Safety Compliance & Industrial Hygiene Program helps identify
16 and mitigate hazards to reduce the incidence of workplace injuries and occupational illnesses.
17 These programs protect employees and enhance overall morale and safety culture.

18 To continually advance as a learning organization, SDG&E plans to establish Event
19 Learning Teams (RAMP Mitigation 311), which will be internal cross-functional teams
20 leveraging existing subject matter experts (SMEs) to assess internal and external safety-related
21 events, including SIF and SIF-potential incidents. These Event Learning Teams will support
22 incident investigation and determine the root cause(s) and other contributing factors, as well as
23 benchmark against internal practices and procedures, and identify opportunities to apply lessons
24 learned for continued safety improvement. This mitigation will improve response to systemic
25 issues and reduce the risk of re-occurrence of similar incidents in the future. SDG&E aims to
26 form these Event Learning Teams with current employees, providing them with the necessary
27 training, tools, and resources to investigate safety-related events. Additionally, SDG&E plans to
28 leverage and incorporate third-party TapRoot® training, tools, and resources to training Event
29 Learning Teams appropriately.

i. Description of RAMP Mitigations

The entire workpaper is designated as RAMP.⁵ RAMP Control 328 captures the above-described Safety Compliance and Industrial Hygiene program. RAMP Mitigation 311 proposes to establish Event Learning Teams, which will be internal cross-functional teams leveraging existing SMEs to assess internal and external safety-related events, including SIF and SIF-potential incidents. These Event Learning Teams will support incident investigation and determine the root cause(s) and other contributing factors, as well as benchmark against internal practices and procedures, and identify opportunities to apply lessons learned for continued safety improvement. This mitigation will improve response to systemic issues and reduce the risk of re-occurrence of similar incidents in the future. RAMP Mitigation 311 forecasted incremental funding and FTEs to support these program enhancements. SDG&E is committed to advancing these mitigation activities and believes the stated risk reduction benefits can be achieved by identifying operational efficiencies and leveraging internal resources. SDG&E is not seeking incremental funding at this time.

**TABLE AT-16
RAMP and GRC Risk Control/Mitigation Activities - O&M**

SAFETY & CULTURE (Non-Shared)				
RAMP Workpaper	RAMP Workpaper Control/Mitigation Name	2025 RAMP 2028 Estimate In 2024 \$ (000s)	2028 GRC 2028 Forecast In 2025 \$ (000s)	Change (000s)
1OR06C328	SDG&E-Risk-6 Employee Safety Safety Compliance & Industrial Hygiene Program	1,230	1,065	-165
1OR06M311	SDG&E-Risk-6 Employee Safety Establish Incident Investigation & Cross-functional Event Learning Team	21	0	-21
Total RAMP O&M (Non-Shared)		1,251	1,065	-186

⁵ See Chapter SDG&E-Risk-6 (Employee Safety).

- Current and proposed staffing levels.
- Current focus on safety and industrial hygiene compliance while identifying enhancement opportunities by leveraging existing resources.

c. Cost Drivers

The cost drivers behind this forecast include:

- Internal labor to implement and manage the Safety Compliance and Industrial Hygiene Program
- Non-labor costs (*e.g.*, equipment rental) to implement and manage the Safety Compliance and Industrial Hygiene Program.

4. Workpaper 1HR008 - Safety Management System

**TABLE AT-17
Safety Management System Workpaper Summary**

SAFETY & CULTURE (In 2025 \$)							
B. Safety Management	2025 Adjusted-Recorded (000s)	Est. 2026 (000s)	Est. 2027 (000s)	Est. 2028 (000s)	Est. 2029 (000s)	Est. 2030 (000s)	Est. 2031 (000s)
Safety Mgt. System	464	484	483	483	483	483	483
Total	464	484	483	483	483	483	483

a. Description of Costs and Underlying Activities

The costs identified within the Safety Management System workpaper support the centralized oversight and management of SDG&E’s Safety Management System (SMS). This workpaper captures internal labor and non-labor costs to develop, implement, manage, review and continuously improve SDG&E’s SMS. SDG&E does not seek any incremental funding within this workpaper. The entire workpaper is designated as RAMP.

SDG&E developed and began operating within a SMS framework in 2020. The SDG&E SMS provides a structured approach to identifying, assessing, and mitigating safety risk. This systematic process helps proactively address potential hazards to prevent injury or incident. SDG&E is continuing its company-wide implementation and management of its SMS, comprised of a business framework, integrated operating model, governance structure and processes that

1 apply the elements of API RP 1173.⁶ SDG&E’s SMS further aligns and integrates safety
2 management, risk management, asset management, and emergency management across all
3 operations for continued safety improvement to collectively manage safety risk. The SMS builds
4 asset, risk, and safety management into all aspects of work from initial engineering and design,
5 employee training, installation, operation, and maintenance of its utility infrastructure, to the safe
6 and reliable delivery of electric and gas service to customers.

7 Severe incidents often result from systemic organizational failures, not isolated worker
8 error. SDG&E’s SMS, which aligns with API RP 1173, supports:

- 9 • Leadership behaviors that prioritize safety over production
- 10 • Learning-based incident management
- 11 • Worker empowerment and trust
- 12 • Continual, sustained safety performance

13 Recorded costs within this workpaper include internal labor and non-labor for third-party
14 contracted support to manage the program and implement the SMS processes. SDG&E’s Safety
15 Management System workpaper is comprised of the following:

16 SMS Dedicated Support: SDG&E currently has two FTEs who manage the development
17 and implementation of the SMS. SDG&E’s SMS framework applies a centralized, cross-
18 functional governance structure, but a small team of dedicated support is needed to effectively
19 oversee and manage the program. The SMS team collaborates with and leverages cross-
20 functional support from its SMS Governance Team, “SMS Champions,” Safety Advisors,
21 communication teams, operational safety centers and safety committees for operational
22 efficiencies and effectiveness. As the SMS matures, evolves, and produces increased data,
23 analytics, stakeholder engagement, and feedback, the need for additional support will increase.

24 Contracted Support: SDG&E’s SMS takes a process approach to safety. SMS processes
25 are implemented company-wide and provide for consistent application of safety best practices
26 that align with the tenets of API RP 1173. SDG&E leverages cross-functional support for its
27 process implementation and change management efforts, but dedicated contractor support is

⁶ While API RP 1173 was developed for natural gas pipeline operators, SDG&E adapted this recommended practice for broader electric and gas utility application. Accordingly, absent an electric industry-equivalent, SDG&E applies this adapted version of API RP 1173 to both its gas and electric operations.

1 utilized when necessary for effective process implementation. For example, one SMS process
2 that was adopted and implemented is a process for consistent follow-up, assessment, tracking,
3 and feedback of reported safety concerns. To implement this process, SDG&E leverages third-
4 party contracted support to apply the process to SDG&E's Near Miss reporting program with
5 enhanced tracking, follow-up, feedback, measurement, and review.

6 **i. Description of RAMP Mitigations**

7 All activities within this workpaper are designated as RAMP.⁷ RAMP Control 319,
8 Safety Management System Implementation & Management, covers SDG&E's company-wide
9 implementation and management of its SMS, comprised of a business framework, integrated
10 operating model, governance structure and processes that apply the elements of API RP 1173.
11 RAMP Mitigation 305 addresses SDG&E's plans to advance the maturity of its SMS with
12 enhanced two-way safety communication and enhanced safety data analytics capabilities. This
13 mitigation would improve proactive and predictive Employee Safety Risk mitigation. SDG&E's
14 SMS incorporates risk-based decision-making by focusing on high risk, high consequence events
15 and incorporates SIF-potential assessments and HECAs. These efforts are aligned and integrated
16 with RAMP Mitigation 303, (captured below in workpaper 2100-0214) Enhanced, Risk
17 Informed, Employee Safety Training & Field Safety Oversight Programs, and will incorporate
18 data analysis from HECAs to proactively mitigate risk of high energy hazards.

19 Additionally, RAMP Control 323, captured by SDG&E's Safety Oversight and Culture
20 Workpaper (1HR005), above, is integrated into SDG&E's Safety Management System. The
21 SMS provides a structured system and processes to bring consistency, accountability, and
22 continuous improvement to how safety risks are identified and managed. An effective SMS
23 needs to be fully supported by a strong safety culture. An integrated SMS and safety culture
24 provide a proactive, preventative approach to safety and help build trust across the organization,
25 stakeholders, and the public.

26 RAMP Mitigation 305 forecasted incremental funding and FTEs to support the stated
27 program enhancements. SDG&E is committed to advancing this mitigation activity and believes
28 the stated risk reduction benefits can be achieved by identifying operational efficiencies and

⁷ See Chapter SDG&E-Risk-6 (Employee Safety).

leveraging internal resources. SDG&E is not seeking incremental funding or FTEs, as forecasted in RAMP Mitigation 305, at this time.

TABLE AT-18
RAMP and GRC Risk Control/Mitigation Activities - O&M
In 2025 \$ (000s)

SAFETY & CULTURE (Non-Shared)				
RAMP Workpaper	RAMP Workpaper Control/Mitigation Name	2025 RAMP 2028 Estimate In 2024 \$ (000s)	2028 GRC 2028 Forecast In 2025 \$ (000s)	Change (000s)
1OR06C319	SDG&E-Risk-6 Employee Safety Safety Management System (SMS) Implementation & Management	605	483	-122
1OR06M305	SDG&E-Risk-6 Employee Safety Safety Mgmt Sys Maturity & Impr: Enh Safety Comm & Safety Data Analytics	348	0	-348
Total RAMP O&M (Non-Shared)		953	483	-470

ii. Description of Selection and Prioritization of RAMP Risk Mitigations

The RAMP risk mitigation efforts are associated with specific actions, such as programs, projects, processes, and utilization of technology and are designed to address a specific safety and/or reliability risk. The Company’s selection and prioritization of these RAMP mitigation activities considered many aspects when determining if these risk mitigation activities are an effective and worthwhile investment. The ERM process for identifying and assessing system risk is described in the RDF Integration testimony (Ex. SCG-02B/SDGE-02B).

SDG&E’s RAMP mitigation selection process is data driven. SDG&E’s Safety Management System (C319) establishes the framework to identify, evaluate, and mitigate risk before incidents occur. The SMS applies a proactive, preventative approach to safety by integrating safety into planning, operations, maintenance, emergency response, and management decision-making. It is well recognized that catastrophic incidents rarely result from a single

1 failure, but from layered breakdowns in leadership, procedures, communication, and hazard
2 control.⁸ SDG&E's SMS, which applies the tenets of API RP 1173, applies a systemic approach
3 to safety. It focuses on SIF potential incidents and high energy hazard awareness and assessment
4 (M303) to prevent SIF incidents of its employees, contractors, and the public.

5 SDG&E's SMS applies consistent processes to demonstrate leadership commitment,
6 build trust, and promote a strong safety culture. Organizational safety culture is foundational to
7 employee and contractor safety performance. A strong safety culture (C323) helps protect the
8 public by facilitating early risk detection and mitigation to reduce the likelihood of catastrophic
9 events. A strong safety culture requires employees and contractors to speak up without fear.
10 SDG&E's SMS framework supports non-punitive reporting of hazards and near misses and
11 organizational learning following incident review.

12 Utility incidents have the potential to impact customers and communities, not just
13 workers. Enhanced safety communications and increased data analytics (M305) help identify
14 risk early with proactive and preventative risk mitigation efforts. Promoting a speak-up culture
15 with enhanced two-way safety communications helps prevent the risk of SIF incidents or
16 catastrophic events.

17 SDG&E balanced cost effectiveness and risk reduction in its mitigation selection process.
18 SDG&E is committed to advancing each of these mitigation activities (C319, C323, M303, and
19 M305) and believes the desired risk reduction benefits can be achieved by identifying
20 operational efficiencies and leveraging internal resources.

21 **b. Forecast Method**

22 The forecast method developed for this cost category is base year recorded costs.
23 Incremental costs relate to the Company's compensation modernization initiative, as referenced
24 in the Compensation & Benefits testimony, Ex. SCG-16/SDGE-20. Labor and non-labor
25 forecasts are based on the base year 2025 recorded data. This method is most appropriate
26 because it best represents current staffing levels. Historical averages do not accurately capture
27 the current state of SDG&E's safety management system or current level of maturity. The
28 primary drivers for using the base year recorded cost forecast methodology include:

- 29 • Current staffing levels and contracted costs

⁸ See *supra* note 2.

- Leveraging cross-functional support and internal resources
- Intentional efforts to implement operational efficiencies while applying a proactive, preventative, risk-based approach to safety

c. Cost Drivers

The cost drivers behind this forecast are:

- Internal labor to implement and manage the SMS program and processes
- Contracted support for implementation of SDG&E’s SMS processes

**TABLE AT-19
Business Transformation Office Summary of Costs**

SAFETY & CULTURE (In 2025 \$)							
C. Business Transformation Office	2025 Adjusted-Recorded (000s)	Est. 2026 (000s)	Est. 2027 (000s)	Est. 2028 (000s)	Est. 2029 (000s)	Est. 2030 (000s)	Est. 2031 (000s)
1. BTO	5,980	3,602	3,619	3,618	3,618	3,618	3,618
2. Business Optimization	464	477	476	476	476	476	476
3. IPO	268	706	705	705	705	705	705
Total	6,712	4,785	4,800	4,799	4,799	4,799	4,799

C. Business Transformation Office

1. Workpaper 1HR009 – Business Transformation Office

**TABLE AT-20
Business Transformation Office Workpaper Summary**

SAFETY & CULTURE (In 2025 \$)							
C. Business Transformation Office	2025 Adjusted-Recorded (000s)	Est. 2026 (000s)	Est. 2027 (000s)	Est. 2028 (000s)	Est. 2029 (000s)	Est. 2030 (000s)	Est. 2031 (000s)
BTO	5,980	3,602	3,619	3,618	3,618	3,618	3,618
Total	5,980	3,602	3,619	3,618	3,618	3,618	3,618

a. Description of Costs and Underlying Activities

The BTO was established in February 2025 to formalize and strengthen the coordination of organizational transformation efforts across SDG&E. Its primary purpose is to accelerate strategic improvements that enhance both operational efficiency and customer value.

1 The BTO serves as a central hub for transformation governance, so that initiatives are
2 strategically aligned and that decision-making is streamlined. Its responsibilities include:

- 3 • **Strategic Alignment:** Verifying transformation efforts are connected to
4 SDG&E’s broader business objectives.
- 5 • **Centralized Governance:** Providing a structured framework for prioritizing and
6 managing large initiatives across the organization. Typical projects that fall into
7 this framework may include, but are not limited to cross organizational process
8 reinvention, operating model changes, and implementation of emerging
9 technologies.
- 10 • **Performance and Value Tracking:** Measuring outcomes to confirm tracked
11 initiatives deliver tangible benefits.

12 The BTO enables greater cross-organizational coordination, accelerated decision-making,
13 and increased emphasis on value realization. It also amplifies efficiencies driven by business
14 teams through continuous improvement by spotlighting and integrating those efforts into broader
15 transformation program governance.

16 The costs identified within the BTO workpaper reflect internal labor and non-labor costs
17 that support transformation initiatives across the enterprise, designed to drive greater efficiency
18 and customer value.

19 **b. Forecast Method**

20 The forecast method selected for this cost category is base year recorded costs, with
21 adjustments. This method is most appropriate given the department’s small employee count,
22 requirements to remain nimble to rapidly adjust to evolving industry trends, and the limited
23 availability of representative historical cost information.

24 Because the department was established in 2025, it does not have a multi-year cost
25 history that aligns with its current activities. Forecasting approaches that rely on historical
26 averages to determine future costs inherently assume the existence of stable, representative cost
27 patterns over time. In this case, base year recorded costs (with adjustments) provide the most
28 accurate and transparent representation of the BTO’s actual resource needs, staffing levels, and
29 functional responsibilities.

30 Although the BTO’s goals, role, and framework are continuously evolving, SDG&E does
31 have limited plans to insource program management work to lower delivery costs. The BTO

1 workpaper forecast includes adjustments that reflect these plans, lowering the total TY 2028
2 forecasted cost by more than 45% of Base Year 2025 recorded value. The forecast is both
3 conservative and prudent, aligning with SDG&E’s affordability and efficiency objectives. Also,
4 the allocation of costs between labor and non-labor has been adjusted for the 2028 Test Year to
5 reflect (i) a reduction in external consultant support (non-labor) and (ii) an increase in internal
6 staffing (one manager and one senior manager), which are now being included as labor O&M.

7 The rationale for using the base year recorded cost methodology with the appropriate
8 adjustments include:

- 9 • The function of this area changed in 2025 and the base year, with the appropriate
10 adjustment, reflects the best representation of our expectations for future costs;
11 and
- 12 • This area is not heavily influenced by factors that would require a different
13 forecast method.

14 **c. Cost Drivers**

15 The cost drivers behind this forecast consist of labor and non-labor expenditures required
16 to support the department’s enterprise transformation activities. Non-labor expenditures
17 constitute the largest share of total costs, representing approximately 75% of the Test Year 2028
18 forecast. While a portion of these costs are needed to support internal staff, the majority is
19 associated with consulting services. Although the Company is taking deliberate efforts to reduce
20 reliance on external consultants, leveraging external consulting support remains a prudent and
21 cost-effective strategy for a newly established department whose priorities and workstreams
22 continue to evolve based on changing industry practices. This approach enables the organization
23 to access specialized expertise on an as-needed basis, providing flexibility to scale resources
24 without committing to long-term fixed labor costs. Labor costs reflect the staffing necessary to
25 support the BTO’s core functions.

2. Workpaper 1HR010 – Business Optimization

TABLE AT-21
Business Optimization Workpaper Summary

SAFETY & CULTURE (In 2025 \$)							
C. Business Transformation Office	2025 Adjusted-Recorded (000s)	Est. 2026 (000s)	Est. 2027 (000s)	Est. 2028 (000s)	Est. 2029 (000s)	Est. 2030 (000s)	Est. 2031 (000s)
Business Optimization	464	477	476	476	476	476	476
Total	464	477	476	476	476	476	476

a. Description of Costs and Underlying Activities

While the BTO focuses on governance and strategic alignment, the Business Optimization (BO) team drives a continuous improvement practice centered on delivering measurable enhancements across gas and electric operations. The team executes initiatives identified at both the local level and those aligned with the company’s broader strategic objectives.

As a company-wide organization, the BO team is responsible for advancing operational efficiency through process improvement initiatives, IT system enhancement initiatives, and large-scale implementations. The team manages and supports a diverse portfolio of Capital and O& projects designed to improve performance and deliver value to SDG&E customers. Key areas of focus for the team include:

- Business Optimization:** Provides comprehensive project management support to business units, including (but not limited to) defining and documenting business requirements, establishing project scope, managing schedules, developing process documentation, and identifying and mitigating risks and issues to drive improved efficiency, consistency, and standardization across the organization. The team leverages technology, automation, and streamlined business processes to achieve these objectives.
- Organizational Change Management:** Supports the successful implementation of projects by delivering structured change management strategies, frameworks, and oversight. This includes addressing change impacts, confirming business readiness, and coordinating training and communication efforts.

- **Training Strategy, Development, and Delivery:** Designs and delivers training programs that drive effective project adoption and long-term organizational success. Develops scalable e-learning solutions to improve consistency, expand accessibility, and reduce dependence on instructor-led training. Leads training execution to enhance operational readiness, strengthen workforce capabilities, and supports the successful implementation of key initiatives.

In addition, the BO team manages a continuous improvement program aimed at evaluating the effectiveness, awareness, and adoption of new and existing business processes and IT system enhancements. This program promotes transparency, strengthens accountability, and fosters a culture of continuous improvement, productivity, and effective change management.

b. Forecast Method

The forecast method developed for this cost category is base year recorded costs. This method is most appropriate because it reflects expected staffing levels and non-labor requirements to operate in this area. Unlike cost areas that are subject to more volatile, externally driven workload patterns, the BO team's activities are largely driven by internal process-improvement efforts that SDG&E elects to pursue to enhance efficiency and affordability. Because these responsibilities are not heavily influenced by unpredictable external factors that would necessitate a different forecast methodology, alternative approaches would not improve forecast accuracy. The base year approach provides the most reliable and representative basis for projecting future costs.

Although staffing levels and associated costs have fluctuated over the past five years, those variations are driven by evolving opportunities for the team to effect change or influence operational performance, along with natural changes in employees over time. The 2025 base year is the period most aligned with future expectations and provides the most accurate representation of the team's future resource needs.

c. Cost Drivers

The cost drivers behind this forecast are labor and non-labor expenditures to support 1.4 FTEs.

1 **3. Workpaper 1HR011 – Investment Portfolio Optimization (IPO)**

2 **TABLE AT-22**
3 **IPO Workpaper Summary**

SAFETY & CULTURE (In 2025 \$)							
C. Business Transformati-on Office	2025 Adjusted-Recorded (000s)	Est. 2026 (000s)	Est. 2027 (000s)	Est. 2028 (000s)	Est. 2029 (000s)	Est. 2030 (000s)	Est. 2031 (000s)
IPO	268	706	705	705	705	705	705
Total	268	706	705	705	705	705	705

4 **a. Description of Costs and Underlying Activities**

5
6 The Investment Portfolio Optimization (IPO) program strengthens SDG&E’s enterprise-
7 wide ability to make data driven, risk-informed, and value optimized decisions across the full
8 lifecycle of assets, programs, and investments. Built on the Company’s continued evolution
9 toward ISO 55000 aligned asset management and CPUC-aligned risk frameworks, the IPO
10 program provides a standardized, transparent approach for evaluating and selecting project
11 investments that maximize safety, reliability, resiliency, and affordability.

12 IPO incorporates a consistent, repeatable, and quantitative appraisal of capital
13 investments, enabling a risk-informed view of capital projects for consideration during funding
14 decisions. The process also tracks Cost Benefit Ratios (CBR) and confirms the right mitigation
15 strategies are selected to address operating unit risks. In addition to investment prioritization,
16 IPO also supports rigorous business case development, confirming each proposal is built on
17 credible assumptions, lifecycle economics, and clear alignment with enterprise objectives.

18 A key evolution of the program is the expansion of Business Value Realization (BVR).
19 The IPO team confirms that funded projects are evaluated twice:

- 20 1. At the time of project approval, using Copperleaf’s initial cost benefit ratio
21 (CBR), projected risk reduction, and strategic alignment.
- 22 2. After project completion, using realized operational, safety, financial, and
23 customer benefits.

24 This establishes a closed loop value management process that verifies whether projects
25 deliver on their expected outcomes, highlights efficiency opportunities, and improves future
26 business case accuracy. The resulting transparency strengthens SDG&E’s continuous
27 improvement culture and supports a clear, KPI-driven definition of success across the enterprise.

1 **b. Forecast Method**

2 The cost forecast is developed using Base Year 2025 recorded costs with incremental
3 adjustments for known changes in future years. This method is most appropriate because it best
4 aligns with future expectations and SDG&E’s commitment to efficiency, affordability, and
5 disciplined cost management. A historical average would overstate the department’s O&M
6 needs as actuals from prior years captured costs that are no longer included.

7 **c. Cost Drivers**

8 Labor costs reflect the expenses associated with 2.3 FTEs. Increased O&M costs
9 associated with these employees are driven by updated internal cost allocations that more
10 accurately reflect the department’s current activities. Non-labor costs have decreased
11 significantly in previous years. The modest non-labor cost increases proposed for future years
12 represent a shift to ongoing spending levels that are needed for normal business operations and
13 employee development.

14 **IV. SHARED O&M COSTS**

15 As described in the Shared Services testimony (Ex. SCG-22/SDGE-27), Shared Services
16 are activities performed by a utility shared services department (*i.e.*, functional area) for the
17 benefit of: (i) SDG&E or SoCalGas, (ii) Sempra Energy Corporate Center, and/or (iii) any
18 affiliate subsidiaries. The utility providing Shared Services allocates and bills incurred costs to
19 the entity or entities receiving those services.

20 Table AT-23 summarizes the total shared O&M forecasts for the listed cost categories.

21 **TABLE AT-23**
22 **Shared O&M Summary of Costs**

SAFETY & CULTURE (In 2025 \$)			
(In 2025 \$) Incurred Costs (100% Level)			
Categories of Management	2025 Adjusted-Recorded (000s)	TY2028 Est. (000s)	Change (000s)
A. Human Resources	1,807	1,882	75
B. Safety Management	974	1,015	41
C. Business Transformation Office	561	809	248
Total Shared Services (Incurred)	3,342	3,706	364

23 I am sponsoring the forecasts on a total incurred basis, as well as the shared services
24 allocation percentages related to those costs. Those percentages are presented in my shared
25

1 services workpapers, along with a description explaining the activities being allocated. (See Ex.
 2 SDGE-22-WP). The percentages allocated to affiliates are presented in our Shared Services
 3 testimony. (See Ex. SCG-22/SDGE-27).

4 **A. Human Resources (People & Culture)**

5 **TABLE AT-24**
 6 **Human Resources Workpaper Summary of Costs**

SAFETY & CULTURE (In 2025 \$)							
(In 2025 \$) Incurred Costs (100% Level)							
A. Human Resources	2025 Adjusted- Recorded (000s)	Est. 2026 (000s)	Est. 2027 (000s)	Est. 2028 (000s)	Est. 2029 (000s)	Est. 2030 (000s)	Est. 2031 (000s)
Employee Care Services	1,064	1,112	1,111	1,110	1,110	1,110	1,110
Drug & Alcohol Testing Program	419	428	428	428	428	428	428
Wellness Programs	133	140	139	139	139	139	139
People Research & Analytics	192	201	201	205	205	205	205
Incurred Costs Total	1,807	1,881	1,879	1,882	1,882	1,882	1,882

7
 8 **1. 2100-3505 - Employee Care Services**

9 **a. Description of Costs and Underlying Activities**

10 Employee Care Services (ECS) is responsible for managing and administering WC
 11 programs, short-term disability, LTD, total disability under the Pension Plan, reasonable
 12 accommodations, and leave of absence and return to work programs for SDG&E and Sempra.
 13 SDG&E’s WC program is self-insured and self-administered. ECS manages cases in a
 14 regulated, time-sensitive, and complex environment. Employee benefits are delivered in an
 15 integrated manner, and ECS serves as an employee’s single point of contact. In addition to

1 managing and administering these programs, ECS also provides guidance to all departments,
2 employees, and supervisors on disability and leave of absence related issues.

3 ECS's Return to Work & Compliance group manages statutory leaves of absence under
4 state and federal law, such as the Family and Medical Leave Act (FMLA), the California Family
5 Rights Act (CFRA), Pregnancy Disability Leave (PDL) law, as well as temporary modified duty
6 placements and reasonable accommodations under the Americans with Disabilities Act (ADA)
7 and the California Fair Employment and Housing Act (FEHA).

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

13 A portion of these costs are incurred at the utility level on behalf of SDG&E's parent
14 company, Sempra, as Sempra does not have a dedicated department to perform these services.

15 **b. Forecast Method**

16 The forecast method chosen for this category is base year recorded costs. Labor and non-
17 labor forecasts are based on the base year 2025 recorded data. The base year forecast
18 methodology was utilized to best represent the structure of the organization.

19 **c. Cost Drivers**

20 The cost drivers behind this forecast are the labor and non-labor costs for one manager,
21 two supervisors, and seven management and associate employees. There are no incremental
22 labor costs in this area.

23 **2. 2100-3414 – Drug & Alcohol Testing Program**

24 **a. Description of Costs and Underlying Activities**

25 The Department of Transportation (DOT)'s regulated and non-regulated drug and alcohol
26 testing programs are managed and administered in this department by a Substance Abuse
27 Prevention Analyst and a Drug and Alcohol Program Coordinator on an employment contract.
28 Administration of this testing program includes oversight of all pre-employment, random, and
29 other drug and alcohol testing required of employees in safety-sensitive positions under DOT
30 regulations as well as non-DOT testing in accordance with Company policy. Employees in
31 positions designated "safety-sensitive" under the DOT-regulations are subject to random drug

1 and alcohol testing. This group addresses unique and highly complex employee issues including,
2 but not limited to, workplace substance abuse, rehabilitation case management, and mental
3 health behaviors affecting job performance. SDG&E administers pre-employment drug testing
4 for both SDG&E and Sempra.

5 **b. Forecast Method**

6 The forecast method chosen for this category is base year recorded costs. Labor and non-
7 labor forecasts are based on the base year 2025 recorded data. The base year forecast
8 methodology was utilized as it best represents the ongoing structure of the organization.

9 **c. Cost Drivers**

10 The cost driver behind this forecast is for the labor and non-labor costs for one team lead
11 and one associate employee. There are no incremental labor and non-labor costs in this area.

12 **3. 2100-3506 – Wellness Programs**

13 **a. Description of Costs and Underlying Activities**

14 Wellness Programs is responsible for managing and administering the Company's
15 Employee Assistance Program (EAP) services, back-up dependent care program, and company
16 wellness programs and activities. The primary function of this work group addresses unique and
17 sensitive employee situations (*e.g.*, workplace substance abuse, mental health behaviors affecting
18 job performance, workplace violence threats or critical incidents requiring EAP or other
19 intervention). Wellness Programs provides guidance and support to all HR departments,
20 employees, supervisors, and managers on these issues and manages all formal EAP referrals for
21 both SDG&E and Sempra.

22 **b. Forecast Method**

23 The forecast method chosen for this category is base year recorded costs. Labor and non-
24 labor forecasts are based on the base year 2025 recorded data. The base year forecast
25 methodology was utilized as it best represents the ongoing structure of the organization.

26 **c. Cost Drivers**

27 The cost drivers behind this forecast are the labor and non-labor for one management
28 employee. There are no incremental labor costs in this area. There are no incremental non-labor
29 costs in this area.

1 **4. 2100-3834 – People Research & Analytics**

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

3 The HR Research and Analysis Manager performs research and analysis for SDG&E,
4 SoCalGas, and Sempra. This position also supervises the employees and activities performed in
5 the People Research non-shared cost center within Organizational Effectiveness & Inclusion.

6 A small portion of these costs are incurred on behalf of Sempra and SoCalGas for
7 compliance with legal, professional, and regulatory issues related to personnel selection issues,
8 such as testing, selection and assessments etc.

9 **b. Forecast Method**

10 The forecast method chosen for this category is base year recorded costs. Labor and non-
11 labor forecasts are based on the base year 2025 recorded data. The base year forecast
12 methodology was utilized as it best represents the structure of the organization, while accounting
13 for additional professional development moving forward.

14 **c. Cost Drivers**

15 The cost drivers behind this forecast are the labor and non-labor for one manager.
16 Incremental non-labor costs of \$4,000 are requested for the Society for Industrial and
17 Organizational Psychology (SIOP) conference and International Selection and Assessment
18 Council (ISAC) business benchmarking meeting in support of continued participation in
19 selection and assessment programs to benchmark against other industries, companies, and
20 academic institutions.

21 **B. Safety Management**

22 **1. 2100-0214 – Field Safety & Training Workpaper**

23 **TABLE AT -25**
24 **Field Safety & Training Workpaper Summary**

SAFETY & CULTURE (In 2025 \$)							
Safety Management	2025 Adjusted-Recorded (000s)	Est. 2026 (000s)	Est. 2027 (000s)	Est. 2028 (000s)	Est. 2029 (000s)	Est. 2030 (000s)	Est. 2031 (000s)
Field Safety & Training	974	1,017	1,016	1,015	1,015	1,015	1,015
Total	974	1,017	1,016	1,015	1,015	1,015	1,015

1 applying the Edison Electric Institute Safety Classification and Learning (SCL) model to
2 consistently classify safety incidents and near misses. This program highlights incidents that
3 have the potential to cause serious injuries and fatalities and creates organizational focus on
4 those learning opportunities.

5 High Energy Control Assessments (HECA): SDG&E introduced Field Safety
6 Engagements as a new measurable metric in 2024. Field Safety Engagements are jobsite
7 observations that incorporate HECA and involve an assessment of activities where high energy
8 hazards are present to assess whether appropriate direct controls are present to reduce or
9 eliminate exposure and mitigate the risk of an employee safety event. For example, a Field
10 Safety Engagement performed of employees working in a roadside excavation could identify
11 third-party vehicle traffic as a high energy hazard and assess whether controls, such as signage
12 and cones, are adequate to prevent serious injury or fatality to SDG&E's workforce.

13 Emergency Action Plan: All Company facilities must have an Emergency Action Plan for
14 the purpose of communicating to employees their responsibilities during an emergency. The
15 plans include, but are not limited to communication strategies, evacuation routes, and procedures
16 for accounting for employees. The safety of all employees is the primary goal during a
17 workplace emergency. SDG&E's Emergency Action Plan procedures are taught through web-
18 based, in-person, and/or classroom training. Training is mandatory for employees designated to
19 assist with emergency evacuations and all employees are trained on the Emergency Action Plan
20 when they are hired, transferred, when the plan is changed, and when an employee is transferred
21 to a new work area or when new hazards are introduced to an existing work area. Additionally,
22 an evacuation drill is held annually.

23 Safe Driving Programs: SDG&E's safe driving programs aim to increase a driver's safety
24 awareness to prevent and minimize the risk of motor vehicle incidents. With senior
25 management's commitment and employee involvement, SDG&E is driving a safety culture
26 committed to safe driving.

27 Smith System® was founded on the principle that most crashes are preventable if the
28 right driving habits are learned, practiced, and applied consistently. Smith System® combines
29 classroom and behind-the-wheel instruction as a way to increase an experienced driver's safety
30 awareness and change poor driving habits.

1 SDG&E’s Close Quarter Maneuvering Drivers Training course was customized from the
2 Smith System Advanced Backing, Parking, and Close Quarters Maneuvering course. During this
3 in-house training, advanced backing and close quarter maneuvering are learned/practiced during
4 30-minute classroom discussion and a 2.5-hour driving course using the vehicle driven for work.
5 The driving course includes blind spot identification, and serpentine and diminishing cone
6 courses. This training focuses on developing and/or improving skills and techniques to
7 maneuver safely in challenging slow speed close quarters driving environments.

8 Automated Extended Defibrillators (AED) Maintenance: AEDs are available at all
9 SDG&E work locations and are on crew vehicles with two or more employees. Designated
10 employees are trained on the use of AEDs as well as general first aid, cardiopulmonary
11 resuscitation (CPR), and bloodborne pathogens. With simple audio and visual commands,
12 SDG&E’s AEDs are designed to be simple to use for the layperson.

13 **i. Description of RAMP Mitigations**

14 This workpaper is captured by RAMP Control 317 and RAMP Mitigation 303. RAMP
15 C317 captures the above-described field safety and training activities. RAMP M303 outlines
16 SDG&E’s plans to enhance its current employee safety training and field safety oversight
17 programs to advance HECA and high energy hazard awareness across the organization. This
18 risk-informed focus includes deployment of cross-functional HECA employee training, increased
19 communication and resources around high energy hazards for improved Employee Safety Risk
20 identification and mitigation. RAMP Mitigation 303 forecasted incremental funding to support
21 these program enhancements. SDG&E is committed to advancing these mitigation activities and
22 believes the stated risk reduction benefits can be achieved by identifying operational efficiencies
23 and leveraging internal resources. SDG&E is not seeking incremental funding at this time.

1
2

TABLE AT-26
RAMP and GRC Risk Control/Mitigation Activities – Shared Services O&M

SAFETY & CULTURE (Shared)					
RAMP Workpaper	RAMP Workpaper Control/ Mitigation Name	GRC Workpaper Sub	2025 RAMP 2028 Estimate In 2024 \$ (000s)	2028 GRC 2028 Forecast In 2025 \$ (000s)	Change (000s)
1OR06C317	SDG&E-Risk-6 Employee Safety Employee Safety Training & Field Safety Oversight Programs	2100-0214.000	1,138	1,015	-123
1OR06M303	SDG&E-Risk-6 Employee Safety Enh Risk Informed Emp Safety Training & Field Safety Oversight Programs	2100-0214.000	420	0	-420
Total RAMP O&M (Shared)			1,558	1,015	-543

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4
5

ii. Description of Selection and Prioritization of RAMP Risk Mitigations

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The RAMP risk mitigation efforts are associated with specific actions, such as programs, projects, processes, and utilization of technology and are designed to address a specific safety and/or reliability risk. The Company’s selection and prioritization of these RAMP mitigation activities considered many aspects when determining if these risk mitigation activities are an effective and worthwhile investment. The ERM process for identifying and assessing system risk is described in the RDF Integration testimony (Ex. SCG-02B/SDGE-02B).

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13
14
15

RAMP Control 317 outlines SDG&E’s Employee Safety Training and Field Oversight Programs. Gas and electric utility field operations routinely expose employees to high-energy hazards, including energized electrical systems, pressurized gas, excavation forces, suspended loads, vehicular traffic, gravity, and stored mechanical energy. SDG&E’s Employee Safety

1 Training and Field Oversight Programs mitigates safety risk by strengthening employees' ability
2 to recognize high-energy hazards, understand how injuries occur (energy transfer, line-of-fire
3 exposure), identify critical controls required to prevent catastrophic harm, and make safer
4 real-time decisions when conditions change.

5 SDG&E's RAMP mitigation selection process was data driven and prioritizes high risk
6 incidents with increased focus on serious injury and fatality prevention. Employee safety
7 oversight and training programs are crucial for maintaining a safe work environment and
8 reducing employee safety risk. Over the past 30 years, the utility industry has achieved a
9 substantial reduction in employee Total Recordable Incident Rates (TRIR), a standard measure
10 of overall occupational safety. While total incidents continue to trend downward, serious
11 injuries and fatalities remain flat or plateaued, signaling a divergence that requires targeted
12 focus.⁹ The selection of RAMP Mitigation 307 therefore focuses on SIF prevention by
13 increasing awareness and assessment of high energy hazards.

14 For cost effectiveness, SDG&E plans to implement RAMP Mitigation 307 by identifying
15 operational efficiencies and leveraging internal resources. Implementing comprehensive safety
16 programs can reduce safety-related events for employees, confirming they are trained, equipped,
17 and informed on how to perform their tasks safely. It also enhances the safety of the
18 communities SDG&E serves. Proactive employee safety risk-mitigation programs, particularly
19 workforce safety training and high energy hazard mitigation, are more cost-effective and
20 protective of public safety than reactive approaches focused on post-incident response. These
21 programs reduce the likelihood of low-probability, high-consequence events that drive SIFs,
22 system damage, regulatory exposure, and long-term costs.

23 **b. Forecast Method**

24 The forecast method developed for this cost category is base year recorded costs.
25 Incremental costs relate to the Company's compensation modernization initiative, as referenced
26 in the Compensation & Benefits testimony, (Ex. SCG-16/SDGE-20). Labor and non-labor
27 forecasts are based on the base year 2025 recorded data. This method is most appropriate
28 because it best represents the structure of the organization, while accounting for identified

⁹ Edison Electric Institute, *The Power to Prevent Serious Injuries & Fatalities*, available at: <https://www.eei.org/en/issues-and-policy/power-to-prevent-sif>.

operational efficiencies and cost reductions. Historical averages do not accurately capture the current state of SDG&E’s safety programs. The primary drivers for using the base year recorded costs methodology include:

- Most recent contract pricing for third-party suppliers and vendors.
- Current staffing levels.
- Intentional efforts to implement operational efficiencies while maintaining strong focus on safety.

c. Cost Drivers

The cost drivers behind this forecast are:

- Internal labor costs for Field Safety Advisors
- Third-party safety training curriculum costs (e.g., CPR training classes, SMITH System driving training)
- Automated External Defibrillators

C. Business Transformation Office

1. 2100-4268– Business Transformation Office Workpaper

**TABLE AT-27
Business Transformation Office**

SAFETY & CULTURE (In 2025 \$)							
Business Transformation Office	2025 Adjusted-Recorded (000s)	Est. 2026 (000s)	Est. 2027 (000s)	Est. 2028 (000s)	Est. 2029 (000s)	Est. 2030 (000s)	Est. 2031 (000s)
Business Transformation Office	561	585	809	809	809	809	809
Total	561	585	809	809	809	809	809

a. Description of Costs and Underlying Activities

As discussed above in Section III.C, the BTO strengthens SDG&E’s enterprise-wide ability to plan, coordinate, and execute transformation efforts that improve operational efficiency, customer value, and long-term affordability. As the central governance hub for transformation initiatives, the BTO provides standardized processes, strategic alignment, and performance tracking to coordinate improvement efforts across the company.

1 Beginning in the first quarter of 2026, the scope of the BTO was expanded to include
2 SoCalGas to support and coordinate these transformation efforts across both companies.
3 Consistent with the BTO’s role at SDG&E, the shared functions are intended to accelerate
4 strategic improvements that enhance operational efficiency and customer value while avoiding
5 duplicative efforts across the two utilities. The Shared Services component of the BTO reflects
6 costs for management and administrative activities that occur at both SDG&E and SoCalGas.

7 As described in Section III.C above, the BTO serves as a central hub for transformation
8 governance, so that initiatives are strategically aligned and that decision-making is streamlined.

9 Its responsibilities include:

- 10 • **Strategic Alignment:** Verifying transformation initiatives are aligned with each
11 company’s broader business objectives
- 12 • **Centralized Governance:** Providing a structured framework to evaluate,
13 prioritize, and manage large-scale initiatives, including cross-organizational
14 process reinvention, operating model changes, and implementation of emerging
15 technologies
- 16 • **Performance and Value Tracking:** Measuring outcomes to confirm initiatives
17 deliver measurable operational and customer benefits

18 Through these activities, the BTO enhances cross-organizational coordination, accelerated
19 decision-making, and increased emphasis on value realization. It also amplifies efficiencies
20 driven by business teams through continuous improvement by spotlighting and integrating those
21 efforts into broader transformation program governance.

22 The costs identified within the BTO workpaper reflect internal labor and non-labor costs
23 that support transformation initiatives across the enterprise, designed to drive greater operational
24 efficiency and customer value.

25 **b. Description of costs**

26 The BTO’s shared services costs include the labor and non-labor costs associated with
27 one senior vice president, one senior manager, and one administrative assistant. These roles are
28 responsible for enterprise-level transformation leadership, governance, and coordination across
29 both SDG&E and SoCalGas, including prioritization of activities in the BTO portfolio, cross-
30 utility alignment, executive reporting, and value realization tracking. Centralizing these
31 functions as shared services avoids duplicative leadership structures within each utility, promotes

1 consistent decision-making, and enables transformation efforts to be managed more efficiently
2 on an enterprise-wide basis. As such, allocating the costs of these positions as shared services is
3 reasonable and reflects the shared nature of the benefits they provide.

4 **c. Forecast Method**

5 The forecast method selected for this cost category is base year recorded costs, with
6 adjustments. This method is most appropriate given it allocates the most recent labor costs for
7 existing employees and a future new employee under a new cost-sharing forecast and is
8 conservative as it assumes non-labor consulting would remain consistent with the expanded
9 scope of supporting two organizations.

10 Because the department was established in 2025, it does not have a multi-year cost
11 history that aligns with its current activities. Forecasting approaches that rely on historical
12 averages to determine future costs inherently assume the existence of stable, representative cost
13 patterns over time. In this case, base year recorded costs (with adjustments) provide the most
14 accurate and transparent representation of the BTO's actual resource needs, staffing levels, and
15 functional responsibilities.

16 The rationale for using the base year recorded cost methodology with the appropriate
17 adjustments include:

- 18 • The function of this area changed scope in 2026 and the base year, with the
19 appropriate adjustment, reflects that best representation of our expectations for
20 future costs; and,
- 21 • This area is not heavily influenced by factors that would require a different
22 forecast method.

23 **d. Cost Drivers**

24 The cost drivers behind this forecast consist of labor and non-labor expenditures required
25 to support the department's enterprise transformation activities. Labor expenditures constitute
26 the largest share of total costs, representing over 85% of the Test Year 2028 forecast. Labor
27 costs reflect the staffing necessary to support the BTO's core functions.

28 **V. CAPITAL**

29 Table AT-28 summarizes capital forecasts for 2026 through 2031. The particular in-
30 service date for the capital expenditures that underly these forecasts is provided in workpapers.
31 Appendix C to this testimony provides a table that illustrates the capital expenditures that are

1 estimated to have in-service dates between 2026 and Test Year 2028. Capital expenditures that
 2 are in-service between 2026-2028 will contribute to the Test Year 2028 revenue requirement
 3 request presented in the Summary of Earnings testimony (Ex. SDGE-32). Capital expenditures
 4 with in-service dates in the post-test years (*i.e.*, 2029-2031) are also included in Appendix C.
 5 The post-test year revenue requirement request is included in the Post-Test Year Ratemaking
 6 testimony (Ex. SDGE-33).

7 **TABLE AT-28**
 8 **Capital Expenditures Summary of Costs**

SAFETY & CULTURE (In 2025 \$)							
Categories of Management	2025 Adjusted-Recorded (000s)	Est. 2026 (000s)	Est. 2027 (000s)	Est. 2028 (000s)	Est. 2029 (000s)	Est. 2030 (000s)	Est. 2031 (000s)
Contractor Safety Overhead Pool	2,129	2,149	2,149	2,149	2,149	2,149	2,149
Total	2,129	2,149	2,149	2,149	2,149	2,149	2,149

9
 10 **A. SO9060 –Contractor Safety Overhead Pool**

11 **1. Description**

12 SDG&E’s Contractor Safety Overhead Pool, as established by SDG&E’s TY 2024 GRC,
 13 is the collection of the costs of managing all Class 1 contractors across the company except for
 14 those costs associated with major projects, which are directly charged to the major projects they
 15 support. This full workpaper is designated as RAMP.

16 These forecasted capital expenditures support implementation and management of
 17 SDG&E’s Contractor Safety Field Oversight program. In the SDG&E TY 2024 GRC, the
 18 Commission approved SDG&E’s request to establish an overhead pool for portions of its
 19 Contractor Safety Field Oversight program. The Contractor Safety Field Oversight program
 20 confirms contracted work being performed on behalf of SDG&E is being performed safely and
 21 risk is being managed effectively. SDG&E’s Contractor Safety Services (CSS) oversees safety
 22 for all operating groups that use Class 1 Contractors, including Contractor Safety Field
 23 Oversight. Contractor Safety Field Oversight uses mostly contracted safety professionals.
 24 Internal resources are also used to support the data received by new Class 1 Contractors and

1 business units to manage, pre-qualify, process, track, trend, and communicate safety data.
2 Contractor Safety Field Oversight contracted safety professionals perform field level safety
3 assessments on Class 1 Contractors who perform work on behalf of SDG&E. Contractor Safety
4 Field Oversight duties include, but are not limited to, the following:

5 Safety inspections/observations: This is a proactive measure to observe and confirm
6 contractors are working in accordance with appropriate work methods. If at-risk behaviors are
7 identified, they are documented, tracked, and corrected. Incident/Near Miss response, review,
8 and investigation: When an incident occurs, a CSS Team Lead dispatches the appropriate
9 individual to document the incident initial findings. Initial findings are used in conjunction with
10 reviewing contractors' incident reports to confirm accuracy.

11 Pre-work safety meetings: Contractor Safety Field Oversight safety professionals perform
12 jobsite reviews with all parties involved to identify potential hazards and mitigations prior to
13 work starting and review site specific safety plans when SDG&E requires contractors to submit
14 them.

15 Contractor Safety Scorecard: SDG&E's CSS team collects and utilizes the field level data
16 submitted from Class 1 contractors working on SDG&E projects to supply a safety grade for
17 future work. This is a proactive approach to SDG&E's contractor vetting and selection process
18 that supports selection of the safest contractors to perform work.

19 SDG&E regularly reviews, measures, and assesses the effectiveness of its safety
20 programs and takes a proactive and preventative approach to safety. SDG&E plans to enhance
21 its Class 1 Contractor Safety Program by implementing HECAs. Introduction of HECAs would
22 provide enhanced data analytic capabilities for proactive and preventive action. Additionally,
23 SDG&E plans to expand its Class 1 Contractor Safety Program by leveraging data analytic
24 software and tools. Risk reduction benefits would include:

25 1. Enhanced Safety Performance: HECA is a method of measuring performance by
26 assessing the extent to which front-line employees are protected against life-threatening hazards.
27 By identifying high energy hazards and corresponding direct controls, SDG&E could further
28 mitigate the risk of serious injuries or fatalities.

29 2. Consistent Measurement: HECA provides a standardized method for measuring
30 safety performance within SDG&E and externally. This consistency allows for reliable and

comparable safety metrics, which is essential for making informed decisions and improving safety protocols.

3. Improved Risk Management: SDG&E’s planned enhancement of its Contractor Safety Program with internal resources will advance HECA operationalization and predictive data analytics. The planned program enhancements would also allow for improved HECA training of safety observers in the field for the purpose of enhancing efficiency and consistency of data collection to support reduction of SIF events.

a. Description of RAMP Mitigations

This entire workpaper is captured in RAMP Control 301. SDG&E’s Contractor Safety Overhead Pool offers several key benefits that help reduce safety risks, including:

- Pre-qualification of Class 1 Contractors according to SDG&E’s Contractor Safety Program
- Ongoing safety measurement and review to confirm adherence to the Contractor Safety Program Standard for SDG&E and the Class 1 Contractor Safety Manual
- Proactive risk identification and mitigation

**TABLE AT-29
RAMP and GRC Risk Control/Mitigation Activities – Capital (\$000s)**

SAFETY & CULTURE					
RAMP Workpaper	RAMP Workpaper Control/ Mitigation Name	GRC Workpaper Sub	2025 RAMP 2028 - 2031 Estimate In 2024 \$ (000s)	2028 GRC 2028 - 2031 Forecast In 2025 \$ (000s)	Change (000s)
1CR07C304	SDG&E-Risk-7 Contractor Safety Contractor Safety Field Oversight	S09060.001	19,212	8,596	-10,616
1CR07M307	SDG&E-Risk-7 Contractor Safety Risk Informed Class 1 Contractor Safety Program Management	S09060.001	224	0	-224
Total Capital			19,436	8,596	-10,840

1 **2. Forecast Method**

2 The forecast method developed for this cost category is base year recorded costs. The
3 use of the base year forecast method is representative of the expectations for TY 2028. This
4 method is most appropriate because it is indicative of the current organizational structure and
5 current contractor safety programs. Use of alternate forecast method(s) or certain historical data
6 is not appropriate because they do not represent the current and future structure of this
7 organization and its planned risk mitigation activities.

8 **3. Cost Drivers**

9 The underlying cost driver(s) for this capital project relate to prescribed regulatory
10 requirements, Cal OSHA regulations, and activities designed for improved safety performance.
11 SDG&E’s funding request for the Contractor Safety Overhead Pool supports the ongoing
12 management of risks and exposures that could pose significant safety consequences to its
13 employees, contractors, and the public. Additional cost drivers stem from the amount of work
14 performed by Class 1 Contractors across the enterprise and the risk level of the work being
15 performed. The cost for program management typically stays relatively steady while the cost for
16 field oversight will fluctuate according to the contracted workload.

17 **VI. RISK ASSESSMENT MITIGATION PHASE (RAMP) INTEGRATION**

18 **A. GRC Risk Controls/Mitigations and Benefit Cost Ratios**

19 As previously discussed, certain costs supported in this testimony are for
20 Control/Mitigation activities described in SDG&E’s May 15, 2025 RAMP Report¹⁰ for activities
21 designed to reduce risk. Specifically, the controls and mitigations in this testimony were
22 included in SDG&E’s Employee Safety and Contractor Safety RAMP Risk Chapters. As further
23 reference, a roadmap matching controls and mitigations to both the 2025 RAMP and the TY
24 2028 GRC testimony is appended to Ex. SCG-02B/SDGE-02B. Table AT-30 below summarizes
25 the Control/Mitigation costs forecasted in this testimony and estimated in the 2025 RAMP with
26 the associated BCRs. Controls/Mitigations that are mandated by CPUC or other agencies
27 (explicitly and/or implied) are listed in bold in the table below and are listed in Appendix B,
28 attached to this testimony, providing the details regarding the respective mandates for each

¹⁰ A.25-05-013, Application of SDG&E to Submit Its 2025 RAMP Report (May 15, 2025).

Control/Mitigation. Appendices D and E provide a GRC workpaper breakdown for the RAMP controls and mitigations sponsored in this testimony.

TABLE AT-30
Comparison of RAMP and GRC Risk Control/Mitigation Benefit Cost Ratios

Name of Testimony							
ID	Control/ Mitigation Name	2025 RAMP Direct, in 2024\$ (000s) 2028-2031			2028 GRC Direct, in 2025 \$ (000s) 2028-2031		
		BCR Societal	BCR Hybrid	BCR WACC	BCR Societal	BCR Hybrid	BCR WACC
C301	Class 1 Contractor Safety Program	2.87	3.06	2.87	3.09	3.24	3.09
C304	Contractor Safety Field Oversight	2.14	2.28	2.14	4.58	4.81	4.58
C317	Employee Safety Training & Field Safety Oversight Programs	1.65	1.76	1.65	2.26	2.37	2.26
C319	SMS Implementation & Management	1.05	1.13	1.06	2.15	2.26	2.15
C323	Safety Culture Survey Recognition & Awards	0.43	0.46	0.44	0.56	0.59	0.56
C328	Safety Compliance & Industrial Hygiene Program	0.92	0.99	0.93	1.33	1.40	1.33

B. Justification For Proposed Mitigations With BCRs <1

The RDF prescribes a methodology for calculation of Benefit Cost Ratios under three discount rates as detailed in the table above. Certain of these calculations result in a BCR that is less than one. SoCalGas/SDG&E justifies the selection of these mitigations based on a thorough analysis of operational considerations. Details regarding the justification for each mitigation are provided in the table below and are compiled with all mitigations in Ex. SCG-02B-/SDGE-02B, RDF Integration testimony. A list of compliance drivers are attached to this testimony in Appendix B.

1 **TABLE AT-31**

ID	Control/Mitigation Name	Justification
C323	Safety Culture Survey Recognition & Awards	Fostering and sustaining a strong culture of safety is crucial to employee, contractor and public safety and the prevention of catastrophic events

2
3 RAMP Control 323, Safety Culture Survey, Recognition & Awards, has a BCR lower
4 than one. Although the direct impact of organizational culture on safety outcomes can be
5 difficult to quantify, SDG&E recognizes its importance and is committed to advancing its safety
6 culture to protect its employees, contractors, and the public. For a gas and electric utility, safety
7 performance is not driven solely by rules, procedures, or engineered controls; it is fundamentally
8 shaped by how people think, make decisions, and behave when facing risk.

9 The safety culture initiatives captured within RAMP C323 are designed to influence these
10 behaviors, particularly in high-hazard, field-based operations where workers routinely encounter
11 energized equipment, pressurized gas systems, excavation hazards, traffic exposure, and public
12 interactions. Investing in safety culture is one of the most effective ways to reduce serious
13 injuries, fatalities, gas incidents, fires, and public safety events, especially in environments
14 where:

- 15 • Work conditions are dynamic and unpredictable
- 16 • Hazards cannot be fully engineered out
- 17 • Human judgment and decision-making are safety-critical

18 Safety culture is foundational because it underpins every other risk control SDG&E relies
19 on, including:

- 20 • Worker training
- 21 • Field supervision and oversight
- 22 • Contractor management
- 23 • SMS implementation
- 24 • Asset integrity programs

25 Without a strong culture, these systems become check-the-box exercises. With a strong culture,
26 they are actively used, reinforced, and continuously improved.

27 Safety culture does not change quickly. It is built through demonstrated leadership
28 commitment, consistent messaging aligned with risk-based decision-making, ongoing training,

1 coaching, and field engagement, and is reinforced through recognition and accountability.
2 Because culture reflects shared beliefs formed over time, meaningful improvement typically
3 requires years of sustained, visible commitment, not one-time campaigns or short-term programs.

4 Investing in safety culture initiatives is a strategic investment in preventing
5 high-consequence events that can harm employees, the public, and the communities a gas and
6 electric utility serves. Safety culture shapes daily decisions in the field and determines how
7 effectively all other safety controls function. Because culture is foundational, it builds slowly
8 and requires sustained commitment. However, once established and maintained, it provides one
9 of the most powerful and enduring forms of risk reduction available to a utility—protecting
10 people, preserving system integrity, and reinforcing public trust.

11 **C. Changes from 2025 RAMP Report**

12 Since the timing of the filing of the 2025 RAMP Report in May 2025 some
13 circumstances may have changed that impact the control/mitigation scope – including units,
14 costs, and other factors that influence the forecast. In addition, updates may have occurred
15 affecting the underlying assumptions used to calculate the BCRs and are described in the
16 Risk Integration testimony (Ex. SCG-02B/SDGE-02B). Key changes impacting the forecasts
17 include changes to costs to remove incremental funding forecasts.

18 The safety workpapers within my testimony encompass SDG&E’s Employee Safety and
19 Contractor Safety RAMP chapters. Controls and Mitigations identified within SDG&E’s
20 Employee Safety and Contractor Safety RAMP chapters are planned for implementation during
21 this GRC cycle to promote continuous safety improvement. While the described Controls and
22 Mitigations are still planned, SDG&E is not currently seeking the associated incremental funding
23 or FTEs as identified in RAMP. SDG&E is committed to promoting safety improvements while
24 balancing ratepayer impact and is therefore intending to implement identified Controls and
25 Mitigations by identifying operational efficiencies and leveraging cross-functional internal
26 resources.

27 Changes and updates to forecasts and the amount and timing of planned work from that
28 assumed in the 2025 RAMP Report resulted in GRC forecasts that differ from those in the
29 RAMP Report. The differences are summarized in the workpapers associated with this
30 testimony.

1 In addition, certain circumstances have changed since the RAMP Report was filed and
2 updates to forecasts and other underlying assumptions have occurred that have impacted some of
3 the BCRs. A comparison of BCRs between the 2025 RAMP and the TY 2028 GRC are detailed
4 in the table below including an explanation for any material differences.

5 **D. Feedback from Safety Policy Division and parties**

6 The Commission’s Safety Policy Division (SPD) issued their assessment report on
7 October 10, 2025¹¹ regarding the Companies’ 2025 RAMP Reports. Parties subsequently served
8 opening and reply comments on November 17, 2025 and December 1, 2025 respectively.
9 Appendix B in the RDF Integration testimony (Ex. SCG-02B/SDGE-02B), appends a summary
10 of the feedback and recommendations received and the Companies’ responses.

11 **E. CAVA Integration**

12 Pursuant to Commission decisions in the Climate Adaptation OIR (R.18-04-019),¹²
13 SDG&E performed a Climate Adaptation Vulnerability Assessment (CAVA) focused on years
14 2030, 2050, and 2070, with the aim of identifying asset and operational vulnerabilities to climate
15 hazards across the SDG&E system. Some of the climate hazards that will have short- and long-
16 term ramifications in the Southern California region include extreme temperatures, wildfire,
17 inland flooding, coastal flooding and erosion, and landslides. Climate change is recognized as a
18 factor that can drive, trigger, or exacerbate multiple RAMP risks. Implementing climate change
19 adaptation measures and integrating climate vulnerability considerations into RAMP controls
20 and mitigations can enhance system infrastructure longevity and reduce the severity of long-term
21 negative climate impacts. The controls and mitigations described in further detail in this chapter,
22 as shown below, align with the goal of increasing SDG&E’s physical and operational resilience
23 to the increasing frequency and intensity of climate hazards.

¹¹ Informal comments were received from Mussey Grade Road Alliance (MGRA) on August 22, 2025, from Cal Advocates on September 4, 2025, from The Utility Reform Network (TURN) on September 12, 2025, and from Indicated Shippers (IS) on September 30, 2025.

¹² D.19-10-054; D.20-08-046.

1
2

TABLE AT-32
Summary of CAVA Integration

Potential Climate Hazard(s)	Relevant ID	Relevant Control / Mitigation	Risk Chapter
Extreme Temperatures	M307	Risk-Informed Class 1 Contractor Safety Program Management	Contractor Safety
Extreme Temperatures	C317	Employee Safety Training & Field Oversight Programs	Employee Safety
Extreme Temperatures; Wildfires	C328	Safety Compliance & Industrial Hygiene Program	
Extreme Temperatures	M303	Enhanced, Risk-Informed Employee Safety Training & Field Safety Oversight Programs	

3
4

VII. CONCLUSION

5 The activities described in my testimony and the detailed descriptions in accompanying
6 workpapers represent a strong and highly productive Safety & Culture organization that supports
7 SDG&E’s goal of providing safe and reliable delivery of electric and gas service. We ask the
8 Commission to approve, as just and reasonable, SDG&E’s forecasted methodology, plus
9 identified incremental costs, for all workpapers within my testimony. Workpapers within my
10 testimony, with the exception of WC and LTD, apply a base year forecast methodology to
11 capture SDG&E’s deliberate efforts to implement operational efficiencies, and reflect recorded
12 costs that are generally lower than prior years. The WC and LTD workpapers use non-standard
13 escalation and zero-based forecasts for greater accuracy.

14 This concludes my prepared direct testimony.

1 **VIII. WITNESS QUALIFICATIONS**

2 My name is Alexandra Taylor. My business address is 8306 Century Park Ct., San
3 Diego, CA 92123. I am employed by SDG&E as the Senior Director of Human Resources and
4 Labor Relations. I have been in my current position since June 2024 and previously served as
5 the Director of Human Resources and Labor Relations starting in November 2020.

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

11 I have previously testified before the California Public Utilities Commission.

APPENDIX A
GLOSSARY OF TERMS

APPENDIX A – Glossary of Terms

ACRONYM	DEFINITION
AED	Automated Extended Defibrillators
ADA	Americans with Disabilities Act
API RP	American Petroleum Institute Recommended Practice
BAPP	Behavioral Accident Prevention Process
BBS	Behavior Based Safety
BY	Base Year
BTO	Business Transformation Office
CBA	Collective Bargaining Agreement
CFRA	California Family Rights Act
CPUC	California Public Utilities Commission
CSP	Certified Safety Professional
CSS	Contractor Safety Services
DART	Days Away Restricted or Transfer Rate
D&A	Drug and Alcohol
D&I	Diversity and Inclusion
DHS	Department of Homeland Security
EAP	Employee Assistance Program
ECS	Employee Care Services
EEOC	Equal Employment Opportunity Commission
ERG	Employee Resource Group
ERM	Enterprise Risk Management
EX.	Exhibit
ESCMP	Environmental & Safety Compliance Management Program
FEMA	Federal Emergency Management Agency
FEHA	California Fair Housing and Employment Act
FMLA	Family Medical Leave Act
FTE	Full-Time Equivalent
GO	CPUC General Order
GRC	General Rate Case
GRID	General Rate Case Integrated Database
HECA	High Energy Control Assessment
HR	Human Resources
HRBP	Human Resources Business Partner
HRIS	Human Resource Information System
IBEW 465	International Brotherhood of Electrical Workers, Local 465
IIPP	Illness and Injury Prevention Program
IPO	Investment Portfolio Optimization
ISAC	International Selection and Assessment Council
LMS	Learning Management System
LTD	Long-Term Disability
MSA	Master Service Agreement
NLRB	National Labor Relations Board

ACRONYM	DEFINITION
O&M	Operating & Maintenance
OE&I	Organizational Effectiveness & Inclusion
OFCCP	Office of Federal Compliance Contractors Programs
OSHA	Occupational Safety and Health Administration
OQ	Operator Qualifications
PDL	Pregnancy Disability Leave
PPE	Personal Protective Equipment
RAMP	Risk Assessment Mitigation Phase
SCG	Southern California Gas Company
SDG&E	San Diego Gas & Electric Company
SHRM	Society for Human Resource Management
SIOP	Society for Industrial and Organizational Psychology
SIF	Serious Injury and Fatality
SME	Subject Matter Expert
SMS	Safety Management System
SPD	Safety Policy Division
SPMR	Safety Performance Metrics Report
STJ	Stop the Job
TRIR	Total Recordable Incident Rate
TY	Test Year
VP	Vice President
WC	Workers' Compensation

APPENDIX B

CONTROLS AND MITIGATIONS COMPLIANCE DRIVER ROADMAP

**APPENDIX B
CONTROLS AND MITIGATIONS COMPLIANCE DRIVER ROADMAP**

The table below indicates the compliance drivers that underpin Risk Controls/Mitigations identified in testimony.

Control/ Mitigation ID	Control/Mitigation Name	Compliance Driver(s)
C301	Class 1 Contractor Safety Program	Cal/OSHA Title 8 (8 CCR §3203), Labor Code §6400, 8 CCR §336.10–336.11, GO 112-E, GO-95
C304	Contractor Safety Field Oversight	Cal/OSHA Title 8 (8 CCR §3203), Labor Code §6400, 8 CCR §336.10–336.11, GO 112-E, GO-95
C317	Employee Safety Training & Field Safety Oversight Programs	Cal/OSHA Title 8 (8 CCR §3203), GO 112-E, GO-95
C319	SMS Implementation & Management	Public Utilities Code §8389(d)(4), SB 901, AB 1054
C323	Safety Culture Survey Recognition & Awards	Public Utilities Code §8389(d)(4), SB 901, AB 1054
C328	Safety Compliance & Industrial Hygiene Program	Cal/OSHA Title 8 (8 CCR §3203)

APPENDIX C
CAPITAL EXPENDITURES

San Diego Gas Electric Company
Capital Expenditures
(In Thousands of 2025 \$)

Safety & Culture	2026	2027	2028	2029	2030	2031
Total Capital	2,149	2,149	2,149	2,149	2,149	2,149
2026 - 2028 Capital Request	2,149	2,149	2,149	-	-	-
Post-Test Year Capital Forecast	-	-	-	2,149	2,149	2,149

San Diego Gas Electric Company
Capital Expenditures
(In Thousands of 2025 \$)

Safety & Culture
2026 - 2028 Capital Request

Category	Workpaper Sub	Workpaper Description	In-Service Date	2026	2027	2028
Contractor Safety Overhead Pool	S09060.001	Contractor Safety Overhead Pool	Routine	2,149	2,149	2,149
Grand Total				2,149	2,149	2,149

San Diego Gas Electric Company
Capital Expenditures
(In Thousands of 2025 \$)

Safety & Culture
Post-Test Year Capital Forecast

Category	Workpaper Sub	Workpaper Description	In-Service Date	2026	2027	2028	2029	2030	2031
Contractor Safety Overhead Pool	S09060.001	Contractor Safety Overhead Pool	Routine	-	-	-	2,149	2,149	2,149
Grand Total				-	-	-	2,149	2,149	2,149

APPENDIX D
GRC-RAMP INTEGRATION O&M

Area: SAFETY & CULTURE

Witness: Alexandra G. Taylor

GRC - RAMP Integration

GRC Workpaper	GRC Wkp Description	RAMP WKP	RAMP Wkp Description	RAMP Unit Measure	TOTAL (in 000s)							UNITS						
					2025	2026	2027	2028	2029	2030	2031	2025	2026	2027	2028	2029	2030	2031
S09060.001	Contractor Field Safety Management Pool	1CR07 C304	SDG&E-Risk-7 Contractor Safety Contractor Safety Field Oversight	Class 1 Contractor Hours	2,128	2,149	2,149	2,149	2,149	2,149	2,149	*2,642	*2,642	*2,642	*2,642	*2,642	*2,642	*2,642
S09060.001	Contractor Field Safety Management Pool	1CR07 M307	SDG&E-Risk-7 Contractor Safety Risk Informed Class 1 Contractor Safety Program Management	FTEs	0	0	0	0	0	0	0	0	0	0	0	0	0	0

SDG&E/SAFETY & CULTURE/Exh No:SDGE-22-CWP/Witness: A. Taylor

San Diego Gas & Electric Company
2028 GRC - APPLICATION
Capital Workpapers

Note: Totals may include rounding differences. Total amounts preceded by a double asterisk (**) are in millions (\$MM). Unit values preceded by a single asterisk (*) are displayed in thousands (000s).

APPENDIX E
GRC-RAMP INTEGRATION CAPITAL

Area: SAFETY & CULTURE

Witness: Alexandra G. Taylor

GRC - RAMP Integration

GRC Workpaper	GRC Wkp Description	RAMP WKP	RAMP Wkp Description	RAMP Unit Measure	TOTAL (in 000s)							UNITS						
					2025	2026	2027	2028	2029	2030	2031	2025	2026	2027	2028	2029	2030	2031
1HR005.000	Safety	1OR06 C323	SDG&E-Risk-6 Employee Safety Safety Culture Survey Recognition & Awards	FTEs	840	866	865	865	865	865	865	3	3	3	3	3	3	3
1HR006.000	Contractor Safety Services	1OR07 C301	SDG&E-Risk-7 Contractor Safety Class 1 Contractor Safety Program	FTEs	932	974	973	973	973	973	973	6	6	6	6	6	6	6
1HR006.000	Contractor Safety Services	1OR07 M307	SDG&E-Risk-7 Contractor Safety Risk Informed Class 1 Contractor Safety Program Management	FTEs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1HR007.000	Safety Compliance	1OR06 C328	SDG&E-Risk-6 Employee Safety Safety Compliance & Industrial Hygiene Program	FTEs	1,033	1,066	1,065	1,065	1,065	1,065	1,065	4	4	4	4	4	4	4

SDG&E/SAFETY & CULTURE/Exh No:SDGE-22-WP/Witness: A. Taylor

San Diego Gas & Electric Company
2028 GRC - APPLICATION
O&M Workpapers

Note: Totals may include rounding differences. Total amounts preceded by a double asterisk (**) are in millions (\$MM). Unit values preceded by a single asterisk (*) are displayed in thousands (000s).

Area: SAFETY & CULTURE

Witness: Alexandra G. Taylor

GRC - RAMP Integration

GRC Workpaper	GRC Wkp Description	RAMP WKP	RAMP Wkp Description	RAMP Unit Measure	TOTAL (in 000s)							UNITS						
					2025	2026	2027	2028	2029	2030	2031	2025	2026	2027	2028	2029	2030	2031
1HR007.000	Safety Compliance	1OR06 M311	SDG&E-Risk-6 Employee Safety Establish Incident Investigation & Cross-functional Event Learning Team	Employees trained	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1HR008.000	Safety Management System	1OR06 C319	SDG&E-Risk-6 Employee Safety Management System (SMS) Implementation & Management	FTEs	464	484	483	483	483	483	3	3	3	3	3	3	3	3
1HR008.000	Safety Management System	1OR06 M305	SDG&E-Risk-6 Employee Safety Safety Mgmt Sys Maturity & Impr: Enh Safety Comm & Safety Data Analy	FTEs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2100-0214.000	Safety Operations	1OR06 C317	SDG&E-Risk-6 Employee Safety Employee Safety Training & Field Safety Oversight Programs	FTEs	974	1,017	1,016	1,015	1,015	1,015	6	6	6	6	6	6	6	6

SDG&E/SAFETY & CULTURE/Exh No:SDGE-22-WP/Witness: A. Taylor

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Note: Totals may include rounding differences. Total amounts preceded by a double asterisk (**) are in millions (\$MM). Unit values preceded by a single asterisk (*) are displayed in thousands (000s).

Area: SAFETY & CULTURE

Witness: Alexandra G. Taylor

GRC - RAMP Integration

GRC Workpaper	GRC Wkp Description	RAMP WKP	RAMP Wkp Description	RAMP Unit Measure	TOTAL (in 000s)						UNITS							
					2025	2026	2027	2028	2029	2030	2031	2025	2026	2027	2028	2029	2030	2031
2100-0214.0 00	Safety Operations	1OR06 M303	SDG&E-Risk- 6 Employee Safety Enh Risk Informed Emp Safety Training & Field Safety Oversight Pgms	FTEs	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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