

Exhibit No: SBUA-01

Date: October 22, 2025

Witness: Michael Brown

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Gas
Company (U904G) for Approval of the Branch
Offices Closure Proposal.

Application 25-05-001

**Direct Testimony of Expert Michael Brown on Issues Affecting
Small Businesses**

on behalf of
Small Business Utility Advocates
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I. Introduction

SBUA requests that three of the branch offices remain open to provide in-person customer support and in-person payment. Southern California Gas Company (SoCalGas) requests the Commission to authorize the closure of the remaining 43 branch offices within its service territory. SoCalGas also claims the branch offices are no longer needed because most customers do not pay bills in person at branch offices. While it is true that a minority of customers use physical branches, some customers need immediate and specialized in-person assistance.¹ Closing all branch offices would deprive customers the immediate ability to address service issues such as bill payment, gas service, or resolving a complicated problem with the in-person help of a person.²

II. Recommendation

Based on my analysis below, I recommend that:

- 1.) The Commission require SoCalGas to retain three or more branch offices for customers to pay bills and more immediately resolve customer service issues.
- 2.) The Commission require SoCalGas to notify all customers of the closures by both mail and email.
- 3.) The Commission require SoCalGas to post a notice on each of the branch offices, informing customers when that branch office (on which the notice is posted) will close. The notice should be posted at least 90 days before that office closes.

¹ See Application; pg. 2

² See Application; pg. 1

SoCalGas is correct that keeping *all* 43 branch offices open is not necessary. Customers can make in-person immediate payment at Authorized Payment Locations (“APL”). However, it is important and worthwhile for SoCalGas to retain *some* physical locations to accept payment and (more importantly) immediately resolve unique and important customer issues. I recommend that SoCalGas retain at least three of the total forty-three branch offices to address customers most in need of immediate customer support.

Approving the closure of *all* physical offices at SoCalGas will turn out to be a mistake in hindsight. The Commission approved PG&E’s permanent closure of 65 walk-in offices in A.22-04-014. Since then, customers have continued to register significant complaints about service and affordability.³ I am concerned that these extensive closures may cause service degradation and that eliminating in-person channels may reduce access, especially for small businesses and vulnerable customers. As such, I am currently participating in the PG&E’s General Rate Case (A.25-05-009). I am advocating that PG&E reopen some physical PG&E customer service facilities in the future.

III. How would Southern California Gas Company’s proposal to close its remaining 43 branch offices affect its ability to provide its customers with just and reasonable service, pursuant to Pub. Util. Code §451?

³ <https://www.consumeraffairs.com/utilities/pacific-gas-and-electric.html>

Pub. Util. Code §451 requires every regulated public utility to, “... furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities ... as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.” The current level of customer service at SoCalGas is insufficient, and thus not compliant with the requirements of Pub. Util. Code §451, as is discussed below.

There are two methods in which a customer may contact SoCalGas to set up initial service, or otherwise solve a natural gas service problem: 1.) by phone; or 2.) by the SoCalGas website. SoCalGas does not list an email for service inquiries, further complicating a potential resolution for customers. Further, SoCalGas does not allow contact by text or immediate online chat with a human.⁴

I have two concerns with the current methods by which SoCalGas provides customer service. First, customers with cognitive disabilities must call SoCalGas and navigate an unhelpful Artificial Intelligence phone tree, as their only realistic method of service. When the customer calls SoCalGas, they are greeted by an Artificial Intelligence phone tree. The AI phone tree attempts to route the call, hopefully, to a customer service agent in the correct SoCalGas Department who can provide assistance. Having personally tried to navigate the AI phone tree, I am concerned that people with cognitive disabilities

⁴ See <https://www.socalgas.com/about-us/contact-us>

(or elderly persons), or small business managers who are unsophisticated in utility matters, will have trouble receiving assistance from the SoCalGas phone line.

Second, the speed and quality of the customer service do not appear to meet customer expectations. Online customer reviews of SoCalGas reflect a negative attitude toward SoCalGas. For example, the consumer affairs website rates SoCalGas as a 1.1 (on a scale of 1 to 5).⁵ While I concede that website reviews are generally a poor barometer of gauging customer service, they are nonetheless a relevant datapoint (and SoCalGas has not otherwise demonstrated that customers highly rate its customer service). The online complaints range from a complete inability to obtain help, cost complaints, gas being cut off unnecessarily, *etc.* – which are problems that sometimes require (or otherwise benefit from) an in-person customer service representative that is knowledgeable of SoCalGas’ operations.

I personally called the SoCalGas AI phone tree to test its functionality on October 6, 2025; 3:00 p.m. (Monday). The phone tree asked a series of questions which did not lead to a customer service agent. After ten minutes, the AI gave up on me and placed me in a queue for an agent. After another three minutes, I was given the option of providing my name and number for a callback (which would be helpful). I waited another 10 minutes and never reached a customer service agent.

⁵ https://www.consumeraffairs.com/utilities/socal_gas.html.

In my opinion, the closure of *all* 43 branch offices will leave many customers, including those most at-need, with no real opportunity for help. For example, I have helped businesses set up service and change service plans. This usually requires a power of attorney and permission form from the utility. This is not an easy process. With SoCalGas, the AI phone tree did not route me in an efficient manner, so getting customer service for a business owner appears to be inefficient but not impossible.

I also serve as a Rotarian board member who helps disadvantaged people in need of help. Some of the projects include the creation of homes for homeless people, and helping elderly persons with no one else to help them. The local public officials and SoCalGas employees have a continuing familiarity with these projects. Helping these disadvantaged people at a local office is exceedingly easy, because local employees at physical offices are aware of these types of “non-standard” issues. Getting help from a person on a phone who has no connection to the local community presents added difficulties. The person on the phone would question the basics of these types of scenarios (*e.g.*, they would not immediately understand the situation with helping and elderly person turn back on natural gas service, ask for documentation that the person does not have, etc.) This is a big deal in smaller communities, which do not want to deal with a person following procedures as opposed to actually helping the community. When a utility no longer feels like a helpful part of the community, then they are not useful or wanted. This will ultimately result in permanent damage to SoCalGas’ standing in the community.

These physical location closures will further aggravate customers. The message of SoCalGas should be that SoCalGas is happy to serve customers, that customers have an in-person, physical place for an immediate resolution of issues, and that SoCalGas is willing to go the extra mile. Closing its offices does not impart this message.

SoCalGas's customer-service vision must start with its legal duty: provide "adequate, efficient, just, and reasonable service" that promotes customers' "safety, health, comfort, and convenience." Pub. Util. Code §451. In practice, this means maintaining at least a minimal, reliable in-person channel for customers whose issues cannot be resolved by a website, an AI phone tree, or a third-party payment counter. That is especially true for small businesses, customers with language barriers, and elderly or disabled customers who often need immediate, person-to-person problem solving (*e.g.*, service establishment, billing disputes, shutoff avoidance, or identity verification). Retaining a limited number of staffed locations, rather than closing all 43 branch offices, preserves this essential service while acknowledging that most bill payments may occur through other channels.

IV. What, if any, physical locations will remain available for customers to make payments and ask service-related questions in person?

None; no staffed SoCalGas customer-service locations would remain. This is the problem with closing all of the physical locations. If all physical locations are closed,

then customers will not have any physical location to immediately resolve service-related questions. I believe that this is an unacceptable outcome, given that SoCalGas currently demonstrates sub-par customer satisfaction.

The main problem not addressed by the Commission in previous similar proceedings involving the closure of physical customer service locations is that customer service, with a real person, is no longer assured by the utilities – despite it being valuable to the customer.

Authorized Payment Locations (“APL”) only solve the limited problem of allowing customers to make physical payments. These APLs do not have trained staff who can answer complex service questions for SoCalGas customers. The APLs are simply businesses who take payment from SoCalGas customers, and earn a fee for this service – nothing more.

That being said, the number of APL partners is sufficient. SoCalGas’ Application; Attachment C shows that SoCalGas contracts with over 100 APLs. This is an acceptable number of APLs. Most SoCalGas customers retain a physical payment option within a reasonable driving distance. The problem with APLs is that taking SoCalGas payments is not their only business and certainly not their priority. Accordingly, the quality of customer service at an APL varies from non-existent to highly responsive. However, most customers who do want a physical payment option will retain that option through

the APLs, which may be minimally sufficient for most customers who are not in need of specialized assistance.

V. How will Southern California Gas Company notify customers of available locations to pay bills or ask service-related questions in person?

If the Commission approves the Application, SoCalGas plans to implement a Communications Plan that will provide affected customers with at least a 60-day notice of the closures and relevant information about alternative payment methods and customer service channels. I agree that SoCalGas typically does a professional and competent job at communicating events to customers.

However, SBUA did request that SoCalGas provide their Communications Plan (if one currently exists). SoCalGas responded that no Communication Plan has yet been created.⁶

In an abundance of caution, I recommend that the Commission require SoCalGas to:

- 1.) Provide all customers with a mail or email notification of the closures;
- 2.) Place a notice on the front of the branch offices at least **90** (ninety) days before the closure of the facilities, to allow customers most at risk to plan accordingly.

VI. How will the closure of Southern California Gas Company's branch offices affect ratepayers' rates across all customer classes?

⁶ See Attachment 1 - SBUA Discovery Request No. 1 & Response thereto

For small business customers, the closure may result in rates which are only reduced very slightly. The operational costs of the branch offices in 2024 was \$18.8 million a year.⁷ The annual revenue requirement for SoCalGas is almost \$4 billion.⁸ As such, operational expenses for branch offices represent only a negligible proportion of its earnings. These closures would result in some modest savings for SoCalGas, mainly in reduced rent and operations costs. These savings may result in decreased natural gas rates for customers. More likely, the savings will be consumed by some other project which is overbudget. The closure of SoCalGas' branch offices will also result in decreased customer service for customers desiring to ask service-related questions or pay in person.

If customers most at-need will bear the brunt of these closures, at least some of the savings should be set aside to target and assist those customers most in-need of specialized assistance. Otherwise, SoCalGas will simply be worsening its customer service while pocketing the change.

VII. What fees may customers who have exclusively used a branch office face if they transition to paying bills online with debit or credit cards?

⁷ See Application; pg. 5

⁸ SoCalGas and SDG&E 2024 (Sempra) General Rate Case (A.22-05-015 / 016)

Fees are only one reason that customers chose in-person payment over other forms of payment. As can be shown below, the in-person payment method can be a good method if a SoCalGas branch is located near the customer.⁹

Customer Payment Method	Advantage	Drawback
Home banking - pay bills online directly out of bank, credit union, brokerage firm, or another financial institution using your checking or savings account.	No Fee. Automatic payment.	Requires a bank account, SSN, and fraud/overpayment are possible. Convenient but potentially dangerous.
Pay by Mail - send a check or money order along with your bill stub to SoCalGas P.O. Box C Monterey Park, CA 91756.	Allows for approval and review of charges.	Postage Fee. No confirmation of payment and possibility of unwarranted shutoff of service.
Pay by credit/debit card.	Automatic payment. Some protection against fraud/overpayment ¹⁰	\$1.50 fee per use, when card lost it must be set up again
Pay in person – payment center of authorized “SoCalGas partner”	Immediate payment and receipt; no extra fee; protection against overpayment/fraud	Inconvenient to travel to a location to make payment

Customers generally pay in person to avoid paying fees, avoid fraud, and receive a receipt verifying that payment was made.

⁹ <https://www.socalgas.com/billing-payment/ways-to-pay>

¹⁰ Fraud/Overpayment refers to a person giving the ability of a utility to draw funds directly out of a customer’s financial account. The utility could overbill the client and the client would be out of money with no realistic recourse; or a party could get this information from the utility and create fraudulent billing. In person payment and credit card payments provide a level of protection against such overpayment and fraud.

In-person payment advantages: Payment in-person may be the best option for certain customers, if travel to an SCG office is not overly burdensome. From a customer perspective, payment in person still maintains certain advantages over alternatives, but this Application makes it all but impossible for most customers to do so. Benefits of payment in-person include: an immediate payment; a receipt; and protection against fraud and overpayment. Other payment methods categorically exclude certain types of people (*e.g.*, including some people without a proper I.D., etc.), contain the possibility of fraud and overpayment, or charge a fee.

In-person payment is costly for SoCalGas: From SoCalGas' perspective, the cost of maintaining branch offices is not worth the expense because most customers only use the branch offices to make payments and there are cheaper options for SoCalGas to receive payments. However, there are other factors than costs to consider such as customers needing in-person help to solve a customer service issue.

In-person help is invaluable: In terms of a cost benefit analysis in deciding whether to close the branch offices, SoCalGas does not take into account that the branch offices also help by immediately resolving various customer problems. Having a physical location to get immediate help is vitally important, and it is my opinion that the Commission should rule differently and allow at least a few physical locations to remain open. The Commission must ensure that utility customers who have language barriers and mental incapacity (or are otherwise unsophisticated in utility matters) can easily receive natural gas service.

VIII. If Southern California Gas Company anticipates selling land or property currently occupied by any branch office(s), how and when will notification and consultation with local Tribes and impacted communities be conducted, pursuant to California Pub. Util. Code §851 and the California Public Utilities Commission's Tribal Land Transfer Policy?

California Pub. Util. Code §851 does not appear to specifically require consultation with tribal interests on this issue. The effect of Pub. Util. Code §851 is that the Transfer or sale of assets of public utility is void as between buyer and seller, unless and until the Commission issues its order of approval, but such fact does not bar parties from entering into contract for sale or transfer of assets of public utility. See *Dillingham v. Schipp* (Cal. App. 4th Dist. 1957), 154 Cal. App. 2d 553.

The Commission has instituted a Tribal Land Transfer Policy for the sale or transfer of land to Tribal interests.¹¹ This implies that Tribes are interested in purchasing some property currently associated with the 43 branch offices. We are unaware of who would purchase the branch office property owned by SoCalGas.

IX. Is Southern California Gas Company's Core Fixed Cost Account the appropriate account through which the

¹¹ <https://www.cpuc.ca.gov/about-cpuc/divisions/office-of-the-tribal-advisor/tribal-land-transfer-policy>

utility should track and return any cost savings from its branch office closures to ratepayers?

SoCalGas claims that closing the 43 branch offices would result in overall cost savings. SoCalGas proposes to return the savings through the Core Fixed Cost Account (“CFCA”). I have no comment on SoCalGas’ proposal in this regard.

X. Should Southern California Gas Company utilize Community Based Organizations and Faith Based Organizations to assist in communicating the closure process and other relevant information to customers, including, but not limited to, low-income, elderly, disabled, or otherwise vulnerable customers that may be affected by the proposed branch office closures?

No. Community Based Organizations and Faith Based Organizations should only be used for activities that *benefit* the community, and should not be re-purposed to [effectively] serve as SoCalGas employees. Many Community and Faith Organizations would take money from SoCalGas to pay for overhead and staff. However, these organizations are set up to help people, and to do things that are good and helpful to the community. Community and Faith Organizations do good works such as taking needy people to a physical location and helping them set up natural gas for heating and cooking in the winter. In this case, there is no “good work” to be done. Community and Faith Based Organizations will have a difficult time explaining why they are working for SoCalGas in explaining the closure of in-person service facilities. Placing an organization

who usually helps people in charge of communicating something harmful to the community is simply incongruous.

If the Commission does allow the hiring of these organizations, then I recommend that older customers and customers who do not speak English be targeted for communication outreach. These are the customers who need to be informed of the closures. I have visited branch offices with PG&E, SCE, and SoCalGas when they were open. My experience was consistent with many of the findings of SoCalGas which are listed in its Application:

- 1.) The majority of customers visiting branch offices were often older customers who deposit payments at the branch office, as a matter of habit.
- 2.) Some customers lack knowledge of the internet or have a language barrier, and could not receive reasonable service by telephone. Many of these customers with communication barriers require assistance with starting and stopping service, or have some other major problem where they need immediate help.

XI. What is the appropriate amount of time for Southern California Gas Company to provide advance notice to each of its customer classes regarding any branch office closures?

SoCalGas plans to implement a Communications Plan that will provide affected customers with at least a 60-day notice of the closures and relevant information about alternative payment methods and customer service channels.¹² My recommendation is for

¹² Application pg. 4

a **90-day** notice, which would include a notice by mail, and a notice posted to physical branch offices. 90 days is more of a standard closure notice time period, and would better allow customers who are most in need of assistance to plan accordingly.

XII. What are the environmental and social justice implications of Southern California Gas Company's proposal to close its 43 remaining branch offices, including disproportionate impacts on low-income, elderly, disabled, or linguistically isolated customers?

Environmental and social justice generally refers to granting everyone equal access to healthy environments and benefits. This particular action of closing the branch offices has a negative impact on environmental and social justice for the following reasons:

- 1.) Non-English speaking persons are more likely to pay or attempt to use the in-person payment option.¹³
- 2.) Persons without a bank account or social security number are more likely to pay in person.
- 3.) Persons with a lower income are more likely to move and/or change service. Making an in-person payment is the fastest and easiest way to assure that service is started. That option is now being taken away.

The bottom line is that not everyone has all of their identifying information readily available, they may have missed a past payment at an old address, or they may not have

¹³ Application; Attachment H; pg. 3 states “English-speakers would most rely on the SoCalGas website and an APL for making payments (29% and 26%, respectively), while Spanish-speakers would most rely on an APL and paying by phone (41% and 26%, respectively)”

consistent access to the internet. The closure of branch offices creates an additional obstacle for solving service problems such as these. These issues represent quintessential equity concerns.

XIII. Has Southern California Gas Company adequately consulted with customers and community stakeholders, especially those representing vulnerable populations, in developing its proposal?

There is no customer demand to close all field offices. I believe that most customers would likely oppose the closure of *all* field offices, if they knew that doing so would result in *no* in-person customer service going forward.

XIV. What data tracking, reporting, and outreach commitments should be required of Southern California Gas Company to ensure accountability for customer impacts during and after the branch office closure process.

The Commission does not substantially regulate the quality of SoCalGas' customer service. A brief search of the internet states that wait times for service connections are so long that customers are resorting to reporting false gas leaks to get service.¹⁴ The issue of customer service is a broader issue than just this proceeding. Any monitoring of the impacts to customers of the closure of branch offices would be likely

¹⁴

https://www.reddit.com/r/AskLosAngeles/comments/14pnydl/my_gas_service_was_interrupted_and_social_gas/

be a wasteful activity. The Commission should put more effort into forcing/helping SoCalGas improve its customer service.

XV. CONCLUSION

While it's understandable that SoCalGas wants to take costs into consideration, the Commission should reject the proposal to close *all* branch offices, and should require SoCalGas to consider customers most in need.

APPENDIX - STATEMENT OF QUALIFICATIONS

Appendix Statement of Qualifications for Michael Brown

Michael Brown has worked in the electric and natural gas utility industry for over 15 years and is an expert in his field. He has worked for both private and public utilities in California, with roles as program manager, supervisor of electricity resources, and project analyst. He has worked as an outside consultant and expert for Small Business Utility Advocates (SBUA) since 2012. In that capacity, he has participated in the following dockets: A13-04-012; A13-11-003; A14-02-006; A15-09-001; A.15-07-014; A16-09-001; A16-06-013; A17-06-030; A17-10-007; R17-07-007; A18-09-002; R.18-10-007; A.18-11-15, et al.: A18-12-009; A.21-06-021; A.21-06-022; and A21-12-006, et al.

Previously, Mr. Brown acted as a supervisor of resources for the acquisition of electric power generation, electric distribution, electric transmission, and natural gas purchasing (commodity transactions) and has worked in project management for the maintenance, construction, and licensing of electric power plants. His day-to-day experiences have included: natural gas purchasing and creating resource plans for electric utilities; managing construction and licensing projects related to electric generation and transmission assets; and negotiating and participating in utility agreements and energy projects. He also has submitted several patents in the field of energy. He is also a published contributor in the area of legal analysis of weather modification programs for the purpose of electric power generation and the future of natural gas industry technology.

Prior to working in the electric and natural gas utility sector, Mr. Brown worked for small businesses to help them design products and new inventions, primarily in Silicon Valley. Thus, 2 in addition to his utility expertise, he provides experience as an innovator and startup entrepreneur in the small business community.

Mr. Brown has dedicated significant time to public service, including as a Visalia Rotary Board Member (2022-2023) and Member to the Citizens Advisory Committee at the San Joaquin Pollution Control Board representing Tulare County, California. Term Appointment (Dec. 2013 - December 2016). His publications include: "New Opportunities in the Natural Gas Industry as a result of State and Federal Regulations," www.UtilityHorizons.com, May 2013; and "Present

and Future Regulation of Cloud Seeding Activities in California,” Weather Modification Association Journal, Spring Edition, 2011.

Mr. Brown has a J.D. from University of San Francisco School of Law and a B.S. in Industrial Engineering from California Polytechnic University of San Luis Obispo. His credentials also include: APICS CPIM-Detailed Scheduling and Planning certification 11/22/03; APICS CPIM-Basics of Supply Chain Management Certification 3/15/03; Project Management Mastery (PMI institute 5/29/08); Engineer-In-Training (119825) 6/04.

Attachment 1

**Application of Southern California Gas
Company (U 904 G) for Approval of the
Branch Offices Closure Proposal. A2505001**

**DATA REQUESTS, FIRST SET
SMALL BUSINESS UTILITY ADVOCATES**

TO:	Ismail Bautista, Jr. (IBautista@socalgas.com)
FROM:	Michael Brown and Luke May, on behalf of Small Business Utility Advocates michael@mbrownlaw.net; luke@utilityadvocates.org
DATE SENT:	October 14, 2025
RESPONSES DUE:	October 20, 2025 (or other date to be arranged)

Please provide your responses electronically, via email if possible, to each of the following people:

Luke May
Small Business Utility Advocates
548 Market St., #11200
San Francisco, CA 94080
Email: luke@utilityadvocates.org

Michael Brown
548 Market St., #11200
San Francisco, CA 94080
Tel: (415) 699-0261
Email: michael@mbrownlaw.net

Responses are requested within ten (10) business days of receipt. If PG&E has any questions or objections regarding these data requests, please call us right away. Please identify the person who provides the response and a contact phone number; please assume that these are ongoing requests and include updated responses that become available during these proceedings.

SBUA personnel are willing to sign any confidentiality agreement which is required for participation in this proceeding. SBUA may also grant any reasonable and necessary extension.

SBUA Questions:

1. Please provide the Communications Plan referenced by page 4 of the application.
2. Would SoCalGas consider keeping open three physical locations in its service territory for customers to solve issues/complaints of immediate concern and make immediate payments?

SOUTHERN CALIFORNIA GAS COMPANY
SMALL BUSINESS UTILITY ADVOCATES (SBUA)
DATA REQUEST NO. SBUA-SCG-01

RECEIVED: OCTOBER 14, 2025
SUBMITTED: OCTOBER 21, 2025

QUESTION 1:

Please provide the Communications Plan referenced by page 4 of the application.

SoCalGas Response:

See the Prepared Direct Testimony of Jesse Aragon (Exhibit ("Ex.") SoCalGas-01), Ex. SoCalGas-01 at JSA-30-32 where SoCalGas discusses its proposed communications plan. For clarity, SoCalGas has not prepared a written communications plan other than what is proposed in testimony.

SOUTHERN CALIFORNIA GAS COMPANY
SMALL BUSINESS UTILITY ADVOCATES (SBUA)
DATA REQUEST NO. SBUA-SCG-01

RECEIVED: OCTOBER 14, 2025
SUBMITTED: OCTOBER 21, 2025

QUESTION 2:

Would SoCalGas consider keeping open three physical locations in its service territory for customers to solve issues/complaints of immediate concern and make immediate payments?

SoCalGas Response:

SoCalGas objects to this request to the extent that it seeks to elicit a confidential settlement communication. The request also seeks a response to a hypothetical question that is not proper for data requests, which are intended to elicit facts and evidence.

Notwithstanding and subject to these objections, SoCalGas responds as follows: SoCalGas has not yet finalized plans for its company-owned branch office facilities. The company is actively evaluating potential options and will determine next steps once a decision on its application is issued. To the extent that the Commission orders SoCalGas to keep open a certain number of branch offices, SoCalGas will comply with such order.