

Rulemaking: R.22-07-005  
Exhibit No.: SDGE-03  
Witness: A. Bernhardt

**PREPARED OPENING TESTIMONY OF APRIL BERNHARDT  
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY  
CHAPTER 3 - MARKETING, EDUCATION & OUTREACH**

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

**APRIL 7, 2023**



## TABLE OF CONTENTS

I.	INTRODUCTION .....	1
II.	SDG&E’S ME&O BUDGET ESTIMATE .....	1
A.	Budget Allocation by Category .....	3
1.	Customer Research .....	3
2.	Sdge.com Web Pages.....	3
3.	Direct Mail.....	3
4.	Email.....	4
5.	Paid Media .....	4
6.	Bill Package .....	4
7.	Agency Support .....	5
8.	Supporting Materials.....	5
9.	Marketing and Project Management Labor .....	5
10.	CBO Outreach.....	6
B.	Budget Adjustments.....	6
III.	WITNESS QUALIFICATIONS.....	7

1                   **PREPARED OPENING TESTIMONY OF APRIL BERNHARDT**  
2                   **ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**  
3                   **CHAPTER 3 – MARKETING, EDUCATION & OUTREACH**

4   **I.       INTRODUCTION**

5               This Chapter presents additional, supplemental detail on San Diego Gas & Electric  
6   Company’s (SDG&E) utility-specific cost estimates for implementing the overall marketing plan  
7   proposed in the Joint IOU Testimony of Southern California Edison Company, Pacific Gas and  
8   Electric Company, and San Diego Gas & Electric Company (the Joint IOUs) Describing Income  
9   Graduated Fixed Charge Proposals, Chapter 5—Marketing, Education and Outreach (Joint IOU  
10   ME&O Testimony).

11              SDG&E’s ME&O budget estimate, as described below, as well as the allocation of  
12   budgeted costs between channels and years, may change depending on the details of the  
13   California Public Utilities Commission’s (Commission or CPUC) final Income Graduated Fixed  
14   Charge (IGFC) decision as it relates to the complexity of the final rates, the likely timing of the  
15   IGFC roll-out, and other program needs.

16   **II.       SDG&E’S ME&O BUDGET ESTIMATE**

17              The table below presents SDG&E’s initial cost estimates with a timescale that aligns with  
18   the three ME&O phases as outlined in the Joint IOU ME&O Testimony. Work on implementing  
19   the ME&O plan begins with “Pre-work and Phase 1: Awareness,” which is assumed to occur 6+  
20   prior to implementation. Phase 1 focuses on setting the context for what the IGFC is, why it is  
21   being implemented, and when it will take effect. Next, “Phase 2: Educate” is where the bulk of  
22   the direct-to-customer efforts will occur. Phase 2 will include the period 90-180 days prior to the  
23   IGFC implementation. During Phase 2, further emphasis will be placed on individual bill  
24   impacts, the income verification and appeals process, and available online resources where  
25   customers can get more information. Finally, the last phase is “Phase 3: Engagement.” Phase 3

1 includes implementation of the IGFC, at which time ME&O focus will shift to the total bill  
 2 experience. This phase will reinforce the desired behaviors to support the state’s decarbonization  
 3 goals, along with the cost saving benefits of shifting usage out of the higher cost and higher  
 4 emissions Time-of-Use (TOU) peak times and, as well as promote other bill management  
 5 solutions.

6 Combined, these three phases – Awareness, Educate, Engagement – equate to a total cost  
 7 of approximately \$4,420,000. The estimated budget has been rounded for illustrative purposes.

8 **Table 1: SDG&E Specific Estimated IGFC Costs for Joint IOU ME&O Testimony**  
 9

Category	Pre-work + Phase 1 (6+ months)	Phase 2 (~3-6 months)	Phase 3 (~18 months)	Total
Customer Research	\$128,657.00	-	\$128,657.00	\$257,314.00
Web	\$41,816.00	\$78,159.00	\$26,134.00	\$146,109.00
Direct Mail	-	\$411,749.00	-	\$411,749.00
Email	-	\$47,366.00	\$28,420.00	\$75,786.00
Paid Media	\$66,356.00	\$481,187.00	\$501,751.00	\$1,049,294.00
Bill Package	-	\$375,452.00	\$29,680.00	\$405,132.00
Agency Support and Production	\$744,650.00	\$137,800.00	\$84,800.00	\$967,250.00
Supporting Materials	\$32,945.00	\$25,949.00	\$14,078.00	\$72,972.00
Marketing and Project Mgt Labor	\$288,515.00	\$235,373.00	\$227,484.00	\$751,372.00
CBO Outreach	\$126,670.00	\$72,345.00	\$84,005.00	\$283,020.00

10

1           **A.     Budget Allocation by Category**

2                   **1.     Customer Research**

3           Throughout the three-phase implementation of the ME&O plans as outlined in Joint IOU  
4 ME&O Testimony, SDG&E will leverage internal and external resources to collect customer  
5 feedback to help inform messaging, customer awareness, and sentiment. SDG&E’s proposed  
6 messaging and research development estimated costs total \$257,314.

7           Ahead of Phase 1, SDG&E will utilize an external vendor to execute qualitative and  
8 quantitative research that will be used for the development of ME&O materials. Following the  
9 implementation of the IGFC, a second round of qualitative and quantitative research will be  
10 deployed to gauge customer awareness and understanding and identify gaps in messaging and  
11 outreach that may need to be addressed for the remainder of Phase 3.

12           The Customer Research costs do not include other, ongoing opportunities SDG&E may  
13 utilize to collect customer response across all three phases, including SDG&E’s “Power Panels,”  
14 a monthly survey to gauge customer attitude and feedback.

15                   **2.     Sdgc.com Web Pages**

16           SDG&E’s proposed Website activities are estimated to cost a total of \$146,109 for the  
17 three phases and include: development and design support, periodic updating throughout the  
18 three phases of the customer journey, and content changes to other sdgc.com pages that may be  
19 impacted by the final decision (e.g., sdgc.com/whenmatters, sdgc.com/solar, etc.). This estimate  
20 does not include messaging within SDGE’s customer portal, My Account, or tools that may be  
21 developed and referenced in SDG&E’s Implementation testimony.

22                   **3.     Direct Mail**

23           Direct mail will be used as the secondary method to reach customers who do not have an  
24 email address on file. As of the date of this testimony, SDG&E identified that approximately

1 10% of residential customers in its service territory do not have an email address on file.  
2 SDG&E estimates \$411,749 for three direct mail touchpoints leading up to the implementation  
3 of the IGFC, which include costs for development, printing, postage, and other associated  
4 handling fees. SDG&E is also budgeting for touchpoints through the customer bill, as described  
5 in the Bill Package section referenced below.

#### 6 **4. Email**

7 SDG&E plans to use an “Email first” method to directly reach most of its electric  
8 customers and estimates that the email component of its utility-specific ME&O plan will likely  
9 cost \$75,786 for approximately 8 touchpoints over the three phases. Depending upon the  
10 customer segmentation, the number of actual emails may vary. Estimated costs include: email  
11 production, deployment, monitoring, and reporting of email results.

#### 12 **5. Paid Media**

13 SDG&E will leverage localized paid digital (e.g., banner ads, paid search, paid social,  
14 etc.) and print media (e.g., community papers, out-of-home ads, etc.) to target customers by  
15 income and/or geography (by zip code) and in-language. SDG&E has estimated \$1,049,294 for  
16 digital and print over the three phases, including: planning, media costs for digital, print, and in-  
17 language outlets.

#### 18 **6. Bill Package**

19 As of the date of this testimony, approximately 54% of SDG&E customers receive a  
20 monthly paper bill. The bill package is another opportunity to reach customers in addition to  
21 digital. SDG&E estimates \$405,132 for bill package messages. Anticipated costs include: bill  
22 insert, outer envelope messaging, on-bill messaging, and on-bill “post-it-notes.”

1                   **7. Agency Support**

2                   SDG&E plans to utilize creative agencies to develop IGFC communications materials to  
3 be used in direct mail and email taking into account customer segmentation and messaging  
4 needs, digital and print assets including alternate versions for in-language, and other materials, as  
5 needed. SDG&E estimates \$967,250 over the three phases to develop needed IGFC materials.  
6 Estimated costs include messaging and development, campaign concept and design, visual and  
7 graphical representation of ME&O material, and video, print and digital production costs.

8                   **8. Supporting Materials**

9                   While a variety of materials will be developed by the creative agency, additional  
10 supporting materials will need to be accounted for within this budget. SDG&E estimates these  
11 costs to total \$72,972 and will include costs for fact sheets, external presentation materials,  
12 Frequently Asked Questions (FAQ) documents, employee training materials and resources,  
13 updating existing materials that may be impacted by the final decision, and translation services  
14 for in-language ME&O materials.

15                   SDG&E anticipates providing materials in both English and Spanish for its residential  
16 audience, where available, as well as any additional languages as requested by Community  
17 Based Organizations (CBOs). As part of the media strategy, SDG&E will work with its third-  
18 party media buyer to gain audience insights to maximize customer reach and identify other  
19 languages. Based on past campaigns and for this budget requests, SDG&E anticipates other  
20 languages may include Chinese and Vietnamese in addition to Spanish and English.

21                   **9. Marketing and Project Management Labor**

22                   SDG&E estimates that marketing and project management labor support for these new  
23 IGFC efforts will amount to \$751,372 in incremental costs over the three phases. Labor costs  
24 include internal marketing labor related to developing the strategy, planning campaigns,

1 execution of each tactic, continuous monitoring and optimization, managing overall outreach  
2 plans and calendars, reporting, customer analytics, and research support. Labor costs for the  
3 Agency Support and Community Based Outreach are included within those categories.

#### 4 **10. CBO Outreach**

5 SDG&E's proposed ME&O budget will include support for developing outreach  
6 materials for use by the approximately 200 CBOs SDG&E works within its Energy Solutions  
7 Partner Network. These CBOs will help further create awareness and understanding of the new  
8 IGFC line item on customer bills through outreach activities including social media posts,  
9 events, presentations, and workshops. SDG&E estimates the CBO-related outreach budget will  
10 likely total \$283,020 over the three phases. Costs include funding to each supporting CBO  
11 through a Memorandum of Understanding, and labor to plan, manage, and support CBO efforts.

#### 12 **B. Budget Adjustments**

13 SDG&E developed its estimated budget based on the proposed ME&O plan outlined  
14 here, which implements the Joint IOUs' IGFC proposal in the Joint IOU ME&O Testimony.  
15 The allocation of budget between the various channels and years may change depending on the  
16 details on the final IGFC. Adjustments to this total budget may be necessary if significant  
17 changes to the Joint IOUs' proposals are adopted in the final decision, such as the complexity of  
18 the final income graduated fixed charge, the number of rates affected, the degree of customer bill  
19 impacts, implementation timing, and other program-related variables. In addition, even if the  
20 total cost remains the same, the allocation of costs among the above-referenced ME&O  
21 categories may need to be adjusted to capture the CPUC's final decision as well as additional  
22 findings from future customer research or lessons learned.

23 This concludes my prepared opening testimony.



1 **III. WITNESS QUALIFICATIONS**

2 My name is April Bernhardt. I am employed by SDG&E in the company's Corporate  
3 Communications and Marketing department. My business address is 8306 Century Park Court,  
4 San Diego, California, 92111. I graduated from San Diego State University with a Bachelor of  
5 Liberal Arts and Science in Psychology. I have more than 20 years of experience working in  
6 corporate communications, media relations, and, most recently, marketing—my career spans  
7 both in wireless communications and the energy sector.

8 I have been employed by SDG&E as a communications manager since 2010, with  
9 increasing areas of responsibility. Currently, my title is marketing, education and outreach  
10 manager. My responsibilities include developing and implementing marketing strategies to  
11 increase customer awareness, engagement and understanding of company issues and priorities.  
12 Additionally, I am responsible for collaborating with internal stakeholders on critical customer  
13 communication and marketing activities along with managing a team of marketing and  
14 communications professionals. I have previously held management roles in communications at  
15 Sempra and Qualcomm Inc.

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