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**FILED**  
01/28/22  
03:19 PM

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

Order Instituting Rulemaking  
Regarding Building Decarbonization.

Rulemaking 19-01-011

**ASSIGNED ADMINISTRATIVE LAW JUDGE'S RULING  
SEEKING CLARIFICATIONS AND ADDITIONAL INFORMATION**

To obtain clarification of parties' positions along with further information and evidence regarding issues in Phase III of this proceeding, specific parties named shall, and all other parties may, file and serve responses to the questions set forth in Attachment 1 of this Ruling. Responses shall be filed and served no later than February 21, 2022.

**1. Procedural Background**

On November 16, 2021, the Assigned Commissioner issued an Amended Scoping Memo setting forth the issues to be considered in Phase III of this proceeding (Phase III Scoping Memo). Appended to the Phase III Scoping Memo were an Energy Division Staff Proposal (Staff Proposal) and a list of questions to be addressed by respondents and parties.

Specifically, Phase III considers eliminating gas line extension allowances, refunds, and discounts provided under the current gas line extension rules,<sup>1</sup>

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<sup>1</sup> Gas Rules 15 and 16 for PG&E ([https://www.pge.com/tariffs/assets/pdf/tariffbook/GAS\\_RULES\\_15.pdf](https://www.pge.com/tariffs/assets/pdf/tariffbook/GAS_RULES_15.pdf), [https://www.pge.com/tariffs/assets/pdf/tariffbook/GAS\\_RULES\\_16.pdf](https://www.pge.com/tariffs/assets/pdf/tariffbook/GAS_RULES_16.pdf)), SDG&E ([https://tariff.sdge.com/tm2/pdf/GAS\\_GAS-RULES\\_GRULE15.pdf](https://tariff.sdge.com/tm2/pdf/GAS_GAS-RULES_GRULE15.pdf), [https://tariff.sdge.com/tm2/pdf/GAS\\_GAS-RULES\\_GRULE16.pdf](https://tariff.sdge.com/tm2/pdf/GAS_GAS-RULES_GRULE16.pdf)), and Southwest Gas Corporation (<https://www.swgas.com/1409184638489/rule15.pdf>, [https://www.swgas.com/1409184638517/RULE\\_16---GRC\\_Eff-April-1-2021.pdf](https://www.swgas.com/1409184638517/RULE_16---GRC_Eff-April-1-2021.pdf)), and Gas  
*Footnote continued on next page.*

(collectively, Gas Line Subsidies). The Phase III Scoping Memo stated that the issues to be resolved include:

- a. Whether the Commission should modify or eliminate gas line extension allowances for some or all customer classes (residential and non-residential);
- b. Whether the Commission should modify or eliminate gas line extension refunds for some or all customer classes (residential and non-residential); and
- c. Whether the Commission should modify or eliminate gas line extension discounts for some or all customer classes (residential and non-residential).

## 2. Discussion

Parties filed comments and reply comments to both the Staff Proposal and list of questions in the Phase III Scoping Memo on December 20, 2021 and January 10, 2022 respectively. However, clarifications and more information are needed to assist the Commission in resolving the Phase III issues. Therefore, specific parties named shall, and other all other parties may, answer the supplemental questions listed in Attachment 1 of this Ruling.

**IT IS RULED** that specific parties named shall, and all other parties may, respond to the questions posed in Attachment 1 of this Ruling. Responses shall be filed and served no later than February 21, 2022.

Dated January 28, 2022, at San Francisco, California.

/S/ SCARLETT LIANG-UEJIO

Scarlett Liang-Uejio  
Administrative Law Judge

/S/ AVA TRAN

Ava Tran  
Administrative Law Judge

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Rules 20 and 21 for Southern California Gas Company (<https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/20.pdf>, <https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/21.pdf>). Rule 15/20 pertains to gas distribution main extensions and Rule 16/21 pertains to gas service line extensions.



## ATTACHMENT 1

For each question, only the specific parties named are required to respond; however, all other parties are also welcomed to respond. Please note that the Commission is not seeking a reiteration of comments already on the record; instead, we are seeking only clarifications and/or new information and data to help assist the Commission in resolving the issues in the Phase III Scoping Memo. Rather than repeat information already provided, parties should provide specific references to the comments and reply comments filed on December 20, 2021 and January 10, 2022 respectively. For purposes of this ruling, gas distribution line and service extension allowances, discounts, and refunds provided under the current gas line extension rules,<sup>2</sup> shall be referred to collectively as “Gas Line Subsidies.” Responses should focus on the impacts of eliminating Gas Line Subsidies, and should not be confused with the elimination of the gas line extension option itself, which is not a question currently under consideration in Phase III. Just as with the opening comments and reply comments, respondents and parties are encouraged to file joint responses where feasible and reasonable.

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<sup>2</sup> Gas Rules 15 and 16 for PG&E

([https://www.pge.com/tariffs/assets/pdf/tariffbook/GAS\\_RULES\\_15.pdf](https://www.pge.com/tariffs/assets/pdf/tariffbook/GAS_RULES_15.pdf), [https://www.pge.com/tariffs/assets/pdf/tariffbook/GAS\\_RULES\\_16.pdf](https://www.pge.com/tariffs/assets/pdf/tariffbook/GAS_RULES_16.pdf)), SDG&E ([https://tariff.sdge.com/tm2/pdf/GAS\\_GAS-RULES\\_GRULE15.pdf](https://tariff.sdge.com/tm2/pdf/GAS_GAS-RULES_GRULE15.pdf), [https://tariff.sdge.com/tm2/pdf/GAS\\_GAS-RULES\\_GRULE16.pdf](https://tariff.sdge.com/tm2/pdf/GAS_GAS-RULES_GRULE16.pdf)), and Southwest Gas Corporation (<https://www.swgas.com/1409184638489/rule15.pdf>, [https://www.swgas.com/1409184638517/RULE\\_16---GRC\\_Eff-April-1-2021.pdf](https://www.swgas.com/1409184638517/RULE_16---GRC_Eff-April-1-2021.pdf)), and Gas Rules 20 and 21 for Southern California Gas Company (<https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/20.pdf>, <https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/21.pdf>). Rule 15/20 pertains to gas distribution main extensions and Rule 16/21 pertains to gas service line extensions.

1. [Gas Utilities]: How much in each of the Gas Line Subsidies were provided in each of the calendar years from 2019-2021 to:
  - a. Industrial customers
    1. All industrial customers, and
    2. Specifically, those industrial customers seeking to develop renewable hydrogen, per the definition of “renewable hydrogen” proposed by the gas utilities in Application 20-11-004;
  - b. Agricultural customers
    1. All agricultural customers, and
    2. Specifically, those agricultural customers seeking to produce bio-synthetic natural gas, biogas, and/or renewable natural gas/biomethane; and
  - c. Commercial customers
    1. All commercial customers, and
    2. Specifically, those in the food service industry
  - d. Private Customers investing in compressed natural gas fueling stations?
2. [Gas Utilities]: How much in each of the Gas Line Subsidies does your utility forecast to be provided in calendar year 2022 for each of the customer groups listed under Question 1 above?
3. [Gas Utilities and Clean Energy]: Provide the projected impact on greenhouse gas emissions resulting from

eliminating Gas Line Subsidies for each of the customer groups listed under Question 1 above.

4. [Gas Utilities]: Of commercial customers that have obtained gas line extensions in each of the calendar years from 2019-2021, how many were converting from trucked, tank propane?
5. [All Parties]: If any considerations are to be made for projects that provide “environmental or financial benefits to California ratepayers,” how should environmental or financial benefits be defined? The response should focus on defining “environmental or financial benefits,” as opposed to providing a list of customers or types of projects.