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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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A2205015

Application of Southern California Gas Company (U904G) for Authority, Among Other Things, to Update its Gas Revenue Requirement and Base Rates Effective on January 1, 2024.

Application 22-05-015

And Related Matter.

Application 22-05-016

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

This assigned Commissioner's Scoping Memo and Ruling (Scoping Memo) sets forth the issues, need for hearings, schedule, category, and other matters necessary to scope the consolidated proceedings pursuant to Public Utilities (Pub. Util.) Code¹ Section (§) 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure (Rules). To address issues concerning Southern California Gas Company's (SoCalGas's) proposal for the Ventura Compressor Modernization (VCM) Project, a separate application by SoCalGas should be filed within 45 days of the issuance of this Scoping Memo, in accordance with the process set forth below.

Additionally, SoCalGas shall file a response no later than ten days from the issuance date of this Scoping Memo, confirming that it will file a separate application as to the VCM Project. SoCalGas shall also provide a list of exhibits, testimony, and workpapers submitted as part of the general rate case (GRC)

¹ All references are to the Public Utilities Code, unless otherwise noted.

application that includes information on the VCM Project. No further reply to SoCalGas's response may be filed.

1. Procedural Background

On May 16, 2022, SoCalGas filed Application (A.) 22-05-015, and San Diego Gas & Electric Company (SDG&E) filed A.22-05-016, seeking authority to increase their respective revenue requirements and base rates effective January 1, 2024, and to further increase their revenue requirements in post-test years, 2025, 2026, and 2027.

On June 8, 2022, the Administrative Law Judge (ALJ) ruling consolidated the two GRC Applications.

Pacific Gas and Electric Company (PG&E) filed its response to the SoCalGas application on June 9, 2022. Southern California Edison Company (SCE) filed its response to the consolidated Applications on June 15, 2022.

Timely protests were filed on June 20, 2022, by the Public Advocates Office at the California Public Utilities Commission (Cal Advocates), Clean Energy Fuels (Clean Energy), the Environmental Defense Fund (EDF), the California Environmental Justice Alliance (CEJA), Indicated Shippers, the City of Long Beach Energy Resources Department (Long Beach), the Mussey Grade Road Alliance (MGRA), San Diego Community Power and Clean Energy Alliance (Joint CCAs), Southern California Generation Coalition (SCGC), The Utility Reform Network (TURN), and the Utility Consumers' Action Network (UCAN).

Small Business Utility Advocates (SBUA) and Coalition of California Utility Employees (CUE) filed their responses to the consolidated Applications on June 20, 2022.

SoCalGas and SDG&E (Sempra Utilities) filed their reply to the protests on June 30, 2022.

The following entities filed motions for Party Status, and party status was granted as follows:

- a) National Diversity Coalition, filed on June 30, 2022 – motion was granted on July 19, 2022;
- b) Federal Executive Agencies, filed on June 30, 2022– motion was granted on July 19, 2022;
- c) Wellhead Services, Inc., filed on July 11, 2022 – motion was granted on July 19, 2022;
- d) Center for Accessible Technology, filed on July 12, 2022 – motion was granted on July 19, 2022;
- e) The Protect Our Communities Foundation, filed on July 26, 2022 – motion was granted on July 26, 2022;
- f) City of San Buenaventura (City of Ventura) filed on July 26, 2022 – motion was granted on July 26, 2022;
- g) City of San Diego – filed on July 26, 2022 – motion was granted on July 27, 2022;
- h) California City County Streetlight Association filed on August 9, 2022 – motion was granted on August 24, 2022;
- i) Climate First: Replacing Oil and Gas filed on August 17, 2022 – motion was granted on August 24, 2022;
- j) California Community Choice Association filed on August 23, 2022 – motion was granted on August 24, 2022;
- k) Community Legal Services, filed on August 2, 2022 – motion was granted on August 29, 2022;
- l) Utility Workers Union of America, Local Union 132, filed on August 26, 2022 – motion was granted on August 29, 2022;
- m) Utility Workers Union of America, Local Union 132, filed on August 26, 2022 – motion was granted on September 8, 2022; and

- n) Patagonia Inc. filed on September 8, 2022 -motion was granted on September 26, 2022.

A prehearing conference (PHC) was held on July 27, 2022. At the PHC, the issues, procedural schedule, and other procedural matters relating to the proceeding were discussed. After considering the protests, responses and reply comments, and discussion at the PHC, I have determined the issues and initial schedule of the proceeding to be set forth in this Scoping Memo.

2. Issues

The issues to be determined or otherwise considered are:

1. Whether Sempra Utilities' proposed revenue requirements, costs, and recovery mechanisms for Test Year 2024 are just and reasonable and should be adopted by the Commission and reflected in rates;
2. Whether Sempra Utilities' post-test-year ratemaking mechanisms are just and reasonable;
3. Whether the various regulatory account proposals are just and reasonable;
4. Whether SDG&E's recorded amounts in its Wildfire Mitigation Plan Memorandum Account from its inception in May 2019 through December 31, 2023, are reasonable and prudent for cost recovery;
5. Whether Sempra Utilities' Applications align with the Commission's Environmental and Social Justice Action Plan;²
6. Whether the identified risks and recommendations in the Safety Policy Division's evaluation report of Sempra Utilities' joint Risk Assessment and Mitigation Phase Applications and the data on revised risk spending efficiency calculation, required pursuant to March 30, 2022,

² See Environmental & Social Justice Action Plan Version 2.0, adopted by the Commission on April 2, 2022 at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf>

Scoping Memo issued in A.21-05-011, have been adequately integrated into this GRC proceeding and whether mitigation programs and projects that address safety risks are reasonably balanced with the costs associated with such programs and projects; and

7. Whether programs align with California's climate objectives, decarbonization goals, forecasts of future natural gas demand, and whether the expenditures result in just and reasonable rates.

Parties proposed specific issues in their Protest and in the Joint PHC Statement that fall within the above scope of issues; I clarify that the below matters, among other matters, are included within the scope of issues:

- a. The impact of the proposed rate increases on affordability and disconnections for non-payment, under § 718(b); Supplemental testimony is due by November 18, 2022.
- b. Whether proposed investments in alternative fuels, including bio-methane and hydrogen, are reasonable and sourced without disproportionately burdening disadvantaged communities with air pollution.

3. Matters Raised in Protests and Discussions at the PHC

During the PHC, the ALJ discussed specific issues raised in the protests by the parties. I make the following determinations on these issues:

1. SoCalGas's proposed Ventura Compressor Modernization Project

SoCalGas's VCM Project was initially planned to replace the existing gas compression equipment (three gas compressors) with four new larger gas compressors with modern air emission controls based on a Front End Engineering Design (FEED) in February 2020.³ In August 2021, the Commission requested that SoCalGas prepare a feasibility study to evaluate alternative

³ Exhibit SC-6 at CHB-100.

compressor equipment configurations and alternative site locations for the planned VCM Project.⁴ SoCalGas states that due to the feasibility study process, SoCalGas identified a preferred project alternative.⁵

SoCalGas's preferred project alternative includes adding four new compressors (two electric and two gas) on the same site but at a new location.⁶ Specifically, the project will install four new parallel reciprocating compressors comprising two larger electric-motor driven compressors and two larger natural gas-fueled compressors to replace the three existing natural gas-fueled compressors. The project will also include a new electric line extension for the two electric compressors, emission control systems for the natural gas fueled compressors, the installation of supporting compressor station auxiliaries, and a new natural gas fueled emergency backup electric generator.⁷ SoCalGas states in its revised testimony that it will construct a new compressor building to house the new compressors, build a new office and warehouse building, construct new stormwater retention basins, and build new perimeter fencing and landscaping around the facility.⁸ The revised project configurations are in the Re-FEED phase and are anticipated to be completed in Q2 2023.⁹ The Detailed Design & Procurement phase is expected to be completed in Q4 2025 with an in-service date of Q2 2027.¹⁰

⁴ *Id.*

⁵ *Id.*

⁶ Exhibit SCG-6-R at CHB-B-6.

⁷ Exhibit SCG-6-R at CHB-B-6.

⁸ *Id.*

⁹ Exhibit SCG-6 at CHB-B-11.

¹⁰ *Id.*

In its protest, CEJA requests the Commission follow its Environmental Social Justice (ESJ) Action Plan and direct SoCalGas to file an Application for a Certificate of Public Convenience and Necessity (CPCN) for the proposed VCM Project and remove the project's proposed expense from this GRC.¹¹ CEJA states that many issues are under consideration, such as concerns over project cost, significance, controversy, and potential impacts on the health, safety, and well-being of an ESJ Community¹² and its school children.¹³ SCGC states that the projected costs for the VCM Project, as well as the presentation of forecasts for post-test years, should be examined through the evidentiary process.¹⁴

In its June 30, 2022 reply, Sempra Utilities argues that the facility was included in the 2016 GRC for an upgrade in its horsepower. Sempra Utilities state that additional FEED resulted in cost and scope revisions, which were submitted and approved in SoCalGas's 2019 GRC Decision.¹⁵ Sempra Utilities contend that it is an ongoing project and that capital expenditure recovery for the project would be presented in a future GRC.¹⁶ Sempra Utilities argue that obtaining a CPCN for the Ventura Compressor Station is not required and that CEJA cites no authority for such requirement.¹⁷

¹¹ CEJA Protest at 4-8.

¹² CEJA contends that the CalEnviroScreen 4.0 Map tool shows the pollution burden in the community where the Ventura Compressor Station is located, indicating that it is in a Disadvantaged Community pursuant to Senate Bill (SB) 535 and, therefore, it should be considered as an ESJ Community pursuant to the Commission's ESJ Action Plan.

¹³ CEJA Protest at 4-8.

¹⁴ SCGC Protest at 5.

¹⁵ Sempra Reply at 4.

¹⁶ Sempra Reply at 4-5.

¹⁷ Sempra Reply at 5.

On July 26, 2022, the City of San Buenaventura (City of Ventura) filed a motion for party status (Motion). The Motion states that the City's and residents' strong opposition and feedback to SoCalGas' proposed VCM Project were not considered when selecting SoCalGas' preferred project alternative, as the City of Ventura expected following the August 2021 letter from the Commission's Executive Director.¹⁸ The Motion further states that it seeks to protect the interests of the city, its residents and businesses located in the city, as ratepayers, and the health and safety of residents and businesses in the city.¹⁹ The Motion recommends a separate track within this GRC cycle to review the VCM Project if a CPCN proceeding is not ordered.²⁰

At the PHC, we heard comments from the City of Ventura, EDF, Clean Energy, and Joint CCAs supporting CEJA's protest.

I find it reasonable to review the VCM Project under the consideration of ESJ principles and goals in a separate Application rather than the current GRC Application. The proposed VCM Project has an expanded scope, a revised project plan, significant upgrades to existing plant equipment, proposed additions of new electric compressors, and potential electrical upgrades. It is comparable to reviewing new facilities in an existing location and reasonable to allow the host community to directly address the Commission regarding the infrastructure expansion plan.

The Commission has discretion in its oversight of facility infrastructure, siting, the safety of those facilities, and, in this instance, both safety and the impact on ESJ communities. As noted in the Executive Director's August 2021

¹⁸ Motion at 5.

¹⁹ *Id.*

²⁰ Motion at 5-6.

letter to SoCalGas, there has been considerable public concern and protests about this project. A dedicated Application for the VCM Project will allow the Commission staff and stakeholders to reference ESJ Action Plan Goals (ESJ Goals) when developing or responding to policies and the proposed revised VCM Project.

Reviewing the VCM Project consistent with the ESJ Action Plan will enable the Commission to:

- a. integrate equity and access to CPUC activities and decision-making that will impact the residents of the ESJ community (ESJ Goal #1);
- b. review how the project could increase investment in clean energy resources to benefit ESJ and address impacts on the community (ESJ Goal #2);
- c. enhance outreach and public participation opportunities for ESJ communities to participate in the CPUC's decision-making process meaningfully and benefit from CPUC programs (ESJ Goal #5); and
- d. establish safety and consumer protection measures for the ESJ community (ESJ Goal #6).

A determination on SoCalGas's preferred alternative is needed as soon as possible with appropriate ESJ community engagement and feedback to determine safety at the facility, establish options for reducing air emissions that may improve health and safety, and set safeguards necessary for system upgrades and reliability of the VCM Project. Moving the evaluation of the VCM Project into a separate proceeding will be a more efficient way to review and resolve the specific issues outside of the extended GRC timeline. It will allow the Commission to set an appropriate schedule for review of the VCM Project and enable a focused engagement from interested parties and communities. It will

allow the Commission to consider whether SoCalGas is entitled to cost recovery for the VCM Project.

Therefore, within 45 days of the issuance of this Assigned Commissioner Scoping Memo, SoCalGas should file a separate formal Application for its VCM Project with its preferred project alternative, which includes two electric and two gas compressors at a different location on the same site, as described above. The Application should include information on SoCalGas' detailed feasibility analysis of alternative sites and equipment configurations, including emissions profiles of the alternatives studied, if applicable, supporting documents on its preferred project alternative, and the facility's revenue requirement, rate treatment, and regulatory accounting.

Consideration of the VCM Project shall not delay the GRC Application. Therefore, SoCalGas and all parties shall consider the VCM Project to be outside the scope of this proceeding unless a ruling to the contrary is issued.

SoCalGas shall confirm whether it will file a separate Application on the VCM Project by filing a response to the Scoping Memo no later than ten days from the issuance date of this ruling. SoCalGas shall also provide a list of exhibits, testimony, and exhibits submitted as part of the GRC application that include information on the VCM Project.²¹ This information will help the ALJ consider procedural options to revise exhibits to remove the VCM Project and cost information from the record in this proceeding.

No further reply comments may be filed.

²¹ The list shall categorize exhibits, testimony, and workpapers that have direct reference to the VCM Project and other exhibits, testimony, and workpapers that this change would impact.

2. Clean Energy Innovations projects proposed by SoCalGas are within the scope of the GRC review

In its protest, CEJA states that SoCalGas's request to fund its Clean Energy Innovations projects,²² such as carbon dioxide pipeline and sub-programs like carbon management and researching the effects of hydrogen/methane blending, should be stricken from SoCalGas's GRC request.²³ CEJA argues that these projects should be rejected because SoCalGas's current customers should not subsidize the development of SoCalGas' (or another Sempra affiliate's) carbon dioxide pipelines. Regarding the sub-programs, CEJA argues that SoCalGas is establishing new lines of business related to carbon dioxide pipelines, and its hydrogen blending request is duplicative of a request in a prior Application that was dismissed.²⁴ Regarding SoCalGas and SDG&E's proposed hydrogen investments, CEJA states that investments should be limited to 100 percent renewable electrolytic hydrogen and only used for hard-to-electrify operations.²⁵

In its June 30, 2022 reply, Sempra Utilities contended that carbon dioxide pipeline and carbon capture could have substantial environmental benefits and should not be stricken from the GRC Application.²⁶ Sempra Utilities state that a process similar to rate recovery for hydrogen refueling infrastructure could be

²² See Exhibit SCG-12 for a detailed list of projects related to carbon and hydrogen-related infrastructure.

²³ CEJA Protest at 8-14.

²⁴ CEJA Protest at 11-14.

²⁵ CEJA Protest at 14.

²⁶ Sempra Reply at 5-7.

implemented for carbon dioxide pipelines with rates for third-party customers using carbon dioxide pipelines.²⁷

Regarding the sub-programs, Sempra Utilities argue that these proposed programs are part of SoCalGas's Research, Development, and Demonstration (RD&D) program supported by statute (Pub. Util. Code § 740.1) that permits energy research that provides benefits related to safety, reduced Greenhouses Gas emissions, improved air quality, improved affordability, operational efficiency, and reliability.²⁸ Sempra Utilities further state that carbon management and hydrogen blending have been included in 2019, 2020, and 2021 Annual Reports produced by SoCalGas that are filed as annual advice letters.²⁹

At the PHC, CEJA, UCAN, and Clean Energy argued that these projects constitute new areas of the business not appropriate for SoCalGas to seek recovery from gas customers. EDF stated that it was a legal question whether this should be included in the first place as a matter of first impression or separately as a matter of law.

I find it reasonable to include the Clean Energy Innovations projects within the GRC scope. These project proposals are comparable to the infrastructure and RD&D requests forecasted in a GRC or a formal rate recovery Application. Determining that these projects are within the scope of the GRC is not an approval or denial as to the issues at law. Furthermore, including the Clean Energy Innovations projects in the GRC scope does not validate the projects. By including these projects within the scope, the Commission and intervenors will have an opportunity to review the project scope and related

²⁷ Sempra Reply at 6.

²⁸ Sempra Reply at 8.

²⁹ Sempra Reply at 7-8.

costs as part of the GRC process. To avoid duplicative cost recovery, the Commission will review and compare information on projects and cost recovery mechanisms identified by Sempra Utilities in this GRC with the ones that have already been approved or are under consideration at the Commission. Based on the evidence, the Commission can examine facts on whether the proposed projects qualify as public utility assets, whether we have jurisdiction to authorize rate recovery, and whether the related costs are just and reasonable. Therefore, retaining the Clean Energy Innovations projects within the GRC scope is reasonable.

3. An OII is Unnecessary

TURN's June 20, 2022 protest requests the Commission to clarify whether the scope of this proceeding includes affirmative, rather than solely responsive, proposals from parties, provided that the affirmative recommendations address issues properly within the scope of this proceeding.³⁰ Alternatively, TURN requests the Commission to open a companion investigation proceeding, similar to the proceeding the Commission opened for PG&E's 2007 GRC.³¹

I find it reasonable to allow parties to present affirmative proposals that are both relevant to this proceeding and not already raised by Sempra Utilities. GRC proceedings occur once every few years and typically involve numerous key stakeholders, making it an optimal proceeding for evaluating proposals that may impact Sempra Utilities' revenue requirement.

³⁰ TURN's Protest at 7-8.

³¹ See A.05-12-002 PG&E's GRC Application to increase rates and charges for electric and gas service effective January 1, 2007.

4. Supplemental testimony on affordability metrics for non-residential customer classes is not required in this GRC Phase 1

TURN states that Sempra Utilities should comply with affordability ratios adopted in Rulemaking (R.) 18-07-006 in this GRC cycle because Sempra Utilities will not be filing another GRC until four years later, and the Commission is likely to adopt an affordability decision months before intervenor testimony is due in this proceeding.³² TURN further states that under SB 598, the Commission should require Sempra Utilities' to assess the impact of the 2024 GRC request on disconnections for nonpayment.³³

During the PHC, Sempra Utilities agreed to provide supplemental testimony on the affordability metrics and their analysis of energy burden. Sempra Utilities requested a mid-November timeline to submit this information.

At the PHC, Clean Energy and Indicated Shippers recommended that the affordability metrics cover all customer rate schedules.

Pursuant to Decision (D.) 22-08-023 (Affordability Decision in R.18-07-006), electric and gas utilities must include affordability metrics in Applications that seek to increase revenues by at least one percent. The revenue increase sought by Sempra Utilities is greater than one percent. Given the timing of this Scoping Memo and the adoption of the Affordability Decision, I find it reasonable to require Sempra Utilities to serve supplemental testimony on the affordability metrics and the impact of disconnections for non-payment for residential customers in Sempra's GRC Phase 1. In D.22-08-023, the Commissioner did not adopt a metric for nonresidential customers' affordability

³² TURN's Protest at 3-6

³³ TURN's Protest at 4.

impacts.³⁴ Therefore, Sempra Utilities is not required to develop metrics for non-residential customers in Phase 1 of this GRC. Sempra Utilities shall serve supplemental testimony with affordability metrics and the impact of disconnections for non-payment of bills for residential customers by November 18, 2022, in accordance with D.22-08-023.

5. Cost Functionalization is encompassed within Issue No.1

In protest, the Joint CCAs requested that cost functionalization be reviewed as an issue in Phase 1 of this GRC.³⁵ In its reply, Sempra argued that this is a policy matter and is appropriate for GRC Phase 2.³⁶ At the PHC, the Joint CCAs clarified their use of the term “functionalization,” which refers to how capital and operating expenses are allocated into three major utility functions: electric generation, electric distribution, and gas distribution. The Joint CCAs further stated that they are not using the functionalization term to be referred to the allocation of costs among customer classes. During the discussion, the Joint CCAs said that the functionalization is connected to issue no. 1, and for clarity, it should be listed as a separate issue on the scoping memo. I agree that this issue is already part of broader issue no. 1 and should be reviewed as part of the revenue requirement calculations. However, it does not need to be listed separately because the functionalization of costs is a fundamental step in the cost-of-service study in the GRC proceeding.

³⁴ D.22-08-023 at 74.

³⁵ Joint CCA Protest at 14-21.

³⁶ Sempra Reply at 13.

6. Recorded 2022 expenditures are due by March 1, 2023

TURN requests the Commission to direct Sempra Utilities to submit 2022 recorded expenditures in this proceeding by January 31, 2023.³⁷ In its reply to the protest, Sempra Utilities agree to provide the data by mid-March 2023.³⁸ During the PHC, Sempra Utilities stated that they need time to get the prior year's data in the appropriate format before providing it. At the PHC, TURN, and SCGC contended the importance of receiving the 2022 recorded data before March 1, 2023, in time for the parties to review updated information for the rebuttal testimony. I find it reasonable for Sempra Utilities to have time to prepare the data. However, it is also essential for intervenors to receive up-to-date and accurate information in time to prepare their rebuttal testimony. Two months is an adequate timeframe to organize year-end data. Therefore, Sempra Utilities are directed to provide the 2022 recorded data by March 1, 2023, in PDF and Excel to promote efficient access by parties.

4. Need for Evidentiary Hearing

Parties state that evidentiary hearings are needed due to various contested issues of material fact. I agree. Accordingly, I find that evidentiary hearings are needed on contested issues of material fact. The dates for evidentiary hearings are included in the schedule herein. Further details regarding the evidentiary hearings will be provided by ALJ Ruling as the date for these hearings approaches.

5. Schedule

The schedule for this proceeding will include three tracks. Track 1 will address the majority of matters presented in this proceeding, including

³⁷ TURN's Protest at 7.

³⁸ Sempra Reply at 12-13.

Sempra Utilities' requested revenue requirement and safety, environmental, and social justice issues. Track 2 and Track 3 will address the narrower matters of the reasonableness of the 2019-2021 actual costs recorded in the named memorandum accounts and balancing accounts and, to the extent relevant, also address safety and environmental and social justice matters. Regarding Track 3, SDG&E requests that the Commission address the reasonableness of 2023 actual recorded costs in memorandum accounts and balancing accounts in this proceeding. I plan to address the process for reviewing these 2023 actual recorded costs in an Amended Scoping Memo if needed.

Also, due to the vast amount of information presented in the consolidated proceedings, I have incorporated additional and mandatory meet and confers, which must all be noticed to the service list in accordance with Rule 13.9(b).

In setting the schedule for this proceeding, I recognize the schedule does not conform with the Commission's rate case plan schedule adopted in D.20-01-002 (Rate Case Plan Decision). Due to significant overlap with other GRC proceedings underway at the Commission, the Rate Case Plan Decision could not have contemplated a delayed schedule. Efficient resolution of this proceeding weighs in favor of a schedule with multiple tracks.

Given the delay, I also find that this proceeding may not be resolved within 18 months set forth in Pub. Util. Code § 1701.5. Accordingly, as permitted by Pub. Util. Code § 1701.5, I set the statutory deadline of this proceeding at a later date to encompass 24 months, May 15, 2024. The following schedule for Tracks 1 and 2 is adopted and may be modified by the assigned Commissioner or ALJ as required to promote the efficient and fair resolution of the Applications.

| A.22-05-015 and A.22-05-016 (Consolidated) Events | Track 1 – Review of 2024 TY Revenue Requirement and Attrition Years 2025, 2026 and 2027 |
|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| Sempra Application Filed | May 16, 2022 |
| Sempra Utilities Serve Revised Direct Testimony | August 17, 2022 |
| Scoping Memo of the Assigned Commissioner | October 3, 2022 |
| SoCalGas’s response to the VCM issue | Due within 10 days of issuance date of the Scoping Memo |
| Supplemental Testimony Served on Affordability Metrics and Disconnections | November 18, 2022 |
| Public Participation Hearings (virtual) | January 2023 |
| 2022 Recorded Expenditures Served by SoCalGas and SDG&E | By March 1, 2023 |
| Intervenor Testimony | March 17, 2023 |
| Rebuttal Testimony | April 21, 2023 |
| Duty to Meet & Confer – Rule 13.9 and Additional Meet and Confer Requirements (mandatory) | April 21, 2023- May 19, 2023 |
| Status Conference (virtual) on Procedural Matters and Report on Meet & Confer | TBD by ALJ Ruling – Held on Date Prior to Evidentiary Hearings |
| Evidentiary Hearings | May 22, 2023 |
| Evidentiary Hearings End | June 16, 2023 |
| Parties Request Permission for Updated Testimony if any | June 16, 2023 |
| Opening Briefs and Request for Final Oral Argument | July 14, 2023 |
| Reply Briefs | August 11, 2023 |
| Status conference, proceeding submitted, unless otherwise designated [Rule 13.14(a)] | November 14, 2023 |
| Proposed Decision | 2 nd Quarter 2024 |

| TRACK 2-Wildfire Mitigation Plan Memorandum Account | Track 2 - Years 2019-2022 |
|----------------------------------------------------------------|----------------------------------|
| SDG&E Testimony Served | September 21, 2023 |
| Intervenor Testimony Served | January 16, 2024 |
| Rebuttal Testimony Served | February 14, 2024 |
| Evidentiary Hearings (if necessary) | April 8, 2024- April 10, 2024 |
| Opening Briefs Filed | April 30, 2024 |
| Reply Briefs Filed | May 21, 2024 |

The purpose of the status conference set in Track 1 is to ascertain whether, pursuant to Rule 13.8(c), the parties stipulate to the receipt of prepared testimony into evidence without direct or cross-examination or other need to convene an evidentiary hearing or, in the alternative, the parties resources, readiness, and requirements for the effective remote conduct of the evidentiary hearing, including estimates of time requested for cross-examination and identification of anticipated exhibits.

6. Alternative Dispute Resolution (ADR) Program and Settlements

The Commission's ADR program offers mediation, early neutral evaluation, and facilitation services and uses ALJs trained as neutrals. The assigned ALJ can refer this proceeding to the Commission's ADR Coordinator at the parties' request. Additional ADR information is available on the Commission's website.³⁹

Any settlement between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules and shall be served in writing. Such settlements shall include a complete explanation of the settlement and why it is reasonable in light of the whole record, consistent with the law, and in the public interest. The proposing parties bear the burden of proof of whether the Commission should adopt the settlement.

7. Category of Proceeding and *Ex Parte* Restrictions

This Scoping Memo confirms the Commission's preliminary determination that this is a ratesetting proceeding. Accordingly, *ex parte* communications are restricted and must be reported pursuant to Article 8 of the Rules.

³⁹ See D.07-05-062, Appendix A, § IV.O.

8. Public Outreach

Pursuant to Pub. Util. Code § 1711(a), I hereby report that the Commission sought the participation of those likely to be affected by this matter by noticing it in the Commission's monthly newsletter that is served to communities and businesses that subscribe to it and posted on the Commission's website. In addition, the assigned ALJ and I will host several public participation hearings, with some of these public participation hearings tailored to the interests of specific areas of SoCalGas's and SDG&E's service territory. These hearings will be held both in the afternoon and evening hours.

9. Intervenor Compensation

Pursuant to Pub. Util. Code Section 1804(a)(1), a customer who intends to seek an award of compensation should have filed and served a notice of intent to claim compensation by September 26, 2022, 30 days after the PHC.

10. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may post such a response using the "Add Public Comment" button on the "Public Comment" tab of the online docket card for the proceeding.

11. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission's Public Advisor at 1-866-849-8390 or 1-866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

12. Filing, Service, and Service List

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is correct and serve notice of any errors on the Commission's Process Office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.⁴⁰

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents.

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the service list to consider the Commission's subscription service as an alternative. The subscription service sends individual notifications to each

⁴⁰ The form to request additions and changes to the Service list may be found at <https://www.cpsc.ca.gov/-/media/cpsc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf>

subscriber of formal e-filings tendered and accepted by the Commission. Notices sent through subscription service are less likely to be flagged by spam or other filters. Notifications can be for a specific proceeding, a range of documents, and daily or weekly digests.

13. Receiving Electronic Service from the Commission

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive e-mails from the Commission. Please add “@cpuc.ca.gov” to your e-mail safe sender list and update your e-mail screening practices, settings, and filters to ensure receipt of e-mails from the Commission.

14. Assignment of Proceeding

Commissioner Darcie L. Houck is the assigned Commissioner, and ALJ Manisha Lakhanpal is the assigned ALJ and Presiding Officer for the proceeding.

IT IS RULED that:

1. The scope of this proceeding is described above and is adopted.
2. The schedule of this proceeding is set forth above and is adopted.
3. Within 45 days of the issuance of this assigned Commissioner’s Scoping Memo and Ruling, Southern California Gas Company should file a formal Application for its Ventura Compressor Modernization Project. The Application shall include information on its detailed feasibility analysis of alternative sites and equipment configurations, including emissions profiles of the alternatives studied, if applicable, supporting documents on its preferred project alternative, and the facility’s revenue requirement, rate treatment, and regulatory accounting.

4. Consideration of the Ventura Compressor Modernization (VCM) Project shall not delay the general rate case Application. Therefore, Southern California Gas Company and all parties shall consider the VCM Project to be outside the scope of this proceeding unless a ruling to the contrary is issued.

5. Southern California Gas Company (SoCalGas) shall respond to the assigned Commissioner's Scoping Memo and Ruling (Scoping Memo) limited to confirming its intention as to filing a separate Application that addresses the issues set forth herein concerning the Ventura Compressor Modernization (VCM) Project, no later than 10 days from the issuance date of this Scoping Memo. In its response, SoCalGas shall also provide a list of exhibits, testimony, and workpapers submitted as part of the general rate case application containing information on the VCM Project.

6. No further reply to Southern California Gas Company's response may be filed.

7. An evidentiary hearing is needed and scheduled as set forth above.

8. The Presiding Officer is the assigned Administrative Law Judge.

9. The category of the proceeding is ratesetting.

10. This order is effective today.

Dated October 3, 2022, at Sacramento, California.

/s/ DARCIE L. HOUCK

Darcie L. Houck
Assigned Commissioner