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R1311005

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking
Concerning Energy Efficiency Rolling
Portfolios, Policies, Programs,
Evaluation, and Related Issues.

Rulemaking 13-11-005

**ADMINISTRATIVE LAW JUDGE'S RULING PROVIDING NOTICE OF AUDIT
COMPLETED PURSUANT TO DECISIONS 22-03-010 AND 22-04-034**

This ruling provides notice of an audit completed by the Commission's Utility Audits Branch pursuant to Decision (D.)22-03-010 and D.22-04-034. A copy of the audit report is included with this ruling as an attachment.

D.22-03-010 directs an audit to:

- Determine the amount of ratepayer-funded expenditures associated with the activities found to be in violation of D.18-05-041;
- Identify the amount of expenditures that are ineligible for Efficiency Savings and Performance Incentive payment;
- Examine and identify any other financial benefits that accrued to Southern California Gas Company (SoCalGas) or any SoCalGas employee, such as performance bonuses, resulting from the activities found to be in violation of D.18-05-041.¹

D.22-04-034 directs an audit to:

- Determine the amount of ratepayer-funded expenditures associated with the activities through which SoCalGas did

¹ D.22-03-010 Ordering Paragraph 4.

not support more stringent codes and standards or did not support local governments' adoption of reach codes;

- Identify the amount of ESPI management fee payments associated with certain of these activities, and the amount of expenditures that are ineligible for ESPI payment.²

Both D.22-03-010 and D.22-04-034 provide that within 30 days after the Commission approves the audit ordered by each decision, SoCalGas “must submit a Tier 2 advice letter detailing the entries it will make to the Demand Side Management Balancing Account and any other accounting mechanisms identified by the results of the audit...Southern California Gas Company must include interest, consistent with the operation of the Demand Side Management Balancing Account and of any other accounting mechanisms identified by the results of the audit... on these refund amounts. Southern California Gas Company must propose to effectuate this refund as part of its next gas Public Purpose Programs surcharge change.”³

Parties may file comments addressing whether the Commission should approve the audit ordered by D.22-03-010 and D.22-04-034 no later than May 1, 2024, and reply comments no later than May 22, 2024.

IT IS SO RULED.

Dated April 3, 2024, at San Francisco, California.

/s/ VALERIE U. KAO

Valerie U. Kao
Administrative Law Judge

² D.22-04-034 Ordering Paragraph 5.

³ D.22-03-010 Ordering Paragraph 5 and D.22-04-034 Ordering Paragraph 6.