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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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 AMENDED SCOPING MEMO AND RULING FOR TRACK 3

This Amended Scoping Memo and Ruling amends the Assigned Commissioner’s Scoping Memo and Ruling (Scoping Memo) issued in Application (A.) 22-05--016 on October 3, 2022, to establish the scope and the schedule of Track 3 of this proceeding.

The October 3, 2022, Scoping Memo stated that this proceeding would address the process for reviewing 2023 actual costs recorded in San Diego Gas & Electric’s (SDG&E’s) Wildfire Mitigation Plan memorandum accounts and balancing accounts in this proceeding as a third track to this proceeding, if needed, in an Amended Scoping Memo.

On December 19, 2024, the Commission issued a decision for Track 1 of this proceeding. In D.24-12-074, the Commission ordered the review of the reasonableness of Southern California Gas Company’s (SoCalGas’s)(SoCalGas and SDG&E collectively Sempra) and SDG&E’s December 2015 - December 2020

Pipeline Safety and Enhancement Plan (PSEP) costs in Track 3 of this proceeding. SoCalGas and SDG&E submitted initial testimony for PSEP in Track 1. As a result, this Scoping Memo establishes an expedited schedule for review of December 2015 - December 2020 PSEP costs and the 2023 wildfire mitigation costs similar to the schedule for Track 2.

1. Procedural Background

On January 9, 2025, the Administrative Law Judge (ALJ) noticed a pre-hearing conference with instructions to provide proposed schedules for serving testimony; hearings (if necessary); dates for filing motions for approval of a settlement or the filing of a case management statement; and briefing for 2015-2020 PSEP costs and 2023 wildfire mitigation costs.

On January 28, 2025, the ALJ held a prehearing conference, during which SoCalGas, SDG&E, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates), The Utility Reform Network (TURN), Utility Consumers' Action Network (UCAN), Small Business Utility Advocates (SBUA), Protect Our Communities Foundation (PCF), and the Southern California Gas Coalition (SCGC) discussed the proposed schedules.

2. Issues

Track 3 of this proceeding will address the following issues:

1. Whether amounts SDG&E recorded in its Wildfire Mitigation Plan Memorandum Account from its inception in 2023, are reasonable and prudent for cost recovery;
2. Whether amounts SoCalGas recorded in memorandum accounts for PSEP costs presented for reasonableness review for the December 2015 - December 2020 period are reasonable and prudent for recovery;
3. Whether amounts SDG&E recorded in memorandum accounts for PSEP costs presented for reasonableness

review for the December 2015 – December 2020 period are reasonable and prudent for recovery;

4. Whether accrual of interest on additional amounts (or some portion thereof) should or should not be authorized for recovery in the pertinent PSEP balancing accounts ;
5. 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;
6. Whether Sempra’s applications align with the Commission’s Environmental and Social Justice Action Plan;
7. Are there any environmental and social justice concerns?;
and
8. Are there any safety concerns?

3. Discussions at the Prehearing Conference

During the prehearing conference, the participants discussed the proposed schedules, a proposal to reconsider suspending the accrual of interest on additional amounts recovered in the pertinent PSEP balancing accounts, and the record of PSEP reasonableness review costs in the Track 1 record.

Following the prehearing conference, the parties identified the Track 1 record pertinent to the PSEP reasonableness reviews as including SCG Ex-08, SCG Ex-08-WP-S volumes 2 through 5 and 8 (totaling approximately 1616 pages), SDGE Ex-08 (38 pages) and SDGE Ex-08-WP-S volumes 1 and 2 (357 pages). The parties indicated their intent to revise and update the Track 1 record with supplementary testimony, appendices, and work papers before offering separate exhibits for admission into the Track 3 record. They should also clearly indicate what portions of the Track 1 testimony have been updated.

After considering the evidence required under D.24-12-074 and that the evidence that must be supplemented is for projects dating back as far as 2015, the parties were not able to provide a shorter timeline for providing their testimony. However, the parties are open to exploring stipulations and settlement following the submission of Sempra's opening testimony to potentially shorten the proceeding.

With regard to the suspension of the accrual of interest on costs recorded in the PSEP balancing accounts, TURN, PCF, UCAN, and SCGC supported the suspension of the accrual of interest. They argued that suspension of the accrual of interest is appropriate due to the insufficient evidence provided in Track 1 regarding PSEP costs,¹ Sempra has the burden of proof, and Sempra is being given a second opportunity to present evidence.² On the other hand, Sempra argued that it should not be penalized due to the lack of staffing on the part of intervenors to review the record, and that its showing in Track 1 was robust. The Commission has already determined that SDG&E's Track 1 showing was insufficient. Based on that finding and the parties' arguments, the Commission finds that it is appropriate to consider whether the applicant should or should not be able to collect interest on the amounts at issue and that issue of the suspension of interest on PSEP recorded costs will be included in the scope of Track 3 of the proceeding .

4. Need for Evidentiary Hearing for Track 3

It is preliminarily determined that evidentiary hearings are needed on the issues listed above. Parties shall meet and confer after service of rebuttal

¹ Prehearing Conference Transcript at 159-160.

² Prehearing Conference Transcript at 160-161.

testimony according to the schedule below to determine whether there are material issues of disputed fact and, if so, whether the parties are able to reach stipulations that would clarify and narrow areas to be addressed in any hearing. Parties shall also file a joint case management statement according to the schedules below. The joint case management statement shall include the following information: (1) identification of all disputed material issues of fact to be addressed in hearings; (2) the evidence each party proposes to introduce regarding those disputed issues of material fact; and (3) the estimated amount of time needed for hearings.

5. Schedules

Based on the expansion of the scope of this proceeding, the two schedules for Track 3 are set forth below. Following the service of rebuttal testimony, the parties shall meet and confer prior to proposing more precise dates for the proceeding schedule.

2023 WMPMA Costs

EVENT	DATE
SDG&E Testimony Served	April 30, 2025
Intervenor Testimony Served	June 16, 2025
Rebuttal Testimony Served	August 11, 2025
Case Management Statement	September 23, 2025
Evidentiary Hearings (if necessary)	October 9-10, 2025
Opening Briefs Filed	November 17, 2025
Parties File Reply Briefs	December 15, 2025
Proposed Decision	Q1 2026

PSEP Costs

EVENT	DATE
SDG&E and SoCalGas Testimony Served	April 30, 2025
Intervenor Testimony Served	June 30, 2025
Rebuttal Testimony Served	August 29, 2025
Rule 13.9 Settlement Meeting	September 9, 2025
Case Management Conference	September 16, 2025
Evidentiary Hearings (if necessary)	September 24-26, 2025
Opening Briefs Filed	October 20, 2025
Reply Briefs Filed	November 17, 2025
Proposed Decision	Q1 2026

The October 3, 2022 Scoping Memo found that this proceeding may not be resolved within 18 months set forth in Pub. Util. Code Section 1701.5. Accordingly, as permitted by Pub. Util. Code Section 1701.5, I set the statutory deadline of this proceeding at a later date to encompass 24 months, May 15, 2024. D.24-02-010 extended the statutory deadline in this proceeding to December 31, 2024. D.24-12-052 extended the statutory deadline in this proceeding to December 31, 2025. This amended scoping memo further extends the statutory deadline to complete this proceeding to June 1, 2026. The above schedule is adopted here and may be modified by the assigned Commissioner or Administrative Law Judge (ALJ) as required to promote the efficient and fair resolution of the application.

6. Alternative Dispute Resolution Program and Settlements

The Commission's Alternative Dispute Resolution (ADR) program offers mediation, early neutral evaluation, and facilitation services, and uses ALJs who have been trained as neutrals. At the parties' request, the assigned ALJs can refer this proceeding to the Commission's ADR Coordinator. Additional ADR information is available on the Commission's website.

Any settlement between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Commission's Rules of Practice and Procedure and shall be served in writing. Such settlements shall include a complete explanation of the settlement and a complete explanation of 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 as to whether the settlement should be adopted by the Commission.

7. Category of Proceeding and Ex Parte Restrictions

This ruling confirms the Commission's preliminary determination to categorize this proceeding as ratesetting.³ Accordingly, *ex parte* communications are restricted and must be reported pursuant to Article 8 of the Commission's Rules of Practice and Procedure. Pursuant to Rule 7.6 and Pub. Util. Code Section 1701.1(a), anyone who disagrees with this categorization must file an appeal of the categorization no later than 10 days after the date of this ruling.

8. Public Outreach

Pursuant to Pub. Util. Code Section 1711(a), I hereby report that the Commission sought the participation of those likely to be affected by this matter

³ Resolution ALJ 176-3489 at 2.

by noticing it in the Commission's monthly newsletter that is served on communities and business that subscribe to it and posted on the Commission's website.

9. Intervenor Compensation

Pursuant to Pub. Util. Code Section 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation no later than 30 days after this Amended Scoping Memo was issued.

10. Public Comments

Parties may, but are not required to, respond to written comments received from the public. (Pub. Util. Code Section 1701.1(g).) Parties may do so by posting such responses 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 the following link: <https://www.cpuc.ca.gov/about-cpuc/divisions/news-and-public-information-office/public-advisors-office>, or contact the Commission's Public Advisor at 866-849-8390 or 866-836-7825 (TTY), or send an email 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 to the Commission's Process Office, the service list, and the ALJ. Persons or entities may become a party pursuant to Rule 1.4.

When serving any document, each party must ensure that it is using the most 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 ALJs of both an electronic and a paper copy of filed or served documents but, for this proceeding, the ALJs request that the parties refrain from serving them paper copies.

When serving documents on Commissioners or their advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must not send paper copies of documents to Commissioners or their 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 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 emails from the Commission. Please add @cpuc.ca.gov to your email safe sender list and update your email screening practices, settings and filters to ensure receipt of emails from the Commission.

14. Assignment of Proceeding

Commissioner Darcie L. Houck is the assigned Commissioner. John H. Larsen and Paul Hagen are the assigned ALJs and Presiding Officers for the proceeding.

IT IS RULED that:

1. The Scoping Memo is amended to adjust the schedule for Track 3 of this proceeding as set forth above.
2. The scope of Track 3 of this proceeding is described above.
3. The statutory deadline of this proceeding is extended to June 1, 2026.
4. Evidentiary hearings are needed.
5. The category of Track 3 of this proceeding is ratesetting.

This order is effective today.

Dated March 12, 2025, at San Francisco, California.

/s/ DARCIE L. HOUCK

Darcie L. Houck
Assigned Commissioner