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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to
Establish Policies, Processes, and
Rules to Ensure Safe and Reliable Gas
Systems in California and Perform
Long-Term Gas System Planning.

Rulemaking 24-09-012

**ASSIGNED COMMISSIONER'S AMENDMENT TO
SCOPING MEMO AND RULING AND
REQUESTING COMMENT ON COST RECOVERY ISSUE**

This Assigned Commissioner's Ruling (ACR) is an amendment to the Scoping Memo and Ruling issued on January 31, 2025 (Scoping Memo). This ACR updates the scope of issues to include consideration of utilities' cost recovery for activities related to Senate Bill 1221 mapping compliance, and requests party comments on the issue. All other events and dates included and ordered in the Scoping Memo remain in effect and unchanged. Parties may file and serve opening comments on the new scoping issue by Friday, May 2, 2025, and reply comments by Friday, May 9, 2025.

1. Procedural Background

On November 12, 2024, I issued an Assigned Commissioner's Ruling (ACR) seeking comments concerning the incorporation of the statutory mandates in the new Senate Bill (SB) 1221 into the scope of this proceeding. In opening and reply comments, utilities requested that the Commission consider cost recovery mechanisms for SB 1221 pilot projects, long-term planning, and unspecified

“incremental activities.”¹ No utility highlighted a specific need for cost recovery of SB 1221 mapping activities, which are codified in Public Utilities (Pub. Util.) Code Section 661 and due to the Commission on July 1, 2025.

On January 31, 2025, I issued the Scoping Memo, which listed the issues for Phase 3, Track 1, SB 1221 Mapping Requirements as:

10. How should California’s gas corporations comply with Public Utilities Code Section 661, which requires gas corporations to submit maps containing certain information to the Commission?

- a. How should the Commission interpret the undefined terms in Section 661, including “submit,” “potential,” and “foreseeable”?
- b. What additional information, if any, should the Commission require in the maps per Section 661(a)(4) beyond what is required by Section 661(a)(1)-(3)?
- c. How should the Commission ensure that the activities required by Section 661 best support other current and future Commission-directed activities?
- d. How should the Commission treat any information utilities may claim as confidential, including customer gas consumption data, customer counts, and infrastructure data?

The Scoping Memo recognizes Pub. Util. Code Section 661’s compliance deadline of July 1, 2025, and schedules a comment period after parties see the gas corporations’ maps. I intend to use all the information gathered through this process to inform a proposed decision(s) on some or all the questions scoped into Phase 3 of this proceeding. The proposed decision is scheduled as “TBD,” so I have the flexibility to fulfill this intention.

¹ Joint IOUs Opening Comments on the Order Instituting Rulemaking (OIR) at 5-6; PG&E Opening Comments on OIR at 6; *see also* Joint IOUs Reply Comments on OIR at 13 (highlighting “need to establish a cost tracking and recovery mechanism for incremental activities related to SB 1221”); PG&E Reply Comments on OIR at 5.

On February 20, 2025, the Administrative Law Judges issued a ruling requesting party comments on the Energy Division's "Recommendations for SB 1221 California Natural Gas System Mapping" (Staff Proposal).

After reviewing the Staff Proposal, the utilities highlight the need for cost recovery of their SB 1221 mapping activities. Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) request an immediate funding mechanism and assurance of timely and complete cost recovery.² In opening comments, Pacific Gas and Electric Company (PG&E) states that it expects significant incremental costs of implementing SB 1221 and requests that the Commission expeditiously authorize a new memorandum account.³ In reply comments, PG&E estimates that mapping data "could cost millions" and expresses its intent to request that the Commission issue a decision approving the utilities to file one-way balancing accounts.⁴

The Utility Reform Network (TURN) opposes PG&E's request for a memorandum account.⁵ According to TURN, the recovery PG&E requests is "based on forecasted, speculative costs that may not be incremental to similar costs already included in its authorized revenue requirement."⁶ TURN asserts the Commission may have a basis for concluding that any data- and mapping-related costs are appropriately treated as covered and adopted general rate case revenue requirement.⁷

² Joint IOUs Opening Comments on Staff Proposal at 13-14.

³ PG&E Opening Comments on Staff Proposal at 2, 6.

⁴ PG&E Reply Comments on Staff Proposal at 2, 8.

⁵ TURN Reply Comments on Staff Proposal at 4-6.

⁶ *Id.* at 5.

⁷ *Ibid.*

2. Updated Proceeding Scope

I recognize that the tight deadlines in SB 1221 require the Commission and parties to consider issues as they arise expeditiously. I also expect utilities to adhere to the prudent manager standard, which requires them to exercise “reasonable judgement in light of facts known or which should have been known at the time the decision was made.”⁸

The Commission will not consider a decision on an issue not included in the Scoping Memo. As such, I will update the Scoping Memo to include an additional issue in Phase 3, Track 1:

- e. Should the utilities be authorized to track costs associated with complying with Section 661 in a new or existing memorandum account for future recovery requests?

Parties are invited to comment on this issue. In party comments, parties must justify their position by explaining whether the costs associated with SB 1221 mapping (a) are not under the utility’s control, (b) could not have been reasonably foreseen in the utility’s last general rate case, (c) that will occur before the utility’s next scheduled rate case, (d) are of a substantial nature in that the amount of money involved is worth the efforts of processing a memorandum account, and (e) have ratepayer benefits.⁹ Parties may file and serve opening comments on the new scoping issue by Friday, May 2, 2025, and reply comments by Friday, May 9, 2025.

⁸ Decision (D.) 87-06-021 (1987 Cal. PUC LEXIS 588) at *28-29.

⁹ Standard Practice U-27-W at 44, available at https://docs.cpuc.ca.gov/published/REPORT/84069.htm#P267_22467.

IT IS RULED that:

1. The proceeding scope included in the Scoping Memo and Ruling issued on January 31, 2025, is updated to include the additional issue identified by this amendment as set forth above and adopted.
2. Aside from adding Issue 10.e to the proceeding scope, all other issues, determinations, events, and dates included and adopted in the Scoping Memo and Ruling dated January 31, 2025, shall remain in effect and unchanged.
3. Parties may file and serve comments on the updated scope. Opening comments are due Friday, May 2, 2025, and reply comments are due Friday, May 9, 2025.
4. Opening Comments shall be no more than 10 pages. Reply comments shall be no more than 5 pages. Comments and reply comments shall not include attachments.

This order is effective today.

Dated April 21, 2025, at San Francisco, California.

/s/ KAREN DOUGLAS

Karen Douglas
Assigned Commissioner