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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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A2507002

Application of Pacific Gas and Electric
Company on Behalf of Customers
Seeking a Gas Line Subsidy (U39M).

Application 25-07-002

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

This scoping memo and ruling sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Public Utilities Code Section 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure (Rules).

1. Procedural Background

On July 1, 2025, Pacific Gas and Electric Company (PG&E) filed this Application to seek gas line extension subsidies on behalf of its customers for customer projects that meet the minimum requirements set in Decision (D.) 22-09-026. On August 4, 2025, the Public Advocates Office (Cal Advocates) and Sierra Club filed timely protests on this Application. On August 14, 2025, PG&E filed a Reply to Cal Advocates' and Sierra Club's protests.

A prehearing conference was held on August 22, 2025, to address the issues of law and fact, determine the need for hearing, set the schedule for resolving the matter, and address other matters as necessary. After considering the protests, PG&E's reply, and the discussions at the prehearing conference, I have determined the issues and initial schedule of the proceeding to be as set forth in this scoping memo.

2. Issues

The issues to be determined or otherwise considered in this proceeding are:

1. Whether the proposed projects meet the following requirements listed in Decision (D.) 22-09-026 to receive a gas line subsidy?¹
 - a. The project shows a demonstrable reduction in greenhouse gas emissions;
 - b. The project's gas line extension is consistent with California's climate goals, including those articulated in Senate Bill 32 (Pavley, 2016); and
 - c. The project applicant demonstrates that it has no feasible alternatives to the use of natural gas, including electrification.
2. Whether the Application complies with all the requirements in D.22-09-026, including but not limited to an update to the non-residential gas line extension allowance calculations based on current methodology.²
3. Whether the costs for the gas line subsidies requested for each customer project are reasonable.

The third issue regarding the reasonableness of the costs for each gas line subsidy was not discussed at the prehearing conference or raised in the Application, protests, or reply to protests but is necessary for the Commission to evaluate whether the Application complies with Public Utilities Code (Pub. Util. Code) Section 451, which states

All charges demanded or received by any public utility, or by any two or more public utilities, for any product or commodity furnished or to be furnished or any service rendered or to be rendered shall be just and

¹ D.22-09-026, Ordering Paragraph 2.

² D.22-09-026 at 57.

reasonable. Every unjust or unreasonable charge demanded or received for such product or commodity or service is unlawful.

Because PG&E is requesting gas line subsidies for its customers and each of these subsidies is provided by ratepayer funding through rates, the costs for each requested gas line subsidy must be just and reasonable to be approved.

3. PG&E to Provide Supplemental Testimony

PG&E's Application does not contain information on how much the requested gas line subsidies for each customer project would cost ratepayers. Decision (D.) 22-09-026 directed PG&E to provide this information in its applications, stating:

In its annual filing, each IOU should include an update to the non-residential gas line extension allowance calculations based on the current methodology (including all inputs used, e.g., cost of service factor).³

PG&E shall serve Supplemental Testimony according to the proceeding schedule in this Ruling to provide information about how much each customer's requested gas line subsidy would cost ratepayers. Specifically, this information should contain an update to the non-residential gas line extension allowance calculations based on current methodology, as required in D.22-09-026. These information can help the Commission examine whether the costs for the gas line subsidies requested for each customer project are reasonable, which is an issue in this proceeding. Additionally, PG&E shall provide in the Supplemental Testimony details about any modifications or withdrawals of proposed customer projects to date.⁴

³ D.22-09-026 at 57.

⁴ At the prehearing conference, PG&E stated that there may be a possibility that a customer will withdraw its proposed project.

4. Need for Evidentiary Hearing

The issues above are potentially contested, material issues of fact. Evidentiary hearings may be needed but will not be scheduled until the parties jointly file a motion to request evidentiary hearings according to the proceeding schedule set below.

5. Schedule

The following schedule is adopted here and may be modified by the Administrative Law Judge (ALJ) as required to promote the efficient and fair resolution of the application:

Event	Date
Supplemental Testimony	September 26, 2025
Discovery: Last Day for Parties to Submit Data Requests to PG&E	October 22, 2025
Discovery: Last Day for PG&E to Submit Responses to All Data Requests	November 7, 2025
Intervenors' prepared direct testimony served	January 7, 2026
Prepared rebuttal testimony served, <i>Applicant to submit on behalf of its customers</i>	February 13, 2026
Report of the Meet and Confer, Motion to Request Evidentiary Hearings (if applicable), to be filed	February 27, 2026
Evidentiary hearing, if needed	March 2026
Opening briefs	Four Weeks after Evidentiary Hearings
Reply briefs <i>[matter submitted]</i>	Three Weeks after Filing of Opening Briefs

During the prehearing conference, PG&E states that it aims to respond to each data request within 10 business days of receiving the request. The proceeding schedule sets November 7, 2025, as the last date that PG&E will

respond to all data requests received, but these dates do not preclude the need for further discovery after the submission of rebuttal testimony.

Pursuant to Rule 13.9, the parties shall meet and confer no later than 10 calendar days after the submission of rebuttal testimony. The purpose of the meet and confer is to ascertain whether the parties stipulate to the receipt of prepared testimony into evidence without direct or cross examination or whether an evidentiary hearing is still needed. After the meet and confer, the parties shall jointly file and serve a Report of the Meet and Confer by February 27, 2026, identifying agreements reached and unresolved issues requiring hearing. If the parties determine that evidentiary hearings are needed, the parties shall also jointly file a Motion to Request Evidentiary Hearings by February 27, 2026.

The proceeding will stand submitted upon the filing of reply briefs, unless the ALJ requires further evidence or argument. Based on this schedule, the proceeding will be resolved within 18-months as required by Public Utilities Code Section 1701.5.

6. Alternative Dispute Resolution (ADR) 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 ALJ can refer this proceeding to the Commission's ADR Coordinator. Additional ADR information is available on the Commission's website.⁵

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 a

⁵ <https://www.cpuc.ca.gov/PUC/adr/>

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 determination⁶ that this is a ratesetting proceeding. Accordingly, ex parte communications are restricted and must be reported pursuant to Article 8 of the Rules.

8. Public Outreach

Pursuant to Public Utilities Code Section 1711(a), where feasible and appropriate, before determining the scope of the proceeding, the Commission sought the participation of those likely to be affected, including those likely to derive benefit from, and those potentially subject to, a decision in this proceeding. This matter was noticed on the Commission's daily calendar. Where feasible and appropriate, this matter was incorporated into engagements conducted by the Commission's External Affairs Division with local governments and other interested parties.

9. Intervenor Compensation

Pursuant to Public Utilities 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 30-days of the prehearing Conference. In this instance, because the 30th day falls on Sunday, September 21, 2025, the deadline is Monday, September 22, 2025.

⁶ Resolution ALJ-176-3566 at 3.

10. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such 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: <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 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 1.4.⁷

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, whenever possible, transmitted no later than 5:00 p.m., on

⁷ The form to request additions and changes to the Service list may be found at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf>

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, unless the ALJ orders otherwise. The assigned ALJ has provided specific instructions as to the service of filed or served documents at the prehearing conference.⁸

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 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

⁸ At the prehearing conference, the assigned ALJ requested two paper copies of any testimony served and one paper copy of any document filed that is over 20 pages.

screening practices, settings and filters to ensure receipt of e-mails from the Commission.

14. Assignment of Proceeding

Karen Douglas is the assigned Commissioner and Elaine Lau 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. Evidentiary hearing may be needed.
4. The presiding officer is Administrative Law Judge Elaine Lau.
5. The category of the proceeding is ratesetting.
6. Pacific Gas and Electric Company shall serve Supplemental Testimony by September 26, 2025, to provide information about how much each customer's requested gas line subsidy would cost ratepayers and details about any modifications or withdrawals of proposed customer projects to date.

Dated September 17, 2025, at San Francisco, California.

/s/ KAREN DOUGLAS

Karen Douglas
Assigned Commissioner