



COM/KDL/avs 10/14/2025

FILED

10/14/25

11:59 AM

A2507001

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Gas Company (U904G), on Behalf of its Customers, for Approval of Gas Line Extension Allowances.

Application 25-07-001

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

This scoping memo and ruling (Scoping Memo) 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, Southern California Gas Company (SoCalGas) filed Application (A.) 25-07-001, on behalf of its customers, requesting approval for (1) gas line extension allowances for nine renewable natural gas refueling station projects, (2) an update to the non-residential gas line extension allowance multiplier of 3.1, and (3) updates to SoCalGas's Tariff Rule Nos. 20 and 21 to clarify advanced payments.

The estimated gas line extension allowances for the nine customer projects total approximately \$6.656 million. Following a three-year true-up period for each customer project and payment of the allowance to the customer, the application proposes that SoCalGas will record the actual revenue requirement in a new Gas Line Extension Allowance Balancing Account. The total forecasted revenue requirement for the nine customer projects' allowances is \$14.9 million over the useful life of the assets.

On August 4, 2025, the Public Advocates Office (Cal Advocates) and Sierra Club both filed timely protests to SoCalGas's application. On August 14, 2025, SoCalGas filed a timely reply to the protests.

On August 28, 2025, SoCalGas, Cal Advocates and Sierra Club (collectively, the parties) filed a joint prehearing conference (PHC) statement pursuant to the Administrative Law Judge's (ALJ) August 6, 2025 ruling.

A PHC was held on September 4, 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, reply, PHC statement 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 the proposed projects in the application meet the requirements listed in Decision (D.) 22-09-026 to receive a gas line subsidy:
 - 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);¹ and
 - c. The project applicant demonstrates that it has no feasible alternatives to the use of natural gas, including electrification.

¹ Intervenors Sierra Club and Cal Advocates proposed including an issue related to the proposed projects' consistency with Executive Orders N-79-20 and N-27-25 in the scope of this proceeding. We decline to include their proposal as a separate scoped issue. However, whether the proposed gas line extension projects are inconsistent with the zero emissions vehicle goals set forth in Executive Orders N-79-20 and N-27-25 falls within the scope of issue 1b.

2. Whether the application complies with the requirements set forth 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;
3. Whether the proposed clarifications to Tariff Rule Nos. 20 and 21 are reasonable;
4. Whether the creation of a balancing account to record costs is reasonable;
5. Whether the revenue requirement is reasonable;
6. Whether the application aligns with the goals of the Commission's Environmental and Social Justice Action Plan.

3. Need for Evidentiary Hearing

No party identified disputed issues of material fact during the PHC. However, the parties expressed a desire to reserve the right to request hearings, should material factual disputes arise during discovery or after review of testimony and rebuttal testimony. Accordingly, we will set a preliminary schedule for two days of evidentiary hearings and allow a date by which parties must file a motion identifying the disputed factual issues and requesting evidentiary hearings. The need for evidentiary hearings will be determined by the assigned ALJ in response to any motions. If no such motions are filed, the evidentiary hearings will be cancelled.

4. Schedule

In its protest, the joint PHC statement and at the PHC, Sierra Club argues that "SoCalGas should not be afforded the opportunity through rebuttal testimony to submit additional information or testimony to support project eligibility and that rebuttal testimony should instead be limited to separate issues such as the gas allowance multiplier and clarifications to Tariff Rule Nos. 20 and

21.”² Sierra Club argues that this limitation is compelled by D.22-09-026, which requires that, “[t]he IOUs, on behalf of the project applicant(s), must demonstrate the factual basis for the project applicants’ assertions, and confirm that the minimum requirements have been met based on the information provided by applicants.”³

Sierra Club’s request is denied. I do not find that D.22-09-026 requires departing from Commission practice to limit rebuttal testimony. SoCalGas may submit rebuttal testimony to rebut any claims made in the intervenors’ testimony. SoCalGas may also provide supplemental information in response to requests from the assigned ALJ, as is consistent with Commission practice.

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

Event	Date
Intervenor’s Opening Testimony served	November 14, 2025
Applicant’s Rebuttal Testimony served	December 17, 2025
Deadline to file a motion to request evidentiary hearings and to file joint case management statement (see Rule 13.9 to Meet and Confer)	January 16, 2026
ALJ Ruling addressing need for hearings	January 30, 2026
<i>Remaining schedule if evidentiary hearings are not needed</i>	
Concurrent Opening briefs filed and served	February 27, 2026
Concurrent Reply briefs filed and served (matter submitted)	March 20, 2026
Proposed decision	Within 90 days of matter submission

² Joint Statement at 8; *see also* Sierra Club Protest at 8-9.

³ Joint Statement at 8 (citing D.22-09-026 at 57-58.)

Final decision	No sooner than 30 days after PD mailing date
<i>Remaining schedule if evidentiary hearings are held</i>	
Evidentiary Hearings, if needed	February 18-19, 2026
Concurrent Opening briefs filed and served	March 20, 2026
Concurrent Reply briefs filed and served (matter submitted)	April 10, 2026
Proposed decision	Within 90 days of matter submission
Final decision	No sooner than 30 days after PD mailing date

The purpose of the January 16, 2026 deadline for motions for evidentiary hearings is to provide parties an opportunity to identify the specific disputed issues of material fact and to explain why evidentiary hearings are necessary. The assigned ALJ will review any such motions and issue a ruling confirming evidentiary hearings and issuing instructions for preparation, or alternatively, cancelling the hearings.

In addition, following the meet and confer required by Rule 13.9, SoCalGas shall file a joint case management statement by January 16, 2026. The joint case management statement shall include, to the extent applicable: i) facts and issues that are uncontested and may be the subject of stipulation, ii) facts and issues that are in dispute, iii) the status of any settlement discussions, iv) waivers of evidentiary hearings, v) evidence each party proposes to introduce at hearings, and vi) the proposed schedule for conducting hearings.

The proceeding will stand submitted upon the filing of reply briefs unless the assigned 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.

5. Alternative Dispute Resolution (ADR) Program and Settlements

The Commission's 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.⁴

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 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.

6. Category of Proceeding and Ex Parte Restrictions

This ruling confirms the Commission's preliminary determination⁵ that this is a ratesetting proceeding. Accordingly, ex parte communications are restricted and must be reported pursuant to Article 8 of the Rules.

7. 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

⁴ <https://www.cpuc.ca.gov/PUC/adr/>

⁵ Resolution ALJ 176-3566 at 3.

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.

8. Intervenor Compensation

Pursuant to Public Utilities Code Section 1804(a)(1), a customer who intended to seek an award of compensation must have filed and served a notice of intent to claim compensation by October 6, 2025, 30 days after PHC.

9. 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.

10. 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.

11. 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 1.4.⁶

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, with one exception, such that all parties are excused from the Rule 1.10 requirement to serve on the ALJ both an electronic and a paper copy of filed or serviced documents. Therefore, when serving documents on Commissioners, their personal advisors, and the ALJ, parties must only provide electronic service, unless otherwise instructed by the ALJ. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitting all documents no later than 5:00 p.m., on the date scheduled for service to occur.

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

⁶ 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>

filters. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

12. 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 email safe sender list and update your e-mail screening practices, settings and filters to ensure receipt of e-mails from the Commission.

13. Assignment of Proceeding

Karen Douglas is the assigned Commissioner and Shannon Clark 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 hearings may be needed.
4. The presiding officer is Administrative Law Judge Shannon Clark.
5. The category of the proceeding is ratesetting.

Dated October 14, 2025, at San Francisco, California.

/s/ KAREN DOUGLAS

Karen Douglas
Assigned Commissioner