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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Southern California Gas Company (U 904 G) to Submit Its 2025 Risk Assessment and Mitigation Phase Report.	A.25-05-010 (Filed May 15, 2025)
And Related Matters.	A.25-05-013 (Filed May 15, 2025)

SOUTHERN CALIFORNIA GAS COMPANY (U 904 G) AND SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M) COMMENTS ON SAFETY POLICY DIVISION'S EVALUATION ON SOCALGAS'S AND SDG&E'S RISK ASSESSMENT MITIGATION PHASE REPORT

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Pursuant to the Assigned Commissioner's August 11, 2025 Scoping Memo and Ruling, Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) (collectively, the Companies) offer the following comments on the California Public Utilities Commission's (CPUC or Commission) Safety Policy Division's (SPD) October 10, 2025 Staff Evaluation Report (SPD Report) evaluating SoCalGas's and SDG&E's Risk Assessment Mitigation Phase (RAMP) Reports.

I. INTRODUCTION

The purpose of the SPD Report is to "assess the utility's risk assessment procedures, and to assess the technical merits of the utility's proposal."[1] In the SPD Report, SPD finds that "[i]n general, the 2025 [SoCalGas and SDG&E] RAMP complies with the Phase 2 and Phase 3 Risk-Based Decision-Making Framework. No areas of deficiency are severe enough to warrant SPD's recommendation that the Commission reject the 2025 [SoCalGas and SDG&E] RAMP applications."[2] SPD further acknowledges that SoCalGas's and SDG&E's RAMP Reports

[1] Decision (D.) 14-12-025 at 38.

[2] SPD Report at 5. The Risk-Based Decision-Making Framework (RDF) refers to modifications to the Commission's Rate Case Plan, as set forth in decisions adopted in Rulemaking (R.) 13-11-006, Safety Model Assessment Proceedings (S-MAP), and R.20-07-013 (the Risk OIR), including decisions D.14-12-025, D.16-08-018, D.18-12-014, D.20-01-002, D.21-11-009, D.22-10-002, D.22-12-027

"reflect implementations of key Phase 3 elements" and identifies "discrete deficiencies and areas for improvement[.]"[3] The SPD Report provides both general feedback on SoCalGas's and SDG&E's RAMP Reports, as well as more specific recommendations for the Companies' top safety risks.

SoCalGas and SDG&E appreciate the feedback provided by SPD, which was informed by SPD's technical expertise and the active engagement and participation of the parties to this proceeding. SoCalGas and SDG&E plan to refine their risk management framework ahead of filing their upcoming test year (TY) 2028 General Rate Case (GRC) applications, including refinements based on SPD's feedback and recommendations. As risk assessment is a dynamic process, SoCalGas and SDG&E continuously grow and evolve in their risk-informed assessments and decision making and appreciate SPD's efforts to support and encourage continuous improvement. SoCalGas and SDG&E continue to evaluate SPD's specific findings and recommendations. Consistent with the directive in the SPD Report, and with the requirements of D.22-10-002,[4] SoCalGas and SDG&E plan to address the specific findings and recommendations of SPD's Report, and party comments, in their TY 2028 GRC applications due in May 2026.

In these comments, SoCalGas and SDG&E address specific recommendations related to treatment of baseline operations and maintenance (O&M) costs in Cost Benefit Ratio (CBR) calculations, SDG&E's Wildfire & Public Safety Power Shutoff (PSPS) Risk, SoCalGas's Underground Gas Storage Risk, SoCalGas's and SDG&E's Employee and Contractor Safety Risks, the Gas Reliability Attribute, SoCalGas and SDG&E's Environmental and Social Justice (ESJ) Pilots, and recommendations related to the Companies' next RAMP.

II. DISCUSSION

A. Treatment of Baseline O&M Costs in CBR Calculations

In the Global Observations section, the SPD Report provides feedback regarding the treatment of baseline O&M costs in the CBR calculations in the Wildfire and PSPS chapter. The SPD Report states:

(Phase 2 Decision), and D.24-05-064 (Phase 3 Decision).

3 *Id.*

4 D.22-10-002, Appendix A at A-3, "RAMP Revision Process."

> In the Wildfire and PSPS chapter's comparison of covered conductors and undergrounding, SDG&E assigns the full baseline O&M costs of activities such as vegetation management and overhead inspections to the CBR for the Combined Covered Conductor (CCC) mitigation, rather than including only the net incremental O&M costs or savings attributable to the mitigation. This approach is inaccurate, since baseline O&M costs will continue under the no-build (*i.e.*, existing) scenario. [5]

SPD recommends that in calculating the CBRs for Wildfire and PSPS, "only the incremental O&M cost, or potentially the savings, should be accounted for to show the benefits of making a change."[6] SDG&E appreciates SPD's recommendation and will be incorporating this recommendation into its CBRs for Wildfire and PSPS in the TY 2028 GRC. SoCalGas and SDG&E are also evaluating this recommendation for other RAMP risks.

The SPD Report also notes in the Global Observations section that the workpapers for the Underground Gas Storage, High Pressure Gas, and Medium Pressure Gas risks combine capital and O&M into a single cost column, "preventing clear differentiation between incremental expenses tied to capital investment and ongoing operating expenses" impacting CBR evaluations.[7] In response to this recommendation, SoCalGas and SDG&E plan to separate out the capital and O&M costs in workpapers associated with these risks going forward.

B. SDG&E's Wildfire & PSPS Risk

SDG&E acknowledges SPD's findings and appreciates SPD's recommendations regarding the Wildfire and PSPS Risk chapter. SDG&E addresses several of these recommendations below, grouping together recommendations on related subjects. SDG&E remains committed to maintaining a data-driven and transparent risk modeling framework that supports accurate prioritization of wildfire and PSPS mitigations and welcomes further dialogue with SPD to promote alignment on modeling practices and evaluation criteria.

Recommendation 1: The SPD Report states that "SDG&E did not present the total mileages for its distribution (and potentially transmission) lines disaggregated by HFTD tier and

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5 SPD Report at 21; *see also id.* at 146-147 (Recommendation 11 and 17).

6 *Id.* at 137.

7 *Id.* at 21.

associated tranche."[8] SDG&E clarifies that the total mileage of SDG&E's distribution lines—disaggregated by High Fire Threat District (HFTD) Tier 2, Tier 3, and non-HFTD areas—is available in the Wildfire & PSPS Workpaper submitted as part of SDG&E's 2025 RAMP.[9] In addition, for each proposed mitigation, the workpaper includes detailed tranche-level information based on both the Phase 3 Tranching Approach (PTTA)—commonly referred to as the Quintile Method—and the Homogeneous Tranche Method (HTM).

To enhance transparency and facilitate regulatory review, SDG&E will include in the Wildfire Mitigation and Vegetation Management narrative chapter of the upcoming GRC summary tables that:

- Present total line miles of both distribution and applicable transmission infrastructure, disaggregated by HFTD tier and tranche.
- Identify the line segments impacted by grid-hardening measures such as covered conductor installation, undergrounding, and vegetation management, categorized by HFTD tier and tranche.
- Quantify the expected baseline risk and the corresponding risk reduction achieved through each mitigation, mapped to each HFTD tier and tranche.

SDG&E remains committed to aligning its wildfire mitigation strategies with the highest-risk and cost-effective areas and to providing clear, data-driven evidence of that alignment.

Recommendation 2: The SPD Report finds "design issues" with the use of the HTM for tranching of the Wildfire and PSPS risk, identifying redundancy in the process, arbitrary criteria and portioning, and a non-HFTD class.[10] SDG&E clarifies that investment and operational decisions for Wildfire and PSPS risk are not made at the tranche level, whether using the PTTA—also known as the Quintile Method—or the HTM. Rather, SDG&E's long-term mitigation planning and operational decisions for Wildfire and PSPS risk are made at the feeder-segment level, which provides the granularity necessary to assess localized risk and implement targeted mitigations. Accordingly, SDG&E presents baseline risk estimates, expected risk

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8 *Id.* at 139.

9 Workpapers associated with RAMP chapter Wildfire and PSPS are available at the SoCalGas/SDG&E discovery portal at: https://sempra.sharepoint.com/sites/proceedingdiscovery. Access to these workpapers may be requested via email to SempraDiscovery@socalgas.com.

10 SPD Report at 140.

reductions, and mitigation selections at the feeder-segment level, where decisions are operationalized.

To support SPD's evaluation and maintain transparency, SDG&E includes both Phase 3 PTTA and HTM tranche assignments for each feeder segment in its RAMP filing.[11] This dual-tranche presentation enables SPD to assess the appropriateness and effectiveness of each tranching method in the context of the Wildfire and PSPS risk. SDG&E remains committed to providing the necessary data and flexibility to support data-driven, risk-informed decision-making.

Recommendation 3: The SPD Report states that SDG&E should demonstrate whether the Likelihood of Risk Event (LoRE) events are mutually exclusive and, if they are not, apply methods to account for overlap in risk exposure to avoid double-counting and overestimating risk. [12] SDG&E confirms that its Wildfire and PSPS risk models do not double-count or overestimate LoRE events when calculating total risk values. The modeling framework employed in SDG&E's Wildfire Next Generation System (WiNGS) planning tool is specifically designed so that the LoRE values are accurately calculated and appropriately aggregated across segments. This framework avoids redundancy in risk estimation and safeguards the integrity of total risk values by applying aggregation methods that account for potential overlaps in risk exposure.

Additionally, the WiNGS model maintains calibration with historical outage and ignition rates observed within SDG&E's service territory over recent years. Thus, the modeled risk remains grounded in empirical data, enhancing the reliability of both baseline risk estimates and projected risk reductions. Through this approach, SDG&E's Wildfire and PSPS risk modeling reflects realistic system behavior and supports informed mitigation planning.

To support regulatory review and enhance transparency, SDG&E will provide documentation within its future GRC and RAMP filings that explains how LoRE values are

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[11] Workpapers associated with RAMP chapter Wildfire and PSPS are available at the SoCalGas/SDG&E discovery portal at: https://sempra.sharepoint.com/sites/proceedingdiscovery. For each mitigation identified at the feeder-segment level, both Phase 3 PTTA and HTM tranche details are provided.

[12] SPD Report at 145.

derived, how mutual exclusivity is assessed, and how aggregation is performed across segments and tranches. This will include:

- A description of how LoRE and Consequence of Risk Event (CoRE) values are paired and modeled.
- An explanation of how feeder-segment level risk estimates are rolled up to higher levels (*e.g.*, tranches or system-wide) without introducing bias or double-counting.

Recommendations 4-5: SPD's recommendations 4 and 5 relate to SDG&E's mitigation selection process and SPD's finding of a "disconnect between segment's Risk Scores and SDG&E's grid hardening plan."[13] As noted in response to Recommendation 2, SDG&E does not make Wildfire and PSPS mitigation decisions at the tranche level. Instead, decisions related to Wildfire and PSPS risk mitigation are made at the feeder-segment level, which provides the granularity necessary to assess localized risk and implement targeted, cost-effective solutions. In addition, other factors such as operational practicality, community impacts, and regulatory priorities are considered in mitigation planning and prioritization.

SDG&E is currently in the process of re-evaluating its mitigation selection framework to further enhance alignment with high-risk feeder segments and improve cost-efficiency. This includes refining how risk scores, CBRs, and operational constraints are used to prioritize mitigation projects. The updated framework will be documented and explained in the upcoming GRC application, and will include:

- A step-by-step description of the mitigation selection process, supported by a decision tree or flowchart to illustrate how mitigation options are evaluated and prioritized.
- Disclosure of weighting (if any) and prioritization criteria used when multiple factors—such as risk reduction, CBR, residual risk, and operational feasibility—conflict. These criteria will be defined to promote transparency and consistency.
- Case examples demonstrating how specific mitigation projects were selected or deferred, including the rationale and data inputs that informed each decision.

[13] *Id.* at 116.

- Clarification of the role of modeling versus expert judgment in the final decision-making process, if applicable. SDG&E will identify thresholds or conditions under which expert overrides are applied, and how those decisions are documented.
- Alignment with the CPUC's RDF to promote mitigation selection that is transparent, repeatable, and auditable.

It is important to note that any changes to model assumptions, risk frameworks, or optimization methodologies may result in shifts in risk rankings and CBR values. These changes reflect SDG&E's commitment to continuous improvement and responsiveness to evolving risk conditions, regulatory guidance, and stakeholder feedback. SDG&E will also provide both PTTA and HTM assignments for each feeder segment to support SPD's review and evaluation in its upcoming TY 2028 GRC.

Recommendation 9: The SPD Report recommends that SDG&E use ICE Calculator granularity at the level of customer class, separated by HFTD and non-HFTD, and use the corresponding dollars-per-Customer-Minutes Interrupted (CMI) values for each customer class and HFTD tier in the CBR calculation of mitigation projects.[14] At the time of SDG&E's RAMP filing, ICE 1.0 was the only available version and did not support the level of granularity SPD recommended. ICE 2.0 Phase 1 has since been released, and SDG&E plans to update its modeling framework in the upcoming GRC application to apply differentiated dollars per CMI values for residential and non-residential customers, segmented by HFTD and non-HFTD areas. SDG&E plans to integrate these enhancements into SDG&E's Wildfire, PSPS, and Protective Equipment and Device Settings (PEDS) risk models, enabling more accurate and representative valuation of electric reliability impacts across customer segments. The refined inputs will directly inform the CBR calculations used to prioritize mitigation projects,[15] so that investment decisions reflect the unique reliability needs and economic impacts experienced by different customer groups in varying risk zones.

SDG&E notes that updates to model inputs, assumptions, and methodologies—such as the adoption of ICE 2.0 granularity—may result in changes to risk rankings, CBR values, and

[14] *Id.* at 146.

[15] *See* Recommendation 2.

mitigation prioritization outcomes. These changes reflect SDG&E's commitment to continuous improvement and alignment with evolving regulatory guidance and best practices in risk-informed planning.

Recommendations 12-15: SPD's recommendations 12, 13, 14, and 15 raise concerns with SDG&E's risk scaling for the Wildfire and PSPS risk.[16] SDG&E's risk scaling methodology and application are detailed in Chapter 3 of the 2025 RAMP Report, "Risk Quantification Framework"[17] and the selected scaling factors are grounded in multiple independent, peer-reviewed studies on societal risk aversion as cited in the report. Risk scaling is applied consistently across all segments and attributes to promote objectivity and avoid arbitrary application. Once scaling is applied, SDG&E does not make further changes to segment inclusion or tranche assignment, as doing so could introduce subjectivity and undermine consistency. While unscaled values for Wildfire and PSPS were previously provided in the supporting work papers,[18] SDG&E will include them in the narrative going forward to enhance transparency and facilitate comparison. Providing these unscaled values will also allow stakeholders to perform their own sensitivity analyses using assumptions they deem appropriate. In addition, Recommendation 14 addresses how CoRE should be represented when applying scaling. Prior to the Commission's Phase 4 Decision, parties did not have to present CoRE as a probability distribution, and SDG&E opted not to present CoRE as a probability distribution in the 2025 RAMP application. The Commission's Phase 4 Decision, which was adopted after SDG&E's and SoCalGas's RAMP application filing, requires the incorporation of CoRE as a probability distribution going forward,[19] and SDG&E is evaluating incorporating CoRE as a probability distribution for Wildfire and PSPS risk in its TY 2028 GRC.

SDG&E further clarifies that its risk scaling function maintains practical utility even though it does not always result in changes to mitigation plans. Risk scaling is not intended to

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16 *Id.* at 142-143.

17 SoCalGas/SDG&E RAMP-3 Risk Quantification Framework.

18 Workpapers associated with RAMP chapter Wildfire and PSPS are available at the SoCalGas/SDG&E discovery portal at: https://sempra.sharepoint.com/sites/proceedingdiscovery. For each mitigation identified at the feeder-segment level, both Phase 3 PTTA and HTM tranche details are provided.

19 D.25-08-032 at 21.

guarantee changes in mitigation selection; rather, it serves to adjust the prioritization framework by highlighting tail-risk events—those with low probability but high consequences. This approach enables high-impact scenarios to receive appropriate attention in cost-benefit analyses, thereby strengthening the decision-making process.

While the application of risk aversion scaling may or may not lead to changes in selected mitigations, it can significantly influence CBRs by increasing the perceived value of risk reduction in high-risk segments. Importantly, this adjustment should not be interpreted as an arbitrary inflation of CBRs. Instead, it reflects a more risk-sensitive valuation of mitigation benefits, which is critical in areas where safety, reliability, and financial impacts are paramount.

SDG&E evaluates mitigation priorities both with and without scaling and uses these comparative insights to inform decisions. Even in cases where the final mitigation plan remains unchanged, the scaling function provides valuable context regarding the relative efficiency, urgency, and strategic importance of risk-reducing investments. It is important to note that mitigation decisions are not based solely on quantitative outputs; qualitative factors—such as operational feasibility, community impact, and regulatory considerations—also play a critical role in shaping the Company's approach, so that low-probability, high-impact scenarios are evaluated within a balanced context. This balanced methodology ensures that decisions reflect both data-driven analysis and practical realities. SDG&E remains committed to transparent, data-driven planning and will continue to document the rationale and impact of risk scaling in its GRC application, in alignment with the CPUC's risk-based decision-making standards.

Recommendation 16: SPD requests that SDG&E file and serve a technical whitepaper detailing all assumptions, data sources, and formulas used to develop and apply any scaling factors (*e.g.*, associated with population and housing growth or other forecasts) in wildfire consequence modeling prior to incorporating them into its risk modeling.[20]

SDG&E is currently evaluating the potential inclusion of additional forecasting inputs, which may include population and housing growth trends, to enhance the granularity and accuracy of its risk quantification at the feeder-segment level. These variables are not considered "scaling factors" in the context of the RDF. Rather, they are contextual inputs intended to improve the representation of future exposure and consequence in wildfire modeling.

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[20] SPD Report at 147.

The decision to incorporate these factors into SDG&E's risk quantification framework will depend on the outcomes and complexity of the ongoing analysis. Should further analysis indicate that these factors materially improve the model's predictive capability and support risk-informed mitigation planning, SDG&E will integrate them into the wildfire consequence modeling framework. In such a case, SDG&E intends to provide supporting documentation in the GRC application including:

- The assumptions, data sources, and methodologies used to develop and apply these inputs.
- The rationale for their inclusion and how they influence consequence modeling.
- An explanation of how these inputs interact with existing risk models and mitigation prioritization logic.

As part of the RAMP and GRC filing, SDG&E provides, and will continue to provide, comprehensive documentation for its wildfire and PSPS models. This approach promotes transparency and enables an orderly and efficient review process.

Recommendation 18: The SPD Report requests that SDG&E restructure its reporting templates for costs and units across control and mitigation plans in a more consistent and transparent format, providing units for each year of the GRC without splitting them into O&M and Capital categories.[21] SDG&E will restructure its reporting templates to present cost and unit data in a more uniform and accessible format across all mitigation activities. This will include providing annual unit metrics (*e.g.*, miles of undergrounding, number of inspections) for each year of the GRC cycle, promoting alignment between physical work and associated costs.

SDG&E notes, however, there may be a potential inconsistency within the SPD Report with respect to this issue. While Recommendation 18 suggests combining Capital Expenditures (CapEx) and Operations & Maintenance (O&M) costs into a unified format, another section of the same report raises concerns about this very approach. Specifically, SPD states:

> In the 2025 RAMP, the UGS, High Pressure (HP) Gas, and Medium Pressure (MP) Gas chapters exhibit issues in their Cost-Benefit Ratio (CBR) calculations, particularly in the handling of capital expenditure (CapEx) and O&M costs. The workpapers for these chapters combine CapEx and O&M into a single cost column, preventing clear differentiation between incremental expenses tied

[21] *Id.*

> to capital investment and ongoing operating expenses, which hinders accurate CBR evaluations.[22]

SDG&E agrees to break out forecasted costs into CapEx and O&M categories to maintain clarity and support accurate CBR calculations. Therefore, while SDG&E will improve the consistency and transparency of its reporting templates, costs will remain appropriately categorized to preserve the integrity of financial analysis and regulatory review.

The revised templates will be included in the upcoming GRC application and will be designed with the objective to meet both the reporting expectations of SPD and the analytical requirements of cost-benefit evaluations, so that stakeholders can assess the relationship between physical work and associated expenditures.

Recommendation 19: The SPD Report requests that SDG&E provide clear cost allocation rules and reconciliation tables demonstrating that no cost is double counted across mitigations.[23]

SDG&E confirms that it does not double count costs within its cost-benefit framework or mitigation planning processes. To promote transparency and consistency, SDG&E applies clearly defined cost allocation rules that uniquely identify each cost element—capital, O&M, vegetation management, and Foundational Costs. These categories are consistently applied across all mitigations and are tracked using standardized templates and internal controls.

As part of its commitment to transparency and regulatory alignment, SDG&E will provide reconciliation tables in its GRC filing to demonstrate that costs are not duplicated across mitigations. These tables will show how each cost element is allocated, mapped, and reconciled to promote clarity and traceability throughout the planning and reporting process.

Recommendation 20: The SPD Report recommends that SDG&E reconcile conflicting cost figures and ensure consistency across all filings (RAMP, GRC, and data requests).[24]

SDG&E is creating version 3.0 of its lifecycle cost framework to align with SPD recommendations regarding cost allocation and reporting (*i.e.* Recommendations 18-20) and improve traceability of cost data across filings. This updated framework will include refined

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[22] *Id.* at 21.

[23] *Id*. at 147.

[24] *Id*.

mapping of O&M and foundational costs to Risk Reduction Units (RRUs), promoting consistency between RAMP and GRC submissions.

While it may not be feasible to perform a formal comprehensive reconciliation of all historical cost figures across all filings and data requests, SDG&E intends to provide documentation of any differences that are identified due to changes in methodology, updated forecasts, or refinements in cost allocation. Where applicable, SDG&E will include crosswalk tables to illustrate how figures were derived and how they relate across different filings, enabling SPD and stakeholders to understand the evolution of cost estimates and their impact on mitigation planning.

C. SoCalGas's Underground Gas Storage Risk

As SPD notes, SoCalGas proactively included its' Underground Gas Storage (UGS) Risk in its 2025 RAMP Report in response to stakeholder feedback, and the risk description appropriately emphasizes severe safety outcomes and infrastructure damage.[25] The SPD Report recognizes that the current definition of safety risk counts only fatalities and serious injuries, and does not capture all safety risks, such as health issues that do not rise to the level of a serious injury or fatality.[26] SPD further notes that the baseline values reflect post-Aliso Canyon well "integrity upgrades and compliance programs now embedded in operations, supporting a lower Safety contribution."[27] The SPD Report acknowledges that SoCalGas's inclusion of environmental impacts as part of the UGS risk bow-tie in this RAMP cycle is an important improvement, but recommends "SoCalGas [can] strengthen how environmental impacts are reflected within the existing safety and financial attributes of the RDF framework" to better capture "community health and safety outcomes" as well as "financial liabilities that extend beyond regulatory fines."[28]

SoCalGas appreciates SPD's comments and agrees that the 2025 RAMP model did not capture all considerations, including monetizing every safety, environmental, or financial consideration that is relevant when assessing risk mitigations. As SPD notes, the Safety CoRE

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[25] *Id.* at 65.

[26] *Id.* at 66, 75.

[27] *Id.* at 66.

[28] *Id.* at 76.

for the UGS Risk only takes into account fatalities and serious injuries. This is not just for the UGS Risk, but for the majority of the risks presented in SoCalGas's and SDG&E's RAMP Reports.[29] The primary reason for this constraint is the limited availability of data, particularly data that meets the injury thresholds defined by the Department of Transportation (DOT). SoCalGas is evaluating how to quantitatively incorporate environmental impacts from leaks into the financial CoRE attribute for the UGS risk. Specifically, SoCalGas is considering the use of the Social Cost of Greenhouse Gases (SC-GHG), as developed by the U.S. Interagency Working Group (IWG) for use in cost-benefit analysis.[30] This evaluation is consistent with other regulatory treatment of the environmental impacts relating to leaks, including monetized damages that reflect the societal impacts of incremental increases in greenhouse gas emissions, which includes human health.

While the SPD Report finds SoCalGas's overall UGS tranching approach to be well-documented, transparent, and consistent with RDF expectations,[31] the SPD Report also notes as a recommended enhancement that SoCalGas provide UGS site specific risk segmentation or sensitivity cases, including "in its GRC testimony and workpapers, UGS site specific tranche results (risk buy-down and CBRs) for each post-test year[.]"[32] SoCalGas is evaluating SPD's feedback, and anticipates it may be able to address this recommendation in the TY 2028 GRC by using its HTM to further define each underground storage site as its own Class.

D. SoCalGas's and SDG&E's Employee Safety and Contractor Safety Risks

SoCalGas and SDG&E have reviewed and appreciate SPD's comments with respect to the Employee Safety and Contractor Safety risk chapters. SoCalGas and SDG&E continually seek to improve data collection and analytic efforts and are continuing to evaluate ways to improve risk-informed assessments.

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[29] In the 2025 RAMP, the Employee Safety and Contractor Safety risks did take minor injuries into account for risk quantification, using internal safety metrics and data.

[30] White House Archives, *Technical Support Document: Social Cost of Carbon, Methane,and Nitrous Oxide Interim Estimates under Executive Order 13990 – Interagency Working Group on Social Cost of Greenhouse Gases, United States Government* (February 2021), *available at:* https://bidenwhitehouse.archives.gov/wp-content/uploads/2021/02/TechnicalSupportDocument_SocialCostofCarbonMethaneNitrousOxide.pdf.

[31] SPD Report at 68.

[32] *Id.* at 76.

In particular, the Companies understand SPD's request for more granularity around the distinctions between workers who primarily or solely work in the field and those who primarily or solely work in the office, which implicates different inherent job risks and exposure. As it relates to the Employee Safety risk, the Companies understand this recommendation and intend to incorporate this recommendation in their next RAMP reports. For purposes of the Contractor Safety Risk, SoCalGas and SDG&E define the scope of the risk as applying to "Class 1 Contractors."[33] Class 1 Contractors perform work that can reasonably be anticipated to expose the contractor's employees, subcontractors, SoCalGas/SDG&E employees, SoCalGas/SDG&E's system, or the public to one or more hazards that, if not properly mitigated, have the potential to result in serious safety incidents. Generally, if a contractor has a possibility of a major or minor serious injury, they are a Class 1 Contractor, and they are within the scope of controls and mitigations in SoCalGas and SDG&E's Contractor Safety risk chapters. Contractors not designated as Class 1 are not included within the identified RAMP controls and mitigations for Contractor Safety risk because they do not require the same safety mitigation efforts as Class 1 Contractors.

While SoCalGas's and SDG&E's Contractor Safety programs and associated costs are tracked and presented differently in their respective RAMP reports, SoCalGas and SDG&E regularly benchmark and share best practices and lessons learned to continually improve their respective programs.

In their next RAMP reports, SoCalGas and SDG&E commit to addressing SPD's recommendations related to these two risks.[34]

E. Improvements to the Gas Reliability Attribute

The SPD Report notes that for the Gas Reliability Attribute in SoCalGas's and SDG&E's 2021 RAMP Reports the monetized value of gas outages was previously estimated using the implied monetary value of a gas meter experiencing an outage, based on SoCalGas and SDG&E's 2021 calculations, using the then-required Multi-Attribute Value Function (MAVF) methodology.[35] For these RAMP Reports, SoCalGas and SDG&E were unable to develop a

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[33] SDG&E 2025 RAMP Chapter SDG&E-Risk 7 at 1; SoCalGas 2025 RAMP Chapter SCG-Risk 6 at 1.

[34] SPD Report at 91, 105.

[35] *Id.* at 17. The MAVF methodology governed risk estimation through application of weights and

methodology for calculating a Gas Curtailment sub-attribute in the time available and instead relied solely on meter outages to measure gas reliability CoRE. The SPD Report recommends that SoCalGas and SDG&E "incorporate the gas curtailment sub-attribute in the Test Year 2028 GRC."[36] The Companies agree this would enhance the analysis and plan to incorporate a gas curtailment sub-attribute in their respective TY 2028 GRCs and future RAMP filings.

In their RAMP Reports, SoCalGas and SDG&E discussed how the cost-benefit approach "currently does not quantify the value of the gas system as an integral component of California's interconnected energy system and the many functions it provides as the reliability backstop for the electric grid and broader energy system for the State as well as the region."[37] In response, SPD recommends continued refinement of gas reliability quantification and, if feasible, incorporation of this sub-attribute in the TY 2028 GRC.[38] The Companies appreciate this feedback and will continue to assess approaches for quantifying the broader reliability value of the gas system.

F. SoCalGas's and SDG&E's ESJ Pilots

The SPD Report recognizes that SoCalGas and SDG&E "generally complied with the directives outlined in Decision D.22-12-027 by developing plans to incorporate consideration of ESJ impacts into the RDF[.]"[39] The report also provides recommendations to enhance the value of the pilot studies and recommends that the Companies address and incorporate SPD's recommendations related to the ESJ Pilots in their upcoming GRCs, including "provid[ing] further details in [the] 2028 GRC filings on future plans for assessing and addressing both risk impacts on DVCs and the benefits of risk mitigations for DVCs."[40] Consistent with the SPD Report, SoCalGas and SDG&E plan to address SPD's recommendations related to their respective ESJ pilot studies in their TY 2028 GRCs.

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ranges for the Safety, Reliability, and Financial consequence attributes in accordance with D.18-12-014. The Phase 2 Decision, D.22-12-027, supersedes the MAVF, along with its components of attribute ranges and weights, with a Cost-Benefit Approach.

36 *Id.*

37 SCG/SDG&E RAMP-3 Risk Quantification Framework at 13.

38 SPD Report at 17.

39 *Id.* at 201.

40 *Id.* at 201, 203.

1. SoCalGas's ESJ Pilot

SoCalGas is committed to addressing SPD's recommendations related to Action Items 6 and 7 in its upcoming GRC, in addition to addressing SPD's recommendations related to Action Item 5, as discussed further below.

Action Item 5: Action Item 5 directs IOUs to "[e]valuate if estimated impacts of wildfire smoke included in the RDF disproportionately impact DVCs[.]"[41] The Commission in D.22-12-027 further clarified that, "the Pilot Study should focus its evaluation of the impact of wildfire smoke on DVCs within a utility's service territory and based on *utility-caused* wildfires within the service territory."[42] The decision further authorizes IOUs to "use public studies of the health impacts of wildfire smoke" and to "draw upon the research results from CARB's 2021-2022 solicitation regarding health impacts of short-term exposure to wildfire smoke[.]"[43] Based on the discussion in the decision, SoCalGas understood that Action Item 5 was targeted towards the electric utilities and not applicable to SoCalGas as a natural gas utility. It is known that electric infrastructure poses a wildfire risk, and there are several examples of this occurrence. SoCalGas confirmed its understanding that Action Item 5 was not applicable to SoCalGas in a meeting with SPD representatives on March 21, 2024. Further, in workshops held with the Community Based Organizations Working Group (CBOWG) on July 12, 2024, with the Disadvantaged Communities Advisory Group (DACAG) on July 19, 2024, and in a public workshop[44] on August 12, 2024, SoCalGas stated that it would not be including Action Item 5 in its ESJ Pilot because it was inapplicable. No party at the workshop, which included representatives from SPD, raised any concern with SoCalGas's approach.

The SPD Report states that the referenced discussion in D.22-12-027 "does not exempt natural gas companies from Action Item 5[.]"[45] It further states that "[i]t is conceivable that a gas pipeline leak or rupture that produces fire might possibly cause a wildfire" and "recommends that SoCalGas should update its Pilot Study Plan with an explanation of why the evaluation of

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41 D.22-12-027 at 51.

42 *Id.* at 50 (emphasis added).

43 *Id.*

44 Parties to A.25-005-010 (cons) were invited to the public workshop.

45 SPD Report at 200.

wildfire spoke impacts does not apply or develop a risk mitigation plan if merited upon reevaluation."[46] As recommended in the SPD Report, SoCalGas will provide its further analysis of why this action item is inapplicable to SoCalGas in the updated Pilot Study Plan to be served on the service list in SoCalGas's upcoming GRC.

2. SDG&E's ESJ Pilot

SDG&E will be further addressing SPD's recommendations related to its ESJ Pilot in the TY 2028 GRC but provides comments on SPD's recommendations related to Action Items 1, 2, and 3 below.[47]

Action Item 1: For Action Item 1, related to considering "equity in the evaluation of Consequences and risk mitigation within the RDF. . . to better understand how risks may disproportionately impact some communities more than others,"[48] the SPD Report recommends that SDG&E include in its TY 2028 GRC filing references to its Wildfire Mitigation Plan's measures to address the mitigations that reduce risk the most in DVCs.

SDG&E acknowledges SPD's recommendation to address the estimates of wildfire risk faced by DVCs, particularly those located on tribal lands within HFTD Tiers. SDG&E recognizes the importance of having wildfire mitigation efforts equitably distributed and responsive to the unique vulnerabilities of these communities.

As part of its ongoing model refinement, SDG&E is currently updating its wildfire risk models, including the evaluation of risk exposure and mitigation effectiveness at the feeder-segment level. This process includes a re-assessment of wildfire risk distribution across DVCs to validate and, if necessary, update the findings referenced in the ESJ Pilot Study. As a part of its TY 2028 GRC filing SDG&E will include:

- References to its Wildfire Mitigation Plan (WMP) mitigation measures that specifically address risk reduction in DVCs.

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46 *Id.* at 202.

47 The SPD Report also comments on Action Item 7 relating to DVC representation on SDG&E's Equity-First Community Climate Coalition (EC3) as reflected in the Company's Climate Adaptation Community Engagement Plan (CEP). SPD Report at 202. SDG&E clarifies that membership already includes DVCs representation; however, SDG&E commented in its CEP that it planned to expand DVC representation on the EC3. SDG&E has done so and will describe its action in its TY 2028 GRC.

48 D.22-12-027 at 51.

- A clear description of how mitigation strategies—such as covered conductor installations, targeted vegetation management, and community engagement—are prioritized in high-risk DVC areas.

SDG&E remains committed to equitable risk mitigation and will continue to integrate ESJ considerations into its planning processes so that all communities, especially those most vulnerable, receive appropriate protection from wildfire and de-energization risks.

Action Item 2: Action Item 2 asked the IOUs to "[c]onsider investments in clean energy resources in the RDF, as a possible means to improve safety and reliability and mitigate risk in DVCs."[49] The SPD Report "recommends that SDG&E incorporate a quantitative analysis of electric infrastructure integrity related to clean energy resources in its action plan responding to this action item."[50] SDG&E is continuing to evaluate SPD's recommendation. SDG&E is unclear on what is being referred to as "its action plan." SDG&E will work with SPD to better understand this recommendation and will take any appropriate action in its GRC.

Action Item 3: Action Item 3 relates to consideration of "Mitigations that improve local air quality and public health in the RDF, including supporting data collection efforts associated with Assembly Bill (AB) 617 regarding the [C]ommunity [A]ir [P]rotection [P]rogram."[51] The SPD Report recommends that "SDG&E provide some quantitative, data-driven analysis on how to improve air quality by reducing emissions (both toxic air pollutants and greenhouse gas emissions), thereby protecting the electric grid and public health, particularly for DVCs."[52]

SDG&E plays an important role in supporting the electrification of mobile equipment and reducing harmful emissions, including diesel particulate matter, ozone causing pollutants, and greenhouse gases (GHG). In compliance with AB 617, SDG&E reports emissions from its power plants, turbines, stationary combustion engines, and other facilities to the San Diego Air Pollution Control District (APCD).

The APCD and the California Air Resources Board (CARB) are the primary agencies responsible for maintaining air quality monitors in designated Disadvantaged Communities

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[49] SPD Report at 197.

[50] *Id.* at 6, 202.

[51] *Id.* at 198.

[52] *Id.* at 202.

(DACs), which significantly overlap with DVCs. These agencies have developed a plan to reduce pollutant levels and are actively engaging with major regional polluters, particularly in the "Portside" and "International Border" communities.[53] It is important to note that SDG&E is not identified as a primary contributor to the elevated emissions levels in these areas.

The Commission can access monitoring data collected by APCD and CARB. SDG&E does not operate regional air quality monitors focused on toxic or criteria pollutants beyond those required for its own facilities. While SDG&E may conduct air contaminant monitoring for industrial hygiene and worker safety in accordance with Cal/OSHA regulations, these efforts are not designed for regional environmental monitoring or for assessing community-level exposure in DVCs.

For the reasons discussed, SDG&E recommends that efforts to calculate air quality impacts to DVCs should be led by APCD and CARB, especially considering that SDG&E is not identified as a primary contributor to elevated emission levels.

G. Recommendations to Be Addressed and Incorporated in SoCalGas's and SDG&E's Next RAMP

The SPD Report contains recommendations related to the Companies' Risk Bow Ties, Historical Graphics, and Alternative Mitigations. SoCalGas and SDG&E appreciate these recommendations and plan to incorporate them into their next RAMP filings.

The SPD Report recommends that SoCalGas and SDG&E review Pacific Gas and Electric Company's (PG&E) approach to bow-ties in its most recent RAMP filing and that each bow-tie include:

- Per-driver annual frequency (events/year) and each driver's share of total frequency and total risk.
- An explicit exposure metric in the central panel (e.g., circuit miles, assets, customers) to anchor the scale.
- Per-outcome CoRE ($) and each outcome's share of frequency and share of risk.
- The aggregated baseline risk value ($) for the risk, with the vintage and any risk-adjustment noted.

[53] APCD, *Community Air Protection Program (AB 617)*, *available at:* www.sdapcd.org/content/sdapcd/community/community-air-protection-program.html.

- Clear tie-outs that map each mitigation to the specific bow tie element it affects—driver-side likelihood (LoRE) and/or outcome-side consequence (CoRE).[54]

The RDF requires that for each risk included in the RAMP, the utility will include a bow-tie illustration and for each mitigation presented in the RAMP, the utility will identify which element(s) of its associated bow-tie the mitigation addresses.[55] SoCalGas and SDG&E have met this requirement in their RAMP Reports. The Companies understand, however, that SPD recommends inclusion of a graphic that contains a more comprehensive view of each risk. SoCalGas and SDG&E plan to address this feedback, as well as continue to evaluate other SPD recommendations related to risk bow-ties in their next RAMP reports.

The SPD Report contained recommendations for improvements to the alternative mitigations presented with certain risks. Although alternative mitigations presented in SoCalGas's and SDG&E's next RAMP Reports are likely to differ from those presented in these RAMP reports, given the dynamic nature of risk, the passage of time, and other variables; SoCalGas and SDG&E value SPD's feedback and plan to take it into account in preparing their next RAMP Reports.

In its substantive review of the Cybersecurity risk, SPD recognizes the evolving nature and sensitivity of the risks that cybersecurity presents and finds "[t]he Historical Progress Graphics section to be aligned with the RDF guidelines."[56] SPD recognized that SoCalGas and SDG&E provided graphics and discussion "intended to illustrate accomplishments in safety work and progress mitigating safety risk over the two immediately preceding RAMP cycles."[57] As required by the RDF, the Historical Progress Graphics section aimed "to align with safety goals, show trends in historical progress, and identify remaining tasks for risk mitigation."[58] To that end, SoCalGas and SDG&E presented graphics that provided results over time by the cybersecurity rating agency BitSight, which evaluates an organization's security posture over time and provides an objective, data-driven rating that reflects the organization's overall security

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54 SPD Report at 23.

55 D.24-05-064, RDF Row 15.

56 SPD Report at 174.

57 *Id.*

58 *Id.* at 171.

performance and ability to manage and mitigate cybersecurity risks. Similar to the results of financial rating agencies, an organization's scores are used by third parties to evaluate whether the organization is effectively protecting itself from potential threats and meeting protective compliance requirements. The narrative discussion and accompanying graphics showed the effectiveness over time of the Companies' cybersecurity program and mitigations, with over 2.6 million cybersecurity vulnerabilities addressed in 2022-2024 alone. As SPD's comments acknowledged, cybersecurity threats are constantly changing and evolving, so the mitigation activity is also constantly changing and evolving to mitigate the threats. Cybersecurity mitigation activity does not have an end point. Cybersecurity threats continue and increase over time, constantly requiring new and additional mitigation activities.

In its Global Observations section, however, the SPD Report observes that the "historical progress" graphics in the Cybersecurity and Underground Gas Storage (UGS) chapters evidence activity but do not fully meet the requirement in D.22-10-002, which calls for graphics that "clearly illustrate what safety work has been accomplished and what work remains" over at least the two preceding RAMP cycles.[59] SPD requests that, in the future, each chapter should add a companion display that quantifies completed versus remaining assessments/remediations and plot monetized baseline and residual risk across the last two RAMP cycles. It is unclear whether this initial observation includes a typographical error, as the more detailed discussion in the SPD Report states the graphics comply with the RDF.[60]

SoCalGas and SDG&E are evaluating for their next RAMP Reports a balanced approach that will explain the "work that remains" for Cybersecurity threat mitigation,[61] while being mindful of SPD's Cybersecurity recommendation to maintain a program-level approach to protect sensitive information from adversaries.[62]

III. CONCLUSION

SoCalGas and SDG&E appreciate SPD's analysis of their respective RAMP Reports, as

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59 *Id.* at 22.

60 *See id.* at 174.

61 Cybersecurity threat mitigation is different than mitigation for physical assets where progress and completion of planned work can be tracked (miles of pipe, number of poles, etc.).

62 SoCalGas and SDG&E also note that the reference in SPD's Observations and Findings to "Figure 9-7 above" in the CBRs discussion at page 171, should instead refer to "Figure 9-6."

well as the high level of engagement of the parties. SoCalGas and SDG&E are committed to continuously improving upon their risk assessment methodologies and presentation of the results of their assessments. The Companies will continue to consider SPD's feedback and the parties' comments on its risk management practices to further refine and improve the integration of risk management and assessment into their respective TY 2028 GRC applications.

Respectfully submitted,

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