

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Application of Southern California Gas
Company (U 904 G) to Recover Costs
Recorded in the Distribution Integrity
Management Program Balancing Account from
January 1, 2019, to December 31, 2023.

A.25-08-008
(Filed August 15, 2025)

**RESPONSE OF SOUTHERN CALIFORNIA GAS COMPANY TO THE MOTION OF
THE PUBLIC ADVOCATES OFFICE TO CLARIFY THE PROCEEDING RECORD**

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Dated: November 19, 2025

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Application of Southern California Gas
Company (U 904 G) to Recover Costs
Recorded in the Distribution Integrity
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January 1, 2019, to December 31, 2023.

A.25-08-008
(Filed April 30, 2025)

**RESPONSE OF SOUTHERN CALIFORNIA GAS COMPANY TO THE MOTION OF
THE PUBLIC ADVOCATES OFFICE TO CLARIFY THE PROCEEDING RECORD**

I. INTRODUCTION

Pursuant to Rule 11.1(e) of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission), Southern California Gas Company (SoCalGas) respectfully submits this response to the Motion of the Public Advocates Office (Cal Advocates) to Clarify the Proceeding Record (Motion) served on November 10, 2025.

II. PROCEDURAL HISTORY

In Cal Advocates' Protest to the Application filed on September 26, 2025, Cal Advocates requested the addition of a number of issues to the scope of this proceeding.¹ The scoping issue that is relevant for the purpose of Cal Advocates' current Motion is:

Whether SoCalGas's DIMPBA cost recovery request complies with the federal and state requirements enacted over the 2019-2023 timeframe including Decision (D.) D.13-05-010, D.19-09-051, D.22-05-003, D.24-12-074, and 49 Code of Federal Regulations Section 192, Subpart P.²

In its Protest, Cal Advocates did not provide any justification as to why each of these federal or state requirements are relevant to the Application.

¹ Cal Advocates Protest to DIMP Application at 2.

² *Id.*

In SoCalGas's Reply to Cal Advocates' Protest, SoCalGas recommended several revisions to Cal Advocates' proposed scoping issue as follows:

Whether SoCalGas's DIMPBA cost recovery request complies with the federal and state requirements ~~enacted over~~ in effect during the 2019-2023 timeframe including Decision (D.) D.13-05-010, D.19-09-051, D.221-05-003, ~~D.24-12-074~~, and 49 Code of Federal Regulations Section 192, Subpart P.³

In recommending these revisions, SoCalGas explained that "SoCalGas's DIMP implemented federal and state requirements in effect during 2019-2023 and not just those enacted over 2019-2023. Further, because the costs at issue were incurred from 2019 through 2023, D.24-12-074 (which was issued after the costs had already been incurred) could not have informed said costs. In addition, Cal Advocates' citation to one decision appears to contain a typographical error that should be corrected."⁴

On October 17, 2025, Administrative Law Judge (ALJ) Brandon Gerstle issued a procedural email for the prehearing conference (PHC) scheduled for October 22, 2025. The email directed the parties to be prepared to discuss, among other things, questions on scope, one of which was "Explain how D.24-12-074 does or does not apply to this proceeding."⁵ At the PHC, Cal Advocates stated that D.24-12-074 did not apply to this proceeding.⁶ SoCalGas agreed. That same day, Cal Advocates emailed ALJ Gerstle and the service list requesting to clarify the record to include D.24-12-074 as an issue to be considered in this proceeding. SoCalGas objected to the request on the grounds that it was not a procedural clarification but a substantive change, and SoCalGas was not afforded an opportunity to respond as to why D.24-12-074 is not applicable. On November 10, 2025, Cal Advocates filed this instant Motion.

³ SoCalGas Reply to Protest at 2.

⁴ SoCalGas Reply to Protest at 2 (emphasis in original).

⁵ ALJ Gerstle, B. Email to Parties, October 17, 2025.

⁶ Cal Advocates Motion states that this was done "[t]hrough inadvertence and mistake." Cal Advocates Motion at 1.

III. DECISION 24-12-074 WAS ISSUED AFTER ALL THE COSTS AT ISSUE IN THIS APPLICATION WERE INCURRED; THEREFORE, IT DOES NOT APPLY

Cal Advocates' argument that D.24-12-074 is applicable to this proceeding is entirely inconsistent, on its face, with its own proposed scoping issue which states "Whether SoCalGas's DIMPBA cost recovery request complies with the federal and state requirements enacted over the 2019-2023 timeframe..."⁷ D.24-12-074 was not "enacted" over the 2019-2023 timeframe.⁸ D.24-12-074 was not issued until December 23, 2024.

In addition, as SoCalGas explained in its Reply to Cal Advocates' Protest, since the costs at issue in this Application were incurred from 2019 through 2023,⁹ D.24-12-074 could not have informed those costs as the decision was not in existence when said costs were incurred. Pursuant to Public Utilities Code §451, all rates and charges collected by a utility must be "just and reasonable."¹⁰ The Commission requires that the Applicant demonstrate with admissible evidence that the costs it seeks to include in a revenue requirement are reasonable and prudent.¹¹ The Commission applies the reasonable manager standard in after-the-fact reviews of utility recovery applications. Under this standard, the Commission holds utilities to "a standard of reasonableness based upon the facts that are known or should have been known at the time."¹² In so doing, the Commission looks to the decision-making process and information available to the manager to assess whether the course of action was within the "bounds of reasonableness, even if it turns out not to have led to the best possible outcome."¹³ As explained by the Commission, this is to "avoid the application of hindsight in reviewing the reasonableness of a utility decision."¹⁴ Therefore, since D.24-12-074 was not in existence at the time the costs were incurred, it could not have factored into the decision making of a reasonable manager.

⁷ Cal Advocates Protest to DIMP Application at 2.

⁸ Even under SoCalGas's recommended revision to "in effect during the 2019-2023 timeframe," D.24-12-074 was not in effect during that timeframe.

⁹ Specifically, the costs at issue in the Application are from February 1, 2023, through December 31, 2023. See Application at 1.

¹⁰ Pub. Util. Code §451.

¹¹ D.14-06-007 at 12.

¹² D.90-09-088 at 15 (cited in D.11-10-002 at 11, n.2) (emphasis added).

¹³ D.89-02-074 at 169 (COL 3); *see also* D.05-08-037 at 11.

¹⁴ D.90-09-088 at 15.

Finally, the only time Cal Advocates provides an explanation as to why it believes D.24-12-074 applies to this proceeding is in its Motion where it states “D.24-12-074 is applicable in this proceeding on its face since it addresses DIMP’s ongoing purposes and evolving safety activities throughout the text of the decision, and most notably where references are made to 49 Code of Federal Regulations, Section 192, Subpart P.”¹⁵ Even Cal Advocates’ explanation contradicts its position as to D.24-12-074’s applicability. First, while D.24-12-074 “addresses DIMP’s ongoing purposes,”¹⁶ D.24-12-074 is a decision on SoCalGas and San Diego Gas and Electric Company’s (SDG&E) General Rate Case which examined the utilities’ future rates. The Decision addressed DIMP’s ongoing purpose into the future in approving SoCalGas and SDG&E’s rates for 2024 and onward. Second, as for Cal Advocates’ assertion that D.24-12-074 addressed DIMP’s “evolving safety activities,”¹⁷ any new or evolved safety requirements for DIMP from that Decision were issued approximately one year after the costs at issue in this Application were incurred. Under the prudent manager standard, the Commission looks to the reasonableness of the manager’s decision based on information available to the manager at the time the decision was made. Any new or evolved safety activities required by D.24-12-074 were not in existence at the time the costs in this Application were incurred. Lastly, to the extent D.24-12-074 made references to 49 Code of Federal Regulations, Section 192, Subpart P, SoCalGas does not object to the federal code being in scope; as a result, D.24-12-074’s references to said federal code are duplicative and redundant.

IV. CONCLUSION

SoCalGas respectfully requests that the Commission adopt SoCalGas’s revisions to the scoping issue as follows:

Whether SoCalGas’s DIMPBA cost recovery request complies with the federal and state requirements ~~enacted over~~ in effect during the 2019-2023 timeframe

¹⁵ Cal Advocates Motion at 3.

¹⁶ *Id.*

¹⁷ *Id.*

including Decision (D.) D.13-05-010, D.19-09-051, D.221-05-003, ~~D.24-12-074~~, and 49 Code of Federal Regulations Section 192, Subpart P.

Respectfully submitted on behalf of SoCalGas,

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