

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Application of Southern California Gas
Company (U904G) for Authorization to
Implement Revenue Requirement for
Advanced Meter Infrastructure
Replacement Project.

Application 25-12-019

PROTEST OF THE PUBLIC ADVOCATES OFFICE

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I. INTRODUCTION

Pursuant to Rule 2.6(a) of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) submits this protest to Southern California Gas Company's (SoCalGas) December 30, 2025 application: 1) for recovery of \$3.76 billion in revenue requirements, based on an operations and management and capital cost of an estimated \$2.1 billion, for an Advanced Metering Infrastructure Replacement (AMIR) Project; and 2) to establish a two-way, interest bearing balancing account to record authorized costs approved in this proceeding.¹

SoCalGas presents the AMIR Project for the first time in this Application.² No notice of the obsolescence or pre-planning of the AMIR Project was identified in SoCalGas' 2024 general rate case (GRC).³ In the instant Application, SoCalGas states the existing AMI system was installed between 2012-2018 for approximately \$1.05 billion.⁴ According to SoCalGas, because the existing Advanced Metering Infrastructure (AMI) battery modules will reach their expected end-of-life around 2030, the manufacturer will stop producing and servicing the modules between 2031 and 2038, and a reactive response would be significantly more costly for customers, SoCalGas proposes the proactive AMIR Project.⁵ Additionally, SoCalGas asserts that because the AMI system operates as an integrated network and it must be maintained to meet compatibility and cybersecurity needs, SoCalGas proposes the network replacement and upgrade.⁶

¹ A.25-12-019 Application of Southern California Gas Company (U 904 G) for Authorization to Implement Revenue Requirement for Advanced Meter Infrastructure Replacement Project at 2 and 11. Notice of the project first appeared on the CPUC's daily calendar on January 2, 2026.

² A.25-15-019 at 2, 7-8.

³ D.24-12-074 Decision Addressing 2024 TY GRC of SoCalGas and SDG&E.

⁴ A.25-15-019 at 4 citing D.10-04-027. (No page cite provided. Per inspection of D. 10-04-027 amounts, not installation dates, found at 53, OP7.)

⁵ A.25-15-019 at 3-4.

⁶ A.25-15-019 at 5-6.

SoCalGas estimates the AMIR Project will be implemented over a 10 year period from 2025- 2034.⁷

In light of SoCalGas’ proposal to spend nearly \$4 billion in ratepayer dollars, the Application provides cursory to no support for the threshold issues. As discussed in Section III below, SoCalGas’ cost-benefit analysis omits a cost comparison of alternatives.⁸ Workpapers presented to support technology and deployment plans offer no sources for the value of costs and contingencies.⁹ Moreover, SoCalGas fails to elaborate on a cost-tracking mechanism that will support the transparency and reasonableness promised to ratepayers.¹⁰ While Cal Advocates continues to analyze the Application, the cursory to non-existent support may make it difficult for Cal Advocates to conduct a reasonableness review.

II. THE COMMISSION SHOULD DENY SOCALGAS’ APPLICATION BECAUSE A PROJECT OF THIS MAGNITUDE SHOULD BE REVIEWED IN A GENERAL RATE CASE

Although SoCalGas emphasizes the importance of its AMI system, SoCalGas inexplicably omitted discussion of the existing system in its 2024 GRC and with the instant Application evades review of the proposed system replacement project in its forthcoming GRC. SoCalGas describes its AMI system as the “backbone of SoCalGas’s meter-to-cash process...for more than six million customer meters...” SoCalGas states “[t]he AMI system is also foundational to SoCalGas’s ability to provide safe, reliable, and affordable service to customers and provide meaningful environmental benefits, in alignment with Commission and State objectives.”¹¹ Yet, SoCalGas appears unwilling to raise this project in its GRC.

⁷ A.25-15-019 at 7.

⁸ A.25-12-019, Chapter II Business Case, at DMM-6-8.

⁹ A.25-12.019, Chapter III Technology at ADV-1.

¹⁰ A.25-12.019 AMIRMA Motion at 2 and 7 n. 14.

¹¹ A.25-12-019 at 3.

The Commission states “General Rate Cases are the most important proceeding the CPUC undertakes,” emphasizing the case complexity and commitment to ratepayer protections.¹² The Commission invites utilities to present evidence in a thorough and transparent manner for review by a multidisciplinary team of subject matter experts.¹³ The experts evaluate whether the proposed rate changes ensure ratepayers have access to utility service that is safe and reliable at just and reasonable rates.¹⁴

Given the importance of AMI, Pacific Gas & Electric along with San Diego Gas & Electric discussed their aging AMI systems and replacement proposals in previous GRCs.¹⁵ Only once the Commission had a chance to review PG&E’s and SDG&E’s proposals, did the Commission identify deficiencies and ask the utilities to submit project applications to review the proposals separately.¹⁶ In its project application, PG&E limited its AMI replacement application to an incremental portion of the proposal from 2024-2026 with an estimated forecast of \$485.1 million of capital expenditures and \$11.7 million of operations and maintenance (O&M) expenses.¹⁷ In its project application, SDG&E limited its proposal to a 7-year period (2024-2031) with an estimated forecast of \$825 million.¹⁸

SoCalGas stands apart from the other utilities with this AMIR Project Application. In the instant project application with no previous GRC consideration, SoCalGas proposes a project estimated at \$3.76 billion in revenue requirements that will extend well past the 10-year implementation timeline to 2071.¹⁹ Not only does the significance of time, cost, and expanse of SoCalGas’ AMIR Project merit the thorough review of a

¹² CPUC webpage “[Understanding How the CPUC Processes a General Rate Case: Ensuring Just and Reasonable Rates for Customers](#)” (CPUC GRC Webpage) (July 29, 2025).

¹³ CPUC GRC [webpage](#).

¹⁴ CPUC GRC [webpage](#).

¹⁵ A.21-06-021 at 7 and Exhibit PG&E-6, Chapter 9. A.22-05-016 at 3.

¹⁶ D.24-12-074 at 1012.

¹⁷ A.24-03-011 PG&E Application for Comprehensive Gas Advanced Metering Infrastructure at 1-2.

¹⁸ A.25-12-012 at 1.

¹⁹ A.25-12-019 at 8. Table 5 Forecast Revenue Requirement Summary.

GRC, the proximity of its forthcoming GRC application, just 5 months away, makes this project ripe for inclusion in that proceeding.

III. ALTERNATIVELY, THE COMMISSION SHOULD DENY SOCALGAS' APPLICATION DUE TO THRESHOLD DEFICIENCIES

Cal Advocates is currently evaluating the Application and plans to submit testimony presenting its recommendations regarding the Application. However, upon initial review of the Application, Cal Advocates finds SoCalGas' Application provides cursory to no support for threshold issues. For example, Chapter II on Business Case provides three alternatives to justify why the systemwide replacement proposal is the most prudent and cost-efficient of the three options, but omits a cost-comparison of the options.²⁰ Chapter III on Technology presents direct capital costs totaling \$903.031 million, but offers no source for the values of new equipment and software.²¹ Chapter IV on Deployment raises the contingency framework, but offers no values for the contingency rates based on associated risk levels.²² Chapter IV also provides testimony about the Project's planned deployment scope and "associated cost forecast and underlying cost methodology"... but the witness explains the \$497.577 million in proposed direct costs are unloaded and unescalated without further explanation of how costs represented as "loaded and escalated" are calculated in the Application.²³ Further, and likely to result in less transparency, not more, SoCalGas provides no detail about how its plans to transfer expenditures tracked in its proposed memorandum account to its proposed two-way balancing account are reasonable.²⁴ For these reasons alone, the Commission should deny SoCalGas' application based on the deficiency of threshold issues.

²⁰ A.25-12-019, Chapter II Business Case at DMM-6-8.

²¹ A.25-12.019, Chapter III Technology at ADV-1.

²² A.25-12-019, Chapter IV Deployment at LSO-13

²³ A.25-12-019, Chapter IV Deployment at LSO-1-2, n. 2.

²⁴ A.25-12-019 at 7, n. 14.

IV. IF THE COMMISSION DOES NOT DENY SOCALGAS' APPLICATION, IT SHOULD BROADEN THE SCOPE OF ISSUES ADDRESSED IN THIS PROCEEDING

SoCalGas identifies two issues to consider in review of its Application: 1)

Whether SoCalGas may establish the Advanced Metering Infrastructure Replacement Balancing Account (AMIRBA), a two-way, interest-bearing balancing account to record authorized costs approved in the proceeding and 2) Whether SoCalGas may implement a revenue requirement as described herein based on its forecasted cost estimate of approximately \$2.1 billion to plan and execute AMIR. The Commission needs to consider numerous related issues in order to make determinations about these two issues. Based on Cal Advocates' initial review of the Application, the following list of issues should be included within the scope of this proceeding as well. Cal Advocates reserves the right to identify additional issues as Cal Advocates proceeds with discovery and analysis of SoCalGas' request and may seek to amend the scope of issues accordingly:

- Should SoCalGas be authorized to establish an interest-bearing Advanced Meter Infrastructure Replacement Memorandum Account (AMIRMA) to track, record, and recover the costs incurred for pre-planning AMIR project activities?
- Should SoCalGas be authorized to establish a two-way balancing account to track, record, and recover the actual costs of SoCalGas' proposed the Advanced Meter Infrastructure Replacement (AMIR) Project?²⁵
- Is SoCalGas assessment that its existing Advanced Meter Infrastructure (AMI) system is reaching its expected end of life and becoming obsolete accurate and supported?²⁶
- Is SoCalGas' proposed AMIR Project the most prudent and cost-efficient approach?
- Are SoCalGas' calculations for its forecasts of O&M and capital costs appropriate, reasonable, and supported?
- Is there a reasonable allocation of costs between ratepayers and shareholders for SoCalGas' AMIR Project?

²⁵ A.25-12-019 at 2.

²⁶ A.25-12-019 at 4.

- Whether SoCalGas’ AMIR Project results in stranded investments relative to the existing legacy AMI system and, if so, how such stranded costs should be addressed?
- Is it more appropriate to include the O&M and capital costs for the AMIR Project be included in SoCalGas’ Test Year 2028 GRC and future GRCs?
- Is SoCalGas’ proposed Cost Allocation to allocate the gas transportation revenue requirement changes associated with the AMIR Project appropriate?

V. PROCEDURAL ISSUES

A. CATEGORIZATION

This proceeding has been preliminarily categorized as “ratesetting” consistent with SoCalGas proposed designation.²⁷ Cal Advocates agrees that this proceeding should be categorized as ratesetting.

B. NEED FOR HEARINGS

Based on a review of SoCalGas’ Application and supporting testimony, Cal Advocates believes evidentiary hearings may be necessary. Therefore, Cal Advocates recommends that evidentiary hearings be included in the proceeding schedule.

C. PROPOSED SCHEDULE

SoCalGas’ Application proposes an aggressive schedule for this proceeding given the magnitude of its requests and the gaps in data put forth thus far. The Commission should reject SoCalGas’ proposed date of April 2026 for intervenor testimony. Cal Advocates requests that the Commission adopt a schedule that provides all parties with adequate time to evaluate SoCalGas’ requests and responses to Cal Advocates’ discovery. Cal Advocates will need more time to conduct its analysis and review, and to prepare and serve its testimony. Cal Advocates will be prepared to propose a schedule consistent with the framework presented below at the prehearing conference after it has had additional time to review SoCalGas Application.

²⁷ A.25-12-019 at 10.

EVENT	SoCalGas Proposal	Cal Advocates Proposal
Application Filing Date	December 30, 2025	December 30, 2025
Responses/Protests Due	30-Days of Daily Calendar Notice	30 Days of Daily Calendar Notice
Reply to Responses and Protests	Within 10 Days (Rule 2.6)	Within 10 Days (Rule 2.6)
Prehearing Conference	February 2026	To be determined (TBD)
Scoping Memo	March 2026	TBD
Supplemental Testimony	Not provided	TBD
Intervenor Testimony	April 2026	120 Days Post Supplemental Testimony
Rebuttal Testimony	May 2026	30 Days After Intervenor Testimony
Meet and Confer (Rule 13.9)	Not provided	10 Calendar Days Post Rebuttal Testimony
Motions for Evidentiary Hearings	Not provided	15 Days After Rule 13.9 Meet & Confer
Evidentiary Hearings (if needed)	June 2026	TBD
Opening Briefs	August 2026	45 Days Post Evidentiary Hearings or Rebuttal Testimony
Reply Briefs	September 2026	30 Days After Opening Briefs
Proposed Decision	November 2026	TBD
Final Decision	December 2026	TBD

VI. CONCLUSION

Cal Advocates respectfully requests that the Commission deny SoCalGas' Application and instruct SoCalGas to submit a more detailed proposal within its forthcoming GRC application, which is anticipated to be filed within five months. Alternatively, Cal Advocates respectfully requests the Commission deny the Application due to the absence of a comprehensive cost-benefit analysis, the omission of source values for costs and contingencies, and a failure to provide a detailed cost-tracking mechanism. Should the Commission decide not to deny SoCalGas' Application, Cal

Advocates requests the Commission broaden the scope of issues to those listed in Section IV above so that Cal Advocates may conduct an adequate reasonableness review.

Respectfully submitted,

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