

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



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A2512019

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

Application 25-12-019  
(Filed December 30, 2025)

**PROTEST OF THE UTILITY REFORM NETWORK**



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## PROTEST OF THE UTILITY REFORM NETWORK

### I. Introduction

On December 30, 2025, Southern California Gas Company (“SoCalGas”) filed an application seeking approval to implement a revenue requirement of approximately \$3.76 billion for the replacement of its current advanced meter infrastructure (“AMIR project”).<sup>1</sup> Pursuant to Rule 2.6 of the Commission’s Rules of Practice and Procedure, The Utility Reform Network (“TURN”) submits this protest to SoCalGas’ application. Rule 2.6 requires that protests be filed within 30 days of the date the application first appeared on the Commission’s Daily Calendar. Notice of the instant application first appeared on January 2, 2026. TURN’s protest is thus timely filed.

### II. Grounds of the Protest and Issues to Be Considered

SoCalGas’ application only identifies two issues that should be considered in this proceeding.<sup>2</sup> Based upon its initial review of SoCalGas’ application, TURN believes that the scope of issues identified by SoCalGas is incomplete and unreasonable – SoCalGas’ application presents at least the following additional issues:

- *Whether SoCalGas’ proposal is cost-effective:* When the Commission approved SoCalGas’ AMI 1.0 in D.10-04-027, SoCalGas assured the Commission and the public that there would be numerous benefits from the investment, including \$757

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<sup>1</sup> SoCalGas Application, p. 2.

<sup>2</sup> SoCalGas Application, p. 11.

million in savings from elimination of meter reading workforce,<sup>3</sup> \$148 million in gas conservation benefits,<sup>4</sup> and other benefits. Before the Commission considers whether to authorize the proposed AMI 2.0 project, the Commission needs to first consider whether SoCalGas' AMI 1.0 achieved the intended benefits to the public, and whether the earlier project turned out to be cost effective. In PG&E's GRC, PG&E included a SmartMeter Cost Effectiveness Update to provide the public with an update regarding the cost-effectiveness of PG&E's Smart Meter 1.0.<sup>5</sup> SoCalGas has not provided something similar here to show the Commission and the public the updated cost effectiveness of its original AMI implementation. Based on PG&E's own analysis, its Smart Meter 1.0 is now projected to be woefully ineffective -- costing \$576.676 million but only resulting in \$286.381 million of benefits.<sup>6</sup> Thus, ratepayers are projected to be far worse off than if the project never took place, but shareholders will walk away with hundreds of millions of profit. That is an unjust and unreasonable result that the Commission should not risk repeating here for SoCalGas' AMI 2.0, certainly not without careful analysis and consideration of the performance of its AMI 1.0 when considering the business case and cost-benefit analysis of AMI 2.0.

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<sup>3</sup> D.10-04-027, p. 28.

<sup>4</sup> D.10-04-027, p. 30.

<sup>5</sup> A.21-06-021, Ex. PG&E-6-E, Chapter 7, Attachment A.

<sup>6</sup> *Id.*

- *Whether SoCalGas' proposed cost allocation methodology for the project is reasonable:* SoCalGas states that it “proposes to allocate the gas transportation revenue requirement changes associated with the AMIR Project proportionally based on the meter count for each customer class.”<sup>7</sup> Under this cost allocation proposal, residential customers will be responsible for 96.62% of the costs.<sup>8</sup> However, most, if not all, of the benefits cited by SoCalGas for this project are benefits that are likely to be enjoyed by other customers as well, including asserted safety benefits, reliability benefits, affordability benefits, and environmental benefits.<sup>9</sup> Thus, the Commission and the public should closely examine and question whether it would be reasonable to assign 96.62% of the costs to residential customers.
- *Whether SoCalGas has provided sufficient information and mitigation for potential stranded assets and the appropriate ratemaking treatment:* In its application or testimony, SoCalGas does not provide any information regarding potential stranded assets and costs related to its current AMI 1.0 infrastructure. For example, there will likely be meters that will be replaced before they have reached its full expected lifetime or fully depreciated. The Commission and the public need to know the extent of such potential stranded costs, and what ratemaking treatment would be appropriate for such assets.

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<sup>7</sup> SoCalGas Testimony, Chapter 5, p. 5.

<sup>8</sup> SoCalGas Testimony, Chapter 5, p. 6.

<sup>9</sup> SoCalGas Testimony, Chapter 1, pp. 8-13.

- *Whether SoCalGas' application is consistent with California's climate goals as well as the Commission's long-term gas system plan:* In R.24-09-012, the Commission is considering a gas transition plan that would “facilitate decarbonization activities over time in a way that supports equity, safety and affordability, and mitigates reliability challenges, commodity price spikes and other potential adverse outcomes.”<sup>10</sup> When considering whether SoCalGas should be granted authority to spend \$2.1 billion on a new AMI system, the Commission needs to evaluate whether authorizing the project would be consistent with its plans to retire natural gas infrastructure in the future, and whether the project is consistent with the state's climate targets. SoCalGas does not adequately address this issue in its application (it contains only a couple of sentences total, asserting that the benefits “are in alignment with California's legislative and policy objectives”).<sup>11</sup>

TURN strongly believes that these issues need to be considered in this proceeding, and that SoCalGas should be directed to provide supplemental testimony to address the incomplete nature of its application.

### **III. Effect of the Application on the Protestant**

TURN is a non-profit consumer advocacy organization and has a long history of representing the interests of residential and small commercial customers of California's utility companies before this Commission. TURN's articles of incorporation specifically authorize our representation of the interests of residential customers. As noted above, the instant application

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<sup>10</sup> R.24-09-012, p. 2.

<sup>11</sup> SoCalGas Testimony, Chapter 1, p. 13.

seeks to recover \$3.76 billion in revenue requirement from its customers,<sup>12</sup> including residential ratepayers in California, whose interests TURN represents. TURN has a keen interest in ensuring that the proposed costs for the project are reasonable and cost-effective.

#### **IV. Proposed Categorization and Need for Hearing**

SoCalGas proposes that this proceeding should be categorized as ratesetting.<sup>13</sup> TURN concurs that the ratesetting categorization is appropriate. However, TURN strongly disagrees with SoCalGas's assertion that evidentiary hearings will not be necessary.<sup>14</sup> There will very likely be disputed material issues of fact for a proposal of this magnitude costing over \$2 billion, such as the cost-effectiveness of this application, its impact on affordability, whether it aligns with the Commission's long-term gas plans, and other issues, necessitating that evidentiary hearings be held.

#### **V. Schedule**

As part of its application, SoCalGas requests an expedited schedule that would have intervenor testimony be due in April of 2026, *one month* after the issuance of the Scoping Memo in March of 2026.<sup>15</sup> For a project costing more than \$2 billion, this timeframe is clearly unreasonable, prejudicial to other parties, and adverse to the public interest. Notably, SoCalGas did not request an expedited schedule in its application and demonstrates specific facts that

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<sup>12</sup> SoCalGas Application, p. 2.

<sup>13</sup> SoCalGas Application, p. 10.

<sup>14</sup> SoCalGas Application, p. 10.

<sup>15</sup> SoCalGas Application, p. 10.

constitute either a threat to public safety or the need to resolve a financial matter expeditiously to avoid ratepayer harm, as required by Rule 2.9 of the Commission’s Rules of Practice and Procedure. Yet, it nevertheless requested a schedule for this application to be resolved within 12 months without justification. In addition to the proposed timeline being unreasonable, prejudicial to other parties, and adverse to the public interest, SoCalGas’ current AMI infrastructure was approved by the Commission in 2010. 15 years later, SoCalGas chooses to submit an expedited application that would allow intervenors one month to draft testimony after the issuance of the Scoping Memo. SoCalGas had full control of the timing of its application. If it truly believed that there is an urgent need to begin implementing AMI 2.0, it could have submitted an application earlier. Hence, SoCalGas’ request for an expedited schedule is not only unsupported, it also had full control of when to file this application. The public and other parties should not be harmed as a result of SoCalGas’s own choice. For an application of this size, the public and other parties need sufficient time to analyze the proposal, including the additional issues discussed above. Furthermore, as discussed above, SoCalGas’ application is incomplete in several areas, and the Commission should require SoCalGas to provide supplemental testimony to address those issues. Thus, TURN proposes a modified schedule as follows, which would still allow the Commission to resolve the proceeding within 18 months of the filing date:

	<b>SoCalGas Proposed Schedule</b>	<b>TURN Proposed Schedule</b>
Intervenor Testimony Served	April 2026	August 2026
Concurrent Rebuttal Testimony Served	May 2026	September 2026
Evidentiary Hearings	June 2026	October 2026
Opening Briefs Filed	August 2026	December 2026
Reply Briefs filed	September 2026	January 8, 2027
Proposed Decision	November 2026	April 2027
Final Decision	December 2026	June 2027

Date: February 2, 2026

Respectfully submitted,

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