



BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Application of Southern California Gas
Company (U 904 G), on Behalf of its
Customers, for Approval of Gas Line
Extension Allowances.

Application 25-07-001
(Filed July 1, 2025)

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**OBJECTION OF SOUTHERN CALIFORNIA GAS COMPANY
TO THE ADMISSION OF CERTAIN TESTIMONY INTO
EVIDENCE BY SIERRA CLUB**

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February 9, 2026

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In accordance with Rule 13.6 and 13.8 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, and pursuant to the January 21, 2026, Ruling of Administrative Law Judge Shannon Clark (ALJ Clark), Southern California Gas Company (SoCalGas), respectfully files this Objection to the Admission of Certain Testimony into Evidence by Sierra Club.

SoCalGas objects to the admission into evidence of certain portions of Sierra Club's testimony on pages 5, 6, and 8, further identified in the table below, on the grounds that the information contained therein is not relevant and material to the issues to be determined in this proceeding as set forth in the Assigned Commissioner's Scoping Memo and Ruling issued on October 14, 2025 (Scoping Memo).

I. RELEVANT BACKGROUND

The October 14, 2025, Scoping Memo defines the issues in this proceeding, limiting them to:

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); and
 - c. The project applicant demonstrates that it has no feasible alternatives to the use of natural gas, including electrification.

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.¹

Evidence falling outside these scoped issues is not relevant and therefore inadmissible on that basis.

II. DISCUSSION

The Sierra Club's testimony improperly introduces statements relating to (1) determinations made in SoCalGas's General Rate Case (GRC) proceedings and (2) the geographic location of projects, namely in Environmental and Social Justice (ESJ) communities. Neither is relevant to the issues within the scope of this proceeding.²

Sierra Club repeatedly references prior fact-specific GRC findings concerning SoCalGas's internal operations, utility-owned fleet investments, and capital projects, but these subjects have no bearing on the line-extension allowance process for SoCalGas customers under D.22-09-026. GRC determinations about SoCalGas's fleet and infrastructure investments are not applicable to whether a specific customer project meets the D.22-09-026 criteria, nor are GRC findings binding on SoCalGas's customers' applications for gas line extension allowances. The allowance mechanism discussed in D.22-09-026 relies on incremental customer usage, not utility-owned infrastructure.³

Furthermore, Sierra Club's testimony also constitutes inappropriate argument to the extent it uses SoCalGas's prior GRC decisions to argue that RNG fueling infrastructure is categorically inconsistent with state climate policies.⁴ Argument should be reserved for briefing, not testimony that is admitted into the evidentiary record. But, in any event, D.22-09-026

¹ Scoping Memo at 2-3 (citations omitted).

² Should the statements in question be excluded from the evidentiary record, SoCalGas agrees that its rebuttal testimony in response to said portions should similarly be excluded.

³ D.22-09-026 Ordering Paragraph 2 at 82.

⁴ Sierra Club's Opening Testimony at 5.

already rejected such a blanket prohibition and expressly created this annual application process for individual project review. Accordingly, Sierra Club may not use unrelated GRC findings to undo, reinterpret, or bypass the Commission's binding decision governing this proceeding.

Additionally, Sierra Club's testimony regarding ESJ communities is not relevant to the scope of this proceeding. D.22-09-026 did *not* adopt any ESJ-based prohibition. Sierra Club asserts that locating projects in ESJ communities bars approval.⁵ But in D.22-09-026, the Commission expressly declined to include ESJ location as a criterion.⁶ Thus, Sierra Club's effort to superimpose ESJ-based siting prohibitions directly contradicts the governing decision. Furthermore, the Commission's ESJ Action Plan is not one of the three D.22-09-026 eligibility criteria for gas line extension allowances. D.22-09-026 identifies only three requirements for project eligibility: (1) demonstrable GHG reductions, (2) consistency with California climate goals, and (3) no feasible alternatives to the use of natural gas.⁷ Whether a project is sited in a disadvantaged or ESJ community is not one of those criteria. While the Scoping Memo includes alignment with the Commission's ESJ Action Plan as a general consideration, location in an ESJ community does not necessarily render a project inconsistent with the ESJ Action Plan, which Sierra Club suggests.

Importantly, the Commission has held that testimony outside the scope of a Scoping Memo or that amounts to policy argument or collateral attack is inadmissible. In the *Joint Ruling of Administrative Law Judges Granting Motion to Strike* in Rulemakings (R.) 04-04-003 and R.04-04-025 (Jan. 9, 2006), the ALJs struck testimony that raised issues outside the scope of the proceeding and constituted an improper attempt to relitigate prior Commission decisions.⁸ The ALJs further confirmed that policy arguments are not proper factual testimony.⁹ Sierra Club's testimony here mirrors those defects: it introduces issues beyond the scope of this Application proceeding, advances policy arguments rather than evidence, and attempts to

⁵ *Id.* at 8.

⁶ D.22-09-026 at 57.

⁷ *Id.*

⁸ *Joint Ruling of Administrative Law Judges Granting Motion to Strike* in R.04-04-003 and R.04-04-025 (Jan. 9, 2006) at 3.

⁹ *Id.*

reinterpret or contradict D.22-09-026. Under the Commission’s established practice, the testimony in question here should likewise be excluded.

III. PROPOSED TESTIMONY TO BE EXCLUDED

Prepared Testimony of Matthew Vespa and Kjellen Belcher on Behalf of Sierra Club (Citations Omitted)	Testimony Location	Basis for Objection
<p>For example, in its decision on SoCalGas’ 2019 GRC Application, the Commission denied SoCalGas’ request to procure methane-burning vehicles, finding that: “[W]e support SoCalGas’ goal of reducing GHG emissions. We also agree with Sierra Club [and] [Union of Concerned Scientists], however, that California’s express policy is to meet this goal through widespread transportation electrification. Even if natural gas vehicles offer any reduction in GHG emissions vis-à-vis petroleum and diesel-fuel vehicles, whatever benefit they offer do not justify the cost presented here.”</p> <p>In its decision on SoCalGas’ 2024 GRC Application, the Commission rejected SoCalGas’ request for ratepayer funding of new methane-burning vehicle refueling stations, finding that “[t]here is merit in [California Environmental Justice Alliance’s (“CEJA’s”)] argument that new long-term investments in refueling</p>	<p>Page 5-6 at lines 1-29 and 1-2, respectively</p>	<p>Relevance/Violates Scoping Memo by including issues beyond the scope of the proceeding</p>

Prepared Testimony of Matthew Vespa and Kjellen Belcher on Behalf of Sierra Club (Citations Omitted)	Testimony Location	Basis for Objection
<p>stations for polluting vehicles go squarely against California policies to spur growth in ZEVs and the rapid expansion of ZEV models to meet vehicle fleet needs.” The Commission similarly rejected San Diego Gas and Electric’s (“SDG&E”) request for refueling station upgrade costs “[t]o disincentivize use of natural gas by requiring users to pay a greater cost of maintaining CNG supply.”</p> <p>In rejecting a categorical exemption for LEAs for methane-burning vehicle refueling stations, the Commission pointed to CARB’s observation that “[i]nfrastructure for methane trucks is expensive and would become a stranded asset if use of those [electric-fueled] trucks continued to expand.” Notably, stranded asset concerns are even more acute for the LEAs connecting to methane-burning vehicle refueling stations than to the stations themselves. The new methane-burning vehicle refueling stations the Commission rejected in SoCalGas’ 2024 GRC Application would depreciate over 20 years. In contrast, SoCalGas depreciates</p>		

Prepared Testimony of Matthew Vespa and Kjellen Belcher on Behalf of Sierra Club (Citations Omitted)	Testimony Location	Basis for Objection
the gas lines connecting to methane-burning vehicle refueling stations over close to 70 years.		
However, to the extent the Commission finds LEAs could be warranted, they should not be awarded to methane-burning vehicle refueling stations located in DACs. When the Commission adopted D.22-09-026, it declined to include criteria prohibiting LEAs in ESJ communities “at this time.” However, since then the Commission has specifically found that locating methane-burning vehicle refueling stations in DACs is inconsistent with the ESJ Action Plan. As the Commission recently determined in rejecting two new proposed SoCalGas methane-burning refueling stations in DACs: “Transitioning to RNG vehicles will reduce diesel and gasoline emissions, but this does not justify the construction in high-pollution areas, as RNG vehicles still burn methane. While the carbon intensity can differ, the air quality impacts of burning methane are similar regardless of where the methane was sourced. Similarly, while the stations themselves will not add to pollution in	Page 8 at lines 8-29	Relevance/Argument/Violates Scoping Memo by including issues beyond the scope of the proceeding

Prepared Testimony of Matthew Vespa and Kjellen Belcher on Behalf of Sierra Club (Citations Omitted)	Testimony Location	Basis for Objection
<p>ESJ communities, SoCalGas ignored the impact of methane leakage at refueling stations. We agree with CEJA and [The Utility Reform Network] and find that SoCalGas’s proposal is inconsistent with the ESJ Action Plan.”</p> <p>With the Commission having now found ratepayer funds should not be used for new methane-burning vehicle refueling stations in DACs due to their inconsistency with the ESJ Action Plan, it should make the same finding with regard to the line extensions connecting these projects.</p>		

IV. CONCLUSION

For the foregoing reasons, SoCalGas respectfully requests that the above-referenced excerpts of testimony be denied admission into the evidentiary record of this proceeding.

Respectfully submitted,

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