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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company (U39G) for Approval of its 2027 Gas Cost Allocation and Rate Design Proposals for its Gas Distribution, Transmission and Storage System.

Application 25-11-006

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

This scoping memo and ruling sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Public Utilities Code Section 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure (Rules).

1. Procedural Background

Pacific Gas and Electric Company (PG&E) filed Application (A.) 25-11-006 on November 21, 2025, seeking Commission approval of its proposed gas cost allocation and rate designs for 2027 through 2030.

PG&E stated the cost allocations proposed in A.25-11-006 are based on the gas distribution, transmission, and storage revenue requirements and capacity forecasts proposed in PG&E's 2027 general rate case (GRC) A.25-05-009.

In prior years, PG&E filed its gas cost allocation proceeding and gas transmission and storage proposals in separate applications. In A.25-11-006, PG&E is seeking to combine the consideration of its cost allocation and rate design proposals. PG&E suggests considering the issues related to cost allocation

and rate design in the same application will provide a more comprehensive approach.

PG&E stated that its proposed cost allocation and rate designs in A.25-11-006 better reflect cost causation related to maintaining the safety and reliability of PG&E's gas system. In A.25-11-006, PG&E also stated it expects a reduction in gas throughput which could support California's greenhouse gas emissions reduction goals.

Several parties sought and received party status in this proceeding. The list of parties that have been granted party status as of the date of this scoping memo and ruling (scoping memo): BP Energy Company; the California Public Advocates Office at the California Public Utilities Commission (Cal Advocates); Calpine Corporation and Sacramento Municipal Utility District; Central Valley Gas Storage, LLC (CVGS); the Indicated Shippers; Moss Landing Power Company, LLC, and Nat Gas Greenleaf Holdings, LLC; Northern California Generation Coalition; the Small Business Utility Advocates; The Utility Reform Network; the Western Manufactured Housing Communities Association; and Wild Goose Storage, LLC, and Lodi Gas Storage, LLC (Wild Goose and Lodi).

A prehearing conference (PHC) was held on January 30, 2026, to address the issues of law and fact, determine the need for hearing, set the schedule for resolving the matter, and address other matters as necessary.

On February 3, 2026, the assigned Administrative Law Judge (ALJ) issued a ruling granting parties an opportunity to provide additional comment on the proposed scope of issues discussed during the PHC.

Opening comments were filed on February 10, 2026, by PG&E, Wild Goose and Lodi, CVGS, and Cal Advocates. Reply comments were filed on February 17, 2026 by PG&E and Cal Advocates.

After considering the application, parties' responses and protests to the application, discussion at the PHC, and comments and reply comments regarding the draft scope of issues presented at the PHC, I have determined the issues and initial schedule of the proceeding to be set forth in this scoping memo.

2. Issues

The issues to be determined or otherwise considered in A.25-11-006 are:

1. Should PG&E be authorized to implement its proposed rates for gas distribution, transmission, and storage services for 2027, 2028, 2029, and 2030?
 - a. Should PG&E be authorized to file its Gas Cost Allocation Proceeding (GCAP) and Gas Transmission and Storage (GT&S) Cost Allocation and Rate Design (CARD) proposals in a single application in future CARD applications?
 - b. Is PG&E's GCAP proposal just and reasonable?
 - c. Are PG&E's GT&S CARD proposals just and reasonable?
 - d. Is PG&E's proposal to transition from marginal cost to embedded cost allocation just and reasonable?
 - e. Does PG&E's local transmission analysis accurately represent cost allocations related to gas transmission and storage?
 - f. How should PG&E recover costs related to existing transmission level customer access by customer tier, including customers enrolled in California Alternate Rates for Energy (CARE) across 2027, 2028, 2029, and 2030?
2. Are PG&E's on-system electric generation demand and throughput forecasts just and reasonable?
3. Are PG&E's on-system, non-generation demand and throughput forecasts just and reasonable?
4. Are PG&E's backbone load factors, backbone throughput adjustments, and backbone rate impacts reasonable?

5. Is PG&E's proposed Baja-Redwood rate differential just and reasonable?
6. Should the local transmission methodology and resulting costs based on an abnormal peak day method weighted by subsystem footage (66.5% core/33.5% non-core) be adopted?
7. Should the embedded cost methodology, including the embedded cost method percentages, proposed by PG&E be used to determine the revenue allocation for PG&E's gas distribution revenue requirement across customer classes?
8. Is PG&E's proposed allocation of costs related to energy efficiency and energy savings assistance programs just and reasonable?
 - a. Should energy efficiency program costs be allocated across customer classes?
 - b. Should energy savings assistance programs' costs be allocated solely to residential customers?
9. Is PG&E's proposed Core Brokerage Fee just and reasonable?
10. Is PG&E's updated natural gas vehicle compression study just and reasonable?
11. Are PG&E's proposed updates to the master meter discount just and reasonable?
12. Should PG&E's proposed backbone cost allocation to the various backbone paths and backbone level end-use proposals be adopted?
13. Should PG&E be authorized to continue to:
 - a. Adjust local transmission cost allocation and gas rate designs to account for local transmission rate discounts;
 - b. Provide separate average volumetric rate designs for (1) core and (2) non-core and wholesale customer classes;

- c. Recover local transmission rates as non-bypassable for customers that do not qualify for end-user service.
 - d. Design a single average volumetric local transmission rate for all core classes and a separate single average volumetric local transmission rate for non-core and wholesale customer classes.
14. Should PG&E's proposed storage cost allocation and rate design be adopted?
- a. Are PG&E's existing tariffed maximum charges for tariffs G-PARK and G-LEND just and reasonable to extend through 2030?
 - b. Is it reasonable to authorize PG&E to continue to recover its Inventory Management costs in its end-use transportation rates where it can differentiate cost recovery by customer class groups in a manner that reflects cost causation and utilization of the service?
 - c. Is PG&E's proposal to adjust its historic imbalance data using annual forecast throughput just and reasonable?
 - d. Should PG&E use each individual year's throughput forecast to divide the "Big 3" segments (Core, Market-Responsive Electric Generation, and Industrial) into end-use customer classes?
15. Should PG&E's core storage capacity charge and accompanying balancing account (the Core Firm Storage Account) be collected through the transportation rate rather than through the core procurement rate, as is currently the case?
- a. If so, what implications would collecting the core storage capacity charge through the transportation rate have on Core Transportation Agents (CTAs) that secure their own storage?
 - b. Should PG&E be authorized to blend the storage revenue requirements collected in backbone transmission and bundled core end-user rates to develop average annual rates?

- c. Should a different, CTA-specific transportation rate that excludes storage revenue collection be charged to CTAs that secure their own storage?
16. Should PG&E's gas distribution cost allocation and rate design proposals be adopted, including:
 - a. Would PG&E's proposal for a glide path modifier proposed ease the transition from marginal cost to embedded cost and minimize sudden changes in customer rates?
 - b. Is PG&E's proposal to increase its Monthly Minimum Transportation Charge (MMTC) to \$15.00 reasonable?
 - c. Should residential CARE customers pay a MMTC? If so, what MMTC charge should be set for residential CARE customers?
 - d. Should PG&E be authorized to calculate a monthly fixed charge (MFC) and seek cost recovery for implementation of the MFC in its 2031 GRC application for each customer class, including residential CARE customers?
 - e. Should PG&E be authorized to wait until it files its forthcoming 2031 CARD proceeding to determine the amount of its MFC?
 - f. Should PG&E be authorized to allocate its 2025 Energy Efficiency Revenue Requirement based on the allocation percentages proposed in this application?
 - g. Should PG&E incorporate a Core Brokerage Fee when calculating the estimated annual revenue based on the core procurement volumes?
 - h. Should PG&E incorporate the total compression cost adder and the currently applicable state and federal fuel taxes and the current cost of electricity in present rates into its G-NGV2 annual throughput?
17. Which adopted annual sales forecast should be used for PG&E to calculate rates such that its rate will reflect actual customer demand?

- a. Is it reasonable for PG&E to use the most recent four years of gas usage data (November 2020-October 2024) to calculate updated baseline quantities?
- 18. Should PG&E be authorized to increase its storage assets portfolio to meet the 1-in-10 Reliability Standard?
- 19. Should PG&E be authorized to increase the Non-Allocated Storage Inventory Maximum Capacity?
- 20. How can the Commission ensure that core customers are charged reasonable rates for storage purchased through the Independent Storage Providers (ISPs) given the concentration of ISP ownership and the proposed increasing dependence of PG&E on ISP storage to meet core peak demand?
- 21. How would PG&E’s proposals in A.25-11-006 impact the Commission’s ability to implement any of the nine goals of the Commission’s Environmental and Social Justice Action Plan?

3. Need for Evidentiary Hearing

All of the issues listed in Section 2 could be contested, material issues of fact. Accordingly, we will allow parties to present evidence on these and expect have scheduled dates for evidentiary hearing. The need for evidentiary hearing will be determined by the assigned ALJ and further instructions provided after the status conference and filing of the joint case management statement.

4. Schedule

The following schedule is adopted here and may be modified by the ALJ as required to promote the efficient and fair resolution of the application.

| Event | Date with Evidentiary Hearing | Date without Evidentiary hearing |
|---|-------------------------------|----------------------------------|
| Intervenors’ prepared direct testimony served | July 16, 2026 | July 16, 2026 |
| Prepared rebuttal testimony served | August 26, 2026 | August 26, 2026 |

| | | |
|---------------------------------|--------------------|--------------------|
| Status conference | September 18, 2026 | September 18, 2026 |
| Joint Case Management Statement | September 24, 2026 | September 24, 2026 |
| Evidentiary Hearing | October 6-8, 2026 | N/A |
| Opening briefs | January 2027 | December 2026 |
| Reply briefs (matter submitted) | February 2027 | January 2027 |
| Proposed decision | Q2 2027 | Q1 2027 |
| Commission decision | Q3 2027 | Q2 2027 |

The purpose of the September 18, 2026, status conference and the September 24, 2026, joint case management statement is to ascertain whether, pursuant to Rule 13.8(c), the parties stipulate to the receipt of prepared testimony into evidence without direct or cross examination or other need to convene an evidentiary hearing or, in the alternative, the parties' resources, readiness and needs for the effective remote conduct of the evidentiary hearing, including estimates of time requested for cross-examination and identification of anticipated exhibits.

This proceeding will stand submitted upon the filing of reply unless the ALJ requires further evidence or argument. Based on this schedule, the proceeding will be resolved within 18 months as required by Public Utilities Code Section 1701.5.

5. Alternative Dispute Resolution (ADR) Program and Settlements

The Commission's ADR program offers mediation, early neutral evaluation, and facilitation services, and uses ALJs who have been trained as neutrals. At the parties' request, the assigned ALJ can refer this proceeding to

the Commission's ADR Coordinator. Additional ADR information is available on the Commission's website.¹

Any settlement between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules and shall be served in writing. Such settlements shall include a complete explanation of the settlement and a complete explanation of why it is reasonable in light of the whole record, consistent with the law and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

The schedule set forth in this Scoping Memo includes a date for the completion of settlement talks, which should be discussed in the joint case management statement. No later than September 24, 2026, the parties will submit to the assigned ALJ a status report of their efforts, identifying agreements reached and unresolved issues requiring evidentiary hearing. Any settlements between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules and shall be served in writing. Such settlements shall include a complete explanation of the settlement and a complete explanation of why it is reasonable in light of the whole record, consistent with the law, and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

¹ <https://www.cpuc.ca.gov/PUC/adr/>.

6. Category of Proceeding and Ex Parte Restrictions

This ruling confirms the Commission’s preliminary determination that this is a ratesetting proceeding.² Accordingly, ex parte communications are restricted and must be reported pursuant to Article 8 of the Rules.

7. Public Outreach

Pursuant to Public Utilities Code Section 1711(a), where feasible and appropriate, before determining the scope of the proceeding, the Commission sought the participation of those likely to be affected, including those likely to derive benefit from, and those potentially subject to, a decision in this proceeding. This matter and the associated PHC was noticed on the Commission’s daily calendar. Where feasible and appropriate, this matter was incorporated into engagements conducted by the Commission’s External Affairs Division with local governments and other interested parties.

8. Intervenor Compensation

Pursuant to Public Utilities Code Section 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by March 2, 2026, 30 days after the prehearing conference, recognizing that March 1, 2026 falls on a weekend.

9. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the “Add Public Comment” button on the “Public Comment” tab of the online docket card for the proceeding.

² Resolution ALJ 176-3574 at 3.

10. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <https://www.cpuc.ca.gov/about-cpuc/divisions/news-and-public-information-office/public-advisors-office> or contact the Commission's Public Advisor at 866-849-8390 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

11. Filing, Service, and Service List

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is correct and serve notice of any errors on the Commission's Process Office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.³

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. While Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents, parties are directed to only submit electronic copies of documents related to A.25-11-006 to the assigned ALJ.

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide

³ The form to request additions and changes to the Service list may be found at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf>

electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the “Information Only” category of the official service list pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the service list to consider the Commission’s subscription service as an alternative. The subscription service sends individual notifications to each subscriber of formal e-filings tendered and accepted by the Commission. Notices sent through subscription service are less likely to be flagged by spam or other filters. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

12. Receiving Electronic Service from the Commission

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive e-mails from the Commission. Please add “@cpuc.ca.gov” to your email safe sender list and update your e-mail screening practices, settings and filters to ensure receipt of e-mails from the Commission.

13. Assignment of Proceeding

Commissioner Christine Harada is the assigned Commissioner and Carrie Sisto is the assigned ALJ and presiding officer for the proceeding.

IT IS RULED that:

1. The scope of this proceeding is described above and is adopted.
2. The schedule of this proceeding is set forth above and is adopted.

3. Evidentiary hearing is needed.
4. The presiding officer is Administrative Law Judge Carrie Sisto.
5. The category of the proceeding is ratesetting.

Dated April 6, 2026, at San Francisco, California.

/s/ CHRISTINE HARADA

Christine Harada
Assigned Commissioner