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

In The Matter of the Application of Southern
California Gas Company (U 904 G) for
Authorization to Implement Revenue
Requirement for Costs to Enable
Commencement of Phase 2 Activities for
Angeles Link

Application 24-12-011

**UTILITY WORKERS UNION OF AMERICA, (“UWUA”), AFL-CIO, LOCAL
483’S COMMENTS ON PROPOSED DECISION DENYING SOUTHERN
CALIFORNIA GAS COMPANY’S REQUEST FOR COST RECOVERY
FROM RATEPAYERS FOR PHASE 2 ACTIVITIES FOR ANGELES LINK
PROJECT**

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TABLE OF CONTENTS

I.	INTRODUCTION.....	5
II.	PROCEDURAL BACKGROUND.....	5
III.	IT IS REASONABLE FOR SOCALGAS TO RECOVER THE COST OF PHASE 2 ACTIVITIES FROM NATURAL GAS RATEPAYERS.....	8
	A. SoCalGas is Not Requesting Immediate Rate Collection from Ratepayers.....	8
	B. The Impacts on Workforce Transition Should Not be Minimized.....	9
IV.	CONCLUSION.....	10

TABLE OF AUTHORITIES

Statutes

Cal. Pub. Util. Code § 740.8.....	9
-----------------------------------	---

Regulations

D.84-09-089.....	7
------------------	---

CPUC Rules of Practice and Procedure

Rule 14.3.....	5
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SUBJECT INDEX OF RECOMMENDED CHANGES

Pursuant to Rule 14.3(b) of the Commission’s Rules of Practice and Procedure, Utility Workers Union of America (“UWUA”), AFL-CIO, Local 483 provides the following Subject Index of Recommended Changes in support of its Comments on the Proposed Decision:

- (1) The Proposed Decision incorrectly concludes that SoCalGas is attempting to recover Phase 2 costs immediately from all ratepayers. Rather, as SoCalGas argues in its Opening Brief, approval of collection from ratepayers, or a subset thereof, does not presuppose which ratepayers will be collected from over what period of time. A nominal approval of collection from ratepayers would not, therefore, levy costs onto non-end users. Therefore, the Commission should approve recovery from ratepayers, or a subset thereof.
- (2) The effect and benefit Angeles Link would have on workforce transition should not be minimized and should be considered a direct benefit as it would support high-quality, middle-class sustaining union jobs as California moves toward achieving its clean energy goals.

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ANGELES LINK PROJECT**

I. INTRODUCTION

Pursuant to Cal. Code Regs. Tit. 20, § 14.3 (Rule § 14.3 of the Commission’s Rules of Practice and Procedure), Utility Workers Union of America, AFL-CIO, Local 483 (“UWUA, Local 483”) hereby submits its comments on the Proposed Decision denying Southern California Gas Company’s (“SoCalGas”) request for cost recovery from ratepayers for Phase 2 Activities for the Angeles Link Project (“Project”).

II. PROCEDURAL BACKGROUND

On December 20, 2024, Southern California Gas Company (“SoCalGas”) filed A.24-12-011 (“Phase 2 Application”) requesting authorization to implement revenue requirement for costs to commence Phase 2 Activities for the Project. All responses and protests were submitted by January 23, 2025. SoCalGas submitted its reply to these responses and protests on February 3, 2025. The Commission held a prehearing conference (“PHC”) on March 14, 2025 to: address issues of law and fact, determine whether hearings were necessary, establish the procedural

schedule, and resolve other matters as necessary.

On July 31, 2025, Assigned Commissioner, now President, John Reynolds issued a Scoping Memo¹ dividing the proceedings into two phases: Phase 2A and Phase 2B. Phase 2A focused on the following threshold issues:²

1. Should the Commission consider the SoCalGas Phase 2 Application before reviewing the SoCalGas Phase 1 Compliance Application?
2. Should the Project be treated as a pipeline as defined by Public Utilities Code (Pub. Util. Code) Section 227? If so, should SoCalGas be treated as a pipeline corporation with consideration to Pub. Util. Code Section 228?
3. Should the Project be treated as a gas plant as defined by Pub. Util. Code Section 221? If so, should SoCalGas be treated as a gas corporation with consideration to Pub. Util. Code Section 222?
4. Is it reasonable for ratepayers, or a subset of ratepayers, to be responsible for the costs of Phase 2 Activities, as a matter of law and policy?
5. Does the Commission have jurisdiction over the Project?³

In its opening brief, UWUA, Local 483 addressed two issues outlined in the Commission’s Scoping Memo. UWUA, Local 483 argued the Commission should consider the Phase 2 Application and the Phase 1 Compliance Application separately, and in the order in which the Applications were filed, with the Phase 1 Compliance Application being considered first. This position was supported in briefs by California Hydrogen Business Council (“CHBC”), Green Hydrogen Coalition (“GHC”), and SoCalGas. However, the Proposed Decision found that it was appropriate to address Phase 2A before the Phase 1 Compliance Application, stating “D.22-12-055 requires that the Phase 1 studies get a proper review as they

¹ Scoping Memo.

² Id. at 4.

³ Id.

would impact the need for and scope of Phase 2 Activities.”⁴

UWUA, Local 483 also argued in its Opening Brief that it is reasonable and consistent with law and policy for ratepayers, or a subset thereof, to be responsible for the costs of Phase 2 Activities. UWUA, Local 483 argued that Phase 2 Activities serve the ratepayers’ interests by supporting workforce transition, infrastructure safety and reliability, and the long-term, cost-effective deployment of clean, renewable hydrogen. Similarly, SoCalGas argued in its Opening Brief that the potential and indirect societal benefits justified the recovery of costs from all ratepayers.⁵ This position was supported in briefs by GHC, CHBC, Coalition of California Utility Employees (“CUE”), and California State Pipe Trades Council (“CSPTC”).

The Proposed Decision found that it was not reasonable for SoCalGas to recover the cost of Phase 2 Activities from natural gas ratepayers. The Proposed Decision noted the increased costs for Phase 2 Activities, SoCalGas’ decision to decline federal funding, and expressed concerns about the Project’s costs and impact on affordable rates. The Proposed Decision also stated that SoCalGas has not clearly identified ratepayers that would directly benefit from the Project to justify approval of cost recovery in the Phase 2 Application. The Proposed Decision continued: “[w]e find that requiring ratepayers to bear costs for the Project would be inconsistent with the cost causation principles articulated in the D.22-12-055 and other precedent recognizing that in general ‘ratepayers are required to bear only the reasonable costs of those projects which provide direct and ongoing benefits.’”⁶ However, the Proposed Decision noted that “the Commission has authority to approve projects and programs that do not strictly align with cost-causation principles and that [the Commission] has done so under certain circumstances.”⁷

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⁴ Proposed Decision, Application 24-12-011.

⁵ SoCalGas Opening Brief at 21, see also footnote 2 (describing potential future end users of hydrogen delivered by Angeles Link).

⁶ Proposed Decision, at 12-13, citing D.84-09-089 at 71-72.

⁷ Proposed Decision, at 13.

III. IT IS REASONABLE FOR SOCALGAS TO RECOVER THE COST OF PHASE 2 ACTIVITIES FROM NATURAL GAS RATEPAYERS.

A. SoCalGas is Not Requesting Immediate Rate Collection from Ratepayers.

The Proposed Decision stated that SoCalGas argued in its Application that “it would be reasonable to immediately recover costs from all its ratepayers for potential and indirect societal benefits of the Project.”⁸ However, this is not an accurate depiction of what SoCalGas stated in its Opening Brief. While SoCalGas’ Application requested to allocate costs among all ratepayers,⁹ it clarified its position in its Opening Brief. In its Opening Brief, SoCalGas argued that it is reasonable for ratepayers, or a subset thereof, to be responsible for the costs of Phase 2 Activities—but not immediately. Rather, as SoCalGas argued, a “determination now that ratepayers, or some subset of ratepayers, should pay for Phase 2 activities does not prejudge any particular form of revenue collection, nor does it determine from which ratepayers and over what period of time.”¹⁰ SoCalGas asserted that those aforementioned questions would be determined by a factual evaluation in a later phase of the proceeding, noting “[r]atemaking is inherently fact-dependent and must be considered in the appropriate context.”¹¹

The Proposed Decision concluded that requiring ratepayers to bear costs would be inconsistent with cost causation principles recognizing that “ratepayers are required to bear only the reasonable costs of those projects which provide direct and ongoing benefits” and that SoCalGas has not clearly identified ratepayers that would directly benefit from Angeles Link.¹² ¹³ However, this conclusion is inconsistent with what SoCalGas proposed, as SoCalGas stated in its Opening Brief: “in Phase 2B, the Commission should address the reasonable amount of those costs, the appropriate form of revenue collection, and cost allocation among ratepayers.”¹⁴ This statement by SoCalGas demonstrates why it is appropriate for the Commission to approve, or at

⁸ Proposed Decision, at 7.

⁹ SoCalGas Application, at 87.

¹⁰ SoCalGas Opening Brief, at 22.

¹¹ Id.

¹² Proposed Decision, at 13, citing D.84-09-089 at 71-72.

¹³ Proposed Decision, at 12.

¹⁴ SoCalGas Opening Brief, at 23.

least nominally approve, rate collection from ratepayers during Phase 2A of this proceeding and determine who—if anyone at all—should be subject to revenue collection once the benefitting parties are determined during Phase 2B. As SoCalGas stated in its Opening Brief, if Angeles Link is approved, “consumers who wish to utilize clean hydrogen in their operations as a substitute for natural gas or other fuels—including power generation, industrial uses, heavy-duty transportation, transit agencies, and potentially for essential 24/7 facilities like hospitals and data centers,”¹⁵ are all end users that could enjoy the Project’s benefits among others.

Given SoCalGas is not attempting to recover Phase 2 costs from all ratepayers, but rather is only requesting the Commission authorize some form of collection from ratepayers, and given that SoCalGas does not presuppose which ratepayers or what form rate collection should take, it is appropriate for the Commission to approve collection from ratepayers, or a subset thereof.

B. The Impacts on Workforce Transition Should Not be Minimized.

Furthermore, the effect that Angeles Link and Phase 2 Activities would have on workforce transition should not be discounted. As SoCalGas’ Angeles Link Phase 1 Q4 Report showed, Angeles Link could provide high-quality union jobs while lowering the cost of hydrogen for offtakers of the pipeline.¹⁶ As UWUA, Local 483 stated in its Opening Brief, California Public Utilities Code § 740.8 defines the “interest of ratepayers” to include the maintenance and creation of “high-quality jobs” which would undoubtedly include UWUA, Local 483’s members’ high-quality, middle class sustaining union jobs.

UWUA, Local 483 has taken an active role in ensuring that California’s clean energy transition is undertaken with the feedback and inclusion of its highly skilled members who currently maintain 3,385 miles of SoCalGas’ gas transmission pipelines and storage facilities. In doing so, UWUA, Local 483 has been actively participating in relevant Commission proceedings and working with The Governor’s Office of Business and Economic Development (“GO-Biz”) to submit recommendations to GO-Biz’s Hydrogen Permitting Handbook.

The inclusion of highly skilled transmission and storage subject matter experts, such as UWUA, Local 483’s membership, in California’s clean energy future is fundamentally in the

¹⁵ SoCalGas Opening Brief, at 22.

¹⁶ SoCalGas Angeles Link Phase 1 Q4 Report at 5.

interest of ratepayers and should not be discounted.

IV. CONCLUSION

UWUA, Local 483 respectfully requests the Commission take these comments into consideration and find that it is reasonable for SoCalGas to recover Phase 2 costs from ratepayers, or a subset thereof. Should the Commission elect to adopt the Proposed Decision, UWUA, Local 483 would request that the Application be dismissed without prejudice to allow the Applicant to refile its Application with all defects cured and would support such a request by SoCalGas.

Dated: April 8, 2026

Respectfully submitted,

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APPENDIX A

This Appendix is provided in compliance with Rule 14.3(b)

A. The following revision should be made to Section 4 of the Proposed Decision:

New Finding of Fact: SoCalGas argued that it would be reasonable to immediately recover costs from all its ratepayers for potential indirect societal benefits of the Project in its initial Application. However, the Utility revised this argument in its Opening Brief to state a determination now that ratepayers, or some subset of ratepayers, should pay for Phase 2 Activities does not prejudice any particular form of revenue collection, nor does it determine from which ratepayers and over what period of time.