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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California
Gas Company (U904G) in Compliance
with Ordering Paragraph 6 of
Decision 24-12-076.

Application 26-01-009

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 California Public Utilities Commission's (Commission) Rules of Practice and Procedure (Rules).

1. Procedural Background

In 2017, the California Public Utilities Commission (Commission) opened an Order Instituting Investigation to determine the feasibility of minimizing or eliminating the use of the Aliso Canyon Natural Gas Storage Facility.¹ Decision (D.) 24-12-076, issued on November 13, 2024, directed the Commission's Energy Division to prepare certain models and develop a report based on criteria adopted in Attachment A (Biennial Assessment Report Inputs and Methods).² If the Biennial Assessment Report recommended changes to the storage limit

¹ The Order Instituting Investigation (OII) opened pursuant to Senate Bill 380 and required that the investigation maintain energy and electric reliability for the region. Decision (D.) 24-12-076 issued on November 13, 2024, closing the OII.

² See D.24-12-076 at Attachment A, rehearing denied.

and/or the reliability or economic analyses, then a formal proceeding process would be triggered.³ Specifically, D.24-12-076 at Ordering Paragraph (OP) 6, directed SoCalGas to file an application requesting that the Commission review any recommendations presented by the Biennial Assessment and present its own, if any. Through the Commission's consideration of the application, parties would have opportunities for discovery, testimony, and cross examinations, and could attend a workshop during which the Energy Division would present its report and SoCalGas would present its application.⁴

On October 1, 2025, Energy Division issued its Aliso Canyon Biennial Assessment Report (Biennial Assessment), which included the results of the modeling described in D.24-12-076.⁵ In the "Recommendations and Next Steps" section, the Biennial Assessment indicated that:

[T]ogether, the four analyses conducted for winter 2025-26 support a Staff recommendation to reduce the Aliso Canyon maximum inventory by 10 Bcf to a level of 58.6 Bcf. However, given current forecasts for higher gas commodity prices in winter 2026-27, the CPUC may wish to consider a smaller incremental reduction. ...[T]he simple economic analysis conducted for this report demonstrates only that forward gas prices in Southern California for winter 2025-26 are not above the thresholds established in D.24-12-076 (based on national forwards and historic averages) at the current Aliso Canyon inventory level.⁶ The economic analysis does not predict the impact on gas commodity prices of decreasing the Aliso Canyon maximum inventory.

³ D.24-12-076 at 61.

⁴ *Id.* at 62.

⁵ Thanks to Energy Division for its expertise and diligence in creating this work.

⁶ The economic analysis in the Biennial Assessment is based on forward prices in the gas market. These prices reflect the current maximum allowable Aliso Canyon inventory. A reduction in storage capacity would likely cause the forward prices to rise.

On January 15, 2026, Southern California Gas Company (SoCalGas) filed Application (A.) 26-01-009 requesting that the Commission review the Biennial Assessment, the recommendations, and decline to adopt the recommended inventory reduction.⁷

On February 20, 2026, Dr. Issam Najm (Najm), Sierra Club, and the Public Advocates Offices at the Commission (Cal Advocates) filed protests to the application. The same day, the Indicated Shippers filed a response and Southern California Generation Coalition (SCGC) filed a Motion for Party Status.

On February 25, 2026, the assigned Administrative Law Judge (ALJ) set a virtual Prehearing Conference (PHC).

On March 2, 2026, SoCalGas replied to the protests.

A PHC was held on March 17, 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. In response to comments made by Cal Advocates about discovery issues on the record, the assigned ALJ indicated that she expected discovery in this case to flow expeditiously. The assigned ALJ further requested comments on the proposed scope of this proceeding.

On March 27, 2026, SoCalGas, Cal Advocates, and Sierra Club filed opening comments on the scoping question posed at the PHC. On April 1, 2026, SoCalGas, Sierra Club, and Indicated Shippers, filed reply comments.

On April 6, 2026, Sierra Club filed a Motion to Compel SoCalGas to provide information requested in its first set of data requests.

On April 15, 2026, SoCalGas and the Commission's Energy Division jointly held a Workshop where Energy Division described the modeling process that

⁷ In agreement with the Energy Division Biennial Assessment, SoCalGas also noted in its Application that a smaller incremental reduction or no reduction may also be appropriate.

contributed to the Biennial Assessment and SoCalGas explained its application developed in response. At the conclusion of the workshop, SoCalGas filed the workshop presentations into the proceeding record.

On April 16, 2026, the assigned ALJ issued a ruling memorializing questions posed, and direction provided at the workshop. The assigned ALJ reiterated the date to submit workshop comments and replies, as well as SoCalGas' submission of its narrative concerning outages outside and inside of its territory.⁸

On April 16, 2026, SoCalGas responded to Sierra Club's Motion to Compel. On April 17, 2026, the assigned ALJ granted Sierra Club's motion to compel and provided additional instructions regarding treatment of future data requests.

After considering the comments and reply comments filed, the discussion at the prehearing conference and workshop, and the additional information submitted into the proceeding, I have determined the issues and initial schedule of the proceeding to be set forth in this scoping memo. I have also determined that no environmental and social justice issues have been raised at this time.

2. Issues

The issues to be determined or otherwise considered are:

1. Should the Commission maintain Aliso Canyon's current storage capacity or order SoCalGas to reduce it by a specified amount?
2. Should the Commission modify the Biennial Assessment process Attachment A to ensure that the next Assessment and future applications provide information consistent with the most current conditions and reasonably expected future conditions?

⁸ Workshop comments would be accepted by April 28, 2026. Reply comments would be accepted by May 5, 2026.

While SoCalGas' application requests that the Commission consider an increase to the maximum inventory level of the Aliso Canyon Natural Gas Storage Facility, we decline to include this issue in the scope of this proceeding.⁹ An increase in the Aliso Canyon's maximum inventory level may also require an increase in its maximum operating pressure. An evaluation of maximum pressure associated with an increased inventory level has not been requested of the California Geologic Energy Management Division (CalGEM). Therefore, we will not consider a request to increase the operating pressure of Aliso Canyon in this proceeding.

3. Need for Evidentiary Hearing

After the submission of intervenor and rebuttal testimony, there may be contested, material issues of fact in dispute. Parties will have an opportunity to file a motion requesting evidentiary hearings pursuant to the schedule indicated below. Any motion should indicate explicitly the facts at issue requiring further investigation. Should a motion be filed, the need for evidentiary hearing would be determined by the assigned ALJ and, if necessary, further instructions would be provided.

4. Schedule

In comments on the workshop, parties provided examples of additional modeling that enable the Commission to evaluate the impact of modifying Aliso Canyon Natural Gas Storage Facility inventory levels. To enable a determination on the issues, parties are invited to serve testimony that includes additional

⁹ Accordingly, SoCalGas requests that the Commission find that reducing Aliso Canyon's inventory level at this time would adversely impact reliability and rates, decline to authorize such a reduction, and authorize an increase to Aliso Canyon's maximum inventory level if necessary to maintain reliability and just and reasonable energy rates. (Application of Southern California Gas Company (U904G) in Compliance with Ordering Paragraph 6 of Decision 24-12-076, at p. 2.)

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

OPTION A	
Event	Date
Intervenors' prepared direct testimony, served	August 20, 2026
Prepared rebuttal testimony, served	September 17, 2026
Intervenor rebuttal testimony, served	October 8, 2026
Motion for Evidentiary Hearing Due	October 15, 2026
Joint Case Management Statement Due, if necessary	October 21, 2026
Status Conference, if necessary	October 28, 2026
Evidentiary hearing, if necessary	November/December 2026
Opening briefs	TBD
Reply briefs	TBD

The purpose of the 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.

The proceeding will stand submitted upon the filing of reply briefs, 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 1701.5.¹⁰

5. Settlements

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.

6. Category of Proceeding and Ex Parte Restrictions

This ruling confirms the Commission's preliminary determination that this is a ratesetting proceeding.¹¹ 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 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.

¹⁰ Alternatively, if the 18-month deadline will not be met, so state and give specific reasons why. The 12-month deadline for adjudicatory proceedings may not be extended by scoping memo.

¹¹ Resolution ALJ-176-3576, February 5, 2026.

8. Intervenor Compensation

Pursuant to Public Utilities Code Section 1804(a)(1), a customer who intends to seek an award of compensation must have filed and served a notice of intent to claim compensation by April 22, 2026, 30 days after the prehearing conference.

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.

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 1.4.¹²

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

¹² 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>.

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. Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents. The ALJ waives paper service of most documents, however, the ALJ requires paper service of any testimonial or/and briefing-related documents.

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

Please add “@cpuc.ca.gov” to your email safe sender list and update your email screening practices, settings and filters to ensure receipt of emails from the Commission.

13. Assignment of Proceeding

Karen Douglas is the assigned Commissioner and Jamie Ormond 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 may be needed.
4. The presiding officer is ALJ Jamie Ormond.
5. The category of the proceeding is ratesetting.

Dated July 8, 2026, at San Francisco, California.

/s/ KAREN DOUGLAS

Karen Douglas
Assigned Commissioner