BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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In The Matter of the Application of SOUTHERN CALIFORNIA GAS COMPANY (U 904 G) for Authorization to Recover Costs Recorded in Its Angeles Link Memorandum Account.

A.25-06-011
(Filed June 12, 2025)

SIERRA CLUB AND THE CALIFORNIA ENVIRONMENTAL JUSTICE ALLIANCE'S REPLY TO RESPONSES TO QUESTIONS IN ADMINISTRATIVE LAW JUDGE'S RULING

Katie Ramsey
Staff Attorney
Sierra Club
2101 Webster Street, Suite 1300
Oakland, CA 94612
Telephone: (415) 977-5627
Email: katherine.ramsey@sierraclub.org

Sara Gersen
Senior Attorney, Clean Energy
Earthjustice
707 Wilshire Blvd, Suite 4300
Los Angeles, CA 90017
Telephone: (213) 766-1073
Email: sgersen@earthjustice.org

Attorneys for Sierra Club

Theo Caretto
Communities for a Better Environment
6325 Pacific Blvd., Suite 300
Huntington Park, CA 90255
Telephone: (323) 826-9771
Email: theodore@cbecal.org

Attorney for the California Environmental Justice Alliance

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Pursuant to the May 29, 2026 Administrative Law Judge's Ruling Requesting Party Response to Questions ("ALJ Ruling")[1], the California Environmental Justice Alliance ("CEJA") and Sierra Club respectfully submit this reply to responses filed on June 30, 2026.

I. INTRODUCTION

A diverse set of stakeholders identified profound flaws in the Application of Southern California Gas Company ("SoCalGas") (U 904 G) for Authorization to Recover Costs Recorded in its Angeles Link Memorandum Account (the "Application")[2] that prevent the Commission from properly granting SoCalGas' request to recover Phase 1 costs from its methane customers. The few parties that support SoCalGas' premature efforts to recoup Phase 1 costs fail to make a persuasive case that the company should collect the costs of developing a pipeline that the Commission does not yet have jurisdiction over. Nor can they show that D.22-12-055 allows recovery of planning costs for an unbuilt pipeline, or that SoCalGas should be relieved of its burden to identify customers who directly benefit from the project. Given California's current energy affordability crisis, this is not the time for the Commission to force unprecedented and unjustified cost categories onto ratepayers.

[1] *See* Administrative Law Judge's Ruling Requesting Party Response to Questions (May 29, 2026), https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M607/K844/607844129.PDF.
[2] *See* Application of Southern California Gas Company (U 904 G) for Authorization to Recover Costs Recorded in its Angeles Link Memorandum Account (June 12, 2025) ("Application"), https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M569/K592/569592856.PDF.

II. DISCUSSION

A. There Is Widespread Agreement Among Parties that Any Cost Recovery for Phase 1 Is Improper at This Time.

Numerous parties agree that SoCalGas cannot recover Phase 1 costs for several reasons. First, the principle of cost-causation limits cost recovery to customers who directly benefit from Phase 1.[3] Second, cost recovery is not appropriate until the Project is used and useful.[4] Third, SoCalGas cannot show jurisdiction.[5] Fourth, SoCalGas' arguments regarding public benefits are irrelevant and inapposite.[6] Fifth, SoCalGas assumed the risk of non-recovery.[7] There is remarkable consistency across intervenors that longstanding Commission precedent does not permit cost recovery for the above reasons. Parties opposing cost recovery note that cost recovery for Phase 1 activities in this proceeding would be inconsistent with D.22-12-055 for the following reasons: 1) SoCalGas must adhere to cost-causation principles;[8] 2) SoCalGas must comply with Commission orders;[9] and 3) the Commission must establish jurisdiction to approve cost recovery.[10]

Among parties who support cost recovery, there is a startling lack of any authority—Commission decisions, state law or regulations, court precedent, or otherwise—underpinning their arguments. Instead, the Environmental Defense Fund ("EDF") and Utility Workers Union

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[3] *See* Sierra Club and CEJA Response at 3–4; CalAdvocates Response at 2; TURN Response at 3; UCAN Response at 5–6; Air Products Response at 2–3; Indicated Shippers Response at 3 ("Throughout the three Angeles Link proceedings, the Commission has remained firm on the bedrock ratemaking principle of cost causation recognizing that 'ratepayers are required to bear only the reasonable costs of those projects which provide direct and ongoing benefits.'" (*quoting* D.26-04-034, *Decision Denying Southern California Gas Company's Request for Cost Recovery From Ratepayers for Phase 2 Activities for Angeles Link Project*, at 14 (May 7, 2026) ("D.26-04-034"), https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M606/K264/606264723.PDF).

[4] *See* Sierra Club and CEJA Response at 6; CalAdvocates Response at 5; TURN Response at 5–6; UCAN Response at 5–6; Air Products Response at 4–5; Indicated Shippers Response at 4–6.

[5] Sierra Club and CEJA Response at 12–13; Air Products Response at 5; Indicated Shippers Response at 9–10.

[6] *See* Sierra Club and CEJA Response at 3–4; CalAdvocates Response at 3; TURN Response at 4–5 ("potential, indirect, and contingent public interest benefits discussed in D-22-12-055 do not independently justify cost recovery of Phase 1 costs").

[7] *See* Sierra Club and CEJA Response at 7; TURN Response at 7.

[8] D.22-12-055, Decision Approving the Angeles Link Memorandum Account to Record Phase One Costs, at 22, 35, 65 (Finding of Fact ("FOF" 29) (Dec. 20, 2022) ("D.22-12-055"), https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M500/K167/500167327.PDF.

[9] *Id*. at 73–78 (including Ordering Paragraphs 3, 5, 7, 8).

[10] *Id* at 8.

of America, AFL-CIO, Local 483 ("UWUA Local 483") urge the Commission to upend its own clear direction to SoCalGas in D.22-12-055. For example, EDF argues that "the Commission need not and should not address jurisdiction in this proceeding" to grant cost recovery in spite of D.22-12-055's instruction.[11] In its decision allowing SoCalGas to record Phase 1 costs in a memo account, the Commission specifically held: "Jurisdiction will need to be addressed if and when SoCalGas files a subsequent application seeking authority either for a CPCN for the Project or for recovery of the costs recorded in the Memo Account."[12] Similarly, UWUA Local 483 posits "All Ratepayers Benefit from Phase 1 Activities, So It Is Just and Reasonable for All Ratepayers to Be Responsible for The Costs of Phase 1 Activities."[13] D.22-12-055 posits the opposite: "Under the cost causation principle, rate recovery from all ratepayers would not be appropriate."[14] Beyond arguing contrary to the clear language of D.22-12-055, EDF and UWUA Local 483 support cost recovery based on public policy rationales.[15] These arguments do not address the standard for justifying cost recovery, regardless of whether Phase 1 activities may provide these alleged benefits. To recover costs, SoCalGas would need to satisfy all requirements in D.22-12-055 (including Commission jurisdiction and cost allocation that aligns with cost-causation principles) and other legal principles that protect ratepayers from shouldering costs that are inconsistent with just and reasonable rates. It did not.

B. SoCalGas Fails to Justify Its Unprecedented Request to Recover Costs of Developing a Nonoperational Utility.

1. It is not just and reasonable for ratepayers, or a subset of ratepayers, to be responsible for the costs of Phase 1 Activities.

a. SoCalGas fails to identify a specific subset of ratepayers that benefit from Phase 1 Activities and should be responsible for the costs.

SoCalGas continues to resist the Commission's direction that recovery of Angeles Link costs will abide by cost-causation principles by attempting to recast Phase 1 as a public purpose

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[11] EDF Response at 4.
[12] D.22-12-055 at 8.
[13] UWUA Local 483 Response at 3.
[14] D.22-12-055 at 22.
[15] *See e.g.*, EDF Response at 2 ("EDF believes that the information gathered meets the standard for recovery, and that it will be used and useful for the overall development of hydrogen as a GHG emissions reduction strategy"); UWUA Local 483 Response at 3–5.

program that warrants broad cost recovery.[16] The Commission was clear that traditional cost-causation principles would apply to any recovery of Phase 1 costs[17] and that these principles limited cost recovery to specific categories of customers.[18] Commission findings regarding potential co-benefits of Phase 1 that could accrue to the public interest do not undermine these clear instructions. D.22-12-055 discusses Phase 1's potential public interest benefits to justify authorizing the Angeles Link memo account even though the project did not meet the traditional standard for authorizing such accounts—a wholly separate issue from cost recovery.[19]

While SoCalGas frames the benefits of Phase 1 in the broadest possible terms,[20] it cannot distract from the fact that Phase 1 is the first phase of a specific infrastructure project and not a general academic or philanthropic exercise. In its initial description of Phase 1, SoCalGas stated that the phase consisted of "refined supply, demand, pipeline configuration, and storage analyses to support a pre-FEED (front end engineering and design) analysis for options for the green hydrogen transport system." Accordingly, the Commission observed that the basic purpose of these activities is to lay the groundwork for SoCalGas' hydrogen infrastructure concept. For instance, the Commission recognized that Phase 1 studies are "a predicate to the Angeles Link Project" and that "the main objective of Phase One is to conduct a feasibility study of the Project."[21] Indeed, the Commission-approved rules for the Angeles Link memo account do not allow SoCalGas to record the costs of general-purpose hydrogen research. Specifically, the

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[16] *See* SoCalGas Response at 4 ("The Commission authorized the Phase 1 activities because they were expected to generate broad public interest benefits extending well beyond any future hydrogen end users, and many of those benefits were realized through completion of the Phase 1 activities, which included publication of the studies, robust stakeholder engagement, information-sharing, and policy development enabled by those activities. Accordingly, allocation of Phase 1 costs across all ratepayers is reasonable.").

[17] D.22-12-055 at 65 (FOF 29) ("The Commission's cost causation principle in setting rates limits any significant risk that cross-subsidy of costs would give SoCalGas unfair market advantage in the clean renewable hydrogen industry.").

[18] *Id*. at 55 ("the Commission generally adopts the cost-causation principle when determining cost recovery, under which costs are recovered from the specific set of ratepayers on whose behalf the utility incurs the costs. For purposes of determining cost responsibilities, we specifically identify that the beneficiaries of Phase One activities are 1) the existing ratepayers who could potentially take service of the hydrogen gas from Angeles Link Project as a source of carbon-free energy and 2) future customers taking service from the Angeles Link Project") (footnote deleted).

[19] *Id*. at 68 (Conclusion of Law ("COL") 5–6).

[20] SoCalGas Response at 6 ("The broad benefits through Phase 1— publicly available research advancing the hydrogen industry and its emerging role in decarbonization, economic development, and job creation; positioning California for federal funding; and transparent stakeholder engagement— are not limited to potential hydrogen end users.").

[21] D.22-12-055 at 29, 48.

subaccount for Phase 1 is limited to "the incremental costs of performing Phase One feasibility studies for the Angeles Link Project, subject to certain enumerated conditions."[22] The Commission's cost-causation directions to SoCalGas reflect its understanding that Phase 1 is an infrastructure development project, as opposed to a public purpose program.

The Commission should reject SoCalGas' alternative proposal to recover Phase 1 costs from non-core retail and core natural gas vehicle customers, for at least three reasons.[23] First, SoCalGas has not shown that there is any coherent or evidence-based way to divide the costs of Phase 1 among the various groups of customers that could allegedly fit the Commission's definition of direct project beneficiaries. Second, this alternative proposal would impede energy affordability for California's residential and small business customers because costs that SoCalGas collects from electric generators will likely be passed onto customers through electric rates. Third, the Company blatantly disregarded Commission direction by filing an application to recover the costs of Phase 1 from all methane customers, including those that the Commission acknowledged are not direct beneficiaries of the project.[24] The Commission will inadvertently encourage the company to engage in such misbehavior again in the future if its failure to follow Commission instructions does not affect its ability to recover its proposed revenue requirement.

b. Contrary to SoCalGas' arguments, any cost recovery for Phase 1 activities would only be appropriate after Angeles Link is operational and the Commission can properly exercise jurisdiction over Angeles Link.

Sierra Club and CEJA explained why cost recovery for Phase 1 costs is not appropriate at this early stage.[25] SoCalGas relies on misapplication of Commission precedents to argue in favor of cost recovery for this not-yet-useful project.

First, SoCalGas suggests that D.22-12-055 "contemplated" cost recovery based on a standard that disregards whether Angeles Link is a used-and-useful asset.[26] This supposed contemplation does not appear to have any basis in the text of D.22-12-055, and SoCalGas does not cite any specific language or page of that decision that could support its interpretation. In D.22-12-055, the Commission had no need to specifically state an expectation that Angeles Link

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[22] Advice Letter 6070G, at pdf p. 10 (Dec. 21, 2022), available at: https://tariffsprd.socalgas.com/scg/filings/content/?utilId=SCG&bookId=GAS&flngStatusCd=Approved.
[23] *See* SoCalGas Response at 9.
[24] D.22-12-055 at 22, 55.
[25] *See* Sierra Club and CEJA Response at 5–7.
[26] SoCalGas Response at 9–10.

be used and useful before cost recovery would be appropriate, as the default rule is to apply the used-and-useful standard to feasibility studies for utility infrastructure projects.[27]

Second, SoCalGas relies on decisions where the Commission authorized recovery of feasibility studies for unbuilt projects based on circumstances that are not present in this case. In D.08-04-038 and D.09-12-014, the Commission authorized ratepayer funding for analyzing the feasibility of immature and novel technologies.[28] In both decisions, cost recovery for these generic studies was consistent with its policy to "allow rate recovery of costs that support new generation and that are ***not associated with proposed projects***."[29] In contrast, in this case, SoCalGas seeks to recover Phase 1 costs for a specific hydrogen delivery project. As discussed above, SoCalGas' misleading description of Angeles Link Phase 1 as having the broad purpose of benefiting "the development of the clean renewable hydrogen industry"[30] is belied by the description of Phase 1 in D.22-12-055 and the company's previous application.

SoCalGas also cites D.06-12-040, where the Commission allowed a water utility to recover pre-construction costs for a water project that was not yet in service. In that case, the company needed to replace water supplies that it had historically diverted from an aquifer.[31] The Commission noted "general acceptance that, sooner or later, a surcharge is necessary to avoid rate shock that will result if the total project cost of a long-term water supply solution is included in rates at one time," and the Commission approved implementation dates for such a charge.[32]

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[27] *See Re Pacific Gas and Electric Company* (D.83-12-068), 14 CPUC 2d 15 (1983) (allowing recovery of past feasibility study costs because specific facts of the case warranted an exception to the used and useful principle).

[28] *See* D.08-04-038, *Opinion Authorizing Southern California Edison Company to Perform a Feasibility Study of a Clean Hydrogen Generation Plant*, at 31 (FOF 5) (Apr. 11, 2008) ("D.08-04-038"), https://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_DECISION/81203.PDF; D.09-12-014, *Decision Approving Application*, at 17 (Dec. 9, 2009) ("D.09-12-014"), https://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_DECISION/110973.PDF.

[29] D.06-05-016, *Opinion on Southern California Edison Company's Test Year 2006 General Rate Increase Request*, at 53 (May 17, 2006), https://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_DECISION/56444.PDF (emphasis added); D.08-04-038 at 18 ("consistent with D.06-05-016, we find that all activities associated with the feasibility study are to support new generation and not associated with a proposed project"); D.09-12-014 at 57 (FOF 13) ("none of the activities proposed for analysis in either Phase I or Phase II constitutes project development as discussed in D.06-05-016 or D.08-04-038").

[30] SoCalGas Response at 11.

[31] D.06-12-040, *Opinion on Request for Interim Rate Relief*, at 3 (Dec. 18, 2006), https://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_DECISION/63021.PDF.

[32] *Id*. at 10.

The Angeles Link project is entirely different. There is no consensus that SoCalGas gas' methane ratepayers will "sooner or later" need to pay for a hydrogen delivery project.

SoCalGas fails to include any legal authority for one of its principal arguments: that the used and useful principle does not apply to Phase 1 costs because the company proposes to treat them as operating and maintenance ("O&M") expenses.[33] The Commission should not create a new loophole in the used and useful principle that would allow utilities to seek development costs for non-useful projects simply by characterizing these costs as O&M. This system would create a perverse incentive structure in which utilities "would have little or no incentive to fund only those proposed projects which have a reasonable likelihood of success."[34]

SoCalGas' argument for applying the abandoned projects doctrine is also meritless. As a threshold legal matter, the Commission does not allow utilities to recover the costs of abandoned projects unless those projects are relevant to the utility's obligation to serve in a monopoly market.[35] Angeles Link would not support the methane service SoCalGas provides in a monopoly market. Further, SoCalGas has not shown that it was prudent to spend money on Phase 1 and withhold further investment after the Commission refused cost recovery for Phase 2.[36] After all, the Commission's decision in D.26-04-034 relies entirely on facts that SoCalGas presented in its Phase 2 application.[37] D.26-04-034 also leaves SoCalGas the opportunity to request authorization to record Phase 2 costs in a memorandum account.[38] This is exactly what the Commission invited SoCalGas to do in D.22-12-055,[39] and SoCalGas decided to incur Phase 1 costs based on that decision. Finally, the abandoned projects doctrine does not apply here because there is no evidence that Angeles Link is abandoned. The Commission requires a utility to demonstrate conclusively that a project has been permanently abandoned (not merely

[33] SoCalGas Response at 11.
[34] *See Re Pacific Gas and Electric Company* (D.83-12-068), 14 CPUC 2d 15 (1983) (rejecting a PG&E proposal to allow expense treatment of preconstruction costs on a prospective basis).
[35] *Application of Pacific Gas and Elec. Co.* (D.95-12-055), 63 CPUC 2d 570 (Cal.P.U.C., 1995) (denying recovery for costs of abandoned plant that PG&E had incurred to provide a develop a electric generation resource, noting: "The abandoned plant policy was developed to accommodate circumstances where the utility had an obligation to serve in a monopoly market, which does not appear to be the case here").
[36] *See Application of Pacific Gas and Elec. Co.*, 63 CPUC 2d 570 (Cal.P.U.C. 1995) (the Commission has "emphasized that recovery of abandoned plant costs required a showing of management's prudence in incurring associated expenses").
[37] *See generally* D.26-04-034.
[38] *Id*. at 15.
[39] D.22-12-055 at 54.

deferred) before authorizing any rate recovery.[40] Thus, there is no exception to general ratepayer protection principles that would allow SoCalGas to recover Phase 1 costs in this proceeding.

c. The Commission need not consider compliance with D.22-12-055 in this proceeding if threshold issues preclude cost recovery.

SoCalGas' response to the ALJ Ruling includes detailed arguments for why the company purportedly complied with D.22-12-055.[41] These allegations will be subject to dispute in an evidentiary process on recovery of Phase 1 costs, if the Commission does not close this proceeding without additional fact finding.

2. SoCalGas attempts to confuse the jurisdictional issue in this proceeding because it lacks a persuasive argument for the Commission's jurisdiction over a speculative hydrogen pipeline.

SoCalGas cannot demonstrate Commission jurisdiction over Phase 1 of Angeles Link, which is a collection of early-stage analysis activities for a utility system that may never exist. SoCalGas incorrectly suggests that the Commission has jurisdiction to grant its requested relief in this proceeding merely because the company is seeking recovery of costs from a Commission-authorized account.[42] This argument contradicts the Commission's conclusions in D.22-12-055. In that decision, the Commission held that "If Commission jurisdiction cannot be established, SoCalGas may not be able to recover the costs of the Phase One feasibility studies recorded in the Angeles Link Memo account authorized by today's decision."[43] Thus, the Commission has already recognized that recording costs in the Angeles Link memo account is not sufficient to establish jurisdiction to force ratepayers to pay for those costs. Indeed, in D.22-12-055, the Commission anticipated that further development of Angeles Link would provide the facts necessary for determinations regarding Commission jurisdiction.[44] SoCalGas does not identify any new factual developments that could support a finding of Commission jurisdiction.

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[40] *Re Southern California Gas Co.* (D.84-12-069), 16 CPUC 2d 926, 943 (Cal.P.U.C. 1984).
[41] SoCalGas Response at 14–17.
[42] *Id.* at 17 ("This proceeding falls squarely within that section 701 authority. SoCalGas is a Commission-regulated public utility, and the relief requested in this Application is authorization to recover costs recorded in a Commission-authorized memorandum account.").
[43] D.22-12-055 at 68 (COL 3).
[44] *Id.* at 8 ("The Angeles Link Project is still in development and planning stages, and Project details are not yet established, and are not presented before us for consideration. Therefore, it is too premature to determine whether the Project would fall within the Commission's jurisdiction.").

SoCalGas' argument that Public Utilities Code section 701 establishes jurisdiction has no basis in the text of the statute. Section 701 states in full: "The commission may supervise and regulate every public utility in the State and may do all things, whether specifically designated in this part or in addition thereto, which are necessary and convenient in the exercise of such power and jurisdiction." This statute provides the Commission jurisdiction to exercise any powers that are necessary and convenient for its regulation of SoCalGas—a methane delivery utility. SoCalGas has not shown that allowing the company to charge its methane customers for the costs of studying a potential future hydrogen utility is necessary and convenient for regulating the methane delivery utility.

In fact, SoCalGas' argument contradicts its briefing submitted in the Phase 1 proceeding where the utility acknowledged "[approval] of the Application does not pre-approve any costs for later rate recovery; it *does not confirm the Commission's jurisdiction over the Project, as stated explicitly in the Scoping Memo*."[45] Thus, in 2022, SoCalGas admitted that the Commission correctly stated the law in the scoping memo for A.22-02-007, when the Commission explained that SoCalGas assumes the risk that lack of Commission jurisdiction would preclude recovery of costs in a Commission-approved memo account:

> [T]he Applicant assumes the risk that all costs recorded in the memorandum account would not be recoverable if Commission jurisdiction cannot be established . . . regardless of whether the Applicant made a good faith effort in establishing the Project to serve as a public utility facility.[46]

The full Commission reaffirmed this principle in D.22-12-055.[47] The legislature has not amended Section 701 since 2022 and—consequently—that provision is just as insufficient to establish jurisdiction over costs in a memo account as it was in 2022. SoCalGas's application does not identify any new factual developments that support a finding of Commission jurisdiction over hydrogen project activities unrelated to SoCalGas' methane delivery utility

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[45] A.22-02-007, Southern California Gas Company (U904G) Opening Brief, at 1–2 (Jun. 29, 2022) (emphasis added), https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M489/K141/489141137.PDF.
[46] A.22-02-007, Assigned Commissioner's Scoping Memo and Ruling, at 7 (May 10, 2022), https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M475/K477/475477428.PDF.
[47] D.22-12-055 at 8, 68 (COL 3).

service. Therefore, the Commission should find that it lacks jurisdiction over hypothetical future hydrogen utilities in early stages of development.

Finally, SoCalGas could not prevail, even if the Commission narrowed the jurisdictional inquiry to solely ask whether the Commission has jurisdiction to authorize the revenue requirement sought in the Application.[48] Sierra Club supported this framing of the jurisdictional issue in the Joint PHC Statement because the Angeles Link project can raise different jurisdictional questions, depending on where it is in the development process. The Commission could have narrowed the scope of the proceeding by only addressing the first of these questions:

1) Does the Commission have jurisdiction over a hypothetical future hydrogen utility that is in the early planning stages?
2) Does the Commission have jurisdiction over a hydrogen utility that is operational or close enough to construction to support an application for a Certificate of Public Convenience and Necessity?

An inquiry into the Commission's jurisdiction over the specific revenue requirement request in this proceeding will properly focus on whether the relevant costs are for activities within Commission jurisdiction. Commission jurisdiction does not extend to early-stage efforts to develop potential future utilities.

3. SoCalGas proposes an inefficient schedule for the remainder of this proceeding.

SoCalGas recommends that parties proceed directly to building an evidentiary record after the Commission resolves the questions in the ALJ Ruling.[49] Under this approach, the next Commission decision in this proceeding would follow the submission of intervenor testimony, rebuttal testimony, and briefs.[50] SoCalGas' proposed schedule would waste significant party resources, as parties invest time in developing testimony and argument on the details of a project over which the Commission lacks jurisdiction. If SoCalGas is correct that evidentiary hearings

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[48] *See* SoCalGas Response at 18 ("A majority of the Joint Parties— SoCalGas, Air Products, EDF, First Public H2, IS, SCGC, SC, Cal Advocates, UCAN, and UWUA Local 483—provided that the question could be framed as whether the Commission has jurisdiction to authorize the revenue requirement sought in the Application.").
[49] *Id*. at 19.
[50] *Id.*

may be necessary,[51] this fact-finding process would also waste significant Commission resources.

In A.24-12-011, the Commission wisely avoided this type of inefficiency by ordering briefing on threshold legal issues prior to setting deadlines for intervenor testimony.[52] When then-Commissioner Reynolds issued the original scoping memo in this proceeding, the question of jurisdiction was being considered in A.24-12-011. The schedule in that scoping memo would be reasonable in a scenario where the Commission affirmatively decided the question of jurisdiction—which is a necessary condition for cost recovery in both A.24-12-011 and A.25-06-011. However, the Commission ultimately denied SoCalGas' application in A.24-12-011 without deciding whether it has jurisdiction over the early developmental stages of an unbuilt hydrogen pipeline system.[53] Consequently, the Commission would need briefing on threshold legal questions in this proceeding to realize the efficiency benefits that the Commission likely anticipated when it pegged the schedule in this proceeding to decision making in A.24-12-011.

III. CONCLUSION

Sierra Club and CEJA appreciate the opportunity to respond to other parties' arguments and respectfully request that the Commission reject SoCalGas' fatally flawed Application without further fact finding.

Dated: July 16, 2026

Respectfully submitted,

/s/ Katie Ramsey

Katie Ramsey
Staff Attorney
Sierra Club
2101 Webster St., Suite 1300
Oakland, CA 94612
Telephone: (415) 977-5627
Email: katherine.ramsey@sierraclub.org

Sara Gersen
Senior Attorney, Clean Energy

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[51] *Id.*
[52] A.24-12-011, Assigned Commissioner's Scoping Memo and Ruling, at 5 (July 31, 2025), https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M574/K980/574980331.PDF.
[53] D.26-04-034 at 16.

Earthjustice
707 Wilshire Blvd, Suite 4300
Los Angeles, CA 90017
Telephone: (213) 766-1073
Email: sgersen@earthjustice.org

Attorneys for Sierra Club

Theo Caretto
Communities for a Better Environment
6325 Pacific Blvd., Suite 300
Huntington Park, CA 90255
Telephone: (323) 826-9771
Email: theodore@cbecal.org

Attorney for the California Environmental Justice Alliance