BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Southern California Gas Company (U904G) for Authority, Among Other Things, to Update its Gas Revenue Requirement and Base Rates Effective on January 1, 2028.	Application 26-06-014
And Related Matter.	Application 26-06-015

NOT CONSOLIDATED

Application of San Diego Gas & Electric Company (U902M) for Approval of Smart Meter 2.0 Proposal.	Application 25-12-012

NOT CONSOLIDATED

Application of Southern California Gas Company (U904G) for Authorization to Implement Revenue Requirement for Advanced Meter Infrastructure Replacement Project.	Application 25-12-019

NOT CONSOLIDATED

Application of Southern California Gas Company (U904G) and San Diego Gas & Electric Company (U902M) for Authorization to Implement Revenue Requirement to Enable SAP Migration Program.	Application 26-05-002

PUBLIC ADVOCATES OFFICE MOTION TO CONSOLIDATE

July 20, 2026

I. INTRODUCTION

Pursuant to Rules 7.4 and 11.1 of the California Public Commission's (Commission) Rules of Practice and Procedure (Rules), the Public Advocates Office at the Commission (Cal Advocates) moves for consolidation of the Test Year 2028 General Rate Case (TY 2028 GRC) submitted by Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) (collectively, Sempra) with SoCal Gas and SDG&E's individual applications for Advanced Meter Infrastructure (AMI) upgrades (A.25-12-012 and A.25-12-019, respectively) and Sempra's SAP Migration Program application (A.26-05-002).

In December of 2025, SDG&E and SoCalGas filed individual applications for AMI upgrades: SDG&E requests $825 million,[1] and SoCalGas requests $3.76 billion.[2] On May 1, 2026, SDG&E and SoCalGas jointly filed an application to implement the SAP Migration Program, in which they requested $348.1 million.[3] On June 15, 2026, both SoCalGas and SDG&E filed their respective TY 2028 GRC applications.[4] On June 22, 2026, SoCalGas and SDG&E each filed a motion requesting consolidation of the proceedings, which the Commission granted on July 7, 2026.

The Commission should consider all five applications in a single consolidated proceeding because they involve closely related questions of law and fact. The General Rate Case (GRC) is the appropriate budgeting process where the Commission evaluates the reasonableness of a utility's proposed revenue requirement. The GRC is an intricate, complex, and comprehensive process established by statute and Commission decision

---

[1] A.25-12-019, *Application of San Diego Gas & Electric Company (U 902 M) For Approval of Smart Meter 2.0 Proposal,* filed on December 18, 2025.

[2] A.25-12-012, *Application of Southern California Gas Company (U904G) for Authorization to Implement Revenue Requirement for Advanced Meter Infrastructure Replacement Project*, filed on December 30, 2025.

[3] A.26-05-002, *Application of Southern California Gas Company (U904G) and San Diego Gas & Electric Company (U902M) for Authorization to Implement Revenue Requirement to Enable SAP Migration Program,* filed on May 1, 2026.

[4] A.26-06-014, *Test Year 2028 General Rate Case Application of Southern California Gas Company, filed June 15, 2026; A.26-06-015, Test Year 2028 General Rate Case Application of San Diego Gas & Electric Company (U 902 M), filed June 15, 2026.*

that affords ratepayers ample evidentiary safeguards and holds utilities to a high standard of accountability while the Commission evaluates utilities' revenue requirements. The AMI and SAP projects are core functions of SDG&E and SoCalGas and, therefore, should be included in the overall budget-setting process in a GRC.

SDG&E and SoCalGas have not shown any need for three of their five applications to proceed outside of the TY 2028 GRC.[5] In fact, there is no requirement in the Commission's prior Sempra GRC Decision (D.24-12-074) that SDG&E or SoCalGas file their AMI or SAP applications outside of the GRC. Further, consolidation will not prejudice any of the parties as the Commission has not yet issued scoping memos in any of the proceedings to date.

II. DISCUSSION

Rule 7.4 provides that proceedings involving related questions of law or fact may be consolidated. Here, the five applications present closely related questions of law and fact. The TY 2028 GRC is the proceeding that allows Sempra to request its operation and maintenance revenue requirements for the GRC cycle. SDG&E and SoCalGas's AMI and SAP Migration applications request revenue requirements for core functions of each utility. There is no requirement that the three applications at issue here be separate from the GRC. The Commission's evaluation of SDG&E's and SoCalGas's revenue requirements as a comprehensive part of a single proceeding (TY 2028 GRC) will promote transparency, continuity, and efficiency in the rate-making process by allowing the Commission and the parties to have a side-by-side comparison of all budgeting expenses that are fundamental to the utility's function.

---

[5] See A.25-12-019, *Application of San Diego Gas & Electric Company (U 902 M) For Approval of Smart Meter 2.0 Proposal,* filed on December 18, 2025 and A.25-12-012, *Application of Southern California Gas Company (U904G) for Authorization to Implement Revenue Requirement for Advanced Meter Infrastructure Replacement Project*, filed on December 30, 2025.

A. The General Rate Case (GRC) budgeting process should include all activities for operating and maintaining the utility.

1. Statutory, legal, and policy framework that establishes GRCs as the primary budgeting process for utilities.

GRCs are the primary budgeting process for a utility to safely operate and maintain its system and achieve the appropriate service levels.[6] Public Utilities Code sections 451,[7] 451.8(a),[8] 454,[9] 728,[10] 729,[11] and 959[12] constitute the statutory framework that underpins the role of GRCs in utility budgeting. Decision (D.) 07-07-004 established the Rate Case Plan,[13] which outlines the standardized procedural requirements, timelines, and filing rules for large energy utilities, including SDG&E and SoCalGas, when requesting rate changes for a GRC.[14]

Fundamentally, "a GRC is about evidence and accountability."[15] The Commission reviews detailed cost data across various areas of utility operations and approves a budget for the first year – called a test year – of the GRC cycle; years two, three, and four are post-test years. In a GRC, the Commission oversees an evidentiary process that requires each utility to present evidence supporting forecasts of the costs to operate and maintain

---

[6] See Understanding How the CPUC Processes a General Rate Case, July 29, 2025, which states that the GRCs are among the most important proceedings that the Commission undertakes, while emphasizing the case complexity and commitment to ratepayer protections.

[7] Pub. Util. Code § 451 requires that rate increases be just and reasonable.

[8] Pub. Util. Code § 451.8 (a) was created by Assembly Bill 2666 (Chapter 413, Statutes of 2024). It mandates that the Commission review utility costs after each GRC and adjust authorized revenue requirements based on actual, rather than forecasted, past costs in a subsequent GRC.

[9] Pub. Util. Code § 454 states "a public utility shall not change any rate or so alter any classification, contract, practice, or rule as to result in any new rate, except upon a showing before the commission and a finding by the commission that the new rate is justified."

[10] Pub. Util. Code § 728 requires that the Commission " . . . determine and fix, by order, the just, reasonable, or sufficient rates. . . ."

[11] Pub. Util. Code § 729 grants the Commission the power to use hearings to evaluate rate changes.

[12] Pub. Util. Code § 959 requires gas companies to show that requested revenue requirements for safe, reliable service are cost-effective.

[13] See also, D.89-01-040, as modified by D.93-07-030.

[14] D.07-07-004, *Opinion Modifying Energy Rate Case Plan*, issued on July 4, 2007.

[15] Understanding How the CPUC Processes a General Rate Case.

its system and to subject this evidence to scrutiny and cross-examination.[16] The Commission assigns dozens of subject-matter experts across multiple technical disciplines to review thousands of pages of testimony, briefing, and evidentiary hearings to evaluate evidence and determine a utility's budget for the first year and post-test years.[17] The GRC serves as a vehicle for accountability because it allows the Commission and parties to review and test the utilities' comprehensive revenue requirement evidence through competing expert testimony and cross-examination, all in a single proceeding. Further, the GRC process holds utilities accountable because the Commission must adjust rates in a subsequent GRC based on actual past costs the utility records from the prior GRC.[18]

Consolidation promotes efficiency by preventing "piecemeal" rate increases that fail to account for the cumulative impact on a customer's total bill and by avoiding duplicative efforts by parties and overlapping costs to rate-payers.

2. The ability to meter and bill customers (AMI) and provide IT systems (SAP Migration) is central to the core functions of utility operations that belong in a GRC.

The Commission should consolidate the December 2025 AMI applications and the May 2026 SAP Migration application with SDG&E's and SoCalGas's TY 2028 GRC to promote efficiency and transparency in developing the utilities' overall budget. Billing customers (AMI) and core IT systems (SAP Migration) are central to the utilities' functions and, in turn, to the overall budget. If the Commission does not consolidate the AMI cases with the TY 2028 GRC, it will be difficult to parse how the overall budgets are set for SDG&E and SoCalGas, which could create inconsistencies in budget-setting.

---

[16] *Ibid*.

[17] *Ibid*.

[18] Pub. Util. Code § 451.8 (a) states, "Following the approval of each general rate case, the commission shall review which costs, if any, differed from the general rate case forecasts for each electrical corporation or gas corporation. The commission shall adjust the authorized revenue requirement in the subsequent general rate case, as appropriate, based on the actual past costs the corporation records."

a. SoCalGas's self-described "foundational" AMI project warrants the thorough, comprehensive review a GRC proceeding provides.

Despite never having had GRC consideration for its AMI project, SoCalGas proposes a project with estimated revenue requirements of $3.76 billion that will extend well past the 10-year implementation timeline to 2071.[19] Although SoCalGas emphasizes the importance of its AMI system, SoCalGas' separate application filing evades review of the proposed system replacement project in the TY 2028 GRC. SoCalGas describes its AMI system as the "backbone of SoCalGas's meter-to-cash process…for more than six million customer meters…."[20] SoCalGas states "[t]he AMI system is also foundational to SoCalGas's ability to provide safe, reliable, and affordable service to customers and provide meaningful environmental benefits, in alignment with Commission and State objectives."[21]

Not only does the significance of time, cost, and extent of SoCalGas' AMI Project merit the thorough review of a GRC, but SoCalGas also fails to substantiate why it seeks costs through a separate application proceeding rather than in its GRC, which it filed only a few months later. The Commission should consolidate the SoCalGas AMI Project with the TY 2028 GRC to promote efficient use of the Commission's and the parties' resources, consistent regulatory review, and to provide a side-by-side comparison of the AMI Project with SoCalGas's overall budget.

Moreover, the Commission should evaluate SoCalGas's AMI revenue requirement in a GRC in order to address a discovery dispute with the standalone SoCalGas AMI application. In A.25-12-019, SoCalGas' revenue requirement relies on a computer model, a Project Evaluation Tool (PET), that SoCalGas claims it cannot provide because it relies on SoCalGas' internal system and links.[22] If the Commission consolidates

---

[19] A.25-12-019 at 8. Table 5 Forecast Revenue Requirement Summary.

[20] A.25-12-019 at 2.

[21] *Id*. at 3.

[22] See A.25-12-019, Public Advocates' Office Motion to Compel Information related to Southern California Gas Company Advanced Metering Infrastructure Replacement Project Application, filed on May 29, 2026. Note that SoCalGas recently changed its position and Cal Advocates is evaluating the

(continued on next page)

A.25-12-019 into SoCalGas' GRC, SoCalGas will be able to use its typical Results of Operations (RO) computer model to determine its revenue requirement, as it has done in past GRCs, instead of the PET model.

b. SoCalGas and SDG&E also should have included their AMI project in their GRC applications for the sake of regulatory consistency between AMI 1.0 and 2.0

SDG&E seeks authority to recover Smart Meter (SM)[23] 2.0 costs of approximately $825 million between 2024 and 2031, this includes direct costs, contingency, overheads, and loaders.[24] Upgrades to SM 1.0 were evaluated as part of SDG&E's 2024 GRC.[25] The Commission should consolidate SoCal Gas and SDG&E's AMI applications with the TY 2028 GRC because the authorization of AMI 2.0 may affect the ongoing deployment, operations and maintenance of AMI 1.0 (and vice versa).

c. SDG&E's AMI application again fails to address cost effectiveness and seeks a memorandum account extension beyond its approval date.

SDG&E's existing SM 2.0 application lacks a cost-effectiveness analysis,[26] despite the Commission's directive in the 2024 GRC to establish cost-effectiveness for SDG&E's SM 2.0.[27] In fact, the Commission's primary reason for not approving SDG&E's SM request in the prior GRC was the lack of a cost-effectiveness showing.[28] Here, the Commission's consolidation of the GRC with the AMI applications will allow the Commission to evaluate cost-effectiveness of AMI not only as it relates to metering

---

veracity of SoCalGas' claims (such as whether the new model supports SoCalGas' assertions) and whether to take action to address SoCalGas' misrepresentations about its inability to produce a model.

[23] Smart Meter (SM) is an AMI system. For purposes of this motion, the terms are used interchangeably.

[24] A.25-12-012 at 1.

[25] See D.24-12-074 at 680-682.

[26] See A.25-12-012, Protest of the Public Advocates Office at 1.

[27] Decision (D.) 24-12-074, Decision Addressing the 2024 Test Year General Rate Cases of Southern California Gas Company and San Diego Gas & Electric Company, December 23, 2024, Finding of Fact 317 at 1010 ("San Diego Gas & Electric Company has not provided a comprehensive cost-benefit analysis comparing various replacement strategies, including battery replacement, to justify the proposed Smart Meter 2.0 project.").

[28] *Ibid*.

but also in terms of understanding the cost of AMI in a side-by-side comparison to other operations and maintenance budget items.

Further, SDG&E requested an extension of its memo account for SM 1.0 activities beyond the date it filed A.25-12-012, even though D.24-12-074 made clear that this memo account would close upon SDG&E's AMI 2.0 application.[29] SDG&E's motion to extend its memo account is currently pending and unresolved.[30]

d. **SAP Migration is a significant revenue requirement that the Commission should evaluate in the TY 2028 GRC.**

SAP Migration is a significant budgeting item that the Commission evaluated in the 2024 GRC.[31] The Commission evaluated SoCalGas' prior request to recover costs for the planned "SAP Transformation project" and approved a $51.212 million cap on capital costs to enable SoCalGas to update its enterprise resource planning (ERP) platform by 2024.[32] Sempra now asserts it has decided to pursue a "migration" of its ERP platforms rather than a "transformation" of the platforms, and it projects the migration will cost $348.1 million, which exceeds the Commission-approved limit of $51.212 by 580%.[33] Sempra's SAP Migration application fails to explain why Sempra chose to pursue a different and clearly more expensive course of action than that presented during the Test Year 2024 GRC proceedings.[34] The Commission should evaluate Sempra's exponentially large SAP Migration costs as part of the broader, more comprehensive budget-setting process of a GRC.

In sum, the Commission's evaluation of revenue requirements in five different proceedings that SDG&E and SoCalGas filed within months of each other would cause

---

[29] See A.25-12-012, Motion of San Diego Gas & Electric Company (U 902 M) To Continue Smart Meter 2.0 Memorandum Account, filed on December 19, 2025.

[30] *Ibid*.

[31] D.24-12-074 at 650. See A.26-05-002, Cal Advocates' Protest to the Joint Application, filed on June 4, 2026 at 2-3.

[32] *Ibid*.

[33] D.24-12-074 at 650. See A.26-05-002, Cal Advocates' Protest to the Joint Application, filed on June 4, 2026 at 2-3.

[34] *Ibid*.

resource inefficiency, lack of regulatory consistency, and a gap in the comprehensive picture of the overall budgets. This would not only be challenging for intervenors like Cal Advocates, but it would also create problems for the ALJs in the individual proceedings, who would struggle to evaluate the evidence comprehensively and effectively, as the evidence would be spread across different proceedings with no connection or continuity.

B. The three cases that the Commission should consolidate with TY 2028 GRC do not yet have a scoping memo.

The Commission has not yet issued a scoping memo in any of the applications filed in December 2025 or May 2026. SDG&E's December AMI application lacked critical information for which the ALJ required supplemental testimony.[35] Given that the Commission has not yet issued a scoping memo, and the challenges created by the need to address the separate AMI proceedings, it is likely that consolidating the cases would lead to faster resolution than if the AMI proceedings were separate from the TY 2028 GRC. SoCalGas's December AMI application, which it filed only six months before it filed the GRC proceeding, also does not yet have a scoping memo. Sempra's SAP Migration application was just filed in May, one month prior to the TY 2028 GRC. Thus, given that there have not been any scoping rulings for the AMI and SAP Migration applications, consolidation would not cause delays or challenges in "unwinding" work already done in the individual proceedings.

C. No Commission orders require these applications to be separate.

While SDG&E and SoCalGas made the independent decision to file separate applications, there is no requirement that the Commission must adjudicate them separately and effectively pull these revenue requirement activities out of the GRC. SDG&E and SoCalGas chose to file the applications outside the GRC, even though all the matters involve the utilities' core functions in developing their revenue requirements. There is no reason that warrants the Commission to allow SDG&E and SoCalGas to dictate how activities are reviewed and considered.

---

[35] See A.25-12-012, Protest of the Public Advocates Office at 1.

Although SDG&E claims that under D.24-12-074 at OP 51, the Commission "directed SDG&E to file a separate application for cost recovery of its SM 2.0 replacement project and system upgrade", there is nothing in that decision that requires these cases to be separate from the GRC.[36] Specifically, Ordering Paragraph 51 of D.24-12-074 which directs SDG&E to file an application for SM 2.0 does not require a standalone application.[37] The Test Year 2028 GRC qualifies as a new application. In addition, there is no requirement that Sempra file a separate SAP Migration application or that SoCalGas file a separate AMI 2.0 application. Not having a complete view of Sempra's AMI and SAP Migration proceedings, alongside the rest of the GRC issues, hampers the Commission's review by undermining the budget-setting purpose of a GRC.

III. CONCLUSION

For the reasons stated above, Cal Advocates requests that the Commission consolidate the TY 2028 GRC (A.26-06-014 et. al.), SDG&E and SoCalGas's AMI Applications (A.25-12-012 and A.25-12-019, respectively), and Sempra's SAP Migration Application (A.26-05-002).

Respectfully submitted,

/s/ LAYLA LABAGH
Layla Labagh
Attorney

Public Advocates Office
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Telephone: (415) 696-7372
Email: Layla.Labagh@cpuc.ca.gov

July 20, 2026

[36] See D.24-12-074, ordering paragraph 51, which states, "San Diego Gas & Electric Company (SDG&E) shall file an application for cost recovery of its Smart Meter 2.0 replacement project and Smart Meter system upgrade."

[37] See D.24-12-074, ordering paragraph 51, which states, "San Diego Gas & Electric Company (SDG&E) shall file an application for cost recovery of its Smart Meter 2.0 replacement project and Smart Meter system upgrade."