

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



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Application No. 26-06-014
(Filed June 15, 2026) A2606014

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.

And Related Matter

Application No. 26-06-015
(Filed June 15, 2026)

MUSSEY GRADE ROAD ALLIANCE PROTEST TO

SAN DIEGO GAS AND ELECTRIC COMPANY 2028 GENERAL RATE CASE APPLICATION

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1. INTRODUCTION

On June 15, 2026, the San Diego Gas and Electric Company (SDG&E) and Southern California Gas Company (SoCal Gas) filed and served notice of an Application for their 2028 General Rate Case.¹ The Mussey Grade Road Alliance (MGRA) submits this Protest pursuant to Rule 2.6 of the California Public Utilities Commission (CPUC) Rules of Practice and Procedure. MGRA requests party status pursuant to Rule 1.4(a)(2) of the Rules of Practice and Procedure.

The Administrative Law Judges' ruling of July 7, 2026 consolidated the two proceedings A.26-06-014 (So Cal Gas) and A.26-06-015 (SDG&E), and set a due date of July 20, 2026 for Protests in alignment with Rule 11.²

MGRA's Protest has been prepared by MGRA expert witness Joseph W. Mitchell, Ph.D.

2. MGRA INTEREST AND PARTICIPATION IN THIS PROCEEDING

The Mussey Grade Road Alliance, established in 1999, is a grass-roots citizen-based organization located in Ramona, California. The Alliance has been actively involved in activities related to electrical utility wildfire risk at the CPUC since 2006.

MGRA members are SDG&E customers and are residents of an area with high wildfire risk. Roughly 2/3 of the homes in this area burned in the 2003 Cedar fire, and the area was again threatened and partially surrounded by the 2007 Witch/Guejito fire. MGRA has been working on wildfire issues relating to the SDG&E service area since 2007. Among MGRA's contributions to wildfire safety in California are its proposals for utility fire ignition data collection, statewide utility fire hazard maps, and utility fire prevention plans, all of which were approved by the Commission in the proceedings R.08-11-005 and R.15-05-006. MGRA was also actively involved in the original S-MAP proceedings, A.15-05-002 to 005, and is currently involved in the Risk Informed Decision-Making Framework (RDF) proceeding R.20-07-021. MGRA also has also been contributing to the

¹ A.26-06-014/5; TEST YEAR 2028 GENERAL RATE CASE APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M); June 12, 2026. (Sempra GRC)

² A.26-06-014/5; ADMINISTRATIVE LAW JUDGES' RULING CONSOLIDATING APPLICATIONS; July 7, 2026.

review of utility Wildfire Mitigation Plans (WMPs), including those of SDG&E, since their inception in 2019 and including its most recent filing on SDG&E's 2026-2028 Wildfire Mitigation Plan (WMP).³ MGRA has had many of its recommendations adopted by the Commission and Office of Energy Infrastructure Safety (OEIS).

MGRA was a party to Sempra's RAMP proceeding, A.25-05-010/3, issuing a Protest,⁴ Comments,⁵ and Reply Comments.⁶ Informal comments were additionally sent to the Safety Policy Division for consideration.

MGRA has also been involved in current and previous RAMP and GRC proceedings for PG&E, SDG&E, and SCE.

Many of MGRA's findings and suggestions appear to have been incorporated or implemented based on the information so far reviewed in the SDG&E GRC exhibits. MGRA plans to validate these implementations. However, certain key issues remain in SDG&E's GRC filing, particularly SDG&E's risk scaling function and its inclusion of "evidence of heat" events in the sample of risk events used for estimating ignition risk were shown in MGRA's RAMP analysis to be dubious. Additionally, SDG&E's general conclusion that undergrounding provides a more cost-effective hardening solution than covered conductor is difficult to reconcile with PG&E's finding that covered conductor has nearly the double the BCR of undergrounding.⁷

³ OEIS Docket; 2026-2028-Base-WMPs; TN16032; MUSSEY GRADE ROAD ALLIANCE COMMENTS ON THE 2025 UPDATE OF THE WILDFIRE MITIGATION PLAN OF SDG&E; June 13, 2025. (WMP Comments).

<https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=58684&shareable=true>

⁴ A.25-05-013; MUSSEY GRADE ROAD ALLIANCE PROTEST TO SAN DIEGO GAS AND ELECTRIC COMPANY 2025 RISK ASSESSMENT MITIGATION PHASE APPLICATION; June 18, 2025. (MGRA RAMP Protest)

⁵ A.25-05-010-3; MUSSEY GRADE ROAD ALLIANCE COMMENTS ON THE 2025 SAN DIEGO GAS AND ELECTRIC COMPANY RAMP AND SAFETY POLICY DIVISION REPORT; November 17, 2025. (MGRA RAMP Comments)

⁶ A.25-05-010-3; MUSSEY GRADE ROAD ALLIANCE REPLY TO SDG&E COMMENTS ON THE SAFETY POLICY DIVISION REPORT; December 1, 2025. (MGRA RAMP Reply)

⁷ In A.25-05-009, PG&E reports that the BCR for its undergrounding program is 7.8 (Exhibit PG&E Ex-04, p. 7-29) while the BCR of its covered conductor program is 13.3 (Exhibit PG&E Ex-04, p. 7-21)

3. ISSUES

3.1. Issues Identified by MGRA in the RAMP Proceeding

MGRA raised a number of issues during SDG&E's RAMP proceeding and made a number of recommendations, including the following.⁸

- SDG&E needs to demonstrate that it is prioritizing the highest risk circuits for mitigation, since its proposed circuits in 2025-2028 were not from the highest risk tranches.
- The reliability risk and CMI for customers should be differentiated into business and residential customers.
- SDG&E should examine an alternative mitigation using utility-owned backup power for residential and commercial customers in areas with frequent PSPS for comparison to undergrounding.
- SDG&E should be required to provide external references supporting its claim that its risk scaling function is applicable to financial and reliability risks and not only safety risks,
- SDG&E should provide parallel risk and CBR calculations with and without its risk scaling function,
- SDG&E should provide parallel risk and CBR calculations with and without use of “evidence of heat” events to calculate ignition risks,
- SDG&E should provide parallel risk and CBR calculations using higher efficiencies for covered conductor based on higher FCP efficiency and PEDS reduction in ignitions.
- SDG&E should describe its progress in developing (and include if completed) a probability of failure model that includes wind-dependent damage to infrastructure other than conductors and to vegetation.

⁸ MGRA RAMP Comments; p. 48.

3.2. March 2026 ALJ RAMP Ruling

MGRA's comments contained a request for a formal ruling in the RAMP proceeding, since the 2025 RAMP was the first time that SPD comments predated intervenor contents due to a foreshortened schedule that did not allow for extensive informal comments.⁹ On March 4, 2026, the ALJ of the SDG&E 2025 RAMP proceeding issued a ruling directing that SDG&E provide additional information to address deficiencies in its RAMP filing.¹⁰ These included:

- Requiring SDG&E to provide analysis of outcomes using a risk neutral scaling function in addition to its analysis of outcomes with a risk-averse scaling function if it chose to use one. This included tranche-level analysis used to support mitigation selection and associated risk values and CBRs. It also required SDG&E to provide workpapers in Excel spreadsheet format detailing how the analysis was performed.¹¹
- Requiring additional clarification of Sempra's alternative tranching method.
- Requiring Sempra's demonstration of how cost benefit ratios relate to tranches and mitigations, and
- Justification of any proposed mitigation with a cost benefit ratio less than 1.0.¹²

3.3. SDG&E's 2028 GRC Adopted Actions on RAMP Issues

SDG&E has adopted a number of suggestions from SPD, MGRA, and other intervenors. MGRA's ongoing interest in these issues will be to examine whether SDG&E's implementation and execution is valid and if so to support state-wide adoption of any best practices that have been identified.

Specific areas where SDG&E's GRC suggests that SDG&E adopted recommendations are discussed below.

⁹ Id.; p. 49.

¹⁰ A.25-05-010-3; ADMINISTRATIVE LAW JUDGE'S RULING DIRECTING THE SERVICE OF ADDITIONAL INFORMATION AND OTHER REQUIREMENTS; March 4, 2026. (ALJ Ruling)

¹¹ Id; p. 11.

¹² While the Ruling specifies "cost-benefit ratio" or "CBR", the actual metric being calculated is the benefit-cost ratio (BCR), the inverse of the cost-benefit ratio.

3.3.1. CCC with Solar plus Battery Storage

MGRA suggested that SDG&E examine an option which combines covered conductor with battery storage or solar plus battery storage.¹³ SDG&E has done so, and “*evaluates an illustrative extreme case in which CCC is deployed in combination with solar plus battery storage (SBS)*.”

*This mitigation alternative is assumed to achieve approximately 98% wildfire risk reduction, consistent with the assumed effectiveness of SUG, while incorporating the combined costs of CCC installation and SBS deployment.”*¹⁴ While SDG&E generally finds poor BCR comparisons relative to SUG and CCC alone, it notes that “*CCC + SBS may remain a viable mitigation option in specific circumstances, such as locations where undergrounding is infeasible due to terrain, environmental, or permitting constraints, or where resiliency and customer reliability benefits associated with distributed energy resources provide incremental value not fully captured in the wildfire risk reduction framework.*”¹⁵ MGRA’s analysis had noted that this kind of installation can be particularly valuable under circumstances where there are few customers along long circuit segments, which reduces overall capital and operational costs and increases the value of avoiding expensive undergrounding. This option will be further examined in the course of the GRC.

3.3.2. Expansion of wildfire to 24 hours and comparison with power law

MGRA’s RAMP Comments noted that SDG&E had adopted two measures that help to model realistic tail risk from wildfire events: 24 hour Technosylva FireSight simulations and the adoption of a Generalized Pareto Distribution model.¹⁶ SDG&E’s GRC contains an extensive analysis and comparison of these models, which provides significant validation.¹⁷

¹³ MGRA RAMP; pp. 20-22.

¹⁴ SDGE-07 Risk; pp. 244-247.

¹⁵ *Id.*

¹⁶ MGRA RAMP Comments; p. 23.

¹⁷ SDGE-07 Risk; pp. 53-61.

3.3.3. Dual presentation of scaled vs. unscaled risks and evidence of heat/CPUC ignitions

As required by the ALJ Ruling and requested by MGRA and SPD, SDG&E has presented its risks calculations in terms of “scenarios” in which a number of contested or uncertain assumptions can be toggled in and out of the calculation. Among these are risk attitude (whether risks are amplified by a risk scaling function), and whether the ignitions used as a source are based on CPUC reported ignitions or the much more numerous “evidence of heat” (EOH) events that SDG&E prefers. While MGRA has and will present evidence against SDG&E’s risk scaling function and the use of EOH events, there is at least a mechanism to calculate risks and BCRs in the absence of these events.

3.3.4. BCR workbooks

SDG&E has now released Excel spreadsheet workbooks that allow users to configure assumptions going into the model, including costs and risk attitude and allows users to input alternative assumptions.¹⁸ This may address an issue that MGRA noted during the RAMP, that while SDG&E provided Excel workbooks it did not have a mechanism to test alternative assumptions. However, as SDG&E notes, many of its calculations are based on thousands of Monte Carlo runs, and therefore any inputs going into those may not be adjustable in the spreadsheets. MGRA will investigate this as part of its GRC work.

3.3.5. Separation of CMI for residential and non-residential customers

SDG&E now uses version 2.2 of the ICE calculator. Additionally, it has started to break customers into residential and non-residential classifications.¹⁹ However, it is noteworthy that the weighting of non-residential customer CMI is 418 times larger than residential customer CMI. Although this is a feature of the model itself it merits closer examination and discussion of whether this represents Commission values.

¹⁸ SDGE-07 Risk; p. 20.

¹⁹ SDGE-07 Risk; p. 66.

3.3.6. Sensitivity analysis

SDG&E performed sensitivity analysis by analyzing each circuit segment by evaluating the effect of key variables on the benefit-cost ratio.²⁰ This is a useful exercise that allows readers to identify how various inputs such as costs, risk attitude, and wildfire risk reduction efficiency affect the choice of mitigation. However, use of the number of scenarios as a metric used to choose risk mitigation is not valid, as will be discussed in Section 3.5.2.

3.4. SDG&E RAMP Issues Remaining Open

3.4.1. SDG&E has not modified or eliminated its risk scaling function

The SDG&E risk scaling function lies at the heart of its GRC request, and leads to substantial amplification of the risk. Whether utilities should, in principle, be adopting risk averse scaling functions is still an open question and is being litigated in a variety of venues other than the current Application, including PG&E 2027 GRC (A.25-05-009), SB884 Undergrounding (A.26-02-005), and RDF (R.26-04-016). Aside from general issues regarding the necessity and purpose of and requirements for risk scaling functions, there is the specific question of SDG&E's implementation which MGRA has extensively analyzed and found to be erroneous.²¹

SDG&E's logic concerning risk scaling remains distorted. For example, it states that: *"Convex scaling allows the Companies to distinguish risks that are a top priority to mitigate from those that are more frequent but less severe."*²² Contrary to the implication, convex scaling is not a diagnostic tool that allows companies to distinguish high priority risks, rather it is a tool that allows companies to amplify certain risks that the company *chooses* to make top priority. As described in D.24-05-064:

"Risk scaling refers to applying a function to the full range of an attribute to capture one's attitude towards varying consequences of risk events, particularly high-consequence outcomes at the tail end of a probability distribution of the attribute. As the term 'attitude' suggests, a risk

²⁰ SDGE-07 Risk; pp. 234-246.

²¹ MGRA RAMP Comments; Section 4.2 (pp. 8-19)

²² SDGE-02; p. 20; ll. 2-3.

*scaling function is inherently axiological, or values-based, and derives from someone's preferences.”*²³

While SDG&E has complied with the MGRA and SPD request (also found as a deficiency in the ALJ ruling) to provide an alternative risk neutral analysis, its risk scaling function remains its default assumption and preferred solution in the GRC. MGRA plans to further investigate SDG&E's risk scaling function to determine whether there is additional evidence to provide regarding its validity.

An additional point of variation that SDG&E uses for scenario analysis “*includes several alternative scaling exponents to illustrate the influence of varying levels of risk aversion on benefit-cost ratios.*”²⁴ While this study is interesting from an academic and sensitivity analysis standpoint, the source of SDG&E's power-law exponent extracted from peer-reviewed studies was never much at issue. While sources are sparse, SDG&E made reasonable assumptions about how to aggregate the results. The problem and point of variation that SDG&E fails to implement is to apply the risk scaling function *only* to safety risks as the academic studies it refers to do. Instead, SDG&E continues to apply the same scaling function to financial losses, which has no academic backing. A much more interesting and defensible variation would be to apply its risk averse scaling function to safety losses as suggested in the MGRA RAMP comments.²⁵

3.4.2. Continued use of “Evidence of Heat”

SDG&E's preferred risk model uses a larger collection of risk events that contain events that did not start a CPUC reportable wildfire ignition but instead showed evidence of heat or flame – Evidence of Heat (EOH) events. While it provides alternative calculations using CPUC reportable ignitions only, SDG&E's preference is to include the Evidence of Heat sample because of the much larger statistical sample than found in CPUC reporting.

However, in Comments on SDG&E's 2026-2028 WMP and on SDG&E's RAMP submission, MGRA has shown that the EOH events do not follow the same patterns with regard to

²³ D.24-05-064; pp. 93-94.

²⁴ SDGE-02; Appendix B; p. B-20.

²⁵ MGRA RAMP Comments; pp. 32-33.

risk drivers, and in particular over-represent the kinds of ignitions that lead to catastrophic wildfire.²⁶ While it improves the statistics, this is more “noise” than signal. Practical implications are that use of this input will overweight areas and equipment with lower likelihood of igniting a catastrophic wildfire, and also that it will underestimate the efficiency of covered conductor in reducing catastrophic wildfire risk.

3.4.3. Overweighting of drivers uncorrelated with catastrophic wildfire

According to the bow tie chart showing SDG&E drivers and outcomes, a very significant portion of ignition events come from drivers that so far have not been responsible for catastrophic wildfires in California, specifically animals (13.9%), vehicles (12.3%), and balloons (9%) making up 35.2% of wildfire ignitions.²⁷ This is surprising given that conductor and vegetation drivers now have a reasonable Probability of Failure model (PoF) and Probability of Ignition given Failure models that should capture the higher probability of wind-related failures during extreme fire weather events. MGRA will investigate whether SDG&E’s predicted Outcomes are weighted by ignition probability only or whether they incorporate the increased probability of catastrophic wildfire due to wind-related drivers.

3.4.4. PSPS “Blindness”

Another known issue has been “PSPS blindness”. Since likelihood is calculated from the record of historical wildfires, areas that have been frequently subject to PSPS will have many fewer outages wildfires during critical wildfire weather, making them appear (incorrectly) to have lower risk values than would ordinarily be merited. Some utilities such as PG&E use PSPS risk damage events as pseudo-ignitions in their risk models to indicate that high PSPS areas are generally at high wildfire risk. SDG&E recognizes that there is an issue: *“Relying solely on historical data from within the service territory to inform long-term mitigation strategies can introduce bias, particularly due to the increased use of proactive de-energizations (i.e., PSPS) since 2013. These actions may suppress observed wildfire impacts, causing consequence estimates to underrepresent*

²⁶ MGRA RAMP Comments; pp. 37-39.

²⁷ SDGE-07 Risk; p. 7.

the full range of potential outcomes absent such interventions. This limitation is most pronounced in areas experiencing extreme fire weather...”²⁸

While acknowledging there is a problem, SDG&E fails to address the primary concern: the reduction in frequency/likelihood of either outages or ignitions in these areas during fire weather, regardless of the consequences. Failure to address this issue risks underweighting the risk in areas most likely to be de-energized.

3.4.5. Wildfire smoke

For the past several years, MGRA has supported an interim measure to approximate health and safety risk from wildfire smoke using a proportionality between acres burned and number of fatalities, as was practiced by SDG&E for some time.²⁹ SDG&E’s current GRC does not mention the health effects of wildfire smoke anywhere in its risk treatment.

While the technical difficulties in obtaining a geographically and socially accurate estimate of wildfire smoke risk cannot be overstated, the alternative approach of ignoring what is expected to be a very large effect is also wrong-minded. It is known that utility-ignited wildfires release smoke, that this smoke constitutes a portion of the wildfire smoke burden of the population as a whole. To the extent we can measure effects at the population level, and there is substantial evidence in the literature showing that we can, this can be scaled down as an average to the level of the single utility wildfire – i.e. fatalities per acres burned. Initial analysis by MGRA based on two studies showed that these were significant effects, possibly larger than the safety risk from the wildfire itself.³⁰ In light of the magnitude of the problem, applying an approximate and crude correction is “less wrong” than omitting to the discussion entirely.

²⁸ SDGE-07 Risk; p. 55.

²⁹ MGRA SCE 2026-2028 WMP Comments; p. 26-27.

³⁰ MGRA 2022 WMP Comments; MUSSEY GRADE ROAD ALLIANCE COMMENTS ON 2022 WILDFIRE MITIGATION PLANS OF PG&E, SCE, AND SDG&E; April 11, 2022; pp. 47-52.

3.4.6. Potential wind vulnerabilities

By incorporating a windspeed-based Probability of Failure (PoF) model for conductor and vegetation risk,³¹ SDG&E stands out as the utility best incorporating physical mechanisms into its risk model. Additionally, the use of wind speed measured at nearby weather stations as one of the determinants of its mitigation selection³² is directionally correct. However, SDG&E's model appears to lack skill in predicting wind damage events that occur during PSPS, particularly to cross arms.³³ In fact, some high wind areas fall into relatively low risk tiers. This bears additional scrutiny.

3.4.7. FCP issues

MGRA's RAMP identified the fact that wildfire risk reduction for Falling Conductor Protection (FCP) was being underestimated by SDG&E, because SDG&E's analysis did not take into account the scenarios in which FCP would provide the greatest value (tree fall-in). Instead only an average FCP efficiency was used in SDG&E's calculation.

SDG&E now claims that with its configurable workbooks, users should be able to specify their own weightings for mitigations such as FCP.³⁴ This claim merits skepticism in this particular case, because it requires a change in the causal chain leading to ignition to test FCP effectiveness, and not just a change in input parameters. MGRA will conduct such an analysis and determine if such a gap still exists. Rate case implication is that efficiency of CCC solutions in eliminating catastrophic wildfire may be higher than anticipated.

³¹ SDGE-07 Risk; pp. 34-36.

³² SDGE-07 Risk; Appendix F.

³³ MGRA RAMP Comments; Section 5.2.2.2; p. 33.

³⁴ Exhibit SDGE-01; Appendix B; p. B-37.

3.5. New Issues

3.5.1. Undergrounding Cost Reduction

SDG&E's GRC makes the bold claim that: *"Over the past rate case cycle, SDG&E has implemented targeted actions to streamline operations and moderate customer costs, efforts that are embedded in this GRC request. Key examples include:*

*Reducing the cost of strategic undergrounding in high wildfire-risk areas by approximately 50 percent per mile."*³⁵

If true, this is an important reduction that could change the balance of economic desirability for undergrounding versus covered conductor. The fact that PG&E and SCE have not achieved similar claimed reductions in cost invites scrutiny. Also, if "shortcuts" are being taken such as shallower trenching, are there additional risks being introduced that need to be accounted for? MGRA will no doubt be joining other intervenors in examining SDG&E's claim.

3.5.2. "Scenario" statistics are not meaningful as a discriminatory variable

In Chapter SDGE-07 Risk, Appendix F, individual circuits are analyzed on "Segment Profile Cards". While these are a useful presentation of circuit characteristics, the number of "scenarios" in which a CCC or SUG solution is favored is somewhat arbitrary, because some of these scenarios are realistic and others are not, and restricting the analysis to reasonable values will constrain the answer. The fact that there are more variations favoring one mitigation over another is not a quantitative value that should be determinative of mitigation selection.

4. CONCLUSION

SDG&E's GRC is a technically detailed document and has gone to substantial lengths to address issues raised by the Safety Policy Division and intervenors whether these responding to these issues were supported by the ALJ Ruling or not. Some of SDG&E's positions such as supporting its risk scaling function and including evidence of heat events in their ignition sample have been refuted by MGRA RAMP and WMP analysis, thus this response is filed as a Protest.

³⁵ SDGE-01; p. 16.

However, the fact that SDG&E has incorporated positions it disputes into alternative analyses should help streamline the General Rate Case process and make the work of parties more efficient and narrow points of dispute. MGRA is appreciative of the opportunity to contribute to this process.

Respectfully submitted this 20th day of July, 2026,

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