

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



FILED

07/17/26

04:59 PM

A2605002

Application of Southern California Gas
Company (U 904 G) and San Diego Gas &
Electric Company (U 902 M) for
Authorization to Implement Revenue
Requirement to Enable SAP Migration
Program

Application No. 26-05-002
(Filed May 1, 2026)

JOINT PREHEARING CONFERENCE STATEMENT

AVISHA A. PATEL

Attorney for:
SOUTHERN CALIFORNIA GAS COMPANY
SAN DIEGO GAS & ELECTRIC COMPANY
555 West Fifth Street, Suite 1400
Los Angeles, California 90013
Telephone: (213) 244-2954
Facsimile: (213) 629-9620
E-mail: apatel@socalgas.com

WAYNE A. PARKER

Attorney for:
PUBLIC ADVOCATES OFFICE
California Public Utilities Commission
300 Capitol Mall, Suite 400
Sacramento, CA 95814
Telephone: (916) 823-4772
Email: wyk@cpuc.ca.gov

RUTHIE LAZENBY

Attorney for:
THE UTILITY REFORM NETWORK
360 Grand Avenue, #150
Oakland, CA 94610
Telephone: (415) 248-8447
Email: rlazenby@turn.org

NORMAN A. PEDERSEN

Attorney for:
SOUTHERN CALIFORNIA GENERATION
COALITION
Hanna and Morton LLP
444. S. Flower St. Suite 2530
Los Angeles CA 90071
Telephone: (213) 430-2510
E-mail: npedersen@hanmor.com

MARCOS R. HOLGUIN

Attorney for:
UTILITY WORKERS UNION OF AMERICA,
AFL-CIO, LOCAL 483

SR Holguin, PC
800 W 6th Street, Suite 850
Los Angeles, CA 90017
Telephone: (213) 395-0956
Facsimile: (213) 395-0954
Email: mholguin@srholguin.com

July 17, 2026

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

Application of Southern California Gas
Company (U 904 G) and San Diego Gas &
Electric Company (U 902 M) for
Authorization to Implement Revenue
Requirement to Enable SAP Migration
Program

Application No. 26-05-002
(Filed May 1, 2026)

JOINT PREHEARING CONFERENCE STATEMENT

Pursuant to the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”) and Administrative Law Judge (“ALJ”) Shannon Clark’s June 24, 2026 Ruling Setting Prehearing Conference and Directing Parties to File and Serve Joint Prehearing Conference Statement (“Ruling”), Southern California Gas Company (“SoCalGas”), San Diego Gas & Electric Company (“SDG&E”) (referred to jointly as “Applicants” and/or “Joint Utilities”), and participating parties, the Public Advocates Office at the California Public Utilities Commission (“Cal Advocates”), The Utility Reform Network (“TURN”), the Utility Consumers’ Action Network (“UCAN”), Utility Workers Union of America (“UWUA”), AFL-CIO, Local 483 (“UWUA, Local 483”), and the Southern California Generation Coalition (“SCGC”) hereby submit this Joint Prehearing Conference Statement (“Statement”). The Parties have authorized the Joint Utilities to file this Statement on their behalf.

At this time, SCGC intends to monitor this proceeding only rather than fully participate. While SCGC currently intends to attend the Prehearing Conference on July 27, 2026, SCGC has not provided substantive input to the ALJ’s questions. Accordingly, references to “Parties” or “All Parties” do not include SCGC.

I. DISCUSSION OF TOPICS IDENTIFIED IN THE RULING

The Parties provide the following responses in accordance with the requests set forth in the Ruling:

A. The name, phone number and email address of individuals intending to speak at the PHC, and, in the case of multiple representatives for the same party, indicate who is designated as the primary party representative;

- **Joint Utilities:**

Avisha Patel
(213) 488-5479
apatel@socalgas.com

- **Cal Advocates:**

Wayne A. Parker
Office: (916) 823-4772
Mobile: (917) 405-4401
wayne.parker@cpuc.ca.gov

- **SCGC:**

Norman Pedersen
(213) 430-2510
Npedersen@hanmor.com

- **TURN:**

Ruthie Lazenby
(415) 248-8447 (ext 327)
rlazenby@turn.org

- **UCAN:**

Edward Lopez
(619) 696-6966
edward@ucan.org

- **UWUA, Local 483:**

Marcos R. Holguin
(213) 395-0956
mholguin@srholguin.com

B. Proposed scope of issues for the proceeding;

- **All Parties:**

(1) Whether the requested balancing account should be authorized;

- (2) Whether the requested revenue requirement may be implemented in rates;
 - (3) Whether over-collections should be refunded and under-collections should subsequently be reviewed for reasonableness;
 - (4) If the SAP Migration Memorandum Account (SAPMMA)¹ is authorized, whether those costs should be transferred to the Balancing Account;
 - (5) Whether the EPAM cost allocation methodology is appropriate; and
 - (6) Whether a two-way balancing account mechanism is appropriate.
- **Cal Advocates:**
 - (1) How and why the estimated costs for the planned SAP Migration Program have risen to \$348.1 million compared to original estimated provided during the Test Year 2024 GRC proceeding;
 - (2) Whether the Commission should authorize the requested SAPMMA to record and track costs arising from the SAP Migration Program; and,
 - (3) Such other issues as may arise during the course of discovery in this proceeding.
- **TURN:**
 - (1) Whether the Joint Utilities have provided sufficient information to evaluate the application's proposed costs and forecasted benefits.
- **UCAN:**
 - (1) Whether Joint Utilities' decision to not use a competitive bidding process to select a software vendor was appropriate and prudent;

¹ On May 4, 2026, Joint Utilities filed a *Motion of Southern California Gas Company and San Diego Gas & Electric Company to Establish the SAP Migration Memorandum Account to Track Certain Costs* (Joint Motion) seeking the Commission's authority to establish the SAP Migration Memorandum Account (SAPMMA) to record and track costs arising from the SAP Migration Program before a final decision is issued in this proceeding.

- (2) Whether existing in-house staff augmented by consultants could create a less costly and less prone to obsolescence software platform that would meet Joint Utilities' information requirements;
- (3) Whether the expense of this project is appropriately allocated among customer classes;
- (4) Whether Joint Utilities' alternatives analysis was fair, prudent, and genuinely allowed for the consideration of alternative vendors, or the use of in-house staff;
- (5) Whether the cost estimate for the SAP migration process is reasonable and prudent, or if less costly alternatives would provide the needed functionality;
- (6) Whether alternative software vendors could provide comparable functionality at a lower cost; and
- (7) Whether ratepayers benefit from the Project.

- **UWUA, Local 483:**

- (1) Workforce impacts of SoCalGas's migration from SAP to an upgraded Enterprise Resource Planning Platform ("ERP"), as referenced in UWUA, Local 483's Motion for Party Status, including, but not limited to, how the migration from SAP will impact emergency workforce deployment, inventory and asset tracking, procurement, related operational functions, workflow integration, connected systems, new training and controls, standardized business processes, and changes, if any, to how the workforce is trained, supported on the job and in the field, how work is assigned, tracked, approved, closed out, or potentially monitored.

C. Material facts in dispute;

- **All Parties:**

Given the parties are still conducting discovery and analyses, the parties believe it is premature to identify material facts in dispute.

D. Material legal disputes;

- **All Parties:**

Given the parties are still conducting discovery and analyses, the parties believe it is premature to identify material legal issues in dispute.

E. The need for hearings;

- **All Parties:**

The parties are uncertain whether evidentiary hearings will be necessary. Accordingly, the parties recommend the schedule include submission of a joint party statement after rebuttal testimony is served to request evidentiary hearings, if necessary.

F. A proposed schedule;

The parties support the schedules identified in the following table. UWUA, Local 483 takes no position on the schedule.

Event / Activity	Joint Utilities, Cal Advocates, UCAN	TURN
Application Filed	May 1, 2026	
Protests and Responses	Within 30 days of Daily Calendar Notice	
Reply to Protests and Responses	June 15, 2026	
Prehearing Conference	July 27, 2026	
Supplemental Testimony	N/A	August 15, 2026
Intervenor Testimony	November 20, 2026	February 1, 2027
Concurrent Rebuttal Testimony	December 20, 2026	March 1, 2027

Event / Activity	Joint Utilities, Cal Advocates, UCAN	TURN
Joint Party Statement re Need for Hearings	TBD	
Evidentiary Hearings (if necessary)	January 18-22, 2027	May 2027
Opening Briefs	February 12, 2027	July 2027
Reply Briefs	February 26, 2027	August 2027
ALJ Proposed Decision	TBD	October 2027
Commission Decision	May 2027	November 2027

G. Whether further record development is needed on the Joint Utilities’ request to establish a memorandum account; and

- **Joint Utilities:**

No. The Commission has routinely granted memorandum accounts on motion, without the need for an evidentiary record, where the account merely preserves the opportunity to seek cost recovery at a later date. That is exactly the case here, where costs will be reviewed in this very proceeding, and no costs will be recovered from ratepayers until the Commission so authorizes after a finding of reasonableness. Delay in establishing the account—which is needed to record just and reasonable costs associated with the Program on a prospective basis--risks the permanent loss of cost-tracking ability, to the detriment of both the utility and the regulatory process. Authorizing it promptly results in no prejudice to any party.

- **Cal Advocates:**

After filing the Joint Application but prior to the Joint Application being placed on the Commission’s calendar, the Joint Utilities filed the Joint Motion seeking the Commission’s authority to establish the SAPMMA to record and track costs arising from the SAP Migration Program. The Commission should direct the Joint Utilities to include their requests for recovery of costs related to the SAP Migration Program in their application for the next GRC proceeding. If the Commission directs that consideration of the SAPMMA will take place within this proceeding, then further record development on the need for the SAPMMA is necessary to

properly determine if authority to establish such a memorandum account is legally and factually correct under these circumstances.

- **TURN:**

No position.

- **UCAN:**

UCAN agrees as we anticipate the need for extensive review of the Joint Application and testimonies to develop the record prior to the Commission making its decision.

- **UWUA, Local 483:**

No position.

H. Other miscellaneous issues relevant to this proceeding and the proposed schedule.

None at this time.

Respectfully submitted,

By: /s/Avisha Patel
Avisha Patel

Attorney for:
SOUTHERN CALIFORNIA GAS COMPANY
SAN DIEGO GAS & ELECTRIC COMPANY
555 West Fifth Street, Suite 1400
Los Angeles, California 90013
Telephone: (213) 244-2954
Facsimile: (213) 629-9620
E-Mail: apatel@socalgas.com

July 17, 2026