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**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

MOTION OF SMALL BUSINESS UTILITY ADVOCATES FOR PARTY STATUS

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July 24, 2026



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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

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I. INTRODUCTION

Pursuant to Rule 1.4 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission), Small Business Utility Advocates (SBUA) respectfully moves for party status in the above-captioned proceeding.

Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) (collectively, the Joint Utilities) seek authorization in this Application to implement revenue requirements associated with their proposed SAP Migration Program. The Joint Utilities forecast total program costs of approximately \$348 million.¹ They propose to recover these costs through SoCalGas gas rates and SDG&E gas and electric rates. Because the requested revenue requirements would increase rates paid by customer classes that include small businesses, the outcome of this proceeding directly affects small business ratepayers.

¹ *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* (May 1, 2026) (Application) at 1.

SBUA is a nonprofit organization that advocates on behalf of small business ratepayers throughout California.² It offers the Commission the distinct perspective of small businesses, whose interests and concerns differ from those of residential customers and larger commercial entities. Small businesses often lack the resources to participate individually in Commission proceedings but collectively represent an important customer segment.

II. INTEREST IN PROCEEDING

SBUA recognizes the discipline the Joint Utilities showed in scoping this Application. Unlike some recent Enterprise Resource Planning (ERP) filings before the Commission, the Joint Utilities passed on a full business transformation and kept the request focused on the vendor-driven migration plus one targeted modernization piece. That restraint is real, and it shows up in a materially smaller ask than we might have seen otherwise. SBUA recognizes that choice and offers the following issues in that same constructive spirit.

Issue 1: Adequacy of the alternatives analysis. SBUA will examine whether the Joint Utilities gave a fair hearing to the full range of reasonable alternatives, including non-SAP platforms, competitive market benchmarks, extended maintenance as a bridging strategy, and phased or deferred implementation. The record needs to show that the proposed approach is the least-cost, reasonable option consistent with the utilities' obligation to provide safe and reliable service at just and reasonable rates.

Issue 2: Cost recovery mechanism and allocation of execution risk. SBUA will examine the proposed cost recovery structure, including the effective date of the SAP Migration Balancing Account, the associated memorandum account for pre-decision costs, the two-way balancing

² See SBUA website at www.utilityadvocates.org.

mechanism, and how cost overruns are handled. Ratepayers need meaningful protection, including a not-to-exceed cost cap and shareholder participation in overrun risk.

Issue 3: Scope of the Program and separation of migration from discretionary modernization. SBUA will examine where the Program crosses from activities driven by vendor end-of-support into discretionary business-process modernization. As the Joint Utilities acknowledge, discretionary elements should be justified on their own merits, and ratepayer funding of those elements should be reasonable given the option to defer or reprioritize.

Issue 4: Reasonableness and accuracy of the cost forecast. SBUA will examine how the forecast was built, including vendor pricing assumptions, escalation and overhead, contingency levels, benchmarking against comparable enterprise implementations, and the weight pre-RFP estimates can carry for Phase 2. The forecast needs to be solid enough to anchor an authorized revenue requirement.

SBUA will also examine whether deferring modernization scope in this proceeding reasonably serves ratepayers over the long run, or whether it simply shifts cost into future rate cases in the form of higher ongoing SAP update, customization maintenance, and cloud subscription costs.

Issue 5: Cost allocation methodology and rate impact on small commercial customers. SBUA will examine whether the proposed EPAM allocation methodology reasonably distributes Program costs across customer classes, and in particular whether small commercial customers bear a disproportionate share of the rate impact relative to large commercial customers.

III. NOTICES

SBUA requests that the following individuals be placed on the official service list as SBUA representatives:

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IV. CONCLUSION

For the foregoing reasons, SBUA respectfully requests that the Commission grant this motion for party status in Application A.26-05-002.

Respectfully submitted,

By: _____



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