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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company on Behalf of Customer Seeking a Gas Line Subsidy Pursuant to the Requirements of D.22-09-026.	Application 26-07-002

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

This scoping memo and ruling (Scoping Memo) sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Public Utilities Code Section 1701.1 and Article 7 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure (Rules).

1. Procedural Background

In September 2022, the Commission issued Decision (D.) 22-09-026 adopting Energy Division's staff proposal to eliminate gas line extension allowances, the 10-year refundable payment option, and the 50 percent discount payment option for all customer classes effective July 1, 2023. The decision provided a process to allow a limited exemption for certain non-residential projects.

On July 1, 2026, Pacific Gas and Electric Company (PG&E) timely filed Application (A.) 26-07-002 pursuant to Ordering Paragraph 2 of D.22-09-026. In A.26-07-002, PG&E seeks approval for a gas line extension allowance on behalf of the San Francisco Public Utilities Commission's (SFPUC) wastewater treatment plant located in San Francisco, California. In the Application, PG&E

states that attaining a subsidy via the Biomethane Monetary Incentive Program established in D.15-06-029 for the wastewater treatment plant is not possible.

The Commission's Public Advocates Office (Cal Advocates) filed a protest to the Application on August 3, 2026. On August 13, 2026, PG&E replied to Cal Advocates' response to the Application. On August 14, 2026, the Administrative Law Judge (ALJ) assigned to this proceeding issued a ruling setting a virtual prehearing conference (PHC) and directing the parties to meet and confer and to file a joint prehearing conference statement. On September 16, 2026, both parties (PG&E and Cal Advocates) filed a joint PHC statement.

A PHC was held on September 23, 2026, to address the issues of law and fact, determine the need for hearing, set the schedule for resolving the matter, and address other matters as necessary.

Following the PHC, an ALJ ruling was issued requesting additional information; PG&E and Cal Advocates filed responses to the ruling on October 15, 2026.

On October 9, 2026, the City and County of San Francisco (City) filed a motion for party status; the motion included, as an attachment, a response to the Application. Neither PG&E nor Cal Advocates objected to the motion. The Commission granted City's motion on October 27, 2026.

2. Issues

After considering the Application and the supporting documents filed therewith, Cal Advocates' response, PG&E's reply, the parties' joint PHC statement, the City's response to the Application, PG&E and Cal Advocates' responses to the ruling requesting additional information, and the discussion at the PHC, it is determined that the issues and initial schedule for the proceeding are as set forth in this Scoping Memo.

The issues to be considered or otherwise determined are as follows:

1. Whether the customer's project meets the following minimum requirements listed in D.22-09-026 to receive a gas extension subsidy:
    a. The project shows a demonstratable reduction in greenhouse gas emissions;
    b. The project's gas line extension is consistent with California's climate goals, including those articulated in Senate Bill 32 (Pavley 2016); and
    c. The project applicant demonstrates that it has no feasible alternatives to the use of natural gas, including electrification.
2. Whether the proposed non-residential gas subsidy amount is reasonable.
3. What is the resulting cost impact on gas rates, and is the revenue requirement just and reasonable?
4. Whether granting the requested gas line subsidy is consistent with Commission policy in the Biomethane Standards Rulemaking proceeding (Rulemaking (R.) 13-02-008).
5. Whether the application aligns with the goals of the Commission's Environmental and Social Justice Action Plan.

PG&E bears the ultimate burden of proof and persuasion and must establish by a preponderance of the evidence—i.e., that its assertions are more likely true than not—that the requested relief and all material aspects of its application are just and reasonable.

3. Need for Evidentiary Hearing

All the issues listed above are potentially contested material issues of fact, except for Scoped Issue 4, which is strictly a legal and policy issue. The schedule set forth in this Scoping Memo includes a deadline for timely filing a motion for

evidentiary hearing. It should be noted, however, that parties may pursue settlement discussions at any time. If the parties are unable to reach a settlement on some or all of these issues, the parties must move to request an evidentiary hearing in accordance with the requirements outlined in the next paragraphs of this section.

Any party who believes that an evidentiary hearing is required (as to the unresolved issues) should file and serve a motion requesting such a hearing in accordance with the schedule as indicated in this Scoping Memo. No later than the deadline for timely filing a motion for evidentiary hearing, the parties shall provide the following information as part of their motion or as attachments/exhibits thereto:

i. Provide a list of stipulated facts (if any).
ii. Provide a list of settled issues (if any).
iii. Identify and describe all material issues of disputed facts and any other unresolved issues requiring a hearing.
iv. Describe settlement efforts (without divulging any confidential settlement discussion). For example, indicate whether the parties met and conferred per Rule 13.9, to determine whether settlement is possible, and indicate whether the parties participated in mediation, including but not limited to the Commission's ADR program.
v. Identify and describe the evidence the party proposes to introduce at the requested hearing.
vi. Provide a proposed schedule for conducting the evidentiary hearing, including the witnesses who will testify on each scheduled date, and estimated time requested for cross-examination of each witness.

The motion shall correlate to the identified scoped issues, clearly identifying which issues have been resolved (in whole or in part) and which unresolved issues require an evidentiary hearing.

4. Schedule

The following schedule is adopted here and may be modified by the assigned ALJ as required to promote the efficient and fair resolution of the Application:

EVENT	DATE
Prehearing Conference	September 23, 2026
Scoping Memo and Ruling	November 9, 2026
Status Conference	December 8, 2026
Intervenor Testimony	January 12, 2027
Last Day for Supplemental or Revised Testimony (if needed)	January 27, 2027
Rebuttal Testimony	February 11, 2027
Parties Meet and Confer per Rule 13.9	February 22, 2027
Preferred Completion of Discovery	February 23, 2027
Preferred Completion of Settlement and ADR discussions.	March 2, 2027
Deadline for filing of various motions, if applicable: • Motion for Approval of Settlement (full or partial settlement); • Motion for Evidentiary Hearings; • Motion to Stipulate to Move Testimony and Exhibits Into Evidence Without Direct or Cross Examination per Rule 13.8(c).	March 2, 2027
Status Conference (Evidentiary Hearing Readiness Conference)	March 8, 2027
Evidentiary Hearings (if necessary)	March 15 – March 26, 2027 [Specific date(s) TBD]
Opening Briefs	April 30, 2027
Reply Briefs	May 21, 2027
Ruling Setting Submission Date	No later than 45 days after Reply Briefs; but if the Commission requests additional information following

	Opening and Reply Briefs, the submission date is TBD
Proposed Decision (PD)	No later than 90 days after submission date
Commission Decision	No sooner than 30 days after PD, and no later than statutory deadline

Status Conferences

In promoting the efficient resolution of the Application, status conferences may be held periodically. The purpose of these status conferences is to discuss the progress of the parties' ongoing settlement discussions and/or, if necessary, to discuss whether the Commission should move forward with scheduling evidentiary hearings as to any unresolved issues. Parties shall file and serve joint (or separate) status conference statements prior to each status conference.

Evidentiary Hearing Readiness Conference

The purpose of the Evidentiary Hearing Readiness Conference is to ascertain the parties' resources, readiness, and needs for the evidentiary hearing, including estimates of time requested for cross-examination and identification of anticipated exhibits.

Organization of Filings

The organization of prepared testimony, briefs and/or settlement agreements must correlate to the scoped issues listed above. Every dollar amount at issue must be supported in a manner that makes its source and derivation readily apparent. Depending on the circumstances, this may require a citation to the record, a simple computation in a parenthetical or footnote identifying the amounts used to derive the stated figure, or, when more complex mathematical formulas or calculations are involved, an attachment or exhibit

showing the calculations. Readers should not be required to guess where a dollar amount came from or how it was calculated.

Prepared Testimony

Organization: Prepared testimony must be organized using headings and, as appropriate, subheadings that expressly identify the scoped issue or issues addressed. Each heading or subheading must make abundantly clear which specific scoped issue the testimony that follows is intended to address. If any portion of the testimony is potentially relevant to more than one scoped issue, the heading, subheading, or accompanying text must identify each applicable issue. The organization of the testimony must permit readers to determine its relevance without guesswork. It must be clear which specific scoped issue or issues each witness's prepared testimony is offered to address.

Witness Responsibility and Use of Artificial Intelligence: The witness remains responsible for the accuracy and completeness of all testimony and attachments submitted under the witness's name. If the proceeding advances to an evidentiary hearing, each witness must be prepared to answer questions concerning the writing, revision, and preparation of the witness's testimony and attachments, including any use of artificial intelligence.

Briefs

The parties are to meet and confer to develop a consistent brief outline using the exact same headings. Headings should be very specific. The Scoping Memo lists five issues to be considered or otherwise determined in this proceeding; the Opening and Reply Briefs should clearly identify these issues in headings/subheadings, using the same language found in the Scoping Memo. If a party does not have anything to add under a particular heading/subheading, the parties should still include that heading/subheading (and perhaps indicate

"N/A" or that the party takes no position on that issue), thereby keeping the numbering/lettering organizational structure consistent across all briefs. The ALJ may issue a detailed ruling containing additional information about the briefs' form, size, page limits, etc.

Ruling Regarding Submission Date

The proceeding will stand submitted upon the filing of the assigned ALJ's ruling indicating no additional information is needed, closing the record, and setting the submission date. This ALJ ruling shall also indicate the contents of the closed record; generally, the record is composed of all filed and served documents and pleadings, any prepared testimony, any oral testimony, and any exhibits (supporting documents) admitted into evidence at evidentiary hearings.

18-Month Schedule

Based on this schedule, the proceeding should be resolved within 18 months as required by Public Utilities Code Section 1701.5.

5. Alternative Dispute Resolution (ADR) Program and Settlements

The Commission's Alternative Dispute Resolution (ADR) program offers mediation, early neutral evaluation, and facilitation services, and uses ALJs who have been trained as neutrals. At the parties' request, the assigned ALJ can refer this proceeding to the Commission's ADR Coordinator. Additional ADR information is available on the Commission's website.[1]

Any settlement between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules and shall be served in writing. Such settlements shall include a complete explanation of the settlement and a complete explanation of why it is reasonable in light of the whole record,

[1] https://www.cpuc.ca.gov/PUC/adr/

consistent with the law and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

6. Category of Proceeding and Ex Parte Restrictions

This ruling confirms the Commission's preliminary determination[2] that this is a ratesetting proceeding. Accordingly, ex parte communications are restricted and must be reported pursuant to Article 8 of the Rules.

7. Public Outreach

Pursuant to Public Utilities Code Section 1711(a), where feasible and appropriate, before determining the scope of the proceeding, the Commission sought the participation of those likely to be affected, including those likely to derive benefit from, and those potentially subject to, a decision in this proceeding. This matter was noticed on the Commission's daily calendar. Where feasible and appropriate, this matter was incorporated into engagements conducted by the Commission's External Affairs Division with local governments and other interested parties.

8. Intervenor Compensation

Pursuant to Public Utilities Code Section 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by October 23, 2026, which is 30 days after the prehearing conference. No notice of intent to claim compensation was filed by the 30-day deadline.

9. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such responses using the

[2] Resolution ALJ 176-3585 at page 3 (page 1 of the attached schedule).

"Add Public Comment" button on the "Public Comment" tab of the online docket card for the proceeding. The ALJ may issue a ruling instructing the parties to respond to specific public comments.

10. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information by contacting the Commission's Public Advisor. Visit the website: https://www.cpuc.ca.gov/about-cpuc/divisions/news-and-public-information-office/public-advisors-office, call 866-849-8390 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

11. Filing, Service, and Service List

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is correct and serve notice of any errors on the Commission's Process Office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.[3]

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur, unless the assigned ALJ directs that service occur by an earlier time. Rule 1.10 requires service on the ALJ of both an

[3] The form to request additions and changes to the Service list may be found at https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf

electronic and paper copy of filed or served documents; in this proceeding, however, when serving documents on the ALJ, parties must only provide electronic service. Parties must not send hard copies of documents to the ALJ.

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the service list to consider the Commission's subscription service as an alternative. The subscription service sends individual notifications to each subscriber of formal e-filings tendered and accepted by the Commission. Notices sent through subscription service are less likely to be flagged by spam or other filters. Notifications may cover a specific proceeding or a range of documents and may be delivered as daily or weekly digests.

12. Receiving Electronic Service from the Commission

Each person or entity on a Commission proceeding's service list is responsible for ensuring that it can receive e-mails from the Commission. Please add "@cpuc.ca.gov" to your e-mail safe-sender list and update your e-mail screening practices, settings and filters to ensure receipt of e-mails from the Commission.

13. Assignment of Proceeding

Commissioner Christine Harada is the assigned Commissioner and ALJ Alberto T. Rosas is the assigned ALJ and presiding officer for the proceeding.

IT IS RULED that:

1. The scope of this proceeding is described above and is adopted.
2. The schedule of this proceeding is set forth above and is adopted.
3. Parties shall file and serve joint (or separate) status conference statements prior to each status conference.
4. An evidentiary hearing is needed, provided that a motion for evidentiary hearing is filed timely.
5. The presiding officer is Administrative Law Judge Alberto T. Rosas.
6. The category of the proceeding is ratesetting.

Dated November 9, 2026, at Los Angeles, California.

/s/ CHRISTINE HARADA
Christine Harada
Assigned Commissioner