Docket	:	A.25-04-020
Exhibit Number	:	CA-01-WP
Commissioner	:	D. Houck
Admin Law Judge	:	A. Nojan
Witness	:	E. Chow

PUBLIC ADVOCATES OFFICE
CALIFORNIA PUBLIC UTILITIES COMMISSION

Workpapers for Report on the Results of Operations for Southern California Gas Company Transmission Integrity Management Program Balancing Account

Executive Summary and Operations and Maintenance and Capital Costs Recorded from January 1, 2019, to December 31, 2023

San Francisco, California
October 1, 2025

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SOUTHERN CALIFORNIA GAS COMPANY

A.25-04-020
PUBLIC ADVOCATES OFFICE DATA REQUEST
PUBADV-SCG 001-EIC

DATA REQUEST RECEIVED: MAY 15, 2025
DATA REQUEST SUBMITTED: MAY 29, 2025

QUESTION 3:

Referring to SCG *SCG-03-WP-TIMP.pdf,* PDF page 2, SCG wrote, “Transmission Integrity Management Program Balancing Account (TIMPBA) for the period of January 1, 2019 through December 31, 2024”. Please clarify whether this is a typographical error or whether SCG is requesting cost recovery for Year 2024.

RESPONSE 3:

The statement “Transmission Integrity Management Program Balancing Account (TIMPBA) for the period of January 1, 2019 through December 31, 2024” contains a typographical error, and should instead be through June 30, 2025. The TIMPBA was reauthorized in SoCalGas’s Test Year (TY) 2019 General Rate Case (GRC) cycle covering the period of January 1, 2023 through December 31, 2023. Note that, in this Application, SoCalGas is requesting recovery of the TIMPBA under-collected revenue requirement associated with expenditures that are above 35% of the authorized Test Year (TY) 2019 General Rate Case (GRC) cycle O&M and capital expenditures from October 1, 2022 through December 31, 2023, with interest through June 30, 2025. The supporting workpapers included in SCG-03-WP-TIMP.pdf is from January 1, 2019 through June 30, 2025 which includes projected interest, amortization, and other recorded adjustments.[1]

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[1] The balance presented is as of June 30, 2025 in order to reflect the authorized recovery of $227.3 million pursuant to Resolution G-3600 and other adjustments made after December 31, 2023.

SOUTHERN CALIFORNIA GAS COMPANY

A.25-04-020
PUBLIC ADVOCATES OFFICE DATA REQUEST
PUBADV-SCG-002-EIC

DATA REQUEST RECEIVED: JUNE 9, 2025
PARTIAL RESPONSE (Q2-Q8) SUBMITTED: JUNE 23, 2025
FINAL RESPONSE SUBMITTED: JULY 7, 2025

QUESTION 1:

Referring to Southern California Gas Company (SCG) SCG-01 and SCG-02, please indicate if all employees working on projects in this Application were existing SCG employees or if SCG recruited new employees. If SCG hired new employees for the project:

a) Identify the number of new employees.
b) Specify the date of hire for each employee.
c) Specify whether the new employees were hired as permanent employees or temporary employees.
d) Provide supporting documentation that the employees were hired for the projects.

RESPONSE 1:

Employees who worked on TIMP activities as described in Exhibits SCG-01 and SCG-02 include both existing and new SoCalGas employees. SoCalGas understands newly recruited or hired employees to mean employees of SoCalGas who were hired externally during the Test Year (TY) 2019 GRC cycle period of January 1, 2019 to December 31, 2023. Please see "SoCalGas Response_PubAdv-SCG 002-EIC-Q1 Attachment.xlsx" for all SoCalGas employees who were hired externally from January 1, 2019 through December 31, 2023 and billed time to TIMP, their date of hire, and whether they were hired as permanent or temporary employees.

During this period, a majority of the externally hired employees provided support to different programs and projects that among other things included TIMP, while certain employees were hired specifically to support TIMP projects. Some of these employees also supported TIMP projects for San Diego Gas & Electric Company (SDG&E). Column D of "SoCalGas Response_PubAdv-SCG 002-EIC-Q1 Attachment.xlsx" identifies the 62 SoCalGas employees that were hired specifically for TIMP during this period. Employees hired into the Pipeline Integrity Execution (PI-Ex) and High-Pressure Integrity Assessments (HPIA) teams are dedicated to TIMP work.

QUESTION 2:

Referring to SCG's response to Cal Advocates' data request SCG-001-EIC, attachment *SoCalGas Response_PubAdv-SCG 001-EIC-Q4-Q5-Q6.xlsx*, Cal Advocates observed Company Labor Cost Elements ending in "ST", "DT", and "T&1/2". Please confirm if entries ending in "D/T" are Double-Time Labor, "S/T" are Straight-Time Labor, and "T&1/2" are Overtime Labor. If not, list the correct labor classification.

RESPONSE 2:

"ST" and "S/T" correspond with straight-time labor. "DT" and "D/T" correspond with double-time labor. "T&1/2" corresponds with overtime labor.

SOUTHERN CALIFORNIA GAS COMPANY

A.25-04-020
PUBLIC ADVOCATES OFFICE DATA REQUEST
PUBADV-SCG-002-EIC

DATA REQUEST RECEIVED: JUNE 9, 2025
PARTIAL RESPONSE (Q2-Q8) SUBMITTED: JUNE 23, 2025
FINAL RESPONSE SUBMITTED: JULY 7, 2025

QUESTION 3:

Referring to SCG-01, how much total Straight-Time Labor, Double-Time Labor, and Overtime Labor did SCG request in its Application?

RESPONSE 3:

Type	Amount
ST	$115,034,031.11
OT	$9,324,901.06
DT	$7,921,030.20

QUESTION 4:

Referring to SCG's response to Cal Advocates' data request SCG-001-EIC, attachment *SoCalGas Response_PubAdv-SCG 001-EIC-Q4-Q5-Q6.xlsx*, Cost Category "Company Labor", please define and spell out the abbreviations for the following Cost Elements:

a) "SAL-OTHER CASH AWDS"
b) "SAL – UNION S/T"
c) "V&S L (CS)"
d) "SAL-DEL LUNCH PREM"

RESPONSE 4:

Item	Cost Element	Full Name	Definition/Explanation
a	6110330	SALARIES-OTHER CASH AWARDS	This cost element represents other cash awards.
b	6110110	SALARIES-UNION STRAIGHT-TIME	This cost element represents union straight-time.
c	9121100	VACATION & SICK LABOR (COSTING SHEET)	This cost element represents non-productive labor costs including vacation, sick, and holiday time.
d	6110335	SALARIES-DELAYED LUNCH PREMIUM	This cost element represents an overtime cost for employees whose lunch was delayed.

QUESTION 8:

Referring to SCG's response to Cal Advocates' data request SCG-001-EIC, attachment *SoCalGas Response_PubAdv-SCG 001-EIC-Q4-Q5-Q6.xlsx*, Cal Advocates identified approximately $506,057.11 in Property Taxes (Cost Element "CAP PROP TAX – CWIP") across all sampled SCG projects. Were these property tax charges associated with existing property, newly acquired property for this Application, or both? If both, please provide the proportion allocated to each.

RESPONSE 8:

These costs were not recorded in TIMPBA and are not being requested in this application.

This cost element represents tax on new capital investments (e.g. pipe replacements) that have not yet been put in-service [i.e. construction work in progress (CWIP)].

SOUTHERN CALIFORNIA GAS COMPANY

A.25-04-020
PUBLIC ADVOCATES OFFICE DATA REQUEST
PUBADV-SCG-002-EIC

DATA REQUEST RECEIVED: JUNE 9, 2025
PARTIAL RESPONSE (Q2-Q8) SUBMITTED: JUNE 23, 2025
FINAL RESPONSE SUBMITTED: JULY 7, 2025
AMENDED RESPONSE SUBMITTED: SEPTEMBER 5, 2025 (Q3 and Q5)

QUESTION 3:

Referring to SCG-01, how much total Straight-Time Labor, Double-Time Labor, and Overtime Labor did SCG request in its Application?

AMENDED RESPONSE 3:

The amended response reflects only the expenditures that contribute to the Application revenue requirement and adds the O&M and capital breakdown.

Type	Capital	O&M	Total
ST	$ 6,700,753	$ 28,362,628	$ 35,063,381
OT	$ 1,336,120	$ 1,414,540	$ 2,750,660
DT	$ 1,486,952	$ 998,769	$ 2,485,722

Excerpt from PubAdv-SCG 002-EIC-Q1 Attachment

TIMP	Other	Total
62	406	468

DR ID	Latest External Hire Date	Permanent/Temporary	TIMP/Other Hire
1	1/2/2019	Permanent	Other
2	1/7/2019	Permanent	Other
3	1/14/2019	Permanent	Other
4	1/14/2019	Permanent	Other
5	1/14/2019	Permanent	Other
6	1/14/2019	Permanent	Other
7	1/18/2019	Temporary	Other
8	1/22/2019	Permanent	Other
9	1/22/2019	Permanent	Other
10	1/23/2019	Permanent	Other
11	1/28/2019	Permanent	Other
12	2/4/2019	Permanent	Other
13	2/11/2019	Permanent	Other
14	2/19/2019	Permanent	Other
15	2/19/2019	Permanent	Other
16	2/19/2019	Permanent	Other
17	2/25/2019	Permanent	Other
18	2/25/2019	Permanent	Other
19	2/25/2019	Permanent	Other
20	3/4/2019	Permanent	Other
21	3/4/2019	Permanent	Other
22	3/4/2019	Permanent	Other
23	3/11/2019	Permanent	Other
24	3/11/2019	Permanent	TIMP
25	3/18/2019	Permanent	Other
26	3/25/2019	Permanent	Other
27	4/2/2019	Temporary	Other
28	4/8/2019	Permanent	Other
29	4/22/2019	Permanent	Other
30	4/29/2019	Permanent	Other
31	4/29/2019	Permanent	Other
32	4/29/2019	Permanent	Other
33	5/6/2019	Permanent	TIMP
34	5/6/2019	Permanent	Other
35	5/13/2019	Permanent	Other
36	5/13/2019	Permanent	Other
37	5/20/2019	Permanent	Other
38	5/20/2019	Permanent	Other
39	6/10/2019	Permanent	Other
40	6/10/2019	Permanent	Other
41	6/10/2019	Permanent	TIMP
42	6/10/2019	Permanent	TIMP
43	6/17/2019	Temporary	Other
44	6/17/2019	Permanent	TIMP
45	6/18/2019	Permanent	TIMP
46	6/24/2019	Permanent	Other
47	6/24/2019	Permanent	Other
48	6/24/2019	Permanent	TIMP
49	7/1/2019	Permanent	Other
50	7/1/2019	Permanent	Other

QUESTION 3:

Referring to SCG's response to Cal Advocates Data Request #002, Question 001, attachment *SoCalGas Response_PubAdv-SCG 002-EIC-Q1 Attachment.xlsx*, Cal Advocates identified 412 permanent positions and 56 temporary positions. Please provide supporting documentation that all 412 permanent positions and 56 temporary positions were not previously approved for funding in the General Rate Case (GRC).

RESPONSE 3:

As discussed in SoCalGas's response to Q1 of data request PubAdv-SCG-002-EIC, the list of employees which SoCalGas provided included all SoCalGas employees who were hired externally from January 1, 2019 through December 31, 2023 and billed time to TIMP. This list included employees who filled new open positions as well as backfilled existing vacant positions that may have previously billed time to TIMP. As SoCalGas explained in Response 1 to Cal Advocates Data Request #002, Question 001, a majority of the externally hired employees provided support to different programs and projects that among other things included TIMP. SoCalGas also identified 62 SoCalGas employees that were hired specifically for TIMP during this period as those employees were hired for the Pipeline Integrity Execution (PI-Ex) and High-Pressure Integrity Assessments (HPIA) teams which are dedicated to TIMP work. Note, Decision (D.) 19-09-051 approved SoCalGas's TIMP O&M and capital cost forecasts,[1] where costs to implement TIMP are balanced and recorded in the TIMPBA.[2] The time and associated costs billed to TIMP from these 412 permanent positions and 56 temporary positions for TIMP-related activities are not authorized elsewhere in SoCalGas's test year (TY) 2019 GRC or in any other proceeding.

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[1] D.19-09-051 at 189-193.
[2] *Id.* at 186.

SOUTHERN CALIFORNIA GAS COMPANY

A.25-04-020
PUBLIC ADVOCATES OFFICE DATA REQUEST
PUBADV-SCG-003-EIC

DATA REQUEST RECEIVED: JULY 9, 2025
PARTIAL RESPONSE SUBMITTED: JULY 23, 2025
FINAL RESPONSE SUBMITTED: AUGUST 6, 2025 (Q1)

QUESTION 4:

Referring to SCG's response to Cal Advocates Data Request #002, Question 003, SCG provided two columns of information in the following table. Please provide the following information:

a) Confirm the Total Amounts were for this Application, A.25-04-020, and that the cost recovery from Resolution G-1600 and General Rate Case were excluded in the provided Total Amounts of $115.0 million for Straight-Time, $9.3 million for Overtime, and $7.9 million for Double-Time.
b) Indicate how much of each total amount is O&M and how much of the total amount is Capital by completing the last two columns in the table below. The O&M Amount column and Capital Amount column should add up to the Total Amount column.

Type	Total Amount	O&M Amount	Capital Amount
ST	$115,034,031.11		
OT	$9,324,901.06		
DT	$7,921,030.20		

RESPONSE 4:

a) No, the cost recovery from Resolution G-3600 and General Rate Case were not excluded in the provided Total Amounts of $115.0 million for Straight-Time, $9.3 million for Overtime, and $7.9 million for Double-Time.

b) Please see table below.

Type	Total Amount	O&M Amount	Capital Amount
ST	$115,034,031.11	$95,205,950.46	$19,828,080.65
OT	$9,324,901.06	$5,036,761.87	$4,288,139.19
DT	$7,921,030.20	$3,196,813.07	$4,724,217.13

SOUTHERN CALIFORNIA GAS COMPANY

A.25-04-020
PUBLIC ADVOCATES OFFICE DATA REQUEST
PUBADV-SCG-003-EIC

DATA REQUEST RECEIVED: JULY 9, 2025
PARTIAL RESPONSE SUBMITTED: JULY 23, 2025
FINAL RESPONSE SUBMITTED: AUGUST 6, 2025 (Q1)

QUESTION 5:

Referring to SCG's response to Cal Advocates Data Request #002, Questions 7 and 8, SCG responded, "These costs were not recorded in TIMPBA and are not being requested in this application." Please provide the following information:

a) Identify any additional items in attachment *SoCalGas Response_PubAdv-SCG 001-EIC-Q4-Q5-Q6.xlsx* that were not recorded in TIMPBA and are not being requested in this Application. For each item, include the Cost Category (e.g., AFUDC, Company Labor, Contract Costs, Materials, Other Direct Charges, Overheads, Property Taxes).

b) For each additional item not recorded in TIMPBA and not being requested in this Application, provide an explanation on why it was not recorded in TIMPBA and why it is not being requested in this Application.

c) Explain why SCG included costs not recorded to TIMPBA in the attachment *SoCalGas Response_PubAdv-SCG 001-EIC-Q4-Q5-Q6.xlsx* related to this Application.

d) Explain the difference between allocating to TIMP and allocating to TIMPBA.

RESPONSE 5:

a - b) SoCalGas tracks total expenses for the TIMP, inclusive of all direct and indirect costs charged to TIMP internal orders. Costs that contribute to the TIMPBA revenue requirement consist of direct costs (i.e. company labor inclusive of vacation & sick, contract costs, materials, other direct charges). Indirect costs including SoCalGas's overheads, allowance for funds used during construction (AFUDC), and property taxes are contemplated in the General Rate Case (GRC) and are part of base business or are subject to separate regulatory account mechanisms; as a result, they are not included in the TIMPBA. Additionally, capital expenditures that are categorized as Capital Work in Progress (CWIP) are also excluded from this TIMPBA cost recovery application. Projects in the development or construction phase are classified as CWIP until such time that the TIMP project(s) is completed and placed into rate base.

In the process of responding to this request, SoCalGas identified an error in SCG-02-WP, Volume I, on pages WP-10, WP-14, and WP-19, which inadvertently included property taxes in the description of the "Other Direct Charges" category. Instead, Property Taxes are included in "Indirect Costs". SoCalGas will make this correction at its next available opportunity.

c) SoCalGas included costs in the file *SoCalGas Response_PubAdv-SCG 001-EIC-Q4-Q5-Q6.xls* which do not contribute to the revenue requirement recorded to the Transmission Integrity Management Program Balancing Account (TIMPBA) to provide a complete view of the total TIMP project costs, or fully loaded costs, incurred between January 1, 2019, and December 31, 2023. This cost showing aligns with past practice in similar cost recovery applications (e.g., A.18-11-010 and A.21-01-016) which presented costs on a fully loaded basis and descriptions of the costs that contribute to the balancing account revenue requirement.

d) Please see SoCalGas's response to 5a and 5b above.

SOUTHERN CALIFORNIA GAS COMPANY

A.25-04-020
PUBLIC ADVOCATES OFFICE DATA REQUEST
PUBADV-SCG-003-EIC

DATA REQUEST RECEIVED: JULY 9, 2025
PARTIAL RESPONSE SUBMITTED: JULY 23, 2025
FINAL RESPONSE SUBMITTED: AUGUST 6, 2025 (Q1)
AMENDED RESPONSE SUBMITTED: SEPTEMBER 5, 2025 (Q4b)

<u>QUESTION 4:</u>

Referring to SCG's response to Cal Advocates Data Request #002, Question 003, SCG provided two columns of information in the following table. Please provide the following information:

a) Confirm the Total Amounts were for this Application, A.25-04-020, and that the cost recovery from Resolution G-1600 and General Rate Case were excluded in the provided Total Amounts of $115.0 million for Straight-Time, $9.3 million for Overtime, and $7.9 million for Double-Time.
b) Indicate how much of each total amount is O&M and how much of the total amount is Capital by completing the last two columns in the table below. The O&M Amount column and Capital Amount column should add up to the Total Amount column.

Type	Total Amount	O&M Amount	Capital Amount
ST	$115,034,031.11		
OT	$9,324,901.06		
DT	$7,921,030.20		

<u>RESPONSE 4:</u>

a) No, the cost recovery from Resolution G-3600 and General Rate Case were not excluded in the provided Total Amounts of $115.0 million for Straight-Time, $9.3 million for Overtime, and $7.9 million for Double-Time.

b) As amended in PubAdv-002-EIC Q3, please see table below.

Type	Capital	O&M	Total
ST	$ 6,700,753	$ 28,362,628	$ 35,063,381
OT	$ 1,336,120	$ 1,414,540	$ 2,750,660
DT	$ 1,486,952	$ 998,769	$ 2,485,722

QUESTION 3:

Referring to Decision (D.) 19-09-051: *Decision Addressing the Test Year 2019 General Rate Cases of San Diego Gas and Electric Company and Southern California Gas Company,* Ordering Paragraph 13 which states the following: "Southern California Gas Company (SoCalGas) shall file a Tier 2 Advice Letter at the conclusion of Line 235 West Sections 1 and 2 testing or replacement with clear accounting delineations of which costs are subject to the Transmission Integrity Management Program (TIMP) and which costs are subject to the Pipeline Safety Enhancement Plan (PSEP) before any associated Line 235 PSEP pressure testing costs can be placed into rates for recovery."

Please provide a copy of the Tier 2 Advice Letter that SoCalGas filed, and clearly identify or highlight the applicable section(s) discussing TIMP and PSEP.

RESPONSE 3:

Not applicable. SoCalGas has not yet filed the Tier 2 Advice Letter.

QUESTION 4:

Referring to Decision (D.) 19-09-051, Ordering Paragraph 14 required SoCalGas to "establish a memorandum account within 20 days from the effective date of this decision and at that time shall begin to record all costs related to Line 235 West Sections 1 and 2." Please provide the following information:

a) The name of the memorandum account.
b) Indicate when the memorandum account was established.
c) Any preliminary statements or other applicable documents describing or introducing the memorandum account.
d) The total amounts SoCalGas recorded in the memorandum account from 2019 to 2023, broken down by year. For each year, include a breakdown of the amounts charged to Operations and Maintenance (O&M) and capital expenditures (capital).
e) The total amounts SoCalGas incurred for Line 235 between October 1, 2022, to December 31, 2023, that SoCalGas is requesting for recovery in this Application. Include a breakdown of the amounts charged to O&M and capital.

RESPONSE 4:

a) Line 235 Memorandum Account (L235MA)
b) SoCalGas submitted Advice Letter (AL) 5531 on October 16, 2019 to request the establishment of the L235MA. SoCalGas AL 5531 was approved on November 12, 2019, with an effective date of September 26, 2019.
c) Please see the following link for SoCalGas's L235MA preliminary statement: https://tariffsprd.socalgas.com/view/tariff/?utilId=SCG&bookId=GAS&tarfKey=590
d) SoCalGas objects to this request on the grounds that it is not relevant and not reasonably calculated to lead to the discovery of admissible evidence as SoCalGas is not requesting the recovery of any costs recorded to the L235MA in this Application. SoCalGas's TIMP's costs for L235 are tracked, not recorded, in the L235MA.
e) The following table represents the total amounts SoCalGas incurred for Line 235 that contribute to the incremental revenue requirement SoCalGas is requesting for recovery in this Application. The revenue requirement associated with these costs are tracked in the L235MA, but not recorded in the L235MA.

Capital	O&M	Total
$40,696,553	$23,481	$40,720,034

Excerpt from SoCalGas Response_PubAdv-SCG 006-EIC-Q1c & Q1d Attachment
(Confidential Information Omitted)

Number	Vendor ID	Capital	O&M	Total
1	13866	-	-	-
2	116305	973,700	317,983	1,291,683
3	112883	522,865	1,939,481	2,462,345
4	111522	31,552	20,418	51,971
5	74036	180,497	152,055	332,552
6	64094	505,843	1,154,749	1,660,592
7	104794	109,293	220,932	330,226
8	**11900**	**803,246**	**155,114**	**958,360**
9	111427	157,097	401,499	558,595
10	N/A	6,128	41,339	47,467
11	102603	1,057,251	431,056	1,488,307
12	13044	-	3,000	3,000
13	9420	1,303,044	292,173	1,595,217
14	26236	149,974	1,412	151,385
15	135315	24,000	120,000	144,000

Amendment No. 1

This Amendment No. 1 ("Amendment") amends Release Order No. 5660049250, effective February 01, 2017 (as amended, "Release"), by and between Southern California Gas Company ("Company") and [redacted] ("Contractor"). The Release is pursuant to Master Agreement No. 8860040071 ("Agreement"). This Amendment is dated and effective as of April 1, 2020 ("Amendment Effective Date").

Company and Contractor agree as follows:

1. Amendments to Release.

   a. Extension of Term. The expiration date of the Release is hereby extended through March 31, 2021.

   b. Scope of Work. [redacted]

   c. Compensation. Amend Release to incorporate SCHEDULE C – COMPENSATION, attached hereto and incorporated herein.

   d. Diverse Business Enterprises Subcontracting. Amend Release to incorporate SCHEDULE D – DIVERSE BUSINESS ENTERPRISES SUBCONTRACTING, attached hereto and incorporated herein.

   e. Increase in the Release Amount. The dollar amount under the Release is hereby increased by [redacted] for a new Release amount of [redacted].

Previous Release Amount:	[redacted]
Increase to Release Amount:	[redacted]
Revised Release Amount:	[redacted]

2. Revival. The parties acknowledge that the Release expired on December 31, 2019. Notwithstanding the foregoing, the parties agree that the Release is hereby deemed to have been in full force and effect and uninterrupted since its original effective date.

3. Miscellaneous. Other than as specifically modified above, the Release shall remain in full force and effect and is hereby ratified, approved, and confirmed. This Amendment is subject to all of the terms and conditions of the Release as if it were a part thereof, including, without limitation, any provision with respect to choice of law, venue, and/or jurisdiction.

IN WITNESS WHEREOF, each party has caused this Amendment to be executed by its duly authorized representative as of the Amendment Effective Date.

Southern California Gas Company	[redacted]
By: [redacted]	**By:** [redacted]
Name: [redacted]	**Name** [redacted]
Title: [redacted]	**Title:** [redacted]

SCHEDULE C
COMPENSATION

Contractor shall be compensated on a Lump Sum or Time and Equipment basis for the Services (as set forth herein or which shall otherwise be specified in each Release therefore as determined by Company in accordance with this **SCHEDULE C**). The compensation paid hereunder shall be deemed to be all-inclusive and comprehensive, and having covered all representative factors and components of Contractor's liabilities, costs and expenditures in connection with discharging any and all obligations in connection with the Work.

TIME AND EQUIPMENT

Any Services performed on a Time and Equipment Rate basis shall be based on the rates set forth in this **SCHEDULE C** (or as otherwise agreed to in each Release). Time and Equipment Rates shall apply irrespective of the degree of difficulty, quantities involved, number of hours worked, materials or equipment used (except as noted herein), complexity, and location where the Contractor's work is to be performed. Any expenditure in excess of authorized amounts shall be for the account of Contractor.

Contractor Rates:

Contractor shall be reimbursed for labor costs directly engaged in performing Work on a Time and Equipment basis in accordance with the terms and all-inclusive hourly labor rates listed below. No charges will be accepted by Contractor for any labor classification not listed.
The following rate(s) constitutes full payment for the following items

- Payroll Burdens - Payroll burdens shall include, but not be limited to, costs for vacation, statutory holidays, sick and other leave with pay, Workers Compensation, Employment Insurance, and other taxes and insurances measured by payroll, established employee benefits such as pension, health and life insurances, bonus programs, union assessments (if any), training funds, alcohol and drug testing, and industry and administration funds.
- Consumables and Expendables
- General Home and Branch Office Overhead
- Insurance
- Training
- Profit

RATE SCHEDULE

[redacted]

SCHEDULE D

DIVERSE BUSINESS ENTERPRISES SUBCONTRACTING GOAL AND REPORTING SCHEDULE

In accordance with **California Public Utilities Commission ("CPUC") General Order 156,** Contractor shall submit all documentation required by Company to report its verified Minority, Women, Service-Disabled Veteran, LGBT and SBA 8(a) Business Enterprise (hereinafter, "DBE") expenditures in support of or subcontracted under this Agreement.

1. SUBCONTRACTING GOAL

In an effort to meet and exceed Company and CPUC goals, Company has set a goal of [redacted] of total Company procurement utilizing DBEs. Company's goal is achieved by direct contracting with CPUC Clearinghouse certified DBEs and by Contractor's utilization of certified DBE subcontractors.

As part of Company's effort toward achieving these goals, Contractor shall make reasonable efforts to utilize DBE subcontractors during the performance of any Work under any contract that may result from this Agreement, to the extent appropriate to the Scope of Work.

In addition to Company's goal of increasing DBE business opportunities, federal and state regulations call for DBE efforts on all contracts for services of over $500,000, and construction contracts over $1 million, or whenever there is an opportunity to subcontract.

By this reference, the attached DBE subcontracting plan ("DBE Goal") is made a part of this Agreement. If Contractor changes subcontractors for any Work during the term of the Agreement, Contractor shall make reasonable efforts to award subcontracts to certified DBE subcontractors at approximately the same estimated total dollars and percentage value (or higher) as stated in the DBE Goal and in accordance with the terms of the Agreement.

Company strongly encourages Contractor to consistently meet or exceed Contractor's stated DBE Goal throughout the Term.

Contractor shall confirm that all DBE subcontractors performing Work under this Agreement are certified through the CPUC Supplier Clearinghouse ("Clearinghouse"):

www.thesupplierclearinghouse.com/

For Service Disabled Veteran–owned companies, Contractor shall confirm they are certified by the California DGS Office of Small Business & Disabled Veteran Business Enterprise Services ("OSDS"):

www.dgs.ca.gov/pd/Programs/OSDS

2. MONTHLY REPORTING REQUIREMENTS

Contractor shall also provide Company with reports on payments made to certified DBE subcontractors in accordance with its DBE Goal using the online subcontracting reporting system (subcontracting portal) available at the address listed below. Contractor's logon and password for the online subcontracting portal will be provided when the Agreement is accepted and approved. For questions regarding the online reporting process, email supplierdiversity@sempra.com.

dbespendreporting.sempra.com

Version: 12/2019

During performance of the Work and throughout the term of this Agreement, Contractor shall enter subcontractor spend into online subcontracting portal by close of business on the seventh of each month.

The DBE subcontract dollars and statistics reported by Contractor will be included in Company's Annual DBE Report to the CPUC filed every March 1st.

Company may perform random audits of Contractor's Subcontract Reports as determined to be necessary in Company's sole discretion.

SUPPLIER DIVERSITY TEAM WILL REVIEW SUBCONTRACTING RESULTS ON A MONTHLY BASIS TO VALIDATE EFFORTS ARE BEING MADE TO ACCOMPLISH STATED GOALS.

3. DBE DEFINITIONS

MINORITY–OWNED BUSINESS ENTERPRISE

"Minority-owned business enterprise" ("MBE") means (1) a business enterprise (a) that is at least 51% owned by a minority individual or group(s) or (b) if a publicly owned business, at least 51% of the stock of which is owned by one or more minority groups, and (2) whose management and daily business operations are controlled by one or more of those individuals. The contracting utility shall presume that minority includes, but is not limited to, African Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, and other groups, as defined herein.
Note: Foreign-owned companies operating in or out of the U.S. are *not* included.

WOMEN–OWNED BUSINESS ENTERPRISE

"Women-owned business enterprise" ("WBE") means (1) a business enterprise (a) that is at least 51% owned by a woman or women or (b) if a publicly owned business, at least 51% of the stock of which is owned by one or more women; and (2) whose management and daily business operations are controlled by one or more of those individuals.
Note: Foreign-owned companies operating in or out of the U.S. are *not* included.

SERVICE DISABLED VETERAN–OWNED BUSINESS ENTERPRISE

"Service Disabled veteran business enterprise" ("SDVBE") means (1) a business enterprise that is at least 51% owned by one or more disabled veteran individual(s) of the United States Military, Naval, or Air Service with a Service-connected disability of at least 10% who is a resident of the State of California and certified by the California DGS Office of Small Business & Disabled Veteran Business Enterprise Services (OSDS) as a disabled veteran, (b) in the case of a publicly owned business, an enterprise whose stock is at least 51% owned by one or more disabled veterans, (c) a subsidiary which is wholly owned by a parent corporation, but only if at least 51% of the voting stock of the parent corporation is owned by one or more disabled veterans, or (d) a joint venture in which at least 51% of the joint venture's management and control and earnings are held by one or more disabled veterans, (2) the management and control of the daily business operations are by one or more disabled veterans; provided however, the disabled veterans who exercise management and control are not required to be the same disabled veterans as the owners of the business concern, and (3) a sole proprietorship, corporation, or partnership with its home office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business.

LESBIAN, GAY, BISEXUAL OR TRANSGENDER-OWNED BUSINESS ENTERPRISE

"LGBT-owned business enterprise" means (1) a business enterprise (a) that is at least 51% owned by a lesbian, gay, bisexual, or transgender person or persons or (b) if a publicly owned business, at least 51%

of the stock of which is owned by one or more lesbian, gay, bisexual, or transgender persons; and (2) whose management and daily business operations are controlled by one or more of those individuals.

DISADVANTAGED BUSINESS ENTERPRISE (SBA 8(a))

"Disadvantaged Business Enterprise" ("SBA 8(a)") means (1) a business enterprise that must be majority-owned (51% or more) and controlled/managed by socially and economically disadvantaged individual(s), (2) the individual(s) must be an American citizen, by birth or naturalization, (3) the individual(s) controlling and managing the firm on a full-time basis must meet the SBA requirement for disadvantage, by proving both social disadvantage and economic disadvantage, and (4) business must be a small business.

DBE GOAL FORMS

[redacted]

SUBCONTRACTOR Information

*Duplicate this form for EACH DBE Subcontractor***.**

[redacted]

Subcontractor Identification Assistance

If you would like Company to help you identify potential DBEs as subcontractors, please provide the information requested below:

Services or materials to be provided:

____

____

____

Job location, if applicable:

____

____

____

Job duration, if applicable:

____

____

Any other requirements (number of employees, specific types/quantity of equipment, nonstandard insurance, union requirements, etc.):

SUBCONTRACTOR Information

Duplicate this form for EACH DBE Subcontractor.

[redacted]

Subcontractor Identification Assistance

If you would like Company to help you identify potential DBEs as subcontractors, please provide the information requested below:

Services or materials to be provided:

____

____

____

Job location, if applicable:

____

____

____

Job duration, if applicable:

____

____

Any other requirements (number of employees, specific types/quantity of equipment, nonstandard insurance, union requirements, etc.):

____

Amendment No. 2

This Amendment No. 1 ("Amendment") amends Agreement No. 5660049250, effective February 1, 2017 (as amended, "Agreement"), by and between Southern California Gas Company ("Company") and [redacted] ("Contractor"). This Amendment is dated and effective as of December 3, 2020 ("Amendment Effective Date").

Company and Contractor agree as follows:

1. Amendments to Agreement.

   a. Extension of Term. The expiration date of the Agreement is hereby extended through December 31, 2021.

   b. Increase in the Agreement Amount. The dollar amount under the Agreement is hereby increased by [redacted] for a new Agreement amount of [redacted].

Previous Agreement Amount:		[redacted]
Increase to Agreement Amount:		
Revised Agreement Amount:		

2. Miscellaneous. Other than as specifically modified above, the Agreement shall remain in full force and effect and is hereby ratified, approved, and confirmed. This Amendment is subject to all of the terms and conditions of the Agreement as if it were a part thereof, including, without limitation, any provision with respect to choice of law, venue, and/or jurisdiction.

IN WITNESS WHEREOF, each party has caused this Amendment to be executed by its duly authorized representative as of the Amendment Effective Date.

Southern California Gas Company	[redacted]
By: [redacted]	**By:** [redacted]
Name:	**Name:**
Title:	**Title:**

Amendment No. 3

This Amendment No. 3 ("Amendment") amends Release Order No. 5660049250, effective April 1, 2017 (as amended, "Release Order"), by and between Southern California Gas Company ("Company") and [redacted] ("Contractor"). This Amendment is dated and effective as of February 18, 2022 ("Amendment Effective Date").

Company and Contractor agree as follows:

1. Amendments to Release Order.

    a. Extension of Term. The expiration date of the Release Order is hereby extended through April 1, 2022.

    b. Increase in the Release Order Amount. The dollar amount under the Release Order is hereby increased by [redacted] due to the increased amount of workload for a new Release Order amount of [redacted]

Previous Release Order Amount:	[redacted]
Increase to Release Order Amount:	[redacted]
Revised Release Order Amount:	[redacted]

2. Compliance with Section 889 of the National Defense Authorization Act of 2019. Insert the following provision as a new Section into the Release Order:

    "Contractor acknowledges that Company is a contractor for the federal government and is therefore required to comply at all times with, among other procurement rules, Federal Acquisition Regulation ("FAR") Clauses 52.204-24 and 52.204-25. In furtherance thereof, Contractor agrees that, from and after the Amendment Effective Date: (a) neither it nor any Contractor Party will provide to Company or use in connection with any Work "covered telecommunication equipment or services" (as such term is defined in FAR Clause 52.204-25(a)) or any equipment, system, or service that uses "covered telecommunication equipment or services"; and (b) should it or any Contractor Party, in connection with the Work, identify that it provided equipment, systems, or services to Company that comprise or use any "covered telecommunication equipment or services," Contractor shall report such identification to Company within one (1) business day from the date of such identification."

3. Revival. The parties acknowledge that the Release Order expired on December 31, 2021. Notwithstanding the foregoing, the parties agree that the Release Order is hereby deemed to have been in full force and effect and uninterrupted since its original effective date.

4. Miscellaneous. Other than as specifically modified above, the Release Order shall remain in full force and effect and is hereby ratified, approved, and confirmed. This Amendment is subject to all of the terms and conditions of the Release Order as if it were a part thereof, including, without limitation, any provision with respect to choice of law, venue, and/or jurisdiction.

[*signature page follows*]

IN WITNESS WHEREOF, each party has caused this Amendment to be executed by its duly authorized representative as of the Amendment Effective Date.

Southern California Gas Company	[redacted]
By: [redacted]	**By:** [redacted]
Name:	**Name:**
Title:	**Title:**

Amendment No. 4

This Amendment No. 4 ("Amendment") amends Release Order No. 5660049250, effective April 1, 2017 (as amended, "Release Order"), by and between Southern California Gas Company ("Company") and [redacted] ("Contractor"). This Amendment is dated and effective as of August 23, 2022 ("Amendment Effective Date").

Company and Contractor agree as follows:

1. Amendments to Release Order.

   a. Extension of Term. The expiration date of the Release Order is hereby extended through October 31, 2022.

2. Revival. The parties acknowledge that the Release Order expired on April 1, 2022. Notwithstanding the foregoing, the parties agree that the Release Order is hereby deemed to have been in full force and effect and uninterrupted since its original effective date.

3. Miscellaneous. Other than as specifically modified above, the Release Order shall remain in full force and effect and is hereby ratified, approved, and confirmed. This Amendment is subject to all of the terms and conditions of the Release Order as if it were a part thereof, including, without limitation, any provision with respect to choice of law, venue, and/or jurisdiction.

IN WITNESS WHEREOF, each party has caused this Amendment to be executed by its duly authorized representative as of the Amendment Effective Date.

Southern California Gas Company		[redacted]	
By:	[redacted]	**By:**	[redacted]
Name:		**Name:**	
Title:		**Title:**	

Version: 12/2021

Amendment No. 7

This Amendment No. 7 ("Amendment") amends Agreement No. 5660049250 effective February 1, 2017 (as amended, "Agreement"), by and between Southern California Gas Company ("Company") and [redacted] ("Contractor"). This Amendment is dated and effective as of October 30, 2022 ("Amendment Effective Date").

Company and Contractor agree as follows:

1. Amendments to Agreement.

   a. Extension of Term. The expiration date of the Agreement is hereby extended through December 31, 2022.

2. Miscellaneous. Other than as specifically modified above, the Agreement shall remain in full force and effect and is hereby ratified, approved, and confirmed. This Amendment is subject to all of the terms and conditions of the Agreement as if it were a part thereof, including, without limitation, any provision with respect to choice of law, venue, and/or jurisdiction.

IN WITNESS WHEREOF, each party has caused this Amendment to be executed by its duly authorized representative as of the Amendment Effective Date.

Southern California Gas Company		[redacted]	
By:	[redacted]	**y:**	[redacted]
Name:		**ame:**	
Title:		**itle:**	

SoCalGas

A Sempra Energy utility

Southern California Gas Company Service Release Order

PROJECT:	[redacted]	**RELEASE ORDER NO.**	5660049250
		DATE	April 1, 2017

In accordance with Master Agreement No. 8860040071("Agreement"), effective as of February 1, 2017, between Southern California Gas Company ("Company") and [redacted] ("Contractor"), the services/work below are authorized and released as follows:

Project Name: [redacted]
Company Project Manager: [redacted]

For the purpose of this Release Order, the terms and conditions of Master Services Agreement 8860040071 ("Master Services Agreement") between Company and Contractor shall be incorporated herein by reference, with the same force and effect as if they were recited in full text herein.

SCOPE

[redacted]

AUTHORIZED REPRESENTATIVES

Company designates the individual or individuals named below as Company Representatives for all matters relating to the performance of the Services. The actions taken by the Company Representatives shall be deemed acts of the Company. Company may at any time upon written notice to Contractor change the designated Company Representative.

Company Representative: [redacted]

Contractor designates the individual or individuals named below as Contractor Representative for all matters relating to the performance of Services. The actions taken by Contractor Representative shall be deemed acts of Contractor.

Contractor Representative: [redacted]

COMPENSATION

Contractor shall be compensated for the Services at the rates set forth in Schedule C – Compensation in accordance with Agreement No. 8860040071 in an amount Not-To-Exceed ("NTE") [redacted] Contractor shall notify Company in writing when the costs incurred under this Release Order equals [redacted] of [redacted] Company will not be required to pay Contractor for the Services more than the NTE price unless and until, at

Company's sole option, Company elects in writing to increase the NTE price of the Agreement.

Contractor will be reimbursed for travel and expenses authorized in writing in advance by Company's Authorized Representative. Travel and expense reimbursement will be at cost without any overhead or other mark-ups.

COMMENCEMENT AND COMPLETION OF SERVICES

This Release Order shall commence as of 04/1/2017 and shall be in full force and effect through 012/31/2019, unless terminated earlier or extended by Company in accordance with the terms of the Agreement. Contractor agrees to commence and perform the Services in accordance with the requests of the Company Representative identified herein.

ELECTRONIC INVOICING INSTRUCTIONS

All invoices submitted must reference the Release Order Number (5660049250) and the invoice contact and have complete support documentation of all charges incurred, including any data required to calculate fees or variable rate changes, plus support documentation for any authorized reimbursable expenses by category.

Contractor shall submit invoices via e-mail to: AP_Invoices_SCG@semprautilities.com

PAYMENT TERMS

Company shall make payment [redacted] after receipt and approval of an undisputed invoice.

ORDER OF PRECENDENCE

In the event of conflicting provisions between this Release Order and the Master Services Agreement, this Release Order shall control as to the subject matter hereof.

COMPLETE RELEASE ORDER

This Release Order, including all Schedules attached hereto and which are incorporated by reference, constitutes the complete and entire agreement between the parties and supersedes any previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. There are no additions to, or deletions from, or changes in, any of the provisions hereof, and no understandings, representations or agreements concerning any of the same, which are not expressed herein. THE PARTIES HEREBY AGREE THAT NO TRADE USAGE; PRIOR COURSE OF DEALING OR COURSE OF PERFORMANCE UNDER THIS RELEASE ORDER SHALL BE A PART OF THIS RELEASE ORDER OR SHALL BE USED IN THE INTERPRETATION OR CONSTRUCTION OF THIS RELEASE ORDER.

RELEASE SCHEDULES

The following Release Schedules are attached hereto and incorporated herein by this reference:

SCHEDULE A– MODIFICATIONS TO MASTER TERMS AND CONDITIONS

IN WITNESS WHEREOF, the parties have executed this Release Order as of the Effective

Date.

Southern California Gas Company [redacted]

[redacted] [redacted]

SCHEDULE A – MODIFICATIONS TO MASTER TERMS AND CONITIONS

For the purpose of this Release Order only, Article No. 14(INSURANCE) is hereby deleted in its entirety and shall be replaced with the following:

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Amendment No. 1

This Amendment No. 1 ("Amendment") amends Agreement No. 5660049318, effective February 1, 2017 (as amended, "Agreement"), by and Southern California Gas Company ("Company") and [redacted] ("Contractor"). This Amendment is dated and effective as of June 20, 2019 ("Amendment Effective Date").

Company and Contractor agree as follows:

1. Amendments to Agreement.

   a. Extension of Term. The expiration date of the Agreement is hereby extended through May 1, 2021.

   b. Amend Section titled "Project Locations" by deleting it in its entirety and replacing it with the following:
   Various locations throughout the Company service territory.

   c. Increase in the Agreement Amount. The dollar amount under the Agreement is hereby increased by [redacted] for a new Agreement amount of [redacted]

Previous Agreement Amount:	[redacted]
Increase to Agreement Amount:	[redacted]
Revised Agreement Amount:	[redacted]

2. Miscellaneous. Other than as specifically modified above, the Agreement shall remain in full force and effect and is hereby ratified, approved, and confirmed. This Amendment is subject to all of the terms and conditions of the Agreement as if it were a part thereof, including, without limitation, any provision with respect to choice of law, venue, and/or jurisdiction.

IN WITNESS WHEREOF, each party has caused this Amendment to be executed by its duly authorized representative as of the Amendment Effective Date.

SOUTHERN CALIFORNIA GAS COMPANY, a California Corporation	[redacted]
By: [redacted]	**By:** [redacted]
Nam[redacted]	**Name:** [redacted]
Title[redacted]	**Title:** [redacted]

Amendment No. 2

This Amendment No. 2 ("Amendment") amends Release No. 5660049318, effective February 1, 2017 (as amended, "Release"), by and between Southern California Gas Company ("Company") and [redacted] ("Contractor"). The Release is pursuant to Master Agreement No. 8860040071. This Amendment is dated and effective as of May 18, 2020 ("Amendment Effective Date").

Company and Contractor agree as follows:

1. <u>Amendments to Release</u>.

   a. <u>Increase in the Agreement Amount</u>. The dollar amount under the Agreement is hereby increased by [redacted] for a new Agreement amount of [redacted]

Previous Agreement Amount:	[redacted]
Increase to Agreement Amount:	[redacted]
Revised Agreement Amount:	[redacted]

2. <u>Miscellaneous</u>. Other than as specifically modified above, the Agreement shall remain in full force and effect and is hereby ratified, approved, and confirmed. This Amendment is subject to all of the terms and conditions of the Agreement as if it were a part thereof, including, without limitation, any provision with respect to choice of law, venue, and/or jurisdiction.

IN WITNESS WHEREOF, each party has caused this Amendment to be executed by its duly authorized representative as of the Amendment Effective Date.

Southern California Gas Company [redacted]

By: [redacted]

Nam[redacted] **e:** [redacted]

Title[redacted] **e:** [redacted]

Amendment No. 3

This Amendment No. 3 ("Amendment") amends Agreement No. 5660049318, effective February 1, 2017 (as amended, "Agreement"), by and between Southern California Gas Company ("Company") and [redacted] ("Contractor"). This Amendment is dated and effective as of February 16, 2021 ("Amendment Effective Date").

Company and Contractor agree as follows:

1. Amendments to Agreement.

   a. Extension of Term. The expiration date of the Agreement is hereby extended through Feb 28, 2022.

   b. Increase in the Agreement Amount. The dollar amount under the Agreement is hereby increased by [redacted] for a new Agreement amount of [redacted]

Previous Agreement Amount:	[redacted]
Increase to Agreement Amount:	[redacted]
Revised Agreement Amount:	[redacted]

[redacted]

[redacted]

[redacted]

2. Miscellaneous. Other than as specifically modified above, the Agreement shall remain in full force and effect and is hereby ratified, approved, and confirmed. This Amendment is subject to all of the terms and conditions of the Agreement as if it were a part thereof, including, without limitation, any provision with respect to choice of law, venue, and/or jurisdiction.

IN WITNESS WHEREOF, each party has caused this Amendment to be executed by its duly authorized representative as of the Amendment Effective Date.

Southern California Gas Company		[redacted]	
By:	[redacted]	**By:**	[redacted]
Name:		**Name:**	
Title:		**Title:**	

Amendment No. 4

This Amendment **No. 4** ("Amendment") amends Agreement No. **5660049318,** effective February 1, 2017 (as amended, "Agreement"), by and between **Southern California Gas Company ("Company") and** [redacted] **("Contractor")**. This Amendment is dated and effective as of December 3, 2021 ("Amendment Effective Date").

Company and Contractor agree as follows:

1. Amendments to Agreement.

   a. Extension of Term. The expiration date of the Agreement is hereby extended through **April 1, 2022**.

2. Miscellaneous. Other than as specifically modified above, the Agreement shall remain in full force and effect and is hereby ratified, approved, and confirmed. This Amendment is subject to all of the terms and conditions of the Agreement as if it were a part thereof, including, without limitation, any provision with respect to choice of law, venue, and/or jurisdiction.

IN WITNESS WHEREOF, each party has caused this Amendment to be executed by its duly authorized representative as of the Amendment Effective Date.

Southern California Gas Company		[redacted]	
By:	[redacted]	**By:**	[redacted]
Name:		**Name:**	
Title:		**Title:**	

Amendment No. 5

This Amendment No. 5 ("Amendment") amends Agreement No. 5660049318 effective February 1, 2017 (as amended, "Agreement"), by and between Southern California Gas Company ("Company") and [redacted] ("Contractor"). This Amendment is dated and effective as of September 20, 2022 ("Amendment Effective Date").

Company and Contractor agree as follows:

1. Amendments to Agreement.

   a. Extension of Term. The expiration date of the Agreement is hereby extended through October 31, 2022.

2. Revival. The parties acknowledge that the Agreement expired on April 1, 2022. Notwithstanding the foregoing, the parties agree that the Agreement is hereby deemed to have been in full force and effect and uninterrupted since its original effective date.

3. Miscellaneous. Other than as specifically modified above, the Agreement shall remain in full force and effect and is hereby ratified, approved, and confirmed. This Amendment is subject to all of the terms and conditions of the Agreement as if it were a part thereof, including, without limitation, any provision with respect to choice of law, venue, and/or jurisdiction.

IN WITNESS WHEREOF, each party has caused this Amendment to be executed by its duly authorized representative as of the Amendment Effective Date.

Southern California Gas Company		[redacted]	
By:	[redacted]	**By:**	[redacted]
Name:		**Name:**	
Title:		**Title:**	

Version: 12/2021

Amendment No. 6

This Amendment No. 6 ("Amendment") amends Agreement No. 5660049318 effective February 1, 2017 (as amended, "Agreement"), by and between Southern California Gas Company ("Company") and [redacted] ("Contractor"). This Amendment is dated and effective as of October 30, 2022 ("Amendment Effective Date").

Company and Contractor agree as follows:

1. Amendments to Agreement.

    a. Extension of Term. The expiration date of the Agreement is hereby extended through December 31, 2022.

2. Miscellaneous. Other than as specifically modified above, the Agreement shall remain in full force and effect and is hereby ratified, approved, and confirmed. This Amendment is subject to all of the terms and conditions of the Agreement as if it were a part thereof, including, without limitation, any provision with respect to choice of law, venue, and/or jurisdiction.

IN WITNESS WHEREOF, each party has caused this Amendment to be executed by its duly authorized representative as of the Amendment Effective Date.

Southern California Gas Company		[redacted]	
By:	______________________	**By:**	[redacted]
Name:	______________________	**Name:**	
Title:	______________________	**Title:**	

Version: 12/2021

Amendment No. 7

This Amendment No. 7 ("Amendment") amends Agreement No. 5660049318, effective February 1, 2017 (as amended, "Agreement"), by and between Southern California Gas Company ("Company") and [redacted] ("Contractor"). This Amendment is dated and effective as of November 16, 2022 ("Amendment Effective Date").

Company and Contractor agree as follows:

1. Amendments to Agreement.

   a. Increase in the Agreement Amount. The dollar amount under the Agreement is hereby increased by [redacted] for a new Agreement amount of [redacted]

Previous Agreement Amount:	[redacted]
Increase to Agreement Amount:	[redacted]
Revised Agreement Amount:	[redacted]

2. Miscellaneous. Other than as specifically modified above, the Agreement shall remain in full force and effect and is hereby ratified, approved, and confirmed. This Amendment is subject to all of the terms and conditions of the Agreement as if it were a part thereof, including, without limitation, any provision with respect to choice of law, venue, and/or jurisdiction.

IN WITNESS WHEREOF, each party has caused this Amendment to be executed by its duly authorized representative as of the Amendment Effective Date.

Southern California Gas Company	[redacted]
By: [redacted]	**By:** [redacted]
Name:	**Name:**
Title:	**Title:**

Version: 08/2018

SoCalGas

A Sempra Energy utility

Southern California Gas Company Service Release Order

PROJECT:	[redacted]	RELEASE ORDER NO.	5660049318
		DATE	May 1, 2017

In accordance with Master Agreement No. 8860040071("Agreement"), effective as of February 1, 2017, between Southern California Gas Company("Company") and [redacted] ("Contractor"), the services/work below are authorized and released as follows:

Project Name: [redacted]
Company Project Manager: [redacted]

For the purpose of this Release Order, the terms and conditions of Master Services Agreement 8860040071 ("Master Services Agreement") between Company and Contractor shall be incorporated herein by reference, with the same force and effect as if they were recited in full text herein.

SCOPE

[redacted]

PROJECT LOCATION

[redacted]

AUTHORIZED REPRESENTATIVES
Company designates the individual or individuals named below as Company Representatives for all matters relating to the performance of the Services. The actions taken by the Company Representatives shall be deemed acts of the Company. Company may at any time upon written notice to Contractor change the designated Company Representative.

Company Representative: [redacted]

Contractor designates the individual or individuals named below as Contractor Representative for all matters relating to the performance of Services. The actions taken by Contractor Representative shall be deemed acts of Contractor.

Contractor Representative: [redacted]

COMPENSATION
Contractor shall be compensated for the Services at the rates set forth in Schedule C – Compensation in accordance with Agreement No. 8860040071 in an amount Not-To-Exceed ("NTE") [redacted] Contractor shall notify Company in writing when the costs incurred under this Release Order equals [redacted] of [redacted] Company will not be required to pay Contractor for the Services more than the NTE price unless and until, at Company's sole option, Company elects in writing to increase the NTE price of the Agreement.

COMMENCEMENT AND COMPLETION OF SERVICES
This Release Order shall commence as of 05/1/2017 and shall be in full force and effect through 5/1/2020, unless terminated earlier or extended by Company in accordance with the terms of the Agreement. Contractor agrees to commence and perform the Services in accordance with the requests of the Company Representative identified herein.

ELECTRONIC INVOICING INSTRUCTIONS
All invoices submitted must reference the Release Order Number (5660049318) and the invoice contact) and have complete support documentation of all charges incurred, including any data required to calculate fees or variable rate changes, plus support documentation for any authorized reimbursable expenses by category.

Contractor shall submit invoices via e-mail to:
Southern California Gas Company to AP_Invoices_SCG@semprautilities.com

PAYMENT TERMS
Company shall make payment [redacted] after receipt and approval of an undisputed invoice.

ORDER OF PRECENDENCE
In the event of conflicting provisions between this Release Order and the Master Services Agreement, this Release Order shall control as to the subject matter hereof.

COMPLETE RELEASE ORDER
This Release Order, including all Schedules attached hereto and which are incorporated by reference, constitutes the complete and entire agreement between the parties and supersedes any previous communications, representations or agreements, whether oral or written, with respect to

IN WITNESS WHEREOF, the parties have executed this Release Order as of the Effective Date.

Southern California Gas Company, a California corporation, by its duly authorized agent, San Diego Gas & Electric Company, a California corporation

[redacted]

By: [redacted]

Nam

Title

[redacted]

By:

Na

Titl

SCHEDULE A– WORK AUTHORIZATION

FIELD WORK AUTHORIZATION

Project Name ______________________ **Work Authorization Number** ______________

Construction Group ______________ **Line Number** ____________ **Section / Phase** __________

Project Start Date ____________________ **Project Completion Date** ____________________

IO/MCU # __________ **MCU Operation #** ______ **WO #** __________ **Cost Center** ____________

[redacted]

SAN DIEGO GAS & ELECTRIC COMPANY	[redacted]
By: ______________________	**By:** ______________________
Name: ______________________	**Name:** ______________________
Title: ______________________	**Title:** ______________________
Date: ______________________	**Date:** ______________________

[redacted]

SOUTHERN CALIFORNIA GAS COMPANY

A.25-04-020
PUBLIC ADVOCATES OFFICE DATA REQUEST
PUBADV-SCG-007-EIC

DATA REQUEST RECEIVED: AUGUST 14, 2025
DATA REQUEST SUBMITTED: AUGUST 28, 2025

QUESTION 1:

Referring to Southern California Gas Company (SoCalGas) *SCG-02-WP-TIMP_VOL_01.pdf*, Section II: "SoCalGas's TIMP In-Line Inspection (ILI) Workpaper Structure", Table 1: "TIMP ILI Projects", please provide a detailed transactional breakdown for the following SoCalGas projects. Each transaction should specify whether it is capital or O&M and total the corresponding amount in the "Total Costs" column. SoCalGas's responses should be similar to what SoCalGas previously provided in response to Cal Advocates Data Request 001, file *SoCalGas Response_PubAdv-SCG 001-EIC-Q4-Q5-Q6 Attachment.xlsx.*

Supply Line/Pipeline Name	Capital	O&M	Total
Line 1004 Phase 2	$221	$4,083	$4,304
Line 1014 and Line 2006	$3,159	$5,871	$9,030
Line 1024 and Line 1176	$2,003	$4,325	$6,328
Line 1172 and Line 1177	$0	$5,871	$5,871
Line 1173 and Line 1241	$0	$3,163	$3,163
Line 1192 and Line 407	$2,401	$7,428	$9,829
Line 2001 East, Line 1030, and Line 2001 West	$8,044	$5,052	$13,095
Line 3001	$0	$5,650	$5,650
Line 3008	$3,905	$5,095	$9,000
Line 4000 Phase 3	$963	$4,371	$5,334
Line 404 Phase 2	$9,299	$5,079	$14,378
Line 5000 Phase 3	$652	$3,054	$3,706
Line 7000 Phase 1	$7,305	$4,647	$11,952
Line 765 Phase 3	$0	$4,238	$4,238
Line 800	$5,036	$7,583	$12,619

Supply Line 30-58	$93	$3,412	$3,505

RESPONSE 1:

Please see "SoCalGas Response_PubAdv-SCG 007-EIC-Q1-Q2 Attachment.xlsx."

SoCalGas provides the attachment for the selected TIMP projects in the same format as *SoCalGas Response_PubAdv-SCG 001-EIC-Q4-Q5-Q6 Attachment.xlsx* with the addition of column titled "Application Expenditure" in each project tab that indicates whether the expenditure contributed to the revenue requirement requested in this Application.

Please note that the attachment contains confidential and protected materials pursuant to PUC Section 583, D.21-09-020, GO 66-D, and/or non-disclosure agreements.

SOUTHERN CALIFORNIA GAS COMPANY

A.25-04-020
PUBLIC ADVOCATES OFFICE DATA REQUEST
PUBADV-SCG-007-EIC

DATA REQUEST RECEIVED: AUGUST 14, 2025
DATA REQUEST SUBMITTED: AUGUST 28, 2025

QUESTION 2:

Referring to SoCalGas *SCG-02-WP-TIMP_VOL_01.pdf*, Section IV: "SoCalGas's TIMP Direct Assessment Workpaper Structure", Table 3: "TIMP Direct Assessment Projects", please provide a detailed transactional breakdown for the following SoCalGas projects. Each transaction should specify whether it is capital or O&M and total the corresponding amount in the "Total Costs" column. SoCalGas's responses should be similar to what SoCalGas previously provided in response to Cal Advocates Data Request 001, file *SoCalGas Response_PubAdv-SCG 001-EIC-Q4-Q5-Q6 Attachment.xlsx.*

Supply Line/Pipeline Name	Capital	O&M	Total
Line 8045 & Line 8045 LT1	$0	$1,941	$1,941
Supply Line 36-9-06 and Supply Line 36-9-06A	$0	$2,516	$2,516
Supply Line 38-504	$78	$2,707	$2,785

RESPONSE 2:

Please see "SoCalGas Response_PubAdv-SCG 007-EIC-Q1-Q2 Attachment.xlsx."

SoCalGas provides the attachment for the selected TIMP projects in the same format as *SoCalGas Response_PubAdv-SCG 001-EIC-Q4-Q5-Q6 Attachment.xlsx* with the addition of column titled "Application Expenditure" in each project tab that indicates whether the expenditure contributed to the revenue requirement requested in this Application.

Please note that the attachment contains confidential and protected materials pursuant to PUC Section 583, D.21-09-020, GO 66-D, and/or non-disclosure agreements.

In the process of responding to this request, SoCalGas identified an error in Table 2 of *SCG-02-WP-TIMP_VOL_01_PUBLIC.pdf* (page WP-15) and in *SCG-02-WP-TIMP_VOL_07_PUBLIC.pdf* on pages WP-2243 and WP-2262, which inadvertently listed $1,941 of costs for Line 8045 & Line 8045 LT1 TIMP Project. SoCalGas also identified additional errors in *SCG-02-WP-TIMP_VOL_04_PUBLIC* and *SCG-02-WP-TIMP_VOL_05_PUBLIC.* Revisions to these workpapers will be served at the next available opportunity.

QUESTION 2:

Referring to SoCalGas Exhibit SCG-01 testimony, please complete the table below with the difference between SoCalGas's actual and authorized expenditures for capital and O&M, along with interest and adjustments, for this Application's cost recovery request from October 1, 2022, to December 31, 2023. For each entry, provide an explanation of how SoCalGas calculated the amount.

Cost Category	Amount ($ in thousands)
Year 2022 (October to December) Capital	
Year 2022 (October to December) O&M	
Year 2023 (January to December) Capital	
Year 2023 (January to December) O&M	
Capital Interest Applicable to This Application	
O&M Interest Applicable to This Application	
2024 Capital Adjustments Applicable to This Application	
2024 O&M Adjustments Applicable to This Application	
Total	

RESPONSE 2:

The table below groups expenditures based on when they contributed to the revenue requirement in this Application during the specified time periods.

Cost Category	Amount ($ in thousands)
Year 2022 (October to December) Capital	$23,981
Year 2022 (October to December) O&M	$30,876
Year 2023 (January to December) Capital	$132,651
Year 2023 (January to December) O&M	$121,233
Capital Adjustments	($1,085)
O&M Adjustments	($1,854)
Interest	$18,455
Total	**$324,257**

Interest is calculated on the cumulative TIMPBA balance and is not segregated between O&M and capital. $18,455 thousand is the amount of interest recorded to the TIMPBA from October 1, 2022 to December 31, 2023.

SOUTHERN CALIFORNIA GAS COMPANY

A.25-04-020
PUBLIC ADVOCATES OFFICE DATA REQUEST
PUBADV-SCG-009-EIC

DATA REQUEST RECEIVED: AUGUST 28, 2025
RESPONSE SUBMITTED: SEPTEMBER 4, 2025

QUESTION 1:

Referring to Southern California Gas Company (SoCalGas) Exhibit (Ex.) SCG-01 testimony, page (p.) 1, SoCalGas stated, “This application seeks to recover the undercollected revenue requirement in the TIMP Balancing Account (TIMPBA) of $173.8 million, which is associated with expenditures that are above 35% of the authorized TY 2019 GRC cycle operations and maintenance (O&M) and capital expenditure for the period of October 1, 2022, through December 31, 2023.” Please provide the Results of Operations (RO) model that SoCalGas used to calculate the revenue requirement of $173.8 million. Please ensure the model is free of errors, includes sufficient instructions, and is accompanied by a detailed and accurate guide with clear directions on where adjustments are to be made, without any discrepancies such as incorrectly labeled tabs, unclear input locations, or missing tabs.

RESPONSE 1:

SoCalGas objects to this request on the grounds that it seeks information that is not relevant or not reasonably calculated to lead to the discovery of admissible evidence. The RO Model is used to calculate GRC authorized revenue requirement that is recovered in rates for the duration of the GRC cycle and not for the undercollected balance in the TIMPBA that we are seeking. SoCalGas also objects to this request as vague and ambiguous as to the phrases “sufficient instructions” and “detailed and accurate guide with direction.”

Without waiving its objections, SoCalGas responds as follows: The workpapers provided in “SoCalGas Response_PubAdv-SCG 001-EIC-Q2 Attachment (1)” that was sent on May 29, 2025 provides the calculation of the $173.8 million under-collected balance being requested in the Application.

QUESTION 2:

Referring to "incrementality:"

a) Please provide SoCalGas's definition of "incrementality" as used in this Application and in the calculation of the requested revenue requirement.

b) Explain how this definition aligns with or differs from the California Public Utilities Commission's precedent on incrementality for straight-time labor and overheads, as established in Decision (D.) 25-06-051, *Decision Granting, In Part, Request by Southern California Edison Company for 2022 Wildfire Mitigation and Vegetation Management Costs*, including any specific references to where SoCalGas's definition is documented in prior data request responses, testimony, or exhibits. Provide citations by page number to relevant sections of D.25-06-051 in the explanation.

c) For each of the following cases, please state whether SoCalGas considers the associated costs to be incremental in the context of the TIMP Balancing Account (TIMPBA) and this Application. Provide a detailed explanation for each case, including whether the costs exceed the General Rate Case (GRC)-authorized amounts and how they align with SoCalGas's definition of incrementality. If SoCalGas's position is that these costs are not incremental, explain why. The cases are:

   i. Relocation of resources (e.g., equipment, tools, or materials) from one project to another within SoCalGas's operations.

   ii. Relocation of manpower (e.g., redirecting existing employees or contractors) from one project to another within SoCalGas's operations.

   iii. Reassignment of existing software licenses or IT infrastructure from one department or project to support TIMP activities.

   iv. Utilization of existing office space or facilities, previously allocated to other projects, for TIMP-related work.

   v. Repurposing of budgeted maintenance funds from one operational area to cover TIMP-related maintenance activities.

RESPONSE 2:

a) In A.25-04-020, SoCalGas does not define "incrementality." For the purpose of this application, SoCalGas understands "incremental" to apply to the TIMP-related costs recorded in the TIMPBA that exceeds the TIMPBA amounts authorized for SoCalGas through Decision (D.) 19-09-051 and Resolution G-3600. This aligns with the Commission's guidance D.19-09-051, which authorized a two-way balancing account structure for TIMP-related costs.

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b) SoCalGas objects to this request on the grounds that it calls for a legal conclusion, argumentative, and assumes facts not in evidence.

c)

i. SoCalGas objects to this request on the grounds that it is vague and ambiguous as to “Relocation of resources.”

   Without waiving its objections, SoCalGas responds as follows: For equipment, tools, or materials, if costs from one department or project are reassigned to support TIMP activities, the costs are transferred from the non-TIMP account to TIMPBA and only exist in TIMPBA. If those costs contribute to the revenue requirement requested in this Application, it is incremental as it exceeds TIMPBA amounts authorized for SoCalGas through Decision (D.) 19-09-051 and Resolution G-3600.

ii. SoCalGas objects to this request on the grounds that it is vague and ambiguous as to “Relocation of manpower.”

   Without waiving its objections, SoCalGas responds as follows: For existing employees or contractors, if costs from one department or project are reassigned to support TIMP activities, the costs are transferred from the non-TIMP account to TIMPBA and only exist in TIMPBA. If those costs contribute to the revenue requirement requested in this Application, it is incremental as it exceeds TIMPBA amounts authorized for SoCalGas through Decision (D.) 19-09-051 and Resolution G-3600.

iii. Not applicable for IT Infrastructure. For software licenses, if costs from one department or project are reassigned to support TIMP activities, the costs are transferred from the non-TIMP account to TIMPBA and only exist in TIMPBA. If those costs contribute to the revenue requirement requested in this Application, it is incremental as it exceeds TIMPBA amounts authorized for SoCalGas through Decision (D.) 19-09-051 and Resolution G-3600.

iv. Not applicable.

v. SoCalGas objects to this request on the grounds that the phrase “budgeted maintenance funds” and “TIMP-related maintenance activities” are vague and ambiguous and unintelligible.

SOUTHERN CALIFORNIA GAS COMPANY

A.25-04-020
PUBLIC ADVOCATES OFFICE DATA REQUEST
PUBADV-SCG-010-EIC

DATA REQUEST RECEIVED: SEPTEMBER 3, 2025
RESPONSE SUBMITTED: SEPTEMBER 10, 2025

QUESTION 1:

Referring to Southern California Gas Company's (SoCalGas) response to Cal Advocates Data Request 007, Questions 1 and 2, Cal Advocates requested transactional line item breakdowns for multiple SoCalGas TIMP projects. SoCalGas provided the requested transactional line item breakdowns with an additional column: "Application Expenditure" in each project tab that indicates whether the expenditure contributed to the revenue requirement requested in this Application. Please add the "Application Expenditure" column in SoCalGas's response to Cal Advocates Data Request 001, file SoCalGas Response_PubAdv-SCG 001-EIC-Q4-Q5-Q6.xlsx.

RESPONSE 1:

See attached *SoCalGas_Response_PubAdv-SCG 010-EIC-Q1 Attachment.xlsx.*

Please note, the attachment contains confidential and protected materials pursuant to PUC Section 583, D.21-09-020, GO 66-D, and/or non-disclosure agreements.

SOUTHERN CALIFORNIA GAS COMPANY

A.25-04-020
PUBLIC ADVOCATES OFFICE DATA REQUEST
PUBADV-SCG-011-EIC

DATA REQUEST RECEIVED: SEPTEMBER 8, 2025
PARTIAL RESPONSE SUBMITTED: SEPTEMBER 10, 2025
FINAL RESPONSE SUBMITTED: SEPTEMBER 11, 2025 (Q1 A AND F)

QUESTION 1:

Referring to Southern California Gas Company's (SoCalGas) amended responses to Cal Advocates Data Request (DR) 002, Questions (Q.) 3 and 5, and SoCalGas's amended response to Cal Advocates DR003, Q.004(b), SoCalGas amended its response and provided the following table to reflect only the expenditures that contribute to the Application revenue requirement for straight-time labor, double-time labor, and overtime labor. Please provide the following information:

Type	Capital	O&M	Total
ST	$6,700,753	$28,362,628	$35,063,381
OT	$1,336,120	$1,414,540	$2,750,660
DT	$1,486,952	$998,769	$2,485,722

a) Provide an Excel spreadsheet including live formulas, SAP screenshots, or other supporting documentation demonstrating how SoCalGas calculated the numbers provided in the amended responses to Cal Advocates DR002 and DR003.

b) Confirm whether these figures were extracted from SoCalGas's previously provided transactional line item breakdowns in response to Cal Advocates Data Requests001 and 007, files *SoCalGas Response_PubAdv-SCG-001-EIC-Q4-Q5-Q6.xlsx* and *SoCalGas Response_PubAdv-SCG-007-EIC-Q1-Q2 Attachment.xlsx*, and if so, explain how. If not, explain why.

c) Confirm whether the amendments to DR002 and DR003 change SoCalGas's requested expenditures contributing to the revenue requirement requested in this Application and confirm whether the amendments change the overall revenue requirement request in this Application. Please provide the SoCalGas original and amended revenue requirement figures, along with a breakdown of how the amendments to DR002 and DR003 affect specific components of the revenue requirement.

d) Explain whether any of the figures previously provided in files *SoCalGasResponse_PubAdv-SCG-001-EIC-Q4-Q5-Q6.xlsx* and *SoCalGasResponse_PubAdv-SCG-007-EIC-Q1-Q2 Attachment.xlsx* were in error, and if so, explain how so and what made SoCalGas determine they were in error. SoCalGas should provide specific examples of erroneous figures, including the original and corrected values, and explain the root cause of each error.

e) Indicate whether SoCalGas's cost recovery request in this Application for vacation and sick time is affected as a result of these amendments. If so, please provide corrected vacation and sick expenditures contributing to the revenue requirement request in this Application. Be sure to separate this between capital costs and O&M.

f) Identify the amounts of straight-time labor, overtime labor, double-time labor, and vacation and sick time in requested expenditures that contribute to the revenue requirement in this Application for the TIMP project Line 235 West, Sections 1 and 2. Please provide each amount separately and separate amounts between capital and O&M.

<u>RESPONSE 1:</u>

a) See *SoCalGas_Response_PubAdv-SCG 011-EIC-Q1a Attachment.xlsx* for the Excel spreadsheet demonstrating how SoCalGas calculated the numbers provided in the amended responses to Cal Advocates DR002 and DR003.

b) Yes, for the projects that were provided as requested and responded to in Cal Advocates Data Requests 001 and 007, the labor expenditures that contribute to the revenue requirement in this Application can be extracted using *SoCalGas_Response_PubAdv-SCG 010-EIC-Q1 Attachment.xlsx* and *PubAdv-SCG-007-EIC-Q1-Q2 DR Response Attachment.xlsx* by totaling the cost elements that correspond with ST, OT, and DT labor based on cost elements (Column D) limited to transactions labelled as "Yes" in Column I for "Application Expenditures".

c) There are no changes to the revenue requirement.

d) There are no errors in the figures previously provided in files *SoCalGasResponse_PubAdv-SCG-001-EIC-Q4-Q5-Q6.xlsx* and *SoCalGasResponse_PubAdv-SCG-007-EIC-Q1-Q2 Attachment.xlsx.* SoCalGas is providing *SoCalGas_Response_PubAdv-SCG 010-EIC-Q1 Attachment.xlsx* which adds a column to *SoCalGasResponse_PubAdv-SCG-001-EIC-Q4-Q5-Q6* based on PubAdv-SCG-010-EIC Question 1.

e) There are no changes to the revenue requirement.

f) SoCalGas TIMP does not have a "Line 235 West, Sections 1 and 2" project. SoCalGas interprets this question to refer to TIMP project Line 235 West Phase 1. The table below provides the associated amounts of straight-time labor, overtime labor, double-time labor, and vacation and sick time expenditures that contributed to the revenue requirement requested in this Application.

	Capital	O&M	Total
ST	697,057	39,196	736,253
OT	201,233	-	201,233
DT	181,443	-	181,443
V&S	153,421	6,057	159,478
Total	**1,233,154**	**45,253**	**1,278,407**

Excerpt from SoCalGas Response_PubAdv-SCG-011-EIC-Q1a Attachment

DR002-Q3 & DR003-Q4b:

Sum of Amount	**Column Labels**		
Row Labels	**Capital**	**O&M**	**Grand Total**
ST	6,700,753	28,362,628	35,063,381
OT	1,336,120	1,414,540	2,750,660
DT	1,486,952	998,769	2,485,722
Grand Total	**9,523,826**	**30,775,937**	**40,299,763**

Category	**PCAT**	**Order**	**Cost Element**	**Cost element name**	**Amount**
ST	Capital	300776152	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	(479)
ST	Capital	300776152	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	218
ST	Capital	300776152	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	51
ST	Capital	300776152	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	123
ST	Capital	300776152	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	173
ST	Capital	300775455	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	865
ST	Capital	300775455	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	654
ST	Capital	300775455	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	346
ST	Capital	300775455	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	262
ST	Capital	300775455	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	(346)
ST	Capital	300775455	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	(262)
ST	Capital	300776152	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	222
ST	Capital	300776152	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	746
ST	Capital	300775455	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	865
ST	Capital	300776152	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	298
ST	Capital	300775455	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	346
ST	Capital	300776152	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	(298)
ST	Capital	300775455	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	(346)
ST	Capital	300776152	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	63
ST	Capital	300776152	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	208
ST	Capital	300776142	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	37
ST	Capital	300776152	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	31
ST	Capital	300776152	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	104
ST	Capital	300776142	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	19
ST	Capital	300776152	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	(31)
ST	Capital	300776152	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	(104)
ST	Capital	300776142	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	(19)
ST	Capital	300776152	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	63
ST	Capital	300776152	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	364
ST	Capital	300776152	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	42
ST	Capital	300776142	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	156
ST	Capital	300776152	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	156
ST	Capital	300775455	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	298
ST	Capital	300776152	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	109
ST	Capital	300775455	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	208
ST	Capital	300776152	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	(109)
ST	Capital	300775455	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	(208)
ST	Capital	300776152	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	115
ST	Capital	300793192	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	170
ST	Capital	300776152	6110020	SALARIES-MANAGEMENT STRAIGHT-TIME	147

SOUTHERN CALIFORNIA GAS COMPANY

A.25-04-020
PUBLIC ADVOCATES OFFICE DATA REQUEST
PUBADV-SCG-012-EIC

DATA REQUEST RECEIVED: SEPTEMBER 15, 2025
RESPONSE SUBMITTED: SEPTEMBER 17, 2025

QUESTION 1:

Referring to Southern California Gas Company's (SoCalGas) response to Cal Advocates Data Request (DR) 006, Questions (Q.) 1, folder *SoCalGas_Response_PubAdv-SCG-006-EIC-Q1a_Part 3*, subfolder "Vendor 8" (Vendor ID #11900), SoCalGas provided two confidential release orders and twelve confidential amendments. Please provide redacted, public copies for all fourteen documents.

RESPONSE 1:

See attached folder labeled *SoCalGas_Response_PubAdv-SCG-012-EIC.zip*.

SOUTHERN CALIFORNIA GAS COMPANY

A.25-04-020
PUBLIC ADVOCATES OFFICE DATA REQUEST
PUBADV-SCG-013

DATA REQUEST RECEIVED: SEPTEMBER 12, 2025
RESPONSE SUBMITTED: SEPTEMBER 15, 2025

QUESTION 1:

Cal Advocates has a follow up question regarding DR011, subpart 1(f). In subpart 1f, SoCalGas stated, “SoCalGas TIMP does not have a Line 235 West, Section 1 and 2 project. SoCalGas interprets this question to refer to TIMP project Line 235 West Phase 1.”

Cal Advocates requests SoCalGas clarify the differences (e.g., definitions and scope of work) between Line 235 Sections versus Phases, including the numbering (e.g., Section 1 versus 2).

RESPONSE 1:

SoCalGas has a future PSEP L235 West Section 1 and 2 that is separate and distinct from the TIMP Line 235 West Phase 1 project that is included in this application.

The respective TIMP project was scoped in compliance with 49 CFR § 192, Subpart O, while the respective PSEP project was scoped in compliance with PUC § 958. For Line 235 West, SoCalGas applied a naming convention that uses “Phase” and numbering to identify different TIMP project extents, and a naming convention using “Section” and numbering for PSEP projects.

Decision 12-01-032 January 12, 2012

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Revise and Clarify Commission Regulations Relating to the Safety of Electric Utility and Communications Infrastructure Provider Facilities.	Rulemaking 08-11-005 (Filed November 6, 2008)

DECISION ADOPTING REGULATIONS TO REDUCE FIRE HAZARDS ASSOCIATED WITH OVERHEAD POWER LINES AND COMMUNICATION FACILITIES

long-standing policy against issuing advisory opinions,[127] and we decline to do so here.[128]

6.20. Cost Recovery

The Phase 1 Decision provided the following guidance regarding the recovery of costs incurred electric utilities, CIPs, and other entities to implement the regulations adopted in this proceeding:

> We find that **each cost-of-service regulated utility is entitled to recover reasonable costs prudently incurred to comply with the changes to the Commission's rules adopted today**. To be clear, we do not find today that all costs incurred to comply with the revised rules will be automatically assumed to be reasonable but that, **after the Commission verifies the reasonableness of costs, recovery will be permitted**. We direct each cost-of-service regulated utility to record its costs in a memorandum account to avoid retroactive ratemaking.
>
> We will address costs more fully in [Phase 2] and expect cost-of-service regulated utilities to provide cost data. We will decide the appropriate forum for seeking recovery of these costs in [Phase 2]. **In [Phase 2], we will also develop an appropriate tracking mechanism for these additional costs and decide how to incorporate these costs into each utility's general rate case**.
>
> * * * *
>
> Regarding those utilities with deregulated rates, including incumbent local exchange carriers (ILECs), we decline to adopt any mechanisms for recovery of costs associated with today's rule changes, as telecommunications companies with rate flexibility may charge different rates to recover costs without

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[127] D.00-01-052, 4 CPUC 3d 160, 166 – 168.

[128] The Commission's general position on its jurisdiction with respect to POUs is summarized in Section 3 of today's decision.

Decision 16-08-003 August 18, 2016

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Gas Company (U904G) and San Diego Gas & Electric Company (U902G) to Proceed with Phase 2 of their Pipeline Safety Enhancement Plan and Establish Memorandum Accounts to Record Phase 2 Costs.	Application 15-06-013 (Filed June 17, 2015)

INTERIM DECISION AUTHORIZING MEMORANDUM ACCOUNTS AND INTERIM RATE INCREASE SUBJECT TO REFUND

Summary

Today's decision grants the applicants' unopposed request for memorandum accounts and adopts Staff's proposal for an interim rate increase subject to refund. A long-term schedule for subsequent filings is also adopted.

This proceeding will remain open to review the proposal to defer pipeline maintenance projects due to the unavailability of the Aliso Canyon storage facility.

1. Background

On June 17, 2015, Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) (applicants) filed this application seeking authorization to proceed with Phase 2 of their Pipeline Safety Enhancement Plan (PSEP) and to establish memorandum accounts to record approximately $22 million in planning and engineering design costs.

2. The Final Staff Proposal authorizing interim rate recovery, subject to refund, of 50% of the properly recorded PSEP costs as set forth in Attachment A should be approved.

3. The Final Staff proposed schedule for PSEP reasonableness review and forecast applications as set forth in Attachment A should be approved, with the exception of the date restrictions on projects to be included in the reasonableness review applications for PSEP Phase 1A and Phase 1B to be submitted in 2016 and 2018. The date restrictions proposed by staff are not necessary and need not be adopted.

4. No hearings are necessary.

5. This proceeding remains open to address the deferred maintenance projects due to the unavailability of the Aliso Canyon Storage.

6. This decision should be effective immediately.

INTERIM ORDER

IT IS ORDERED that:

1. Southern California Gas Company and San Diego Gas & Electric Company are authorized to file Tier 1 Advice Letters effective with five days' notice to create "Pipeline Safety Enhancement Plan Memorandum Accounts" and to record in such Memorandum Accounts the planning and engineering costs associated with their respective Pipeline Safety Enhancement Plan Phase 2 projects. The Pipeline Safety Enhancement Plan Memorandum Accounts will become effective as of the date of this decision. Southern California Gas Company and San Diego Gas & Electric Company are authorized to seek amortization of costs properly recorded in such Memorandum Account in the

reasonableness reviews scheduled for Pipeline Safety Enhancement Plan projects or the next General Rate Case.

2. Southern California Gas Company and San Diego Gas & Electric Company are authorized to recover in rates, subject to refund, 50% of the revenue requirements associated with actual Pipeline Safety Enhancement Plan costs (operations and maintenance expenses and completed capital projects, excluding shareholder-funded costs) properly recorded in the Safety Enhancement Capital Cost Balancing Account, the Safety Enhancement Expense Balancing Account, and the Pipeline Safety and Reliability Memorandum Accounts.[10] All amounts collected shall be accounted for and allocated consistent with the existing cost allocation and rate design for the Southern California Gas Company and San Diego Gas & Electric Company as set forth in Decision 14-06-007, Ordering Paragraph 9. Costs from the Pipeline Safety Enhancement Plan currently under review through other Commission proceedings will be excluded from this recovery.[11]

3. Southern California Gas Company and San Diego Gas & Electric Company are authorized to file and serve Tier 1 Advice Letters with revised tariff sheets to reflect the 50% preliminary allowance of the costs associated with actual Pipeline Safety Enhancement Plan costs as authorized by Ordering Paragraph 2 of this Order, continuing until the issue is resolved in the utilities' 2019 General Rate Case as set forth in Ordering Paragraph 6 of this Order.

a. 50% of the balances recorded in Southern California Gas Company and San Diego Gas & Electric Company Safety

[10] D.14-06-007, D.12-04-021.

[11] A.14-12-016.

Enhancement Capital Cost Balancing Account, the Safety Enhancement Expense Balancing Account, and the Pipeline Safety and Reliability Memorandum Account until the effective date of new tariffs required by this Order, shall be amortized in rates through December 31, 2017.

b. Thereafter, 50% of the balances recorded in Southern California Gas Company and San Diego Gas & Electric Company Safety Enhancement Capital Cost Balancing Account, the Safety Enhancement Expense Balancing Account, and the Pipeline Safety and Reliability Memorandum Account shall be amortized in rates through the utilities' annual regulatory account balance update Advice Letter process.

4. Southern California Gas Company and San Diego Gas & Electric Company are authorized to file as soon as possible a forecast application for the Pipeline Safety Enhancement Plan Phase 2 costs to be incurred in 2017 and 2018, and such application may also include an examination of the reasonableness of the costs recorded in the Pipeline Safety Enhancement Plan Memorandum Accounts authorized in Ordering Paragraph 1 and amortization of any such amounts found reasonable.

5. Southern California Gas Company and San Diego Gas & Electric Company are authorized to include in their 2019 General Rate Case (GRC) application all Pipeline Safety Enhancement Plan costs not the subject of prior applications, including possible review of any remaining 2018 Phase 1A and 1B capital costs. Future GRC applications could include Pipeline Safety Enhancement Plan costs until implementation of the Plan is complete.

6. Southern California Gas Company and San Diego Gas & Electric Company are authorized to file two reasonableness review applications, the first in 2016 and the second in 2018, for Pipeline Safety Enhancement Plan Phase 1A and Phase 1B completed projects.

Decision 19-09-051 September 26, 2019

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of San Diego Gas & Electric Company (U902M) for Authority, Among Other Things, to Update its Electric and Gas Revenue Requirement and Base Rates Effective on January 1, 2019.	Application 17-10-007
And Related Matter.	Application 17-10-008

DECISION ADDRESSING THE TEST YEAR 2019 GENERAL RATE CASES OF SAN DIEGO GAS & ELECTRIC COMPANY AND SOUTHERN CALIFORNIA GAS COMPANY

Similarly, with regards to CUE's recommendations concerning accelerated replacement rates for the VIPP and DREAMS programs, we find as we did in the SoCalGas section that there are other key pressing safety risks that must be addressed and that costs for these programs must also be prioritized and balanced with keeping rates affordable. However, we also find that SDG&E should include an outlook of its long-term assessment and replacement plan of its Aldyl-A pipes and the DREAMS program pipe replacement in its next GRC, in addition to what it plans for the next GRC cycle as it appears that its current replacement rate is not on pace with its original assessment.

Based on our review and analysis, we find it reasonable to authorize SDG&E's requested amounts of $11.00 million for O&M costs and capital costs of $24.216 million each for 2017 and 2018, and $49.00 million for 2019.

17. Pipeline Safety Enhancement Plan (PSEP)

On September 9, 2010, a 30-inch diameter natural gas pipeline ruptured and caught fire in San Bruno, California, causing death and property damage.[156] As one of its responses to this incident, the Commission initiated R.11-02-019 to consider what aspects of the Commission's regulation of natural gas transmission and distribution pipelines should change. In D.11-06-017, the Commission required operators of natural gas pipelines to file a comprehensive Implementation Plan to replace or pressure test all-natural gas transmission pipeline in California that have not been tested or for which reliable records are not available.[157] D.11-06-017 also provided specific requirements that must be

[156] R.11-02-019 at 1.

[157] D.11-06-017 at 23 to 24.

10 percentage points reduction to the risk assessment component of each project. In addition, as discussed later in Section 17.6, we find it reasonable to authorize the establishment of a PSEP memorandum account to track possible cost overruns for recovery in SoCalGas' next GRC filing.

At this time, we also wish to highlight the Commission's significant concerns regarding SoCalGas' Line 235, currently scheduled for pressure testing during this GRC period. On October 1, 2017, a rupture occurred on Line 235. As SoCalGas sought to bring Line 235 back into service, numerous leaks have been found in the pipeline. The line is currently out of service as of the date of this proposed decision. In part because of this highly concerning pattern of leaks on Line 235, in June 2019 the Commission opened an investigation into SoCalGas' safety culture.[171] As noted by SoCalGas' witnesses, the repairs to Line 235 may be included in TIMP over the next rate case cycle[172] and may also impact the scheduling of the pressure testing of the line.[173] We understand TURN/SCGC's concerns that the repaired segments on Line 235 will be accounted for both in TIMP and PSEP, but we find it reasonable that the small non-contiguous portions of the rupture cannot be easily removed from the continuous pressure testing as it would not be cost-effective.

Given the numerous issues and uncertainty related to Line 235 and the safety aspects to the repairs and the testing, we support immediate corrective actions. However, we require SoCalGas to file a Tier II Advice Letter at the

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171 I.19-06-014.

172 SCG-SDG&E Opening brief, p. 134.

173 Exhibit 231 at RDP-A-56.

conclusion of the Line 235 West Sections 1 and 2 testing or replacement with clear accounting delineations of which costs are subject to TIMP and which costs are subject to PSEP before any of the associated costs can be placed into rates for recovery. Such PSEP costs shall not be placed into rates for recovery and such TIMP costs shall be made subject to refund until the Advice Letter is approved. The Line 235 costs subject to this accounting requirement should include costs SoCalGas is incurring for the additional permits, crews, environmental monitoring, and all other costs associated with investigating and repairing the ongoing leaks on Line 235.

Costs to repair the rupture and leaks to Line 235 are not requested in this GRC but we find it reasonable to require SoCalGas to establish a memorandum account to record all costs related to Line 235 (i.e., capital costs including rate of return, operations and maintenance costs, repair and replacement costs, or any other costs related to the line). This memorandum account will allow the Commission the future ability to adjust SoCalGas' TY2019 revenue requirement for TY2019 and PTYs 2020 and 2021should a future inquiry find that Line 235 is no longer used and useful and if costs relating to Line 235 are unreasonable.

17.2. Miscellaneous PSEP Costs

The table below shows the estimates for Miscellaneous Costs relating to PSEP.

Miscellaneous Costs	O&M	Capital	Total
Allowance for Pipeline Failures	$0	$6,170	$6,170,000
Implementation Continuity Costs	$3,741,000	$1,857,000	$5,599,000
Program Management Office	$11,831,000	$29,606,000	$41,438,000
Total	**$15,573,000**	**$37,634,000**	**$53,206,000**

its annual regulatory account update filing and request closure of the two subaccounts. For TY2019, AMI[518] post-deployment costs are already incorporated under Customer Services Field & Meter Reading costs and we find SoCalGas' request to discontinue recording such costs in the AMIBA subaccounts to be reasonable and approve it.

43.1.4.3. Discontinuation of Service Establishment Changes (SEC)

Denial of SoCalGas' request to eliminate the SEC is discussed in section 42 of the decision under the section on Miscellaneous Revenues.

43.1.4.4. Transmission Integrity Management Program Balancing Account (TIMPBA) and DIMPBA

Costs tracked by these balancing accounts are discussed in section 16 of the decision under Pipeline Integrity. Recovery for TIMP and DIMP costs are currently subject to a mechanism where SoCalGas must file a Tier 3 advice letter for undercollections up to 35 percent and an application for undercollections above 35 percent of its authorized O&M and capital expenses including the capital compounding. The current recovery method for TIMP, DIMP, and SIMP results in a compounding effect because capital costs are balanced over the life of the asset and not on a year-to-year basis. SoCalGas proposes to change the method by which the percentage is calculated by applying it against the total authorized O&M and capital expenditures. Thus, for undercollection up to 35 percent of the total O&M and capital expenditures authorized, SoCalGas will

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518 Per Ms. Marelli's Direct Testimony (Ex. 119 (SCG Marelli Revised Direct) at GRM-5), AMI deployment was to be completed by TY2019, therefore no deployment costs were included in the Customer Services Field & Meter Reading forecast. The forecasted costs related to AMI are for post-deployment or operations work only.

Decision 19-09-051 September 26, 2019

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of San Diego Gas & Electric Company (U902M) for Authority, Among Other Things, to Update its Electric and Gas Revenue Requirement and Base Rates Effective on January 1, 2019.	Application 17-10-007
And Related Matter.	Application 17-10-008

DECISION ADDRESSING THE TEST YEAR 2019 GENERAL RATE CASES OF SAN DIEGO GAS & ELECTRIC COMPANY AND SOUTHERN CALIFORNIA GAS COMPANY

52. Assignment of Proceeding

Commissioner Liane M. Randolph is the assigned Commissioner and Rafael Lirag is the assigned ALJ in these proceedings.

Findings of Fact

1. Over 500 exhibits were identified and used during the course of the proceedings.

2. In separate rulings on March 8, 2018 and April 30, the assigned Commissioner ruled that proposed issues concerning lost and unaccounted for gas and whether changes are needed to the reconnection process for gas customers are outside the scope of the proceedings.

3. Rulings were made by the assigned ALJ on July 10, 2018 and September 17, 2018 clarifying that all core balancing issues, storage issues regarding Aliso Canyon, and EDF's requests regarding improvements to backbone transmission and storage services are outside the scope of the GRC proceedings.

4. In the ALJ ruling on June 7, 2018, SDG&E and SoCalGas were authorized to establish separate GRC memorandum accounts to track changes and differences in the revenue requirements that are adopted in these proceedings during the period between January 1, 2019 and the effective date a final decision is adopted.

5. SDG&E and SoCalGas are related companies due to their corporate structure of being subsidiaries of Sempra and because they are in the same business of providing utility services to customers.

6. Shared services are activities performed by one utility (or Sempra's corporate center) for the benefit of the other utility, the corporate center, or an unregulated affiliate company and are allocated and billed to the entity receiving

92. The addition of a risk assessment component to PSEP costs is an industry-recommended practice that aims to increase the quality and accuracy of estimates and is appropriate for the proposed PSEP projects although the proposed contingency factors overinflate the overall costs given SoCalGas' detailed project cost estimates.

93. Line 235 is scheduled for pressure testing in this GRC cycle but is currently out of service because of numerous leaks found on the pipeline.

94. Costs to repair small segments in Line 235 are included in approved TIMP costs as well as in PSEP but it is reasonable that the small non-contiguous portions of the rupture cannot be easily removed from the continuous pressure testing as it would not be cost-effective.

95. The majority of PSEP capital expenditures are expected to close to plant in service in 2020 and 2021 therefore these PSEP capital costs are not fully reflected in the TY2019 revenue requirement.

96. It is almost certain that the 50 percent project completion proposed for Line 44-1008 will not be completed in this GRC cycle.

97. Pub. Util. Code § 957 requires that remote and automatic shutoff valves be installed as quickly as is reasonably possible and it is the Commission's objective that PSEP be completed as soon as practicable.

98. Authority to substitute one or more PSEP projects authorized in this decision with other PSEP projects in cases of delay or when necessary to do so for safety or reliability reasons is reasonable.

99. PSEP cost estimates for the proposed Phase 2A and 1B projects are better developed relative to Phase 1A projects that have been undertaken by SoCalGas and the currently proposed projects also include project contingencies to address some of the cost uncertainties.

297. As discussed in the section on Customer Forecasts, SoCalGas' and SDG&E's methodology utilizing information from Global Insight's regional forecast are reasonable.

298. As discussed in the section on Cost Escalation, SoCalGas' and SDG&E's escalation cost indices are reasonable.

299. As discussed in the section on Miscellaneous Revenues, SoCalGas' and SDG&E's forecasts are reasonable except for the additional amount added to SoCalGas' forecast for denial of its request to eliminate the Service Establishment Charge.

300. As discussed in the Regulatory Accounts section, many of the proposals listed in that section were reviewed, discussed, and addressed in various other sections of the decision as part of the discussion of other topics that the regulatory account addresses.

301. Recovery for TIMP and DIMP costs are currently subject to a mechanism where SoCalGas must file a Tier 3 advice letter for undercollections up to 35 percent and an application for undercollections above 35 percent of its authorized O&M and capital expenses including the capital compounding.

302. The current recovery method for TIMP, DIMP, and SIMP results in a compounding effect because capital costs are balanced over the life of the asset and not on a year-to-year basis.

303. Applicants' RO model is widely accepted by parties as being able to adequately calculate the revenue requirements for SDG&E and SoCalGas and is the same RO model used and adopted during the TY2016 GRC cycle.

304. The main factors affecting projected increases in costs anticipated during the PTYs are dissimilar with respect to O&M and capital additions.

110. SDG&E is specifically required by AB 1054 to exclude $215 million of approved fire risk mitigation capital expenditures from equity rate base.

111. The Z-Factor should apply to the TY as well as the PTYs.

112. SDG&E and SoCalGas should continue to update their PTY revenue requirements by filing Tier 1 advice letters two months prior to the beginning of each attrition year.

O R D E R

IT IS ORDERED that:

1. Application 17-10-007 is granted to the extent set forth in this Decision. San Diego Gas & Electric Company is authorized to collect, through rates and through authorized ratemaking accounting mechanisms, the 2019 test year base revenue requirement set forth in Attachment B, effective January 1, 2019.

2. Application 17-10-008 is granted to the extent set forth in this Decision. Southern California Gas Company is authorized to collect, through rates and through authorized ratemaking accounting mechanisms, the 2019 test year base revenue requirement set forth in Attachment B, effective January 1, 2019.

3. Within 30 days from the effective date of this Order, Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) shall each shall file respective Tier 1 Advice Letters with revised tariff sheets to implement the revenue requirements authorized in Ordering Paragraphs 1 and 2.

    a. The revised tariff sheets shall become effective on January 1, 2019 subject to a finding of compliance by the Commission's Energy Division, and compliance with General Order 96-B.

    b. The balances recorded in SoCalGas' and SDG&E's respective General Rate Case Revenue Requirement Memorandum Accounts from January 1, 2019 until the effective date of the new tariffs required by this Ordering Paragraph shall be

Company's respective year-end adjustment filings for 2019 and the amounts refunded to ratepayers.

12. Officer salaries, bonuses, and benefits shall be excluded from the revenue requirements for Post-Test Years 2020 and 2021.

13. Southern California Gas Company (SoCalGas) shall file a Tier 2 Advice Letter at the conclusion of Line 235 West Sections 1 and 2 testing or replacement with clear accounting delineations of which costs are subject to the Transmission Integrity Management Program (TIMP) and which costs are subject to the Pipeline Safety Enhancement Plan (PSEP) before any associated Line 235 PSEP pressure testing costs can be placed into rates for recovery. Such PSEP costs shall not be placed into rates for recovery and such TIMP costs shall be made subject to refund until the Advice Letter is approved. The Line 235 costs subject to this accounting requirement include costs SoCalGas is incurring for the additional permits, crews, environmental monitoring, and all other costs associated with investigating and repairing the ongoing leaks on Line 235. Line 235 repair costs in TIMP will be reviewed in a future general rate case.

14. Southern California Gas Company shall establish a memorandum account within 20 days from the effective date of this decision and at that time shall begin to record all costs related to Line 235 West Sections 1 and 2 (i.e., capital costs including rate of return, operations and maintenance costs, repair and replacement costs, or any other costs related to the line).

15. To ensure that pipelines under Phase 2b comply with D.11-06-017, SoCalGas shall file a re-testing implementation plan as part of SoCalGas's 2019 RAMP filing, and the plan shall specifically include the following:

a. Identification of all in-service natural gas transmission pipelines (by location and including linear feet and the pipelines'

Decision 23-02-017 February 2, 2023

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company (U39M) for recovery of recorded expenditures related to wildfire mitigation and catastrophic events, as well as other recorded costs.	Application 20-09-019

DECISION APPROVING SETTLEMENT

Recently, in D.22-06-032, the Commission noted that it is inconsistent with prospective ratemaking principles to use "costs recorded in a memorandum or balancing account to offset forecast variances for unrelated budget categories."[63] The Commission recognized the issue of "whether the current ratemaking framework is incentivizing the reassignment of resources authorized in a GRC to activities not otherwise included in the GRC but whose costs are separately recoverable via a memorandum or balancing account."[64] Generally, costs are incremental if, in addition to completing the planned work that underlies the authorized costs, the utility had to procure additional resources, be they in labor or materials, to complete the new activity. The existence and completion of a new activity by itself does not prove the cost was incremental. If a new activity is completed by redirecting existing resources in a related work category, no incremental cost was incurred, despite the activity itself being "incremental." Here, we evaluate the proposed settlement, taken as a whole. On balance, as we find the whole of the Settlement Agreement reasonable, we need not evaluate the incrementality of individual expenditures on which parties to the settlement have reached a compromise.

7.1.1.6. Specificity

Regarding lack of specificity, as detailed above, the standard of review is whether or not a settlement is reasonable in light of the whole record. We do not need to determine the reasonableness of every asserted sub-issue. And while no settlement is precedential, prior settlements have also included a certain level of generality. For example, in D.22-03-011 we approved a settlement between

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[63] D.22-6-032 at 10.

[64] D.22-06-032 at 12.

ALJ/RMD/asf **Date of Issuance 6/30/2025**

Decision 25-06-051 June 26, 2025

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Authorization to Recover 2022 Incremental Costs Related to Wildfire Mitigation and Vegetation Management.	Application 23-10-001

DECISION GRANTING, IN PART, REQUEST BY SOUTHERN CALIFORNIA EDISON COMPANY FOR 2022 WILDFIRE MITIGATION AND VEGETATION MANAGEMENT COSTS

Commission review the reasonableness of expenditures based on what the utility "… knew or should have known at the time, and in the interest of achieving safety, reliability and reasonable cost."[201] From the evidence presented by Cal Advocates, the manner in which SCE spent the funds may not have been effective in providing PSPS notice consistent with existing Commission directives. Even taking into account that possibility, SCE's 2022 spending can still be reasonable based on what SCE knew or should have known in 2022. We find that SCE's request for the costs associated with PSPS Event Customer Notifications, $5.665 million, is reasonable based on the preponderance of evidence, as presented by SCE, regarding what SCE knew or should have known in 2022 when making the decision to spend those funds. No decision is made on the reasonableness of SCE's implementation of PSPS notification process or SCE's compliance or non-compliance with PSPS notification rules, and nothing in this decision should be construed to affect any Commission action regarding the adequacy of SCE's compliance with PSPS requirements. Accordingly, the Commission denies the recommendation by Cal Advocates to reduce SCE's O&M cost recovery for PSPS Events Customer Notification activities by $5.665 million.

9.2.8. Labor and Overhead Costs

SCE requests recovery of $41.575 million for 2022 Labor and Overhead costs recorded in the WMPMA and FRMMA as O&M expense and capital expenditures.[202] The $41.575 million includes $33.717 million for EOP activities

[201] *See, e.g.*, D.87-06-021, 24 Cal. PUC 2d at 486.

[202] Cal Advocates Opening Brief at 41 (fn. 145), providing: "This $41.575 million includes $33.717 million for EOP activities and $7.858 million for PSPS activities from SCE's response to Cal Advocates data request PubAdv-SCE-029-RA6, Q6, SCE's response to Cal Advocates data

Footnote continued on next page.

and $7.858 million for PSPS activities.[203] Cal Advocates recommends a reduction of $19.385 million in Labor and $22.190 million in Overhead.[204]

9.2.9. Labor

Regarding Labor, Cal Advocates opposes SCE's request to recover costs recorded in these memorandum accounts related to Labor Normal Time and Paid Time Off, totaling $19.385 million.[205] Cal Advocates explains that SCE fails to provide sufficient evidence to demonstrate that these specific Labor Normal Time costs were not previously included in the forecast approved in D.21-08-036, SCE's 2021–2023 GRC, as follows:[206]

> "SCE's 2021 GRC decision already authorized straight-time labor costs for existing full-time employees for 2022.… SCE has failed to provide the number of new employees hired, the number of employees hired after the 2021 GRC Decision for wildfire mitigation, or the hire dates for SCE's 2022 recorded straight-time labor costs."[207]

Cal Advocates states it requested but did not receive any analysis by SCE that the costs it seeks here are not included in the labor costs for wildfire mitigation activities already included in existing rates.[208]

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request PubAdv-SCE-002-RA6-RYD, from SCE's response to Cal Advocates data request PubAdv-SCE-013-RA6, Q1 and Q2."

[203] Cal Advocates Opening Brief at 41 (fn. 145).

[204] Cal Advocates Opening Brief at 41.

[205] Cal Advocates Opening Brief at 43.

[206] Cal Advocates Opening Brief at 43.

[207] Cal Advocates Opening Brief at 43-44.

[208] Cal Advocates Opening Brief at 43-44.

In response, SCE states that the labor costs are "directly related to wildfire mitigation and vegetation management activities."[209] SCE clarifies that, in its opinion, it can rely on internal SCE resources or contract resources for its wildfire-related activities.[210] SCE states, "The Commission has approved an authorized amount to perform wildfire mitigation and vegetation management-related ***activities***, regardless of whether SCE or contract resources are used."[211] In further support of the sufficiency of its evidentiary showing, SCE states:

> "[I]ncreased work necessitates additional resources to carry out essential wildfire mitigation and vegetation management ***activities***. The Commission does not approve a head count in the GRC; rather, it approves a revenue requirement necessary to effectively carry out the work activities. While the Commission has approved these ***activities,*** the utility has the flexibility to perform the required work, through whatever reasonable means it deems necessary and appropriate. These staffing assessments consider factors such as the duration of the task, immediate versus long-term need, cost considerations, and resource availability."[212]

The Commission finds that SCE has failed to establish by the preponderance of evidence that the requested $19.385 million related to Labor Normal Time and Paid Time Labor is reasonable. SCE is correct that the Commission does not direct the utility to use internal or contract labor, and the Commission agrees that the costs presented here are related to wildfire mitigation activities. On the other hand, the information provided by Cal Advocates, that SCE did not perform any analysis to establish whether these

[209] SCE Opening Brief at 13.

[210] SCE Opening Brief at 13.

[211] SCE Opening Brief at 13 (emphasis in original).

[212] SCE Opening Brief at 14 (emphasis in original).

specific Labor activities were reflected in the 2022 revenue requirement, constitutes a failure by SCE to meet its burden of proof and renders the reasonableness of these costs questionable. SCE could have, for example, presented its method for determining what activities exceed the existing revenue requirement. SCE necessarily relied on some sort of methodology to measure excess activities beyond forecasted in 2021 for expected planning, hiring, and work activities in 2022. Without a baseline or a method for projecting future need, which SCE appears to claim does not exist, the possibility that SCE established a reasonable level of additional Labor is unpersuasive.

Accordingly, SCE's request related to Labor Normal Time and Paid Time is reduced by $19.385 million.

9.2.10. Overhead

Regarding Overhead, Cal Advocates recommends a reduction of $22.190 million ($10.658 million O&M expenses and $11.532 million capital expenditures).[213] SCE recorded these costs in the WMPMA.[214] Cal Advocates argues that SCE fails to show that the requested costs for 2022 wildfire mitigation overhead-related costs, such as "labor, paid time off, material, contracts, fleet, and other charges" were not already reflected in activities account for in the authorized 2022 GRC revenue requirement.[215] Cal Advocates states that, in response to its specific inquiries, SCE fails to demonstrate that SCE performed analysis to determine whether the recorded costs for overhead reflect costs for wildfire related-activities already contained in the 2022 revenue requirement.[216]

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[213] Cal Advocates Opening Brief at 44 (fn. 157).

[214] Cal Advocates Opening Brief at 44 (fn. 157).

[215] Cal Advocates Opening Brief at 45.

[216] Cal Advocates Opening Brief at 45.

In response, SCE presents similar arguments used to support Labor costs to support these Overhead costs. To summarize, SCE states that the Commission makes no distinction between cost categories when authorizing the utility to record incurred wildfire-related costs and then seek recovery.[217] SCE also relies on an argument about the definition of "incrementality" and the approved "portfolio approach."[218]

The Commission finds that SCE fails to establish by the preponderance of evidence that its requested 2022 Overhead costs of $22.190 million ($10.658 million O&M expenses and $11.532 million capital expenditures) are reasonable. While these costs, as SCE points out, are "incremental" in this instance, SCE must still establish reasonableness. SCE fails to provide persuasive evidence on reasonableness. To establish the reasonableness of these costs, SCE could, in this instance, provide documentation to verify and substantiate that the costs were not embedded in existing rates. This evidence would be important because straight-time labor and overhead costs are funded through the existing rates authorized in D.21-08-036, SCE's 2021–2023 GRC.

Accordingly, SCE's request for 2022 Overhead is reduced by $22.190 million ($10.658 million O&M expenses and $11.532 million capital expenditures).

9.2.11. Fire Risk Modeling and Related Activities

Cal Advocates recommends a reduction of $5.503 million related to Labor and Overhead for the following programs and activities: Fire Science and Advanced Modeling activities, Enhanced Situational Awareness, Environmental

[217] SCE Opening Brief at 18-21.

[218] SCE Opening Brief at 18-21.

proposed decision is revised to clarify the discussion regarding the adopted reduction to SCE's request related to Priority 3 remediations.

15. Assignment of Proceeding

Karen Douglas is the assigned Commissioner and Regina DeAngelis is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. The costs presented are incremental in this instance because these costs would not have been incurred "but for" wildfire mitigation efforts.

2. SCE tracks costs by creating wildfire-specific work orders in its accounting system to ensure that the costs of these activities are separately tracked from SCE's other activities.

3. The portfolio method serves to ensure SCE's compliance with Section 8386.3.

4. The UAB Audit Report found that SCE's costs are neither "duplicative" nor "inappropriate," and reliance on the findings of the UAB Audit Report is reasonable.

5. The cost information provided by SCE and Request for Proposals related to 2022 support SCE's vegetation management costs for Routine Line Clearing (inspection and mitigation) and refutes the recommended reductions presented by Cal Advocates and SBUA.

Vegetation Management - VMBA

6. SCE underspent approximately $13 million in the Dead, Dying, and Diseased Tree Removal program, the 2022 GRC-authorized amount is $42.135 million and the 2022 recorded amount is $29.003 million, and this difference is reflected in the overall incremental amount requested here.

7. In 2022, SCE experienced a significant rise in the volume of work points that required field support related to the 2022 Routine Line Clearing environmental review.

8. The costs incurred for 2021 environmental support related to Structure Brushing are not predictive of 2022 as costs have increased in 2022 due to additional work requirements.

9. SCE spent approximately $8 million less on the 2022 HTMP than authorized in SCE's 2021–2023 GRC.

10. SCE's HTMP 2022 forecast was inaccurate because the HTMP was a new activity and, as such, the forecast for the 2021–2023 GRC was developed before SCE had inventoried its hazard trees, which led to inaccurate estimates of the number of trees and remediations.

11. SCE's HTMP 2022 forecast was also inaccurate because risks and targeted areas changed throughout each year, as did the number of tree removals, trims, and projected workload.

12. The expenses for Weed Abatement in prior years are not reflective of the cost incurred in 2022 because costs fluctuate yearly due to a number of factors, including lease status of the relevant land areas, weather variables, vegetation growth rates, agency requirements, customer notifications, and environmental constraints.

13. While costs in 2022 for Weed Abatement were not directly impacted by SB 247, costs were indirectly impacted resulting in increased labor costs because the labor market for vegetation management workers closely overlaps with the labor market for weed abatement activities.

14. Based on the evidence presented, SCE fails to carry its burden of proof regarding the requested 2022 Straight Time Labor costs of $9.835 million for

vegetation management because it does not appear SCE performed an analysis to establish whether the request is reflected in the 2022 revenue requirement.

15. Regarding 2022 Overhead for vegetation management, SCE points out that the costs are "incremental" but does not establish reasonableness and, as a result, a $24.076 million reduction, as recommended by Cal Advocates, is reasonable.

Wildfire Mitigation – WMPMA and FRMMA

16. In this instance, SCE's aerial fire suppression resources, known as the QRF, were a critical part of SCE's wildfire mitigation efforts.

17. During this proceeding, Target Undergrounding capital expenditures of $1.29 million out of the $1.6 million for material and design/planning costs for plan years 2023 to 2024 moved to plant-in-service as a capital addition ($0.31 million that has not yet been transferred to plant-in-service as a capital addition).

18. SCE's decision to perform some Priority 2 remediations sooner than the due date remediated ignition risk in an efficient and cost-effective manner.

19. Regarding 2022, SCE completed Priority 3 notifications sooner than scheduled by bundling work with other HFRA activities, and, as a result, treated them as opportunity maintenance.

20. While Priority 3 remediations are lower risk, ignition risk still exists, which implies that safety considerations should be addressed sooner.

21. Other utilities paid $0.692 million of the $1.154 million of expense for the joint utility testing of covered conductors that SCE requests here.

22. The Commission recently provided funding for iPads in D.21-08-036 (SCE 2021–2023 GRC) and SCE offers no adequate explanation as to why that funding was not sufficient.

23. SCE describes ongoing implementation of its efforts to rely on new technologies for the Enhanced Operational Practices but identifies nothing new related to the identified iPads that required the purchase.

24. The request to recover costs of $5.665 million associated with PSPS Event Customer Notifications is reasonable based on what SCE knew or should have known in 2022 when making the decision to spend those funds.

25. No determination is made here on whether SCE's 2022 notices were effective in providing PSPS notice consistent with existing Commission PSPS rules and guidelines.

26. SCE did not perform any analysis to establish whether the recorded Labor costs were reflected in the 2022 revenue requirement pursuant to D.21-08-036, SCE's 2021–2023 GRC.

27. The evidence fails to establish that the requested $19.385 million related to Labor Normal Time and Paid Time Labor is reasonable.

28. Regarding Overhead of $22.190 million ($10.658 million in O&M expenses and $11.532 million in capital expenditures) recorded in the WMPMA, SCE fails to show that the requested costs for 2022 wildfire mitigation overhead-related costs, such as labor, paid time off, material, contracts, fleet, and other charges were not already reflected in the authorized 2022 GRC revenue requirement.

29. SCE did not perform an analysis to determine whether the recorded costs for Overhead reflect costs for wildfire-related activities already contained in the 2022 revenue requirement, as authorized in D.21-08-036, SCE's 2021–2023 GRC.

30. Regarding Fire Science and Advanced Modeling activities, Enhanced Situational Awareness, Environmental Remediation programs, grid hardening program, and Organizational Support, SCE did not provide evidence or an analysis to confirm that the straight-time labor and paid time off components of

the requested Labor was not authorized in the revenue requirement authorized in D.21-08-036, SCE's 2021–2023 GRC.

Cost Recovery Ratemaking

31. As part of SCE's agreement to permanently waive the right to seek cost recovery for $6 million of PSPS program-related O&M expenses, as reflected in the Commission Resolution ALJ-440 (June 14, 2023), SCE reduced its cost recovery request in this Application by $2.5 million, as shown on Line 10 of Table V-34 of the Application in compliance with the Resolution. These costs were eligible for tracking in the WMPMA and/or FRMMA.

32. SCE does not record the revenue requirement associated with CWIP in the WMPMA until the assets are ready for service, at which time the classification of the assets changes from CWIP to capital additions.

33. During the proceeding, about half of the capital expenditures ($13.11 million out of $22.72 million) that were classified as 2022 CWIP at the time SCE filed this Application transferred to plant-in-service as capital additions.

34. Regarding the status of certain 2021 CWIP addressed in D.24-03-008 (2021 wildfire mitigation-related and vegetation management costs), as of September 30, 2024, $20.90 million of the $21.09 million in 2021 CWIP transferred to plant-in-service.

35. SCE's request to implement a $2.5 million PSPS disallowance, which is part of the $6 million disallowance under Resolution ALJ-440 (June 14, 2023), is an efficient means of implementing the total disallowance and passing through the benefits to ratepayers. Implementation of $3.5 million remains to be addressed in the future.

Affordability Metrics

36. The requirements set forth in D.22-08-023 are met and no party opposed the sufficiency of SCE's showing.

Conclusions of Law

37. The finding that costs are "incremental" in this proceeding does not limit the ability of the Commission to further review and even disallow these costs based on reasonableness.

38. The use of the portfolio approach to establish incrementality does not inhibit the Commission's review of reasonableness of any specific costs presented by SCE.

39. If an amount is found to be "incremental," this does not mean does that the specific cost is also reasonable.

40. The reasonableness of the costs is a separate and independent analysis.

41. The Commission is not precluded from reliance on other methods of determining incrementality.

42. The 2022 amounts presented by SCE under the portfolio approach are incremental in this instance.

Vegetation Management - VMBA

43. SCE's cost recovery for Routine Line Clearing (inspection and mitigation), which consists primarily of compliance-based ground inspections, trimming and removal mitigation activities across SCE's transmission and distribution networks, is reasonable.

44. The request by Cal Advocates for a $18.140 million reduction to the 2022 costs for routine line clearing activities, as recorded in the VMBA and FRMMA, should be denied.

45. The request by SBUA for a reduction to SCE's costs for activities related to routine line clearing should be denied.

46. The cost reduction proposed by SBUA related to the Dead, Dying, and Diseased Tree Removal program should be denied in this instance because the underspend of approximately $13 million is reflected in a reduction to the total amount that SCE requests in this proceeding.

47. The cost reduction of $10.771 million proposed by SBUA related to 2022 environmental review support O&M expenses is not warranted in this instance because of the significant rise in the volume of work points that require field support.

48. SBUA's recommended reduction of $10.771 million, related to 2022 environmental review support O&M expenses related to Routine Line Clearing, should be denied.

49. Because 2021 environmental support costs for Structure Brushing are not predictive of 2022 and costs increased in 2022 due to additional work requirements, SBUA's recommended reduction of $1.473 million related to environmental support for Structure Brushing should be denied.

50. The HTMP work performed by SCE in 2022 and the GRC-authorized amount for the cost category of Wildfire Vegetation Management are reasonable even if SCE recorded less in 2022 for HTMP than authorized for the broader cost category of Wildfire Vegetation Management.

51. SBUA's recommended reduction of approximately $8 million in O&M expenses to SCE's HTWP work should be denied.

52. The $4.26 million reduction recommended by SBUA for the 2022 Weed Abatement program is not warranted in this instance because weed abatement activities vary year-to-year and, as a result, the 2021 costs are not necessarily predictive of the 2022 costs and, in addition, costs likely increased in 2022 due to

the indirect impact of SB 247 on the broader labor market related to vegetation management, which impacts weed abatement labor costs.

53. SBUA's recommendation to reduce by $4.26 million SCE's request for O&M expenses related to the Weed Abatement program in 2022 should be denied.

54. Because SCE fails to establish that the Straight Time Labor for vegetation management of $9.835 million ($9.430 million recorded in the VMBA and $404,000 in the FRMMA in 2022) is justified, SCE's request should be reduced by this amount. Because SCE fails to establish that $24.076 million of the requested Overhead for vegetation management is justified, SCE's request of $37.847 million should be reduced by this amount.

55. Based on the preponderance of evidence, SCE's request to recover in rates approximately $268 million for O&M expenses incurred in 2022 related to vegetation management, which SCE recorded in both the VMBA and the FRMMA, should be reduced to reflect removal of certain Labor ($9.835 million) and Overhead ($24.076 million).

56. The O&M expense for 2022 vegetation management as recorded in the VMBA and FRMMA of approximately $235 million should be found reasonable. No capital expenditures were requested.

Wildfire Mitigation – WMPMA and FRMMA

57. In this instance, SCE's 2022 aerial fire suppression resources, known as the QRF, are a critical part of SCE's wildfire mitigation efforts and, as such, SCE's request to recover $18.2 million in O&M expenses to fund the 2022 operations of the QRF is reasonable.

58. The recoverability of costs for suppression of or other attempt to extinguish or prevent spread of an existing wildfire requires a case by case

analysis and nothing in this decision should be construed to set policy in the future on this matter.

59. Recovery of $29.27 million for Targeted Undergrounding activities is reasonable because SCE demonstrated, via its rebuttal testimony, that $1.29 million of the disputed $1.6 million related to capital expenditures for material and design/planning costs for 2023 to 2024 moved to plant-in-service as a capital addition during the proceeding, which reflects a reduction of $0.31 million that has not transferred to plant-in-service as a capital addition.

60. Cal Advocates' recommended reduction of $6.146 million in cost recovery related to Priority 2 remediation work should be denied.

61. Relying on the outcome in D.22-06-032, this proceeding is not the appropriate forum for SCE's recovery of Priority 3 costs.

62. While it may be reasonable to bundle the higher priority work with Priority 3 remediations, the costs for Priority 3 remediation work remain routine and should be included in the normal recovery of costs through the general rate case process, consistent with D.22-06-032.

63. Cal Advocates' recommended reduction of $18.068 million ($10.744 million of capital expenditures and $7.324 million in O&M expense) related to SCE's bundling of Priority 3 contractor work is reasonable.

64. Recovery of $0.462 million for the joint utility testing of covered conductor within Enhanced Operational Practices, which reflects a reduction of $0.692 million to reflect the costs paid by the other joint utilities, is reasonable.

65. It is reasonable to reduce SCE's request for recovery of $7.125 million in capital expenditures for technology solutions to support the Hazard Tree Management Program by $1.570 million in capital expenditures to remove iPad

purchase and deployment because no convincing need for the expenditure was established.

66. The recommendation by Cal Advocates to reduce SCE's O&M cost recovery for PSPS Events Customer Notification activities by $5.665 million should be denied.

67. The request for expenses related to Labor Normal Time and Paid Time should be reduced by $19.385 million for failure to establish reasonableness.

68. SCE fails to establish that the Overhead costs of $22.190 million ($10.658 million in O&M expenses and $11.532 million in capital expenditures) are reasonable.

69. Regarding the Labor cost for Fire Science and Advanced Modeling activities, Enhanced Situational Awareness, Environmental Remediation programs, grid hardening program, and Organizational Support recorded in the WMPMA and the FRMMA, a reduction of $5.503 million ($1.623 million in O&M expenses and $3.880 million in capital expenditures) is reasonable because SCE fails to show that the activities for the straight-time labor and paid time off components of Labor were not already funded in SCE's 2022 GRC-authorized revenue requirement.

70. Regarding wildfire mitigation-related activities presented here for activities in 2022 recorded in the WMPMA and FRMMA, $46.214 million in O&M expense and $111.430 million in capital are reasonable.

Cost Recovery Ratemaking

71. SCE should be authorized to implement the disallowance reflected in the Commission Resolution ALJ-440 (June 14, 2023) pertaining to PSPS program-related O&M expenses in the manner shown on Line 10 of Table V-34 of the Application.

72. The evidence establishes that $13.11 million of the $22.72 million that SCE presented in the Application as 2022 CWIP transferred to plant-in-service and, as a result, it is reasonable to find that SCE should recover the revenue requirement associated with the $13.11 million in capital expenditures.

73. Consistent with D.24-03-008, the evidence establishes that $20.90 million of the $21.09 million presented as 2021 CWIP transferred to plant-in-service as capital additions and can be recovered in revenue requirement.

74. The ratemaking request pertaining to the BRRBA and the $2.25 million of the $6 million PSPS disallowance in Resolution ALJ-440 is reasonable and should be approved. Implementation of the remaining $3.5 million should be addressed in the future.

Affordability Metrics

75. SCE has complied with the requirement of D.22-08-023 (Affordability Metrics).

Procedural Matters

76. The rulings made by the assigned ALJ and the assigned Commissioner in this proceeding are affirmed. All motions not ruled on are deemed denied.

O R D E R

IT IS ORDERED that:

1. Southern California Edison Company is authorized to recover the 2022 costs recorded in the Wildfire Mitigation Plan Memorandum Account (WMPMA), Fire Risk Mitigation Memorandum Account (FRMMA), and Vegetation Management Balancing Account (VMBA) to the extent set forth herein, and, accordingly, to increase distribution rates through revenue requirement over a 12 month amortization period, together with interest accrued

Date of Issuance: June 4, 2024

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION **RESOLUTION G-3600**
May 30, 2024

R E S O L U T I O N

Resolution G-3600. Southern California Gas Company's request for recovery of the Transmission Integrity Management Program Balancing Account balance for January 1, 2019 to December 31, 2023.

PROPOSED OUTCOME:

- Southern California Gas Company's request to recover its Transmission Integrity Management Program Balancing Account balance for January 1, 2019 to December 31, 2023 is approved.

SAFETY CONSIDERATIONS:

- Southern California Gas Company's Transmission Integrity Management Program Balancing Account records costs associated with federal regulatory requirements set forth in 49 CFR 192 Subpart O adopted following the passage of the Pipeline Safety Improvement Act of 2002.

ESTIMATED COST:

- $227,327,000

By Advice Letter 6060-G, filed on November 23, 2022, and 6060-G-A, filed on January 13, 2023.

SUMMARY

Decision (D.)19-09-051 authorized Southern California Gas Company (SoCalGas) to spend $539 million on its Transmission Integrity Management Program (TIMP)[1] and to establish a two-way balancing account to recover actual operations and maintenance (O&M) and capital related costs.[2] The decision allowed SoCalGas to recover undercollections when actual expenditures exceed authorized O&M and capital

[1]Advice Letter 6060-G.

[2] D.19-09-051.

expenditures by up to 35 percent via Tier 3 advice letter and stated that any amount above 35 percent of authorized O&M and capital is subject to a separate application procedure.[3] SoCalGas filed Advice Letter (AL) 6060-G requesting recovery of $238.8 million in undercollected revenue requirement which was 120 percent of the authorized 2019 General Rate Case (GRC) cycle revenue requirement recorded in the TIMP Balancing Account (TIMPBA) through September 2022.

SoCalGas filed AL 6060-G-A replacing AL 6060-G in its entirety, to correct the electronic file format to a searchable format. In AL 6060-G-A, SoCalGas' request is the same as requested in the original AL filing as well as being substantively the same.

SoCalGas' request to recover the undercollection recorded in its TIMPBA for January 1, 2019, to December 31, 2023, is approved.

The TIMPBA amount will be amortized via a functionalized allocation described in the Triennial Cost Allocation Proceeding (TCAP).

BACKGROUND

The SoCalGas TIMP was established as a result of the Pipeline Safety Improvement Act of 2002 and the enactment of 49 CFR Part 192 Subpart O (Subpart O).

Pursuant to Subpart O, operators of gas transmission pipelines are required to identify the threats to their pipelines in High Consequence Areas, analyze the risk posed by these threats, collect information about the physical condition of their pipelines, and take actions to address applicable threats and integrity concerns before pipeline failures occur.

Since the Pacific Gas and Electric Company (PG&E) pipeline rupture in San Bruno in September 2010, regulations such as "The Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011" have led the Pipeline and Hazardous Materials Safety Administration (PHMSA) to change its reporting requirements and review existing transmission integrity requirements to identify areas for improvement.

The Commission authorized a recovery process for TIMP costs, which has evolved over time. In D.13-05-010, the Commission established that "any costs in excess of the O&M

[3] Ibid.

13. SoCalGas's request to recover costs recorded in its Transmission Integrity Management Program Balancing Account for January 1, 2019, to December 31, 2023, is reasonable and should be approved.
14. Consistent with resolutions G-3499 and G-3533, SoCalGas should use a functionalized method to allocate the Transmission Integrity Management Program Balancing Account balance.

<u>THEREFORE, IT IS ORDERED THAT:</u>

1. The request of Southern California Gas Company in 6060-G-A to recover its Transmission Integrity Management Program Balancing Account balance for the January 1, 2019, to December 31, 2023, is approved.
2. Southern California Gas is authorized to recover from ratepayers $227,327,000 over the twelve-month period beginning the month following submission of the advice letter required by this resolution in Ordering Paragraph 3.
3. Within 30 days of the effective date of this resolution, Southern California Gas Company shall submit a Tier 1 Advice Letter to set forth gas rates to recover the Transmission Integrity Management Program Balancing Account undercollection.
4. Within 30 days of the effective date of this resolution, San Diego Gas & Electric Company shall submit a Tier 1 Advice Letter to set forth gas rates to recover its allocation of the authorized Transmission Integrity Management Program Balancing Account balance over the twelve-month period beginning the month following submission of the advice letter.
5. At the conclusion of the twelve-month recovery period, Southern California Gas shall file a Tier 1 Advice Letter to remove the authorized Transmission Integrity Management Program Balancing Account balance.
6. Consistent with resolutions G-3499 and G-3533, SoCalGas should use a functionalized method to allocate the Transmission Integrity Management Program Balancing Account balance.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on May 30, 2024; the following Commissioners voting favorably thereon:

/s/ RACHEL PETERSON
Rachel Peterson
Executive Director

ALICE REYNOLDS
President

DARCIE HOUCK
JOHN REYNOLDS
KAREN DOUGLAS
Commissioners

Commissioner Matthew Baker being absent, did not participate in the vote of this item.

State of California

PUBLIC UTILITIES CODE

Section 463

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463. (a) For purposes of establishing rates for any electrical or gas corporation, the commission shall disallow expenses reflecting the direct or indirect costs resulting from any unreasonable error or omission relating to the planning, construction, or operation of any portion of the corporation's plant which cost, or is estimated to have cost, more than fifty million dollars ($50,000,000), including any expenses resulting from delays caused by any unreasonable error or omission. Nothing in this section prohibits a finding by the commission of other unreasonable or imprudent expenses. This subdivision is a clarification of the existing authority of the commission, is not intended to limit or restrict any power or authority of the commission conferred by any other provision of law, and applies to all matters pending before the commission. This section does not prohibit the commission from establishing rates for an electrical or gas corporation on a basis other than an allowed rate of return on undepreciated capital costs.

(b) Whenever an electrical or gas corporation fails to prepare or maintain records sufficient to enable the commission to completely evaluate any relevant or potentially relevant issue related to the reasonableness and prudence of any expense relating to the planning, construction, or operation of the corporation's plant, the commission shall disallow that expense for purposes of establishing rates for the corporation. This subdivision does not apply where the commission determines that a reasonable person could not have anticipated either the relevance or potential relevance, to an evaluation of costs incurred on the project, of preparing or maintaining the records or the extent of recordkeeping required to adequately evaluate those costs.

(c) For purposes of this section:

(1) "Planning" includes, but is not limited to, activities related to the initial and subsequent assessments of the need for a plant construction project; the selection of contractors and the negotiation of contract provisions; certification; project organization; and site selection, including the investigation and interpretation of environmental factors such as seismic conditions and other external factors affecting the construction, operation, and safety of the plant.

(2) "Construction" includes, but is not limited to, activities related to engineering such as the development and use of specifications, drawings, and procedures; the preparation and use of construction plans, including blueprints; procurement activities; repairs, replacement, redesign, or repositioning of equipment and facilities; startup activities; and quality assurance and quality control activities.

(3) “Operation” includes, but is not limited to, activities related to decisions affecting the timing and nature of the use of the plant; dispatch and control activities and decisions; and plant operation, fuel loading, and maintenance.

(4) “Error” includes, but is not limited to, any action or direction which causes an avoidable (i) increase in the time required to bring the plant to full commercial operation, (ii) change in the number or types of personnel or firms required to bring the plant to full commercial operation, (iii) increase in the number of worker hours required to complete any portion of the plant construction project, or (iv) change of equipment, configuration, design, schedule, or program.

(5) “Omission” includes, but is not limited to, any failure to act or to provide direction which causes an avoidable (i) increase in the time required to bring the plant to full commercial operation, (ii) change in the number or types of personnel or firms required to bring the plant to full commercial operation, (iii) increase in the number of worker hours required to complete any portion of the plant construction project, or (iv) change of equipment, configuration, design, schedule, or program.

(Added by Stats. 1985, Ch. 1212, Sec. 1.)

State of California

PUBLIC UTILITIES CODE

Section 969

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969. In any ratemaking proceeding in which the commission authorizes a gas corporation to recover expenses for the gas corporation's transmission pipeline integrity management program established pursuant to Subpart O (commencing with Section 192.901) of Part 192 of Title 49 of the United States Code or related capital expenditures for the maintenance and repair of transmission pipelines, the commission shall require the gas corporation to establish and maintain a balancing account for the recovery of those expenses. Any unspent moneys in the balancing account in the form of an accumulated account balance at the end of each rate case cycle, plus interest, shall be returned to ratepayers through a true-up filing. Nothing in this section is intended to interfere with the commission's discretion to establish a two-way balancing account.

(Added by Stats. 2011, Ch. 523, Sec. 1. (SB 879) Effective January 1, 2012.)

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS Sheet 1 N
LINE 235 MEMORANDUM ACCOUNT (L235MA) N

1. Purpose N

The L235MA is an interest-bearing memorandum account. Pursuant to Decision (D.) 19-09-051, the purpose of the L235MA is to record all costs related to Line 235 West Sections 1 and 2, including costs to repair ruptures and leaks to Line 235 that are not requested in the 2019 GRC. The account consists of two subaccounts:

- Pipeline Safety Enhancement Program (PSEP) Cost Subaccount – The purpose of this subaccount is to record the cost of testing or replacement of Line 235 West Sections 1 and 2. This subaccount is reflected on SoCalGas' financial statements.

- Transmission Integrity Management Program (TIMP)/Other Cost Subaccount – The purpose of this subaccount is to track all costs related to Line 235 other than PSEP costs. This subaccount is not reflected on SoCalGas' financial Statements.

This memorandum account will allow the Commission the future ability to adjust SoCalGas' TY2019 revenue requirement for TY2019 and PTYs 2020 and 2021 should a future inquiry find that Line 235 is no longer used and useful and if costs relating to Line 235 are unreasonable.

2. Applicability

This account shall apply to all gas customers except those specifically excluded by the Commission.

3. Rates

See Disposition Section.

4. Accounting Procedures – PSEP Cost Subaccount

SoCalGas maintains this account by making monthly entries, net of applicable FF&U, as follows:

a) A debit entry equal to the PSEP O&M and capital-related costs (i.e., depreciation, taxes and return) related to Line 235;

b) A debit entry equal to the transfer of costs associated with Line 235 recorded in the PSEP-Phase 2 Memorandum Account (PSEP-P2MA), Safety Enhancement Expense Balancing Account (SEEBA), and Safety Enhancement Capital Cost Balancing Account (SECCBA);

c) An entry to amortize the account balance as authorized by the Commission; and

d) An entry equal to interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J. N

(Continued)

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS Sheet 2 N
LINE 235 MEMORANDUM ACCOUNT (L235MA) N

(Continued)

5. Accounting Procedures – TIMP/Other Cost Subaccount N

   a) A debit entry equal to non-PSEP O&M and capital-related costs related to Line 235 West Sections 1 and 2 (i.e., capital-related costs including rate of return, operations and maintenance costs, repair and replacement costs, or any other costs related to the line); and

   b) An entry equal to interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

6. Disposition

SoCalGas shall seek amortization of PSEP Cost Subaccount balance of the L235MA in a Tier 2 advice letter submitted at the conclusion of Line 235 West Sections 1 and 2 testing or replacement. The Tier 2 advice letter will provide clear accounting delineations of which costs are subject to the TIMP and which costs are subject to the PSEP. Such PSEP costs shall not be placed into rates for recovery and such TIMP costs shall be made subject to refund until the advice letter is approved. N

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS Sheet 1

TRANSMISSION INTEGRITY MANAGEMENT PROGRAM
BALANCING ACCOUNT (TIMPBA)

1. Purpose

The TIMPBA is an interest-bearing, two-way balancing account recorded on SoCalGas' financial T
statements. Pursuant to Decision (D.) 19-09-051, SoCalGas' TY 2019 General Rate Case (GRC), |
effective January 1, 2019, the TIMPBA will record the difference between the authorized and actual T
operating and maintenance (O&M) and capital-related costs associated with SoCalGas' Transmission
Integrity Management Program (TIMP). Per D.19-09-051, the TIMPBA is authorized for the three- T
year GRC period ending December 31, 2021, or until the effective implementation date of SoCalGas' T
next GRC.

2. Applicability

See Disposition section.

3. Rates

The balance in the TIMPBA will be included in gas rates upon Commission approval.

4. Accounting Procedures

SoCalGas shall maintain the TIMPBA by recording entries at the end of each month, net of applicable FF&U, as follows:

a) A debit entry to record actual O&M costs related to SoCalGas' TIMP,
b) A debit entry to record capital-related costs (depreciation, return, and income taxes) related to SoCalGas' TIMP,
c) A credit entry equal to one-twelfth of the cost authorized in rates related to SoCalGas' TIMP, D
d) An entry to amortize the TIMPBA as approved by the Commission, and N
e) An entry equal to interest on the average of the balance in the account during the month, calculated T
in the manner described in Preliminary Statement, Part I, J.

L

(Continued)

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS Sheet 2 N
TRANSMISSION INTEGRITY MANAGEMENT PROGRAM
BALANCING ACCOUNT (TIMPBA)

(Continued)

5. Disposition L

Any over- or under-collected balance at the end of each year within the GRC cycle will be carried over to the following year. For any TIMP undercollections as a result of overspending up to 35% of the total authorized O&M and capital expenditures, SoCalGas will submit a Tier 3 advice letter seeking recovery of the undercollected amount. For undercollections due to overspending greater than 35% of the total authorized O&M and capital expenditures, SoCalGas will seek recovery through a separate application. If SoCalGas has not overspent in excess of the total authorized O&M and capital expenditures for the current GRC cycle, but an undercollection exists in the TIMPBA due to compounding of actual capital revenue requirement recorded in the TIMPBA, SoCalGas will incorporate the undercollected balance in its annual regulatory account balance update submittal for recovery in the subsequent year's rates. For any unspent TIMP funds at the end of the current GRC cycle, SoCalGas will propose in its next GRC proceeding to return the unspent funds in rates to customers.

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