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November 23, 2022

Rachel Peterson
Executive Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

**Subject: Request for Guidance Regarding Compliance with the Assigned
Commissioner's Scoping Memo and Ruling Related to the Ventura
Compressor Modernization Project Application**

Dear Ms. Peterson:

Southern California Gas Company (SoCalGas) hereby seeks guidance on how it should proceed with respect to complying with the directive in a Scoping Memo and Ruling while also complying with the requirements of an imminently effective general order which will impact the same subject matter. Specifically, SoCalGas asks the Commission to either (a) confirm whether it should strictly comply with the Scoping Memo or, (b) in the alternative, construe this request pursuant to Rule 16.6 as one for an extension of time to comply with both the Scoping Memo and the general order in a consolidated manner.

Background

SoCalGas filed its TY 2024 General Rate Case (GRC) Application, A.22-05-015 (consolidated), on May 16, 2022. Among other things, SoCalGas included within the scope of its GRC request its Ventura Compressor Station Modernization (VCM) Project. The October 3, 2022 Assigned Commissioner's Scoping Memo and Ruling (Scoping Memo) found that the VCM Project should be reviewed in a separate application rather than in the GRC proceeding, reasoning that a determination on SoCalGas's preferred alternative for the project is needed as soon as possible, and that moving the evaluation of the VCM Project into a separate proceeding will be a more efficient way to review and resolve the specific issues outside the extended GRC timeline. The Scoping Memo required SoCalGas to confirm whether it would file a separate formal application for its VCM Project with its preferred project alternative within 45 days of the issuance of the

Scoping Memo (i.e., by November 17, 2022).¹ SoCalGas confirmed it would, and the deadline to file the application was subsequently extended, at SoCalGas's request, to December 15, 2022.²

On October 26, 2022, after SoCalGas requested an extension of time to comply with the GRC Scoping Memo but before that request was granted, in Rulemaking (R.) 20-01-007, Administrative Law Judge Fogel issued the Proposed Decision Adopting Gas Infrastructure General Order (PD). Among other things, the PD would require regulated gas corporations, including SoCalGas, to file an application for a certificate of public convenience and necessity (CPCN) prior to commencing construction on any gas infrastructure for which the project cost exceeds \$75 million.³ The PD outlines CPCN application information and notification requirements—including that a Proponent's Environmental Assessment (PEA) be filed with the Commission at least three months prior to filing the application—and additionally identifies limited exemptions. While a final decision will not be adopted until December 1, 2022 (at earliest), the VCM Project appears to fit squarely within the parameters of the proposed GO: the VCM Project exceeds \$75 million and does not meet any of the currently identified exemptions.

Request for Guidance for Filing VCM Project Application

Over the past 18 months, the Commission has directed SoCalGas to engage in various activities relating to the VCM Project: SoCalGas has expended significant resources preparing a thorough feasibility analysis and has hosted extensive community engagement sessions. These activities have helped identify a preferred alternative that we believe is the best solution for ratepayers, the community around the VCM Project, and for the Commission.

Most recently, the GRC Scoping Memo excluded the VCM Project from consideration in the GRC and ordered SoCalGas to confirm whether it would file a separate application so the Commission could consider the VCM Project in a timely manner. SoCalGas appreciates and agrees with the Commission's sentiment in the Scoping Memo that a determination on SoCalGas's preferred alternative for the VCM Project is needed as soon as possible. However, the imminent applicability of the proposed GO to the VCM Project has generated some uncertainty as to how SoCalGas can best move this matter

¹ The Scoping Memo further orders that the new application include information on SoCalGas's detailed feasibility analysis of alternative sites and equipment configurations, including emissions profiles of the alternatives studied, if applicable, supporting documents on its preferred project alternative, and the facility's revenue requirement, rate treatment, and regulatory accounting.

² See A.22-05-006, October 28, 2022 Administrative Law Judge's Ruling Allowing Southern California Gas Company Extension of Time to File an Application for the Ventura Compressor Modernization Project, Denying Without Prejudice the City of Buena Vista's Motion, and Requiring Southern California Gas Company to Re-Serve Revised Exhibits.

³ The PD includes another permit trigger related to project location.

forward, comply with the Scoping Memo, and comply with the requirements of the new GO when it becomes effective.⁴

We are committed to moving forward as expeditiously as possible with this critical reliability project, which will reduce local emissions once it is in service, though we also understand the importance of proceeding in an intentional, coordinated manner in order to reduce project costs, conserve stakeholder resources, and prevent stakeholder confusion. At this time, SoCalGas intends to timely file a ratemaking application by December 15, as ordered in the GRC Scoping Memo. After the GO takes effect, assuming it remains applicable to the VCM Project, SoCalGas will file a PEA in the ratemaking proceeding and thereafter amend the application to comply with the requirements of the GO.⁵

However, if this is not the Commission's preference and/or intent for how it wishes to procedurally consider the VCM Project, SoCalGas would appreciate additional guidance on how it should proceed. If the Commission believes it would be a more efficient use of the Commission's, intervenors', and SoCalGas's resources, the Commission could grant SoCalGas an extension of time pursuant to Rule 16.6 to file the VCM Project application after the GO goes into effect, allowing SoCalGas sufficient time to prepare and file a PEA and CPCN application in compliance with the requirements of the GO. This "consolidated" application would also satisfy the requirements of the GRC Scoping Memo, except those which are explicitly superseded by submission of the PEA. At this time, SoCalGas does not know how long it will take to prepare the PEA for this project, so it is difficult to provide a date certain by which SoCalGas will be able to file a consolidated application. SoCalGas therefore suggests, if the Commission prefers a single application, that SoCalGas provide an update as to timing by the end of 2022.

SoCalGas has notified the CPUC's Energy Division of this request for guidance.

SoCalGas respectfully requests a response by Friday, December 2 so we may proceed efficiently. Thank you for your consideration of this request.

⁴ If SoCalGas files its application by December 15, as required by the Scoping Memo, it would thereafter be required, pursuant to the GO, to submit a PEA for the same project, wait three months, and then submit a CPCN application. The CPCN application potentially could be effectuated by amending the December 15 application, or it may need to be filed as a stand-alone application which, presumably, could be consolidated with the December 15 application such that all filings and considerations related to the same project occur within one proceeding. The draft GO does not provide a mechanism for the amendment of existing applications; however, SoCalGas has proposed in its comments on the PD that the GO be revised to allow for such flexibility in the interest of expediency and efficiency.

⁵ If the effective GO does not allow the ratemaking application to be amended, SoCalGas will file a separate application and seek to consolidate it with the pre-existing proceeding.

Rachel Peterson
Executive Director
California Public Utilities Commission

November 23, 2022

Sincerely,

/s/ Joseph Mock

Joseph Mock
Director - Regulatory Affairs

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Service List in A.22-05-015