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FILED

04/11/23

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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A2205015

Application of Southern California Gas Company (U904G) for Authority, Among Other Things, to Update its Gas Revenue Requirement and Base Rates Effective on January 1, 2024.

Application 22-05-015

And Related Matters.

Application 22-05-016

ADMINISTRATIVE LAW JUDGE’S RULING GRANTING CALIFORNIA ENVIRONMENTAL JUSTICE ALLIANCE’S MOTION TO COMPEL

This ruling requires Southern California Gas Company (SoCalGas) to respond to California Environmental Justice Alliance (CEJA) Data Request CEJA SEU-009 Question 5(b) with matter descriptions that are sufficiently detailed to determine whether these expenses may be reasonably charged to ratepayers.

On February 1, 2023, CEJA filed its Motion to Compel SoCalGas and San Diego Gas & Electric Company (collectively Sempra Utilities) to respond to Questions 4 and 5 in CEJA’s Ninth Set of Data Requests to SoCalGas in this proceeding (Motion). Sempra Utilities filed its response in opposition to the Motion on February 23, 2023, and CEJA filed its reply to the response on March 3, 2023.

The remaining issue in the Motion concerns reviewing a ready summarization of expenses for outside attorneys according to the nature of service rendered, including SoCalGas’s 2021 payment of \$1,143,592 listed under the Uniform System of Accounts (USofA) account 923 for the law firm Reichman

Jorgensen LLP. The question's central purpose is to assess why SoCalGas retains outside counsel at ratepayer expense.

SoCalGas argues that matter descriptions for these legal fees are protected by attorney-client privilege, either as attorney work-product, an attorney invoice, or other attorney-client communication.¹ Additionally, SoCalGas argues that the Motion is moot because SoCalGas is removing forecasted costs for the Reichman Jorgensen firm from the data supporting its outside legal forecast for Test Year 2024.²

CEJA argues that this data is not protected under any of SoCalGas's privilege arguments. CEJA states that the 1990 California Supreme Court case that SoCalGas cited is inapplicable because, among other reasons, in that case, the Public Advocates Office of the California Public Utilities Commission (Cal Advocates) had sought attorney memoranda, whereas, in this discovery dispute, CEJA merely seeks matter descriptions.³ CEJA further states that SoCalGas's reliance on *Los Angeles County Board of Supervisors v. Superior Court* is also misplaced because CEJA is not seeking attorney invoices.⁴ CEJA contends that removing forecasted costs for all work by the Reichman Jorgensen LLP firm does not render the motion moot. CEJA states that SoCalGas's proposed remedy does not address the over \$1 million SoCalGas charged its customers rather than its shareholders for these expenses.⁵ CEJA argues that a response to its Data Request

¹ See SoCalGas Response at 4; SoCalGas cites *Southern California Gas Company v. Public Utilities Commission*, 50 Cal. 3d 31 (1990).

² See SoCalGas Response at 3.

³ See CEJA Reply at 3.

⁴ *Id.* at 3.

⁵ See CEJA Reply at 6.

is necessary to determine whether SoCalGas's customers should have been charged for these costs and for the Commission to evaluate appropriate remedies.⁶ CEJA states that the Commission should hold utilities accountable for all expenses they include in their rate case applications to deter the inclusion of impermissible costs.⁷

CEJA is not seeking attorney-client communications. Under USofA 923 (B), costs booked for Administrative and General Expenses for outside services must be maintained in the account to permit ready summarization of the nature of the service. Allocating law firm Reichman Jorgensen LLP's legal fees to USofA 923 indicates that SoCalGas was planning to recover these costs as a ratepayer expense. Therefore, SoCalGas should be able to provide a summary description. Removing the forecast in the current general rate case does not remove the underlying allocation assumptions that SoCalGas considers in rate recovery, including in this general rate case. CEJA's Motion has put these costs directly at issue. A response to CEJA's data request is necessary for the Commission to determine the reasonableness of SoCalGas's allocation of the expenses to ratepayer accounts. Therefore, it is reasonable for SoCalGas to respond to CEJA's Data Request with matter descriptions that are sufficiently detailed to determine whether these expenses may be reasonably charged to ratepayers.

CEJA's Motion is granted.

IT IS RULED that within five days of the issuance of this ruling, Southern California Gas Company shall respond to Data Request CEJA-SEU-09, Question

⁶ *Id.* at 6.

⁷ *See* CEJA Reply at 7.

5(b) with matter descriptions that are sufficiently detailed to determine whether these expenses may be reasonably charged to ratepayers.

Dated April 11, 2023, at San Francisco, California.

/s/ MANISHA LAKHANPAL

Manisha Lakhanpal
Administrative Law Judge