

Application of SOUTHERN CALIFORNIA GAS)
COMPANY for authority to update its gas)
revenue requirement and base rates)
effective January 1, 2028 (U 904-G))

Application No.: A.26-06-__

Exhibit No.: (SCG-03-RRWP-CAVAMA)

CLIMATE ADAPTATION VULNERABILITY ASSESSMENT MEMORANDUM
ACCOUNT (CAVAMA)
REASONABLENESS REVIEW WORKPAPERS TO
PREPARED DIRECT TESTIMONY
OF AMY KITSON
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

JUNE 2026



Ex. SCG-03-RRWP_CAVAMA

Workpaper	Climate Adaptation Vulnerability Assessment Memorandum Account (CAVAMA)
Category/Witness Area	Gas Engineering & System Integrity/Amy Kitson

Description (\$ in thousands)	DESCRIPTION					
	Prior Years Spend					
	2021	2022	2023	2024	2025	Total
Capital Expenditures Labor		-				-
Capital Expenditures Non-Labor						-
Capital Expenditures Direct Costs Subtotal	-	-	-	-	-	-
Capital Expenditures Indirect Costs						-
Capital Total	-	-	-	-	-	-
O&M Labor	6,931	56,745	91,405	131,378	171,846	458,305
O&M Non-Labor	120	530,807	1,103,894	492,623	133,395	2,260,839
O&M Direct Costs Subtotal	7,051	587,552	1,195,299	624,001	305,241	2,719,144
O&M Indirect Costs	5,085	51,565	76,717	101,853	126,089	361,309
O&M Total	12,136	639,117	1,272,016	725,854	431,330	3,080,453
Units						
Unit 1						-
Unit 2						-
FTE						-
Imputed Authorized Direct Capital \$						-
Imputed Authorized Direct O&M \$						-

Direct Cost Breakdown by Cost Category:

(\$ in thousands)	Prior Years Spend					
	2021	2022	2023	2024	2025	Total
Category 1 (BC or Cost Category)						
Capital	-	-	-	-	-	-
Labor						-
Non-Labor						-
O&M	7,051	587,552	1,195,299	624,001	305,241	591,700
Labor	6,931	56,745	91,405	131,378	171,846	458,305
Non-Labor	120	530,807	1,103,894	492,623	133,395	133,395
Category 1 Total	7,051	587,552	1,195,299	624,001	305,241	591,700

Business Purpose:

In 2018, the Commission established the "Order Instituting Rulemaking to Consider Strategies and Guidance for Climate Change Adaptation" (Climate Change Adaptation OIR, R.18-04-019). Three subsequent Commission Decisions (D.) (D.19-10-054, D.20-08-046, D.24-08-005) mandate how investor-owned gas and electric utilities (IOUs) in California should assess their vulnerabilities to climate risks. These Decisions collectively require key climate adaptation deliverables, including the preparation and filing of the climate adaptation vulnerability assessment (CAVA), community engagement plan (CEP), CEP Survey Report, performing robust stakeholder engagement, participating in Commission meetings and workshops, and filing annual Tier 1 Advice Letters with the Commission documenting the activities performed within that respective time period. SoCalGas engaged external consultants and leveraged internal labor with subject matter expertise to support preparation of the key deliverables as well as integrating input from disadvantaged vulnerable communities (DVCs) and Tribal nations.

Project Justification:

The CAVAMA contains costs for activities mandated through the Climate Change Adaptation OIR, including robust stakeholder engagement with DVCs, to meaningfully integrate climate change considerations into SoCalGas service and operations.

Project Scope:

SoCalGas performed the activities mandated in the Climate Change Adaptation OIR, which, in general, included:

CEP: summarizes how SoCalGas is and will continue to partner with community leaders, including in underserved and climate-vulnerable communities, to understand and address their concerns about climate change impacts and better understand the unique perspectives and challenges facing these communities. The CEP establishes goals, objectives and best practices regarding meaningful community engagement, ways to integrate community feedback and perceptions into the CAVA and future outreach for the

Climate Adaptation Program, and ways to prioritize the voices of disadvantaged vulnerable communities, California Tribal Nations, community-based organization (CBO) partners, and local governments and integrate in the Climate Adaptation Program. SoCalGas's first CEP was due in 2024.

CAVA: evaluated over 5.9 million assets across several different asset classes (High-Pressure Pipelines; Medium-Pressure Pipeline; Facilities; Regulators, Compressors, Valves; Storage Fields) in relationship to five climate hazards (coastal erosion, coastal flooding, inland flooding, landslide and wildfire). The CAVA identifies higher risk assets and priorities for project-level adaptation analysis as well as potential adaptation measures to address various hazard types. These inputs generated risk scores that aligned with the vulnerabilities and adaptation options identified in the CAVA and informed SoCalGas's CAVA Investment Proposals described in Capital workpaper. SoCalGas's first CAVA was due in 2025.

CEP Survey Report: a survey of DVCs and CBOs to assess the effectiveness of SoCalGas's community outreach and engagement to help inform and improve future CEPs. SoCalGas's first CEP Survey Report was due in May 2026 and to comply with the regulatory timeline, work was initiated and booked to the CAVAMA in 2025.

Commission Activities and Engagement: SoCalGas participated in several workshops and meetings in support of Commission activities related to the Climate Change Adaptation OIR. Some examples include the Phase I Topic 5 Working Group (November 2019); Phase II Launch Workshop (March 2023); Phase II Workshop on Tasks 1& 3: Modeling, Investment and Procedural Linkages for Climate Adaption (October 2023); California Climate Adaptation Equity Workshops in Northern and Southern California (August and September 2025, respectively); and the Lexicon Working Group Public Workshop (July 2025).

Tier 1 Advice Letters: Advice letters were prepared and timely filed and include AL 5788, AL 5958, AL 6116, AL 6287, AL 6458, AL 6619.

Stakeholder engagement took a "boots on the ground" approach and is described in detail in the following "Stakeholder Engagement and Impact" section.

Cost Drivers:

Cost drivers include the labor and non-labor costs to complete the key deliverables related to the Climate Change Adaptation OIR, including the CAVA, CEP, initiate the CEP Survey Report, and perform stakeholder engagement, from the inception of the CAVAMA on September 25, 2020 through December 31, 2025. Non-labor costs included consultant cost to prepare the CAVA and to prepare and implement the CEP. Consultants were selected through a competitive process. Additionally, to enable participation from a broad range of DVC/CBO partners, they were compensated according to their level of participation up to \$7,500 total or \$150/hour, with costs booked to the CAVAMA. More than 20 CBOs received reimbursement for participating over a three-year period for a total cost of approximately \$171,000.

Project Timing and Phases:

The Climate Change Adaptation OIR establishes a four-year cycle (with ongoing climate work occurring annually) during which SoCalGas's climate change adaptation activities are communicated, evaluated, reported, and operationalized. Due dates for the respective deliverables were established initially by D.20-08-046 then subsequently modified by D. 24-08-005 (requires IOU filing of the CAVA one year prior to filing the RAMP; see D.24-08-005 at page 81.

CEP: the first CEP was submitted on May 15, 2024, with the second CEP due 2027 and then every four years thereafter.

CAVA: the first CAVA was submitted on May 15, 2025 with the second CAVA due in 2028 and then every four years thereafter.

CEP Survey Report: the first CEP Survey Report was due on May 15, 2026 with the second due in 2029 and then every four years thereafter.

Annual Tier 1 Advice Letters: filed by March 31 of each year to summarize activities for the preceding year (from 2020 through 2026).

Approval Process/Procurement Process:

SoCalGas established its CAVAMA on September 25, 2020 and is requesting authorization to recover costs booked to the CAVAMA through December 31, 2025. The Commission authorized the creation of the CAVAMA in D.20-08-046 to track costs "directly related to the vulnerability assessments and any incremental costs related to the community engagement, the Community Engagement Plans, and the related community engagement surveys ordered in this decision."

Accounting controls to prudently manage cost were established to allocate incremental labor (as small as 0.25 hour) and non-labor costs based on activities for development of the CAVA and community stakeholder engagement/CAVA CEP. Work was authorized in accordance with SoCalGas's Approval and Commitment Policy. External technical partners were selected through competitive solicitations or pre qualified contracting pathways to provide specialized expertise in climate modelling, risk/vulnerability assessments, utility infrastructure, and stakeholder engagement. Engagements were formalized through purchase orders and statements of work that clearly defined deliverables, oversight roles, acceptance criteria, and timelines. Costs were recorded and the activities to prepare the CAVA, CEP and perform related stakeholder engagement leveraging existing internal technical resources and community engagement frameworks to the extent possible or engaging external consultant support to provide the resources not available internally.

Risk Identification and Mitigation:

Climate change hazards can drive, trigger, or exacerbate RAMP risks while adaptation can alleviate some of the likelihood or consequences of a particular negative outcome due to a climate hazard. SoCalGas's RAMP identifies seven risks areas of which the following are addressed in the CAVA: High-Pressure Gas System; Medium Pressure Gas System; Employee Safety; Contractor Safety. SoCalGas's climate work is aligned with the activities of the Risk-Based Decision-Making Framework (RDF) and Risk Assessment and Mitigation Phase (RAMP) administered by Enterprise Risk Management. For example, climate change was considered in the ESJ Pilot Study White Paper (D.22-12-027) filed with the CPUC in July 2025.

Consideration of Alternative Solutions:

N/A as the activities are required pursuant to the Climate Change Adaptation OIR.

Coordination with Similar Programs

SoCalGas’s activities related to climate change adaptation are aligned with the Company’s proactive Geohazard Management Program (GMP). SoCalGas currently administers aspects of geohazards within different departments, primarily Integrity Management & Strategic Planning, Integrity Management, Gas Engineering and Emergency Management. For example, geohazards are evaluated as “weather related and outside force” (WROF) required by 49 CFR 192, Subpart O “Gas Transmission Pipeline Integrity Management,” and “natural forces” under Gas Distribution Pipeline Integrity Management under 49 CFR 192 Subpart P. The Climate Adaptation and Geohazard Program provides the programmatic oversight of geohazards to avoid redundancies and to reinforce the incrementality of climate related activities.

Stakeholder Impact and Engagement:

SoCalGas developed a list of community partners and organizations and integrated GIS federal and state DVC data (Climate + Economic Justice Screening Tool [CJEST] and CalEnviroScreen, respectively) at the regional and local level. SoCalGas also surveyed CBOs to identify baseline awareness of and interest in the Climate Change Adaptation OIR. SoCalGas received 104 responses from CBOs over the course of approximately one month. From the survey responses, SoCalGas was able to identify CBO partners who had expressed interest via the survey in participating in the engagement process. These organizations demonstrated strong connections to DVCs, and/or demonstrable experience with climate change/adaptation or environmental justice work. This approach allowed engagement activities to be tailored to the specific needs identified by the community. Four regional advisory boards (RAB) were established and hosted three workshops each (12 total) including in total 28 community based organizations. SoCalGas also conducted significant Tribal engagement beyond the RABs. Nine Tribal Nations were selected based on their location within SoCalGas’s service territory and their utilization of SoCalGas gas service to engage in scheduled “talking circles.” In general, Tribal members shared concerns about the impacts of wildfires, floods, drought and extreme weather. SoCalGas shared the Draft CEP and a “CBO toolkit,” which included the public survey, social media posts, and program materials to distribute to their communities. The survey and materials were prepared in eight languages requested by CBO partners: English, Arabic, Spanish, Simplified Chinese, Vietnamese, Korean, Tagalog, and Punjabi. CBOs provided important engagement information, including translation needs for Climate Adaptation Program materials, feedback on SoCalGas’s outreach approach, and outreach tactics. The significant community stakeholder engagement activities performed resulted in more than a dozen community meetings, routine engagement with CPUC staff, and internal coordination to inform the Draft CEP and enabled the timely submittal of the CAVA CEP in May 2024.

Utility Benchmarking:

Climate adaptation activities are aligned organizationally with the other major California Investor-Owned Utilities (IOUs) which have established a centralized climate adaptation function.

Pictures:

Not applicable