



**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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Order Instituting Rulemaking Regarding
Building Decarbonization.

Rulemaking 19-01-011
(Filed on January 31, 2019)

**SOUTHERN CALIFORNIA GAS COMPANY'S (U 904 G) MOTION TO STRIKE
SIERRA CLUB'S REPLY TO RESPONSES TO MOTION TO DENY PARTY STATUS
TO CALIFORNIANS FOR BALANCED ENERGY SOLUTIONS OR, IN THE
ALTERNATIVE TO GRANT MOTION TO COMPEL DISCOVERY**

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Pursuant to Rule 11.1(e) of the Rules of Practice and Procedure (“Rules”) of the California Public Utilities Commission (“Commission”), Southern California Gas Company (“SoCalGas”) respectfully moves to strike portions of Sierra Club’s Reply to Response to Motion to Deny Party Status to Californians for Balanced Energy Solutions or, in the Alternative to Grant Motion to Compel Discovery (“Reply” and underlying “Motions”).

I. INTRODUCTION

Like the underlying data requests and Motions,¹ Sierra Club’s Reply is predicated on a series of suppositions and speculation that, at best, are the result of a wild imagination and, at worst, are intentional fabrications and misstatements. This Motion to Strike seeks to strike Sierra Club’s Reply in its entirety or, at a minimum, those portions that are false, irrelevant, and/or improper to put before the assigned Administrative Law Judges (“ALJs”) for consideration in their ruling on the Motions.²

¹ Prior to filing its Motions, Sierra Club served discovery on SoCalGas seeking to probe the relationship between SoCalGas and C4BES, including whether SoCalGas provided funding to C4BES. Similar discovery was also served on C4BES.

² Both Sierra Club and Earthjustice have filed notices of intent to seek intervenor compensation in this proceeding. The nature and content of Sierra Club’s Motions and Reply—which serve to detract from the issues in this proceeding and waste the Commission’s valuable time—must be considered when their claims for intervenor compensation eventually are submitted.

II. BACKGROUND

A. Sierra Club's Motions

Californians for Balanced Energy Solutions (“C4BES”) filed its motion for party status in this proceeding on March 13, 2019. Rather than timely oppose that motion, or seek leave of the assigned ALJs to file a late response to that motion, Sierra Club instead chose to file its Motion to Deny Party Status to Californians for Balanced Energy Solutions or, in the Alternative to Grant Motion to Compel Discovery (“Motions”). Sierra Club does not downplay its intent with the alternative Motions: it seeks to deny C4BES party status in this proceeding, notwithstanding longstanding Commission policy that prefers broad participation from various affected parties.³ To that end, Sierra Club draws unfounded conclusions in its Motions which were systematically refuted by SoCalGas or C4BES in their respective responses: SoCalGas was not solely responsible for founding C4BES;⁴ SoCalGas did not compensate Matt Rahn or any institution with which he is involved for his membership in C4BES;⁵ C4BES is not a “utility-created front group;”⁶ and SoCalGas does not control C4BES.⁷

B. Sierra Club's Reply

Seemingly irked that the actual facts evidence a reality different from the narrative sought to be conveyed by Sierra Club, the Reply doubles down on Sierra Club's position— notwithstanding contradictory facts in SoCalGas' and C4BES's responses to the Motions—and amps up the vitriol, leading to outright false, improper, and irrelevant statements in the Reply. SoCalGas and C4BES elucidated in their responses to the Motions (“Responses”) the facts underlying the formation of C4BES; nevertheless, Sierra Club persists that “both C4BES and

³ Southern California Gas Company's Response to Sierra Club's Motion to Deny Party Status to Californians for Balanced Energy Solutions or, in the Alternative to Grant Motion to Compel Discovery (“SoCalGas Response”) at 2.

⁴ SoCalGas Response at 7; Californians for Balanced Energy Solutions (C4BES) Response to Sierra Club's Motion to Deny Party Status to Californians for Balanced Energy Solutions or, in the Alternative, to Grant Motion to Compel Discovery (“C4BES Response”) at 6.

⁵ SoCalGas Response at 7; C4BES Response at 9.

⁶ SoCalGas Response at 7; C4BES Response at 3-5.

⁷ SoCalGas Response at 6-7; C4BES Response at 14.

SoCalGas have sought to mask the depths of SoCalGas' involvement."⁸ Rather than arguing its data requests are relevant to the scope of issues in this particular proceeding, Sierra Club states its data requests "relate directly to the Commission's duty to supervise and regulate SoCalGas"⁹ and that, if the Commission does not grant either of the Motions, then the "Commission [has] determine[d] there should be no limits to a utility's ability to create entities to further its interests in Commission proceedings."¹⁰ A full register of the false, improper, or irrelevant statements is presented in Section IV hereinbelow.

III. LEGAL STANDARD

Sierra Club's Motions and Reply arrive at a unique time in this proceeding, i.e., before there is an evidentiary record. Unable to establish even tenuous relevance of its data requests¹¹ to the scope of this proceeding, namely, "all policy framework issues, including programs, rules, and rates, that will help accomplish building decarbonization, as part of the state's GHG reduction goals,"^{12, 13} Sierra Club instead resorts to speculation and makes statements that are patently false, irrelevant, or improper for consideration in ruling on its Motions.

Because this issue arises at such an early stage in this proceeding, Commission decisions regarding the standard for a motion to strike are not instructive. However, state law offers guidance. Section 436 of the California Code of Civil Procedure provides:

The court may, upon a motion made pursuant to Section 435, or at any time in its discretion, and upon terms it deems proper:

- (a) Strike out any irrelevant, false, or improper matter inserted in any pleading.
- (b) Strike out all or any part of any pleading not drawn or filed in conformity with the laws of this state, a court rule, or an order of the court.

⁸ Sierra Club's Reply to Responses to Motion to Deny Party Status to Californians for Balanced Energy Solutions or, in the Alternative to Grant Motion to Compel Discovery ("Reply") at 1. Sierra Club's statement is additionally duplicitous because SoCalGas noted in its objection to Sierra Club's discovery that it is a founding member of C4BES.

⁹ Reply at 5.

¹⁰ *Id.*

¹¹ The data requests are those underlying Sierra Club's Motion to Deny Party Status or, in the Alternative to Grant Motion to Compel Discovery. *See* Motions to Deny Party Status to Californians for Balanced Energy Solutions or, in the Alternative to Grant Motion to Compel Discovery ("Motions") at Exhibit 2 to Attachment A.

¹² Assigned Commissioner's Scoping Memo and Ruling ("Scoping Memo") at 3-4.

¹³ Indeed, it appears Sierra Club's Motions and Reply seek to undermine the scope of the proceeding; that is, rather than hear and evaluate all proposals to reduce greenhouse gas emissions from buildings, Sierra Club wishes at an early stage to mute perspectives it does not support.

This serves as good instruction for the type of material that should be stricken from pleadings, particularly in the early stages of a proceeding.

Pleadings may also be stricken as sanctions for conduct violating the Commission's Rules. Rules 1.8(b) and (f) of the Commission's Rules provide:

(b) A signature on a document tendered for filing certifies that the signer has read the document and knows its contents; that to the signer's best knowledge, information, and belief, formed after reasonable inquiry, the facts are true as stated; that any legal contentions are warranted by existing law or a good- faith argument for the extension, modification, or reversal of existing law; that the document is not tendered for any improper purpose; and that the signer has full power and authority to sign the document.

(f) The Commission may summarily deny a person's request, strike the person's pleadings, or impose other appropriate sanctions for willful violation of subsections (b) or (d) of this rule. The Commission may seek appropriate disciplinary action against an attorney for a willful violation of subsections (b) or (d) of this rule.

IV. DISCUSSION

A party may not file a reply in favor of its motion as a matter of right; pursuant to Rule 11.1(f), a party must first obtain leave from the ALJ to do so. Rule 11.1(f) provides that a "moving party may *reply to responses* to the motion" (emphasis added). Sierra Club obtained leave in order to file its Reply, but the contents of the Reply are not responsive to matters stated in SoCalGas and C4BES's responses; instead, the Reply is full of false and deceptive statements as well as matters that do not reply to the Responses and more appropriately should have been included in the Motions so as to allow respondents an opportunity to address them.¹⁴

Rule 1.8(f) supports striking the Reply in its entirety. Rule 1.8(b) provides that a signature on a document acts as a certification that "the facts are true as stated," and Rule 1.8(f) provides that violations of Rule 1.8(b) may result, among other things, in striking the pleading. In this regard, the Reply should be stricken in its entirety. Rather than reply to the Responses as permitted by Rule 11.1(f), the Reply misstates the contents of the Responses (e.g., "Contrary to SoCalGas' assertions, it is well within the Commission's authority to require SoCalGas and C4BES to respond to Sierra Club's data requests"¹⁵) and ignores facts set forth in the Responses

¹⁴ See, e.g., arguments regarding the Commission's broad scope of authority and obligations to oversee investor-owned utilities, reference to a study in a *Washington Post* article, etc.

¹⁵ Reply at 1.

in favor of pushing its unsubstantiated agenda (e.g., “SoCalGas’ financial contributions could be just under ‘a majority of the funds’ C4BES has received. It strains credulity that an entity that receives up to half its funding from SoCalGas....”¹⁶). The misstatements and cunning phrasing are identified with specificity hereinbelow.

To the extent the Reply is not stricken in its entirety pursuant to Rules 1.8(f) or 11.1(f), the following specific statements ought to be stricken from the Reply. As they are numerous (twenty-four in the five-page document), they are presented in the following table, along with the bases supporting each striking pursuant to the guidance provided in Section 436 of the Code of Civil Procedure (i.e., false, improper, or irrelevant), for ease of review.

	Statement to be Stricken	Location in Reply	Basis for Striking
1.	“Indeed, it is highly unlikely C4BES would exist absent the administrative support provided by SoCalGas staff and the consulting services that C4BES does not dispute SoCalGas paid for to ensure C4BES looked like an ‘authentic and professional organization.’”	p. 1	<u>False and Irrelevant.</u> This is pure conjecture stated as fact, notwithstanding the contradictory statements in C4BES’s Response to the Motions. ¹⁷ Moreover, even before the Motions were filed, SoCalGas stated to Sierra Club it was a founding member of C4BES. ¹⁸
2.	“Given SoCalGas’ participation in and influence over C4BES, SoCalGas’ efforts to liken C4BES to the coalitions that routinely appear in Commission proceedings is without merit.”	p. 1	<u>False and Irrelevant.</u> C4BES directly refutes in its response to the Motions that SoCalGas has any more or less influence than the other twenty-nine members of its board of directors. ¹⁹ Further, there is no Commission standard regarding treating coalitions differently depending upon their membership. If there were, Sierra Club, too, would have a diminished presence in proceedings. ²⁰
3.	“SoCalGas was instrumental in forming C4BES as a vehicle to amplify its interests, [sic] both	p. 1	<u>False and Improper.</u> SoCalGas disclosed its involvement with C4BES to Sierra Club before the

¹⁶ Reply at 2.

¹⁷ C4BES Response at 8.

¹⁸ Motions at Exhibit 1 to Attachment A.

¹⁹ C4BES Response at 14.

²⁰ SoCalGas Response at 8.

	<p>C4BES and SoCalGas have sought to mask the depths of SoCalGas’ involvement.”</p>		<p>Motions were even filed,²¹ and its participation in C4BES is on C4BES’s publicly available website.²² C4BES, too, has described its formation in much detail, specifically noting that its formation was collaborative among interested parties.²³ And, rather than argue that the information sought in the data requests is relevant to the scope of this proceeding, Sierra Club improperly and erroneously draws an irrelevant causal relationship between two facts (namely, that SoCalGas was a founding member of C4BES and that SoCalGas is a member of C4BES because it, and twenty-nine other board members, shares its mission).</p>
<p>4.</p>	<p>“Contrary to SoCalGas’ assertions, it is well within the Commission’s authority to require SoCalGas and C4BES to respond to Sierra Club’s data requests.”</p>	<p>p. 1</p>	<p><u>False and Irrelevant.</u> SoCalGas has not asserted the Commission does not have the authority to require SoCalGas to respond to the data requests. Rather, SoCalGas has argued the data requests bear no relevance to this proceeding; and Sierra Club does not refute that. Instead, rather than establish relevance to the scope of this particular proceeding, Sierra Club invokes the Commission’s broad authority to oversee and regulate investor-owned utilities. The Commission does have broad authority, and it also has processes and procedures which must be respected. This is neither the appropriate process nor procedure for this line of inquiry because it is irrelevant to the scope of <i>this particular</i> proceeding. Moreover, as Public Advocates Office stated in its</p>

²¹ Motions at Exhibit 1 to Attachment A.

²² <https://c4bes.org/about-us/>

²³ C4BES Response at 1-2.

			response, it has propounded discovery on SoCalGas regarding the allegations made by Sierra Club in its Motions and will introduce them into this proceeding if it determines they are pertinent ²⁴ (notwithstanding SoCalGas’ expressed concerns that the discovery is served outside this proceeding and introduction of the responses in this proceeding would usurp the role of the ALJs in ruling on the relevance of Sierra Club’s data requests).
5.	“The Commission has plenary authority to take all action necessary to supervise and regulate the utilities under its purview.”	p. 2	<u>Irrelevant.</u> Rather than establish relevance to the scope of this particular proceeding, Sierra Club invokes the Commission’s broad authority to oversee and regulate investor-owned utilities. The Commission does have broad authority, and it also has processes and procedures which must be respected. This is neither the appropriate process nor procedure for Sierra Club’s data requests because they are irrelevant to the scope of <i>this particular</i> proceeding.
6.	“The Commission’s oversight role compels disclosure of SoCalGas’ involvement with C4BES to assess its purported independence, provide needed transparency, and protect ratepayers.”	p. 2	<u>Irrelevant.</u> Rather than establish relevance to the scope of this particular proceeding, Sierra Club invokes the Commission’s broad authority to oversee and regulate investor-owned utilities. The Commission does have broad authority, and it also has processes and procedures which must be respected. This is neither the appropriate process nor procedure for Sierra Club’s data requests because they are irrelevant to the scope of <i>this particular</i> proceeding.

²⁴ Response of the Public Advocates Office to Sierra Club’s Motion to Deny Party Status to Californians for Balanced Energy Solutions or, in the Alternative, to Grant Motion to Compel Discovery (“Cal Advocates Response”) at 2.

7.	“...4) retained a consulting firm to develop “authentic and professional” materials for C4BES;...”	p. 2	<u>Improper.</u> Contradicts C4BES’s Response that “support and development of materials was completed in collaboration with Dr. Rahn and other Board Members,” ²⁵ and that “the assertion by the Sierra Club that these consultants were solely responsible for the development of the materials is simply not true.” ²⁶
8.	“...5) provides substantial financial contributions to organizations now serving on the C4BES Board.”	p. 2	<u>Improper.</u> In support of this statement, Sierra Club cites to C4BES’s Response at pages 7-9, where SoCalGas’ donation to the Environmental Leadership Institute at Cal State San Marcos at Temecula (“ELI”) is noted. As elucidated in SoCalGas’ Response, SoCalGas has been a long-time supporter of the ELI, and Southern California Edison provided initial funding for the ELI. ²⁷ The “substantial contributions” description is misleading given this history as well as SoCalGas’ annual donations to hundreds of different organizations. To the extent this statement refers to Sierra Club’s statement in its Motions that “publicly available information reveals that other C4BES Board Members belong to organizations that received donations from SoCalGas in 2017,” ²⁸ again Sierra Club seeks to conflate common interests with cause-and-effect motivation which, if deemed to be true, would reflect just as poorly as argued in the Reply on

²⁵ C4BES Response at 8.

²⁶ *Id.*

²⁷ SoCalGas Response at 7.

²⁸ Motions at 8.

			Sierra Club and Earthjustice. ^{29, 30} Sierra Club’s improper supposition also does not account for the fact that SoCalGas serves 500 communities and, as such, makes hundreds of donations to organizations—in amounts less than, greater than, and comparable to that made to ELI—yet the vast majority of those organizations are not on the board of C4BES.
9.	“Rather, SoCalGas’ donations to organizations serving on the C4BES Board are a factor in assessing its influence.”	p. 2	<u>False and Improper.</u> Sierra Club cites no authority for this supposed legal standard, which Sierra Club cobbles together from selected circumstances present only in this particular situation. Moreover, this directly contradicts the statement in C4BES’s Response that all members of its Board have “equal weight in terms of organizational decision-making” ³¹ and that “[n]o single individual or entity has exclusive control of the operations, management, or finances of the organization.” ³² C4BES further notes that the donation made to ELI is “part of an ongoing competitive grant program” ³³ that SoCalGas has supported for many years. ³⁴ Sierra Club simply chooses to disregard facts that contradict its false narrative.
10.	Footnote 3: “See Christopher Ingraham, <i>Massive new study traces how corporations use charitable donations to tilt regulations in their</i>	p. 2	<u>Improper and Irrelevant.</u> Sierra Club seeks to introduce new support for its Motions for the first time in its Reply, when SoCalGas and C4BES

²⁹ See SoCalGas Response at 8-9.

³⁰ C4BES Response at 13 (“In fact, the Sierra Club recently announced its own collaboration with a specific solar entity, that provides funds to the Sierra Club in exchange for each residential solar facility provided under the program.”).

³¹ C4BES Response at 7.

³² *Id.*

³³ C4BES Response at 9.

³⁴ C4BES Response at 9-10.

	<p><i>favor</i>, Washington Post (Jan. 17. 2019) https://www.washingtonpost.com/business/2019/01/17/massive-new-study-traces-how-corporations-use-charitable-donations-title-regulations-in-their-favor/ (citing Marianne Bertrand, <i>et al.</i>, <i>Hall of Mirrors: Corporate Philanthropy and Strategic Advocacy</i>, National Bureau of Economic Research (Dec. 2018), https://www.nber.org/papers/w25329 (patters in a comprehensive sample of public commentary made by firms and non-profits within U.S. federal rulemaking between 2003 and 2015 suggest that “corporations strategically deploy charitable grants to induce non-profit grantees to make comments that favor their benefactors”)).</p>	<p>have no opportunity to respond and thus are deprived of due process rights. The cited article discusses a study which SoCalGas (and C4BES) cannot probe. Moreover, the article itself is irrelevant to this proceeding. It discusses support provided by those <i>who have no stake</i> in the outcome of the proceeding: “The groups were united by two common threads. The first was their lack of any apparent stake in telecommunications policy. The second was the fact that they had all recently received donations from AT&T, in some cases totaling six figures or more.” To liken the members of C4BES—who support balanced energy policy for business and affordability reasons—to entities that have no interest in the outcome of a proceeding is repugnant. The article notes, “The biggest losers are constituents who end up getting their perspectives drowned.” Here, the members of C4BES are the constituents, and it is Sierra Club’s Motions that are attempting to drown them.</p>
11.	<p>“C4BES also claims that SoCalGas ‘is just one of thirty voices on the Board’ but simultaneously admits that SoCalGas’ financial contributions could be just under ‘a majority of the funds’ C4BES has received. It strains credulity that an entity that receives up to half its funding from SoCalGas is a ‘unique and separate voice in this proceeding.’”</p>	<p>pp. 2-3 <u>False and Improper.</u> This can only be construed as an outright misstatement intended to mislead the Commission. C4BES Response states, “SoCalGas is one of five organizations that have currently contributed funds to help support C4BES; their contributions <i>do not represent a majority</i> of the funds that have been received.”³⁵ In no way does this translate to the statements made by Sierra Club. Moreover, there is no support for Sierra Club’s contention that financial support correlates to proportional influence</p>

³⁵ C4BES Response at 14.

			(indeed, C4BES flatly denies this is the case for its organization ³⁶).
12.	“Even from the limited information Sierra Club was able to obtain notwithstanding C4BES and SoCalGas’ refusal to respond to discovery, it is apparent that SoCalGas’ direct involvement, provision of support services, and financial backing was pivotal to C4BES’ creation and to its continued operation.”	p. 3	<u>False and Improper.</u> None of this can be gleaned from the sources cited by Sierra Club and, moreover, these statements have been refuted in C4BES’s Response. ³⁷
13.	“To Sierra Club’s knowledge, SoCalGas’ significant efforts to create and sustain an entity to intervene and support its positions before the Commission is unprecedented.”	p. 3	<u>False and Improper.</u> None of this can be gleaned from the sources cited by Sierra Club and, moreover, these statements have been refuted in C4BES’s Response. ³⁸
14.	“While SoCalGas feigns umbrage at the characterization of C4BES as an astroturf or utility front group, these terms refer to exactly what is at issue here: entities who hide their sponsorship to appear independent.”	p. 3	<u>False and Improper.</u> None of this can be gleaned from the sources cited by Sierra Club and, moreover, these statements have been refuted in C4BES’s Response. ³⁹ The allegation is not credible given that C4BES has a publicly available website that lists SoCalGas as a board member. ⁴⁰
15.	“C4BES and SoCalGas’ efforts to mask SoCalGas’ seminal and substantial role in C4BES is extremely troubling and a threat to the integrity of Commission proceedings.”	p. 3	<u>False and Improper.</u> The statements regarding SoCalGas’ role with C4BES have been refuted in C4BES’s Response—SoCalGas has an equal voice along with the other 29 board members. ⁴¹ Sierra Club’s characterization as C4BES tarnishing the integrity of Commission proceedings—particularly when the Building Decarbonization Coalition, of which Sierra Club is a member,

³⁶ C4BES Response at 10.

³⁷ C4BES Response at 6-7 (“SoCalGas Was Not Primarily Responsible for Founding C4BES”).

³⁸ *Id.*

³⁹ *Id.*

⁴⁰ See <https://c4bes.org/about-us/>.

⁴¹ C4BES Response at 6-7 (“SoCalGas Was Not Primarily Responsible for Founding C4BES”).

			gets a platform in this proceeding notwithstanding a lack of party status ⁴² --is unfounded and serves no purpose other than to subvert the Commission's commitment to increased and broad public participation.
16.	"By all metrics, SoCalGas has substantial control and influence over C4BES."	p. 4	<u>False and Improper.</u> The statements regarding SoCalGas' role with C4BES have been refuted in C4BES's Response—SoCalGas has an equal voice along with the other 29 board members. ⁴³
17.	"The Commission has plenary authority to 'do all things,' whether specifically designated or not, that may be necessary to 'supervise and regulate' the utilities under its jurisdiction. Similarly, Rule 1.2 of the Commission's Rules 'permit deviations from the rules' and Rule 9.1 allows the ALJ to 'take such action as may be necessary and appropriate to the discharge of his duties.'"	pp. 4-5	<u>Improper and Irrelevant.</u> The Commission's broad authority is neither contested nor at issue here. Moreover, Rule 1.2 is cited out of context: "deviations from the rules" are permitted "[i]n special cases and for good cause shown, and within the extent permitted by statute." ⁴⁴ There is no blanket right to deviate from the rules, as stated by Sierra Club. Rule 9.1 also is cited out of context: "The Administrative Law Judge may take such other action as may be necessary and appropriate to the discharge of his duties, <i>consistent with the statutory or other authorities under which the Commission functions and with the rules and policies of the Commission.</i> " ⁴⁵ Sierra Club's Motions are <i>inconsistent</i> with the Commission's rules and policies regarding increased participation by diverse parties and relevance. ⁴⁶

⁴² SoCalGas Response at 4-5.

⁴³ C4BES Response at 6-7 ("SoCalGas Was Not Primarily Responsible for Founding C4BES").

⁴⁴ CPUC Rules of Practice and Procedure 1.2, Construction: "These rules shall be liberally construed to secure just, speedy, and inexpensive determination of the issues presented. In special cases and for good cause shown, and within the extent permitted by statute, the Commission may permit deviations from the rules."

⁴⁵ CPUC Rules of Practice and Procedure 9.1 (emphasis added).

⁴⁶ SoCalGas Response at 5.

18.	“Finally, because Rule 1.4 empowers the ALJ to deny party status ‘where circumstances warrant,’ the Commission may require additional discovery to determine whether the action is, in fact, warranted.”	p. 5	<u>Improper and Irrelevant.</u> Rule 1.4 does not supersede Rule 10.1’s requirement that discovery must be “relevant.” Moreover, Sierra Club cannot use a party’s refusal to respond to irrelevant discovery in order to create a false issue requiring extreme judicial intervention.
19.	“Because Sierra Club’s discovery is limited to understanding SoCalGas’ relationship with C4BES, it relates directly to the Commission’s duty to supervise and regulate SoCalGas.”	p. 5	<u>Irrelevant and Improper.</u> Sierra Club has not established that its data requests are <i>relevant</i> to the scope of the proceeding. Even limited discovery on an irrelevant topic is improper and not permitted under Rule 10.1.
20.	“In seeking to evade discovery through a narrow reading of the Rules of Commission Practice and Procedure, SoCalGas asks for impunity. Impunity from Commission oversight and a shield from any inquiry into the extent of its control over a party to a Commission proceeding.”	p. 5	<u>False, Irrelevant, and Improper.</u> SoCalGas has made no such request, nor does it construe the Rules narrowly (in fact, SoCalGas acknowledges that “relevant” in this proceeding with a comprehensive scope is quite broad ⁴⁷). Sierra Club’s attempt to introduce irrelevant topics into the scope of this proceeding is improper.
21.	“SoCalGas’ position that its ability to form and finance separate entities to intervene in Commission proceedings is beyond scrutiny is fundamentally inconsistent with the Commission’s oversight responsibilities and must be flatly rejected.”	p. 5	<u>False, Improper, and Irrelevant.</u> SoCalGas has taken no such position. Sierra Club’s attempt to introduce irrelevant topics into the scope of this proceeding by calling on the Commission’s broad oversight responsibilities is improper.
22.	“Even if the Commission determines there should be no limits to a utility’s ability to create entities to further its interests in Commission proceedings and denies Sierra Club’s Motion to Deny Party Status with prejudice....”	p. 5	<u>False and Improper.</u> Sierra Club deceptively misstates the ramifications of the Commission denying its Motions. There will be no such broad implication, other than possibly suggesting that the Commission’s rules regarding relevance, practice and order must be abided.

⁴⁷ SoCalGas Response at 10.

23.	“All costs SoCalGas is incurring, whether through staff time, payments to third-party consultants, or direct contributions, to an entity to amplify those concerns before the Commission is needlessly duplicative, not in the customer interest, and must be borne by SoCalGas shareholders.”	p. 5	<u>False, Improper, and Irrelevant.</u> This statement erroneously suggests shareholders are not responsible for the relevant funding and that no SoCalGas customers benefit from C4BES’s existence (which is belied by the existence of the 29 other C4BES board members). Moreover, this is neither SoCalGas’ general rate case nor a ratemaking proceeding, and thus whether ratepayer or shareholder funds are used is not relevant (and, to the extent shareholder funds are used, this is not relevant to Sierra Club in any forum).
24.	“Indeed, given SoCalGas’ troubling pattern and practice of imposing the costs of highly misleading anti-electrification advocacy onto its customers, there is every reason to believe SoCalGas will seek to do the same here absent Commission oversight.”	p. 5	<u>False, Improper, and Irrelevant.</u> This is false conjecture with no basis in fact. Moreover, this is not SoCalGas’ general rate case nor a ratemaking proceeding—ratepayer versus shareholder funding has no place in this proceeding.

A few general themes emerge from the Reply. Sierra Club pursues its false narrative that SoCalGas controls C4BES notwithstanding contrary statements in the Responses. Sierra Club raises new arguments for the first time in its Reply—when SoCalGas (and C4BES) cannot respond to them, and thus are denied due process. Sierra Club invokes the Commission’s broad authority to oversee and regulate investor-owned utilities in order to obtain discovery that simply is not relevant to the scope of this proceeding, with the ultimate goal of silencing an entity seeking to represent a constituency of Californians (including SoCalGas customers) who support balanced energy policies. While the Commission does have broad authority, that does not make Sierra Club’s data requests relevant *to this proceeding*. Moreover, as Public Advocates Office states in its response to the Motions, it is conducting discovery regarding the allegations made in Sierra Club’s Motions⁴⁸ (unsubstantiated as they are).

⁴⁸ Response of the Public Advocates Office to Sierra Club’s Motion to Deny Party Status to Californians for Balanced Energy Solutions or, in the Alternative, to Grant Motion to Compel Discovery at 2.

If the Commission considers sanctions pursuant to Rule 1.8(f), the Commission should also take into account Sierra Club's unscrupulous tactics in filing its Motions and Reply. Not only were the Motions inappropriate (because the procedurally proper way to oppose C4BES's motion for party status was to oppose the motion itself); Sierra Club's Motions and Reply are rife with false and deceptive statements. In order to rebut them, SoCalGas is goaded into providing information that simply *is not relevant* to this proceeding. While SoCalGas (and C4BES) did so in response to the Motions, Sierra Club's Reply resorts to extreme dishonesty, whether by insinuation or outright false statement, which must be stricken. Unfortunately, in order to substantiate its request to have certain statements stricken from Sierra Club's Reply, SoCalGas has had to resort to providing information regarding C4BES that is not relevant to this proceeding.

V. CONCLUSION

The importance of this proceeding is evident based on both Sierra Club's rabid attempts to exclude C4BES as a party and C4BES's passionate response to Sierra Club's Motions in an effort to give a voice to its constituents who support a balanced approach to reducing greenhouse gas emissions rather than full electrification. Emotions are high, and it is still the very earliest stages of what is sure to be a long proceeding. The above-referenced portions of Sierra Club's Reply present fiction as fact, misstate the statements and positions of SoCalGas or C4BES, and are irrelevant or improper to obtaining a ruling on its Motions. This proceeding cannot focus on the vital issue at hand—i.e., to address “all policy framework issues, including programs, rules, and rates, that will

