

Company: Southern California Gas Company (U 904 G)
Proceeding: 2024 General Rate Case
Application: A.22-05-015/-016 (cons.)
Exhibit: SCG-219-[E](#)

REBUTTAL TESTIMONY OF
BRENTON K. GUY
(REAL ESTATE & FACILITY OPERATIONS)

[ERRATA](#)

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



May 2023

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**ERRATA REBUTTAL TESTIMONY OF
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I. SUMMARY OF DIFFERENCES

TOTAL O&M - Constant 2021 (\$000)			
	Base Year 2021	Test Year 2024	Change
SOCALGAS	\$49,663	\$51,296	\$1,633
CAL ADVOCATES	\$49,663	\$51,296	\$1,633

TOTAL CAPITAL - Constant 2021 (\$000)					
	2022	2023	2024	Total	Difference
SOCALGAS ¹	\$79,672	\$116,351	\$110,718	\$306,741	-
CAL ADVOCATES ²	\$71,943	\$65,787	\$62,022	\$199,752	(\$106,989)
TURN	\$78,122	\$92,405	\$101,902	\$272,429	(\$34,312)
TURN-SCGC ³	\$79,051	\$95,612	\$102,303	\$276,966	(\$29,775)
EDF ⁴	-\$75,099	-\$116,351	-\$110,718	-\$302,168	-\$(\$4,573)
IS	\$79,672	\$116,351	\$110,718	\$306,741	-
CEJA	\$63,879	\$95,067	\$102,263	\$261,209	(\$45,532)

¹ Due to errors discovered when responding to various data requests and in the course of review, the escalation amount of \$776,670 in 2023 and \$847,276 in 2024 for a total of \$1,623,947 will be removed from CCM Building forecast in Revised testimony and Capital Workpapers. The 2023 and 2024 forecasts were overstated due to escalation that was included in the CCM Building Capital forecast.

² Due to errors discovered when responding to various data requests and in the course of review, the escalation amount of \$776,670 in 2023 and \$847,276 in 2024 for a total of \$1,623,947 will be removed from CCM Building forecast in Revised testimony and Capital Workpapers. The 2023 and 2024 forecasts were overstated due to escalation that was included in the CCM Building Capital forecast.

³ TURN-SCGC did not outwardly recommend a denial or cost reduction for Hydrogen Refueling stations, but it is inferred.

⁴ [Environmental Defense Fund's \(EDF\) testimony makes broader recommendations that would impact SoCalGas and SDG&E requests more globally and, as a result, are not reflected as specific reductions.](#)

II. INTRODUCTION

This rebuttal testimony regarding Southern California Gas Company's (SoCalGas's) request for Real Estate & Facility Operations addresses the following testimony from other parties:

- The Public Advocates Office of the California Public Utilities Commission (Cal Advocates), as submitted by Mark Waterworth (Exhibit (Ex.) CA-11), dated March 27, 2023.
- The Utility Reform Network (TURN), as submitted by Adria Tinnin (Ex. TURN-03) and Rod Walker (Ex. TURN-05), dated March 27, 2023.
- TURN and Southern California Generation Coalition (SCGC), as submitted by Catherine E. Yap (Ex. TURN-SCGC-05), dated March 27, 2023.
- Indicated Shippers (IS), as submitted by Michael P. Gorman (Ex. IS-02), dated March 27, 2023.
- California Environmental Justice Alliance (CEJA), as submitted by Matthew Vespa, Sara Gersen, Sasan Saadat, and Rebecca Barker (Ex. CEJA-01), dated March 27, 2023.
- Environmental Defense Fund (EDF), as submitted by Richard McCann, Ph.D., and Joon Hun Seong (Ex. EDF-01), dated March 27, 2023.

As a preliminary matter, the absence of a response to any particular issue in this rebuttal testimony does not imply or constitute agreement by SoCalGas with the proposal or contention made by these or other parties. The forecasts contained in SoCalGas's direct testimony, performed at the project level, are based on sound estimates of its revenue requirements at the time of testimony preparation.

Facilities Operations Capital is tasked with supporting the construction of real estate and fleet infrastructure projects across the SoCalGas service territory. Many of the projects are designed to enhance employee, customer, and public experience, while prioritizing assets that help to meet the State's climate objective and promote safety, compliance, and system reliability.

The testimony from the intervenors suggests that SoCalGas is investing in hydrogen projects and fleet fueling assets that are either not cost effective, will not meet the State's

1 decarbonization objectives, will become stranded assets before the end of their useful life, or are
2 not reasonable given market alternatives.

3 SoCalGas disagrees with the intervenors' assessments and believes it has made choices
4 that are in the best interest of customers and the public. SoCalGas believes the alternatives that
5 the intervenors suggest would introduce unnecessary safety risks to customers, the public, and
6 SoCalGas employees and would inhibit SoCalGas from progressing the State's decarbonization
7 goals. SoCalGas has demonstrated that the intervenors have misrepresented the environmental
8 impacts that the proposed projects will have on the disadvantaged communities where these
9 projects are proposed, and they have misjudged how these projects will enable resiliency so that
10 SoCalGas can provide uninterrupted service to protect customers, employees, and the public
11 during emergency events such as Power Shutoff Public Safety (PSPS) events, disaster support,
12 and mutual assistance situations.

13 **A. Cal Advocates**

14 The following is a summary of Cal Advocates' positions on Real Estate & Facility
15 Operations:⁵

- 16 • Cal Advocates does not oppose SoCalGas's O&M request of
17 \$51.296 million for TY 2024 for Real Estate & Facility
18 Operations.
- 19 • Cal Advocates recommends denying costs associated with the
20 proposed Hydrogen Refueling Station because public refueling is
21 available and savings to ratepayers have not been defined. The
22 recommended decrease to the Real Estate capital forecast is \$0.621
23 million in 2022, \$20.739 million in 2023, and \$8.415 million in
24 2024.
- 25 • Cal Advocates contends that the Control Center Modernization
26 building (CCM Building) will not be used and useful until the
27 post-test year and recommends recovery through a Tier 2 advice

⁵ March 27, 2023, Public Advocates Office Report on the Results of Operations for San Diego Gas & Electric Company Southern California Gas Company Test Year 2024 General Rate Case SCG and SDG&E Real Estate and Facility Operations, Ex. CA-11 (Waterworth).

letter and reasonableness reviews instead of the GRC filing. The recommended decrease to the Capital forecast is \$7.108 million in 2022, \$29.825 million⁶ in 2023, and \$40.281 million⁷ in 2024.

B. TURN

The following is a summary of TURN's positions on the new RNG refueling stations and the Hydrogen Refueling Station at Pico Rivera:^{8,9}

- TURN does not take a clear stance regarding the CCM Building but overall suggests that SoCalGas should present a holistic accounting of the costs of the CCM Building in terms of up-front capital, though they do not detail when this should occur.
- TURN opposes the new RNG refueling stations because the locations are in areas with already high pollution burdens and meet the definition of an Environmental and Social Justice (ESJ) community. The associated decrease to the capital forecast is \$0.929 million in 2022, \$3.207 million in 2023, and \$0.401 million in 2024.
- TURN opposes the new Hydrogen Refueling Station at Pico Rivera because the location is in an area with already high pollution burdens and meets the definition of an ESJ community.

⁶ Due to errors discovered when responding to various data requests and in the course of review, the escalation amount of \$776,670 in 2023 and \$847,276 in 2024 for a total of \$1,623,947 will be removed from CCM Building forecast in Revised testimony and Capital Workpapers. The 2023 and 2024 forecasts were overstated due to escalation that was included in the CCM Building Capital forecast. The revised forecast is \$29,048,316 in 2023 and \$39,434,474 in 2024.

⁷ Due to errors discovered when responding to various data requests and in the course of review, the escalation amount of \$776,670 in 2023 and \$847,276 in 2024 for a total of \$1,623,947 will be removed from CCM Building forecast in Revised testimony and Capital Workpapers. The 2023 and 2024 forecasts were overstated due to escalation that was included in the CCM Building Capital forecast. The revised forecast is \$29,048,316 in 2023 and \$39,434,474 in 2024.

⁸ March 27, 2023, Prepared Direct Testimony of Adria Tinnin Addressing Equity Issues Related to San Diego Gas & Electric Company and Southern California Gas Company in Their Test Year 2024 General Rate Case, Ex. TURN-03 (Tinnin).

⁹ March 27, 2023, Prepared Direct Testimony of Rod Walker Addressing Gas Distribution, Gas Transmission, Gas Engineering, and Integrity Management Topics, Ex. TURN-05 (Walker).

1 The corresponding decrease to the capital forecast is \$0.621
2 million in 2022, \$20.739 million in 2023, and \$8.415 million in
3 2024.

4 **C. TURN-SCGC**

5 The following is a summary of TURN-SCGC's position on the Hydrogen Refueling
6 Station:¹⁰

- 7 • TURN-SCGC argues against the Hydrogen Refueling Station and,
8 though inferred, does not explicitly recommend a cost reduction.
9 TURN-SCGC claims that SoCalGas has not demonstrated that it is
10 necessary or cost-effective to build its own Hydrogen Refueling
11 Stations when there are public stations available. The
12 corresponding decrease in the Capital forecast is \$0.621 million in
13 2022, \$20.739 million in 2023, and \$8.415 million in 2024.

14 **D. EDF**

15 The following is a summary of EDF's positions on [H2] Hydrogen Home and the
16 Hydrogen Refueling Station:¹¹

- 17 • EDF recommends rejecting all of the forecasted costs of the [H2]
18 Hydrogen Home project if SoCalGas does not demonstrate the cost
19 effectiveness of hydrogen compared to electrification. The [H2]
20 Hydrogen Home forecast is \$4.573 million in 2022.
- 21 • EDF argues that Hydrogen Refueling Stations are not RAMP
22 safety projects.

¹⁰ March 27, 2023, Prepared Direct Testimony of Catherine E. Yap Addressing the Proposals of San Diego Gas & Electric Company and Southern California Gas Company in Their Test Year 2024 General Rate Case Related to Honor Rancho Compressor Station, Ex. TURN-SCGC-05 (Yap).

¹¹ March 27, 2023, Prepared Direct Testimony of Michael Colvin, Richard McCann, Joon Hun Seong, Ex. EDF-01 (Colvin/McCann/Seong).

1 **E. CEJA**

2 The following is a summary of CEJA’s positions on [H2] Hydrogen Home, the Hydrogen
3 Refueling Station, and RNG refueling stations:¹²

- 4 • CEJA recommends a deduction of the entire project costs of
5 \$14.073 million for [H2] Hydrogen Home, which includes costs
6 incurred in 2021 of \$2.569 million.
- 7 • CEJA recommends denying the Capital forecast for the Hydrogen
8 Refueling Station because Battery Electric Vehicles (BEVs) are
9 superior in efficiency, fueling, maintenance, and climate
10 perspective. CEJA recommends a decrease of \$0.621 million in
11 2022, \$20.739 million in 2023, and \$8.415 million in 2024.
- 12 • CEJA recommends denying the Capital forecast for the two new
13 RNG refueling stations because it contradicts the prior GRC
14 decision and poses a stranded asset risk. The recommended
15 decrease is \$5.320 million, which erroneously includes the cost
16 incurred in 2021 and prior years of \$1.067 million.

17 **F. IS¹³**

18 The following is a summary of IS’s position on RNG and the Hydrogen Refueling
19 Station:

- 20 • IS recommends removing the cost of service for gas delivery
21 related to the establishment, publicity, and operation of fueling
22 stations for the public. IS does not specify a cost reduction.

¹² March 27, 2023, Prepared Direct Testimony of Matthew Vespa, Sara Gersen, Sasan Saadat, and Rebecca Barker on Behalf of California Environmental Justice Alliance on the Test Year 2024 General Rate Case Applications of Southern California Gas Company and San Diego Gas & Electric, Ex. CEJA-01 (Vespa/Gersen/Saadat/Barker).

¹³ March 27, 2023, Prepared Direct Testimony and Schedules of Michael P. Gorman, Ex. IS-02 (Gorman).

III. REBUTTAL TO PARTIES' O&M PROPOSALS

A. Non-Shared Services O&M

NON-SHARED O&M - Constant 2021 (\$000)			
	Base Year 2021	Test Year 2024	Change
SOCALGAS	\$27,401	\$27,371	\$(30)
CAL ADVOCATES	\$27,401	\$27,371	\$(30)

1. Non-Disputed Cost

a. CAL ADVOCATES

Cal Advocates does not oppose SoCalGas's forecast for Real Estate & Facility Operation Non-Shared O&M. There were no other intervenor comments regarding the Non-Shared Services O&M forecast. The Commission should adopt SoCalGas's forecast as reasonable.

B. Shared Services O&M

SHARED O&M - Constant 2021 (\$000)			
	Base Year 2021	Test Year 2024	Change
SOCALGAS	\$22,262	\$23,925	\$1,663
CAL ADVOCATES	\$22,262	\$23,925	\$1,663

1. Non-Disputed Cost

a. CAL ADVOCATES

Cal Advocates does not oppose SoCalGas's forecast for Real Estate & Facility Operations Shared O&M. There were no other intervenor comments regarding the Shared Services O&M forecast. The Commission should adopt SoCalGas's forecast as reasonable.

IV. REBUTTAL TO PARTIES' CAPITAL PROPOSALS

TOTAL CAPITAL - Constant 2021 (\$000)

	2022	2023	2024	Total	Difference
SOCALGAS ¹⁴	\$79,672	\$116,351	\$110,718	\$306,741	-
CAL ADVOCATES ¹⁵	\$71,943	\$65,787	\$62,022	\$199,752	(\$106,989)
TURN	\$78,122	\$92,405	\$101,902	\$272,429	(\$34,312)
TURN-SCGC ¹⁶	\$79,051	\$95,612	\$102,303	\$276,966	(\$29,775)
EDF	\$75,099	\$116,351	\$110,718	\$302,168	(\$4,573)
IS	\$79,672	\$116,351	\$110,718	\$306,741	-
CEJA	\$63,879	\$95,067	\$102,263	\$261,209	(\$45,532)

A. CCM Building

1. CAL ADVOCATES

The following is a summary of Cal Advocates positions regarding the CCM Building forecasted capital costs¹⁷:

- Concurs with the CCM Building justification, however;

¹⁴ Due to errors discovered when responding to various data requests and in the course of review, the escalation amount of \$776,670 in 2023 and \$847,276 in 2024 for a total of \$1,623,947 will be removed from CCM Building forecast in Revised testimony and Capital Workpapers. The 2023 and 2024 forecasts were overstated due to escalation that was included in the CCM Building Capital forecast. The revised forecast is \$29,048,316 in 2023 and \$39,434,474 in 2024.

¹⁵ Due to errors discovered when responding to various data requests and in the course of review, the escalation amount of \$776,670 in 2023 and \$847,276 in 2024 for a total of \$1,623,947 will be removed from CCM Building forecast in Revised testimony and Capital Workpapers. The 2023 and 2024 forecasts were overstated due to escalation that was included in the CCM Building Capital forecast. The revised forecast is \$29,048,316 in 2023 and \$39,434,474 in 2024.

¹⁶ TURN-SCGC did not outwardly recommend a denial or cost reduction for Hydrogen Refueling stations, but it is inferred.

¹⁷ Ex. CA-11 (Waterworth) at 34-39.

- Recommends a decrease to the Capital forecast of \$7.108 million in 2022, \$29.825 million¹⁸ in 2023, and \$40.281¹⁹ million in 2024; and instead
- Proposes cost recovery via a Tier 2 advice letter and reasonableness review should the project costs exceed the forecast by 10%.
- Cal Advocates argues the pending disposition of the current Gas Control facility should result in removing the costs for the new building from this GRC.

Cal Advocates does not oppose the CCM building justification and correctly points out that the project scope has been expanded and is more complicated; however, they have come to the conclusion that SoCalGas might encounter delays that will postpone completion and occupancy of the building for several months beyond the 2024 Test Year. Cal Advocates bases this conclusion on a list of potential project delays pertinent to any project and has not shown evidence that any of these conditions are likely to be encountered for the CCM Building project. As a prudent and experienced project manager, SoCalGas currently meets with the contractor on a bi-weekly basis to review the schedule and identify any issues that could impact the project schedule and addresses them proactively. In addition, SoCalGas's mitigation measures below address each of the risks expressed by Cal Advocates. Therefore, SoCalGas disagrees that CCM Building cost recovery via a Tier 2 Advice letter is necessary or justified.

¹⁸ Due to errors discovered when responding to various data requests and in the course of review, the escalation amount of \$776,670 in 2023 and \$847,276 in 2024 for a total of \$1,623,947 will be removed from CCM Building forecast in Revised testimony and Capital Workpapers. The 2023 and 2024 forecasts were overstated due to escalation that was included in the CCM Building Capital forecast. The revised forecast is \$29,048,316 in 2023 and \$39,434,474 in 2024.

¹⁹ Due to errors discovered when responding to various data requests and in the course of review, the escalation amount of \$776,670 in 2023 and \$847,276 in 2024 for a total of \$1,623,947 will be removed from CCM Building forecast in Revised testimony and Capital Workpapers. The 2023 and 2024 forecasts were overstated due to escalation that was included in the CCM Building Capital forecast. The revised forecast is \$29,048,316 in 2023 and \$39,434,474 in 2024.

- 1 ✓ Poor Weather: The potential impact of inclement weather has been accounted for
2 in the project schedule. The schedule accounts for up to four weeks of non-
3 activity due to poor weather conditions.²⁰
- 4 ✓ Vendor Choice and Contract Finalization: After a comprehensive request for
5 proposal (RFP) process, the general contractor has been selected and the
6 building construction contract has been finalized and executed.
- 7 ✓ Poor Scheduling: The construction schedule was developed using the latest
8 release of Oracle's Primavera P6 software with input from various subject matter
9 experts, including consultants, specialty trade experts, and the general
10 contractor. Regular review sessions are held with the general contractor
11 throughout the project duration to ensure adherence to the schedule and to
12 immediately address any risks. The construction schedule is currently on track
13 to meet its deadline.
- 14 ✓ Supply Issues: The general contractor has identified construction materials that
15 are affected by global supply chain challenges and has incorporated risk
16 mitigation measures into its construction plans. These measures include
17 identification of high-risk/long-lead items, early procurement of these items,
18 proposing suitable alternatives with lower sourcing risk, and adjusting
19 construction activity sequencing to account for known sourcing delays.
- 20 ✓ Cost Inaccuracies and Curtailment of Spending: Gaps in project cost estimation
21 and other unforeseen cost increases have been addressed in the estimate which
22 includes contingency and material price escalation. This serves to mitigate delays
23 in execution by holding reserve funds to cover such instances.
- 24 ✓ Approvals and Compliance (e.g., permitting): SoCalGas has obtained all the
25 necessary permits required to begin construction.

²⁰ The amount of weather days is determined through historical weather data from the geographical region and experience from past projects of similar duration. The general contractor determines weather days based the type of scope being executed that day and the type of weather that might impact the specific activity. Typical weather day usage occurs during a wind event (15+ mph on critical lift crane days), moderate to heavy rain during concrete placement, critical path excavation, steel erection or roofing activities and any addition weather event that could create a safety issue onsite.

1 ✓ Changing of Project Scope: The design phase has been completed, and SoCalGas
2 obtained approvals from the Company stakeholders on January 5, 2023.
3 SoCalGas's change control management processes help to mitigate the
4 introduction of material changes in scope throughout the building construction
5 phase.

6 SoCalGas also disagrees that the pending disposition of the current Gas Control facility
7 should result in removing the costs for the new building from this GRC. Cal Advocates has
8 mischaracterized the impact of the relocation of the Gas Control Center to the new CCM
9 building and mistakenly thinks that the facility only houses Gas Control operations, which is not
10 the case. Although the long-term use plan of the current Gas Control building has not been
11 finalized, as stated in data request PAO-SCG-068-LMW_7389, a critical operations station is
12 also located at the facility. The operations station includes critical infrastructure²¹ for both
13 Transmission and Distribution operations, requiring various SoCalGas operational teams to
14 access the station in order to maintain that infrastructure. Once Gas Control moves from the
15 current Gas Control facility to the new CCM Building, it would not eliminate the need for
16 maintaining this infrastructure. If the Commission were to suggest relocating this critical
17 infrastructure, that effort would come at a considerable cost to ratepayers. In the short term,
18 SoCalGas will also make use of the facility on-site as a local back-up location for Control Room
19 operations and training. Thus, it is clear that this site will remain used and useful. Therefore,
20 SoCalGas disagrees that the disposition of the current Gas Control facility should have any
21 bearing on the forecast presented in this GRC.

22 Hence, the Commission should authorize SoCalGas to fully fund this project via
23 traditional revenue requirement treatment and deny Cal Advocates' recommendation to require
24 cost recovery to be subject to a Tier 2 advice letter review. SoCalGas asserts that approval of its
25 forecast for the CCM Building in this GRC is the appropriate mechanism and that a separate
26 regulatory procedure via Tier 2 Advice Letter is an additional and unnecessary burden on the
27 Commission.

²¹ This critical infrastructure is comprised of transmission in-line inspection launcher/receivers, valve automation line breaks, and distribution high-pressure regulator stations.

1 **2. TURN**

2 The following is a summary of TURN’s positions regarding the CCM Building
3 forecasted capital costs:

- 4 • TURN recommends that the Commission mandate that the Company
5 present a holistic accounting of the costs of the CCM²² in terms of up-
6 front capital – inclusive of costs approved in the TY 2019 rate case that
7 were reallocated to the CCM and ancillary costs for the CCM. However,
8 TURN does not state when this should occur, nor does the intervenor
9 make a clear distinction on their position regarding the CCM Building.
- 10 • TURN recommends that the resulting sum of the CCM Building cost
11 should not exceed comparable facility costs on a per square foot basis and
12 that any excess should be fully justified given the SoCalGas system needs
13 or disallowed.
- 14 • And finally TURN takes issue with SoCalGas’s presentation of the
15 associated lease savings that will be realized as a result of the CCM
16 Building and highlights that the building will not support cost savings or
17 efficiency benefits.

18 SoCalGas finds it unnecessary to present the holistic accounting of the costs in terms of
19 up-front capital, in addition to the forecast that was already provided in this GRC; however,
20 SoCalGas does not oppose providing the information should the Commission request it.
21 Please see my direct testimony, which presents the forecasted cost of the CCM Building through
22 project completion in 2024.²³

23 SoCalGas disagrees with TURN’s request to provide a cost per square foot comparison to
24 comparable facilities due to the inability to reasonably validate that such a comparison would be
25 of “like for like” costs.

26 SoCalGas argues that TURN did not understand the fundamental safety-related objectives
27 behind the new CCM Building. Although SoCalGas agrees that a lease savings amount was
28 highlighted, the objectives of the building are anchored around the enhanced safety of our

²² SoCalGas interprets “the CCM” to mean “the CCM Building”.

²³ Ex. SCG-19-R at BKG-25, Table BG-18.

1 system, employees, and the public. Through co-location of Gas Control and the EOC, teams will
2 also enable technology and process synergies, streamline decision making during incidents,
3 enhance communication, enable greater collaboration across operating units, and support more
4 effective management of abnormal system conditions. Additionally, SoCalGas was not implying
5 that the majority of the building costs would be offset by future lease savings, as TURN has
6 incorrectly suggested. Therefore, SoCalGas provides additional clarity regarding its testimony.
7 The average annual forecasted lease savings for the terminated floor and EOC space at the Gas
8 Company Tower is \$1.440 million per year. Cost savings for the floor reduction and EOC will
9 offset the new building costs (during its 33-year asset life), starting with partial savings in 2024.
10 Full annual savings begin in 2025 for the reduced floor and annual savings for the EOC will start
11 in 2027. In nominal terms, without adjusting for inflation, the offsetting savings over the 33-year
12 asset life of the building is \$47.5 million. The forecasted capital cost for the CCM Building
13 presented in this GRC is \$75.592²⁴ million. These upfront costs will be partially offset by the
14 lease savings presented above. Although these lease savings exist, SoCalGas's primary objective
15 for the CCM Building is to enhance the safe operation of its system.²⁵

16 SoCalGas disagrees with TURN's recommendations and finds their understanding of the
17 objective of the CCM Building to be mischaracterized and their requests ambiguous and
18 unsubstantiated. Therefore, the Commission should adopt SoCalGas's forecast as reasonable for
19 the CCM Building.

²⁴ Due to errors discovered when responding to various data requests and in the course of review, the escalation amount of \$776,670 in 2023 and \$847,276 in 2024 for a total of \$1,623,947 will be removed from CCM Building forecast in Revised testimony and Capital Workpapers. The 2023 and 2024 forecasts were overstated due to escalation that was included in the CCM Building Capital forecast. The revised forecast is \$29,048,316 in 2023 and \$39,434,474 in 2024.

²⁵ The new building will house all Gas Control and System Planning, as well as Emergency Management and Preparedness and control room support teams, which will allow for increased situational awareness, coordination, collaboration, and communication among these departments. Centralizing these teams will also increase the capacity for faster emergency response by critical decision makers.

1 **B. [H2] Hydrogen Home**

2 **1. EDF**

3 EDF takes issue with the forecasted cost request for [H2] Hydrogen Home. EDF states
4 that investments to accommodate hydrogen do not clearly benefit the ratepayers and new fuels
5 need to be demonstrated as cost-effective compared to electrification. EDF recommends
6 rejecting the [H2] Hydrogen Home project costs if the cost-effectiveness is not demonstrated.
7 The [H2] Hydrogen Home forecast is \$4.573 million in 2022.

8 For a detailed justification of the [H2] Hydrogen Home project, please refer to Clean
9 Energy Innovations rebuttal testimony of Armando Infanzon (Ex.SCG-212, Section V.A.).

10 **2. CEJA**

11 CEJA opposes the recovery of the forecasted costs of the [H2] Hydrogen Home. CEJA
12 states that the [H2] Hydrogen Home project does not benefit ratepayers and distracts from the
13 State's focus on electrification. CEJA argues that hydrogen is an ineffective and costly strategy
14 to power homes and [H2] Hydrogen Home should be a shareholder expense because it promotes
15 SoCalGas's corporate image. CEJA recommends a deduction of the entire project costs of
16 \$14.073 million for [H2] Hydrogen Home. CEJA's proposed deduction of \$14.073 million
17 incorrectly includes the cost incurred in 2021 of \$2.569 million, which is outside of this rate case
18 cycle.

19 For a detailed justification of the [H2] Hydrogen Home, please refer to Clean Energy
20 Innovations rebuttal testimony of Armando Infanzon (Ex.SCG-212 Section V.A.).

21 **C. RNG Refueling Stations**

22 **1. CEJA**

23 CEJA opposes the two new proposed RNG Refueling Station installations at SoCalGas's
24 Santa Maria and Visalia facilities. CEJA states that the RNG refueling stations are "...contrary to
25 explicit Commission direction in D.19-09-051, which authorized funding for refueling stations
26 with the 'expectation that these amounts will be used for replacements and upgrades of existing
27 facilities as opposed to the addition of new NGV refueling stations.'"²⁶ Also, CEJA asserts

²⁶ Ex. CEJA-01 (Vespa/Gersen/Saadat/Barker) at 60.

1 “...new investments in methane vehicle refueling stations pose significant stranded asset risk
2 because SoCalGas’s effort to expand combustion-based refueling infrastructure, which would
3 not be fully depreciated for 20 years, should also be denied given SoCalGas’s stated commitment
4 to ‘no longer operate combustion vehicles that emit criteria pollution after 2035’ and proposed
5 CARB regulations requiring increasing percentages of zero emissions trucks in fleets.” CEJA
6 recommends denying the Capital forecast for two RNG refueling stations, a decrease of \$5.320
7 million.²⁷

8 SoCalGas disagrees with CEJA because they are misinterpreting the Commission’s
9 direction in D.19-09-051 and are not considering the significance of these renewable natural gas
10 vehicle (RNGV) fueling stations in helping to meet California’s decarbonization objectives.
11 Additionally, CEJA is not considering strategic importance of the locations and the operational
12 redundancies needed to respond to public needs in the rural areas of Central California,
13 especially during PSPS events, emergency responses, and mutual assistance support.

14 SoCalGas interpreted the Commission’s direction in D.19-09-051 to mean that new
15 public RNG refueling stations were not authorized, but SoCalGas was still authorized to deploy
16 private fueling infrastructure assets as necessary to meet the State’s GHG reductions goals and to
17 meet obligations to its customers and the public. Additionally, SoCalGas’s spending on RNG
18 refueling projects was within the authorized funding range from D.19-09-051.²⁸ Further, the
19 authorized funding of \$7.542 million in D.19-09-051 for 2018 and 2019 was significantly higher
20 than the forecast for replacement and upgrades in my the supplemental workpapers in this GRC²⁹
21 of \$2.713 million in 2018 and \$2.189 million in 2019. Thus, SoCalGas concluded that the
22 remaining authorized funding could be used for new private fleet refueling infrastructure.

23 RNGVs are necessary to help achieve California’s goals for GHG reductions because
24 they offset emissions in fleet classifications where battery electric vehicles (BEVs) do not meet
25 SoCalGas’s operational requirements. Examples of vehicle classes where there are no BEVs
26 available in the market to satisfy SoCalGas’s field operation requirements are the medium and
27 heavy-duty vehicles that are equipped with power equipment for gas construction and operation

²⁷ *Id.* at 60-61.

²⁸ See Appendix B for data request PAO-SCG-043-LMW_Q1_4671.

²⁹ Ex. SCG-19-CWP, 2019-GRC SCG-23-ESRF-CLH-734 NGV Refueling Stations CONFIDENTIAL.

1 activities; these vehicles are critical for pipeline safety compliance. Therefore, RNGVs and RNG
2 refueling stations are needed to reduce GHG emissions. SoCalGas aims to contribute toward the
3 State of California's carbon neutrality goals in 2045, but with the current technology of BEVs,
4 that goal may not be possible without RGVs and RNG refueling stations. Denying the
5 construction of the Santa Maria and Visalia RNG stations will limit the possibilities for
6 SoCalGas to lower emissions in the northern area of the territory. Refer to the Fleet Services
7 Rebuttal Testimony of Michael Franco for further information about vehicle requirements.³⁰

8 The constraints of BEVs that impact SoCalGas's operational abilities are limitations in
9 efficiency and availability of BEV charging in the case of public safety power shutoffs,
10 emergency responses, or mutual assistance events. BEVs rely on electricity from the grid to
11 charge, and charging ports may not be readily available. Moreover, they require a significant
12 amount of time to charge, which is not reasonable during a time of crisis, when responding to
13 emergencies, or during power outages. The new stations in Santa Maria and Visalia will be in the
14 remote parts of SoCalGas's territory, which raises concerns about the mileage range issues
15 associated with BEVs, especially in these locations where populations are less concentrated and
16 drive times are longer than urban areas. Hydrogen fuel cell electric vehicles (HFCEVs) are not
17 suited for these northern districts because there are currently no public hydrogen fueling stations
18 installed or planned in or around Santa Maria or Visalia, as noted on the hydrogen station map
19 managed by the California Fuel Cell Partnership. RNGVs can serve as the alternative for
20 vehicles that need to travel longer distances and fuel quickly to respond to customers and the
21 public during power outages, emergencies, and mutual assistance. If the RNG stations at Santa
22 Maria and Visalia are not approved, the NGV fleet will be limited to other operating bases and
23 gasoline vehicles will be necessary for emergency events in those areas of the territory.

24 Further, CEJA erroneously includes actual costs of \$1.067 million incurred in 2021 and
25 prior years in their proposed reduction of \$5.320 million. The prior year costs incurred are
26 outside of this rate case cycle and should be removed from CEJA's proposed reduction.

³⁰ Ex. SCG-218, section III.A.

1 **2. IS**

2 Indicated Shippers proposes that the cost of service for gas delivery for public access to
3 SoCalGas RNG fueling stations be removed from the GRC.

4 SoCalGas disagrees with IS because the capital forecast for RNG refueling stations is for
5 upgrades and installation of RNG refueling infrastructure for SoCalGas's private fleet, not for
6 public access. Although there are existing RNG refueling stations with public access, the Capital
7 forecast for RNG refueling stations in this GRC does not include cost of service for gas delivery
8 related to the establishment, publicity, and operation of fueling station for the public.

9 **3. TURN**

10 TURN opposes the new RNG refueling stations at Santa Maria and Visalia because the
11 locations are in census tracts with already high pollution burdens and meet the definition of an
12 ESJ community. The capital forecast for the two new RNG refueling stations is \$0.929 million
13 in 2022, \$3.207 million in 2023, and \$0.401 million in 2024.

14 SoCalGas disagrees with TURN because the assumptions of the impact of constructing
15 the RNG refueling stations are incorrect. TURN comments seem to be aligned with a public
16 fueling station, not a private station. The new private RNG refueling stations at Santa Maria and
17 Visalia would be used by SoCalGas to phase out existing gasoline vehicles with others that can
18 run on a cleaner fuel source. In fact, these new private stations would help to decrease pollution
19 in these vulnerable communities because the low-emission RNGVs are more environmentally
20 advantageous than the existing gas and diesel vehicles. Although there may be added pollution
21 temporarily during the construction of the new RNG refueling stations, the construction is
22 temporary, but the benefits of lower pollution in these communities would be long lasting.

23 The new private RNG stations do not have equipment that include a combustion process;
24 therefore, the actual RNG fueling does not add to pollution in the communities. Lastly, RNG
25 reduces greenhouse gas emissions because methane, which would otherwise be released to the
26 atmosphere or flared is used as a source of fuel for the fleet vehicles. If the RNG refueling
27 stations at Santa Maria and Visalia are not constructed, the fleet will continue to remain
28 comprised of gasoline or diesel vehicles until BEVs arrive, but the BEV fleet may need to be
29 augmented with gasoline vehicles for emergency events. This scenario likely will create more
30 pollution than that produced during construction of the RNG refueling stations.

1 **D. Hydrogen Refueling Station**

2 **1. CAL ADVOCATES**

3 Cal Advocates takes issue with the installation of a Hydrogen Refueling Station. Cal
4 Advocates states that there are current public refueling stations and the savings to ratepayers
5 have not been defined. Cal Advocates recommends a decrease to the Capital forecast by \$0.621
6 million in 2022, \$20.739 million in 2023, and \$8.415 million in 2024.

7 SoCalGas disagrees with Cal Advocates because SoCalGas leverages hydrogen public
8 infrastructure for its current hydrogen pilot vehicles but has experienced a lack of reliability in
9 available hydrogen fuel. This can pose a risk to customer response times and emergency
10 support. SoCalGas has had to position its hydrogen pilot vehicles in locations that have multiple
11 fueling stations nearby to mitigate this fuel availability concern and train employees to fuel the
12 HFCEVs before the tank is half-empty. As discussed in data request PAO-SCG-043-
13 LMW_SCG-19_4108_4107 Q9, most existing hydrogen refueling stations rely on hydrogen
14 transportation, creating a capacity constraint. By constructing hydrogen refueling stations that
15 produce hydrogen on-site, SoCalGas is helping to increase the reliability of available hydrogen.
16 Refer to Clean Energy Innovations rebuttal testimony of Armando Infanzon (Ex. SCG-212,
17 Section V.B) for justification of the need for the Hydrogen Refueling Station and benefits to
18 ratepayers.

19 **2. TURN-SCGC**

20 TURN-SCGC states that SoCalGas has not demonstrated that it is necessary or cost-
21 effective to build its own Hydrogen Refueling Stations when there are public stations available.
22 TURN-SCGC also states that SoCalGas did not factor in the cost of building a Hydrogen
23 Refueling Station in choosing between BEVs and HFCEVs for the fleet and that SoCalGas
24 should buy or lease BEVs if the hydrogen refueling station is required before having any
25 HFCEVs in the fleet. TURN-SCGC did not outwardly recommend a cost reduction, but inferred
26 a decrease of \$0.621 million in 2022, \$20.739 million in 2023, and \$8.415 million in 2024.

27 SoCalGas disagrees with TURN-SCGC because, while the current hydrogen pilot
28 vehicles in SoCalGas's fleet leverage public hydrogen infrastructure, SoCalGas has experienced
29 a lack of reliability in available hydrogen fuel. This can negatively impact customer response
30 times and emergency support. SoCalGas mitigates the fuel availability concerns by positioning

1 hydrogen pilot vehicles in locations that have multiple fueling stations and by having employees
2 fuel hydrogen vehicles before a half-tank has been used. As discussed in data request PAO-SCG-
3 043-LMW_SCG-19_4108_4107 Q9, most public hydrogen refueling stations rely on hydrogen
4 transportation, which creates a capacity constraint. By constructing a hydrogen refueling station
5 that produces hydrogen on-site, it increases the reliability of available hydrogen.

6 SoCalGas refutes the argument that SoCalGas should lease BEVs if the hydrogen
7 refueling station is required before having HFCEVs in the fleet. SoCalGas already has HFCEVs
8 in the fleet as discussed in the Fleet Services rebuttal of Michael Franco (Ex. SCG-218, Section
9 III.A.1), and the Hydrogen Refueling Station is required for reliable fueling of these vehicles.
10 Moreover, SoCalGas has considered BEVs and has a plan for most of its fleet to be comprised of
11 BEVs. See Fleet Services rebuttal of Michael Franco (Ex. SCG-218, Section III.A.1) for
12 information about SoCalGas's transition to BEVs.

13 Refer to Clean Energy Innovations rebuttal of Armando Infanzon (Ex. SCG-212, Section
14 V.B.) for rebuttal regarding hydrogen not being part of SoCalGas utility business.

15 3. TURN

16 TURN opposes the new Hydrogen Refueling Station at Pico Rivera contending that the
17 location is in a census tract with already high pollution burdens and the area meets the definition
18 of an ESJ community³¹. The associated decrease to the capital forecast would be \$0.621 million
19 in 2022, \$20.739 million in 2023, and \$8.415 million in 2024.

20 SoCalGas disagrees with TURN and strongly believes a hydrogen refueling station would
21 have a long-term positive impact on a disadvantaged community. SoCalGas believes its
22 proposal supports social equity by installing its station in a disadvantaged community,
23 specifically because a hydrogen station would grant the public in these underserved
24 communities' access to less carbon-intensive fueling options. SoCalGas's proposal is also in
25 alignment with the Joint Agency Staff Report on Assembly Bill (AB) 8. The report notes that
26 hydrogen refueling stations will initially target the largest urban areas. "Other urban areas will
27 need stations to open these markets to FCEVs. The state is endeavoring to do better in providing
28 benefits to disadvantaged communities. About 62 percent of California's residents who live in

³¹ Ex. TURN-03 (Tinnin) at 12.

1 disadvantaged communities are within a 15-minute drive time of an open retail or planned
2 hydrogen station.”³² The California Energy Commission (CEC) and California Air Resources
3 Board (CARB) intend to emphasize the importance of serving disadvantage communities in their
4 hydrogen refueling station solicitations. “[They] will continue to promote equity in their
5 investments and explore options to expand hydrogen refueling network benefits to as many
6 disadvantage communities as possible.”³³ This equity concept is also at the heart of President
7 Biden’s Executive Order (EO) 14008,³⁴ as well as the Department of Energy’s Justice40
8 Initiative³⁵, which establishes a goal that 40% of climate and clean energy investment flow to
9 disadvantaged communities.³⁶ The fueling stations that SoCalGas is proposing align directly
10 with state and federal energy policy to encourage equitable participation in the energy transition.
11 These stations will also allow residents to transition a considerable number of gasoline and diesel
12 vehicles that service the disadvantaged community to hydrogen fuel cell EVs, which will have a
13 positive impact on the community by reducing both regional air pollution and GHG emissions.

14 As stated in my direct testimony, SoCalGas’s goal is to operate 100% zero emissions
15 over-the-road fleet by 2035, and investment in hydrogen fueling stations is critical to help meet
16 the state and SoCalGas’s sustainability goals. The hydrogen refueling stations would be
17 constructed to meet California Air Resources Board Zero Emission Vehicle Fueling
18 Infrastructure requirements³⁷ and support the state’s goal of 200 hydrogen refueling stations by

³² CEC, CARB, *Join Agency Staff Report on Assembly Bill 8: 2022 Annual Assessment of Time and Cost Needed to Attain 100 Hydrogen Refueling Stations in California* (December 2022) at 2, available at: <https://www.energy.ca.gov/sites/default/files/2022-12/CEC-600-2022-064.pdf>.

³³ *Id.* at 12.

³⁴ EO 14008 (January 2021), available at: <https://www.energy.gov/sites/default/files/2021/02/f83/eo-14008-tackling-climate-crisis-home-abroad.pdf>.

³⁵ Justice40 initiative, available at: <https://www.whitehouse.gov/environmentaljustice/justice40/>.

³⁶ Department of Energy, *General Guidance for Justice40 Implementation*, available at: <https://www.energy.gov/sites/default/files/2022-07/Final%20DOE%20Justice40%20General%20Guidance%20072522.pdf>.

³⁷ Hydrogen fuel dispensed at utility stations will meet the carbon intensity requirements of Cal. Code Regs., Tit. 17 § 95486.2(a)(4)(F).

2025³⁸ as well as the 1,000 hydrogen refueling station goal by the California Fuel Cell Partnership's vision document.³⁹

Refer to Clean Energy Innovations Rebuttal Testimony of Armando Infanzon (Ex. SCG-212, Section V.B.) for further discussion on the benefits of hydrogen refueling stations.

4. EDF

EDF takes issue that the Hydrogen Refueling Stations are included in the RAMP safety category to be exempt from filing a GO 177 Application. EDF argues SoCalGas is claiming an "overbroad claim of exemption" and "any project that SoCalGas deems to be subject to these programs would be exempt from filing a GO 177 Application" when it states "SoCalGas asserts that even SoCalGas's proposed development of hydrogen refueling stations is considered safety-related."⁴⁰

SoCalGas asserts EDF's position is incorrect. Hydrogen refueling stations are not within the scope of GO 177 at all - regardless of their RAMP treatment. GO 177 applies to gas infrastructure projects and excludes hydrogen infrastructure. In D.22-12-021, the Commission explicitly addressed the issue when "Cal Advocates recommend[ed] the GO explicitly identify hydrogen gas infrastructure projects as covered in the GO".⁴¹ The Commission went on to determine, "We decline to specifically identify hydrogen gas infrastructure projects as covered by the GO at this time." Said another way, whether the hydrogen refueling stations are designated as RAMP projects is immaterial and irrelevant to GO 177 because it would not apply to them in any event.

SoCalGas also asserts that Hydrogen refueling stations are RAMP projects. As stated in SoCalGas's 2021 RAMP filing, "SoCalGas is committed to evaluating technology and research in microgrids, fuel cells, renewable natural gas, and hydrogen that will maintain energy resilience while enabling the decarbonization of the energy system."⁴² An element of resilience

³⁸ Executive Order B-48-18.

³⁹ A California Fuel Cell Revolution: A vision for 2030, for more information see: <https://h2fc.org/blog/california-fuel-cell-revolution-vision-2030>.

⁴⁰ Ex. EDF-01 (Colvin/McCann/Seong) at 62.

⁴¹ D.22-12-021 at 37.

⁴² SoCalGas 2021 RAMP Cross-Functional Factor (SCG-CFF-2) Energy System Resilience at SCG-CFF-2-18.

1 is relying on a portfolio of energy sources that cannot easily be eliminated if one source fails.
2 For example, electricity has been denied to large portions of the state during severe wildfires.⁴³
3 Relying solely on electricity does not promote resilience and, without resilience, facility,
4 infrastructure, and customer safety is threatened. This is particularly important in emergency
5 PSPS events, disaster support, or mutual assistance situations. In each of the emergency events,
6 BEVs would not be a viable option if electric charging stations are not active during a power
7 outage. Additionally, it would take time to charge a vehicle, which could impact the ability to
8 respond quickly to public safety needs and critical pipeline work. As such, EDF's statements do
9 not support RAMP priorities (resilience, safety) and should be ignored.

10 **5. CEJA**

11 CEJA opposes the proposed Hydrogen Refueling Station. CEJA states that BEVs are
12 superior in efficiency, fueling, maintenance, and climate perspective. CEJA recommends
13 denying the Capital forecast for the Hydrogen Refueling Station, a decrease of \$0.621 million in
14 2022, \$20.739 million in 2023, and \$8.415 million in 2024.

15 SoCalGas disagrees with CEJA that BEVs are superior in efficiency and fueling for the
16 operational characteristics needs of many SoCalGas fleet vehicles. The California Department
17 of Energy states that "hydrogen fuel cell electric vehicles are critical to the state's goal of getting
18 1.5 million zero-emission vehicles on California roads by 2025. They are also a vital part of the
19 state's work to achieve its climate change goals, improve air quality and reduce reliance on fossil
20 fuels."⁴⁴ SoCalGas has considered BEVs and has a plan for most of the fleet to comprise of
21 BEVs. See Fleet Services rebuttal testimony of Michael Franco (Ex. SCG-218, Section III.A.1)
22 for further information about SoCalGas's transition to BEVs. However, there are limitations
23 with BEVs because the BEVs available in the market do not satisfy field operation requirements;
24 for example, there are no BEV options in the market for medium and heavy-duty vehicles
25 equipped with power equipment for gas construction and operation activities. See Fleet Services
26 rebuttal testimony of Michael Franco (Ex. SCG-218, Section III.A.1) for further information

⁴³ The Department of Forestry and Fire Prevention, *2022 Incident Archive*, available at:
<https://www.fire.ca.gov/incidents/2022>.

⁴⁴ CEC, *Hydrogen Vehicles & Refueling Infrastructure*, available at:
<https://www.energy.ca.gov/programs-and-topics/programs/clean-transportation-program/clean-transportation-funding-areas-1>.

1 about vehicle requirements. BEVs could also be inferior in responding to customer and public
2 needs in emergency events such as PSPS events, disaster support, or mutual assistance situations.
3 During emergency events, there may not be sufficient time or power available to charge electric
4 vehicles. In time-sensitive emergencies, HFCEVs are more suited because the time to fuel an
5 HFCEV less than five minutes⁴⁵, as compared with Level 3 “fast” charging, which takes an
6 electric truck 41 minutes to fill the battery from 15% to 80% charge.⁴⁶ Due to the limitations of
7 BEVs and the lack of superiority in efficiency and fueling, hydrogen vehicles and hydrogen
8 refueling stations are necessary to augment BEVs in the SoCalGas fleet and forward the State’s
9 carbon neutrality goals in the transportation sector.

10 **6. IS**

11 Indicated Shippers proposes that the cost of service for gas delivery for public access to
12 the SoCalGas Hydrogen Refueling Station be removed from the GRC.

13 Please refer to Clean Energy Innovations rebuttal of Armando Infanzon (Ex. SCG-212,
14 Section V.B.) for rebuttal.

15 **V. CONCLUSION**

16 In this GRC, SoCalGas has proposed projects that address new and unique opportunities
17 to forward the State’s decarbonization goals while balancing SoCalGas’s commitments to protect
18 its customers and the public. The intervenors have challenged key projects that if denied would
19 inhibit SoCalGas’s ability to meet its goals and obligations. SoCalGas has demonstrated that the
20 alternatives the intervenors propose should be ignored because they introduce unnecessary safety
21 risk to customers, the public, and SoCalGas employees, and would counteract SoCalGas’s
22 progress advancing the State’s decarbonization goals.

23 SoCalGas disagrees with the intervenors’ assessments of the CCM Building, the [H2]
24 Hydrogen Home, the RNG Refueling infrastructure, and the Hydrogen Refueling Station

⁴⁵ *Id.*

⁴⁶ Ford, *Ford Introduces All-Electric F-150 Lightning Pro, Built for Work With Next-Generation Technology, Seamless Overnight Charging* (May 24, 2021), available at: <https://media.ford.com/content/fordmedia/fna/us/en/news/2021/05/24/all-electric-f-150-lightning-pro.html>.

1 projects, and believes it has made choices that are in the best interest of customers and the
2 public.

3 SoCalGas demonstrated that the intervenors misrepresented the environmental impacts
4 on the disadvantaged communities where projects are proposed. The intervenors also
5 undermined how these projects will enable reliability and resiliency so that SoCalGas can
6 provide continuous essential services to protect customers, employees, and the public during
7 critical events, such as a PSPS events, disaster support efforts, and mutual assistance situations.

8 Given the intervenors misrepresentation and misunderstandings of the intent, purpose,
9 and impact of the projects, SoCalGas's forecast should be adopted over the inadequate forecast
10 proposed by the intervenors. This concludes my prepared rebuttal testimony.

APPENDIX A
GLOSSARY OF TERMS

APPENDIX A
GLOSSARY OF TERMS

<u>ACRONYM</u>	<u>DEFINITION</u>
BEV	Battery Electric Vehicle
CARB	California Air Resources Board
CCM	Control Center Modernization
ESJ	Environmental and Social Justice
GHG	Greenhouse Gas
HFCEV	Hydrogen Fuel Cell Electric Vehicle
NGV	Natural Gas Vehicle
RAMP	Risk Assessment Mitigation Phase
RNG	Renewable Natural Gas
RNGV	Renewable Natural Gas Vehicle
TY	Test Year

APPENDIX B
DATA REQUEST RESPONSES

Appendix B –
SoCalGas Responses to
PAO-SCG-068-LMW_7389

Data Request Number: PAO-SCG-068-LMW

Proceeding Name: A2205015_016 - SoCalGas and SDGE 2024 GRC

Publish To: Public Advocates Office

Date Received: 12/5/2022

Date Responded: 12/16/2022

1. Pursuant to SCG's Testimony (Pg. BKG-27 lines 16-17), SCG states: "The consolidated planning efforts included the relocation of the planned Gas Control facility to a new building at Pico Rivera to centralize gas operations". Based on this, please answer the following:
 - a. When does SCG plan to vacate the current Gas Control Facility?
 - b. Where is the current Gas Control Facility located?
 - c. What is SCG's plan regarding the disposition of the current Gas Control Facility once the facility is moved to a new building? In answering this question, please include details whether SCG plans to sell the facility, will the facility be staffed, will the assets remain in rate base and continue to receive recovery? and other details which clearly indicate SCG's plans upon moving the current facility to Pico Rivera.

SoCalGas Response 1a:

Gas Control Operations will relocate to the new building at Pico Rivera when it is completed and operational, currently estimated to be Q3 of 2024.

SoCalGas Response 1b:

The current Gas Control Facility is located in East Los Angeles.

SoCalGas Response 1c:

Given the existing pipeline infrastructure within the site, SoCalGas is currently exploring and evaluating long-term utilization options for the current Gas Control Facility; however, a final determination has not been made.

Appendix B –
SoCalGas Responses to
PAO-SCG-043-LMW_Q1_4671
Question 1

Data Request Number: PAO-SCG-043-LMW

Proceeding Name: A2205015_016 - SoCalGas and SDGE 2024 GRC

Publish To: Public Advocates Office

Date Received: 8/31/2022

Date Responded: 9/29/2022

1. Pursuant to SCG's previous rate case (A.17-10-008), please provide a listing of the projects from the 2017 to 2019 forecast answering whether these projects were actually started and completed. If the project was started, provide the actual cost, and start and completion dates. If the project was not started and completed, please advise why.

SoCalGas Response 01:

SoCalGas objects to this request on the grounds that it is vague and ambiguous. Subject to and without waiving the foregoing objection, SoCalGas responds as follows:

Please refer to attachment "PAO-SCG-043-LMW_SCG-19_Q1_4672." This attachment contains a listing of projects from the 2017 to 2019 forecast and provides whether the project was started, the actual costs, the project start date, and the project completion date.

Work Paper Reference	Project Name	GRC Forecast				Project Started	Actual Costs 2017-2021	Start	Completion	Comments
		2017	2018	2019	Total					
653A.003	Water Pathogen Management Program	799	784	820	2403	Y	5994	Jul-17	Apr-24	
653B.001	Facility Renovations - Chatsworth	1900	3998		5898	Y	9824	Nov-18	Oct-21	
653B.002	Facility Renovations - Compton	1980	1002		2982	Y	1533	Jul-20	Dec-22	
653B.003	Facility Renovations - Anaheim		1500	4500	6000	Y	11028	Dec-16	Nov-23	
653B.004	Facility Renovations - Pico Rivera		2496	7506	10002	Y	1556	Dec-16	TBD	
653B.005	Gas Control Facility Relocation		8518	7382	15900	Y	2933	Aug-18	Jun-24	
653B.006	Logistics Warehouse		2000	16750	18750	Y	873	Mar-20	Dec-26	
653B.007	Collaborative Training Facility upgrade		2000	1000	3000	Y	98	Jun-20	Feb-22	
671A.001	Bakersfield Multi-Use Facility	7000	7000		14000	Y	31671	Sep-15	Oct-19	
712A.001	Facility Energy Management Systems	1000	500		1500	Y	3963	May-20	Dec-22	
716B.001	Fleet Training Center	300	900		1200	Y	2788	Sep-17	Oct-20	
716C.001	Fleet UST Replacement Program		1046	1402	2448	Y	1080	Oct-18	TBD	
734A.001	San Pedro NGV Station Upgrade	505			505	Y	911	Mar-14	Feb-18	
734A.002	Compton NGV Station Dispenser	157			157	Y	225	May-14	Jun-17	
734A.003	Fontana NGV Station Installation	1100			1100	Y	2336	Nov-14	Aug-18	
734A.004	Belvedere NGV Station Installation	385			385	Y	844	Apr-16	Sep-18	
734A.005	Alhambra NGV Station Installation	385			385	Y	839	Apr-16	Feb-18	
734A.006	San Bernardino NGV Station Upgrade	565			565	Y	673	Apr-16	Oct-17	
734A.007	Downey NGV Station Installation	900			900	Y	1631	Apr-16	May-18	
734A.008	Branford NGV Station Installation	1783			1783	Y	1996	Apr-16	Oct-19	
734A.009	Autogas NGV Dispenser Upgrade	93			93	Y	70	Apr-16	Jul-17	
734A.010	ERC NGV Station Dispenser	220			220	Y	260	Nov-16	Oct-23	
734B.001	NGV Refueling Station 2017	1082			1082	Y	1129	Feb-17	Dec-24	
734B.002	NGV Refueling Station 2018		15277		15277	Y	3678	Jul-17	Dec-26	Reduced authorization in GRC decision
734B.003	NGV Refueling Station 2019			18799	18799	Y	8454	Oct-16	Jul-24	Reduced authorization in GRC decision
		20,154	47,021	58,159	125,334		96,387			

Appendix B –
SoCalGas Responses to
PAO-SCG-043-LMW_SCG-19_4108_4107
Question 9

Data Request Number: PAO-SCG-043-LMW

Proceeding Name: A2205015_016 - SoCalGas and SDGE 2024 GRC

Proceeding Number: A2205015_016 2024 GRC

Publish To: Public Advocates Office

Date Received: 8/31/2022

Date Responded: 9/15/2022

9. Currently, is it difficult for SCG to refuel its existing hydrogen fueled fleet? If yes, please provide an explanation of the difficulties and their representative costs.

SoCalGas Response 09:

Yes, there is a level of difficulty for SoCalGas employees that are assigned hydrogen vehicles to refuel at public sites. Specifically, the availability of fuel is an issue for each station, as the stations frequently run out of fuel because almost 94% of the retail hydrogen refueling stations in operation in SoCalGas's service territory rely on transportation (trucking) of hydrogen to the station instead of producing hydrogen on-site. This leads to employees fueling during off-hours and weekends or taking time to drive to other stations to fuel. To mitigate this issue, SoCalGas is requesting to construct its own Hydrogen Refueling Stations. In the meantime, employees are trained to fuel before the vehicle gets to a half-empty tank and to check the online hydrogen fuel map managed by the California Fuel Cell Partnership to ensure that the station is online and has fuel available. Another difficulty is that the California Fuel Cell Partnership website isn't always up to date. The costs of the difficulty of public refueling have not been quantified.