

SOUTHERN CALIFORNIA GAS COMPANY (SOCALGAS)

Cal Advocates-SCG-A2209006-003

DR-003

DATE REQUESTED: July 7, 2025

RESPONSE DUE: July 21, 2025

Instructions

You are instructed to answer the following Data Requests, with written, verified responses per Public Utilities Code §§ 309.5 and 314, and Rules 1.1 and 10.1 of the California Public Utilities Commission's Rules of Practice and Procedure. Restate the text of each request prior to providing the response. For any questions, email the Public Advocates Office contact(s) above.

Each Data Request is continuing in nature. Provide your response as it becomes available, but no later than the due date noted above. If you are unable to provide a response by this date, notify the Public Advocates Office as soon as possible, with a written explanation as to why the response date cannot be met and a best estimate of when the information can be provided. If you acquire additional information after providing an answer to any request, you must supplement your response following the receipt of such additional information.

Identify the person providing the answer to each data request and his/her contact information. Responses should be provided both in the original electronic format, if available, and in hard copy. (If available in Word format, send the Word document and do not send the information as a PDF file.) All electronic documents submitted in response to this data request should be in readable, downloadable, printable, and searchable formats, unless use of such formats is infeasible. Each page should be numbered. If any of your answers refer to or reflect calculations, provide a copy of the supporting electronic files that were used to derive such calculations, such as Excel-compatible spreadsheets or computer programs, with data and formulas intact and functioning.

If a request, definition, or an instruction, is unclear, notify the Public Advocates Office as soon as possible. In any event, answer the request to the fullest extent possible, specifying the reason for your inability to answer the remaining portion of the Data Request.

SOUTHERN CALIFORNIA GAS COMPANY (SOCALGAS)

Cal Advocates-SCG-A2209006-003

DR-003

DATE REQUESTED: July 7, 2025

RESPONSE DUE: July 21, 2025

Definitions

Unless the request indicates otherwise, the following definitions are applicable in providing the requested information.

1. "CPUC" as used herein refers to the California Public Utilities Commission.
2. The terms "and" and "or" shall be construed either disjunctively or conjunctively whenever appropriate in order to bring within the scope of these Data Requests any information or documents which might otherwise be considered to be beyond their scope.
3. The singular form of a word shall be interpreted as plural, and the plural form of a word shall be interpreted as singular whenever appropriate in order to bring within the scope of these Data Requests any information or documents which might otherwise be considered to be beyond their scope.
4. The terms "document," "documents," or "documentary material" include, without limitation, the following items, whether in electronic form, printed, recorded, or written or reproduced by hand: reports, studies, statistics, projections, forecasts, decisions, and orders, intra-office and interoffice communications, correspondence, memoranda, financial data, summaries or records of conversations or interviews, statements, returns, diaries, calendars, work papers, graphs, notebooks, notes, charts, computations, plans, drawings, sketches, computer printouts, summaries of records of meetings or conferences, summaries or reports of investigations or negotiations, opinions or reports of consultants, photographs, bulletins, records or representations or publications of any kind (including microfilm, videotape, and records however produced or reproduced), electronic or mechanical or electrical records of any kind (including, without limitation, tapes, tape cassettes, discs, emails, and records) other data compilations (including without limitation, input/output files, source codes, object codes, program documentation, computer programs, computer printouts, cards, tapes, discs and recordings used in automated data processing, together with the programming instructions and other material necessary to translate, understand, or use the same), and other documents or tangible things of whatever description which constitute or contain information within the scope of these data requests.
5. "Identify":
 - a. When used in reference to a person includes stating his or her full name, his or her most recent known business address and telephone number, and his or her present title or position;
 - b. When used in reference to documents includes stating the nature of the document (e.g., letter, memorandum), the date (if any), the title of the document, the identity of the author and/or the document, the location of the document, the identity of the person having possession, control or custody of the document, and the general subject matter of the document.
6. "Relating to" means concerning, addressing, referring, discussing, commenting

SOUTHERN CALIFORNIA GAS COMPANY (SOCALGAS)

Cal Advocates-SCG-A2209006-003

DR-003

DATE REQUESTED: July 7, 2025

RESPONSE DUE: July 21, 2025

upon, analyzing, mentioning or involving in any way.

7. "SoCalGas" as used herein refers to the Southern California Gas Company and/or its subsidiaries and affiliates.
8. "AACE" as used herein refers to the Association for the Advancement of Cost Engineering International.

SOUTHERN CALIFORNIA GAS COMPANY (SOCALGAS)

Cal Advocates-SCG-A2209006-003

DR-003

DATE REQUESTED: July 7, 2025

RESPONSE DUE: July 21, 2025

QUESTION 1:

- a) Please provide SoCalGas' forecasted revenue requirement for the pilot project.
- b) What contingency amount is included in SoCalGas' forecasted revenue requirement referenced in subsection (a) above?
- c) Please explain how the contingency amount referenced in subsection (b) above was derived.
- d) Which AACE cost estimate class was used as the basis for the forecasted revenue requirement?

RESPONSE 1:

For the following response, SoCalGas interprets that the question is requesting information for each individual project proposed by SoCalGas. As such, SoCalGas responds as follows:

- a) The Revenue requirement is forecasted in Chapter 6: PREPARED DIRECT TESTIMONY OF NASIM AHMED AND MARJORIE SCHMIDT-PINES ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY, which can be found as follows:¹

Table NA-3: Forecasted Revenue Requirement Summary (*In Millions*)

	2025	2026	2027	2028	Total
Closed System Project – UC Irvine	\$17.6	\$6.3	\$1.2	\$1.7	\$26.8
Open System Project – City of Orange Cove	\$37.7	\$13.1	\$1.3	\$1.6	\$53.6

- b) Each phase had its own designated contingency levels, which are applied at the unloaded cost estimate level. The revenue requirement itself does not account for any contingency percentages. Contingency amount can be found for each project in the workpapers supporting their respective testimony:
WP-1 (Revised): SoCalGas's Closed System Hydrogen Blending Project Workpaper Supporting the Revised Direct Testimony of Blaine Waymire ²
WP-2: SoCalGas's Open System Hydrogen Blending Project Workpaper Supporting the Direct Testimony of Blaine Waymire Chapter 2³

¹ Prepared Direct Testimony of Nasim Ahmed and Marjorie Shmidt-Pines on Behalf of Southern California Gas Company (SoCalGas's Hydrogen Blending Demonstration – Chapter 6) at 4

² WP-1 (Revised): SoCalGas's Closed System Hydrogen Blending Project Workpaper Supporting the Revised Direct Testimony of Blaine Waymire

³ WP-2: SoCalGas's Open System Hydrogen Blending Project Workpaper Supporting the Direct Testimony of Blaine Waymire Chapter 2

SOUTHERN CALIFORNIA GAS COMPANY (SOCALGAS)

Cal Advocates-SCG-A2209006-003

DR-003

DATE REQUESTED: July 7, 2025

RESPONSE DUE: July 21, 2025

- c) SoCalGas utilized Class 5 estimates based on AACEi recommended practices to determine the proposed costs.⁴ However, contingency amounts vary by phase based on historical data and general contingencies. SoCalGas generally applies a 10-25% contingency to its estimates, based on project scope. Phase specific contingencies and explanations are provided below:

Ch.1: Closed system Project:

Phase 1: Design, Construction, and Commissioning: 30% contingency: increased contingency above SoCalGas standard contingency based on observed trends of increased cost of hydrogen equipment and less historical data compared to traditional natural gas equipment.

Phase 2: Data Collection and Demonstration: 10% contingency: Contingency based on hourly rates, SoCalGas has historical data on hourly rates and does not have market fluctuation compared to hydrogen equipment

Phase 3: Decommissioning: 15% contingency: Decommissioning and removal of equipment is generally standard with current natural gas practices. Solar array will remain in place.

Phase 4: Data Analysis and Dissemination: 30% contingency: Higher contingency than standard as final report may require more staffing input than expected.

Ch.2: Open System Project:

Phase 1: Design, Construction, and Commissioning: 30% contingency: increased contingency above SoCalGas standard contingency based on observed trends of increased price of hydrogen equipment and less historical data compared to traditional natural gas equipment.

Phase 2: Data Collection and Demonstration: 10% contingency: Contingency based on hourly rates, SoCalGas has historical data on hourly rates and does not have market fluctuation compared to hydrogen equipment

Phase 3: Decommissioning: 30% contingency: Decommissioning and removal of equipment is generally standard with current natural gas practices. However, decommissioning requirements and land use agreements have not been finalized with the city. It is unknown if hydrogen production and blending equipment will stay in place for long term.

Phase 4: Data Analysis and Dissemination: 30% contingency: Higher contingency than standard as final report may require more staffing input than expected

- d) As outlined in WP-1 Revised:⁵

⁴ Corrected Revised Prepared Direct Testimony of Blaine Waymire on behalf of SoCalGas (SoCalGas's Hydrogen Blending Demonstration – Closed System Project) (Chapter 1R) at 27

⁵ WP-1 (Revised): SoCalGas's Closed System Hydrogen Blending Project Workpaper Supporting the Revised Direct Testimony of Blaine Waymire

SOUTHERN CALIFORNIA GAS COMPANY (SOCALGAS)

Cal Advocates-SCG-A2209006-003

DR-003

DATE REQUESTED: July 7, 2025

RESPONSE DUE: July 21, 2025

SoCalGas applies AACEi Recommended Practices 97R-18, 18R-97, and 40R-08 (Cost Estimate Classification System – As Applied in Engineering, Procurement, and Construction for the Pipeline Transportation Infrastructure Industries, Cost Estimate Classification System – As Applied in Engineering, Procurement, and Construction for the Process Industries, and Contingency Estimating – General Principles, respectively) as a guideline for pipeline and engineering, procurement and construction (EPC) complex project development to support the costs for SoCalGas's proposed Closed System Hydrogen Blending Demonstration Project (Closed System Project) at the University of California, Irvine (UC Irvine). As noted in response to question 1.c, contingency amount may vary based on phase and deviate slightly from standard practice.