APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY & SAN DIEGO GAS & ELECTRIC COMPANY FOR AUTHORITY TO REVISE THEIR NATURAL GAS RATES AND IMPLEMENT STORAGE PROPOSALS IN THE 2027 COST ALLOCATION PROCEEDING (A.25-09-014)
DATA REQUEST SET 2 FROM CAL ADVOCATES –
PUBADV-SCG_SDGE-02-MPS - DATED NOVEMBER 14, 2025
SOCALGAS RESPONSE DATED: DECEMBER 5, 2025 - PARTIAL

Question 1.

On November 12, 2025, during a presentation meeting with Cal Advocates, SoCalGas stated that the End Use Model is similar to the Navigator Model and that it was initially calibrated to mirror the results of the old model but is now evolving with new assumptions. Please answer the following questions.

a) Please provide a detailed list of the change assumptions used in the Navigator.
b) Please provide a detailed list of the assumptions used in the EU Forecaster.
c) Who is the old vendor for the EU Forecaster? Please provide vendor information.
d) What was the last year that SoCalGas asked the vendor of the EU Forecast for support, and what was the issue? Please provide supporting documentation.
e) If the electric prices are out of model adjustment. Please answer the following question.
    i. Why SoCalGas is incorporating gas prices in the Navigator model.
    ii. Please provide the associated Excel spreadsheets illustrating how SoCalGas accounts for electric price changes relative to gas price, in the out-of-model adjustment.
f) If SoCalGas is using gas prices within the model but electric prices out of the model, why is SoCalGas not including electric prices within the Navigator Model as well? Is this a new economic assumption?

Response 1a – 1f.

a) The change in assumption used in the Navigator referred in the November 12, 2025, meeting was that fuel substitution decisions at the end of an appliance life would be driven by state policies reflected in the California Energy Commission's (CEC) Additional Achievable Fuel Substitution (AAFS) scenarios.

b) The assumption used in the EU Forecaster referred to in the November 12, 2025 meeting was that fuel substitution decisions at the end of an appliance life would factor in the price of natural gas relative to the price of electricity.

c) The vendor for End Use Forecaster (EUF), the previous end use model used by SoCalGas and SDGE, was Quantec. SCADA acquired Quantec in 2024. Quantec is no longer a standalone entity and stopped supporting EUF prior to 2024.

d) The most recent year that SoCalGas contacted Quantec was during 2024 to inquire about any remaining third-party restrictions relating to EUF documentation. Due to SoCalGas's document retention policy, the communication is no longer available.

e) Electric prices are not an out-of-model adjustment in SoCalGas demand end-use model.

f) SoCalGas did not use electricity in its gas demand forecast.

<u>Question 2.</u>

On November 12, 2025, during a presentation meeting with Cal Advocates, SoCalGas stated that the Navigator Model was used in last year's California Gas Report (CGR). Please answer the following questions.

a) Please validate the gas prices used in the last CGR by basin, specifically for the SoCal Border price from January through December 2024 forecast from S&P Global or Global Insight and compare directly with historical prices through the same period.

   Provide the analysis in Excel as an active spreadsheet, including all data associated with this question.

<u>Response 2.</u>

a) See Excel file, "PubAdv-SCG_SDGE-MPS.002.02.a.xlsx"

Question 3.

Provide an active Excel spreadsheet with the peak day actual load by customer class for the last 10 years, and indicate the observed temperature for each occurrence.

a) Customer classes requested are as follows: residential, core commercial, core industrial, and NGV.

   Please indicate the date in (mm/dd/yyyy) of occurrence and provide the observed recorded temperature for the stated date of occurrence.

Response 3.

See Excel file, “PubAdv-SCG_SDGE-MPS.002.03.xlsx”.

Question 4.

Please provide average and marginal natural gas and electric prices by customer class: residential core commercial, and core industrial from 2020 to the most recent historical month.

b) Please provide the average and marginal natural gas and electric prices forecasted to 2029.

Response 4.

Applicants' information will be provided next week.

Question 5.

SoCalGas and SDG&E show gas usage drivers as 1. Changes in natural gas prices and 2. Changes in meter counts.

a) Please explain how the SoCalGas model accounted for the customer choice driver for potential endogenous fuel switching (from economics, not mandated policies).
b) How does the SoCalGas model reflect lower electric prices relative to gas, which would definitely affect SoCalGas and SDG&E listed Unit Energy Consumptions (UEC) and UEC forecast? Please provide all equations and formulas in an active Excel spreadsheet.

Response 5a. – 5b.

a) See response to question 1a above.

b) See response to question 1a above.

Question 6.

How did SoCalGas and SDG&E select the fuel substitution out of the model adjustment?

Please provide

a) All current or former studies done for the residential sector by SoCalGas or SDG&E, current or former staff, or other business units prepared since 2018 that show load losses by market segment.
b) Details on how the Additional Achievable Fuel Substitution (AAFS) Scenario 3 from the CEC's 2023 Integrated Energy Policy Report was incorporated into the fuel substitution adjustment, including any modifications made by SoCalGas/SDG&E. If AAFS was used without adjustment, explain why it adequately captures endogenous switching.

Response 6a. – 6b.

SoCalGas and SDG&E used available Integrated Energy Policy Report (IEPR) Additional Achievable Fuel Substitution (AAFS) analysis and scenarios published by the California Energy Commission (CEC) for estimations of fuel substitution by market segment.

a) SoCalGas and SDG&E assume that an undetermined amount of fuel substitution is incorporated into reported actual residential load. No study has been prepared since 2018 that estimates residential sector-wide load loss attributable to fuel substitution.

b) SoCalGas and SDG&E incorporated the CEC’s 2023 AAFS Scenario 3 Programmatic forecast by calculating the estimated cumulative incremental fuel substitution from 2024. Also, see response to question 1a above.

Question 7.

Please provide customer counts by customer class (residential, core commercial), for the number of customers (meters) whose usage dropped by 60 percent or more and never came back, using a benchmark usage determined by the 2019 California Residential Appliance Saturation Study (RASS) survey results.

a) Please show the analysis in an active Excel spreadsheet to illustrate trends. Show the historical trend from 2015 to 2024.

Response 7a.

Applicants' information will be provided next week.

Question 8.

Please provide an active spreadsheet with a Table including historical residential core usage at actual weather and the number of customers in the class from 2015 to 2024. Please also indicate if the data is cycle meter read data or calendar month data. Please also provide the cycle and calendar month days and HDDs.

a) Please show data by the requested market segment(s) and broken into Tier 1 and Tier 2 consumption.
b) In the same Table, also include the actual Tier 1 and Tier 2 prices.
c) All data should be in a monthly format for the period 2015 to 2024.

Response 8a. – 8c.

Applicants' information will be provided next week.

Question 9.

Provide sensitivity analyses in an active Excel spreadsheet for the 2027-2029 demand forecasts under alternative scenarios, including:

a) higher/lower gas prices (±20%),

b) Accelerated electrification (e.g., 50% higher AAFS impacts), and no fuel substitution from adjustment.

   Explain why such analyses are not included in the testimonies to assess forecast robustness.

c) No AAFs Fuel substitution, but include endogenous electric price changes in your forecast.

Response 9a. – 9c.

a) See Excel file, “PubAdv-SCG_SDGE-MPS.002.09.a.b.xlsx”.
b) See Excel file, “PubAdv-SCG_SDGE-MPS.002.09.a.b.xlsx”. SoCalGas and SDG&E select their fuel substitution scenarios using available CEC IEPR AAFS forecasts for the purpose of gas system planning. Accelerated electrification was determined to be not likely during the 2027-2029 period.
c) See response to question 1f. As a result, this scenario is not possible to prepare.

Question 10.

Explain how the demand forecasts used for cost allocation (e.g., core vs. noncore) align with the proposed storage capacity allocations in Chapter 1 (Dandridge). Provide any analyses showing the impact of forecast uncertainties (e.g., from fuel switching) on storage reliability proposals.

Response 10.

SoCalGas used the 2024 California Gas Report (CGR) demand forecast for the proposed storage capacity allocations in Chapter 1 (M. Dandridge). No analysis of the impact of demand forecast uncertainties on storage reliability proposals has been prepared.

Question 11.

If SoCalGas and SDG&E cannot provide the requested information to answer the questions above, state the reason in the response.

Response 11.

Confirmed.