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 4 FROM CAL ADVOCATES – PUBADV-SCG_SDGE-004-MS - DATED NOVEMBER 19, 2025
SOCALGAS RESPONSE DATED: DECEMBER 5, 2025

Question 1.

Referring to Chapter 1, pp. MMD-1, lines 7 through 10, what specific aspects of the prior storage and balancing regime, adopted in Decision (D.) 24-07-009 (covering 2024–2026), are the SCG and SDGE explicitly proposing to replace or modify in the 2027–2029 CAP period?

Response 1.

Applicants are proposing to replace the capacities and allocations adopted in Decision (D.) 24-07-009 with the capacities and allocations in Table MMD-1. The storage inventory in Table MMD-1 accounts for a lower working inventory at Playa Del Rey of 1.7 Bcf, down from 2.4 Bcf from Decision (D.)24-07-009. The injection and withdrawal capacities adopted in Decision (D.) 24-07-009 were one day observed maximums from a prior period whereas the capacities proposed in Table MMD-1 are the median of capacities posted on Envoy for a prior period.

Question 2.

Beyond supporting system resiliency and emergency response, how will the emphasis on storage capacity for customer use and overall system reliability be prioritized relative to core reliability and system balancing in the upcoming CAP period?

Response 2.

Storage capacity allocations proposed for the upcoming CAP period prioritize core customer reliability and system balancing while emphasizing overall system reliability.

Question 3.

Given the capacities established in D.24-07-009 (e.g., 800 MMcfd summer injection and 2400 MMcfd winter withdrawal), what factors caused the significant proposed reduction in total firm injection and withdrawal capacities for 2027–2029 illustrated in Table MMD-1 (e.g., to 458 MMcfd summer injection and 1826 MMcfd winter withdrawal)?

Response 3.

See Response to Question 1. The capacities reflect median Envoy postings from 2024-2025 operations, not a reduction in physical capability. Summer injection median of 458 MMcfd and winter withdrawal median of 1,826 MMcfd represent the 50th percentile of daily capacity availability, with approximately half of operating days experiencing higher capacity enabling upward proration (Chapter 1, page MMD-4, lines 3-6 and page MMD-5, lines 1-4). The injection and withdrawal capacities established in D.24-07-009 reflect one day high capacities from a prior period, not the expected capacities as proposed in Table MMD-1.

Question 4.

Please explain in detail what additional operational justification, beyond the median values posted on SCG's Electronic Bulletin Board Envoy, supports the proposed total seasonal injection and withdrawal capacities, especially since peak capacity is typically achieved at low storage inventory levels?

Response 4.

The posted capacities reflect all days in the 2024 summer and 2024-2025 winter periods, with the median value serving as the firm capacity that was available at low and high storage inventory levels at least 50% of those days.

Question 5.

Please explain how the required prorating of daily capacity allocations will work practically if the actual available capacity on a given day is higher or lower than the proposed capacity, particularly if actual capacity dips below the firm rights needed by a critical class such as Core?

Response 5.

Daily capacities posted on Envoy will be prorated using percentage-based allocation from Table MMD-1, ensuring equitable distribution across classes (Chapter 1, page MMD-4, lines 11-13 and page MMD-5, lines 7-9). When capacity falls below core needs such as for a cold winter day, the core can use flowing interstate supply that provides 949-1,139 MMcfd independent of storage (Chapter 1, page MMD-6, Table MMD-2, column E), as well as spot and monthly purchases to supplement shortfalls.

Question 6.

Please provide the detailed calculation demonstrating that the 76 Bcf of core inventory, providing 503 MMcfd of available gas for withdrawal over 151 winter days, combined with the potential flowing supply (949 MMcfd to 1139 MMcfd), will reliably meet the forecast cold year winter demand of 1381 MMcfd?

Response 6.

The calculation demonstrates core reliability under cold year conditions by combining storage inventory contribution with flowing supply commitments. The 76 Bcf inventory allocation divided by 151 winter days equals 503 MMcfd of available storage gas; combined with flowing interstate supply of 949-1,139 MMcfd (100-120% of average year demand per D.04-09-022 authority cited in Chapter 1, page MMD-5, lines 21-22), total available supply ranges from 1,452-1,642 MMcfd (Chapter 1, page MMD-6, Table MMD-2, columns A, B, E). This exceeds the forecast cold year 1-in-35 winter demand of 1,381 MMcfd by 71-261 MMcfd (Column C).

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Question 7.

Referring to Chapter 1, pp. MMD-6, lines 7 and 8, provide the data, page number utilized from the California Gas Report (CGR).

a) Please provide the source for the data used to produce the forecasts.
b) Please explain how the data was calculated. If Excel, please provide all active spreadsheets, including formulas, links, and equations.
c) If Navigator was used to forecast the data, provide a detailed list of the assumptions used in the Navigator.
d) What was used prior to the Navigator to forecast the CGR data?

Response 7 a) – 7 d)

a) See Ch.1 pp. MMD-6, footnote 7. "SoCalGas, *2024 California Gas Report Prepared by the California Gas and Electric Utilities* at 157, 164-167, 197-201, *available at:* https://www.socalgas.com/sites/default/files/2024-08/2024-California-Gas-Report-Final.pdf;

See also SoCalGas, *2024 California Gas Report Workpapers* at 24-26, *available at:* https://www.socalgas.com/sites/default/files/2024-08/2024-CGR-Workpapers-SoCalGas.pdf;

SDG&E, *2024 California Gas Report Workpapers* at 25-27, *available at:* sdge final.pdf

"Note, SCG Gas Report Workpapers pp should be from 24 to 27, and SDG&E Gas Report Workpapers pp should be from 25-28.

b) See Calculation Methodology, attached workpaper excel file "CalAdv-SCG_SDGE-004-MS.7.b."
c) The Navigator end-use model was used in the 2024 California Gas Report (CGR) to forecast SoCalGas and SDG&E core demand. Referencing the discussion with Public Advocates Office on November 12, 2025, the assumption 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 was applied when running the end-use model for core demand.

d) End Use Forecaster (EUF) was the end use model used prior to Navigator. EUF is no longer supported by it developer (Quantec), which no longer exists as a stand alone entity.

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Question 8.

Since the required storage and additional flowing supply needed for Peak Day (1844 MMcfd to 2034 MMcfd) far exceeds the proposed winter withdrawal capacity for the Core (1500 MMcfd), what specific volumetric or financial assumptions underpin the reliance on monthly and spot gas purchases to bridge this gap?

Response 8.

Table MMD-2 Column F quantifies the "Storage and Additional Flowing Supply Needed for Peak Day" at 1,844-2,034 MMcfd, representing the gap between peak day demand (2,983 MMcfd) and flowing interstate supply (949-1,139 MMcfd) in Column E (Chapter 1, page MMD-6). The core's 1,500 MMcfd winter withdrawal allocation provides the majority of this requirement, with remaining needs of 344-534 MMcfd met through spot and monthly purchases. This approach aligns with Commission guidance in D.02-11-073 requiring "a combination of firm pipeline capacity, storage withdrawal, and monthly and spot gas purchases to serve core Peak Day requirements" (Chapter 1, page MMD-5, lines 21-22).

Question 9.

Please explain in detail if the 250 MMcfd of summer injection rights be adequate to fill the remaining 22.5 Bcf of core allocation (76 Bcf total minus 53.5 Bcf filled by summer injection rights) during the injection season, considering any necessary maintenance outages?

Response 9.

Core storage has historically[1] entered the summer injection season above 22.5 Bcf, as storage can be filled through 135 MMcfd winter injection rights exercised during low-demand periods in March and November when core demand moderates, allowing surplus supply to be injected into storage (Chapter 1, page MMD-3, Table MMD-1 and page MMD-6, lines 9-10). Additionally, proration provides upward injection allocation when available injection capacity exceeds the 458 MMcfd median.

Question 10.

Please explain in detail what specific contingency event or Commission action is anticipated that would trigger the tiered reduction plan outlined in Section VIII, given that known reductions (Aliso Canyon and Playa del Rey) are already factored into the 118.8 Bcf total inventory proposal?

Response 10.

The tiered reduction framework addresses potential Commission policy decisions, such as through the Aliso Canyon Biennial Assessment Report pursuant to Decision (D.)24-12-076,

[1] SoCalGas ENVOY, see Storage Capacity, Core Storage Balance

further restricting Aliso Canyon inventory to below the current 68.6 Bcf authorization.

Question 11.

Please explain in detail the justification for applying the first 10 Bcf of inventory reduction solely to the Unbundled Storage (UBS) program before applying pro-rata cuts to Core, Wholesale Core, and Balancing classes?

Response 11.

The 10 Bcf initial reduction applied solely to UBS reflects three policy considerations: (1) UBS serves non-reliability functions through discretionary transaction-based storage services under Rate Schedules G-TBS and G-PAL (Chapter 1, page MMD-8, lines 21-23), making these services the most appropriate first reduction category; (2) UBS contracts contain force majeure provisions protecting SoCalGas from liability for capacity reductions due to regulatory restrictions or operational constraints; and (3) ~~the~~ 28 Bcf UBS allocation represents 23.6% of total inventory (Chapter 1, page MMD-3, Table MMD-1).

The plan for reductions in storage inventory capacities outlined in Chapter 1 testimony is consistent with the reduction plan adopted in the 2024 CAP Settlement (D.24-07-009).

Question 12.

Please provide any engineering or reliability analysis to support the proposed inventory capacity floors for the Core (72 Bcf), Wholesale Core (2.5 Bcf), and Balancing (8 Bcf) before all remaining reductions are applied back to the UBS program?

Response 12.

The capacity floors are supported by minimum functional requirements for each service class. The core 72 Bcf floor represents the minimum inventory to provide 477 MMcfd storage gas (72 Bcf ÷ 151 winter days) which, combined with minimum flowing supply of 949 MMcfd (100% of average year demand per D.04-09-022), yields 1,426 MMcfd total supply to meet cold year demand of 1,381 MMcfd. The wholesale core 2.5 Bcf floor maintains the approximately 3% proportional allocation relative to the core 72 Bcf floor. The balancing 8 Bcf floor provides minimum monthly imbalance accommodation.

Question 13.

Please explain how the capacity split was determined for the Balancing function, particularly allocating a much higher percentage of winter injection capacity (70.7%) compared to winter withdrawal capacity (14.0%)?

Response 13.

The capacity allocation proposal is focused on prioritizing core customer reliability and system balancing. Once allocations were made to the core, allocations to balancing (used by all customers) were then considered. Allocations to the balancing function recognize that some customers' (such as noncore customers) demand patterns differ from the core and allow for more optimal use by these customers.

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Question 14.

Please explain why the injection and withdrawal capacities allocated to the UBS program (15 MMcfd each) are so low, representing less than 4% of the seasonal totals, despite UBS receiving 23.6% of the total inventory capacity (28 Bcf)?

Response 14.

The injection and withdrawal capacities allocated to the UBS program representing less than 4% of the seasonal totals do not differ that greatly from those adopted in Decision (D.)24-07-009 of approximately 2% to 9%.

The storage capacity allocation proposal is focused on prioritizing core customer reliability and system balancing. The 28 Bcf inventory allocation to the UBS program provides substantial commercial storage capacity for term contracts, with injection and withdrawal transactions scheduled by contract holders during periods of injection and withdrawal availability. The UBS injection and withdrawal capacity reflect the operational reality that UBS customers can utilize capacity through interruptible transactions rather than firm rights.

Question 15.

Please explain the typical timeframe for the amortization of Noncore Storage Balancing Account (NSBA) over or under collections into customers' transportation rates following the annual true-up submission?

Response 15.

The over or under collected balance in the Noncore Storage Balancing Account (NSBA) is incorporated in rates via the SoCalGas Annual Regulatory Account Balance Update filing and amortized over a 12-month period effective January 1 of the follow year.

Question 16.

Please explain in detail the full cost of service rationale supporting the proposal to charge wholesale core customers (Southwest Gas Corporation and the City of Long Beach) the exact same rates as the combined core customers of SoCalGas and SDG&E?

Response 16.

Wholesale core customers (Southwest Gas Corporation serving 2% allocation and City of Long Beach serving 1% allocation, totaling 3% of core assets per Chapter 1, page MMD-7, Section V) are charged identical rates to SoCalGas/SDG&E combined core customers consistent with D.08-12-020[2], and as reiterated in every CAP decision since.

[2] 94669.PDF p.5 #13, p.6 #14

Question 17.

Please explain what the specific mechanisms within the Noncore Fixed Cost Account (NFCA) are that ensure that customers, and not SCG and SDGE, are made whole through annual adjustments if noncore throughput is higher than forecast, meaning, do customers benefit from the over collection?

Response 17.

If actual revenue collected is more than authorized (an overcollection), that balance is returned to customers through an annual amortization process that refunds an overcollection in customer rates via SoCalGas's Annual Regulatory Account Balance Update filing.

Question 18.

Since decoupling profits and noncore transportation revenues is requested to align with energy efficiency and greenhouse gas reduction goals, what operational safeguards are in place to ensure that SCG and SDG&E maintain motivation to manage noncore transportation efficiently, despite lacking direct financial risk for throughput fluctuations?

Response 18.

The Commission addressed this issue in Decision 22-07-002 which requires SoCalGas to maintain adequate backbone capacity to meet the average day in a 1-in-10 cold and dry year standard and established a citation program if SoCalGas fails to maintain adequate capacity based on the standard for nine months or ~~long~~er.

Question 19.

If SCG and SDGE cannot provide the requested information to answer the questions above, state the reason in the response.

Response 19.

Not applicable.