

**APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY FOR AUTHORITY TO
RECOVER VENTURA COMPRESSOR MODERNIZATION PROJECT REVENUE REQUIREMENT
IN CUSTOMER RATES AND FOR APPROVAL OF RELATED COST ALLOCATION AND RATE
DESIGN PROPOSALS (A.23-08-019)**
(DATA REQUEST CalPA-SCG-07)
Date Requested: January 16, 2026, Response Due: February 2, 2026

QUESTION 1: In its Application, SoCalGas proposes installing two new electric motor-driven compressors (EDC) and two new gas engine driven compressors (GDC).

- 1) Does SoCalGas have a Lifecycle NOx Emissions and/or a GHG Analysis for EDCs vs. GDCs? If so, please provide.

The Analysis should quantify total NOx (and GHG) emissions for EDCs vs. GDCs, including upstream generation from SCE's mix. This should model emissions using project specific consumption data.

If EDCs are not NOx-free when accounting for upstream generation, explain how this aligns with the project's environmental justifications (e.g., local emissions reductions) and provide any cost-benefit analysis of emissions avoided versus ratepayer O&M burdens from higher electricity costs.

To justify that the cost of reducing NOx exceeds the high operational costs of EDCs, please also provide or commission the following studies:

- 2) Cost-Benefit Analysis of NOx Reductions: Monetize avoided NOx health/environmental costs (using CARB or EPA valuations) against EDC premiums, including sensitivities for declining demand and rising electricity rates.
- 3) Energy Efficiency and Loss Analysis: Compare system-wide efficiencies, accounting for conversion losses in gas-to-electricity (e.g., power plant + T&D + motor) vs. direct gas combustion, with case studies for similar pipeline compressors.

RESPONSE 1:

Response 1.1:

SoCalGas objects on the grounds to the extent that it exceeds the scope of permissible discovery under Rule 10.1 of the Commission's Rules of Practice and Procedure. Further, SoCalGas objects to this request to the extent it imposes upon SoCalGas an obligation to generate, create or commission records or analysis that do not exist, of which have not been generated or created in its regular course of business.

Without waiving these objections, SoCalGas responds as follows: No, SoCalGas does not possess any studies or analysis regarding a lifecycle NOx emission and/or GHG analysis for EDC vs GDC. The analysis of NOx emissions and GHG emissions performed pursuant to CEQA can be found in the Ventura Compressor Station Modernization Project Air Quality and Greenhouse Gas Emissions Technical Report, Appendix B, of the Proponents Environmental Assessment.

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Response 1.2:

SoCalGas objects on the grounds to the extent that it exceeds the scope of permissible discovery under Rule 10.1 of the Commission's Rules of Practice and Procedure. Further, SoCalGas objects to this request to the extent it imposes upon SoCalGas an obligation to generate, create or commission records or analysis that do not exist, of which have not been generated or created in its regular course of business.

Without waiving these objections, SoCalGas responds as follows: SoCalGas does not possess cost-benefit analysis or similar study that monetizes avoided NOx health or environmental impacts using CARB or EPA valuations, nor has SoCalGas commissioned such a study comparing those values to EDC operational cost premiums, including sensitivities for declining demand or increasing electricity rates.

Response 1.3:

SoCalGas objects on the grounds to the extent that it exceeds the scope of permissible discovery under Rule 10.1 of the Commission's Rules of Practice and Procedure. Further, SoCalGas objects to this request to the extent it imposes upon SoCalGas an obligation to generate, create or commission records or analysis that do not exist, of which have not been generated or created in its regular course of business.

Without waiving these objections, SoCalGas responds as follows: SoCalGas does not possess analysis or similar studies that compare system-wide efficiencies, accounting for conversion losses in gas-to-electricity (e.g., power plant + T&D + motor) vs. direct gas combustion, with case studies for similar pipeline compressors.

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QUESTION 2: On Page 2 of its response to Cal Advocates-SCG-A2308019 Data Request 6, SoCalGas states “The actual electrical cost for operating the EDC will vary because utility demand charges are calculated based on the peak power utilization for a billing period.”

- 1) Does SoCalGas have inter-utility cost implications for electric compressor operations?
- 2) Confirm whether the costs for operating the proposed EDCs involve direct payments or transfers to other utilities (e.g., SCE for electricity supply), and provide a breakdown of how these costs are structured (e.g., standard retail rates vs. any inter-utility agreements or wheeling charges).
- 3) Explain the impact on SoCalGas ratepayers if EDC costs are recovered through SoCalGas rates while potentially overlapping with SCE ratepayer-funded infrastructure (e.g., grid upgrades to support increased station demand), including any analysis of double-recovery risks across utility territories.
- 4) Provide projections of annual inter-utility payments (if any) for EDC electricity over a 10-year horizon, using sensitivity scenarios for SCE rate changes (e.g., escalation based on recent CPUC-approved general rate cases), and assess how this affects the overall revenue requirement for the project.
- 5) To justify that the cost of reducing NOx exceeds the high operational costs of EDCs, please also provide or commission the following study:

Rate Impact and Stranded Cost Study: Model rate increases for core/non-core customers under declining throughput scenarios, assessing risks of asset stranding if electrification accelerates (e.g., via SB 1221 pilots).

RESPONSE 2:

Response 2.1:

SoCalGas objects on the grounds to the extent that it exceeds the scope of permissible discovery under Rule 10.1 of the Commission’s Rules of Practice and Procedure. SoCalGas objects to the term “inter-utility cost implications” as vague and ambiguous.

Without waiving these objections, SoCalGas responds as follows: SoCalGas interprets “inter-utility cost implications” to mean an inter-utility-specific cost agreement for electric compressor operations. SoCalGas does not possess any such inter-utility cost agreement. Accordingly, no inter-utility cost implications of that nature exist for EDC operations.

Response 2.2:

The cost of operating the proposed EDCs will involve direct payments to SCE for electricity and services supplied. The cost breakdown of operating the proposed EDCs was estimated based on the

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cost structure defined in SCE Rate Time of Use (TOU) Schedule 8, TOU-8. SCE's 2025 Historical Rate Schedules for General Service / Industrial Rates can be found at the link below

[Historical Prices & Rates 2025](#) | [Historical Prices & Rates Schedule](#) | [SCE Tariff Books](#) | [SCE](#)

Response 2.3:

SoCalGas objects on the grounds to the extent that it exceeds the scope of permissible discovery under Rule 10.1 of the Commission's Rules of Practice and Procedure. SoCalGas objects to this request to the extent that it seeks information that is not within SoCalGas's knowledge or control. Further, SoCalGas objects to this request to the extent it imposes upon SoCalGas an obligation to generate, create or commission records or analysis that do not exist, of which have not been generated or created in its regular course of business.

Without waiving these objections, SoCalGas responds as follows: SoCalGas does not possess information regarding SCE's "ratepayer-funded infrastructure (e.g., grid upgrades to support increased station demand)," nor any "analysis of double-recovery risks across utility territories." It should be clarified here that the fuel costs to operate SoCalGas's transmission compressor stations, including the electricity necessary to power EDCs, are recovered from natural gas shippers via an in-kind energy charge. *See* SoCalGas Schedule G-BTS, Sheet 4, available at the following link:

<https://tariffsprd.socalgas.com/view/tariff/?utilId=SCG&bookId=GAS&tarfKey=465>. *See also* D.24-07-009 at Attachment A, page 9, which provides for in-kind fuel that "(t)he currently effective formula for determining equivalent gas compressor fuel for storage compressors will extend to transmission compressors, as applicable." For the referenced storage in-kind fuel charge, *see* Schedule G-TBS, Special Conditions 17 and 18, available at the following link:

<https://tariffsprd.socalgas.com/view/tariff/?utilId=SCG&bookId=GAS&tarfKey=72>.

Response 2.4:

SoCalGas objects on the grounds to the extent that it exceeds the scope of permissible discovery under Rule 10.1 of the Commission's Rules of Practice and Procedure. Further, SoCalGas objects to this request to the extent it imposes upon SoCalGas an obligation to generate, create or commission records or analysis that do not exist, of which have not been generated or created in its regular course of business.

Without waiving these objections, SoCalGas responds as follows: SoCalGas does not possess projections of annual inter-utility payments (if any) for EDC electricity over a 10-year horizon. Notwithstanding, please see Response 2.3 for a description of how inter-utility payments for EDC electricity are recovered from natural gas shippers via the Schedule G-BTS in-kind energy charge.

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Response 2.5:

SoCalGas objects on the grounds to the extent that it exceeds the scope of permissible discovery under Rule 10.1 of the Commission's Rules of Practice and Procedure. Further, SoCalGas objects to this request to the extent it imposes upon SoCalGas an obligation to generate, create or commission records or analysis that do not exist, of which have not been generated or created in its regular course of business.

Without waiving these objections, SoCalGas responds as follows: SoCalGas does not possess a rate impact and stranded cost study which models rate increases for core/non-core customers under declining throughput scenarios, assessing risks of asset stranding if electrification accelerates (e.g., via SB 1221 pilots).

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QUESTION 3: On Page 6 of its response to Cal Advocates-SCG-A2308019 Data Request 6, SoCalGas states, “SoCalGas does not expect the gas compressors to be in use significantly between November 1st and March 31st (which is outside of the typical Summer La Goleta injection season from April 1st through October 31st) which is 151 days of a 365-day year (41%). In general, a decline in Ventura Compressor Station compressor utilization is expected during the Winter season (November 1st to March 31st) regardless of compressor type.”

On Page 4 of its response to Cal Advocates-SCG-A2308019 Data Request 5, SoCalGas provides a table titled “For Winter Operating Season” with a column titled “Estimated Minimum Number of Compressors Required” and each row has “4.”

- 1) Explain the apparent discrepancy between the statements. Why are 4 compressors required as minimum when a “decline in Ventura Compressor Station compressor utilization is expected during the Winter season?”
- 2) Provide a detailed breakdown of the factors contributing to the forecasted decline in North Coastal System gas demand through 2035, distinguishing between SoCalGas-specific issues (e.g., customer attrition, utility-led efficiency or electrification programs, infrastructure constraints) and broader general trends in gas demand (e.g., statewide policy shifts toward renewables, economic factors, or climate-driven changes).
- 3) Quantify the relative impact of each factor (e.g., as percentages of the total decline) using supporting data from the 2024 CGR or internal SoCalGas models, and explain how this affects the project's utilization assumptions (e.g., 60 MMcf/d average demand referenced in the Application).
- 4) If the decline is primarily driven by general trends rather than SoCalGas-specific factors, provide evidence assessing the risk of accelerated decline (e.g., due to SB 1221 pilots in Response 4) and its potential to strand project costs for remaining ratepayers

RESPONSE 3:

Response 3.1:

The response to Cal Advocates-SCG-A2308019 Data Request 5, Question 2, was developed using a table provided by Cal Advocates that outlined specific design operational scenarios. The number of compressors required for each scenario was determined based on those defined operational conditions. In contrast, Cal Advocates-SCG-A2308019 Data Request 6, Question 1b, focused on the percent utilization of certain equipment under normal system demand conditions, which differs from the design-scenario-based request in Data Request 5, **Question 2**.

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Response 3.2:

SoCalGas objects on the grounds to the extent that it exceeds the scope of permissible discovery under Rule 10.1 of the Commission's Rules of Practice and Procedure. Further, SoCalGas objects to this request to the extent it imposes upon SoCalGas an obligation to generate, create or commission records or analysis that do not exist, of which have not been generated or created in its regular course of business.

Without waiving these objections, SoCalGas responds as follows: SoCalGas does not possess such a breakdown. See the explanation of the estimates of the North Coastal System natural gas demand on pages 20 and 21 (including footnote 15) of the Ventura Compressor Modernization Project application (A.23-8-019).

Response 3.3:

Please refer to response 3.2 above.

Response 3.4:

Please refer to response 3.2 above.

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QUESTION 4: On Page 4 of its Application SoCalGas notes of the current Ventura Compressor Station that “[i]f two of the three existing compressors are out of service at the same time, curtailments to the North Coastal System may occur.”

Later in its Application SoCalGas proposes installing two new EDCs and two new GDCs. On Page 27 of its Application, SoCalGas notes that in order “[t]o further minimize NOx emissions under normal operations, the new compression equipment will operate such that the electric compressors will be the first on and the last off. This means that, except for when the La Goleta Storage Field is on injection, the gas compressors will most likely not be in use.”

- a) Would the “loss of service at the same time” of the two EDCs lead to curtailments of the North Coastal System after the Ventura Compressor Modernization?
- b) Since the two GDCs will “likely not be in use” during the injection season, please explain whether the need for two GDCs is due to the reliability concerns of powering the two EDCs.
- c) If instead the Ventura Modernization Project were to include 3 GDCs rather than 2 GDCs and 2 EDCs, would that be sufficient to meet the injection demand?

RESPONSE 4:

Response 4a:

After the Ventura Compressor Modernization project is completed, the risk of curtailment will be reduced. If the EDCs are temporarily not available, the system is designed to enable the GDCs to assume operations. The new compressors provide higher throughput capacity than the old ones, therefore, in the event of an outage of the EDCs, the GDCs will be able to provide additional capacity to sustain uninterrupted services to a larger number of customers.

Response 4b:

SoCalGas objects that the question misstates SoCalGas’s application, SoCalGas did not state that the GDCs will “likely not be in use during injection season. On the contrary, in addition to supporting overall system reliability, the GDCs are expected to be used during the injection season. The full statement in the Application on Page 4, as already quoted in this data request, “This means that, except for when the La Goleta Storage Field is on injection, the gas compressors will most likely not be in use.” (Emphasis added) The La Goleta Storage Field may not be on injection every single day during the injection season, and on those days the GDCs may not be required. Their utilization during the injection season depends on the starting inventory levels at the La Goleta Storage Field and the required injection on any given day.

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Response 4c:

No, SoCalGas needs the 4 proposed compressors to meet the Summer and Winter basis of design conditions described in table 1, “Proposed Project Design Parameters”, page 34 of [the Certificate of Public Convenience and Necessity \(CPCN\) Application.](#)