

**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 15 FROM CAL ADVOCATES – PUBADV-SCG\_SDGE-015-MS  
DATED: MARCH 13, 2026  
SOCALGAS RESPONSE DATED: MARCH 27, 2026**

**Subject: Chapter 11: Rule 23 Modification**

**Question 1.**

Has SCG conducted a peak-day curtailment study to determine the precise impact on the safety margins of vulnerable residential customers during a severe winter supply shortage resulting from accommodating 10 MW generators with unlimited volume?

- a. If no such study has been conducted, please explain why not and identify any alternative analyses or assessments performed by SCG regarding the impact on peak-day curtailment and residential customer safety margins.

**Response**

A peak-day curtailment study specific to the proposal has not been completed. Notably, not all generators up to 10MW will be served by the GO-CEG tariff, only those who choose to elect the optional rate. Additionally, a customer’s actual consumption is inherently limited by the physical capacity and operating characteristics of their generation equipment. These customers cannot, in practice, consume “unlimited” volumes; their usage is constrained by the size and operating limits of their applicable generator(s).

It is also important to note that under Rule 23, any eligible customer electing this tariff option would be curtailed ahead of all residential usage. In other words, these customers would be curtailed prior to residential customers under all applicable curtailment scenarios. Therefore, any additional customers opting-in to the GO-CEG tariff rate would pose no additional curtailment risk to residential customers. Residential loads retain the highest priority on the system, and the proposal does not alter existing curtailment rules or system design criteria.

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**Question 2.**

Given that core customers receive the highest priority of service during emergency conditions due to their reliance on natural gas for essential heating, how does SCG justify granting the same emergency priority to large-scale commercial EV charging hubs or campus microgrids?

**Response**

Core service is not limited to customers that rely on natural gas for essential heating needs. Under SoCalGas’s tariffs, core service includes both residential and certain non-residential customer classes whose gas usage supports essential or priority functions. Accordingly, the rationale for core eligibility extends to a broader set of essential end uses, not exclusively home heating.

In addition, as outlined in Section VI of Witness Duran’s testimony (pages BD-5 through BD-13), the proposed eligibility changes underscore changes to the energy landscape, such as growing electricity demand, the need for improved energy resiliency, ongoing equipment and technology advancements, and increasing customer need for service configurations that support reliability. These factors help explain the basis for evaluating eligibility expansions under the proposed tariff option.

Notably, the proposal does not modify priorities under Rule 23. If an eligible customer elects the optional rate, their priority assignment may shift relative to their previous classification; however, they will continue to be curtailed ahead of all residential customers. Residential loads retain the highest curtailment priority on the system.

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**Question 3.**

Following the complete elimination of the 20,800 therms per active month limitation, what specific mechanisms will SoCalGas implement to prevent a 10 MW industrial facility from consuming unlimited quantities of gas from the core portfolio during a system constraint?

**Response**

Please refer to Response 1. A customer’s actual consumption is inherently limited by the physical capacity and operating characteristics of their generation equipment. These customers cannot, in practice, consume “unlimited” volumes; their usage is constrained by the size and operating limits of their applicable generator(s).

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**Question 4.**

Please explain the purpose of this proposal and whether it is intended to allow sophisticated 10 MW commercial entities to shift the financial and balancing risks associated with third-party marketers and commodity price volatility onto the core portfolio.

**Response**

Please refer to Response 2. As outlined in Section VI of Witness Duran’s testimony (pages BD-5 through BD-13), the proposal takes in to account several considerations such as growing electricity demand, the need for improved energy resiliency, ongoing equipment and technology advancements, and increasing customer interest in configurations that support reliability. There is no intention to shift financial or balancing risks from one party to another.

As addressed on page BD-12 of Witness Duran’s testimony, there may be operational differences between core and noncore services across customer classes and sectors, including but not limited to distinctions reflected in the applicable tariff schedules. However, overall system load shifts, apart from the specific electric generation customers discussed in this proposal, may occur periodically and are addressed, as needed, in Cost Allocation Proceedings.

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**Question 5.**

How much total existing noncore load (in annual therms) does the SCG forecast will migrate to the core portfolio if these eligibility limits are lifted, and how will that load migration alter the cost allocation between core and noncore classes?

- a. Please provide detailed methodology, key assumptions, customer data, and any supporting workpapers or models used to forecast the amount of noncore load migration.

**Response**

SoCalGas does not have an estimated forecast of noncore load migration as any potential load shift would depend entirely on whether eligible customers elect to change their service classification.

As noted on page BD-12 and in Figure BD-2 of Witness Duran’s testimony, costs associated to core rates generally exceed those related to corresponding noncore rates, making customer election highly dependent on individual customer preferences and operational needs. As data becomes available, SoCalGas will have a basis to evaluate and incorporate any updates to forecasted volumes, if necessary, in future Cost Allocation Proceedings.

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**Question 6.**

The Optional Core Electric Generation Services (GO-CEG) tariff was originally designed to serve small-scale electric generation units. How does SCG justify classifying a 10 MW facility—which is large enough to power a centralized university utility network or a major hospital—as small-scale?

**Response**

As noted in Witness Duran’s testimony on page BD-4, the original benchmark for the GO-CEG tariff was established more than 25 years ago and reflected the industry context and customer needs at that time. Since then, customer demand, operational requirements, and resiliency objectives have evolved and merit consideration of the proposed revision. Additional justification is provided in Section IV of Witness Duran’s testimony, and in Response 4 and 9. Furthermore, Witness Duran’s testimony does not state or imply that a university, hospital, or other illustrative example, would fully power their facilities with a single generator. Rather, the testimony references examples meant to highlight how distributed energy resources proportionately contribute to the energy demands of these types of facilities, especially those whose reliability needs align with the proposed changes. However, it is not meant to assume that the facilities would be wholly self-powered.

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**Question 7.**

SCG cites the Self-Generation Incentive Program (SGIP) to justify updating the threshold, noting SGIP increased to 3 MW and eventually removed its 5 MW system limit. Why did SCG choose a **10 MW** threshold rather than aligning with a smaller, more moderate incremental increase?

**Response**

Witness Duran’s testimony addresses the justification for this modification in Section IV, as well as in Response 4 and 9. That justification does not rely solely on SGIP policy changes as the basis for selecting the proposed threshold. Instead, SGIP, a program currently in its sunset period, is referenced appropriately as one example illustrating how onsite generation practices have evolved over time. Additional industry examples and equipment cited in the testimony reflect a range of onsite generation sizes, including units that exceed the SGIP-related examples.

The 10 MW threshold was selected based on practical considerations and prevailing industry norms. Dispatchable electric generation units typically exceed 20 MW, while customers below this size generally rely on generation to meet critical onsite loads where resiliency and reliability may need to be prioritized. Establishing the threshold at 10 MW, rather than a smaller incremental increase, appropriately focuses eligibility on distribution-level customers whose operating characteristics align with the intent of the tariff and with the majority of onsite generation observed on the SoCalGas system, while avoiding inclusion of larger dispatchable units typically served at the transmission level.

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**Question 8.**

SCG notes that one benefit of this modification is allowing these 10 MW generators access to core-exclusive programs, such as the voluntary Renewable Natural Gas (RNG) pilot tariff. What protections are in place to ensure that massive commercial facilities do not exhaust the limited capacity of the RNG pilot, thereby crowding out everyday residential ratepayers?

**Response**

The Voluntary Renewable Natural Gas Tariff (VRNGT) pilot is limited to non-residential customers.<sup>1</sup>

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<sup>1</sup>Advice 6434-G, Southern California Gas Company’s Implementation of the Voluntary Pilot Renewable Natural Gas Tariff Program Pursuant to Decision (D.) 20-12-022.

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**Question 9.**

If providing large electric generation customers with access to bundled Renewable Natural Gas procurement is the primary objective, please explain why SoCalGas has not instead proposed expanding the RNG pilot tariff to noncore customers rather than modifying the core/noncore emergency priority structure.

**Response**

Please refer to Response 4. As outlined in Section VI of Witness Duran’s testimony, the primary objective of the proposal is not to provide generation customers with bundled RNG. Rather, the proposal is in response to our customer’s evolving system and reliability needs, and the broader policy context evaluated within the proceeding.

Notably, the VRNGT pilot is a core tariff that includes a bundled commodity component. Noncore customers do not receive bundled gas commodity from SoCalGas; and they typically procure RNG directly from third-party marketers or agents.

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**Question 10.**

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

**Response**

N/A.