



**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

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Application of SOUTHERN CALIFORNIA  
GAS COMPANY (U 904 G) and SAN DIEGO  
GAS & ELECTRIC COMPANY (U 902 G)  
for authority to revise their natural gas rates  
and implement storage proposals effective  
January 1, 2027 in this Cost Allocation  
Proceeding.

Application 25-09-014  
(Filed September 30, 2025)

**PROTEST OF THE  
CITY OF LONG BEACH, PUBLIC UTILITIES DEPARTMENT**

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November 7, 2025

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Application of SOUTHERN CALIFORNIA GAS COMPANY (U 904 G) and SAN DIEGO GAS & ELECTRIC COMPANY (U 902 G) for authority to revise their natural gas rates and implement storage proposals effective January 1, 2027 in this Cost Allocation Proceeding.

Application 25-09-014  
(Filed September 30, 2025)

**PROTEST OF THE  
CITY OF LONG BEACH, PUBLIC UTILITIES DEPARTMENT**

Pursuant to the California Public Utilities Commission (Commission) Rules of Practice and Procedure, Rule 2.6, the City of Long Beach, Public Utilities Department (Long Beach) provides this protest to Application (A.) 25-09-014, Application of *Southern California Gas Company and San Diego Gas & Electric Company for authority to revise their natural gas rates and implement storage proposals effective January 1, 2027 in this Cost Allocation Proceeding* (Application). The Application was first published on the Commission's Daily Calendar on October 8, 2025, making this Protest timely filed pursuant to Rule 2.6(a).

**I. STATEMENT OF INTEREST**

Long Beach owns and operates a municipal natural gas utility that provides service to approximately 500,000 residents and businesses in the cities of Long Beach, Signal Hill and portions of Lakewood, Bellflower, Compton, Seal Beach, Los Alamitos, and Paramount. Long Beach is a wholesale core customer of SoCalGas and purchases natural gas transportation and storage services from SoCalGas. About 95% of the gas supply to Long Beach must be transported over SoCalGas's transmission system. Long Beach injects gas into SoCalGas's storage fields in the summer and shoulder seasons, when heating demand is low, and then

withdraws gas during the winter to meet its peak demand to ensure reliable natural gas service and maintain reasonable winter gas bills for the residents and businesses served by Long Beach. Storage inventory, injection, and withdrawal rights are dependent upon Commission-approved allocations.

The costs Long Beach pays to SoCalGas for natural gas transmission and storage directly affect the cost of natural gas service to the residents and businesses Long Beach serves. While Long Beach is a wholesale customer of SoCalGas, 95% of Long Beach's customer base is residential. Long Beach considers energy affordability a critically important issue, and one that is significantly impacted by increasing storage and transportation rates Long Beach incurs. As proposed, the Application, which appears to capture costs associated with SoCalGas and SDG&E's implementation of the State's electrification and clean energy objectives, will adversely impact natural gas affordability for residents and businesses served by Long Beach. Long Beach supports the state's electrification and clean energy objectives, and has taken steps to advance those goals. However, Long Beach is concerned with the unreasonable cost increases which would result from approval of the Application.

## **II. PROTEST**

In the Application, SDG&E and SoCalGas (Applicants) seek approval of their proposed "allocation of costs of providing natural gas service among customer classes."<sup>1</sup> The Application also addresses "gas storage-related proposals which relate to managing the reliability of the natural gas system operated by SoCalGas on behalf of both SoCalGas and SDG&E."<sup>2</sup> Transmission and storage rate increases have had, and continue to have, profound

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<sup>1</sup> Application, p. 1.

<sup>2</sup> *Id.*

implications for SoCalGas customers. Over the last decade, Tier 1 transmission rates have increased by over 320% while Tier 2 transmission rates have increased by over 250%, with a trend towards shifting greater costs towards higher volume users. Likewise, average storage costs have more than doubled since 2015, with costs rising faster than the volumes of storage needed. As the Applicants note, “[e]lectrification policies may reduce some gas usage, but infrastructure costs remain.”<sup>3</sup> SDG&E and SoCalGas must demonstrate that the relief requested in the Application will not leave natural gas customers with less reliable service and responsible for unreasonable stranded infrastructure costs as a result of the cost allocation proposal.

This protest identifies several issues where Applicants have not provided sufficient information for Long Beach to assess the proposal meaningfully or for the Commission to authorize the requested relief. As presented, the Application fails to provide sufficient support for the Commission to determine whether the proposed allocation of costs is just and reasonable or whether the gas storage proposal is in the public interest.

Long Beach has identified the following issues based on its initial review of the Application and supporting testimony. Long Beach has not had sufficient time to fully assess the twelve chapters of supporting testimony and associated workpapers. Once Long Beach has had an opportunity to review further and analyze the testimony and voluminous related work papers, as well as responses to potential data requests, Long Beach may have additional concerns that will need to be addressed.

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<sup>3</sup> Testimony, Chapter 12, Rate Design, p. MF-10; Long Beach notes that while the comments were directly related to SoCalGas’s residential rate design, the underlying premise is equally true for non-core and wholesale customers.

Wholesale Rate Design and Cost Allocation: As a SoCalGas customer, Long Beach is directly impacted by the cost allocation proposal. The transparency of the information provided is essential to a Commission decision to approve the Application. As presented, the Applicants have not met the burden of demonstrating that the proposal is just and reasonable or in the public interest. More information is needed to assess the veracity of the information provided. Applicants must provide a comprehensive cost-of-service model that disaggregates each customer class. Without such additional information, the Commission cannot authorize the allocation of costs by customer classes as proposed in this application, nor the proposed transportation rates for SoCalGas.

Storage Allocation and Balancing Rights: The Application seeks to replace the storage and balancing regime adopted as part of the 2024 CAP Settlement in Decision (D.) 24-07-009 (covering 2024-2026). Part of the proposal includes, for Long Beach, the “storage capacities of inventory, injection and withdrawal equal to approximately 3% of the storage capacities allocated to the core customers of SoCalGas and SDG&E, at the same rates for the combined core customers of SoCalGas and SDG&E: 2.8 Bcf of working inventory capacity, 9 MMcfd of summer injection capacity, 5 MMcfd of winter injection capacity, 20 MMcfd of summer withdrawal capacity, and 55 MMcfd of winter withdrawal capacity.”<sup>4</sup> The proposal includes modifications that will impact system reliability and balancing rights. The Commission cannot approve Applicants’ proposal since they have failed to demonstrate that the requested relief is in the public interest. Long Beach anticipates the need for further analysis of the workpapers and

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<sup>4</sup> Testimony, Ch. 1, Storage, p. MMD-7.

responses to data requests to better understand the proposal's impacts. Without the opportunity for further review, Long Beach cannot determine whether these changes would be in the public interest.

Backbone Transportation Service: The Commission approved modifications to the G-BTS rate schedule in D.24-07-009 that adopted an all-party settlement agreement in the last cost allocation proceeding. The Applicant seeks to, among other things, “modify Backbone Transportation Service (BTS) to limit the maximum amount of firm BTS available for sale to 110% of the minimum backbone system design standard based on the average day quantity in a 1-in-10 cold and dry year; and (3) modify SoCalGas Rule 30 Operational Requirements to confirm BTS nominations up to the Total Net System Capacity for the Evening, Intraday 1, Intraday 2, and Intraday 3 cycles regardless of a Gas Day’s OFO status.”<sup>5</sup> The proposed changes and reliance on the status quo structure are not in the public interest. As proposed, Applicants have failed to demonstrate that the proposal is in the public interest.

Rule 23 Modifications: The Applicants seek modifications to SoCalGas’s Rule 23, “which proposal would expand core electric generation eligibility to include usage from generators up to 10 megawatts (MW) and remove the per active month therm threshold.”<sup>6</sup> As Applicants note, Rule 23 “provides SoCalGas with broad discretion to manage curtailments in a manner that ensures system integrity and prioritizes service to core customers, including residential and small commercial users.”<sup>7</sup> Increasing the size

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<sup>5</sup> Testimony, Ch. 10, Off-System Delivery and Backbone Transportation Service Proposals, p. PDB-1.

<sup>6</sup> Testimony, Ch. 11, Rule 23 Modification, p. BD-1.

<sup>7</sup> *Id.*

of the core load could have adverse impacts on existing wholesale core customers in the event of a curtailment. The Commission should not adopt the proposal without further demonstration of the impact on existing customers.

### **III. CATEGORIZATION, HEARINGS, AND SCHEDULE**

Long Beach does not object to the categorization of this proceeding as ratesetting and agrees that hearings will likely be necessary. Long Beach does not propose a specific schedule, but notes that the schedule must ensure that parties and the Commission have sufficient time to review and assess the Application and issues presented meaningfully. Long Beach also recommends that the Commission include time in the schedule for potential settlement discussions. Long Beach looks forward to collaborating with the Applicants and other parties to discuss a realistic schedule that gives due consideration to the resource constraints of all parties.

### **IV. REQUEST FOR PARTY STATUS**

Pursuant to Rule 1.4 of the Commission's Rules, Long Beach requests active party status in this proceeding. As a customer of SoCalGas, Long Beach has a direct interest in the issues presented in the Application and intends to participate in this proceeding to seek resolution of the issues addressed herein, as well as those raised during the discovery process.

Long Beach requests that the following be added to the Service List for this proceeding:

Party:

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**V. CONCLUSION**

Long Beach requests that the Commission not preclude Long Beach or other parties from addressing additional issues that are raised as the full scope of the Application, supporting testimony, and discovery are reviewed. Long Beach also requests party status in this proceeding and asks that the undersigned be added to the official service list for A.25-09-014.

November 7, 2025,

Respectfully submitted,



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