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BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE

STATE OF CALIFORNIA

Application of Southern California Gas Company (U904G) to Submit Its 2025 Risk Assessment and Mitigation Phase Report.	**Application 25-05-010** **(Filed May 15, 2025)**
Application of San Diego Gas & Electric Company (U 902 M) to Submit Its 2025 Risk Assessment and Mitigation Phase Report.	**Application 25-05-013** **(Filed May 15, 2025)**

INDICATED SHIPPERS OPENING COMMENTS ON SEMPRA RAMP AND SAFETY POLICY DIVISION REPORT

James P. Mosher
Colin Fitzhenry
Brubaker & Associates, Inc.
16690 Swingley Ridge Road, Suite 140
Chesterfield, MO 63017
Tel.: (636) 898-6725
Email: jmosher@consultbai.com
Email: cfitzhenry@consultbai.com

Consultants to the Indicated Shippers

Nora Sheriff
Buchalter, A Professional Corporation
425 Market Street, 29th Floor
San Francisco, CA 94105-2491
415.227.3551 office
415.227.0770 fax
nsheriff@buchalter.com

Counsel for the Indicated Shippers

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INDICATED SHIPPERS OPENING COMMENTS ON SEMPRA RAMP AND SAFETY POLICY DIVISION REPORT

Pursuant to the August 11, 2025, *Assigned Commissioner's Scoping Memo and Ruling* (Scoping Memo), the Indicated Shippers[1] submit these comments on the October 10, 2025 *Safety Policy Division Report on Sempra's 2025 RAMP Applications (A.) 25-05-008* (SPD Report). The Scoping Memo established the scope of issues to be determined or otherwise considered in this proceeding. The scope of issues formed the basis of the Safety Policy Division's (SPD) evaluation.[2] Indicated Shippers now offer these Opening Comments on the SPD Report.

I. INTRODUCTION

On September 30, 2025, the Indicated Shippers submitted informal comments to the SPD to inform SPD's review of Sempra's 2025 RAMP.[3] The Indicated Shippers' Informal

[1] The Indicated Shippers represent the natural gas non-core customer interests of the following companies in this proceeding: California Resources Corp., Chevron U.S.A. Inc., Marathon Petroleum Company LP, PBF Holding Company, and Phillips 66 Company.
[2] A. 25-05-010, *Safety Policy Division Evaluation Report on Sempra's 2025 RAMP Applications (A.)25-05-10* (SPD Report), Oct. 10, 2025 at 4.
[3] *See generally* A. 25-05-010 and A. 25-05-013, *Informal Comments by the Indicated Shippers on the Application of Southern California Gas Company and San Diego Gas & Electric Company to Submit Their*

Comments identified shortcomings associated with Sempra's use of its proposed Homogenous Tranche Method (HTM).[4] Sempra proposed the HTM as an alternative to the Phase 3 Tranching Approach mandated as best practice in D. 24-05-064.[5] In a letter to Sempra dated November 22, 2024, SPD noted significant concerns that the HTM's mathematical complexity may hinder the transparency and understandability of the results.[6] SPD stated that "[i]t is not clear to SPD how the HTM improves upon the best practice found in D.24-05-064."[7] At that time, SPD was "not convinced the HTM is a valid approach to creating tranches in a RAMP or GRC Application."[8]

Overall, the HTM has the potential to make it difficult for the Commission and intervenors to replicate calculations and verify the homogeneity of risk tranches without access to SoCalGas's specialized models and data. This undermines the Commission's Risk-Based Decision-Making Framework's (RDF) express intent to base decisions on analyses that are transparent and repeatable by third parties.[9]

2025 Risk Assessment and Mitigation Phase Reports (Indicated Shippers Informal Comments), Sep. 30, 2025.

[4] *Id*. at 4-5.

[5] *See* D. 24-05-064, *Phase 3 Decision*, Jun. 6, 2024 at 31 ["Decisionmakers… have the authority to order an IOU to refile their analysis using the LoRE/CoRE quintile approach identified here as the best practice to ensure sufficient tranche granularity, as they deem fit."].

[6] *See Safety Policy Division Response to the Sempra Alternative Tranching Method Whitepaper* (SPD Letter), Nov. 22, 2024 at 4.

[7] *Ibid.*

[8] *Ibid.*

[9] *See* D. 24-05-064, *Phase 3 Decision*, Appendix A Risk-Based Decision Framework, Jun. 6, 2024 at A-21 ["The methodologies used by the utility should be mathematically correct and logically sound. The mathematical structure should be transparent. All algorithms should be identified. All calculations should be repeatable by third parties using utility data and assumptions recognizing that, dependent on the models used, some variation of result may occur."]; *see also* D. 24-05-064, *Phase 3 Decision*, Appendix B Transparency Pilot Guidelines, Jun. 6, 2024.

The SPD Report confirms the early issues noted in the SPD Letter. The SPD Report also affirms the Indicated Shippers' view that the HTM's complexity creates a *de facto* barrier to the transparency and ease of review required for effective stakeholder participation and informed Commission decision-making.[10] TURN's Informal Comments similarly express concern with Sempra's HTM. TURN explains that "Sempra's proposed tranching methodology is flawed, resulting in tranches that are inconsistent with SPD's direction and limiting the usefulness of cost-benefit ratios (CBRs) for comparing mitigations and alternatives across tranches."[11] In all, SPD agrees with the deficiencies highlighted by Indicated Shippers and TURN. "SPD identified material limitations (e.g., reduced transparency in asset ordering, and unclear linkage to mitigation prioritization)," which led SPD to conclude that the alternative is not categorically superior to the default quintile method.[12]

Importantly, SoCalGas's use of HTM yielded non-homogenous risk profiles, and led SPD to make the following observations and recommendation regarding the HTM as applied to SoCalGas's Excavation Damage risk analysis:

> Under Sempra's HTM, the high pressure tranches do not contain LoRE-CoRE pairs with homogeneous risk profiles. For instance, the first tranche of SoCalGas's high pressure class contains six LoRE-CoRE pairs: one pair representing high pressure distribution asset and five pairs representing transmission asset. The exposure of the six LoRE-CoRE pairs ranges from 3.89 to 857.14 miles of pipes. The starting LoRE ranges from 0.000 to 0.017, and the starting CoRE ranges from $372 million to $4,117 million. Moreover, high pressure distribution and high pressure transmission pipelines have significantly different risk profiles because high pressure

[10] Indicated Shippers Informal Comments at 5.
[11] A. 25-05-010 and A. 25-05-013, *Informal Comments by the Utility Reform Network on 2025 Sempra RAMP Filings*, Sep. 12, 2025 at 1.
[12] SPD Report at 20.

> distribution pipelines operate above 60 psig, but high pressure transmission pipelines can operate from 200 to 1,500 psig.[13]
>
> . . .
>
> Sempra should separate high pressure distribution and transmission assets into two different classes, and the risk profiles of the resulting tranches under each class should be homogeneous based on LoRE and CoRE. Sempra should also calculate and provide CBR values specific to its transmission assets.[14]

The Commission has consistently required gas utilities to address identified flaws in RAMP reports.[15] In Sempra's 2021 RAMP proceeding:

> the Assigned Commissioner directed the Sempra companies to revise RSEs, recalculate attribute weights and ranges, increase the granularity of its analysis and take other steps to improve their RAMP filings, and to file this information in their GRC applications due on May 15, 2022.[16]

In PG&E's 2020 RAMP proceeding, "the assigned ALJ ordered PG&E to file several improvements to its RAMP report with its GRC application."[17] This included:

> ordering PG&E to file a road map that that identified where in its GRC testimony the different RAMP risks were incorporated. The assigned ALJ in A.20-06-012 also ordered PG&E to serve testimony with analysis and discussion of the estimated consequences of Public Safety Power Shutoff events for customers and a description how PG&E analyzes these consequences, based on an updated analysis of risks and consequences of such events. In A.20-06-012, through the discovery process, PG&E provided parties with a variety of different "scenario runs" using different assumptions, in accordance with D.18-12-014.[18]

[13] SPD Report at 42.
[14] *Ibid.*
[15] *See* D. 22-10-002, *Decision Addressing Phase 1 Tracks 3 and 4 Issues*, Oct. 11, 2022 at 33.
[16] *Ibid.*
[17] *Ibid.*
[18] *Id.* at 33-34.

In SCE's 2022 RAMP Application, "SPD and other parties identified deficiencies in SCE's RAMP submission during the comment process of the proceeding."[19] The Commission required SCE to incorporate the feedback from SPD and parties into its GRC filing.[20]

Recently, in PG&E's 2024 RAMP, the ALJ issued a Ruling directing PG&E to address four areas of deficiency in its RAMP Application.[21] PG&E was ordered to serve prepared testimony on the service lists of the 2024 RAMP proceeding and the Test Year 2027 GRC that fully responds to the areas of deficiency, with any additional documentation needed to achieve full compliance with the ALJ's Ruling.[22]

As routinely done in other RAMP applications, the Commission should require Sempra to address all areas of deficiencies before filing its 2028 GRC.

II. COMMENTS

While the SPD Report concluded that the 2025 Sempra RAMP generally complies with the Phase 2 and Phase 3 Risk-Based Decision-Making Framework decisions,[23] "SPD identified discrete deficiencies and areas for improvement that are not dispositive but should be addressed before the Test Year (TY) 2028 GRC."[24] The SPD Report provides specific global observations that highlight the fundamental flaws in Sempra's RAMP. The global observations include:[25]

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[19] D. 23-11-007, *Decision Closing Risk Assessment Mitigation Phase*, Nov. 15, 2023 at 11.
[20] *Ibid.*
[21] *See* A. 24-05-008, *Administrative Law Judge's Ruling to Pacific Gas and Electric Company Directing the Service of Additional Information and other Requirements* (PG&E RAMP Ruling), Apr. 22, 2025 at 8-11.
[22] *Id.* at 11.
[23] *See* D. 22-12-027, Phase II Decision Adopting Modifications to the Risk-Based Decision-Making Framework Adopted in Decision 18-12-014 and Directing Environmental and Social Justice Pilots, Dec. 21, 2022; *see* D. 24-05-064, *Phase 3 Decision*, Jun. 6, 2024
[24] SPD Report at 5.
[25] SPD Report at 21-23.

- Pre-Mitigation Risk: SoCalGas's undocumented, order(s)-of-magnitude increases in pre-mitigation likelihood of risk event (LoRE) and consequence of risk event (CoRE) values compared with its previous RAMP application. Detailed explanation and quantitative justification is required.
- Risk-Scaling: SoCalGas's application of risk scaling to all risks, and lack of presentation of the companion risk-neutral analysis at the tranche level, masks the impacts of risk scaling on CBRs from the impacts of other variables. Tranche-level risk-neutral calculations are required.
- Discount Rate: There is a "transparency gap" between the impacts of discount rate selection on CBRs and how those impacts influenced SoCalGas's ultimate selection of proposed risk mitigation measures. Detailed explanation is required.
- Storage Field Risks: SPD noted that SoCalGas's Underground Gas Storage (UGS) analysis failed to present disaggregated risk impacts by individual storage field.[26]
- CBRs Less Than 1.0: SPD also observed that in some instances SoCalGas is proposing to increase spending on mitigations and controls with CBRs less than 1.0 (i.e., costs outweigh benefits).[27]

All of these shortcomings reduce transparency, and impede SPD and intervenor analysis of SoCalGas's RAMP. The Indicated Shippers strongly agree with the SPD Report findings that deficiencies and areas for improvement should be addressed before the TY 2028 GRC.[28]

[26] SPD Report at 75.
[27] SPD Report at 39.
[28] SPD Report at 5 ["These deficiencies include: 1) the need for clearer cross-walks from segment-level selections to LoRE × CoRE tranches, 2) more transparent use of risk-averse scaling, 3) explanation of

The Indicated Shippers present the following comments on the above-mentioned issues as they relate to SoCalGas's High-Pressure Gas (HP) system, Medium-Pressure Gas (MP) system, and Underground Gas Storage (UGS) assets. While the Indicated Shippers do not expressly address SDG&E RAMP risks in these comments, some comments may be applicable to SDG&E, as well as SoCalGas RAMP analysis.

A. SoCalGas's Order(s)-of-Magnitude Increases in Pre-Mitigation LoRE and CoRE Values Since Its 2021 RAMP Must Be Fully Explained and Quantitatively Justified

The SPD Report correctly identifies a major infirmity in SoCalGas's RAMP regarding SoCalGas's unexplained changes in pre-mitigation starting values used as the basis for its 2025 RAMP analysis:

> SPD also observes a dramatic increase in LoRE values reported by both utilities in their respective High Pressure Gas System risk chapters compared to the 2021 RAMP Reports. In 2021, SoCalGas reported a LoRE of 8.64 events per year for its High Pressure Gas System risk, whereas the 2025 LoRE increased to 81.19 events per year.
>
> . . .
>
> This trend is also evident in the Medium Pressure Gas System and Underground Gas System risk chapters. In response to a data request by SPD, Sempra attributed these increases to improvements in risk modeling and the availability of internal data since Sempra's 2021 RAMP filings. **While SPD supports enhancements to risk modeling, an increase in the expected frequency of risk events by nearly a factor of ten—without clear acknowledgment and context—is concerning.** SPD strongly recommends that Sempra provide discussion of prior RAMP risk analyses, along with explanations for any significant changes in

which discount-rate scenarios are used for mitigation selection, and 4) improved cost-benefit accounting (incremental O&M versus capital."].

> risk outcomes that have occurred between successive RAMP Reports.[29]

The Indicated Shippers share SPD's concern, and strongly agree with the SPD Report's recommendation. "Moving the goalposts" by a factor of ten,[30] or one hundred,[31] should not be permitted by the Commission without a full and complete explanation and quantitative justification of the changes in underlying drivers creating such massive impacts on risk likelihood and consequence. Intuitively, the Commission and intervenors should expect to see SoCalGas's residual risk values decline over time, not increase. Further, SoCalGas should be required to explain any changes or revisions to its historical risk reduction progress necessitated by its changes to pre-mitigation LoRE and CoRE values, as there is a high likelihood that risk reductions may have been previously overstated, or residual risk understated. As stated in the SPD Report, SoCalGas's failure to explain the order(s)-of-magnitude changes in LoRE and CoRE values greatly impeded SDP's analysis of SoCalGas's RAMP application:

> Within the time available for this evaluation, SPD was unable to complete an apples-to-apples normalization of CoRE across cycles (same dollars, aligned attribute set, and with/without consistent risk-averse scaling), and therefore cannot isolate how much of the observed increase reflects framework and monetization changes versus changes in underlying per-event severity. Nevertheless, SPD finds that when there is a large change in LoRE and CoRE between RAMP cycles, Sempra should explain the drivers of that change within the applications themselves.[32]

. . .

[29] SPD Report at 49, emphasis added; *see also* SPD Report at 52 (HP Gas), 63 (MP Gas).
[30] SPD Report at 49 [HP LoRE increased from 8.64 to 81.19 events/year between SoCalGas's 2021 and 2025 RAMP applications]; *see also* SPD Report at 70 ["SPD observes that the modeled LoRE for UGS increased significantly from approximately 0.29 in the 2021 RAMP to 3.68 events per year in 2025."].
[31] SPD Report at 58 [MP LoRE increased from 545 to 58,847 events/year between SoCalGas's 2021 and 2025 RAMP applications].
[32] SPD Report at 21, emphasis added.

> However, because the 2025 RAMP also introduces changes to how consequences are monetized and risk-scaled, direct comparisons of LoRE or CoRE between the two cycles are meaningful only after conducting an apples-to-apples normalization (same dollars, aligned attributes, and consistent scaling).
>
> Due to time constraints, SPD did not complete this comparison for UGS in this evaluation. **Moving forward, when LoRE and/or CoRE change substantially between RAMP cycles, SPD expects Sempra to provide a clear, chapter-level explanation of the reasons for significant changes within the RAMP applications themselves. The trend in risk reduction over RAMP cycles is expected to be presented with the historical risk graphic from one RAMP to the next.**[33]

The Commission should require SoCalGas to provide a full and complete explanation and quantitative justification of the changes in underlying drivers creating the massive impacts on pre-mitigation risk likelihood and consequence values, and update historical risk graphics accordingly.

B. SoCalGas's Application of Risk-Scaling to All Risks Must Be Accompanied by a Companion Tranche-Level Risk-Neutral Analysis

SoCalGas's application of risk-scaling to all of its CoRE values is allowed under the Phase 3 RDF. However, doing so obscures the impacts of risk scaling from changes in underlying data, and impedes the Commission's review and understanding of SoCalGas's RAMP mitigation selections. The SPD Report states:

> Sempra applies convex (risk-averse) scaling in CBR calculations and provides side-by-side comparison of unscaled to scaled values at the risk level. Although the Phase 3 RDF Decision does not require presentation of unscaled CBR data when scaling is used, **SPD recommends that Sempra also provide the companion unscaled CBRs at the most granular level feasible (at minimum, the reporting-tranche level in Sempra's filings, with details**

[33] SPD Report at 70-71.

> **provided in the workpapers), for each GRC year and all three discount-rate scenarios; this simple addition would separate scaling effects from underlying data, improve cross-chapter comparability, and make selection rationales more transparent.**[34]

The Indicated Shippers concur with the SPD Report recommendation that SoCalGas provide tranche-level, risk-neutral (i.e., unscaled) CBR analysis, such that the Commission and intervenors can isolate the effects of risk scaling from other changes in variables and underlying data.

In addition, the SPD Report also notes impacts of risk scaling on SoCalGas's tranching of assets, but could not discern those impacts with precision due to the lack of risk-neutral tranche-level analysis for comparison.

> However, SPD notes that these tranches are based on risk-scaled CoRE values. While the RDF allows for the use of a risk-scaling function, this approach is likely to result in some impact on the tranches when compared to unscaled CoRE values. Because the workpapers provided by Sempra only present the scaled CoRE values for scenarios the scope of this impact is difficult to determine.[35]

The loss of transparency with regard to risk scaling impacts on CBRs is particularly concerning for the HP Gas and MP Gas RAMP risk mitigations, particularly those with CBRs below 1.0:

> **Many of the CBRs are significantly below 1.0 under all three of the discount rate scenarios, which indicates the costs outweigh the monetized benefits. Almost all of these controls are required by regulations that emphasize safety, but it is informative to see the CBRs for those programs.** SPD observes that the CBRs provided by Sempra are derived from calculations that apply a non-linear, risk-averse scaling function to the consequence outcomes of the risk analysis. While SPD acknowledges that this approach is permissible under the guidance of the RDF, such

[34] SPD Report at 22, emphasis added.
[35] SPD Report at 47 (HP Gas).

> scaling functions tend to increase CBR values relative to those calculated without scaling—particularly for mitigations targeting assets with high consequence scores. **Transparency is diminished because Sempra does not also provide CBRs calculated using unscaled CoRE values, leaving it unclear how much the scaling function affects each mitigation's CBR calculation.**[36]

While the Indicated Shippers acknowledge that SoCalGas has the flexibility to apply risk scaling, the ultimate objective of the RAMP process is to provide pre-GRC transparency into SoCalGas's pre-mitigation enterprise risks, mitigation alternatives, and recommended mitigation selections. As is evident from the SPD Report's observations and recommendations, SoCalGas's application of risk scaling, in tandem with HTM tranching and material revisions to pre-mitigation LoRE and CoRE values, has actually reduced SoCalGas's RAMP transparency and understandability. In an effort to restore transparency and separate risk-scaling impacts from other changes made by SoCalGas to its RAMP analysis methodology, the Commission should require SoCalGas to provide the unscaled, tranche-level CBR analysis for all RAMP risks. The Commission recently required PG&E to provide greater transparency regarding the impacts of its risk scaling in PG&E's 2024 RAMP Application (R.24-05-008).[37]

C. SoCalGas Must Provide a Detailed Explanation of How Discount Rate Selection Influenced SoCalGas's Risk Mitigation Selections

There is a "transparency gap" between the impacts of discount rate selection on CBRs and SoCalGas's ultimate selection of proposed risk mitigation measures.

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[36] SPD Report at 52 (HP Gas), emphasis added; *see also* SPD Report at 62-23 (MP Gas).

[37] *See* PG&E RAMP Ruling at 8 ["PG&E is directed to conduct a parallel risk evaluation using a risk-neutral, linear scaling function to establish a neutral baseline for GRC stakeholders **to compare the impacts of its risk-averse scaling function on the selection decisions** regarding risk mitigation. To comply with this directive, PG&E must provide information for each risk evaluation and risk mitigation option as follows: Provide parallel monetized levels of **each attribute or attributes** without applying its risk-averse Risk Attitude Function. Provide **cost-benefit analysis (or benefit/ratios)** without applying its risk-averse Risk Attitude Function."], emphasis added.

> SPD observes a transparency gap between the presentation of CBRs and their impact on mitigation strategy. While Sempra calculates and presents CBRs under the required three discount-rate scenarios (Societal, Hybrid, and WACC), and for each GRC year, as required in the Phase 3 Decision, **the chapters generally do not demonstrate how differences among those scenarios informed prioritization and selection of specific controls/mitigations.** Appendix A Row 26 of the RDF states that while "the utility is not bound to select its Mitigation strategy based solely on the Cost-Benefit Ratios" the utility "will clearly and transparently explain its rationale for selecting Mitigations for each risk and for its selection of its overall portfolio of Mitigations." **SPD finds Sempra's narrative does not close the loop between the three CBR scenarios and selection decisions, and recommends adding brief tie-outs in each chapter explaining whether selections are robust across scenarios or driven by a particular scenario.**[38]

The Indicated Shippers agree with the SPD Report that SoCalGas should remedy the transparency gap by explaining how discount rate selection influenced its mitigation selections, and whether a specific discount rate scenario dominated SoCalGas's decisions. These explanations could be particularly relevant to proposed GRC HP Gas and MP Gas risk mitigations and controls, where many CBRs are below 1.0 under all three discount rate scenarios.[39] Similarly, for mitigations where the calculated CBR is only above 1.0 under one of the discount rate scenarios, the Commission and intervenors would benefit from SoCalGas transparently explaining whether that discount rate scenario influenced SoCalGas's mitigation selection. Further, SoCalGas should identify the discount rate scenario associated with each selected risk mitigation, and any deviations from use of that same discount rate scenario across each of its enterprise risks (i.e., RAMP chapters).

[38] SPD Report at 21-22, citations omitted, emphasis added.
[39] SPD Report at 52 (HP Gas) and 62 (MP Gas).

D. SoCalGas Should Provide RAMP Risk Analysis Disaggregated by Individual Storage Field

SoCalGas only presented aggregated UGS risks, and did not break out the risks and consequences by storage field. The SPD Report observes:

> However, SPD observes that the tranching structure does not segment risk by particular sites or by location attributes that can materially affect consequence severity (e.g., population density near Playa del Rey). Adding a site/location dimension would improve visibility into location-specific risk concentrations and aid mitigation targeting.[40]
>
> . . .
>
> Lack of UGS Site Specific Risk Differentiation: The RAMP aggregates all UGS assets into a single exposure group without differentiating risks by storage field. This may obscure differences in public safety risk depending on facility location, population density, or well condition.[41]

Although SoCalGas's Underground Gas Storage (UGS) risk did not fall within the top 40% of SoCalGas's enterprise safety risks, SoCalGas presented its UGS analysis in its RAMP Application due to elevated interest in UGS risk by stakeholders as a result of the 2015 Aliso Canyon leak event.[42]

To remedy the lack of transparency in each storage field's unique risk exposures, SPD recommends that SoCalGas disaggregate its UGS RAMP analysis:

> Provide UGS Site Specific Risk Segmentation or Sensitivity Cases: Analyze risk exposure and consequences at the facility level or provide scenario-based modeling for each storage field. This will help identify if particular sites (e.g., Playa del Rey) merit enhanced mitigation focus due to geographic or operational factors. **SPD recommends that SoCalGas should (a) include, in its GRC**

[40] SPD Report at 69, emphasis added.
[41] SPD Report at 75.
[42] SPD Report at 65.

testimony and workpapers, UGS site specific tranche results (risk buy-down and CBRs) for each post-test year, and (b) in its next RAMP, either adopt UGS Site Specific risk segmentation or provide a documented justification that the current HTM grouping offers comparable decision-making usefulness.[43]

The Indicated Shippers support the SPD Report recommendation, especially in light of the CPUC Energy Division's (ED) recent first Biennial Assessment regarding Aliso Canyon recommending a 10 Bcf reduction in gas inventory.[44] While the SPD Report focused primarily on UGS financial and safety consequences, storage field reliability consequences could also be affected by any Commission decision to reduce Aliso Canyon capacity. Any reduction in Aliso inventory (or injection and withdrawal) capacity will likely have a material impact on the need for SoCalGas's non-Aliso storage fields (Honor Rancho, La Goleta, and Play del Rey) for reliability purposes, and could impact the reliability risk consequences for those field-specific UGS assets. In its Biennial Assessment reliability analysis, ED assumed 100% storage well utilization with no unplanned storage outages,[45] and 95% inventory levels in non-Aliso storage fields by February 15, 2031.[46] The Honor Rancho storage field will be particularly critical. In its hydraulic modeling for the peak winter day scenario, ED assumes that Honor Rancho sendout will remain constant throughout that peak day at 550 MMscfd.[47] Further, ED states that to preserve system

[43] SPD Report at 76.
[44] *2025 Aliso Canyon Biennial Assessment Report Pursuant to D.24-12-076* (Biennial Assessment), Oct. 1, 2025 at 5 ["Together, the four analyses conducted for winter 2025-26 support a Staff recommendation to reduce the Aliso Canyon maximum inventory by 10 Bcf to a level of 58.6 Bcf. However, given current forecasts for higher gas commodity prices in winter 2026-27, which are not captured in the economic analysis but are discussed in the Current Context section of this report, a smaller incremental or no reduction may be appropriate."].
[45] Biennial Assessment at 11-12.
[46] Biennial Assessment at 13.
[47] Biennial Assessment at 18.

reliability without Aliso withdrawals, the Honor Rancho field and nearby transmission assets will be critical:

> The finding that reliability can be preserved in winter 2030-31 with no withdrawals from Aliso Canyon rests on significant changes to the physical capabilities of the SoCalGas gas system, particularly in the Northern Zone, as well as significant declines in the peak day demand forecast. SoCalGas is planning three upgrades to the SoCalGas system that together reduce the need for Aliso Canyon **but increase the critical significance of Honor Rancho and surrounding transmission pipeline capacity to gas system reliability.**

Lastly, if there were to be an unplanned outage at a location other than Line 235 (e.g., at or near Honor Rancho), Aliso capacity would be needed hydraulically to meet demand and restore linepack.[48] Honor Rancho is located less than 20 miles from the epicenter of the 1994 Northridge earthquake (Richter 6.7), highlighting the need for field-specific risk analysis in SoCalGas's RAMP applications.[49]

SoCalGas's storage fields are critical assets for maintaining gas grid reliability, both now and into the future. The Commission should require SoCalGas to provide disaggregated RAMP risk analysis of safety, reliability, and financial (including environmental) attributes for SoCalGas's UGS assets in its forthcoming 2028 GRC application.

E. CBRs Below 1.0 Continue to Warrant Commission Attention and Inquiry, Given the Ongoing Rate Affordability Crisis

The Indicated Shippers recently commented in PG&E's 2024 RAMP proceeding regarding PG&E's proposals to pursue risk mitigations with CBRs less than 1.0.[50] While many

[48] Biennial Assessment at 20.
[49] See United States Geological Survey, Interactive Map (available at: M 6.7 - Northridge, California, earthquake).
[50] A.24-05-008, *Energy Producers and Users Coalition and Indicated Shippers Opening Comments on Safety Policy Division Evaluation Report on PG&E 2024 RAMP*, Dec. 6, 2024 at 20-28.

low-CBR gas utility mitigations are driven by regulatory compliance, the SPD Report rightly questions SoCalGas's proposed increase in spending on elective risk mitigations and controls that have CBRs less than 1.0. Specifically, with regard to SoCalGas's Excavation Damage risk mitigations, which use HTM tranching and risk scaling, SPD correctly implies that the prudency of increasing expenditures on sub-1.0 CBRs should be scrutinized.

> SPD observes that Sempra plans to increase spending or to expand controls with CBR values less than 1.0. For SoCalGas, the CBR values for damage prevention – Public Awareness (C003) range from 0.82 to 0.88, yet SoCalGas proposes to increase spending on this control for the 2028-2031 GRC cycle.[51]

While regulatory compliance may drive non-elective mitigations (e.g., HP Gas control programs),[52] the Commission should scrutinize SoCalGas's mitigation proposals for cost efficiency and any regulatory compliance flexibilities that would enable further cost optimization.

[51] SPD Report at 39.

[52] SPD Report at 52 ["Many of the CBRs are significantly below 1.0 under all three of the discount rate scenarios, which indicates the costs outweigh the monetized benefits. Almost all of these controls are required by regulations that emphasize safety, but it is informative to see the CBRs for those programs."].

III. CONCLUSION

The Indicated Shippers appreciate this opportunity to comment on the SPD Report, and to make recommendations for improving transparency in SoCalGas's RAMP analysis and its forthcoming 2028 GRC application.

Respectfully submitted,

Buchalter, A Professional Corporation

By:

Nora Sheriff

Counsel for the Indicated Shippers

November 17, 2025