

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



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Application of Southern California Gas
Company (U904G) in Compliance with
Ordering Paragraph 6 of Decision 24-12-076

A.26-01-009
(Filed January 15, 2026)

**COMPLIANCE FILING OF
SOUTHERN CALIFORNIA GAS COMPANY (U904G)**

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Date: April 16, 2026

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Pursuant to the direction of Administrative Law Judge (“ALJ”) Ormond at the April 15, 2026 workshop in this proceeding, Southern California Gas Company (“SoCalGas”) hereby submits the presentations provided at the workshop. Attachment A contains the presentation provided by the California Public Utilities Commission’s Energy Division. Attachment B contains the presentation provided by SoCalGas.

Respectfully submitted,

By: /s/ Setareh Mortazavi
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Date: April 16, 2026

ATTACHMENT A

First Aliso Canyon Biennial Assessment (2025)

April 15, 2026

Khaled Abdelaziz, PhD, PE
Natural Gas Modeling Lead
Energy Resource Modeling, Energy Division

Eileen Hlavka, PhD
Natural Gas Planning and Policy, Energy Division



California Public
Utilities Commission

First Aliso Canyon Biennial Assessment Overview

- Assessment includes four analyses as required by D.24-12-076:
 - Demand reduction analysis
 - Gas balance reliability analysis
 - Hydraulic modeling analysis
 - Economic analysis
- Each analysis examines the problem from a different perspective and thus reaches a slightly different conclusion.
- The Assessment concludes that the Aliso Canyon inventory maximum can be reduced by 10 Bcf without jeopardizing reliability.
 - Because the economic effects are less predictable, the Assessment states that a smaller incremental reduction may be appropriate.

Analysis 1

Gas Demand Reduction Analysis

Analysis 1

Gas Demand Reduction Analysis

Winter	1-in-10 Peak Day Demand Forecast (MMcfd)	Threshold for Considering Aliso Canyon Closure (MMcfd)	Difference from Threshold (MMcfd)	Aliso Canyon Maximum Inventory (Bcf)
2024-25	4,618	4,121	497	68.6
2025-26	4,562	4,121	441	TBD
2026-27	4,489	4,121	368	TBD
2027-28	4,435	4,121	314	TBD
2028-29	4,377	4,121	256	TBD
2029-30	4,295	4,121	174	TBD
2030-31	4,197	4,121	76	TBD

Demand is forecast to decrease primarily due to electrification and a drop in demand from gas-fired electric generators.

Analysis 1

Gas Demand Reduction Analysis

- Forecast demand is above the required threshold for both winters, so Aliso Canyon is still needed.
 - Winter 2025-26: peak demand is 4,562 MMcfd.
 - 441 MMcfd above the 4,121 MMcfd threshold.
 - Winter 2030-31: peak demand is 4,197 MMcfd.
 - 76 MMcfd above the 4,121 MMcfd threshold.
- Analysis is a yes-or-no question and doesn't determine a minimum inventory level.

Analysis 2

Gas Balance Reliability Analysis

Using Stochastic Daily Mass Balance Model Developed by Staff

Analysis 2: Gas Balance Reliability Analysis Using Stochastic Daily Mass Balance Model

1. Calculate the standard deviation (σ) from historical data and obtain the daily mean ($\bar{X}$) from CGR forecasts.



2. Forecast daily demand for the study year using a known statistical distribution.



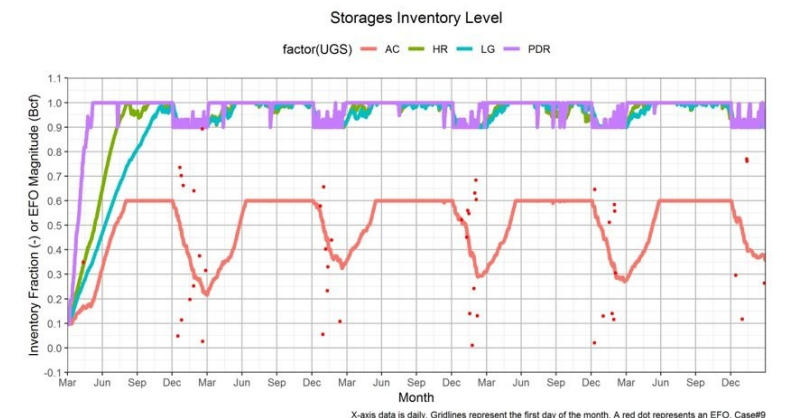
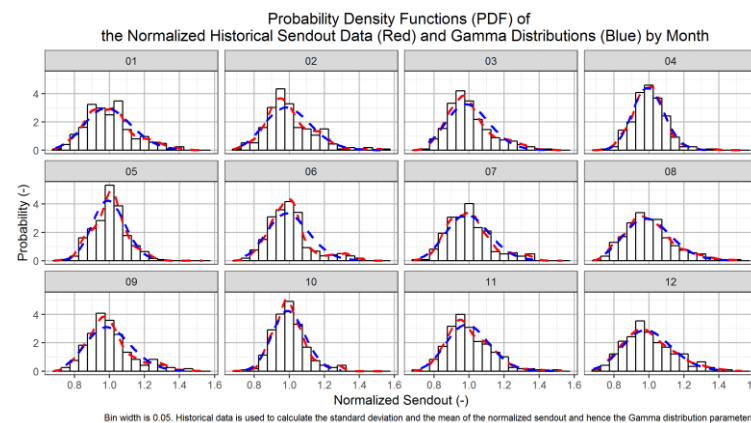
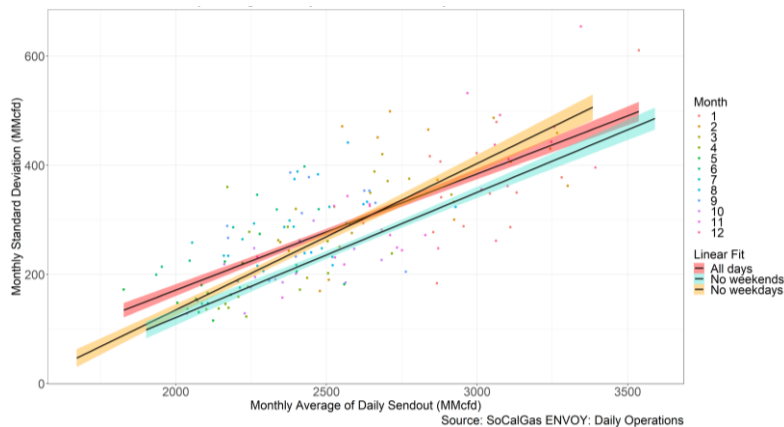
3. Determine gas supply assumptions.



4. Calculate daily excess or deficit, withdrawing or injecting as needed.



5. Track inventory levels over the whole study year.



Analysis 2

Gas Balance Reliability Analysis

Zone	Nominal Capacity	2025-26 Derated Capacity for Gas Balance Reliability	2025-26 Derated Capacity for Gas Balance Reliability	2030-31 Derated Capacity for Gas Balance Reliability
	MMcfd	MMcfd	MMcfd	MMcfd
Outages	None	L4000 and L4002 Outages	85/100% at Receipt Points	85/100% at Receipt Points
Wheeler Ridge	765.0	765.0	765.0	765.0
Cal Production	70.0	70.0	70.0	70.0
Southern	1,210.0	1,028.5	1,028.5	1,028.5
Northern	1,590.0	935.0	1,351.5	1,351.5
Total	3,635.0	2,798.5	3,215.0	3,215.0
Assume		2,800	3,200	3,200

The assumption based on attachment A is that pipelines in the Northern and Southern Zones will be 85% full while pipelines in the Wheeler Ridge Zone will be 100% full.

Analysis 2

Gas Balance Reliability Analysis

Winter 2025-26:

- An Aliso inventory level of at least 44% would have been needed to maintain reliability if pressure reductions on L4000 and L4002 had persisted throughout the winter.
- Without outages that reduce receipt capacity to less than 3,200 MMcfd, a 1% Aliso inventory level is **still** needed to maintain reliability.

Winter 2030-31 (Preview):

- Energy Division is not confident that Aliso Canyon can be retired unless three major system upgrades are completed, minimal or no outages occur, and forecasted demand reduction are achieved.



The gas balance reliability analysis is a **necessary but not sufficient** test of pipeline-storage reliability because it does not conserve energy, nor it does consider withdrawals for **cost mitigation**.

Analysis 2: Gas Balance Reliability Analysis

Minimum Required Inventory Percentage for Aliso Canyon

1 Bcf = 1,000 MMcfd

L4000 and L4002
outages

No L4000 or L4002
outages. Only
outages assumption
outlined in
Attachment A

Pipeline Supply (MMcfd)	Storage Well Utilization Factor (Percent)					
	11/1/2025-10/31/2026			11/1/2030-10/31/2031		
	60%	80%	100%	60%	80%	100%
2,700	Failure	85%	44%	44%	1%	0%
→ 2,800	Failure	73%	44%	15%	0%	0%
2,900	100%	44%	44%	1%	0%	0%
3,000	85%	44%	1%	0%	0%	0%
3,100	73%	15%	1%	0%	0%	0%
→ 3,200	73%	4%	1%	0%	0%	0%
3,300	44%	1%	0%	0%	0%	0%
3,400	15%	1%	0%	0%	0%	0%
3,500	1%	0%	0%	0%	0%	0%

The gas balance reliability analysis is a **necessary but not sufficient** test of the pipeline-storage reliability.



Analysis 3

Hydraulic Modeling Analysis

Using Synergi Gas 4.9.5, a Commercial Pipeline Software by DNV

Analysis 3

Hydraulic Modeling Analysis

- Pipelines capacity assumptions for winter peak day demand.

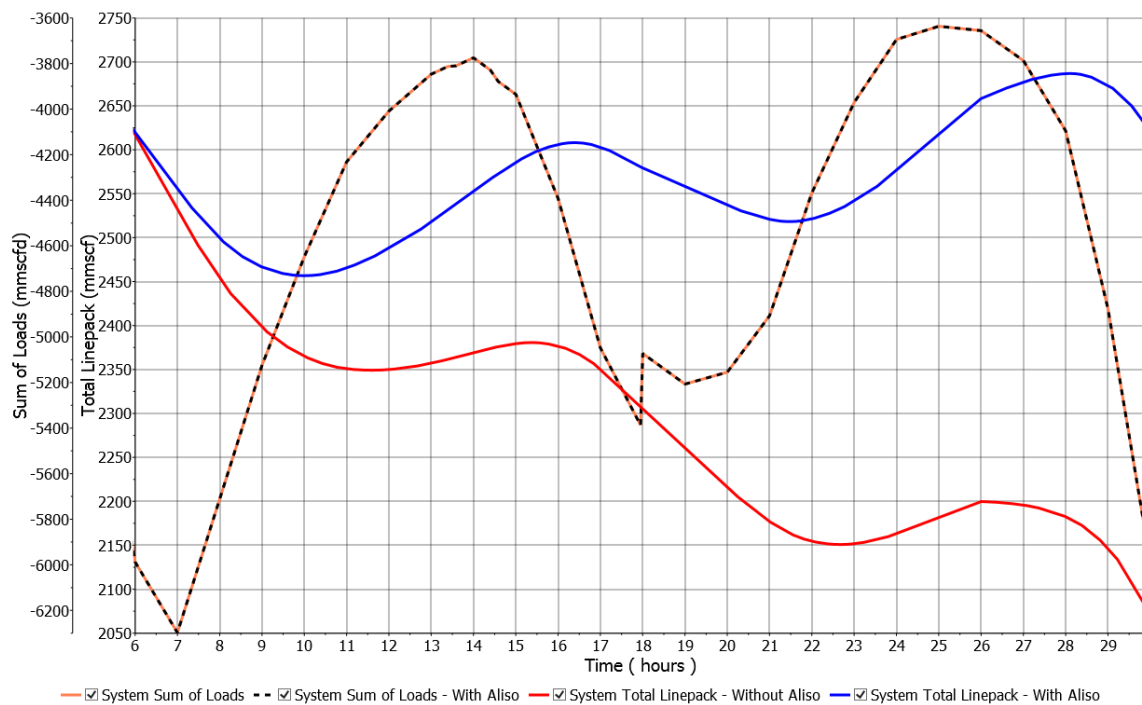
Zone	Nominal Capacity	2025-26 Derated Capacity	2030-31 Derated Capacity
		85/100% at Receipt Points	85/100% at Receipt Points
	MMcfd	MMcfd	MMcfd
Wheeler Ridge	765.0	765.0	765.0
Cal Production	70.0	70.0	70.0
Southern	1,210.0	1,028.5	1,028.5
Northern	1,590.0	1,351.5	1,351.5
Total	3,635.0	3,215	3,215

Hydraulic Modeling Analysis

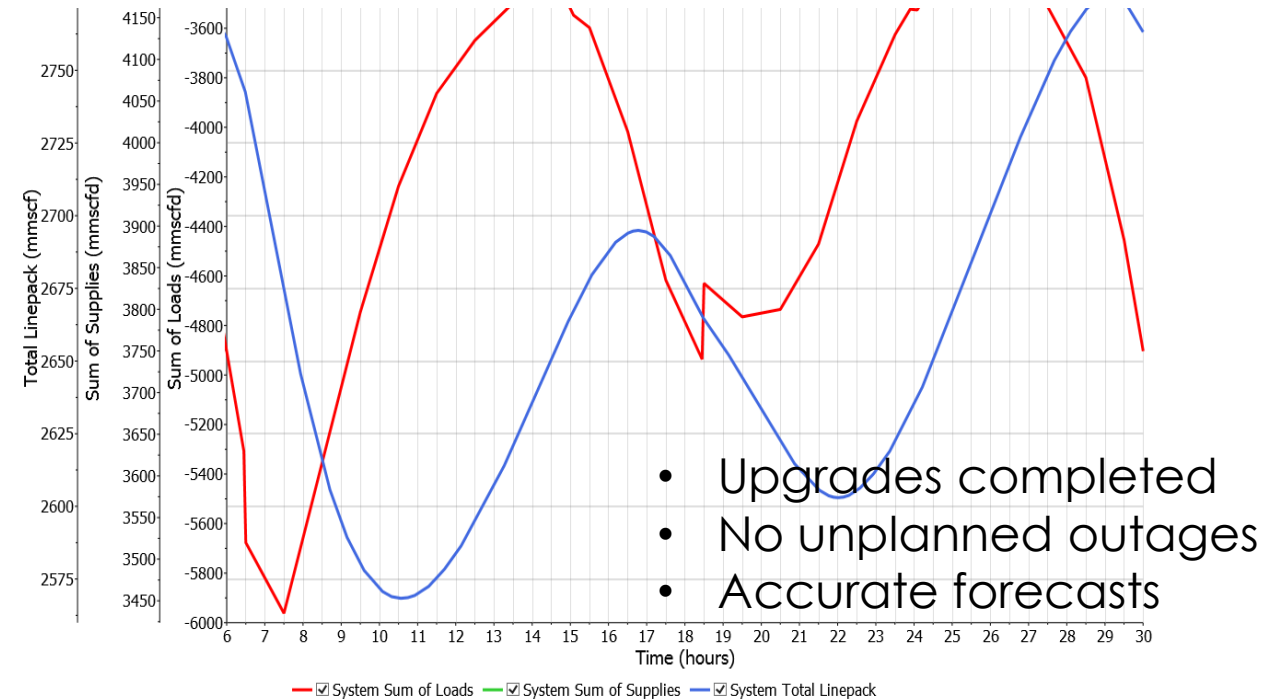
Winter 2025-26 and Winter 2030-31 Results

- Winter 2025-26: The hydraulic flow modeling was successful, but only with 550 MMcfd withdrawal from Aliso Canyon throughout the day.
 - This withdrawal rate is higher than the 441 MMcfd shortfall indicated by Analysis 1.
- Winter 2030-31: Energy Division Staff is not confident that Aliso Canyon can be retired unless:
 - Planned upgrades to the natural gas system are fully completed before winter 2030-31
 - There are no unplanned outage conditions, and
 - Reductions in gas demand occur as forecasted.

Hydraulic Modeling Analysis Winter 2025-26 and Winter 2030-31 Results



Hydraulic Modeling Simulation Results for 1-in-10
Peak day demand in Winter 2025-26

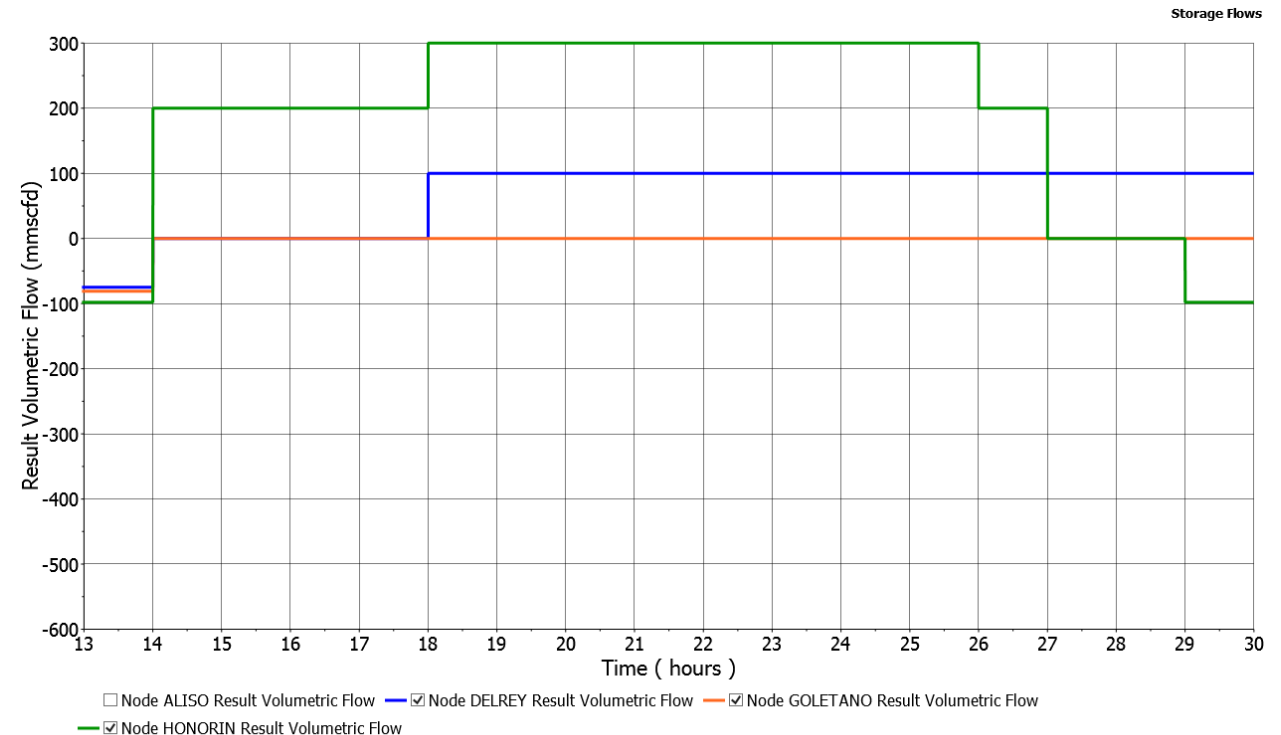


Hydraulic Modeling Simulation Results for 1-in-10
Peak day demand in Winter 2030-31

Hydraulic Modeling Analysis

2026 Summer High Demand Day

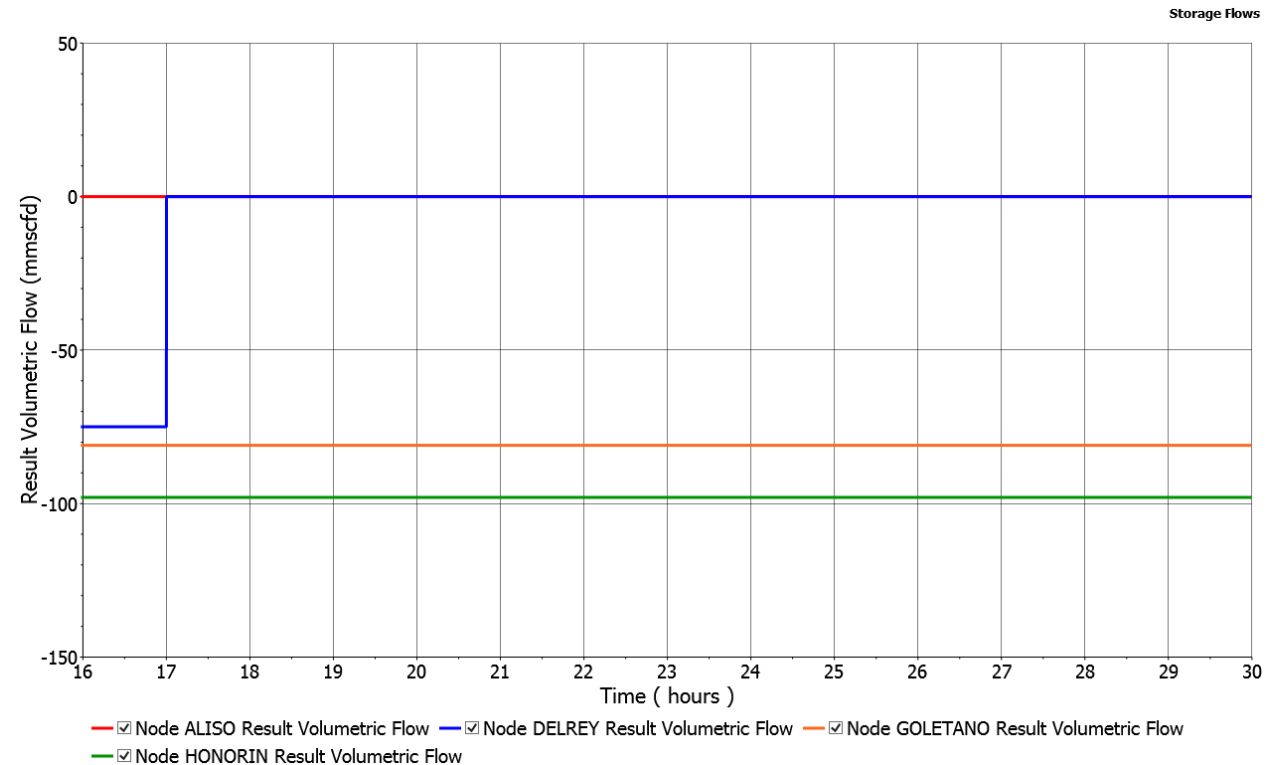
- Aliso is not be needed for summer 2026 high demand day
- Desired supplies per attachment A is 3,215 MMcfd. Demand (ED + 2024 CGR) is 3,110 MMcfd
- Non-Aliso fields combined injection capacity at 95% is 254 MMcfd
- Reduced supplies to match demand
- Start with injection into all three non-Aliso fields
- Switch to withdrawal to meet evening ramp
- **Recommended** Alternate solutions: reduce supplies further to obviate the need for injections in the morning or start system from a lower pressure state (unpacked)



Hydraulic Modeling Analysis

2031 Summer High Demand Day

- Aliso is not be needed for summer 2031 high demand day
- Intended supplies per attachment A is 3,215 MMcfd. Demand (ED + 2024 CGR) is 2,305 MMcfd
- Non-Aliso fields combined injection capacity at 95% is 254 MMcfd
- Reduced supplies to match demand plus injection capacity, i.e. 2,559 MMcfd
- Injection into all three non-Aliso fields.
- Reduce injection rate during evening load ramps



Analysis 4

Economic Analysis

Using Set Thresholds

Analysis 4

Economic Analysis Methods

- If SoCal Citygate forward gas prices for the upcoming winter are high relative to national or past levels, the economic analysis could recommend maintaining, or even increasing, the current Aliso Canyon inventory, even if other analyses suggest it can be decreased.
- Uses Natural Gas Intelligence index prices, which are based on gas trading data.
- Reflects only current conditions; does not predict price impact of changes to storage levels.

Analysis 4

Economic Analysis Results

- For winter 2025-26 cold months, forward prices were not 50% above national and historical levels.
- Thus, the analysis doesn't lead to a recommendation to maintain the current Aliso Canyon inventory.

	SoCal Citygate forward price % above Henry Hub	Upcoming winter gas price % above past 3 winters	Upcoming winter gas price % above past 2 winters
Winter 2025-2026	39%	-40%	36%
Threshold to Preclude Aliso Reduction	50%	50%	NA

Since the report was published in fall 2025, SoCal Citygate forward prices for winter 2026-27 have dropped, largely due to mild weather in winter 2025-26 and the resulting high storage inventories in spring 2026.

Gas Market Context: Fall 2025 vs. Spring 2026

Forecasts: Fall 2025 vs. Spring 2026

Market conditions have changed since fall 2025

EIA reduced Henry Hub forward prices due to:

- Milder than expected Feb 2026
- Higher than expected storage levels
- Increased gas production

	Fall 2025	Spring 2026
Henry Hub Prices	2024: \$2.20/MMBtu* 2026: \$4.90/MMBtu	2024: \$2.20/MMBtu* 2026: \$3.80/MMBtu 2027: \$3.90/MMBtu
North American LNG Exports	2024: 11.9 Bcfd* 2026: 16.0 Bcfd	2024: 11.9 Bcfd* 2026: 16.7 Bcfd 2027: 18.1 Bcfd
Costa Azul LNG Export Plant In-Service	Spring 2026 (425 MMcfd)	Fall 2026 (440 MMcfd)

Source: U.S. Energy Information Administration and Department of Energy

*2024 figures are actuals, not forecasts.

Final Recommendation and Conclusions

Winter 2025-26

- The demand reduction analysis indicates that Aliso should not yet be closed.
- Both the gas balancing reliability analysis and the hydraulic modeling analysis indicate that the Aliso inventory could be reduced.
- The economic analysis doesn't meet the "red flag" thresholds set in the decision.
- The four analyses support a recommendation to reduce the maximum inventory by 10 Bcf, the maximum allowed by D.24-12-076, from 68.6 to 58.6 Bcf.
- Given the expected rise in LNG exports and natural gas prices in 2026-27, the CPUC may wish to consider a smaller inventory reduction as a precautionary measure.
- Staff will reassess this recommendation to further reduce, keep the same, or increase inventory during the 2027 Biennial Assessment next year.

Forward Look: Winter 2030-31

- The demand reduction analysis supports the continued need for Aliso.
- Both the gas balancing reliability analysis and the hydraulic modeling analysis show that Aliso is not needed for reliability.
 - These results are contingent on expected future events, including completed planned upgrades to the gas system.
- The economic analysis is not conducted for winter 2030-31 because gas prices that far in the future are too speculative.
- The winter 2030-31 analysis does not impact the staff recommendation.

Questions?

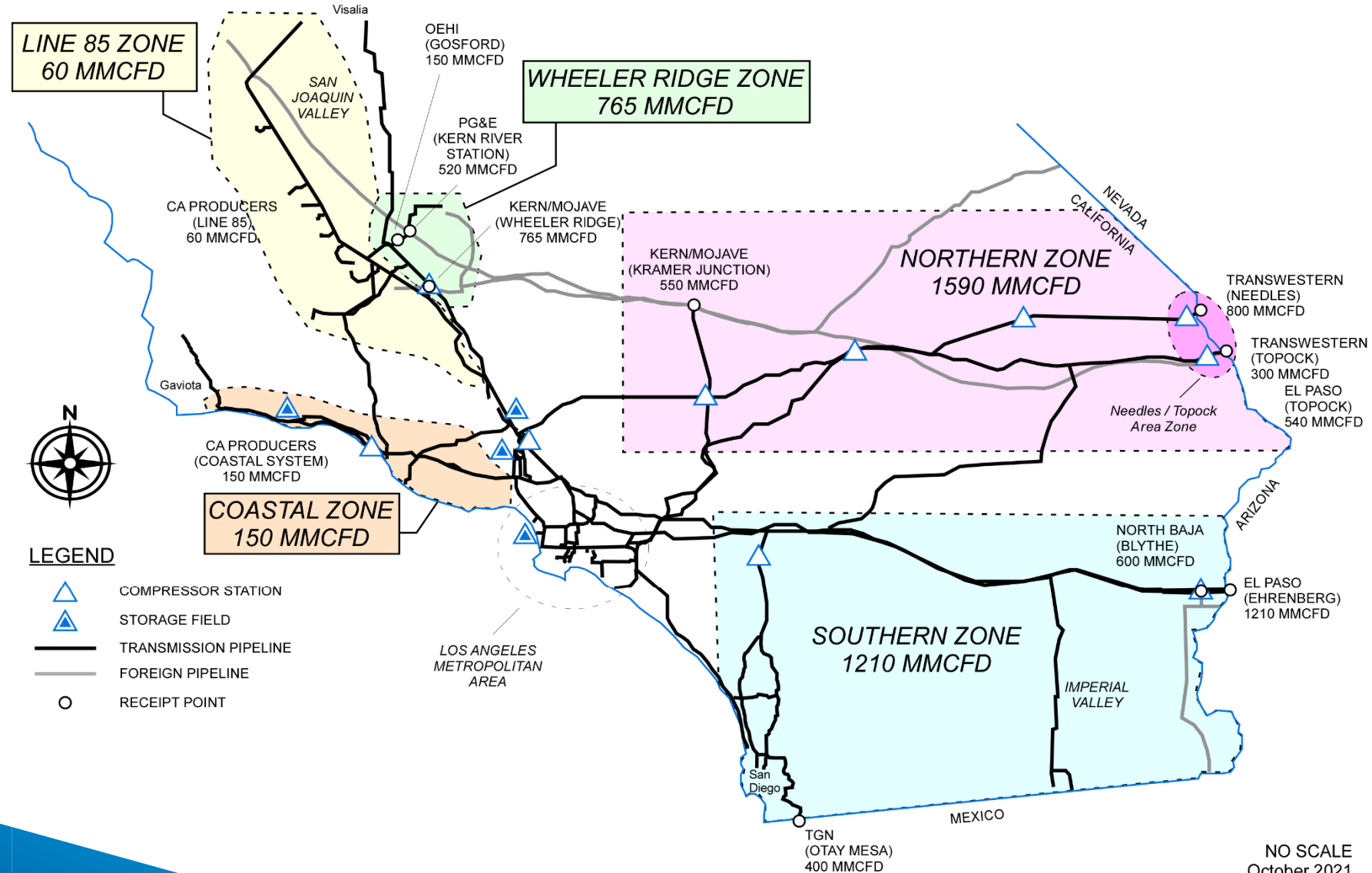
ATTACHMENT B

ALISO CANYON BIENNIAL ASSESSMENT APPLICATION

SoCalGas



Receipt Point & Transmission Zone Firm Capacities



Biennial Assessment Understates the Value of Storage

- » 100% Receipt Point Utilization (RPU) is unrealistic and imprudent
 - 2021 Arctic Blast reduced RPU to 47%
 - 2024 Arctic Blast reduced RPU to 38%
 - 2026 Winter Storm Ferm reduced RPU to only 25%
- » Pipeline outages are not accounted for properly
 - Ignored scheduling restrictions for L4000/L4002 pressure reduction
 - Did not restrict flow for 101.5 MMcfd unplanned outage as required
 - Assumed L235W outage was not in a critical location, acknowledged by CPUC Staff
- » Energía Costa Azul (ECA) LNG exports may not only increase costs, but may reduce flowing supplies up to the 425 MMcfd capacity
- » Assuming storage is 100% full through the peak winter is unrealistic

Assumption Corrections, Winter 2025-2026

- » Correcting for RPU and pipeline outage impacts shows the supply is 800 MMcfd less than assumed in the Biennial Assessment

Zone	Nominal Capacity	Biennial Assessment			Corrections Required			Difference
		Capacity	RPU	Supply	Capacity	RPU	Supply	Supply
Northern Zone	1,590	1,590	85%	1,352	935	85%	795	-557
Southern Zone	1,210	1,210	85%	1,028	1,060	85%	901	-127
Wheeler Zone	765	765	100%	765	765	85%	650	-115
CA Producers	210	210	--	70	210	--	70	0
Total	3,775	3,775	--	3,215	2,970	--	2,416	-799

SoCalGas Supply Assumptions, Winter 2025-2026

- » Northern Zone Capacity - Reduced from 1,590 to 935 MMcfd for pressure derate on L4000/L4002
- » Southern Zone Capacity - 1,210 MMcfd
 - Reduced to 1,060 MMcfd in January attributed to L5000 outage
- » Wheeler Ridge Zone Capacity - 765 MMcfd
- » California Producer Supply
 - 70 MMcfd, limited to current production
- » 85% Receipt Point Utilization for all zones except producers

Zone	Nominal Capacity	Mass Balance			Peak Day Analysis		
		Capacity	RPU	Supply	Capacity	RPU	Supply
Northern Zone	1,590	935	85%	795	935	85%	795
Southern Zone	1,210	1,210	85%	1,029	1,060	85%	901
Wheeler Zone	765	765	85%	650	765	85%	650
CA Producers	210	210	--	70	210	--	70
Total	3,775	3,775	--	2,544	2,970	--	2,416

SoCalGas Mass Balance Analysis, Winter 2025-2026

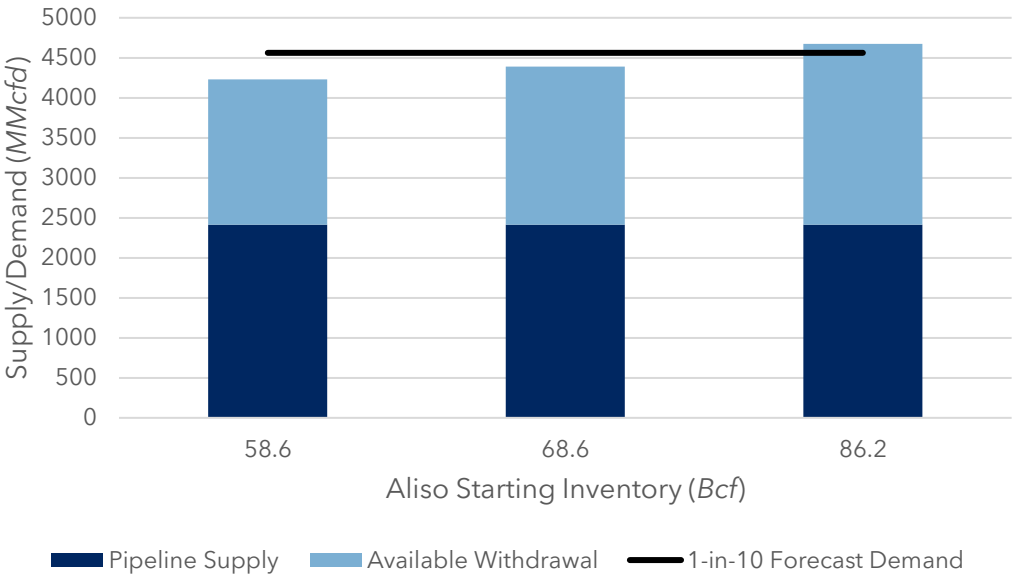
Scenario	Parameter	Units	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
All Scenarios	Pipeline Monthly Supply	MMcfd	76,305	78,849	74,896	71,218	78,849
	CGR Monthly Demand	MMcfd	74,490	96,999	89,559	77,028	73,811
	Storage Withdrawal (+) / Injection (-)	MMcfd	-1,815	18,151	14,663	5,810	-5,038
Aliso at 58.6 Bcf	Storage Inventory	Bcf	108.6	90.4	75.8	70.0	75.0
	Storage Withdrawal Capacity	MMcfd	2,396	2,025	1,813	1,712	1,852
Aliso at 68.6 Bcf	Storage Inventory	Bcf	118.6	100.4	85.8	80.0	85.0
	Storage Withdrawal Capacity	MMcfd	2,538	2,176	1,974	1,877	2,016
Aliso at 86.2 Bcf	Storage Inventory	Bcf	136.2	118.1	103.4	97.6	102.6
	Storage Withdrawal Capacity	MMcfd	2,789	2,441	2,258	2,166	2,304

- » End of January Withdrawal Capacity is almost 450 MMcfd greater with Aliso Canyon beginning at 86.2 Bcf vs 58.6 Bcf, a 25% increase, and 10% of the peak demand forecast

SoCalGas 1-in-10 Cold Day Analysis, Winter 2025-2026

- » 2024 California Gas Report forecast for the 2025-2026 winter 1-in-10 Cold Day is 4,562 MMcfd
- » Peak day pipeline supply assumption of 2,416 MMcfd
- » January minimum available withdrawal dependent on Aliso Canyon inventory
- » Assessment shows that 68.6 Bcf is insufficient with the assumptions

Aliso Starting Inventory (Bcf)	58.6	68.6	86.2
1-in-10 Year Cold Day Demand Forecast	4,562	4,562	4,562
Pipeline Supply	2,416	2,416	2,416
January Minimum Available Withdrawal	1,813	1,974	2,258
Supply Deficit (-) / Surplus (+)	-333	-172	112



SoCalGas Supply Assumptions, Winter 2030-2031

- » Northern Zone Capacity -1,590 MMcfd
- » Southern Zone Supply - Reduced to 535 MMcfd reflecting supply diversions from Energía Costa Azul LNG exports
- » Wheeler Ridge Zone Capacity - Reduced to 120 MMcfd attributed to L225 outage
 - Increased to 185 MMcfd for peak-day analysis to match demand
- » California Producer Supply
 - 70 MMcfd, limited to current production
- » 85% Receipt Point Utilization for Northern Zone, all others limited by supply

Zone	Nominal Capacity	Mass Balance			Peak Day Analysis		
		Capacity	RPU	Supply	Capacity	RPU	Supply
Northern Zone	1,590	1,590	85%	1,352	1,590	85%	1,352
Southern Zone	1,210	1,210	--	535	1,210	--	535
Wheeler Zone	765	120	100%	120	185	100%	185
CA Producers	210	210	--	70	210	--	70
Total	3,775	3,130	--	2,077	3,195	--	2,142

SoCalGas Mass Balance Analysis, Winter 2030-2031

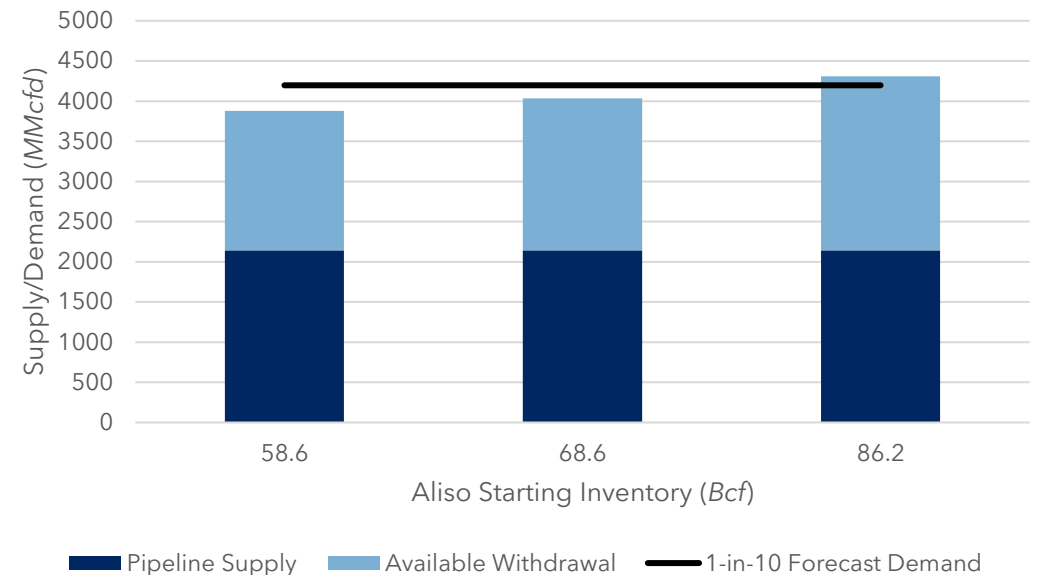
Scenario	Parameter	Units	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
All Scenarios	Pipeline Monthly Supply	MMcfd	78,203	80,809	64,372	72,989	80,809
	CGR Monthly Demand	MMcfd	65,310	86,087	84,320	73,500	70,990
	Storage Withdrawal (+) / Injection (-)	MMcfd	-12,893	5,278	19,949	511	-9,819
Aliso at 58.6 Bcf	Storage Inventory	Bcf	108.6	103.3	83.4	82.9	92.7
	Storage Withdrawal Capacity	MMcfd	2,654	2,624	1,738	2,274	2,530
Aliso at 68.6 Bcf	Storage Inventory	Bcf	118.6	113.3	93.4	92.9	102.7
	Storage Withdrawal Capacity	MMcfd	2,816	2,788	1,891	2,449	2,687
Aliso at 86.2 Bcf	Storage Inventory	Bcf	136.2	130.9	111.0	110.5	120.3
	Storage Withdrawal Capacity	MMcfd	2,931	2,919	2,166	2,751	2,916

- » End of January Withdrawal Capacity is almost 430 MMcfd greater with Aliso Canyon beginning at 86.2 Bcf vs 58.6 Bcf, a 25% increase, and 10% of the peak demand forecast
- » January withdrawal capacity reflects the reduction taken for the L225 outage

SoCalGas 1-in-10 Cold Day Analysis, Winter 2030-2031

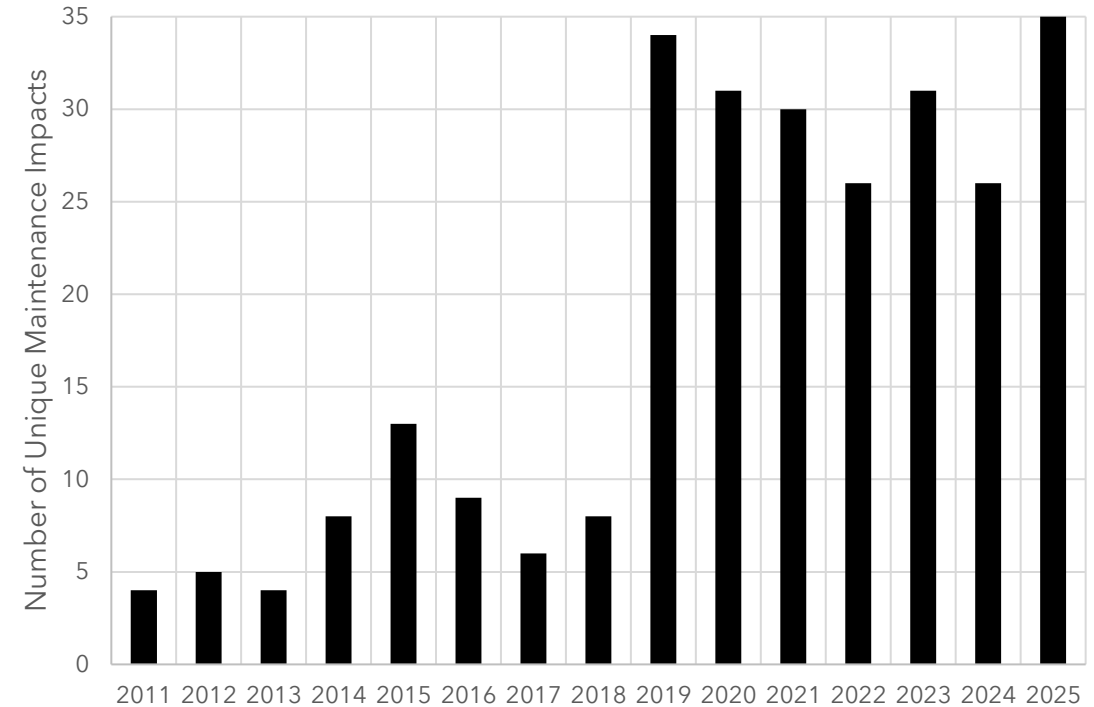
- » 2024 California Gas Report forecast for the 2030-2031 winter 1-in-10 Cold Day is 4,197 MMcfd
- » Peak day pipeline supply assumption of 2,142 MMcfd
- » January minimum available withdrawal dependent on Aliso Canyon inventory
- » Assessment shows that 68.6 Bcf is insufficient with the assumptions

Aliso Starting Inventory (Bcf)	58.6	68.6	86.2
1-in-10 Year Cold Day Demand Forecast	4,197	4,197	4,197
Pipeline Supply	2,142	2,142	2,142
January Minimum Available Withdrawal	1,738	1,891	2,166
Supply Deficit (-) / Surplus (+)	-317	-164	111



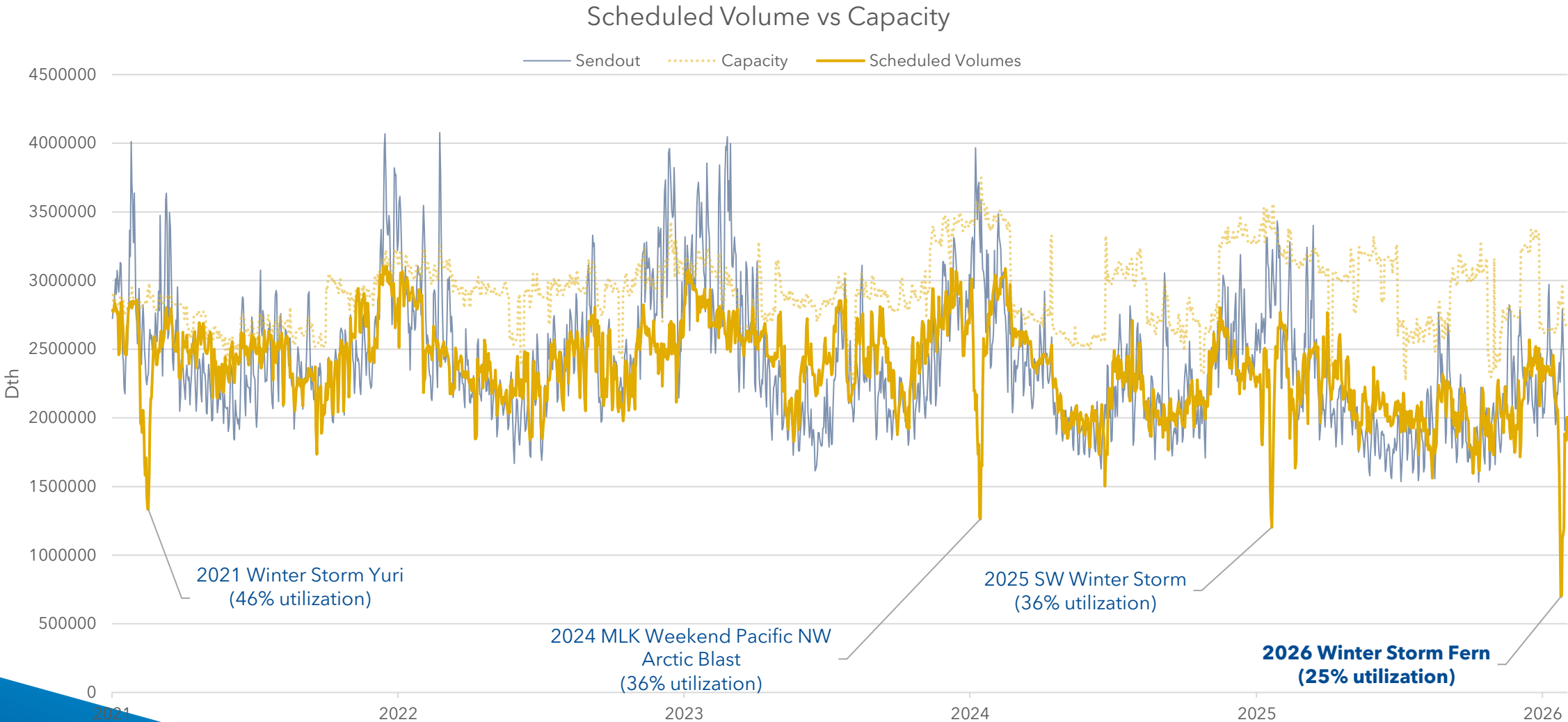
Increased Maintenance Activities

- » SoCalGas must balance maintaining sufficient capacity for customers, and performing necessary maintenance for safety and compliance
- » Maintenance activities are becoming more frequent, as pipelines age, inspection methods enhance, and regulations change
- » It is prudent to plan for significant and impactful outages to ensure continued and reliable service to customers



In 2019, the Pipeline and Hazardous Materials Safety Administration (PHMSA) adopted Part 1 of the Gas Transmission Safety Rule, which substantially expanded integrity management, inspection, and risk assessment requirements for gas transmission operators, driving increased inspection and inspection activity and related maintenance outages. See 84 Fed. Reg. 52180 (Oct. 1, 2019).

Receipt Point Utilization Historical Winter Storm Events

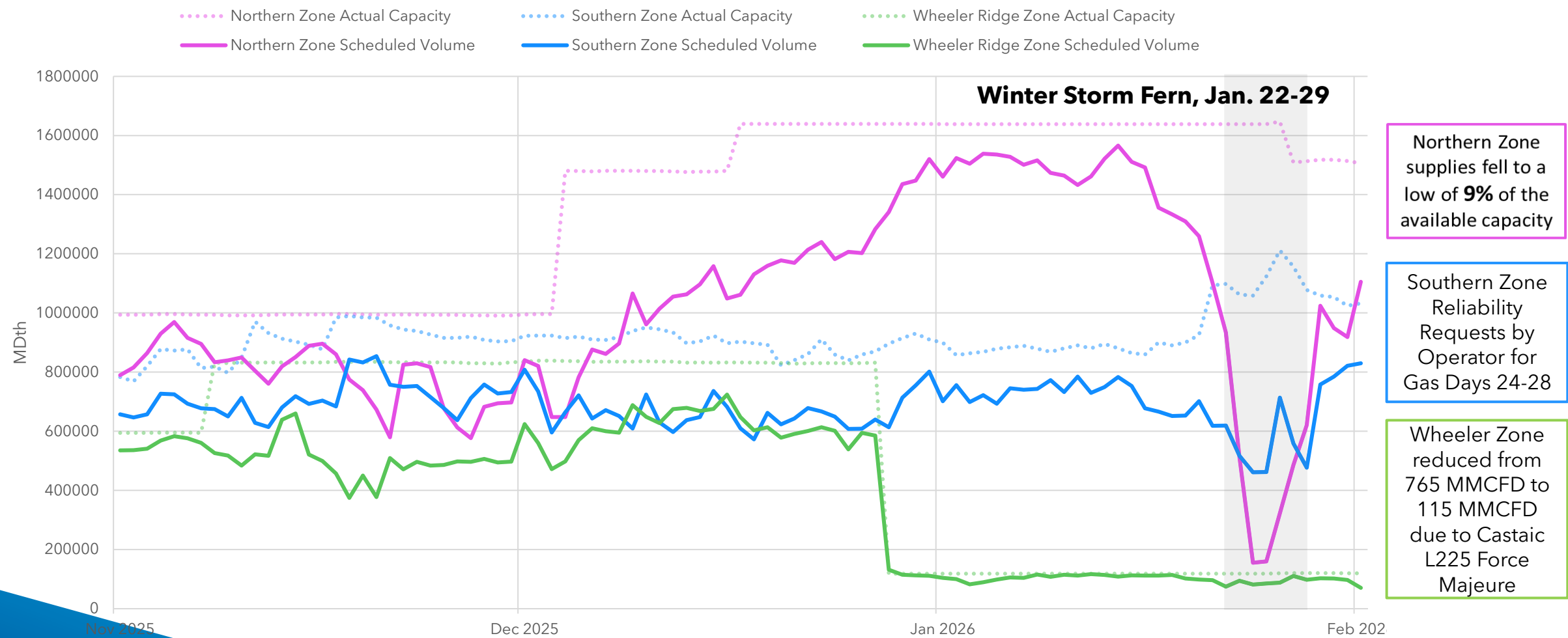


* Receipt Point Utilization includes Northern, Southern, and Wheeler Ridge Zones; excludes injection capacity and CA Producers

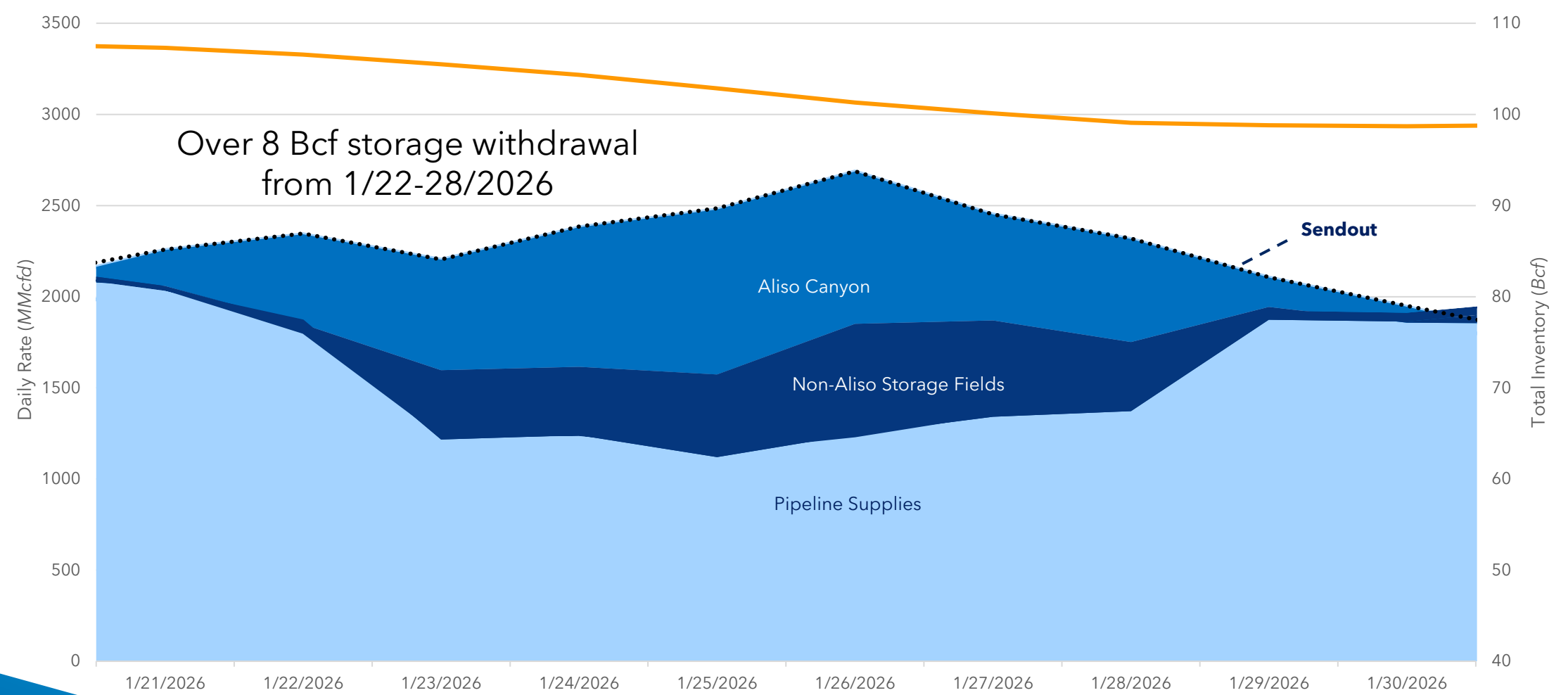


Receipt Point Utilization by Zone: Winter 2025-2026

Scheduled Volume vs Capacity



Winter Storm Fern, Pipeline Supply and Storage Withdrawal



The Biennial Assessment Is Not A Comprehensive Assessment

- The economic analysis is limited in scope and not designed to evaluate the full economic consequences of reducing Aliso Canyon inventory
- The economic analysis is a simple threshold comparison, rather than a predictive or comprehensive economic assessment
 - “This simple economic analysis does not allow Staff to predict the impacts of reducing the Aliso Canyon maximum inventory on gas commodity prices”
 - The forward price inputs used in the threshold comparison assume the continued availability of Aliso Canyon at existing inventory levels
- The analysis does not model storage behavior for economic or price mitigation purposes, even though storage has historically played a role in moderating price volatility
- The economic analysis does not capture impacts associated with the UBS Program, including effects on noncore customers and electric generators
- CPUC Staff provide that “[t]here are events on the horizon that have the potential to increase gas commodity prices, particularly for winter 2026-27”
 - As competition for supply increases due to LNG exports, SoCalGas expects the cost of procuring these supplies to increase significantly, potentially two or three times, as it competes with LNG markets for available gas
- CPUC Staff provide that, “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”

Reducing Aliso Canyon's Inventory Impacts Ratepayers

- Aliso Canyon dampens prices during constrained conditions
- After the 2023 Aliso Canyon inventory increase:
 - Gas prices stabilized
 - Southern California prices reached multi-year lows
- The UBS Program:
 - Is fully subscribed
 - Mitigates gas and electric price volatility
 - Returns 100% of net revenues to ratepayers
- A 10 Bcf inventory reduction would:
 - Be fully borne by the UBS program
 - Increase volatility for gas and electric customers
 - Reduce ratepayer revenues