

**Application 25-09-014**  
**Exhibit No. CE-01**

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

**Application of SOUTHERN CALIFORNIA GAS  
COMPANY (U904G) and SAN DIEGO GAS &  
ELECTRIC COMPANY (U902G) 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)**

**DIRECT TESTIMONY OF ALLISON F. SMITH**  
**ON BEHALF OF CLEAN ENERGY**

May 15, 2026

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2 **OF THE STATE OF CALIFORNIA**

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13 **DIRECT TESTIMONY OF ALLISON F. SMITH**  
14 **ON BEHALF OF CLEAN ENERGY**

15 **I. INTRODUCTION**

16 **Q. PLEASE STATE YOUR NAME**

17 **A** My name is Allison F. Smith.

18 **Q. WHAT IS YOUR OCCUPATION?**

19 **A.** I am a consultant to Clean Energy on cost allocation and rate design issues before  
20 the California Public Utilities Commission (Commission).

**Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.**

**A.** I have a Bachelor of Science degree in Mechanical Engineering from the University  
of California at Berkeley. I worked for Southern California Gas Company (SoCalGas) for over  
thirty-one years. During my career, I worked in a variety of roles in the Engineering, Customer  
Solutions, Regulatory and Policy groups. I was the SoCalGas and San Diego Gas and Electric  
(SDG&E) Gas Rate Design Manager from 2002 through 2009. From 2009 through 2021, I held  
several different positions at SoCalGas focusing on environmental policies impacting natural gas  
and renewable natural gas (RNG) use in California, eventually managing the team responsible for

1 working with the local Air Districts, the California Air Resources Board and the California Energy  
2 Commission. I retired from SoCalGas in November 2021. I began consulting for Clean Energy in  
3 2023.

4 I have previously testified before the Commission.

5 **Q. ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?**

6 A. I am appearing on behalf of Clean Energy.

7 Clean Energy is North America's largest provider of renewable natural gas (RNG)  
8 transportation fuel, with nearly 30 years of leading industry experience. California-based Clean  
9 Energy provides construction, operation, and maintenance services for RNG refueling stations  
10 nationwide, including substantial RNG refueling operations within SoCalGas service territory.<sup>1</sup>  
11 SoCalGas's proposals in this Cost Allocation Proceeding (CAP)<sup>2</sup> will impact rates paid by Clean  
12 Energy and other Natural Gas Vehicle (NGV) customers.

13 In its Application, SoCalGas proposes to rely on a fully embedded cost allocation  
14 methodology for all transportation services.<sup>3</sup> SoCalGas also presents an updated Long Run  
15 Marginal Cost (LRMC) study in compliance with Decision (D.).24-07-009, which requires inclusion  
16 of an LRMC-based allocation as a benchmark.<sup>4</sup> The rate impact for NGV customers differ  
17 materially under these two cost allocation approaches.

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<sup>1</sup> Clean Energy delivers RNG to the transportation market through 570 fueling stations that it owns, operates, or supplies to in 43 states and the District of Columbia in the U.S. Over 200 of these stations are located in California.

<sup>2</sup> Application (A.) 25-09-014.

<sup>3</sup> Chapter 8, *Prepared Direct Testimony Of Frank Seres And Marjorie Schmidt-Pines On Behalf Of Southern California Gas Company And San Diego Gas & Electric Company (Cost Allocation And Embedded Costs)*, Sep. 30, 2025 at FSP-MSP-1:6-14.

<sup>4</sup> Chapter 9, *Prepared Direct Testimony Of Marjorie Schmidt-Pines On Behalf Of Southern California Gas Company And San Diego Gas & Electric Company (Cost Allocation And Long Run Marginal Cost Study)*, Sep. 30, 2025 at MSP-1:18 – MSP-2:5 (referring to D.24-07-009, Ordering Paragraph 2).

1 Under SoCalGas's proposed embedded cost allocation, the NGV class would experience  
2 an approximately 7.0% decrease<sup>5</sup> in class average transportation rates relative to present rates,  
3 or an approximately 0.6% increase when normalized for September 2025 rates.<sup>6</sup> In contrast, the  
4 LRMC-based allocation would result in an approximately 30.5% increase in the NGV rate when  
5 normalized for September 2025 rates.<sup>7</sup> Given the substantial divergence in the rate impacts  
6 associated with these two approaches, Clean Energy has a material interest in the outcome of  
7 this proceeding.

8 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

9 A. I address the cost allocation and rate design proposals presented in SoCalGas's  
10 2027 CAP application. My testimony addresses three issues:

- 11 • I support SoCalGas's proposal to move to fully embedded cost rates for  
12 transportation service.
- 13 • I recommend that SoCalGas update its demand forecast for the NGV customer  
14 class because SoCalGas's forecast relies on an overstated two-year average  
15 baseline growth rate for uncompressed volumes.
- 16 • I recommend that SoCalGas revise the compression adder to lower the  
17 demand forecast and revisit the variable cost study.

18 **Q. DO YOU SUPPORT THE USE OF FULLY EMBEDDED COST RATES?**

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<sup>5</sup> Chapter 12, *Prepared Direct Testimony Of Michael Foster On Behalf Of Southern California Gas Company And San Diego Gas & Electric Company (Rate Design)*, Sep. 30, 2025 at MF-5:6-7, Table MF-1.

<sup>6</sup> Ch. 12 at MF-A-2.

<sup>7</sup> Ch. 12 at MF-B-1.

1           **A.**       Yes. There have been significant changes in policy over the past decade that make  
2 the use of LPMC problematic. It is appropriate for SoCalGas to move to fully embedded cost rates.

3           LPMC has been used by the large California utilities since the early 1990's, pursuant to D.  
4 92-12-058. In that Decision, the Commission noted:

5                       When a marginal cost is defined, it is often described as the cost of  
6 an additional unit of goods or services. Implicit in the description is  
7 that it is the cost of the next unit in an efficient production process.  
8 There may be a number of feasible ways of expanding a utility  
9 system to meet additional customer load, but marginal cost pricing  
10 reflects efficient expansion of the system.<sup>8</sup>

11           One of the key considerations for the Commission in adopting this framework was to  
12 promote efficient expansion of the natural gas system. In the early 1990s, this was an important  
13 factor, as new and expanding interstate pipelines were bringing additional natural gas to  
14 California and the utilities were expanding their systems to serve growing load within their  
15 service territories.

16           In the context of an expanding utility system, LPMC provides price signals to customers  
17 reflecting the cost of adding load for different types of customers. However, as California energy  
18 policy has evolved, it has become necessary to reconsider the appropriateness of LPMC pricing  
19 for natural gas service.

20           Over the past three decades, the evolution of California's energy policies has contributed  
21 to a reduction in natural gas use. The Commission has been a strong advocate of energy efficiency  
22 programs that have reduced the average energy use per residential and commercial customer  
23 for most applications. These reductions have resulted in relatively flat residential and commercial

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<sup>8</sup> D.92-12-058 at 11.

1 gas usage, even with a significant growth in the number of customers. In more recent years, the  
2 Commission and other state agencies have coordinated to “develop strategic plans for reducing  
3 fossil gas demand and planning for the future of the pipeline system that delivers fossil gas to  
4 end-use customers today.”<sup>9</sup>

5 These policies are beginning to show a reduction in the total system throughput and the  
6 number of gas customers served by SoCalGas. In the 2024 California Gas Report, SoCalGas  
7 projects its residential customer usage based on an average temperature year to go from 562  
8 Million cubic feet per day (MMcf/d) in 2025 to 509 MMcf/d in 2035, representing a 9.4% decline  
9 over the next 10 years.<sup>10</sup> During this same period, SoCalGas projects total system demand to go  
10 from 2290 MMcf/d to 2027 MMcf/d or a decline of 11.5%, due to reductions in residential and  
11 commercial usage, as well as significant reduction in Electric Generation (EG) demand as  
12 California shifts to more renewable energy.<sup>11</sup>

13 SoCalGas is already showing the beginning of this trend as reflected in the marginal  
14 demand measures underpinning its LRMC study. Table 1, below, presents a comparison of the  
15 marginal demand measures in SoCalGas’s current LRMC study compared to its last CAP (A.22-09-  
16 015). Since the last CAP, the number of customers, medium pressure distribution (MPD) peak day  
17 demand, and high pressure distribution (HPD) peak month demand have all declined.

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<sup>9</sup> R.24-09-012, *Order Instituting Rulemaking To Establish Policies, Processes, And Rules To Ensure Safe And Reliable Gas Systems In California And Long-Term Gas System Planning 2024 Joint Agency Staff Paper: Progress Towards a Gas Transition*, Oct. 4, 2024, Attachment A (*Joint Agency Staff Gas Transition White Paper*) at 4.

<sup>10</sup> 2024 California Gas Report at p. 9-10, available at <https://www.socalgas.com/sites/default/files/2024-08/2024-California-Gas-Report-Final.pdf>.

<sup>11</sup> *Id.*

1

**Table 1: Comparison of Marginal Demand Measures<sup>12</sup>**

|                     | <u>Core</u> | <u>Noncore</u> | <u>Total</u> |
|---------------------|-------------|----------------|--------------|
| Customer Count      |             |                |              |
| 2025 CAP            | 6,057,759   | 975            | 6,058,734    |
| 2027 CAP            | 6,047,153   | 901            | 6,048,054    |
| Difference          | -10,606     | -74            | -10,680      |
| % change            | -0.2%       | -7.6%          | -0.2%        |
| MPD Peak Day, mcf   |             |                |              |
| 2025 CAP            | 2,646,382   | 134,933        | 2,781,315    |
| 2027 CAP            | 2,577,504   | 123,322        | 2,700,826    |
| Difference          | -68,878     | -11,611        | -80,489      |
| % change            | -2.6%       | -8.6%          | -2.9%        |
| HPD Peak Month, mcf |             |                |              |
| 2025 CAP            | 45,728,709  | 10,967,161     | 56,695,870   |
| 2027 CAP            | 43,518,934  | 9,578,417      | 53,097,351   |
| Difference          | -2,209,775  | -1,388,744     | -3,598,519   |
| % change            | -4.8%       | -12.7%         | -6.3%        |

2

For a utility that is not experiencing customer or demand growth, LRMCM will not produce

3

price signals that support efficient utilization and planning of the system. Therefore, Clean Energy

4

supports SoCalGas's proposal to move to fully embedded cost rates.

5

**Q. DO YOU AGREE WITH SOCALGAS'S DEMAND FORECAST FOR THE NGV CLASS?**

6

**A.** No. I am concerned that SoCalGas's G-NGV demand forecast overstates expected

7

uncompressed volumes in the years leading up to the 2027-2029 CAP period, and will result in

8

under-collections in the NGV revenues. SoCalGas has forecasted significant growth in NGV

9

demand over the next two years that tapers off dramatically through the CAP period.

10

Table 2, below, provides a summary of the NGV recorded and forecast volumes included

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in SoCalGas's workpapers.

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<sup>12</sup> LRMCM Marginal Demand Measures taken from Ch 9 tables. The Customer Count data is from Table 9. The Distribution demand measures are from Table 10.

1

**Table 2: NGV Forecast Volumes<sup>13</sup>**NGV Recorded Volumes,  
MMccf

|      | <u>Compressed</u> |        | <u>Uncompressed</u> |        | <u>Total</u> |        | <u>Compressed<br/>as % total</u> |
|------|-------------------|--------|---------------------|--------|--------------|--------|----------------------------------|
|      | Volume            | Growth | Volume              | Growth | Volume       | Growth |                                  |
| 2021 | 5.82              |        | 149.2               |        | 155.0        |        | 3.9%                             |
| 2022 | 9.24              | 58.8%  | 170.7               | 14.4%  | 179.9        | 16.1%  | 5.4%                             |
| 2023 | 11.63             | 25.9%  | 185.4               | 8.6%   | 197.0        | 9.5%   | 6.3%                             |
| 2024 | 11.7              | 0.6%   | 194.2               | 4.7%   | 205.9        | 4.5%   | 6.0%                             |

NGV Forecasted Volumes,  
Mdth

|      | <u>Compressed</u> |        | <u>Uncompressed</u> |        | <u>Total</u> |        |      |
|------|-------------------|--------|---------------------|--------|--------------|--------|------|
|      | Volume            | Growth | Volume              | Growth | Volume       | Growth |      |
| 2024 | 1204              |        | 19762               |        | 20966        |        | 6.1% |
| 2025 | 1225              | 1.7%   | 21082               | 6.7%   | 22307        | 6.4%   | 5.8% |
| 2026 | 1303              | 6.4%   | 22245               | 5.5%   | 23548        | 5.6%   | 5.9% |
| 2027 | 1399              | 7.4%   | 23212               | 4.3%   | 24611        | 4.5%   | 6.0% |
| 2028 | 1525              | 9.0%   | 23950               | 3.2%   | 25475        | 3.5%   | 6.4% |
| 2029 | 1681              | 10.2%  | 24432               | 2.0%   | 26113        | 2.5%   | 6.9% |
| 2030 | 1867              | 11.1%  | 24495               | 0.3%   | 26362        | 1.0%   | 7.6% |
| 2031 | 2083              | 11.6%  | 24559               | 0.3%   | 26642        | 1.1%   | 8.5% |

2

3 In a footnote to its demand forecast workpapers, SoCalGas indicates:

4 2-year average growth used for uncompressed volumes since 2022  
5 annual growth was an outlier (significantly higher) compared to  
6 other years as the market recovered from the prior COVID-19  
7 downturn. Future annual growth rate change used to account for  
8 expected loss of urban transit bus volumes due to CARB ICT  
9 regulations.”<sup>14</sup>

<sup>13</sup> Table compiled from Ch 3 Workpaper NGV-1. (Note, the workpaper provides monthly data for different categories of compressed and uncompressed users. This table aggregates the annual totals and provides the growth rates and the compressed volumes as a percentage of total volume). (Recorded volumes are reported in MMccf; forecast volumes are reported in Mdth consistent with SoCalGas's workpapers. While the units differ, the year-over-year growth rates are directly comparable and are the focus of my analysis.)

<sup>14</sup> Ch. 3, Workpaper NGV-3, Table 1, footnote 1.



1 As reflected in Table 2, the resulting forecast projects 6.7% uncompressed growth in 2025,  
2 dropping rapidly to 2.0% by 2029, and flattening to 0.3% through 2031.

3 While I agree that the recorded growth rate in 2022 is artificially high due to recovery  
4 from the COVID-19 pandemic, the 2023 growth rate SoCalGas retained in its two-year average  
5 also appears to reflect the lingering impacts of that recovery, including telecommuting and return  
6 to workplace policies that slowed the recovery in the transit sector. According to SoCalGas's  
7 recorded data, uncompressed volume growth dropped from 8.6% in 2023 to 4.7% in 2024. By  
8 averaging the still-elevated 2023 growth rate with the more moderate 2024 rate, SoCalGas's two-  
9 year average of 6.7% overstates the current growth trajectory. Furthermore, there has been  
10 considerable uncertainty about the conflicting federal and state policies on clean transportation  
11 that discouraged all truck sales in 2025 and may accelerate purchases of 2010-compliant trucks  
12 in 2026, with a looming 2027 EPA standard that requires more expensive truck emissions  
13 controls. Thus, SoCalGas's forecast for 2025 through 2027 seems high for the sector.

14 **Q. WHY IS THE GROWTH RATE PRIOR TO THE CAP PERIOD RELEVANT**

15 **A.** The demand forecast is a critical part of the allocation and rate calculations for  
16 each customer class. NGV transportation rates are derived by dividing the revenue requirement  
17 allocated to the NGV class by the forecasted NGV throughput. If the forecast overstates the  
18 expected NGV volumes over the 2027-2029 CAP period, the resulting NGV rate will be set too  
19 low to recover allocated costs, producing a built-in under-collection in revenues for the NGV  
20 class. Given the balancing account treatment applicable to the NGV class, any under-collection  
21 resulting from overstated volumes would be trued up through higher rates in subsequent years  
22 of the CAP, increasing rate volatility for NGV customers. Therefore, it is important to start with a

1 reasonable forecast of NGV throughput leading into 2027 and continuing through the CAP period,  
2 ending in 2029.

3 **Q. DO YOU HAVE AN ALTERNATIVE RECOMMENDATION FOR THE NGV FORECAST?**

4 **A.** Yes, I recommend SoCalGas revise their forecast to reflect a growth rate more  
5 consistent with the actual growth rate seen over the past two years. The change should be  
6 reflected in the marginal demand measures, as well as the total throughput for the NGV customer  
7 class.

8 For illustrative purposes, Table 2 has been augmented below to show the actual recorded  
9 volumes for 2025<sup>15</sup>. For both the compressed and uncompressed volumes, the growth rate in  
10 2025 is significantly lower than the growth rate in 2024. As previously noted, this suggests the  
11 high growth rate in 2023 likely reflects some of the lingering impacts of the COVID-19 recovery  
12 on the transportation sector. Using the average annual growth rate for 2024 through 2025 as the  
13 starting point for the CAP demand forecast would produce a more reasonable forecast and  
14 minimize rate swings due to the under-collections that would likely occur if SoCalGas's current  
15 forecast is adopted.

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<sup>15</sup> SoCalGas Data Response Clean Energy-01 7b. (The 2025 Actual recorded volumes were provided in  
therms and have been converted to MMcf assuming a btu value of 1030, the value used in SoCalGas  
Chapter 12 workpapers).

1

**Table 2B: NGV Forecast Volumes**

|            | NGV Recorded Volumes,<br>MMccf |        |                     |        |              |        | Compressed<br>as % total |
|------------|--------------------------------|--------|---------------------|--------|--------------|--------|--------------------------|
|            | <u>Compressed</u>              |        | <u>Uncompressed</u> |        | <u>Total</u> |        |                          |
|            | Volume                         | Growth | Volume              | Growth | Volume       | Growth |                          |
| 2021       | 5.82                           |        | 149.2               |        | 155.0        |        | 3.9%                     |
| 2022       | 9.24                           | 58.8%  | 170.7               | 14.4%  | 179.9        | 16.1%  | 5.4%                     |
| 2023       | 11.63                          | 25.9%  | 185.4               | 8.6%   | 197.0        | 9.5%   | 6.3%                     |
| 2024       | 11.7                           | 0.6%   | 194.2               | 4.7%   | 205.9        | 4.5%   | 6.0%                     |
| 2025       | 11.7                           | -0.2%  | 199.9               | 2.9%   | 211.5        | 2.7%   | 5.8%                     |
| 2yr<br>Avg |                                | 0.2%   |                     | 3.8%   |              | 3.6%   |                          |

2

3 **Q. DO YOU HAVE CONCERNS ABOUT THE COMPRESSED VOLUMES FORECAST?**

4 **A.** Yes, I believe the compressed volumes forecasted by SoCalGas may be too high.

5 **Q. HOW DOES A HIGH COMPRESSED VOLUME FORECAST IMPACT THE NGV CLASS?**

6 **A.** The compressed volumes are 6-7% of the total NGV volumes. An artificially high  
7 forecast of the compressed volumes could result in an under-collection that would be recovered  
8 from all NGV customers in subsequent years. Furthermore, the compression rate adder is directly  
9 related to the forecasted compressed volumes. Nearly half of the compression costs are fixed  
10 costs. So, an artificially high compressed volume forecast will lower the compression surcharge  
11 adder.

12 The SoCalGas workpapers show the only growth in the compressed volumes from 2024  
13 will be due to the LCFS fuel card program. SoCalGas estimated the LCFS Fuel Card volumes in  
14 2025 would be 21 Mdth and would grow to 156 Mdth by 2029. However, the actual recorded

1 volume in 2025 was 14 Mdth<sup>16</sup>. It is speculative to assume the program will grow to ten times  
2 the current volumes in such a short period.

3  
4 **Q. DO YOU HAVE OTHER CONCERNS ABOUT THE COMPRESSION ADDER?**

5 **A.** Yes, I believe the compression adder may underestimate the variable O&M costs.  
6 SoCalGas Chapter 4 Workpapers indicate the compression surcharge adder costs are based on  
7 “Data taken from E3 Report ‘Southern California Gas NGV Compression Rate Adder Calculation  
8 for the 2027 CAP’, Table 12, May 28 2025.”<sup>17</sup> E3 calculates the unit cost for electricity and O&M  
9 based on historical data provided by SoCalGas Facilities Staff.<sup>18</sup> E3 has provided similar analyses  
10 for the 2020 CAP and the 2025 CAP. In comparing the 2027 CAP to the 2025 CAP, the per unit  
11 electricity costs have decreased by 76% and the total customer-related O&M costs have  
12 decreased by 45%. E3 indicates a change in the methodology for allocating some of the O&M  
13 costs, which may account for some reduction in the customer-related O&M costs. However, they  
14 indicate no change in the methodology for allocating the electricity costs.<sup>19</sup> Table 3 provides a  
15 comparison of the variable O&M costs estimated by SoCalGas since the 2020 CAP. It is  
16 unexpected that the per unit costs of electricity and customer-related O&M would decrease by  
17 such large amounts. Typically variable O&M costs would increase based on inflationary pressures  
18 and electric rate changes. SoCalGas should revisit how these costs are estimated and either

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<sup>16</sup> SoCalGas Data Response Clean Energy-01 7b.

<sup>17</sup> SoCalGas Chapter 4 Workpaper NGV-4.

<sup>18</sup> SoCalGas Data Response Clean Energy-01 6b-SCG NGV 2025 Compression Adder.xlsx, tab ‘O&M and Electric Costs’ tab footnote 2.

<sup>19</sup> SoCalGas Data Response Clean Energy-01 6a E3 study at pp 5-8.

update the values or provide an explanation for how electricity and O&M costs are decreasing for the NGV compression adder.

**Table 3: NGV Compression Adder O&M Rates, \$/th**

| NGV expenses, \$/th          | 2027 CAP | 2024 CAP | 2020 CAP |
|------------------------------|----------|----------|----------|
| O&M Expense Public & Private | 0.268    | 0.380    | 0.584    |
| O&M Expense Public           | 0.165    | 0.180    | n/a      |
| Electricity Expense Public   | 0.041    | 0.170    | 0.176    |
| Customer Related O&M         | 0.310    | 0.560    | 0.760    |
| Change from prior CAP        |          |          |          |
| Electricity Expense Public   | -76%     | -3%      |          |
| Customer Related O&M         | -45%     | -26%     |          |

**Q. WAS THIS MATERIAL PREPARED BY YOU OR UNDER YOUR SUPERVISION?**

**A.** Yes, it was.

**Q. INsofar as this material is factual in nature, do you believe it to be correct?**

**A.** Yes, I do.

**Q. INsofar as this material is in nature of professional opinion or judgement, does it represent your best professional opinion or judgement?**

**A.** Yes, it does.

**Q. DO YOU ADOPT THIS TESTIMONY AS YOUR SWORN TESTIMONY IN THIS PROCEEDING?**

**A.** Yes.

**Q. DOES THIS CONCLUDE YOUR TESTIMONY**

**A.** Yes.



**CERTIFICATION**

I, the undersigned, hereby certify, pursuant to Rule 13.7(e) of the Rules of Practice and Procedure of the California Public Utilities Commission, under penalty of perjury under the laws of the State of California, that the foregoing is true and correct to the best of my knowledge, and that this Certification was executed on this 15th day of May, 2026 at San Gabriel, California.

By: 

Name: Allison F. Smith

Title: Consultant to Clean Energy

## **Attachment A**

### **SoCalGas Responses to Clean Energy Data Request Set 1, Questions 6 and 7**



From CleanEnergy\_01\_6b-SCG NGV 2025 Compression Adder.xlsx, tab 'O&M and Electric Costs'

Note: this table came from SoCal Gas 05/14/2025

| 2024 O&M Cost Description <sup>1</sup> | Value  |             |
|----------------------------------------|--------|-------------|
|                                        | %      | \$          |
| Labor Costs                            | -      | \$1,024,080 |
| Non-Labor Costs                        | -      | \$1,555,357 |
| Labor Costs Loader                     | 18.31% | \$187,509   |
| Non-Labor Costs Loader                 | 19.09% | \$296,918   |

**Total O&M** \$3,063,864

| Operating Base                               | 2024 CNG Station Electrical Use and Cost <sup>2</sup> |           | 2024 Electrical Unit Cost |
|----------------------------------------------|-------------------------------------------------------|-----------|---------------------------|
|                                              | kW-hr                                                 | \$        | \$ per kW-hr              |
| Belvedere                                    | 20,284                                                | \$1,674   | \$0.083                   |
| Chatsworth                                   | 4,182                                                 | \$304     | \$0.073                   |
| Chino                                        | 240,137                                               | \$18,759  | \$0.078                   |
| Compton                                      | 986,667                                               | \$76,840  | \$0.078                   |
| Crenshaw                                     | 73,188                                                | \$5,815   | \$0.079                   |
| Downey                                       | 36,830                                                | \$2,285   | \$0.062                   |
| Energy Resource Center (Downey) <sup>3</sup> | 37,798                                                | \$2,433   | \$0.064                   |
| Fontana                                      | 804,002                                               | \$61,648  | \$0.077                   |
| Garden Grove                                 | 126,399                                               | \$7,757   | \$0.061                   |
| Huntington Park                              | 35,850                                                | \$3,147   | \$0.088                   |
| Palm Desert                                  | 86,337                                                | \$5,292   | \$0.061                   |
| Pico Rivera                                  | 578,312                                               | \$35,925  | \$0.062                   |
| Redondo Beach                                | 150,818                                               | \$11,925  | \$0.079                   |
| San Bernardino                               | 66,501                                                | \$4,373   | \$0.066                   |
| San Pedro                                    | 241,992                                               | \$15,289  | \$0.063                   |
| Van Nuys (Saticoy)                           | 408,193                                               | \$25,876  | \$0.063                   |
| Total                                        | 3,897,490                                             | \$279,343 | \$0.072                   |

| 2024 Station Name | Throughput | \$/CCF |
|-------------------|------------|--------|
| BELVEDERE         | 23,087     | 0.073  |
| CHATSWORTH        | 5,284      | 0.058  |
| CHINO             | 72,838     | 0.258  |
| COMPTON           | 1,334,855  | 0.058  |
| CRENSHAW          | 88,985     | 0.065  |
| DOWNEY            | 44,656     | 0.051  |
| Downey (ERC)      | 38,821     | 0.063  |
| FONTANA           | 1,809,975  | 0.034  |
| GARDEN GROVE      | 522,420    | 0.015  |
| HUNTINGTON PARK   | 43,378     | 0.073  |
| PALM DESERT       | 86,303     | 0.061  |
| PICO RIVERA       | 1,458,812  | 0.025  |
| 182ND STREET      | 70,605     | 0.169  |
| SAN BERNARDINO    | 77,888     | 0.056  |
| SAN PEDRO         | 528,022    | 0.029  |
| VAN NUYS/SATICOY  | 529,612    | 0.049  |

<sup>1</sup> 2024 labor and non-labor O&M cost data and loaders taken from Internal Order FG9356062200, 300000043 and FVACSICK2200. Co

<sup>2</sup> Historic electrical use and costs provided by Facilities department electric utility billing data.

<sup>3</sup> SoCalGas plans to decommission this station in 2025.

**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 1 FROM CLEAN ENERGY  
DATED APRIL 23, 2026  
SOCALGAS RESPONSE DATED: MAY 7, 2026**

**QUESTION 7**

Refer to Chapter 3 Workpaper NGV-1, titled *SoCalGas G-NGV Forecast of Volumes*, which presents historic compressed and uncompressed volumes on an annual basis for years 2021 through 2024 and forecast compressed and uncompressed NGV volumes on a monthly and annual basis for years 2024 through 2031.

The following table was compiled from the “Total” annual volumes presented in Chapter 3 Workpaper NGV-1:

| NGV Recorded Vol, MMcf |                   |        |                     |        |              |        | <u>Compressed</u> |
|------------------------|-------------------|--------|---------------------|--------|--------------|--------|-------------------|
|                        | <u>Compressed</u> |        | <u>Uncompressed</u> |        | <u>Total</u> |        | <u>as % total</u> |
|                        | Volume            | Growth | Volume              | Growth | Volume       | Growth |                   |
| 2021                   | 5.82              |        | 149.2               |        | 155.0        |        | 3.9%              |
| 2022                   | 9.24              | 58.8%  | 170.7               | 14.4%  | 179.9        |        | 5.4%              |
| 2023                   | 11.63             | 25.9%  | 185.4               | 8.6%   | 197.0        |        | 6.3%              |
| 2024                   | 11.7              | 0.6%   | 194.2               | 4.7%   | 205.9        |        | 6.0%              |

  

| NGV Forecasted Vol, M dth |                   |        |                     |        |              |        |      |
|---------------------------|-------------------|--------|---------------------|--------|--------------|--------|------|
|                           | <u>Compressed</u> |        | <u>Uncompressed</u> |        | <u>Total</u> |        |      |
|                           | Volume            | Growth | Volume              | Growth | Volume       | Growth |      |
| 2024                      | 1204              |        | 19762               |        | 20966        |        | 6.1% |
| 2025                      | 1225              | 1.7%   | 21082               | 6.7%   | 22307        | 6.4%   | 5.8% |
| 2026                      | 1303              | 6.4%   | 22245               | 5.5%   | 23548        | 5.6%   | 5.9% |
| 2027                      | 1399              | 7.4%   | 23212               | 4.3%   | 24611        | 4.5%   | 6.0% |
| 2028                      | 1525              | 9.0%   | 23950               | 3.2%   | 25475        | 3.5%   | 6.4% |
| 2029                      | 1681              | 10.2%  | 24432               | 2.0%   | 26113        | 2.5%   | 6.9% |
| 2030                      | 1867              | 11.1%  | 24495               | 0.3%   | 26362        | 1.0%   | 7.6% |
| 2031                      | 2083              | 11.6%  | 24559               | 0.3%   | 26642        | 1.1%   | 8.5% |

- a. As reflected in the table above, SoCalGas projects a 6.7% growth rate in 2025, dropping rapidly to 2.0% by 2029 and flattening to 0.3% through 2031.

By comparison, on page 117 of the *2024 California Gas Report*, 1 SoCalGas stated: “At the end of 2023, there were 358 CNG fueling stations operating in the service territory. The NGV market is expected to grow from 17.4 Bcf in 2024 and reach 29.5 Bcf by 2040, or the equivalent of a 3.4 percent growth per year, on average.”

Please identify and describe the new information since SoCalGas provided the 2024 California Gas Report forecast that explains the significantly lower NGV forecast used in SoCalGas’s 2027 CAP Application.

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- b. Please provide the actual recorded volumes in 2025 for the following:
  - i. NGV compressed volumes
  - ii. NGV uncompressed volumes
  - iii. Volumes associated with the LCFS card program

**RESPONSE**

- a. Forecasts are developed based on the latest actual historical data, so forecasts developed at different times will yield different projections. Further, the 2027 CAP G-NGV forecast included the impact of CARB ICT regulations.
- b. 2025 actual recorded volumes for NGV compressed volumes, NGV uncompressed volumes, and volumes associated with the LCFS fuel card program were 12,029,161 therms, 205,862,875 therms, and 142,542 therms, respectively.