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Witness: E. Martinez
Chapter: 5a

# PREPARED DIRECT TESTIMONY OF EDUARDO MARTINEZ

# ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY

# AND SAN DIEGO GAS & ELECTRIC COMPANY

(NONCORE AND CONSOLIDATED DEMAND FORECASTS)

September 30, 2025
(Redlined dated June 9, 2026)

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# CHAPTER 5

# PREPARED DIRECT TESTIMONY OF EDUARDO MARTINEZ

# (NONCORE AND CONSOLIDATED DEMAND FORECASTS)

## I. PURPOSE

The purpose of my prepared direct testimony is to present the demand forecasts for Southern California Gas Company's (SoCalGas) and San Diego Gas & Electric Company's (SDG&E) noncore market segments other than large electric generation (EG) and large cogeneration customers (with capacity greater than 20 megawatts (MW)), whose gas demand forecasts are discussed in the testimony of Robert Fiola (Chapter 4). In my testimony, I also prepare the meter count forecasts of SoCalGas's and SDG&E's noncore markets except for large EG and large cogeneration customers whose meter forecasts are discussed in the testimony of Robert Fiola (Chapter 4). My testimony also presents the consolidated gas demand forecasts for Average Year and Cold Year temperature conditions, along with peak day and peak month demand forecasts, for the years 2027 through 2029 (Cost Allocation Proceeding period, or CAP period) for SoCalGas's and SDG&E's markets. My consolidated forecasts rely on the forecasts of residential customer, core commercial and industrial (core C&I) customer demand presented in my Chapter 3 testimony, and the forecasts of large EG and large cogeneration customer demand presented in the direct testimony of Robert Fiola (Chapter 4). Further, my Chapter 2 testimony provides the underlying heating degree-day design scenarios for Average Year and Cold Year temperature conditions, as well as the peak day temperature design conditions, for both SoCalGas and SDG&E. Finally, I provide the calculated allocations of core storage among key core market segments for SoCalGas and SDG&E along with values for unaccounted-for gas and their allocation between core and noncore markets for both companies.

## II. SOCALGAS NONCORE GAS DEMAND FORECASTS

### A. Introduction

SoCalGas's service to noncore markets includes both retail and wholesale service. Retail service consists of transportation and distribution of gas directly for end-use consumption. Wholesale service is provided to municipalities or other investor-owned utilities who re-deliver the gas to their end-use customers. SoCalGas's wholesale customers are the City of Long Beach (Long Beach), SDG&E, the City of Vernon (Vernon), and Southwest Gas Corporation (SWG). In addition to these four wholesale customers, SoCalGas also has an international customer: ECOGAS of Mexicali (ECOGAS).

Noncore retail customers typically represent those with much larger individual loads than are characteristic of core customers. Also, noncore customers are generally business establishments with many employees.

### B. SoCalGas Noncore Customer Segment Demand

#### 1. Noncore Commercial

During this Cost Allocation Proceeding (CAP) period, SoCalGas forecasts noncore commercial demand to average 18,243 MDth per year, higher than the 2024 Heating Degree Day (HDD)[1]-adjusted actual usage of 17,698 MDth.[2] The increase in the HDD-adjusted average year demand for 2024 through year 2027 is the net result of expected modest growth in this market

[1] Heating Degrees (HD) is computed from the formula, HD = max{0, 65-T}, where T is the daily system average temperature. For each calendar month, the accumulated number of HD is determined, upon which an annual total is calculated. Accumulated values of HD for a specified number of days (>1) are called Heating-Degree-Days (HDD).

[2] The HDD-adjusted value for 2024 is 17,698 MDth and reflects the small, but statistically significant, sensitivity to HDD where calendar year 2024 had about 94 HDD higher than our average year design HDD value of 1,239. The observed value for 2024 was 17,828 MDth.

(including migration of core commercial load to noncore) net of decreases from the expected fuel substitution programs.

**Table EM-1**
**SoCalGas Average Year Noncore Commercial Demand Forecast (MDth/Year)**

| | 2027 | 2028 | 2029 | 3-Year Avg. 2027-2029 |
|---|---|---|---|---|
| Noncore Commercial | 18,300 | 18,242 | 18,186 | 18,243 |

### 2. Noncore Industrial

SoCalGas forecasts retail noncore industrial (non-refinery) annual demand to decline from 48,635 MDth in 2024 to an average of 45,166 MDth during this CAP period. The decline of this market segment from 2024 through the CAP period is the net result of expected modest decline in this market, migration of core industrial load to noncore, the expected implementation of mandated energy efficiency (EE) programs and the migration of noncore industrial load to the City of Vernon.

Refinery industrial demand is comprised of gas consumption by petroleum refining customers, hydrogen producers, and petroleum refined product transporters. Refinery industrial demand is forecasted separately from other industrial demand because of the distinct nature of these customers. These customers are characterized by a complex interaction of refinery operations, on-site production of alternate fuels, and changing regulatory requirements impacting the production of petroleum products. SoCalGas expects refinery industrial demand to decrease about 1.2% from 92,001 MDth in 2024 to an average of 90,859 MDth per year in this CAP period. The decline of refinery gas demand is due to the savings from Commission-mandated EE programs.

**Table EM-2**
**SoCalGas Average Year Noncore Industrial Demand Forecast (MDth/Year)**

| | 2027 | 2028 | 2029 | 3-Year Avg. 2027-2029 |
|---|---|---|---|---|
| Noncore Industrial (non-refinery) | 46,189 | 45,008 | 44,300 | 45,166 |
| Industrial Refinery | 90,924 | 90,858 | 90,796 | 90,859 |
| Total | 137,113 | 135,866 | 135,097 | 136,025 |

### 3. Electric Power Generation

The electric power generation sector includes the markets for all industrial/commercial cogeneration and non-cogeneration EG. Small industrial/commercial and refinery cogeneration demand is included in my testimony; the other sectors of electric power generation demand are discussed in the testimony of Robert Fiola (Chapter 4).

Industrial/Commercial cogeneration units (<20 MW) ("self-generation") are installed primarily to generate electricity for customers' internal consumption rather than for power sales to electric utilities or to the California Independent System Operator. In 2024, gas deliveries to this market were 25,079 MDth. SoCalGas forecasts small industrial/commercial cogeneration demand to average 24,693 MDth per year during the CAP period. The slight decrease in demand is due to the expected increase in the burner-tip price of natural gas relative to retail electricity over the forecast period.

Refinery cogeneration units are installed primarily to generate electricity for refinery customers' internal use. SoCalGas projects refinery-related cogeneration to be 20,848 MDth in this CAP period.

### 4. Enhanced Oil Recovery-Cogeneration and Steaming

The Enhanced Oil Recovery (EOR) demand forecast is prepared based on historical throughput and general market conditions. For the 2027 to 2029 CAP period, SoCalGas forecasts EOR demand, combined for cogeneration and steaming usage, to decrease about 1.3% annually, from 10,723 MDth in 2027 to 10,446 MDth in 2029.

### 5. Wholesale

The forecast of wholesale gas demand includes transportation service to SDG&E, City of Long Beach Utilities Department, Southwest Gas (SWG), and City of Vernon.

The non-electric generation (non-EG) gas demand forecast for SDG&E is made on a customer class basis. Under average temperature conditions, total non-EG requirements for SDG&E are expected to decrease from 53,419 MDth in 2024 to an average of 50,250 MDth for the CAP period.

The forecast of electric generation gas demand in SDG&E's service area shows a decrease in SDG&E's EG gas requirements from 35,947 MDth in 2024 to an average of 33,406 MDth for the CAP period.

For City of Long Beach, a forecast received from Long Beach has been used. SoCalGas's average transportation deliveries to City of Long Beach are forecasted to be 8,457 MDth per year in the CAP period.

The demand forecast for SoCalGas deliveries to SWG has been prepared and provided by SWG for its southern California markets. The direct service load to SWG is expected to grow 0.8% per year in this CAP period, from 8,847 MDth in 2027 to 8,993 MDth in 2029.

City of Vernon initiated municipal gas service to its electric power plant in June 2005 and to noncore customers in December 2006. SoCalGas expects the annual usage of City of Vernon to average 8,480 MDth for this CAP period. This forecast is based on recorded 2024 usage for

commercial and industrial customers already served by City of Vernon, plus those additional customers who are expected to request retail service from City of Vernon. Results from the power market simulation model described in the testimony of Robert Fiola (Chapter 4) provided the basis for our forecast of City of Vernon's EG gas demand.

### 6. ECOGAS

For this forecast, SoCalGas used a forecast prepared and provided by ECOGAS of Mexicali. ECOGAS expects its natural gas consumption to increase from 12,039 MDth in 2024 to an average of 13,798 MDth per year in the 2027-2029 CAP period.

### 7. Exchange

The exchange of gas between SoCalGas and PG&E for operational reasons has been an ongoing practice since 1949. Such exchanges are currently governed by the Master Exchange Agreement (MEA), approved by the Commission in February 1990. The net exchange of gas deliveries from SoCalGas to PG&E under the MEA is forecasted to average -8,955 Mdth per year over the CAP period. SoCalGas's annual deliveries to PG&E are expected to be 454 Mdth, while PG&E's deliveries to SoCalGas are expected to be 9,409 Mdth. The exchange forecast is based on the historical average spanning 2022-2024, as shown below.

**Table EM-3**
**Exchange Gas Historical Volumes in Mdth**

| | 2022 | 2023 | 2024 | 3-Year Average |
|---|---|---|---|---|
| SoCalGas Deliveries to PG&E | 426 | 446 | 489 | 454 |
| PG&E Deliveries to SoCalGas | 5,589 | 10,325 | 12,311 | 9,409 |
| Net Difference | (5,163) | (9,879) | (11,822) | (8,955) |

## III. SOCALGAS METER COUNT AND CONSOLIDATED GAS DEMAND FORECASTS

### A. Introduction

For year 2024, SoCalGas's total gas demand, adjusted to the Average Year HDD of 1,239 HDD, totaled 845,703 MDth, which is an average of 2,311 MDth/day. In this CAP period, SoCalGas expects its Average Year gas demand to be an average of 831,567 MDth annually, a decrease of 1.7% from the 2024 Average Year value.

SoCalGas's Consolidated gas demand forecasts are used in SoCalGas's Cost Allocation and Long Run Marginal Cost Study presented in the direct testimony of Marjorie Schmidt-Pines (Chapter 9) and SoCalGas's Rate Design presented in the direct testimony of Michael Foster (Chapter 12).

### B. Meter Count Forecasts

SoCalGas's overall outlook for customer meter counts for this CAP period is summarized in Table EM-4 below. In this CAP period, SoCalGas expects customer growth for core markets overall and slight decrease in customer counts in retail noncore markets.

**Table EM-4**
**SoCalGas Active Meters (Annual Averages)**

| | 2027 | 2028 | 2029 | 3-Year Avg. 2027-2029 |
|---|---|---|---|---|
| **Core** | | | | |
| Residential | 5,827,688 | 5,844,299 | 5,861,412 | 5,844,466 |
| Core C&I | 201,770 | 201,677 | 201,624 | 201,690 |
| Gas AC | 4 | 4 | 4 | 4 |
| Gas Engine | 603 | 603 | 603 | 603 |
| NGV | 384 | 390 | 396 | 390 |
| **Total Core** | 6,030,449 | 6,046,973 | 6,064,039 | 6,047,154 |
| **Noncore** | | | | |
| Noncore C&I | 508 | 502 | 496 | 502 |
| Electric Generation | 366 | 366 | 366 | 366 |
| EOR | 28 | 28 | 27 | 28 |
| **Total Retail Noncore** | 902 | 896 | 889 | 896 |
| **Wholesale and Int'l** | 5 | 5 | 5 | 5 |
| **Total Active Meters** | **6,031,356** | **6,047,874** | **6,064,933** | **6,048,054** |

Residential, Gas A/C, Gas Engine, natural gas vehicle (NGV) and total C&I meter forecasts are presented in Eduardo Martinez's testimony (Chapter 3). Noncore customer meter counts are projected to slightly decline in the CAP period based on the historical data of each noncore market segment. Customer/meter counts for large EG and large cogeneration customers are described in the testimony of Robert Fiola (Chapter 4).

The core C&I meter forecast for this CAP period is derived by subtracting the other non-residential markets' meter forecasts from total C&I meter forecasts.

### C. Consolidated Gas Demand for Average Year and Cold Year

Table EM-5 shows the composition of SoCalGas's throughput forecast for 2027-2029 under Average Year temperature conditions, and Table 6 shows demand under Cold Year temperature conditions.[3]

[3] Gas demand under Average Year temperature conditions is called Average Year Throughput (AYTP) and gas demand under Cold Year temperature conditions is called Cold Year Throughput (CYTP).

## Table EM-5
## Composition of SoCalGas Throughput (MDth/Year) Average Temperature Year

| | 2027 | 2028 | 2029 | 3-Year Avg. 2027-2029 |
|---|---|---|---|---|
| **Core** | | | | |
| Residential | 201,290 | 197,785 | 195,501 | 198,192 |
| Core C&I | 90,108 | 88,810 | 87,605 | 88,841 |
| Gas AC | 14 | 14 | 14 | 14 |
| Gas Engine | 1,697 | 1,697 | 1,697 | 1,697 |
| NGV | 24,384 | 25,248 | 25,886 | 25,172 |
| **Total Core** | 317,494 | 313,554 | 310,703 | 313,917 |
| **Non-Core** | | | | |
| Non-core C&I | 155,412 | 154,108 | 153,283 | 154,268 |
| Electric Generation | 221,794 | 229,728 | 234,377 | 228,633 |
| EOR | 10,723 | 10,582 | 10,446 | 10,584 |
| **Total Retail Non-core** | 387,929 | 394,418 | 398,106 | 393,484 |
| **Wholesale and International** | | | | |
| Long Beach | 8,500 | 8,457 | 8,415 | 8,457 |
| SDG&E | 83,378 | 84,878 | 85,274 | 84,510 |
| Southwest Gas | 8,847 | 8,920 | 8,993 | 8,920 |
| Vernon | 8,125 | 8,525 | 8,790 | 8,480 |
| ECOGAS | 13,393 | 13,862 | 14,139 | 13,798 |
| **Total Wholesale & Intl.** | 122,242 | 124,642 | 125,611 | 124,165 |
| **Average Year Throughput (AYTP)** | **827,665** | **832,614** | **834,420** | **831,567** |

**Table EM-6**
**Composition of SoCalGas Throughput (MDth/Year) 1-in-35 Cold Temperature Year**

| | 2027 | 2028 | 2029 | 3-Year Avg. 2027-2029 |
|---|---|---|---|---|
| **Core** | | | | |
| Residential | 218,086 | 214,611 | 212,362 | 215,020 |
| Core C&I | 93,533 | 92,243 | 91,048 | 92,274 |
| Gas AC | 14 | 14 | 14 | 14 |
| Gas Engine | 1,697 | 1,697 | 1,697 | 1,697 |
| NGV | 24,384 | 25,248 | 25,886 | 25,172 |
| **Total Core** | 337,714 | 333,813 | 331,007 | 334,178 |
| **Non-Core** | | | | |
| Non-core C&I | 155,725 | 154,421 | 153,596 | 154,581 |
| Electric Generation | 221,794 | 229,728 | 234,377 | 228,633 |
| EOR | 10,723 | 10,582 | 10,446 | 10,584 |
| **Total Retail Non-core** | 388,242 | 394,731 | 398,419 | 393,797 |
| **Wholesale and International** | | | | |
| Long Beach | 9,136 | 9,088 | 9,042 | 9,089 |
| SDG&E | 85,931 | 87,449 | 87,863 | 87,081 |
| Southwest Gas | 9,543 | 9,622 | 9,700 | 9,621 |
| Vernon | 8,125 | 8,525 | 8,790 | 8,480 |
| ECOGAS | 13,393 | 13,862 | 14,139 | 13,798 |
| **Total Wholesale & Intl.** | 126,129 | 128,546 | 129,535 | 128,070 |
| **Cold Year Throughput (CYTP)** | **852,085,** | **857,090** | **858,961** | **856,045** |

## D. Consolidated Peak Day Gas Demand

SoCalGas uses the following consolidated peak day gas demand for cost allocation and rate design purposes. Table 7 below shows the peak day gas demand for each year of the CAP period as well as the three-year average for that period.

**Table EM-7**
**SoCalGas Consolidated Peak Day Demand (MDth/Day)**

| | 2027 | 2028 | 2029 | 3-Year Avg. 2027-2029 |
|---|---|---|---|---|
| **Core** | | | | |
| Residential | 2,106 | 2,094 | 2,088 | 2,096 |
| Core C&I | 559 | 556 | 553 | 556 |
| Gas AC | 0.04 | 0.04 | 0.04 | 0.04 |
| Gas Engine | 3 | 3 | 3 | 3 |
| NGV | 66 | 68 | 70 | 68 |
| **Total Core** | 2,733 | 2,720 | 2,713 | 2,722 |
| **Non-Core** | | | | |
| Non-core C&I | 497 | 493 | 491 | 493 |
| Electric Generation | 874 | 882 | 886 | 880 |
| EOR | 29 | 29 | 29 | 29 |
| **Total Retail Non-core** | 1,400 | 1,403 | 1,405 | 1,403 |
| **Wholesale and International** | | | | |
| Long Beach | 54 | 54 | 54 | 54 |
| SDG&E | 545 | 541 | 563 | 550 |
| Southwest Gas | 63 | 63 | 64 | 63 |
| Vernon | 22 | 22 | 22 | 22 |
| ECOGAS | 36 | 37 | 38 | 37 |
| **Total Wholesale & Intl.** | 720 | 718 | 741 | 726 |
| **Total Peak Day Demand** | **4,853** | **4,842** | **4,859** | **4,851** |

For HDD-sensitive core market segments, peak day demand is calculated using the applicable 1-in-35-year peak day temperature condition for SoCalGas or SDG&E. SoCalGas and SDG&E noncore commercial peak day demand is calculated under a 1-in-10-year peak day temperature condition. SoCalGas noncore industrial and refinery peak day demand is estimated using the ratio of 2024 historical December peak day demand over average December daily demand. For SoCalGas and SDG&E electric generation facilities presented in the direct

testimony of Robert Fiola (Chapter 4), peak day demand is calculated as a coincidental peak day[4] for all these facilities. For all other market segments, peak day load is calculated as average daily December month's demand.

### E. Consolidated Peak Month Gas Demand

SoCalGas uses gas demand for the month of December as the peak month for cost allocation and rate design purposes. Consolidated forecasts for peak month gas demands are shown below in Table EM-8 for each year of the CAP period as well as the three-year average for that period.

**Table EM-8**
**SoCalGas Consolidated Peak Month Demand (MDth/Mo)**

| | 2027 | 2028 | 2029 | 3-Year Avg. 2027-2029 |
|---|---|---|---|---|
| **Core** | | | | |
| Residential | 32,817 | 32,275 | 31,911 | 32,335 |
| Core C&I | 10,726 | 10,571 | 10,428 | 10,575 |
| Gas AC | 1 | 1 | 1 | 1 |
| Gas Engine | 82 | 82 | 82 | 82 |
| NGV | 2,032 | 2,104 | 2,157 | 2,098 |
| **Total Core** | 45,658 | 45,034 | 44,580 | 45,091 |
| **Non-Core** | | | | |
| Non-core C&I | 13,346 | 13,247 | 13,196 | 13,263 |
| Electric Generation | 18,617 | 20,095 | 20,208 | 19,640 |
| EOR | 911 | 899 | 887 | 899 |
| **Total Retail Non-core** | 32,873 | 34,241 | 34,291 | 33,802 |
| **Wholesale and International** | | | | |
| Long Beach | 1,094 | 1,089 | 1,084 | 1,089 |
| SDG&E | 10,204 | 10,297 | 10,626 | 10,376 |
| Southwest Gas | 1,285 | 1,297 | 1,309 | 1,297 |
| Vernon | 656 | 729 | 764 | 716 |
| ECOGAS | 1,117 | 1,156 | 1,179 | 1,151 |
| **Total Wholesale & Intl.** | 14,356 | 14,569 | 14,963 | 14,629 |
| **Total Peak Month Demand** | **92,887** | **93,845** | **93,835** | **93,522** |

[4] EG Winter coincidental peak day is the day in December which has the highest EG throughput of the combined SDG&E and SoCalGas EG system.

For HDD-sensitive market segments, December HDD for cold year temperature designs are used to calculate gas demand.

## IV. SDG&E NONCORE GAS DEMAND FORECASTS

This section presents noncore customers' gas demand for SDG&E, with the exception of the gas requirements for large electric generation and large cogeneration customers (with capacity greater than 20 MW) discussed in the direct testimony of Robert Fiola (Chapter 4). Gas demand forecasts for noncore Commercial and Industrial/Commercial Cogeneration (<20 MW) are derived by trending recorded data for 2013 through 2024 driven primarily by expected growth in commercial and industrial employment in San Diego County. Noncore industrial is projected using historical data trend. C&I non-cogeneration gas demand is adjusted to reflect decreases from the expected implementation of mandated EE programs and expected fuel substitution/electrification (AAFS). The data in Table EM-9 below shows SDG&E's noncore throughput each year for the CAP period, as well as the three-year average.

**Table EM-9**
**Composition of SDG&E Noncore Throughput (MDth/Year)**

| | 2027 | 2028 | 2029 | 3-Year Avg. 2027-2029 |
|---|---|---|---|---|
| Noncore C&I | 5,267 | 5,243 | 5,222 | 5,244 |
| Small Cogeneration (<20 MW) | 6,725 | 6,691 | 6,688 | 6,701 |

SDG&E forecasts noncore commercial and industrial demand decline about 0.4% per year in the CAP period, from 5,267 MDth in 2027 to 5,222 MDth by 2029.

SDG&E's industrial/commercial cogeneration (capacity <20 MW) load was expected to decline 0.3% in this CAP period and is averaged to 6,701 MDth.

## V. SDG&E METER COUNT AND CONSOLIDATED GAS DEMAND FORECASTS

### A. Introduction

SDG&E's total throughput (gas sales and transportation), adjusted to the Average Year HDD of 1,179 HDD, totaled 89,366 MDth for year 2024, an average of 244 MDth/day. In the 2027 to 2029 CAP years, SDG&E expects Average Year throughput to average at about 83,656 MDth, a decrease of 6.4% from 2024 value.

SDG&E's consolidated gas demand forecast data are used for SDG&E's Cost Allocation and Long Run Marginal Cost Study presented in the direct testimony of Marjorie Schmidt-Pines (Chapter 9) and SDG&E's Rate Design presented in the direct testimony of Michael Foster (Chapter 12).

### B. Meter Count Forecasts

SDG&E's meter counts for this CAP period are summarized in Table EM-10 below. In this CAP period, SDG&E expects customer growth in core markets and stable customer counts in retail noncore markets.

**Table EM-10**
**SDG&E Meters (Annual Averages)**

| | 2027 | 2028 | 2029 | 3-Year Avg. 2027-2029 |
|---|---|---|---|---|
| **Core** | | | | |
| Residential | 894,893 | 898,184 | 901,685 | 898,254 |
| Core C&I | 30,722 | 30,720 | 30,727 | 30,723 |
| NGV | 36 | 36 | 36 | 36 |
| **Total Core** | 925,651 | 928,940 | 932,448 | 929,013 |
| **Noncore** | | | | |
| Noncore C&I | 67 | 67 | 67 | 67 |
| Electric Generation | 99 | 99 | 99 | 99 |
| **Total Noncore** | 166 | 166 | 166 | 166 |
| **Total Meters** | | | | |
| | **925,817** | **929,106** | **932,614** | **929,179** |

SDG&E's residential, core C&I, and NGV meter forecasts for this CAP period are based on customer forecasts presented in Eduardo Martinez's direct testimony (Chapter 3). Noncore customer counts are developed from base year 2024 data and projected to be stable in CAP period based on the observed trend of each noncore market segment. Customer/meter counts for the large EG and large cogeneration market segments are described in the direct testimony of Robert Fiola (Chapter 4).

### C. Consolidated Gas Demand for Average Year and Cold Year

Tables EM-11 and EM-12 show the details of SDG&E's forecasted annual gas demand under Average-Year and 1-in-35 Cold-Year temperature conditions, respectively.

**Table EM-11**
**Composition of SDG&E Throughput (MDth/Year) Average Temperature Year**

| | 2027 | 2028 | 2029 | 3-Year Avg. 2027-2029 |
|---|---|---|---|---|
| **Core** | | | | |
| Residential | 24,114 | 23,666 | 23,351 | 23,711 |
| Core C&I | 17,454 | 17,646 | 17,846 | 17,649 |
| NGV | 3,405 | 3,641 | 3,897 | 3,647 |
| **Total Core** | 44,973 | 44,952 | 45,094 | 45,007 |
| **Noncore** | | | | |
| Noncore C&I | 5,267 | 5,243 | 5,222 | 5,244 |
| Electric Generation | 32,295 | 33,826 | 34,096 | 33,406 |
| **Total Noncore** | 37,562 | 39,069 | 39,318 | 38,649 |
| **Average Year Throughput (AYTP)** | **82,535** | **84,021** | **84,412** | **83,656** |

**Table EM-12**
**Composition of SDG&E Throughput (MDth/Year) 1-in-35 Cold Year Temperature**

| | 2027 | 2028 | 2029 | 3-Year Avg. 2027-2029 |
|---|---|---|---|---|
| **Core** | | | | |
| Residential | 26,064 | 25,621 | 25,312 | 25,666 |
| Core C&I | 18,032 | 18,236 | 18,449 | 18,239 |
| NGV | 3,405 | 3,641 | 3,897 | 3,647 |
| **Total Core** | 47,501 | 47,497 | 47,658 | 47,552 |
| **Noncore** | | | | |
| Noncore C&I | 5,267 | 5,243 | 5,222 | 5,244 |
| Electric Generation | 32,295 | 33,826 | 34,096 | 33,406 |
| **Total Noncore** | 37,562 | 39,069 | 39,318 | 38,649 |
| **Cold Year Throughput (CYTP)** | **85,063** | **86,566** | **86,976** | **86,202** |

## D. Consolidated Peak Day Gas Demand

SDG&E uses the consolidated peak day gas demand for cost allocation and rate design purposes. Table 13 below shows the peak day gas demand.

**Table EM-13**
**SDG&E Consolidated Peak Day Demand (MDth/day)**

| | 2027 | 2028 | 2029 | 3-Year Avg. 2027-2029 |
|---|---|---|---|---|
| **Core** | | | | |
| Residential | 206 | 204 | 203 | 204 |
| Core C&I | 89 | 91 | 92 | 91 |
| NGV | 9 | 10 | 11 | 10 |
| **Total Core** | 304 | 305 | 306 | 305 |
| **Noncore** | | | | |
| Noncore C&I | 18 | 18 | 18 | 18 |
| Electric Generation | 217 | 213 | 233 | 221 |
| **Total Noncore** | 236 | 231 | 251 | 239 |
| **Total Peak Day Demand** | **540** | **536** | **557** | **544** |

For SDG&E's HDD-sensitive core market segments, peak day demand is calculated under a 1-in-35-year peak day temperature condition. SDG&E's noncore commercial peak day demand is calculated under a 1-in-10-year peak day temperature condition. For the SDG&E

electric generation facilities included in the direct testimony of Robert Fiola (Chapter 4) power market simulation model, peak day demand was calculated as a coincidental peak day for all these facilities. For all the other market segments, peak day load is calculated as the average daily December month's demand.

### E. Consolidated Peak Month Gas Demand

SDG&E uses gas demand for the month of December as the peak month for cost allocation and rate design purposes. Consolidated forecasts for the peak month gas demand are shown in Table 14 below.

**Table EM-14**
**SDG&E Consolidated Peak Month Demand (MDth/Month)**

| | 2027 | 2028 | 2029 | 3-Year Avg. 2027-2029 |
|---|---|---|---|---|
| **Core** | | | | |
| Residential | 3,652 | 3,589 | 3,545 | 3,595 |
| Core C&I | 1,962 | 1,984 | 2,006 | 1,984 |
| NGV | 289 | 309 | 331 | 310 |
| **Total Core** | 5,904 | 5,882 | 5,882 | 5,889 |
| **Noncore** | | | | |
| Noncore C&I | 445 | 444 | 441 | 443 |
| Electric Generation | 3,753 | 3,868 | 4,197 | 3,939 |
| **Total Noncore** | 4,198 | 4,311 | 4,637 | 4,382 |
| **Total Peak Month Demand** | **10,101** | **10,193** | **10,519** | **10,271** |

For HDD-sensitive core market segments, December HDD for SDG&E's cold year temperature design is used to calculate gas demand.

## VI. CORE STORAGE ALLOCATIONS AND UNACCOUNTED FOR GAS

### A. Core Storage Allocations

The following storage assets are allocated to serve the core customers of SoCalGas and SDG&E combined:

- Storage Inventory of 76 Bcf[5],
- Winter Months' Withdrawal Capacity of 1,500 MMcfd, and
- Summer Months' Injection Capacity of 250 MMcfd.

These storage assets are discussed in the testimony of Michelle Dandridge (Chapter 1). The purpose of my testimony regarding these assets is to provide the accompanying allocation of these overall core asset levels to (1) SoCalGas and (2) SDG&E for each company's respective core rate classes.

Table EM-15 shows the allocation of the storage assets for SoCalGas's core customers by customer class, and Table EM-16 shows the resulting storage asset allocation by customer class for SDG&E's core customers, and summarized total storage assets.

**Table EM-15**
**SoCalGas Core Storage Allocations by Customer Class**

| Storage Asset | Residential | G-10 | G-AC | G-GE | G-NGV | Total SCG Core |
|---|---|---|---|---|---|---|
| Inventory Allocation (BCF) | 58.9 | 11.0 | 0.004 | 0.5 | 0.4 | 70.7 |
| Injection (MMcfd) | 193.7 | 36.1 | 0.014 | 1.5 | 1.2 | 232.5 |
| Withdrawal (MMcfd) | 1,076.6 | 285.6 | 0.020 | 1.4 | 34.8 | 1,398.3 |

[5] The storage assets used for core storage allocation also include a small amount of storage assets for wholesale core customers. In compliance with Decision (D.) 20-02-045, "Southern California Gas Company is authorized to allocate wholesale core customers' storage capacities from the core storage assets and balance the revenue in its Core Fixed Cost Account. D.20-02-045 at 106 (Ordering Paragraph (OP) 17). D.24-07-009 adopted all-party settlement regarding storage assets, and the settlement approved core storage allocation presented in Tables EM-15 and EM-16.

**Table EM-16**
**SDG&E Core Storage Allocations by Customer Class & Combined SCG & SDG&E**

| Storage Asset | Residential | GN-3 | G-NGV | Total SDG&E Core | | Total SCG & SDG&E Core |
|---|---|---|---|---|---|---|
| Inventory Allocation (BCF) | 5.9 | 2.0 | 0.14 | 8.1 | | 78.8 |
| Injection (MMcfd) | 19.4 | 6.6 | 0.5 | 26.5 | | 259.0 |
| Withdrawal (MMcfd) | 105.0 | 46.6 | 5.1 | 156.7 | | 1,555.0 |

These allocations are based on the monthly core demand forecasts presented in the testimony of Eduardo Martinez (Chapter 3). These core storage capacity allocations are used to allocate storage costs among SoCalGas's and SDG&E's core customers.

### B. Unaccounted-For (UAF) Gas

UAF gas is the difference between total receipts into SoCalGas's and SDG&E's respective service territories and total deliveries within SoCalGas's and SDG&E's respective service territories.[6] The difference is comprised of the following major elements: accounting, measurement, leakage, theft, and other unexplained unaccounted-for volumes of gas. The contributions of each of the major elements to the total UAF were analyzed for each company in a 2006 UAF study, which is the most recent comprehensive analysis of UAF drivers available for SoCalGas and SDG&E.

The cumulative recorded UAF gas of three production cycles (i.e., an April through March period) for the months of April 2022 through March 2025 for SoCalGas and SDG&E are shown in Table EM-17 and Table EM-18 below, along with UAF gas as percentages of total gas receipts.

[6] UAF is different from natural gas emissions. Some main UAF components, e.g., UAF caused by accounting, measurement, and theft, are not natural gas emissions.

**Table EM-17**
**Recorded SoCalGas UAF**

| Apr-22 - Mar-25 | Total Receipts (MMBtu) | Total Deliveries (MMBtu) | UAF (MMBtu) | UAF % of Receipts |
|---|---|---|---|---|
| 36 Months Total | 2,688,537,256 | 2,662,255,250 | 26,282,006 | 0.978% |

**Table EM-18**
**Recorded SDG&E UAF**

| Apr-22 - Mar-25 | Total Receipts (MMBtu) | Total Deliveries (MMBtu) | Adjustments to LUAF (MMBtu) | UAF (MMBtu) | UAF % of Receipts |
|---|---|---|---|---|---|
| 36 Months Total | 291,331,376 | 287,628,369 | -1,589,113 | 2,113,893 | 0.726% |

SoCalGas and SDG&E propose that the UAF percentages used in the testimony of Mike Foster (Chapter 12) for each utility for ratemaking purposes be updated and based on the April 2022 to March 2025 three-year average of 0.978% for SoCalGas, shown in Table EM-17, and 0.726% for SDG&E as shown in Table EM-18. For cost recovery and ratemaking purposes, SoCalGas currently allocates 71.1% of UAF gas to the core and 28.9% to noncore, while SDG&E currently allocates 76.71% of UAF gas to the core and 23.29% to the noncore. These allocation factors are based on the 2006 UAF study for each respective company and were approved by the Commission in the most recent CAP decision. SoCalGas and SDG&E propose that these allocation factors continue to be used for cost recovery and ratemaking purposes for the 2027 to 2029 CAP period. The monthly total of deliveries, receipts, and UAF are shown in detail in the accompanying workpapers, along with a copy of the 2006 UAF Study covering both companies.

This concludes my prepared direct testimony.

## VII. QUALIFICATIONS

My name is Eduardo Martinez. My business address is 555 West Fifth Street, Los Angeles, California 90013-1011. I am employed by SoCalGas as a Forecasting Advisor in the Regulatory Affairs Department. I am responsible for weather design, noncore non-dispatchable EG demand forecast, as well as preparation and consolidation of natural gas demand forecasts for SoCalGas and SDG&E. I have held my current position since March 2016. I previously worked as a Principal Regulatory Economic Advisor in the Regulatory Affairs Department of SoCalGas from March 2015 to March 2016.

I earned an undergraduate degree in Applied Mathematics from Dalian University of Technology, and a Master of Science in Applied Statistics from California State University of Long Beach.

I have previously submitted testimony before the Commission.