APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY FOR ANGELES LINK PHASE 2 A.24-12-011

DATA REQUEST TURN-SCG-DR01
Date Requested: February 12, 2025, Submitted: February 27, 2025

QUESTION 1-1: Please provide an electronic copy of any study produced by SoC[al]Gas or its contractors or consultants resulting from Phase 1 work.

RESPONSE 1-1:

Electronic copies of Phase 1 Studies can be found at:
https://www.socalgas.com/sustainability/innovation-center/angeles-link/phase-1

QUESTION 1-2: Regarding Testimony ch. 7, Sec. IV re. cost allocation: Please identify any and all other programs or costs, aside from CARE, which are allocated ECPT. For each such program, please list the total amounts included in revenue requirements in 2024.

RESPONSE 1-2:

SoCalGas objects to this request pursuant to Rule 10.1 on the grounds it is neither relevant to the pending proceeding nor reasonably calculated to lead to the discovery of admissible evidence. Moreover, this information is equally available to the requesting party. Subject to and without waiving the foregoing, SoCalGas responds as follows.

The following table provides a list of programs and regulatory accounts which are allocated using the ECPT cost allocation methodology. This is a non-exhaustive list, and only includes program with authorized revenue requirements over $1 million in 2024. For each program or account, the balance authorized for recovery in 2024 rates, pursuant to Advice Letter 6237-G, is identified (https://tariffsprd.socalgas.com/view/filing/?utilId=SCG&bookId=GAS&flngKey=4662&flngId=6237-G&flngStatusCd=Approved) for Consolidated Rate Update for transportation rate programs and Advice Letter 6216-G , (https://tariffsprd.socalgas.com/view/filing/?utilId=SCG&bookId=GAS&flngKey=4636&flngId=6216-G&flngStatusCd=Approved) for PPPS rate programs.

2024 Annual Consolidated Update Revenue Requirement Advice Letter 6237-G

$000	**2024 Revenue Requirements**
AB32 Fees (subtracted from base margin and allocated here)	$5,106
Company Use Gas: Other	$2,022
Company Use Gas: Storage Load Balancing	$1,962
Green House Gas Balancing Account (GHGBA) - Company Gas Compressor Revenue Requirement	$2,684
Green House Gas Balancing Account (GHGBA) - End User Revenue Requirement	$659,841
Residential Uncollectible Balancing Account (RUBA)	$361,045
California Solar Initiative Thermal Memorandum Account (CSITPMA)	$1,391
Green House Gas Balancing Account (GHGBA) - Company Gas Compressor	($2,420)
Green House Gas Balancing Account (GHGBA) - End User	$85,565
Hazardous Substance Cost-Recovery Account (HSCRA)	$2,438
New Environmental Regulatory Balancing Account (NERBA) - Admin Fees Subaccount	$8,886

Company-Use Fuel for Load Balancing Account (CUFLBA)	$12,182
System Reliability Memorandum Account (SRMA)	$32,096

2024 PPPS Revenue Requirements Advice Letter 6216-G:

$000	**2024 Revenue Requirements**
CDTFA Administrative Costs	$476.4
SJVDGPMA	$91.0

QUESTION 1-3: Regarding the PPPS and AL 6216-G:

1-3.1. Please explain in detail the nature of "direct benefits allocation" used for EE and ESA. Please provide any relevant workpapers.

1-3.2. Separately for EE and ESA, please provide a table showing how much was allocated to each customer class in 2024 based on direct benefits allocation.

RESPONSE 1-3:

SoCalGas objects to this request pursuant to Rule 10.1 on the grounds it is neither relevant to the pending proceeding nor reasonably calculated to lead to the discovery of admissible evidence. Moreover, this information is equally available to the requesting party. Subject to and without waiving the foregoing, SoCalGas responds as follows.

1-3.1.

Program costs are allocated to each customer class in proportion to the amount of program dollars dedicated to programs that serve that customer class.

The direct benefit allocations for each customer class under the Energy Efficiency/DSM program are outlined below:

Program Cost Allocators	**Residential**	**C&I**	**Gas A/C**	**Gas Engine**	**Total Core**	**NCCI**	**EG & W/S**	**Total NonCore**	**Total System**
EE/DSM Direct Benefits allocation	39.5%	51.7%	0.1%	1.0%	92.4%	7.6%	0.0%	7.6%	100.0%

Energy Saving Assistance program allocation is 100% residential since they are the only customer class that benefits from ESA.

1-3.2.

	Residential	C&I	Gas A/C	Gas Engine	Non-Core C&I	EG & Wholesale	Total System
Allocation of Non CARE costs & Calculation of Rate for NonCARE programs:							
Energy Efficiency	$65,789	$86,084	$124	$1,654	$12,724	$0	$166,376
Energy Saving Assistance	$107,550	$0	$0	$0	$0	$0	$107,550

QUESTION 1-4: Regarding Testimony ch. 7, Sec. III re revenue requirements:

1-4.1. Please provide workpapers in active Excel format for each table in Section III.

1-4.2. Please provide all relevant data, assumptions and workpapers underlying Table 4 on page NA-MWF-5.

RESPONSE 1-4:

1-4.1.
See attached workpaper for calculations.

Attachment: ALP2_A2412011_DR_TURN_01_Q4_Attach01_Chap7SecIIITableExcel

1-4.2.
See attached workpapers for the assumptions and calculations documented in Table 4.

Attachment: ALP2_A2412011_DR_TURN_01_Q4_Attach02_Chap7Table4Excel

QUESTION 1-5: For each year separately, starting with the year it was opened, please provide the end of year balance in the ALMA, segregated by 1) capital v. expense, and 2) activity.

RESPONSE 1-5:

SoCalGas objects to this request pursuant to Rule 10.1 on the grounds it is neither relevant to the pending proceeding nor reasonably calculated to lead to the discovery of admissible evidence. Per Ordering Paragraph 5 of D.22-12-055, "In order to request authority to recover the Phase One costs recorded in the Angeles Link Memo Account, Southern California Gas Company shall file an application." That application has not yet been filed.

QUESTION 1-6: Please provide the Workpaper for ch. 7 in working excel format.

RESPONSE 1-6:

See attachment from Response 1-4.1 workpaper for calculations.

Attachment: ALP2_A2412011_DR_TURN_01_Q4_Attach01_Chap7TableExcel

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QUESTION 1-7: Please provide copies or active links to any ARCHES White Paper.

RESPONSE 1-7:

The ARCHES white paper is located at: https://archesh2.org/white-papers/.

QUESTION 1-8: Regarding the Presentation cited in fn 81 of the Application: Please provide an electronic copy of the Presentation (the link in the application is not active).

RESPONSE 1-8:

An electronic copy of the *Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES)* presentation dated May 9, 2024 is available on the U.S. Department of Energy's Hydrogen Program website, at the following link:

https://www.hydrogen.energy.gov/docs/hydrogenprogramlibraries/pdfs/review24/oced001_galiteva_2024_o.pdf?sfvrsn=f835161f_3

QUESTION 1-9: Regarding Application, p. 31, the statement "where it would be difficult to transport hydrogen by truck":

1-9.1. Please provide citations to any locations in the supporting application or testimonies where this issue is discussed in any more detail;
1-9.2. If no such citations exist, please provide any additional data, studies or analyses that support this statement

RESPONSE 1-9.1:

As discussed in the Angeles Link Phase 2 testimony of Neil Navin,[1] "the [Angeles Link Phase 1 Final High-Level Economic Analysis & Cost Effectiveness] study demonstrated that among the hydrogen delivery alternatives, such as trucking and power transmission and distribution (T&D) with in-basin production, clean renewable hydrogen transported via Angeles Link is the most cost-effective means to deliver hydrogen into the Los Angeles Basin at scale." Also see the Angeles Link Phase 1 Final Project Options & Alternatives Study[2] (Alternatives Study) on e.g. pages 11, 39, 42, and 44.

The volume of hydrogen, the transport distance, and the end-user requirements primarily influence the choice of hydrogen transportation pathways. While trucking may be suitable for smaller volumes over shorter distances, it could present significant cost and operational challenges when scaling to larger volumes or longer distances. As noted in the Alternatives Study, "Other alternatives, such as a localized hub or hydrogen trucking, could serve a portion of the estimated clean renewable hydrogen demand; however, neither of these alternatives has the ability to meet the throughput volumes, transport distances, or cost-effectiveness"[3].

Larger-scale trucking options, such as liquefied hydrogen, could pose operational and economic challenges at scale. One such issue is boil-off losses, where liquid hydrogen vaporizes due to unavoidable heat transfer, leading to energy losses, safety concerns, and the need for vapor recovery systems.[4] These challenges could grow in complexity as transport distances increase to integrate new and existing hydrogen producers, making trucking a difficult solution for high-volume, longer-distance hydrogen delivery scenarios. Please refer to the ARCHES Hydrogen Hub Technical Submission to

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[1] Angeles Link Phase 2 Testimony Chapter 2 - Angeles Link and Summary of Phase 1 Studies (N. Navin) at NN-18 – 19, available here: https://www.socalgas.com/sites/default/files/alproject/phase2/A.24-12-XXX_TestimonyCh.2-AngelesLinkandSummaryofPhase1Studies_N.Navin_PDFA.pdf
[2] Angeles Link Phase 1 Final Project Options & Alternatives Study available at: https://www.socalgas.com/sites/default/files/alproject/Angeles-Link-Phase-1-Final-Project-Options-&-Alternatives.pdf
[3] *Id.* at 11.
[4] See Harnessing Hydrogen, A Key Element of the US Energy Future, National Petroleum Council, 2024, harnessinghydrogen.npc.org/files/H2-CH_3-Connecting_Infra-2024-04-23.pdf (pg. 24)

DOE (April 2023),[5] outlining challenges associated with trucking as it pertains to ARCHES' submission.

Hydrogen pipelines provide a scalable and cost-effective solution, particularly as hydrogen supply grows regionally to meet the end-user demand needs. Pipelines also offer additional benefits, such as enhanced reliability via continuous supply, reduced energy losses, and greater efficiency in serving local, urban, and intercity demands compared to trucking.

RESPONSE 1-9.2

Please see response to 1-9.1 above.

[5]See ARCHES Technical Submission to DOE, 2023, https://archesh2.org/wp-content/uploads/2024/08/ARCHES-Technical-Volume-Redacted.pdf (pg.29)

QUESTION 1-10: Regarding Application, p. 32, the statement that it would not be cost-effective to accept IIJA funds:

1-10.1. Please provide citations to any locations in the supporting application or testimonies where this issue is discussed in any more detail;
1-10.2. If no such citations exist, please provide any additional data, studies or analyses that support this statement.

RESPONSE 1-10:

1-10.1

References to other locations where this issue regarding IIJA funds is discussed include:

- Application, pg 32: ARCHES has designated SoCalGas a network partner for purposes of the California Hydrogen Hub. SoCalGas is not accepting federal funding from the IIJA because the costs of complying with federal standards for receipt of such funds would far exceed the amount offered and thus would not be in ratepayers' best interests.
- Ch 1, at MB-17, lines 14 -16: While SoCalGas is not bound by the DOE requirement because it is not accepting federal funds, as explained below, SoCalGas would support implementing community benefits.
- Ch 1, at MB-17, lines 3 – 5: SoCalGas is not accepting federal funding from the IIJA because the costs of complying with federal standards for receipt of such funds would far exceed the funding.

At this time, SoCalGas is not accepting federal funding. Pursuant to DE-FOA-0002779,[6] accepting federal funding would subject SoCalGas to the specific compliance obligations described therein (e.g., implementing or changing Company systems, etc.), the costs of which would significantly exceed the funding amount. In any event, the federal funding offered was for a later phase, not Angeles Link's Phase 2, and thus would not offset the costs described in the Application.

1-10.2:

N/A. See Response to 1-10-1 above.

[6] Funding Notice: Regional Clean Hydrogen Hubs | Department of Energy (https://www.energy.gov/oced/funding-notice-regional-clean-hydrogen-hubs)