

**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 IS-SCG-07 FROM INDICATED SHIPPERS  
DATED FEBRUARY 20, 2026  
SOCALGAS RESPONSE DATED: MARCH 6, 2026**

**Question 7-1.**

Please reference page PDB-10 of Chapter 10, Prepared Direct Testimony of Paul D. Borkovich, Off-System Delivery and Backbone Transportation Service Proposals, at Lines 10-14 where Mr. Borkovich states:

*At the time of issuance of D.11-03-2 029, SoCalGas/SDG&E expected that the expansion of OSD service to other SoCalGas and SDG&E receipt points would 1) increase utilization of the backbone system, increase BTS revenue, and lower transportation rates for on-system customers; 2) increase gas-on-gas competition; and 3) increase storage utilization and unbundled storage revenues.*

- a. Please confirm whether SoCalGas's Gas Acquisition Department would have been eligible to market gas supply to OSD expansion customers (if any).

**Response a.**

Yes.

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**Question 7-2.**

Please reference page PDB-11 of Chapter 10, Prepared Direct Testimony of Paul D. Borkovich, Off-System Delivery and Backbone Transportation Service Proposals, at Lines 1-2 where Mr. Borkovich states:

*As a result, the FASRMA balance continues to grow with no end in sight.*

- a. Please confirm whether SoCalGas currently earns a return on the FASRMA balance.

**Response a.**

No, SoCalGas does not earn a return on the FASRMA balance.

- b. Please confirm the interest rate accruing on the FASRMA balance, and the January 2026 rate of interest.

**Response b.**

The interest rate accruing on the FASRMA balance is the monthly three-month Commercial Paper rate, published in the Federal Reserve Statistical Release, H.15. The January 2026 interest rate is 3.65%.

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**Question 7-3.**

Please reference page PDB-11 of Chapter 10, Prepared Direct Testimony of Paul D. Borkovich, Off-System Delivery and Backbone Transportation Service Proposals, at Lines 2-6 where Mr. Borkovich states:

*The firm contractual limit should be reduced from the current Total Transmission Zone Firm Access capacity (3,775 MMcfd) to 110% of the forecast minimum backbone system design standard adopted in D.06-09-039 and reaffirmed in D.22-07-002 based on the average day quantity in a 1-in-10 cold and dry year for the first calendar year of the open season term for the duration of the term.*

- a. Please provide a detailed narrative explaining the following:
  - i. SoCalGas's rationale for proposing 110% of the forecasted minimum backbone system design standard.

**Response a.i.**

Step 1 bidding rights are mostly reserved for core customers with upstream capacity rights and for producers based on historical deliveries to the SoCalGas and SDG&E system. Step 2 end user BTS bidding rights are based on end user average usage over the three calendar years prior to the BTS Open Season contract effective date. Reducing the quantity of firm BTS capacity available during the open season term to better match the aggregated average customer usage requirements should reduce firm BTS capacity cuts, thus increasing the reliability of firm BTS. Limiting available firm BTS capacity to 110% of the forecast average day quantity in a 1-in-10 cold and dry year should be sufficient to cover Step 1 and Step 2 customer bidding rights over the subsequent BTS open season term.

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- ii. SoCalGas’s rationale for proposing the average day quantity in a 1-in-10 cold dry year coupled with a scalar greater than 100% (i.e., 110%) instead of the peak day quantity coupled with a scalar less than 100%.

**Response a.ii.**

Limiting the availability of firm BTS capacity based on a percentage of peak day demand was not considered.

- b. Please provide an electronic copy of all studies, analyses, reports, presentations and other similar documents prepared by or for SoCalGas relating to its proposal to reduce total available BTS capacity to 110% of the forecasted minimum backbone system design standard. Please provide electronic copies in native format, with all data inputs and cell formulas intact.

**Response b.**

Please see the PDB Workpapers for all relevant documents supporting the proposal to reduce total available firm BTS capacity to 110% of the forecasted minimum backbone system design standard.

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**Question 7-4.**

Please reference page PDB-11 of Chapter 10, Prepared Direct Testimony of Paul D. Borkovich, Off-System Delivery and Backbone Transportation Service Proposals, Line 16, through page PDB-12, Line 1, where Mr. Borkovich states:

*This capacity amount should be adequate to meet core and noncore customers bidding rights quantities based on historical usage for Step 1 and Step 2 of the BTS Open Season so long as Step 3 capacity awards continue to be minimal.*

- a. Please provide a detailed explanation of the potential impacts on firm BTS rights if Step 3 capacity awards do not “continue to be minimal” in the 2026 and subsequent BTS Open Seasons.

**Response a.**

Step 3 capacity is only available if base load quantities are available after steps 1 and 2 of the BTS open season are completed. SoCalGas expects that participation by customers in steps 1 and 2 will be heavy due to the availability of a fully volumetric firm rate option (G-BTS5) for the first time in the BTS open season. As a result, base load quantities available for step 3 are likely to be impacted.

- b. Please provide a detailed explanation of the potential impacts of implementing the proposed capacities shown on Table PDB-4 (page PDB-11) on the availability of firm BTS capacity for award in Step 3 of the 2026 and subsequent BTS Open Seasons.

**Response b.**

SoCalGas is currently gathering data in preparation for the 2026 BTS Open Season that is required to provide an explanation of the potential impacts on Step 3 bidders.

A response can be provided by April 15 once this data has been collected and verified.