

SAMPLE FORMS - CONTRACTS  
California Producer Agreement for Transfer of Ownership of Interconnection  
Point Systems - Form No. 6458

(See Attached Form)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO.    5586  
DECISION NO.

ISSUED BY  
**Dan Skopec**  
Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
SUBMITTED    Feb 13, 2020  
EFFECTIVE    Mar 23, 2020  
RESOLUTION NO.    \_\_\_\_\_

CALIFORNIA PRODUCER AGREEMENT FOR TRANSFER OF OWNERSHIP OF  
INTERCONNECTION POINT SYSTEMS

between

<Interconnector>

and

SOUTHERN CALIFORNIA GAS COMPANY

This California Producer Agreement for Transfer of Ownership of Interconnection Point Systems ("CPATO") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between Southern California Gas Company ("SoCalGas") and <INTERCONNECTOR> ("Interconnector").

RECITALS

Reference is made to the California Producer Interconnection Agreement between <INTERCONNECTOR> and Southern California Gas Company, ("CPIA"), dated <CPIA DATE>, covering gas delivered through the Interconnection Point at Orifice Meter <#####> ("OM #####") into Pool ##### (P #####) and to the California Producer Interconnect Collectible System Upgrade Agreement ("CPICSUA") between Interconnector and SoCalGas prepared <CPICSUA prepared date> wherein the Interconnector has elected to exercise the Interconnector Self-Build Alternative, Exhibit D of the CPICSUA and/or to provide goods in-kind as specified in Appendix I of the CPATO ("Appendix I").

The facilities that make up Interconnector's Interconnection Point system include, but are not limited to: pipes, valves, fittings, regulators, meters, and other associated materials (the "Facilities"). Refer to Appendix I for a more detailed description of the original Facilities to be built or for a description of any additional Facilities that SoCalGas has required Interconnector to build or install. The original Facilities and any additional Facilities transferred under this CPATO are referred to collectively as the "System."

Interconnector desires to transfer ownership of the System to SoCalGas, and SoCalGas is willing to accept the transfer of ownership of the System subject to the terms and conditions set forth in this CPATO, including its appendices.

1. SYSTEM LOCATION

Interconnector desires to transfer ownership of the System located on the property more particularly described as follows:

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Legal Description:

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2. LIENS AND ENCUMBRANCES

Interconnector represents that Interconnector is the sole owner of the System and that no part of the System is subject to any lien or encumbrance of any nature whatsoever including without limitation, any governmental imposition(s) such as taxes or assessments.

3. RIGHTS-OF-WAY

Where new formal rights-of-way, easements, land leases, or permits are required by SoCalGas for the System on or over Interconnector's property, or the property of others, Interconnector understands and agrees that SoCalGas shall not be obligated to accept ownership of the System unless and until any necessary permanent rights-of-way, easements, land leases, and permits, satisfactory to SoCalGas, are granted to or obtained for SoCalGas without cost to or condemnation by SoCalGas.

4. TRANSFER OF OWNERSHIP OF SYSTEM

Upon completion of construction work and installation of any new Facilities, if any, receipt of inspection approval from SoCalGas and authorities having jurisdiction for the inspections, and Interconnector's transfer to SoCalGas of the value described in Appendix II, SoCalGas shall own, operate, and maintain the System pursuant to the CPIA and/or CPICSUA. At such time (the "Transfer Date"), title to the System and each and every component part thereof shall immediately pass from Interconnector to SoCalGas free and clear of all liens and encumbrances, and Interconnector's performance obligations under this CPATO shall be deemed fulfilled except to the extent of any surviving representations and warranties as further described in Section 21 herein.

5. CONTRIBUTIONS, ADVANCES, AND ALLOWANCES

5.1 VALUE OF SYSTEM. SoCalGas, in its sole judgment, shall determine the value of the System, including usable Facilities, and Interconnector

shall contribute such value to SoCalGas. Interconnector shall provide an estimate of its cost to purchase and install the System including any internal labor and overheads and all necessary invoices and records to document the value of the System. The value of the System is described in Appendix II.

- 5.2 INCOME TAX COMPONENT CONTRIBUTION (“ITCC”). The capital portion of all contributions and advances by Interconnector, to the extent they are taxable to SoCalGas, shall include ITCC at the rate provided in the Preliminary Statement of SoCalGas' California Public Utilities Commission (“Commission”) approved tariff schedules as adopted and implemented. If Interconnector desires to seek a private letter ruling from the IRS, Interconnector must first obtain consent from SoCalGas and the cost will be borne by Interconnector. If SoCalGas and Interconnector jointly agree that a private letter ruling is necessary or desirable, Interconnector and SoCalGas agree to cooperate on the content of the request.

## 6. EXCESS FACILITIES

- 6.1 If, at a later date, the System transferred by Interconnector includes any Facilities which are in excess of those needed to provide access for Interconnector’s gas, and SoCalGas, in its sole discretion, elects to reduce such excess Facilities, Interconnector shall pay to SoCalGas its estimated total cost to remove, abandon or replace its excess Facilities, less the estimated salvage value, solely determined by SoCalGas, of any removed Facilities.
- 6.2 Alternatively, SoCalGas may elect to transfer such excess Facilities back to Interconnector in their “as-is” condition, “with all faults” and without warranties of any kind or nature, whether express or implied. Such transfer shall be consistent with Commission decisions and state law.

## 7. PERMITS AND LICENSES

To the best of Interconnector's knowledge, all approvals, permits and licenses required for the efficient and intended operation of the System are in full force and effect.

## 8. AD VALOREM TAXES

Except as disclosed by Interconnector, all taxes or other assessments on or concerning the System for the current tax year and earlier, have been paid in full and there are no penalties or delinquency charges owing. The current ad valorem taxes for the tax year in which the System are conveyed shall be prorated as of the date of conveyance. Interconnector shall pay to SoCalGas on demand such part

thereof as is attributable to the portion of the tax year prior to conveyance of the System.

#### 9. THIRD PARTY CONSENTS

All requisite third party consents to sell, assign, and transfer the System and rights-of-way have been secured.

#### 10. CONDITION OF SYSTEM

As of the Transfer Date, to the best of Interconnector's knowledge, the System is in reasonably good operating condition, is capable of providing the end users a safe and reliable source of gas service, complies with the Commission's General Orders, is compatible, and, in the case of new construction, meets SoCalGas' then current design and construction standards.

#### 11. LITIGATION, PROCEEDINGS, AND CLAIMS

Interconnector warrants there are no investigations, charges, proceedings, actions, suits, proceedings pending, or overtly threatened, involving tax, environmental or land use matters, before any court or governmental agency, or any other public forum, that could affect, encumber, or burden the System or the ability of SoCalGas to operate the System, or could result in impairment to or loss of SoCalGas' title to the System.

#### 12. GOVERNMENTAL COMPLIANCE

Interconnector warrants that the System has been operated by or on behalf of Interconnector in full compliance with all applicable laws, rules, and regulations, including ordinances and codes, of all city, county, state, and federal governments, and including, but not limited to, laws, rules, and regulations relating to environmental matters; and further including all rulings and orders of the Commission, and no notice from any governmental body has been served upon Interconnector or its agents or upon the System, claiming violation of any law, ordinance, code, rule, or regulation calling attention to the need for any work, repairs, constructions, alterations, or installation on or in connection in any way with the operation of the System with which Interconnector has not complied.

### 13. ASSIGNMENT OF CPATO

Interconnector may assign this CPATO, in whole or in part, only if SoCalGas consents in writing and the party to whom the CPATO is assigned agrees in writing, to perform the obligations of Interconnector thereunder. Consent will not be unreasonably withheld. Assignment of the CPATO shall not release Interconnector from any of the obligations under this CPATO, the CPIA and CPICSUA unless otherwise provided therein. SoCalGas may assign this CPATO, in whole or in part, only if Interconnector consents in writing and the party to whom the CPATO is assigned agrees in writing, to perform the obligations of SoCalGas thereunder. Consent will not be unreasonably withheld. Assignment of the CPATO shall not release SoCalGas from any of the obligations under this CPATO, CPIA and CPICSUA unless otherwise provided therein.

### 14. CPATO TERMINATION

Interconnector has the right to terminate this CPATO at any time before the transfer is complete upon written notice to SoCalGas. Notwithstanding an event of termination, within 60 calendar days of receipt of SoCalGas' itemized invoice, Interconnector shall reimburse SoCalGas for its expenses covering any engineering, surveying, right-of-way acquisition, and other associated work incurred by SoCalGas. If such expenses are greater or less than any contribution or advance made to SoCalGas by Interconnector, Interconnector shall pay to SoCalGas or SoCalGas shall refund the balance to Interconnector, without interest, as the case may be. This Paragraph 14 shall survive any termination of the CPATO.

### 15. INDEMNIFICATION

Interconnector shall, at its own cost, defend, indemnify, and hold harmless SoCalGas, its direct and indirect parent company, affiliates, subsidiaries, and their respective officers, agents, employees, assigns, and successors in interest from and against any and all liability, damages, losses, claims, demands, actions, causes of action, costs including attorney fees and expenses, or any of them, resulting from the death or injury to any person or damages to any property caused by Interconnector or its contractor and employees, officers or agents of either Interconnector or its contractor, or any of them, and arising out of the performance or nonperformance of their obligations under this CPATO.

### 16. JOINT AND SEVERAL LIABILITY

Where two or more individuals or entities are jointly transferring the System under this CPATO, all such parties shall be jointly and severally liable to comply with all terms and conditions herein.

## 17. NOTICES

Any notice either Interconnector or SoCalGas may wish to provide the other regarding this CPATO must be in writing. Such notice must be either hand-delivered, sent by U.S. registered or certified mail with postage prepaid, sent by regular U.S. mail with postage prepaid, or sent by telecopy and telephonically confirmed the same day, to the person designated to receive notice for the other party below, or to such other address as either may designate by written notice. Notices delivered by hand shall be deemed effective when delivered, and notices sent by telecopy shall be deemed effective on the day sent (if confirmed as provided below). Notices delivered by registered or certified U.S. mail shall be deemed effective when received, as acknowledged by the receipt of the certified or registered mailing. Notices delivered by regular U.S. mail shall be deemed effective three (3) business days after mailing.

To SoCalGas:            Southern California Gas Company  
                                 <Address 1>  
                                 <City, State Zip code>

                                 Attention:    <Contact>  
                                 Telephone:   <Contact number>  
                                 Telecopy:    <Contact fax>

cc:            Attention:    Energy Markets Segment Manager  
                                 Email:            < email address>  
                                 Telecopy:       <Energy Markets Segment Manager fax >

To Interconnector: <Interconnector>  
<Address 1>  
<City, State Zip code>

Attention: <Interconnector contact>  
Title: <Interconnector contact title>  
Telephone: <Interconnector contact number>  
Telecopy: <Interconnector contact fax>

## 18. ADDITIONAL TERMS AND CONDITONS

Appendix III to this CPATO, if applicable, includes additional terms and conditions associated with SoCalGas' acceptance of the transfer of ownership of the System.

## 19. COMMISSION JURISDICTION

This CPATO is subject to the applicable provisions of SoCalGas' tariffs as filed and authorized by the Commission. This CPATO shall at all times be subject to such changes or modifications as said Commission may, from time to time, direct in the exercise of its jurisdiction.

## 20. INCORPORATION BY REFERENCE

All Appendices or other attachments are incorporated by reference.

## 21. SURVIVAL

All representations and warranties made by Interconnector are ratified and affirmed as of the Transfer Date. Where the context permits, the terms and conditions of this CPATO shall survive termination.



22. SIGNATURE CLAUSE

The signatories have been appropriately authorized to enter into this CPATO on behalf of the party for whom they sign.

Interconnector hereby agrees to the terms and conditions of this CPATO.

**INTERCONNECTOR**

Signature: \_\_\_\_\_

Name of Authorized Individual: \_\_\_\_\_

Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

**SOCALGAS ACCEPTS THE SYSTEM THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, \_\_\_\_\_**

Signature: \_\_\_\_\_

Name of Authorized Individual: \_\_\_\_\_

Title: \_\_\_\_\_

DATE EXECUTED: \_\_\_\_\_

<p>For SoCalGas' Use only:</p> <p>DATE OWNERSHIP OF SYSTEM IS TRANSFERRED TO SOCALGAS - TRANSFER DATE: _____</p> <p>WORK ORDER NO.: _____</p> <p>ASSOCIATED WORK ORDER NOs.: _____</p>
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## APPENDIX I - DESCRIPTION OF SYSTEM

The System, identified as OM #####, is generally comprised of everything from and downstream of the Interconnection Point , including but not limited to: an orifice meter; flow computer; odorizing pump and storage equipment; gas quality monitoring equipment including a gas chromatograph, H<sub>2</sub>S monitor, moisture monitor and oxygen analyzer; data recording and communication equipment; uninterruptable power supply, inline scrubber and pressure control equipment, as generally depicted in the CPIA Exhibit B: Interconnection Point And SoCalGas' Facilities, the Facilities.

The Interconnection Point is an electrically isolated flange between the outlet piping of Interconnector's gas processing facilities and SoCalGas' facilities inlet piping and includes a lateral pipeline to SoCalGas' piping system.

Facilities' details are more fully described in the "Issued for Construction" Engineering design drawings as developed and issued by Southern California Gas Company, including but not limited to:

Job File # MR 12-078

Job File # MR #-###

#32613-1001-D.PIP Drawing List and Vicinity Map

#32613-2001-D.PID P&ID

#32613-2002-D.PID P&ID

#32613-3001-D.PIP Plot Plan

#32613-3002-D.PIP Plan and Section

#32613-3003-D.PIP Sections, Detail, General Notes & Legend

#32613-3004-D.PIP Material List

#32613-3005-D.PIP Details

#32613-3006-D.PIP V-100 ISD & Material List

#32613-3900-D.MST Strength Test Record Log

#32613-4001-D.STR Foundation Work Structural General Notes

#32613-4002-D.STR Foundation Location Plan

#32613-4003-D. STR Analyzer Shelter Foundations

#32613-4004-D.STR V-100 Foundation

#32613-4005-D.STR Odorizer Skid & Instrument Cabinet Foundation Details

#32613-5001-D.ELC Electrical Plan & Area Classification

#32613-5002-D.ELC Block Diagram

#32613-5003-D.ELC Wiring Diagram

#32613-5004-D.ELC Wiring Diagram

#32613-5005-D.ELC Panel Schematic Diagram

#32613-5006-D.ELC Panel Wiring Diagram

#32613-5007-D.ELC Panel Arrangement

#32613-5008-D.ELC 2KVA UPS Enclosure Layout Panel Wiring Diagram

#32613-5009-D.ELC Customer Interface Box Arrangement and Wiring Diagram

#32613-5010-D.ELC Instrument Shelter Layout Enlarged Plan

#32613-5011-D.ELC Analyzer Shelter Enlarged Plan

#32613-5012-D.ELC Electrical Details

#32613-5013-D.ELC Electrical Details

#32613-5014-D.ELC Electrical Details

#32613-5015-D.ELC Electrical Details

#32613-0626-D.INT Natural Gas Chromatograph Probe and Sample Line Details & Material List

#32613-0661-D.INT Natural Gas Chromatograph Shelter Floor Plan, Isometric & Material List

#32613-6001-D.INT Pilot Supply Regulation W/ Material List & Monitor Control Schematic

#32613-6002-D.INT Pilot Supply Regulation W/ Material List & Service Control Schematic

#32613-6003-D.INT Odorant Pump Supply Pressure Regulation Schematic & Material List

#32613-6004-D.INT Control System ISO & Material List

## APPENDIX II - COST ARRANGEMENTS

Pursuant to Section 5.1 of the CPATO, this Appendix II sets forth the value of the System as well as the procedure for revaluing the System and determining the ITCC amount.

SoCalGas has determined that the value of the System, including usable Facilities, equals Two Million One Hundred Forty Nine Thousand Six Hundred Eighty Seven Dollars and 00/100 (\$2,149,687.00), as further detailed in the table below, based on what SoCalGas estimated it would have cost SoCalGas, had Interconnector not elected THE Interconnector Self-Build Alternative, Exhibit D of the CPICSUA and/or to provide goods in-kind (such amount the "System Value").

On or before April 1, 2016, Interconnector shall prepare and submit to SoCalGas all invoices for the actual costs and expenses, including Interconnector indirects and overheads incurred by Interconnector with respect to the development of the System, as well as all supporting documentation related thereto.

SoCalGas, in its sole judgment, may elect to review such invoices and other documentation and, in such an instance, shall provide a cost reconciliation with respect to the System Value, which reconciliation shall account for the actual costs and expenses incurred by SoCalGas and Interconnector with respect to the development of the System (including engineering and quality assurance services).

The parties agree that the System Value is the final and determinative value of the System for purposes of determining the ITCC amount in the event that the System, or any portion thereof, is taxable to SoCalGas for any reason, including as a result of Interconnector not satisfying the requirements to be eligible for the ITCC safe harbor under applicable IRS rulings and regulations.

If such a taxable event occurs, SoCalGas shall submit an invoice to Interconnector for the then-currently applicable ITCC rate multiplied by the direct and indirect fully loaded costs of all contributions, goods and services made by Interconnector, and Interconnector shall pay such invoiced amount no later than the date set forth in such invoice.

Value of System breakdown

Equipment	\$ 544,618
Engineering	\$ 502,160
Project Management	\$ 134,637
Electrical	\$ 275,088
MSA offsite fabrication, testing, coating, delivery	\$ 330,829
Verification, commissioning, inspection	\$ 362,355
Income Tax Component of Contributions and Advances ("ITCCA")	\$ 0
Total estimated value of the System	\$ 2,149,687

APPENDIX III - ADDITIONAL TERMS AND CONDITIONS