



J. Steve Rahon
Director
Tariffs & Regulatory Accounts

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October 31, 2002

Advice No. 3202
(U 904 G)

Public Utilities Commission of the State of California

Subject: Update SoCalGas Form 6640 and Form 6643 in Compliance with Resolution G-3295

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission) revisions to its tariff schedules, applicable throughout its service territory, as shown on Attachment B.

Purpose

This filing submits for approval an updated Application Fee Notification Letter (Form 6640) and Appendix B (Form 6643) to its producer access agreements. As shown on Attachment B these limited updates to Form 6640 and Form 6643 are needed to implement changes adopted by the Commission in Resolution G-3295 dated March 27, 2001.

Information

Pursuant to Section 785.7(b) of the California Public Utilities Code, SoCalGas is authorized to charge California natural gas producers (Producers) for the actual costs of constructing, operating, and maintaining facilities necessary to receive California-produced gas. On April 4, 1996, SoCalGas filed Advice No. 2491 requesting approval for a charge structure to recover expenses it incurs receiving California-produced gas. On July 10, 1996, SoCalGas filed a supplemental advice letter, Advice No. 2491-A, which provided certain form agreements that implement the charge structure specified in Advice No. 2491 – an Application Fee Notification Letter (Form 6640), and three appendices to its producer access agreements (Forms 6641, 6642, and 6643). On September 4, 1996, the Commission issued Resolution G-3194 approving SoCalGas Advice Nos. 2491 and 2491-A, and determining that the form agreements included with Advice No. 2491-A are just and reasonable.

On April 17, 2000, SoCalGas filed Advice No. 2910 to increase its application fee and to revise its metering charge structure for recovery of expenses incurred accepting California-produced gas into its pipeline system. No party protested, and on March 27, 2001, the Commission issued Resolution G-3295 approving Advice No. 2910. To implement the changes adopted by Resolution G-3295, both Form 6640 and Form 6643 need to be revised. It has come to SoCalGas' attention, however, that it inadvertently failed to include revised Forms 6640 and 6643 with Advice No. 2910.

Conclusion

SoCalGas respectfully requests that the Commission cure this oversight on the part of SoCalGas, and approve the enclosed revised Forms 6640 and 6643 as shown on Attachment B to implement the changes adopted by the Commission in Resolution G-3295 (for your convenience a Redline copy of the form revisions are incorporated herein as Attachment C).

Protest

Anyone may protest this Advice Letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received within 20 days of the date this Advice Letter was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

Energy Division - IMC Branch
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Jerry Royer (jjr@cpuc.ca.gov) and to Honesto Gatchalian (jnj@cpuc.ca.gov) of the Energy Division. A copy of the protest should also be sent via both e-mail and facsimile to the addresses shown below on the same date it is mailed or delivered to the Commission.

Attn: Sid Newsom
Tariff Manager - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No. (213) 244-4957
E-mail: snewsom@SempraUtilities.com

Attn: Marzia Zafar
(Authorized Representative for SoCalGas)
555 W. Fifth Street
Los Angeles, CA 90013-1011
Phone No. (213) 244-2517
Facsimile No. (213) 244-8820
E-Mail: mzafar@SempraUtilities.com

Effective Date

SoCalGas respectfully requests that this filing be made effective as of December 10, 2002, which is not less than forty (40) days regular statutory notice.

Notice

In accordance with Section III.G of General Order No. 96-A, a copy of this advice letter is being sent to the parties listed on Attachment A.

J. STEVE RAHON
Director
Tariffs and Regulatory Accounts

Attachment

ATTACHMENT A

Advice No. 3202

(See Attached Service List)

ACN Energy
Hans Herzog
hans.herzog@acnenergy.com

ACN Energy
Mark Warno
mark.warno@acnenergy.com

ACN Energy
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AFBCA/DB March
3430 Bundy Ave., Bldg. 3408
March AFC, CA 92518-1504

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jweil@aglet.org

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Kari Harteloo
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120 Montgomery Street, Ste 2200
San Francisco, CA 94104

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Marianne Jones
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Houston, TX 77079

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Catherine E. Yap
ceyap@earthlink.net

Berliner, Camdon & Jimison
John Jimison
johnj@bcjlaw.com

Beta Consulting
John Burkholder
burkee@cts.com

CPUC
Consumer Affairs Branch
505 Van Ness Ave., #2003
San Francisco, CA 94102

CPUC
Energy Rate Design & Econ.
505 Van Ness Ave., Rm. 4002
San Francisco, CA 94102

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California Energy Market
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luluw@newsdata.com

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aclark@calpine.com

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Ben Nakayama
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P. O. Box 3222
Anaheim, CA 92803

City of Azusa
Light & Power Dept.
215 E. Foothill Blvd.
Azusa, CA 91702

City of Banning
Paul Toor
P. O. Box 998
Banning, CA 92220

City of Burbank
Fred Fletcher/Ronald Davis
164 West Magnolia Blvd., Box 631
Burbank, CA 91503-0631

City of Colton
Thomas K. Clarke
650 N. La Cadena Drive
Colton, CA 92324

City of Glendale
Larry Silva
lsilva@ci.glendale.ca.us

City of Lompoc
H. Paul Jones
100 Civic Center Plaza
Lompoc, CA 93438

City of Long Beach, Gas Dept.
Chris Garner
2400 East Spring Street
Long Beach, CA 90806-2385

City of Los Angeles
City Attorney
1700 City Hall East
Los Angeles, CA 90012

City of Pasadena
Manuel A. Robledo
150 S. Los Robles Ave., #200
Pasadena, CA 91101

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City of Vernon
Kenneth J. DeDario
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Coral Energy
Walter Cinibulk
wcinibulk@coral-energy.com

County of Los Angeles
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1100 N. Eastern Ave., Room 300
Los Angeles, CA 90063

Crossborder Energy
Tom Beach
tomb@crossborderenergy.com

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Edward W. O'Neill
One Embarcadero Center, #600
San Francisco, CA 94111-3834

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Dept. of General Services
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Energy Law Group, LLP
Diane Fellman
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San Francisco, CA 94111

Gas Purchasing
BC Gas Utility Ltd.
16705 Fraser Highway
Surrey, British Columbia, V3S 2X7

General Services Administration
Dir., Public Utility Services Div.
Public Bldgs. Serv., Rm. 7325
18th and F Streets, N.W.
Washington, D.C. 20405

General Services Administration
Facilities Management (9PM-FT)
450 Golden Gate Ave.
San Francisco, CA 94102-3611

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Western Division, Naval Facilities
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900 Commodore Dr.
San Bruno, CA 94066-2402

White & Case
Regulatory Affairs
regaffairs@sf.whitecase.com

ATTACHMENT B
Advice No. 3202

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 36003-G	SAMPLE FORMS, Contracts, Application Fee Notification Letter - Form 6640 (12/02), Sheet 1	Original 27898-G
Revised 36004-G	SAMPLE FORMS - Contracts, Appendix B Producer's Payment for Utility's Operation & Maintenance Fee, Form 6643 (12/02), Sheet 1	Original 27901-G
Revised 36005-G	TABLE OF CONTENTS	Revised 35714-G
Revised 36006-G	TABLE OF CONTENTS	Revised 35929-G

SAMPLE FORMS - Contracts
Appendix B Producer's Payment for Utility's Operation & Maintenance Fee
Form 6643 (12/02)

Sheet 1

T

(See Attached Form)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3202
DECISION NO.

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Oct 31, 2002
EFFECTIVE _____
RESOLUTION NO. G-3295

APPENDIX B

PRODUCER'S PAYMENT FOR UTILITY'S OPERATION AND MAINTENANCE FEE

Pursuant to Article V of the Agreement, Utility's "Operation and Maintenance Fee" as used herein shall be calculated based on Utility's good faith estimate of Utility's ongoing expenses to operate, maintain and modify Utility's metering Facilities necessary to accept Producer's Gas in accordance with good industry practice, Utility's normal procedures and governmental regulations. The methodology for calculating such Operation and Maintenance Fee, as approved by the CPUC in Resolution G-3194 and G-3295, is described below, and is based on the following principles:

- Derivation of actual costs from fully loaded labor rates.
- Charging of Producer directly for odorant and other site-specific costs.
- Charging of Producer for unscheduled visits above a specified maximum number.
- Standardization of the number of visits to individual receipt meters.

Calculation of Operation and Maintenance Fees

The methodology for calculating Operation and Maintenance Fees has two basic components: (1) a fixed cost component which utilizes system-wide averages for all receipt meters, and (2) a

variable cost component which utilizes site-specific costs and is dependent on the location of and the volume received at each meter.

Fixed Cost Component

The fixed cost component utilizes system-wide averages and a standard schedule for visiting each site. Contained within the fixed cost component are the following:

- All labor associated with routine calibrations, inspections, gas samples, etc. for each meter. Calculation utilizes a fully loaded labor rate of \$63.70 per hour.
- Producer is allowed eight (8) unscheduled service visits to the meter per year. Unscheduled visits greater than eight (8) shall be assessed a charge as outlined in the Variable Cost Component section below.

Variable Cost Component

The variable cost component includes customer- or area-specific costs which do not lend themselves to system-wide averaging. These costs shall be recalculated annually or on an as-needed basis, as outlined below:

- Odorant costs shall be included on a volumetric basis, and shall be derived from the previous year's receipts at the meter, unless special circumstances (e.g. new production) warrant otherwise. Based upon the actual cost of odorant, currently \$2.20/lb, and the target odorant usage rate, currently 0.40 lb/MMcf, the volumetric charge is currently \$0.88/MMcf. This may change in the future to reflect price changes, introduction of new odorants, or changes in usage rates. For sites with production volumes less than 500 Mcfd, a fixed cost for odorization of \$15 per month shall be assessed.
- Site specific costs shall be charged back to individual meters. Typical costs include permits for certain air districts, special calibration requirements, and costs associated with providing CARB waivers.
- Additional costs due to H₂S monitoring equipment shall be included in the base charges. Meters where the gas stream

is monitored continuously for H₂S shall be charged an additional monthly fee of \$224/month. This is due to the increased labor and materials to maintain this additional equipment on site.

- If Utility personnel are required to make more than eight (8) unscheduled visits to the meter in a calendar year, costs for any visits in excess of eight (8) per year shall be charged at the fully loaded labor rate of \$63.70/hr. For unscheduled visits outside normal business hours, the rate shall reflect a four (4) hour minimum charge.
- Costs associated with an individual site such as calibration, testing or inspection of specialized equipment, including specialized gas monitoring equipment, or calibrations required by an agency in excess of the frequency required by Utility procedures, shall be charged directly to that meter. This includes any non-standard work which must be performed due to permit conditions, and appropriate labor charges.

Initial Payment, Redetermination and Notification

Each month of a Contract Year, Producer agrees to pay
Utility:

- (a) Commencing in the Month of first deliveries hereunder, the amount stated for each of the Point(s) of Receipt in Appendix C. If any of the Point(s) of Receipt is shared with others, the applicable fee shall be a portion of the total Operation and Maintenance Fee, based on Producer's share of the Gas received by Utility at such Point of Receipt. The Operation and Maintenance Fee for each Point of Receipt shall be recalculated annually, using the methodology approved by the CPUC as described in this Appendix B, to reflect changes in the Variable Cost Component based on the quantity of Gas delivered by Producer in the prior calendar year, and to reflect any change in Producer's percentage share of the total Operation and Maintenance Fee for the Point of Receipt.
- (b) Thereafter, from time to time during a Contract Year, the monthly Operation and Maintenance Fee may be redetermined by Utility. Utility shall in good faith establish the monthly Operation and Maintenance Fee which fairly approximates and reflects Utility's operation and maintenance cost incurred by Utility to accept Producer's Gas deliveries into Utility's Facilities. Such redetermination may, at Utility's option, be calculated on Utility's estimated average expenses for Gas received under comparable conditions and/or adjusted to reflect increased or decreased

expenses for Facilities operated and maintained hereunder.

(c) If such redetermination of the monthly Operation and Maintenance Fee results in any increase or decrease in the amount Producer is required to pay Utility, Utility shall submit an Advice Letter to the CPUC requesting approval of the redetermined calculation methodology. Upon receipt of CPUC approval of the redetermined calculation methodology, Utility shall provide written notice to Producer of the increased or decreased amount which Producer is required to pay Utility. Such redetermination of the monthly Operation and Maintenance Fee shall become the price Producer shall pay Utility, effective on the first Day of the Month following Utility's written notice to Producer and shall remain in effect until Utility determines, in its sole discretion, that redetermination of the monthly Operation and Maintenance Fee is again warranted.

SAMPLE FORMS

Sheet 1

Contracts

Producer's Application Fee Notification Letter - Form 6640 (12/02)

T

(See Attached Form)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3202
DECISION NO.

1H15

ISSUED BY

Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Oct 31, 2002
EFFECTIVE Apr 17, 2003
RESOLUTION NO. G-3295



[Date]

[Producer Name]
[Producing Company Name]
[Producer Address]
[City, CA Zipcode]

Re: Capacity Analysis of SoCalGas System

Southern California
Gas Company
555 W. Fifth Street,
Los Angeles, CA
90013-1011

Dear Producer:

You have requested Southern California Gas company (SCG) to conduct a preliminary assessment of its system to determine the feasibility of [Producer] interconnecting with the SCG system to deliver [Producer's] gas into the SCG system. SCG asked for, and in CPUC Resolutions G-3194 and G-3295 was authorized the use of an Application fee to help defer the cost of this analysis resulting from Producer's request.

Box 513249, GT 22A1
Los Angeles, CA
90051-1249

The application fee of three thousand six hundred dollars (\$3,600.00) will not be refunded if Producer does not proceed with the interconnection at the requested point. If the Producer interconnects with SCG at the requested point, then the application fee will be credited towards the start-up costs billed to the Producer for interconnection with SCG.

Please submit your check for \$3,600.00 payable to Southern California Gas Company and sign below indicating that you have made a request to proceed with an assessment of an interconnection with SCG.

Sincerely,

SCG Title

Agreed and accepted to as of the date hereof:

By _____

By _____

Name _____

Name _____

Title _____

Title _____

Date _____

Date _____

TABLE OF CONTENTS

The following listed sheets contain all effective Schedules of Rates and Rules affecting service and information relating thereto in effect on the date indicated thereon.

<u>GENERAL</u>	<u>Cal. P.U.C. Sheet No.</u>
Title Page	21888-G
Table of Contents--General and Preliminary Statement	36006-G,35594-G
Table of Contents--Service Area Maps and Descriptions	28516-G
Table of Contents--Rate Schedules	35926-G, 35927-G,35928-G
Table of Contents--List of Cities and Communities Served	33771-G
Table of Contents--List of Contracts and Deviations	33771-G
Table of Contents--Rules	35729-G,33305-G
Table of Contents--Sample Forms	35712-G,35713-G,36005-G,35715-G,35716-G

PRELIMINARY STATEMENT

Part I General Service Information	24331-G,24332-G,24333-G,24334-G,24749-G
Part II Summary of Rates and Charges	35897-G,35898-G,35539-G,35540-G,35899-G,35892-G 32491-G,32492-G,34203-G,35900-G,35901-G,35544-G,35545-G
Part III Cost Allocation and Revenue Requirement ...	27024-G,27025-G,27026-G,27027-G,34370-G
Part IV Income Tax Component of Contributions and Advances	35396-G,24354-G
Part V Description of Regulatory Accounts-Balancing	34819-G,34820-G,34371-G 34821-G,34822-G,34823-G,34824-G,34825-G,34826-G,34827-G,34682-G
Part VI Description of Regulatory Accounts-Memorandum	35357-G,34279-G,34280-G 34281-G,34282-G,34283-G,34284-G,34285-G,34286-G,34683-G 34684-G,34289-G,34290-G,34291-G,34829-G,34830-G,34831-G,35358-G,35359-G
Part VII Description of Regulatory Accounts-Tracking	34372-G,34373-G,34374-G 34375-G,34376-G,34377-G,34378-G,34379-G
Part VIII Gas Cost Incentive Mechanism (GCIM)	31776-G,31777-G,31778-G,30523-G,30524-G
Part IX Hazardous Substances Mechanism (HSM)	26199-G,26200-G,26201-G
Part X Global Settlement	32530-G,32531-G,32532-G,32533-G

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3202
 DECISION NO.

1H13

ISSUED BY

Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Oct 31, 2002
 EFFECTIVE Apr 17, 2003
 RESOLUTION NO. G-3295

T
 T

ATTACHMENT C

Advice No. 3202

Redlined Versions of Forms 6640 and 6643



[Date]

[Producer Name]
[Producing Company Name]
[Producer Address]
[City, CA Zipcode]

Re: Capacity Analysis of SoCalGas System

Dear Producer:

You have requested Southern California Gas company (SCG) to conduct a preliminary assessment of its system to determine the feasibility of [Producer] interconnecting with the SCG system to deliver [Producer's] gas into the SCG system. SCG asked for, and in CPUC Resolutions G-3194 and G3295 was authorized the use of an Application fee to help defer the cost of this analysis resulting from Producer's request.

The application fee of ~~one thousand~~ three thousand six hundred dollars (\$~~10003,600~~.00) will not be refunded if Producer does not proceed with the interconnection at the requested point. If the Producer interconnects with SCG at the requested point, then the application fee will be credited towards the start-up costs billed to the Producer for interconnection with SCG.

Please submit your check for \$10003,600 payable to Southern California Gas Company and sign below indicating that you have made a request to proceed with an assessment of an interconnection with SCG.

Sincerely,

Account Executive SCG Title

Agreed and accepted to as of the date hereof:

By _____

By _____

Name _____

Name _____

Title _____

Title _____

Date _____

Date _____

Southern California
Gas Company
555 W. Fifth Street,
Los Angeles, CA
90013-1011

Box 513249, GT 22A1
Los Angeles, CA
90051-1249

APPENDIX B

PRODUCER'S PAYMENT FOR UTILITY'S OPERATION AND MAINTENANCE FEE

____ Pursuant to Article V of the Agreement, Utility's "Operation and Maintenance Fee" as used herein shall be calculated based on Utility's good faith estimate of Utility's ongoing expenses to operate, maintain and modify Utility's metering Facilities necessary to accept Producer's Gas in accordance with good industry practice, Utility's normal procedures and governmental regulations. The methodology for calculating such Operation and Maintenance Fee, as approved by the CPUC in Resolution G-3194 and ~~G-3295~~ ~~approving Advice Letter 2491~~, is described below, and is based on the following principles:

- Derivation of actual costs from fully loaded labor ~~and~~ ~~vehiele~~ rates.
- Charging of Producer directly for odorant and other ~~specific permit~~ costs.
- Charging of Producer for unscheduled visits above a specified maximum number.
- Standardization of the number of visits to individual receipt meters.

Calculation of Operation and Maintenance Fees

The methodology for calculating Operation and Maintenance Fees has two basic components: (1) a fixed cost component which

utilizes system-wide averages for all receipt meters, and (2) a variable cost component which utilizes site-specific costs and is dependent on the location of and the volume received at each meter.

Fixed Cost Component

The fixed cost component utilizes system-wide averages and a standard schedule for visiting each site. Contained within the fixed cost component are the following:

- All labor associated with routine calibrations, inspections, gas samples, etc. for each meter. Calculation utilizes a fully loaded labor rate of \$63.7054.50 per hour.
- ~~An average driving time component. This includes a fully loaded labor component and an appropriately loaded vehicle rate of \$.52 per mile.~~
- Producer is allowed eight (8) unscheduled service visits to the meter per year. Unscheduled visits greater than eight (8) shall be assessed a charge as outlined in the Variable Cost Component section below.

Variable Cost Component

The variable cost component includes customer- or area-specific costs which do not lend themselves to system-wide averaging. These costs shall be recalculated annually or on an as-needed basis, as outlined below:

- Odorant costs shall be included on a volumetric basis, and shall be derived from the previous year's receipts at the meter, unless special circumstances (e.g. new production) warrant otherwise. Based upon the actual cost of odorant, currently \$~~2.203-25~~/lb, and the target odorant usage rate, currently 0.~~4075~~ lb/MMcf, the volumetric charge is currently \$~~.882-44~~/MMcf. This may change in the future to reflect price changes, introduction of new odorants, or changes in usage rates. For sites with production volumes less than 500 Mcfd, a fixed cost for odorization of \$~~1550~~ per month shall be assessed.
- Site specific ~~permit costs and associated reporting~~ costs shall be charged back to individual meters. Typical costs include permits for certain air districts, special calibration requirements, and costs associated with providing CARB waivers.

- Additional costs due to H₂S monitoring equipment shall be included in the base charges. Meters where the gas stream is monitored continuously for H₂S shall be charged an additional monthly fee of \$2~~2477~~/month. This is due to the increased labor and materials to maintain this additional equipment on site.
- If Utility personnel are required to make more than eight (8) unscheduled visits to the meter in a calendar year, costs for any visits in excess of eight (8) per year shall be charged at the fully loaded labor rate of \$~~63.7054.50~~/hr ~~plus a vehicle rate of \$.52/mile~~. For unscheduled visits outside normal business hours, the rate shall reflect a four (4) hour minimum ~~and overtime wages of \$60/hr, plus the vehicle rate~~.
- Costs associated with an individual site such as calibration, testing or inspection of specialized equipment, including specialized gas monitoring equipment, or calibrations required by an agency in excess of the frequency required by Utility producers, shall be charged directly to that meter. This includes any non-standard work which must be performed due to permit conditions, and appropriate labor charges.

Initial Payment, Redetermination and Notification

Each month of a Contract Year, Producer agrees to pay
Utility:

- (a) Commencing in the Month of first deliveries hereunder, the amount stated for each of the Point(s) of Receipt in Appendix C. If any of the Point(s) of Receipt is shared with others, the applicable fee shall be a portion of the total Operation and Maintenance Fee, based on Producer's share of the Gas received by Utility at such Point of Receipt. The Operation and Maintenance Fee for each Point of Receipt shall be recalculated annually, using the methodology approved by the CPUC as described in this Appendix B, to reflect changes in the Variable Cost Component based on the quantity of Gas delivered by Producer in the prior calendar year, and to reflect any change in Producer's percentage share of the total Operation and Maintenance Fee for the Point of Receipt.

- (b) Thereafter, from time to time during a Contract Year, the monthly Operation and Maintenance Fee may be redetermined by Utility. Utility shall in good faith establish the monthly Operation and Maintenance Fee which fairly approximates and reflects Utility's operation and maintenance cost incurred by Utility to accept Producer's Gas deliveries into Utility's Facilities. Such redetermination may, at Utility's

option, be calculated on Utility's estimated average expenses for Gas received under comparable conditions and/or adjusted to reflect increased or decreased expenses for Facilities operated and maintained hereunder.

- (c) If such redetermination of the monthly Operation and Maintenance Fee results in any increase or decrease in the amount Producer is required to pay Utility, Utility shall submit an Advice Letter to the CPUC requesting approval of the redetermined calculation methodology. Upon receipt of CPUC approval of the redetermined calculation methodology, Utility shall provide written notice to Producer of the increased or decreased amount which Producer is required to pay Utility. Such redetermination of the monthly Operation and Maintenance Fee shall become the price Producer shall pay Utility, effective on the first Day of the Month following Utility's written notice to Producer and shall remain in effect until Utility determines, in its sole discretion, that redetermination of the monthly Operation and Maintenance Fee is again warranted.