

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



December 12, 2014

Ms. Rasha Prince  
Director, Regulatory Affairs  
Southern California Gas Company  
555 West Fifth Street, GT14D6  
Los Angeles, CA 90013-1011

Subject: Southern California Gas Company Advice Letter 4607-A Regarding Biomethane  
Pipeline Injection Requirements in Compliance with Decision (D.) 14-01-034

Dear Ms. Prince:

Southern California Gas Company (SoCalGas) Advice Letter (AL) 4607-A is effective October 14, 2014.

### **Background**

California Assembly Bill (AB) 1900 required the California Public Utilities Commission (Commission or CPUC) to approve standards and requirements for health, safety, and pipeline integrity for biomethane injected into utility pipelines, and rules for nondiscriminatory open access.

The Commission is addressing AB 1900 in Rulemaking (R.) 13-02-008 in a Phase I and Phase II decision.

The Phase I decision, Decision (D.) 14-01-034, adopted 17 constituents of concern related to biomethane, and the monitoring, testing, reporting, and recordkeeping protocols that were recommended for adoption by the California Air Resources Board and the Office of Environmental Health Hazard Assessment (ARB and OEHHA, respectively) in their *Recommendations to the California Public Utilities Commission Regarding Health Protective Standards for the Injection of Biomethane into the Common Carrier Pipeline* issued on May 15, 2013. D.14-01-034 also specified pipeline safety and integrity concentration limits modeled on the ARB/OEHHA recommendations.

The Phase II decision in R.13-02-008 is pending. There is no firm date for when the Phase II decision will be issued.

SoCalGas filed its initial compliance AL 4607 on February 18, 2014. This advice letter was intended to implement the Phase I decision, D.14-01-034. SoCalGas submitted AL 4607-A on October 14, 2014 to correct certain ambiguities in AL 4607.

### **The Coalition for Renewable Natural Gas (CRNG)'s Protest**

The Coalition for Renewable Natural Gas (CRNG) filed a protest on March 10, 2014 for two reasons.

First, CRNG protested on the grounds that SoCalGas's Rule 30, Section J, items five (5) and twelve (12) ("Biomethane Delivery Specifications") improperly assign the costs of periodic testing requirements to the party interconnecting with SoCalGas.

Second, CRNG protested on the grounds that SoCalGas's proposed revision to Rule 30 Section J.12 would improperly provide for the continuous monitoring of process upgrading integrity. Upgrading means the process of turning raw biogas into relatively clean biomethane suitable for pipeline injection.

The disputed Rule 30, Section J.12 in the supplemental AL reads:

Absent an Agreement otherwise, the Biomethane Interconnector's compliance with the Utility's continuously monitored Section I gas quality specifications shall be used as an indicator that the upgrading system is effectively conditioning and upgrading the biomethane. If the indicator(s) used to continuously monitor biomethane constituent levels indicates the biomethane has not been sufficiently conditioned and upgraded, the Utility may accelerate the biomethane periodic testing schedule and initiate testing. Accelerated periodic testing shall count toward the recommended periodic testing requirements described in Section J.9.

### **SoCalGas's Reply to Protest**

SoCalGas responded to the protest on March 17, 2014.

As to the first grounds for protest, SoCalGas states that its Rule 30, Section J language is consistent with existing interconnector/utility cost conventions that predate D.14-01-034, with the caveat that non-mandatory testing done at the discretion of the utility is not paid for by the interconnector. Under the pre-existing Rule 30, parties seeking to interconnect with SoCalGas pay for such costs regardless of whether they are conventional or biomethane gas producers.

As to the second grounds for protest, SoCalGas argued that its proposed Section J.12 language was consistent with the CARB/OEHHA recommendations that D.14-01-034 adopted. SoCalGas argues that its language explains that, absent an agreement between interconnector and utility, compliance with Rule 30, Section I gas quality requirements will be construed as meeting upgrade process operations. SoCalGas's wording in AL 4607 Section J.12 is based on what CARB/OEHHA recommended in its report (page 65), which D.14-01-034 adopted. Specifically, page 65 of the CARB/OEHHA-authored and Commission-adopted *Recommendations to the California Public Utilities Commission Regarding Health Protective Standards for the Injection of Biomethane into the Common Carrier Pipeline* issued on May 15, 2013 states in relevant part:

The utility and the biomethane production facility should agree upon a continuous monitoring method to verify that the upgrading process is operating effectively. If a monitoring method cannot be agreed upon, then we recommend that the tariff requirements for natural gas be used as an indicator that the upgrading system is operating effectively.

SoCalGas filed a supplemental AL 4607-A on October 13, 2014 to further clarify the portions of AL 4607 to which CRNG protested. Nevertheless, CRNG has not withdrawn its protest.

No party filed a protest to SoCalGas's supplemental AL 4607-A.

**Energy Division**

The Energy Division rejects CRNG's protest for the following reasons:

1. SoCalGas's Rule 30 cost allocation principles predate AL 4607 and AL 4607-A and R.13-02-008.
2. D.14-01-034 did not order a change to the cost allocation principles in SoCalGas Rule 30, Section H.
3. In the absence of a final Phase II decision in R.13-02-008, there is no reason to believe that interconnection or Phase I compliance cost allocation rules would differ from pre-existing cost allocation rules.
4. Nothing in the Phase I decision or AL 4607 or AL 4607-A precludes changes to the existing cost allocation rules, therefore approval of those advice letters would not prejudice the outcome of the Phase II decision or harm the protesting party.
5. D.14-01-034 is consistent with CARB/OEHHA recommendations.
6. SoCalGas's language in AL 4607-A is consistent with the Phase I Decision D.14-01-034 and appropriately implements what CARB/OEHHA recommended with regard to default rules if an agreement could not be reached on a continuous monitoring method to verify that the upgrading process is operating effectively.

The Energy Division hereby approves SoCalGas AL 4607-A.

Sincerely,



Edward Randolph  
Director, Energy Division

cc: Richard Myers, Energy Division  
Franz Cheng, Energy Division  
Johannes Escudero, Coalition for Renewable Natural Gas  
Sid Newsom, SoCalGas



**Rasha Prince**  
Director  
Regulatory Affairs

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Los Angeles, CA 90013-1011  
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Fax: 213.244.4957  
*RPrince@semprautilities.com*

October 14, 2014

Advice No. 4607-A  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Supplement: Revisions to Rule No. 30, Transportation of Customer-Owned Gas, to Incorporate Biomethane Constituents of Concern, Concentration Standards, and the Monitoring, Testing, Reporting and Recordkeeping Requirements in Compliance with Decision (D.) 14-01-034**

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

**Purpose**

Pursuant to the direction from Energy Division, this supplement replaces in its entirety Advice No. (AL) 4607 filed on February 18, 2014. It complies with Ordering Paragraphs (OP) 4, 12, and 14 of D.14-01-034 issued on January 22, 2014, which state:

4. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Gas Company, and Southwest Gas Corporation shall submit their respective tier 2 advice letters, within 30 days of the effective date of this decision, to incorporate the adopted constituents of concern, the concentration standards, and the monitoring, testing, reporting, and recordkeeping requirements, into their respective gas tariffs.

12. To prevent the injection of biomethane that comes from a hazardous waste landfill, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Gas Company, and Southwest Gas Corporation shall submit respective tier 2 advice letters, within 30 days of the effective date of this decision, to include in their respective gas tariffs: (1) a prohibition against the purchasing of such biomethane, and (2) before a biomethane supplier can interconnect with the utility's pipeline, the biomethane supplier will need to demonstrate that the origin of the biogas that is to be processed and injected into the utility's pipeline was not

collected from a hazardous waste facility unit or units permitted by the Department of Toxic Substances Control.

14. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Gas Company, and Southwest Gas Corporation shall submit their respective tier 2 advice letters, within 30 days of the effective date of this decision, to change their respective gas tariffs to allow biomethane from other organic sources to be injected into the utility's gas pipeline so long as the specifications for natural gas, and the concentration standards that have been adopted for biomethane from wastewater treatment plants are met. In addition, the supplier of such biomethane shall also be subject to the monitoring, testing, reporting, and recordkeeping requirements adopted in this decision.

### **Background**

On February 13, 2013, the Commission initiated the Order Instituting Rulemaking (R.) 13-02-008 to implement certain provisions of Assembly Bill (AB) 1900. These provisions, among others, required the Commission to adopt standards for specific constituents found in biomethane to ensure the protection of human health and pipeline integrity and safety. The Commission was also tasked to adopt pipeline access rules to ensure nondiscriminatory open access to each gas corporation's pipeline system.

On March 25, 2013, SoCalGas, San Diego Gas & Electric, Pacific Gas and Electric, and Southwest Gas Corporation, together the "Joint Utilities" jointly served their "Proposed Prepared Direct Testimony." A prehearing conference was held on March 27, 2013, and a Scoping Ruling was issued on May 2, 2013. The Scoping Ruling established the issues for the proceeding and indicated the cost-related issues will be addressed in a separate phase of the proceeding.

As required in AB 1900, on May 15, 2013, the California Air Resources Board (CARB) and the Office of Environmental Health Hazard Assessment (OEHHA) released their "Recommendations to the California Public Utilities Commission Regarding Health Protective Standards for the Injection of Biomethane into the Common Carrier Pipeline." On July 8, 2013, the Joint Utilities filed supplemental testimony and concurrent rebuttal testimony on August 5, 2013.

On August 13, 2013, at the request of the active parties, the evidentiary hearings were taken off calendar, and briefs were filed in September 5, 2013. The Proposed Decision of Commissioner Peterman was issued on December 12, 2013, and a Final Decision was issued on January 22, 2014.

As stated in OP 2 of D.14-01-034, the Commission clarified and adopted "...the monitoring, testing, reporting, and recordkeeping protocols that were recommended for adoption in the May 15, 2013 'Recommendations to the California Public Utilities Commission Regarding Health Protective Standards for the Injection of Biomethane into

the Common Carrier Pipeline.” This Advice Letter adopts the clarified “Recommendations to the California Public Utilities Commission Regarding Health Protective Standards for the Injection of Biomethane into the Common Carrier Pipeline” (Joint Report). Based on the Decision’s adoption of the Joint Report’s monitoring and testing protocols, this Advice Letter incorporates aspects of the Joint Report which differ from D.14-01-034. First, in D.14-01-034’s discussion of shut-off and restart procedures, the Biomethane Interconnector is required to meet the “trigger level” before it can resume operation.<sup>1</sup> The Joint Report recommends that the Biomethane Interconnector meet the “lower action level” before it can resume operation.<sup>2</sup> Second, D. 14-01-034 states that the total health risk should be “eliminated” when constituents are above the trigger level.<sup>3</sup> The Joint Report recommends that the total health risk be “estimated” and maintained below certain levels deemed reasonable by the CARB and the OEHHA.<sup>4</sup> Finally, D.14-01-034 does not include a correction to the Joint Report which was issued by CARB on May 23, 2013.<sup>5</sup> SoCalGas believes the above discrepancies were made in error, and anticipates taking additional steps to modify D.14-01-034 so as to parallel the May 23, 2013 version of the Joint Report.

On February 18, 2014, SoCalGas filed AL 4607.

### **Requested Tariff Changes**

New Section J, Biomethane Delivery Specifications, has been added to Rule No. 30 and the letter designations for the subsequent Sections have been changed accordingly. As a consequence of the new Section J, the definitions of Landfill Gas in Section I.o and Biogas in Section I.p have been deleted. In addition, a reference to the new Section J.5 has been added to I.4 and to the whole new Section J to M.2.

### **Protests**

Anyone may protest this Advice Letter to the 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 received within 10 days of the date of this Advice Letter which is October 24, 2014. Energy Division has prescribed this shortened protest period. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

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<sup>1</sup> D.14-01-034, mimeo., at 82.

<sup>2</sup> Recommendations at 68.

<sup>3</sup> D.14-01-034, mimeo., at 100.

<sup>4</sup> Recommendations at 67.

<sup>5</sup> See Recommendations to the California Public Utilities Commission Regarding Health Protective Standards for the Injection of Biomethane into the Common Carrier Pipeline at 2, footnote 2 (“Errata: An error in the report released on May 15, 2013 resulted in p-Dichlorobenzene being checked as a constituent of concern for dairies instead of for POTWs. This error was corrected on May 23, 2013 and is reflected in this document.”)

CPUC Energy Division  
Attn: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the Energy Division Tariff Unit ([EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)). A copy of the protest should also be sent via both e-mail and facsimile to the address 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](mailto:snewsom@SempraUtilities.com)

### **Effective Date**

SoCalGas believes this Advice Letter is subject to Energy Division disposition and is classified as Tier 1 (effective before approval). Therefore, SoCalGas respectfully requests that this advice letter be approved and the tariffs made effective on October 14, 2014, the date filed.

### **Notice**

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service list in R.13-02-008, Biomethane Standards and Requirements. Address change requests to the GO 96-B should be directed by electronic mail to [tariffs@socalgas.com](mailto:tariffs@socalgas.com) or call 213-244-3387. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or by electronic mail at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov).

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Rasha Prince  
Director – Regulatory Affairs

Attachments

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SOUTHERN CALIFORNIA GAS COMPANY (U 904G)**

Utility type:

ELC     GAS  
 PLC     HEAT     WATER

Contact Person: Sid Newsom

Phone #: (213) 244-2846

E-mail: SNewsom@semprautilities.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric    GAS = Gas  
PLC = Pipeline    HEAT = Heat    WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 4607-A

Subject of AL: Supplement: Revisions to Rule No. 30, to Incorporate Biomethane Constituents of Concern, Concentration Standards, and the Monitoring, Testing, Reporting and Recordkeeping Requirements in Compliance with Decision (D.) 14-01-034 Security Practices Audit Costs Consistent with D.12-08-045

Keywords (choose from CPUC listing): Transportation

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.09-11-006

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL No

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: N/A

Does AL request confidential treatment? If so, provide explanation: No.

Resolution Required?  Yes  No      Tier Designation:  1  2  3

Requested effective date: 10/14/14

No. of tariff sheets: 13

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: Rule No. 30, TOCs

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: None

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Ave.,  
San Francisco, CA 94102  
[EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Southern California Gas Company  
Attention: Sid Newsom  
555 West 5<sup>th</sup> Street, GT14D6  
Los Angeles, CA 90013-1011  
[SNewsom@semprautilities.com](mailto:SNewsom@semprautilities.com)  
[tariffs@socalgas.com](mailto:tariffs@socalgas.com)

<sup>1</sup> Discuss in AL if more space is needed.



ATTACHMENT A  
Advice No. 4607-A

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 50807-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 17	Revised 50069-G
Revised 50808-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 18	Revised 47367-G
Revised 50809-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 19	Revised 50070-G
Original 50810-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 20	Revised 49724-G
Original 50811-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 21	Revised 50071-G
Original 50812-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 22	Revised 49725-G
Original 50813-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 23	Original 50072-G
Original 50814-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 24	Original 50073-G*
Original 50815-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 25	Original 50074-G*
Revised 50816-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 26	Original 50075-G*
Revised 50817-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 27	Original 50076-G
Revised 50818-G	TABLE OF CONTENTS	Original 50077-G
Revised 50819-G	TABLE OF CONTENTS	Original 50077-G, 49725-G
		Revised 49725-G
		Original 50076-G
		Original 50077-G, 49725-G
		Revised 50804-G
		Revised 50806-G

Rule No. 30

Sheet 17

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

I. Gas Delivery Specifications (Continued)

3. (Continued)

- j. Merchantability: The gas shall not contain dust, sand, dirt, gums, oils and other substances at levels that would be injurious to Utility facilities or that would cause gas to be unmarketable.
- k. Hazardous Substances: The gas must not contain hazardous substances (including but not limited to toxic and/or carcinogenic substances and/or reproductive toxins) at concentrations which would prevent or restrict the normal marketing of gas, be injurious to pipeline facilities, or which would present a health and/or safety hazard to Utility employees and/or the general public.
- l. Delivery Temperature: The gas delivery temperature is not to be below 50 degrees F or above 105 degrees F.
- m. Interchangeability: The gas shall have a minimum Wobbe Number of 1279 and shall not have a maximum Wobbe Number greater than 1385. The gas shall meet American Gas Association's Lifting Index, Flashback Index and Yellow Tip Index interchangeability indices for high methane gas relative to a typical composition of gas in the Utility system serving the area.

Acceptable specification ranges are:

- \* Lifting Index (IL)  
IL  $\leq$  1.06
- \* Flashback Index (IF)  
IF  $\leq$  1.2
- \* Yellow Tip Index (IY)  
IY  $\geq$  0.8

- n. Liquids: The gas shall contain no liquids at or immediately downstream of the receipt point.

(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 4607-A  
DECISION NO. 14-01-034

ISSUED BY  
**Lee Schavrien**  
Senior Vice President

(TO BE INSERTED BY CAL. PUC)  
DATE FILED Oct 14, 2014  
EFFECTIVE Oct 14, 2014  
RESOLUTION NO. \_\_\_\_\_

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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

I. Gas Delivery Specifications (Continued)

4. The Utility, at its option, may refuse to accept any gas tendered for transportation by the customer or on his behalf if such gas does not meet the specifications at the time of delivery as set out in I. 2, I. 3, and J.5, as applicable.
5. The Utility will grant specific deviations to California production from the gas quality specifications defined in Paragraph I.3 above, if such gas will not have a negative impact on system operations. Any such deviation will be required to be filed through Advice Letter for approval prior to gas actually flowing in the Utility system.
6. The Utility will post on its EBB and/or general website information regarding the available real-time Wobbe Number of gas at identified operational locations on its system.
7. Gas monitoring and enforcement hardware and software including, but not limited to, a gas chromatograph and all related equipment, communications facilities and software, identified in Exhibit A to Schedule No. G-CPS, are required, and shall be installed at each interconnection meter site where a California Producer delivers natural gas into the Utility's gas transportation system. The gas chromatograph shall monitor non-hydrogen sulfide constituents in the gas delivered, and deny access to gas that does not comply with the gas specifications set forth in the Gas Delivery Specifications, Section I.1 or I.3 above. Compliance shall be assessed using the 4- to 8-minute monitoring interval adopted in D.07-08-029 and D.10-09-001.
8. The gas chromatograph and all related equipment and software, identified in Exhibit A to Schedule No. G-CPS, shall monitor and enforce the gas quality specifications, using the 4- to 8-minute monitoring interval adopted in D.07-08-029 and D.10-09-001. Access shall be denied by the Utility on a non-latching basis after a second consecutive monitoring interval results in an alarm for gas which exceeds the non-hydrogen sulfide specifications. The gas chromatograph and all related equipment and software shall also enable the Utility to remotely gather and retain gas quality and alarm data. Where additional measures are necessary to promote or enhance safety, SoCalGas may request a deviation from the aforementioned monitoring interval requirements established by the CPUC.
9. For California Producers currently delivering gas into the Utility's transportation system without a gas chromatograph and all related equipment and software in place, as required in Rule No. 39, non-hydrogen sulfide constituents of gas will, on an interim basis, continue to be monitored and access denied under the methods currently in place, until such time as a gas chromatograph and all related equipment and software are installed and operational, subject to Rule No. 39 conditions.

(Continued)

(TO BE INSERTED BY UTILITY)  
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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

J. Biomethane Delivery Specifications

- 1. Biogas refers to untreated gas produced through the anaerobic digestion of organic waste material. Biomethane refers to biogas that has been treated to comply with this Rule No. 30.
- 2. Biomethane delivered, except as defined in Section I.1, must meet the gas quality specifications set out in Section I and the biomethane-specific specifications set out in this Section J. The terms and conditions contained in Section J apply solely to suppliers of biomethane and are incremental to Section I gas quality requirements.
- 3. Biomethane must not contain constituents at concentrations which would prevent or restrict the normal marketing of biomethane, be at levels that would be injurious to pipeline facilities, or be at levels that would present a health and/or safety hazard to Utility employees and/or the general public.
  - a. Health Protective Constituents are constituents that may impact human health and include carcinogenic constituents (“Carcinogenic Constituents”) and non-carcinogenic constituents (“Non-Carcinogenic Constituents”).
  - b. Pipeline Integrity Protective Constituents are constituents that may impact pipeline system integrity.
- 4. The party interconnected to the Utility pipeline system for purposes of delivering biomethane (“Biomethane Interconnector”) shall be responsible for costs associated with periodic biomethane testing requirements contained in this Section J, but shall not be responsible for the Utility’s discretionary biomethane testing or monitoring.
- 5. Biomethane Quality Specifications: Biomethane to be accepted and transported in the Utility pipeline system shall be subject to periodic testing and monitoring based on the biogas source. The Trigger Level is the level where additional periodic testing and analysis of the constituent is required. The Lower Action Level, where applicable, is used to screen biomethane during the initial biomethane quality review and as an ongoing screening level during the periodic testing. The Upper Action Level, where applicable, establishes the point at which the immediate shut-off of the biomethane supply occurs.

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(Continued)

(TO BE INSERTED BY UTILITY)  
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DECISION NO. 14-01-034

ISSUED BY  
**Lee Schavrien**  
Senior Vice President

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RESOLUTION NO. \_\_\_\_\_

Rule No. 30

Sheet 20

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

J. Biomethane Delivery Specifications (Continued)

5. Biomethane Quality Specifications: (Continued)

Constituent	Trigger Level mg/m <sup>3</sup> (ppm <sub>v</sub> ) <sup>i</sup>	Lower Action Level mg/m <sup>3</sup> (ppm <sub>v</sub> )	Upper Action Level mg/m <sup>3</sup> (ppm <sub>v</sub> )
<i>Health Protective Constituent Levels</i>			
<u>Carcinogenic Constituents</u>			
Arsenic	0.019 (0.006)	0.19 (0.06)	0.48 (0.15)
p-Dichlorobenzenes	5.7 (0.95)	57 (9.5)	140 (24)
Ethylbenzene	26 (6.0)	260 (60)	650 (150)
n-Nitroso-di-n-propylamine	0.033 (0.006)	0.33 (0.06)	0.81 (0.15)
Vinyl Chloride	0.84 (0.33)	8.4 (3.3)	21 (8.3)
<u>Non-Carcinogenic Constituents</u>			
Antimony	0.60 (0.12)	6.0 (1.2)	30 (6.1)
Copper	0.060 (0.02)	0.6 (0.23)	3 (1.2)
Hydrogen Sulfide	30 (22)	300 (216)	1500 (1080)
Lead	0.075 (0.009)	0.75 (0.09)	3.8 (0.44)
Methacrolein	1.1 (0.37)	11 (3.7)	53 (18)
Toluene	904 (240)	9000 (2400)	45000 (12000)
Alkyl Thiols (mercaptans)	(12)	(120)	(610)
<i>Pipeline Integrity Protective Constituent Levels<sup>ii</sup></i>			
Siloxanes	0.01 mg Si/m <sup>3</sup>	0.1 mg Si/m <sup>3</sup>	-
Ammonia	0.001%	-	-
Hydrogen	0.1%	-	-
Mercury	0.08 mg/m <sup>3</sup>	-	-
Biologicals	4 x 10 <sup>4</sup> /scf (qPCR per APB, SRB, IOB <sup>iii</sup> group) and commercially free of bacteria of >0.2 microns	-	-

Notes: i) The first number in this table are in milligrams per cubic meter of air (mg/m<sup>3</sup>), while the second number ( ) is in parts per million by volume (ppm<sub>v</sub>). ii) The Pipeline Integrity Protective Constituent Lower and Upper Action Limits not provided above will be established in the Commission's next AB1900 update proceeding. Until that time, Biomethane supplies that contain Pipeline Integrity Protective Constituents exceeding the Trigger Level, but lacking a Lower or Upper Action Level, will be analyzed and addressed on a case-by-case basis based on the biomethane's potential impact on pipeline system integrity. iii) APB – Acid producing Bacteria; SRB – Sulfate-reducing Bacteria; IOB – Iron-oxidizing Bacteria

(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 4607-A  
DECISION NO. 14-01-034

ISSUED BY  
**Lee Schavrien**  
Senior Vice President

(TO BE INSERTED BY CAL. PUC)  
DATE FILED Oct 14, 2014  
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RESOLUTION NO. \_\_\_\_\_

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Rule No. 30

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

J. Biomethane Delivery Specifications (Continued)

6. Biomethane Constituent Testing shall be based on the biomethane source:

- a. Biomethane from landfills shall be tested for all Health Protective Constituents and the Pipeline Integrity Protective Constituents.
- b. Biomethane from dairies shall be tested for Ethylbenzene, Hydrogen Sulfide, n-Nitroso-di-n-propylamine, Mercaptans, Toluene, and the Pipeline Integrity Protective Constituents.
- c. Other organic waste sources, including biomethane from publicly owned treatment works (i.e., water treatment and sewage treatment plants) shall be tested for p-Dichlorobenzene, Ethylbenzene, Hydrogen Sulfide, Mercaptans, Toluene, Vinyl Chloride, and the Pipeline Integrity Protective Constituents.

7. Cumulative Health Risk

- a. If any Health Protective Constituents are found at or above the Trigger Level, the risk from Carcinogenic and Non-carcinogenic Constituents must be calculated by summing the risk for each Health Protective Constituent above the Trigger level.

<b>Total Risk from Carcinogenic and non-Carcinogenic Constituents</b>			
<b>Risk Management Levels</b>	<b>Risk from Carcinogenic Constituents</b>	<b>Hazard Index from Non-Carcinogenic Constituents</b>	<b>Action</b>
Trigger Level <sup>1</sup>	≥ 1.0	≥ 0.1	Periodic Testing Required
Lower Action Level <sup>2</sup>	≥ 10.0	≥ 1.0	Supply shut-in after three exceedances in 12-month period in which deliveries occur
Upper Action Level <sup>3</sup>	≥ 25.0	≥ 5.0	Immediate supply shut-in
1. For any Health Protective Constituent. 2. Sum of the Health Protective Constituents exceeding the trigger level. 3. Any individual Health Protective Constituent or the sum of any Health Protective Constituents exceeding the trigger level.			

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 Senior Vice President

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Rule No. 30

Sheet 23

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

J. Biomethane Delivery Specifications (Continued)

9. Biomethane Periodic Testing: (Continued)

c. Group 1 Constituent Testing

- i. A Group 1 Constituent shall be tested once every 12-month period in which deliveries occur. Thereafter, if the Group 1 Constituent is found below the Trigger Level during two consecutive annual periodic tests, the Group 1 Constituent may be tested once every two year-period in which deliveries occur.
- ii. A Group 1 Constituent will become a Group 2 Constituent if testing indicates a concentration at or above the Trigger Level.

d. Group 2 Constituent Testing:

- i. A Group 2 Constituent shall be tested quarterly (at least once every three- month period in which deliveries occur).
- ii. A Group 2 Constituent will become a Group 1 Constituent if testing indicates a concentration below the Trigger Level during four consecutive tests.

e. Total risk from Carcinogenic and Non-carcinogenic Constituents:

- i. The total risk from Carcinogenic and Non-Carcinogenic Constituents shall be calculated for all Health Protective Group 2 Constituents.
  - a. Cancer Risk: The potential cancer for Group 2 compounds can be estimated by summing the individual potential cancer risk for each carcinogenic constituent of concern. Specifically, the cancer risk can be calculated using the ratio of the concentration of the constituent in the biomethane to the health protective (“trigger”) concentration value corresponding to one in a million cancer risk for that specific constituent and then summing the risk for all the Group 2 constituents. (For reference, see CARB/OEHHA Report submitted in R.13-02-008, p. 67.)
  - b. Non-Cancer Risk: The non-cancer risk can be calculated using the ratio of the concentration of the constituent in biomethane to the health protective concentration value corresponding to a hazard quotient of 0.1 for that specific noncarcinogenic constituent, then multiplying the ratio by 0.1, and then summing the noncancer chronic risk for these Group 2 constituents. (For reference, see CARB/OEHHA Report submitted in R.13-02-008 p. 67.)

(Continued)

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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

J. Biomethane Delivery Specifications (Continued)

9. Biomethane Periodic Testing: (Continued)

e. (Continued)

ii. If four consecutive quarterly tests demonstrate that the total risk from Carcinogenic and Non-carcinogenic Constituents is below the Lower Action Level, monitoring can be reduced to once every 12-month period in which deliveries occur.

iii. If annual testing demonstrates that total risk from Carcinogenic and Non-carcinogenic Constituents is at or above the Lower Action Level, then testing for the Carcinogenic or Non-carcinogenic Constituents will revert to quarterly.

10. Biomethane Shut-Off and Restart Procedures: The Biomethane Interconnector may be shut-off when the following occurs:

- a. A change in the biogas source at the facility or the upgrading equipment that the CPUC determines will potentially increase the level of any constituent over the previously measured baseline levels.
- b. Testing indicates constituents are exceeding allowable concentration levels. A shut-off will occur in the following situations:
  - i. The total risk from Carcinogenic and Non-Carcinogenic Constituents is found at or above the Lower Action Level three times in a 12-month period in which deliveries occur.
  - ii. The total risk from Carcinogenic and Non-carcinogenic Constituents is found at or above the Upper Action Level.
  - iii. If applicable, a Pipeline Integrity Protective Constituent is found at or above the Lower Action Level three times in a 12-month period in which deliveries occur.
  - iv. Immediate shut-off if the level of an individual constituent is found above the Upper Action Level.
  - v. The biomethane contains constituents at concentrations which prevent or restrict the normal marketing of biomethane, are at levels that are injurious to pipeline facilities, or are at levels that present a health and/or safety hazard to Utility employees and/or the general public.

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Rule No. 30

Sheet 25

**TRANSPORTATION OF CUSTOMER-OWNED GAS**

(Continued)

J. Biomethane Delivery Specifications (Continued)

10. Biomethane Shut-Off and Restart Procedures (Continued)

c. In order to restart injection after a Biomethane Interconnector has been shut-off, the Biomethane Interconnector shall test the biomethane using independent certified third party laboratories (ELAP certified where applicable). Deliveries can then resume, subject to the periodic testing requirements in Section J.9, if the test indicates: (1) the biomethane complies with the gas quality specifications contained in Section I of this Rule; (2) the total risk from Carcinogenic and Non-Carcinogenic Constituents are below the Lower Action Level; and, if applicable, (3) the Pipeline Integrity Protective Constituents are below the Lower Action Level. Thereafter, constituents shall be reevaluated by the Utility for eligibility for less frequent testing.

11. Testing Procedures: The Utility shall collect samples at the receipt point utility meter. The Biomethane Interconnector shall collect samples upstream of the utility meter. Samples will be analyzed by independent certified third party laboratories (ELAP certified where applicable). Testing for Health Protective Constituents shall be by the methods specified in Table V-4 of CARB/OEHHA Report submitted in R.13-02-008 and adopted in D.14-01-034. Testing for Pipeline Integrity Protective Constituents shall be by the methods approved in D.14-01-034. Retesting shall be allowed to verify and validate the results. The cost of retesting shall be borne by the entity requesting the retest.

12. Continuous Monitoring of Upgrading Process Integrity: Absent an Agreement otherwise, the Biomethane Interconnector's compliance with the Utility's continuously monitored Section I gas quality specifications shall be used as an indicator that the upgrading system is effectively conditioning and upgrading the biomethane. If the indicator(s) used to continuously monitor biomethane constituent levels indicates the biomethane has not been sufficiently conditioned and upgraded, the Utility may accelerate the biomethane periodic testing schedule and initiate testing. Accelerated periodic testing shall count toward the recommended periodic testing requirements described in Section J.9.

13. Recordkeeping and Reporting Requirements will be as prescribed in Commission D.14-01-034 and as specified in the CARB/OEHHA Report submitted in R.13-02-008.

(Continued)

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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

J. Biomethane Delivery Specifications (Continued)

14. Prohibition of Biomethane from Hazardous Waste Landfills: Hazardous waste landfills ("Hazardous Waste Landfills") include all contiguous land and structures, and other appurtenances and improvements, on the land used for the treatment, transfer, storage, resource recovery, disposal, or recycling of hazardous waste. The facility may consist of one or more treatment, transfer, storage, resource recovery, disposal, or recycling hazardous waste management units, or combinations of these units. Biomethane from Hazardous Waste Landfills, including landfills permitted by the Department of Toxic Substances Control, will not be purchased, accepted or transported. Before a Biomethane Interconnector can interconnect with the Utility's system, the Biomethane Interconnector must demonstrate and certify to the Utility's satisfaction that the biogas was not collected from a landfill that is or was designated a Hazardous Waste Landfill.
15. The biomethane rules in this section are intended to implement D.14-01-034, including rules regarding constituent concentration standards, monitoring and testing requirements, and reporting and recordkeeping requirements.

K. Termination or Modification

1. If the customer breaches any terms and conditions of service of the customer's service agreement or the applicable tariff schedules and does not correct the situation within thirty (30) days of notice, the Utility shall have the right to cease service and immediately terminate the customer's applicable service agreement.
2. If the contract is terminated, either party has the right to collect any quantities of gas or money due them for transportation service provided prior to the termination.

L. Regulatory Requirements

1. Any gas transported by the Utility for the customer which was first transported outside the State of California shall have first been authorized under Federal Energy Regulatory Commission (FERC) regulations, as amended. Both parties recognize that such regulations only apply to pipelines subject to FERC jurisdiction, and do not apply to the Utility. The customer shall not take any action which would subject the Utility to the jurisdiction of the FERC, the Economic Regulatory Administration or any succeeding agency. Any such action shall be cause for immediate termination of the service arrangement between the customer and the Utility.
2. Transportation service shall not begin until both parties have received and accepted any and all regulatory authorizations necessary for such service.

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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

M. Warranty and Indemnification

1. The customer warrants to the Utility that the customer has the right to deliver gas hereunder and that such gas is free from all liens and adverse claims of every kind. Customer will indemnify, defend and save the Utility harmless against all loss, damage, injury, liability and expense of any character where such loss, damage, injury, liability or expense arises directly or indirectly out of any demand, claim, action, cause of action or suit brought by any person, association or entity asserting ownership of or any interest in the gas tendered for transportation hereunder, or on account of royalties, payments or other charges applicable before or upon delivery of gas hereunder.
  
2. The customer shall indemnify, defend and save harmless the Utility, its officers, agents, and employees from and against any and all loss, costs (including reasonable attorneys' fees), damage, injury, liability, and claims for injury or death of persons (including any employee of the customer or the Utility), or for loss or damage to property (including the property of the customer or the Utility), which occurs or is based upon an act or acts which occur while the gas is deemed to be in the customer's control and possession or which results directly or indirectly from the customer's performance of its obligations arising pursuant to the provisions of its service agreement and the Utility's applicable tariff schedules, or occurs based on the customer-owned gas not meeting the specifications of Sections I or J of this rule.

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 EFFECTIVE Oct 14, 2014  
 RESOLUTION NO. \_\_\_\_\_

TABLE OF CONTENTS

(Continued)

RULES (continued)

26	Consumer Responsible for Equipment for Receiving and Utilizing Gas .....	45843-G
27	Service Connections Made by Company's Employees .....	24657-G
28	Compensation to Company's Employees .....	24658-G
29	Change of Consumer's Apparatus or Equipment .....	24659-G
30	Transportation of Customer-Owned Gas .....	47193-G,43370-G,47354-G,49388-G 46257-G,47356-G,47257-G,47358-G,47359-G,47360-G 49723-G,47362-G,47363-G,47364-G,47365-G,47366-G 50807-G,50808-G,50809-G,50810-G,50811-G,50812-G 50813-G,50814-G,50815-G,50816-G,50817-G
31	Automated Meter Reading .....	46062-G,46063-G
32	Core Aggregation Transportation .....	48975-G,48976-G,48977-G,48978-G 48979-G,48980-G,48981-G,48982-G,39586-G,30027-G 30028-G,30029-G,30030-G,30031-G,30032-G,30033-G 47201-G,43386-G,45777-G,39589-G,36623-G,30039-G
33	Electronic Bulletin Board (EBB) .....	47202-G,43389-G,45392-G,47203-G 45394-G,45395-G,45396-G,45397-G,45398-G
34	Provision of Utility Right-of-Way Information .....	33298-G,33299-G,33300-G 33301-G,33302-G,33303-G
35	Contracted Marketer Transportation .....	27068-G,27069-G,27070-G,27071-G 36325-G,27073-G,36326-G,27075-G
36	Interstate Capacity Brokering .....	39590-G,39591-G
38	Commercial/Industrial Equipment Incentive Program .....	32745-G,50487-G,32747-G,32748-G,32749-G
39	Access to the SoCalGas Pipeline System .....	49726-G,49727-G,49728-G,49729
40	On-Bill Financing Program .....	44205-G,41155-G
41	Utility System Operation .....	48620-G,48621-G,49391-G,45402-G 49392-G,49393-G,49633-G,49395-G,49396-G
42	Privacy and Security Protections for Energy Usage Data .....	50587-G,50588-G,50347-G,50348-G,50349-G 50350-G,50351-G,48636-G,48637-G,50352-G,50589-G 50590-G,50591-G,50592-G,50593-G,50594-G,50595-G
43	On-Bill Repayment (Pilot Programs) .....	50795-G,50796-G,50797-G,50798-G 50799-G,50800-G,50801-G,50802-G

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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 .....	40864-G
Table of Contents--General and Preliminary Statement .....	50819-G,50700-G,50549-G
Table of Contents--Service Area Maps and Descriptions .....	41970-G
Table of Contents--Rate Schedules .....	50792-G,50793-G,50774-G
Table of Contents--List of Cities and Communities Served .....	50356-G
Table of Contents--List of Contracts and Deviations .....	50356-G
Table of Contents--Rules .....	50546-G,50818-G
Table of Contents--Sample Forms .....	50307-G,49608-G,49402-G,50805-G,50598-G

PRELIMINARY STATEMENT

Part I General Service Information .....	45597-G,24332-G,24333-G,24334-G,48970-G
Part II Summary of Rates and Charges .....	50776-G,50777-G,50778-G,50439-G,50440-G,50779-G 50742-G,46431-G,46432-G,50342-G,50751-G,50752-G,50753-G,50445-G
Part III Cost Allocation and Revenue Requirement .....	50446-G,50447-G,50448-G
Part IV Income Tax Component of Contributions and Advances .....	49749-G,24354-G
Part V Balancing Accounts	
Description and Listing of Balancing Accounts .....	50523-G
Purchased Gas Account (PGA) .....	49671-G,49672-G
Core Fixed Cost Account (CFCA) .....	50449-G,49710-G
Noncore Fixed Cost Account (NFCA) .....	49711-G,49308-G
Enhanced Oil Recovery Account (EORA) .....	49712-G
Noncore Storage Balancing Account (NSBA) .....	50450-G,50451-G
California Alternate Rates for Energy Account (CAREA) .....	45882-G,45883-G
Hazardous Substance Cost Recovery Account (HSCRA) .....	40875-G, 40876-G,40877-G
Gas Cost Rewards and Penalties Account (GCRPA) .....	40881-G
Pension Balancing Account (PBA) .....	49309-G,49310-G
Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA) .	49311-G,49312-G

(Continued)

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