

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 18, 2017

Advice Letter 5104

Ronald van der Leeden
Director, Regulatory Affairs
Southern California Gas
555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011

Subject: Revisions to Consulting Services Agreement (Form 6440)

Dear Mr. van der Leeden:

Advice Letter 5104 is effective as of April 8, 2017.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph
Director, Energy Division



Ronald van der Leeden
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011
Tel: 213.244.2009
Fax: 213.244.4957

RvanderLeeden@semprautilities.com

March 9, 2017

Advice No. 5104
(U 904 G)

Public Utilities Commission of the State of California

Subject: Revisions to Consulting Services Agreement (Form 6440)

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (CPUC or Commission) revisions to sample Form 6440, Consulting Services Agreement (CSA), and related exhibits for access to the SoCalGas Pipeline System.¹ The revised CSA form would make explicit that SoCalGas and potential Interconnectors can assess the possibility of accelerating long lead materials procurement during the Detailed Engineering Study to expedite the interconnection in-service date.

Background

The CSA sets forth the terms and conditions under which SoCalGas will provide consulting services to any party (Interconnector) interested in accessing the SoCalGas Pipeline System. The existing CSA² and subsequent Preliminary Engineering Study and/or Detailed Engineering Study, at the request of the Interconnector and pursuant to SoCalGas Rule No. 39, provide the terms and conditions for completing an Interconnect Capacity Study.

Procurement of construction materials is ordinarily done after these studies are concluded and an Interconnector executes an Access to the SoCalGas Pipeline System Collectible System Upgrade Agreement (Form 6420) or Interconnect

¹ San Diego Gas & Electric Company (SDG&E) is concurrently filing its advice letter to revise its Consulting Services Agreement (Form 143-002).

² SoCalGas filed Advice No. (AL) 4635-A on May 9, 2014 to revise Form 6440. AL 4635-A was not protested by any party. On June 9, 2014, the Director of Energy Division approved AL 4635-A with the revised Form 6440 effective on June 8, 2014.

Collectible System Upgrade Agreement (Form 6430). If the Interconnector is a California Producer, materials are procured using the California Producer Interconnect Collectible System Upgrade Agreement (Form 6456). However, a practical issue arises when the procurement of long lead materials causes an interconnection in-service date to be later than expected or desired by the Interconnector. As a result, Interconnectors have expressed an interest in having the ability to request earlier procurement of long lead materials.³ If SoCalGas were able to accommodate the Interconnectors it would be done in a manner consistent with Rule No. 39's Terms of Access provisions. The remainder of costs, including materials, would continue to be handled as part of Form 6420, Form 6430, or Form 6456.

SoCalGas acknowledges the potential benefit in exploring the accelerated procurement of a limited subset of materials, which take longer to procure, in furtherance of achieving timely interconnection and facilitating increased natural gas supply into its system on behalf of its Interconnectors. Currently, Form 6440 does not explicitly address the accelerated long lead materials procurement requested by an Interconnector when SoCalGas can identify the benefits and has recent available historical costs. SoCalGas does not believe any modifications are needed to Rule No. 39, since the option for long lead material procurement is not intended to be a mandatory or guaranteed service such that it is incorporated into its rule governing access to its pipeline system. The proposed form changes should provide sufficient notice and transparency of this option to all potential Interconnectors, such that each request from an Interconnector can be independently (on a non-discriminatory basis) assessed.⁴

In addition to seeking approval of a form contract that explicitly incorporates the purchase of long lead materials as an option, SoCalGas also requests approval to modify existing forms to allow contracting parties to add any necessary details involving the completion date of contracted services. Currently, the standard forms simply indicate that SoCalGas will complete the contracted analysis within X number of days after receipt of payment. However, there may be other relevant factors that can impact the completion of such analysis, such as design criteria. The proposed modifications will provide a blank space for parties to indicate such relevant factors, as needed.

This filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

³ SoCalGas used the Detailed Engineering Study, Exhibit A2, to manually incorporate purchase long lead materials with respect to one Interconnector.

⁴ If the CPUC directs otherwise, such that modifications to Rule No. 39 should likewise be submitted, SoCalGas will amend this filing with those proposed modifications.

Form Changes

SoCalGas is proposing the following revisions to sample Form 6440, including modifications to the CSA, Exhibits A, A1, and A2, as well as the addition of Exhibit A3:

- CSA is modified to reference the existence of Exhibit A3, “Detailed Engineering Study and Procurement of Long Lead Materials.”
- CSA, Exhibit A is modified to add a blank line for population, in the event additional details are necessary to describe factors impacting the completion date of the contracted analysis.
- CSA, Exhibit A1 is modified to add a blank line for population, in the event additional details are necessary to describe factors impacting the completion date of the contracted analysis.
- CSA, Exhibit A2 is modified to add a blank line for population, in the event additional details are necessary to describe factors impacting the completion date of the contracted analysis.
- Newly created Exhibit A3 is the same Exhibit as A2, with the exception of the addition of long lead materials procurement. SoCalGas and Interconnector will execute either Exhibit A2 or A3, but not both.

The redlined version of the proposed modifications to sample Form 6440, as summarized above, is provided in Attachment B.

Protest

Anyone may protest this AL 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 must be received within 20 days of the date of this AL, which is March 29, 2017. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

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

Copies of the protest should also be sent via e-mail to the attention of the Energy Division Tariff Unit (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: Ray B. Ortiz
Tariff Manager - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No. (213) 244-4957
E-mail: rortiz@semprautilities.com

Effective Date

SoCalGas believes this AL is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to General Order (GO) 96-B. SoCalGas respectfully requests that this AL become effective for service on April 8, 2017, which is 30 days from 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.04-01-025, Gas Market Rulemaking. Address change requests to the GO 96-B should be directed by electronic mail to 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.

Ronald van der Leeden
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: Ray B. Ortiz

Phone #: (213) 244-3837

E-mail: ROrtiz@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) #: 5104

Subject of AL: Revisions to Consulting Services Agreement (Form 6440)

Keywords (choose from CPUC listing): Forms

AL filing type: Monthly Quarterly Annual One-Time Other

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

None

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 AL¹: N/A

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

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 4/8/17

No. of tariff sheets: 3

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: Sample Form 6440 – Access to the SoCalGas Pipeline System Consulting Services Agreement and TOCs

Service affected and changes proposed¹: 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

Southern California Gas Company

Attention: Ray B. Ortiz

555 West 5th Street, GT14D6

Los Angeles, CA 90013-1011

ROrtiz@semprautilities.com

Tariffs@socalgas.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A
Advice No. 5104

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 53793-G	SAMPLE FORMS - CONTRACTS, Access to the SoCalGas Pipeline System, Consulting Services Agreement (Form 6440, 3/2017)	Revised 50332-G
Revised 53794-G	TABLE OF CONTENTS	Revised 51833-G
Revised 53795-G	TABLE OF CONTENTS	Revised 53779-G

SAMPLE FORMS - CONTRACTS
Access to the SoCalGas Pipeline System
Consulting Services Agreement (Form 6440, 3/2017)

T

(See Attached Form)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 5104
DECISION NO.

ISSUED BY
Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Mar 9, 2017
EFFECTIVE Apr 8, 2017
RESOLUTION NO. _____

CONSULTING SERVICES AGREEMENT

THIS CONSULTING SERVICES AGREEMENT (the "Agreement") is made and entered into effective this _____ day of _____, 20__ (the "Effective Date") by and between **Southern California Gas Company**, a California corporation ("SoCalGas"), and _____ (the "Client").

RECITALS

WHEREAS, SoCalGas is a public utility regulated by the California Public Utilities Commission ("CPUC") providing gas service to end-use customers within Southern California.

WHEREAS, the Client is a sponsor of a _____ project and/or has an interest in SoCalGas' ability to receive and redeliver additional gas supplies into its gas utility system.

WHEREAS, the Client desires to retain SoCalGas in connection with the performance of certain consulting services, upon the terms and conditions set forth in this Agreement (the "Services").

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants set forth herein the parties agree as follows:

SECTION 1 - CONSULTING SERVICES

1.1. **Retention.** Client hereby retains SoCalGas to provide the Services, upon the terms and conditions set forth in this Agreement.

1.2. **Scope of Services.** The Services to be provided to Client by SoCalGas shall consist of the following tasks to this agreement including (check all that apply) as detailed in the applicable Exhibit:

- Exhibit A – Interconnect Capacity Study (_____),
- Exhibit A1 – Preliminary Engineering Study (_____),
- Exhibit A2 – Detailed Engineering Study (_____),
- Exhibit A3 – Detailed Engineering Study and Long Lead Materials Procurement (_____).

An executed Exhibit A is required before Client can contract for Exhibit A1 and/or A2 or A3 except in the case where Client has in place a valid and effective SoCalGas Interconnect Capacity Study. Each Exhibit only becomes effective upon execution by both Client and SoCalGas.

No construction work shall be included or done pursuant to this Agreement.

CONSULTING SERVICES AGREEMENT

1.3. Term. This Agreement shall be effective on the Effective Date and shall continue in full force and effect until the completion of the Services.

SECTION 2 - COMPENSATION AND EXPENSES

2.1. Compensation. An estimate of SoCalGas' fees and all other applicable costs to be billed by SoCalGas to Client under this Agreement are set forth in each applicable Exhibit to this Agreement. In any event, Client shall be liable for the actual costs of the Services which may be higher than the estimated costs. Actual costs shall include the actual Services rendered and all related costs incurred, and shall include permit or other fees or charges, procurement, indirect costs and overheads, carrying costs, and any related income or other tax liability thereon.

2.2. Payment. Upon execution of this Agreement and Exhibit A, Client shall make payment to "Southern California Gas Company" for the Services in the amount specified in Exhibit A within ___ days. Upon execution of any additional Exhibit (as further described in Section 1.2) Client shall make payment to "Southern California Gas Company" for Services in the amount specified in such Exhibit(s) within ___ days. Any amount billed by SoCalGas to Client subsequent to the initial payment shall be paid by Client within twenty (20) days after receipt of SoCalGas' invoice to the address set forth in Section 8 below.

2.3. Change Orders. Any change to the Scope of Services shall be in writing (a "Change Order") and signed by Client and SoCalGas. If Client issues any request for a change in the Scope of the Services or the time of completion of the Services beyond those tasks described in the Scope of Services and not identified as a Change Order, but which SoCalGas considers to be a Change Order, then SoCalGas shall notify Client in writing and the parties shall mutually decide whether such a change in the Scope of Services or the time of completion of the Services constitutes a Change Order, which increases or decreases the Scope of the Services and increases or decreases the cost to SoCalGas of providing the Services. If SoCalGas issues a Change Order that results in an increase or decrease in the cost of the Services, then an adjustment shall be made to the total compensation and/or the time of completion of the Services. All written Change Orders shall become a part of this Agreement. SoCalGas may refrain from any additional work until Client has paid such additional amount as set forth above.

2.4. Payroll Taxes. Social security, federal, and other applicable taxes shall not be withheld from payments made to SoCalGas.

SECTION 3 - INFORMATION AND OWNERSHIP

3.1. Confidential Information. During the term of this Agreement, either party may have access to and become acquainted with confidential information and trade and business secrets of the other. Treatment of this information by both parties is set forth in the Confidentiality Agreement which is attached hereto and incorporated herein as Exhibit B of this Agreement (the Confidentiality Agreement).

CONSULTING SERVICES AGREEMENT

3.2. **Ownership and Use.** Notwithstanding the above, any and all material and information prepared, accumulated or developed by SoCalGas, any subcontractor or their respective employees, including, without limitation, documents, drawings, designs, calculations, maps, plans, workplans, text, filings, estimates, manifests, certificates, books, specifications, sketches, notes, reports, summaries, analyses, data models and samples, (hereinafter, collectively "Work Product"), shall remain the property of SoCalGas when prepared or in process, whether or not delivered to Client. SoCalGas hereby grants to Client a nonexclusive royalty-free unrestricted license to use, copy, and distribute any Work Product furnished by SoCalGas to Client under this Agreement, subject to the terms specified in Exhibit B, Confidentiality Agreement. SoCalGas warrants that the Work Product provided by SoCalGas hereunder will meet or exceed all generally accepted industry standards for this type of work. SoCalGas makes no representations about the suitability, reliability, availability, timeliness or accuracy of Work Product or Services for any purpose. The Work Product will be done using information and assumptions at one point of time and which are subject to change at any time that could change the results or analysis reflected in Work Product. Estimates of costs may not cover all environmental costs or other unforeseen costs, or costs resulting from changes to laws, rules and regulations governing the Services herein. Therefore, SoCalGas does not warrant the Services or Work Product for any use and specifically disclaims any liability for any subsequent use of the Work Product, or any part thereof, by Client. No warranty of any kind is or will be included as part of the Services and all express and implied warranties, including any warranties of merchantability, and/or fitness for a particular purpose are specifically disclaimed. With the exception of claims solely arising from the gross negligence or intentional misconduct by Utility that occurs while performing the Services, Client will not hold SoCalGas liable or responsible in any way for any losses, damages, claims, costs, expenses or other obligations it incurs, or may incur, arising out of or related to Client's use of, or reliance on, any part of the Services, Work Product or other information provided by SoGalGas hereunder.

SECTION 4 - STATUS

SoCalGas is and at all times during the term of this Agreement shall be an independent contractor providing consulting services to Client. Nothing contained in this Agreement shall be construed to create a relationship of principal and agent, employer and employee, servant and master, partnership or joint venture between the parties.

SECTION 5 - ATTORNEYS' FEES

Should any dispute arise regarding any term or provision of this Agreement or enforcement of any rights hereunder, or to collect any portion of the amount payable under this Agreement, then all litigation and collection expenses, witness fees, court costs and attorneys' fees shall be paid to the prevailing party.

CONSULTING SERVICES AGREEMENT

SECTION 6 - SUPERVISION AND COORDINATION

During the term of this Agreement, each party shall appoint a representative who will be authorized, empowered and available to act for and on behalf of each to implement the terms and conditions of this Agreement.

SECTION 7 – DISPUTES

Any dispute or need for interpretation arising out of this Agreement which cannot be resolved after a reasonable period of time of good faith negotiation may be submitted to the CPUC for resolution.

SECTION 8 – NOTICES

Any and all notices and other communications hereunder shall be in writing and shall be deemed to have been duly given or received when delivered personally or by courier forty-eight (48) hours after being mailed, via first class, postage prepaid, to the addresses set forth immediately below of the parties hereto or to such other addresses as either of the parties hereto may from time to time designate in writing to the other party.

SoCalGas:

Southern California Gas Company
Address
Address
Attn:

Client:

Client
Address
Address
Attn:

SECTION 9 - SUCCESSORS AND ASSIGNS

Assignment or transfer of the entire rights and obligations of any Party hereunder shall only be permitted under the following circumstances:

A. When the assignment is to a successor, representative or assignee which shall succeed by purchase, merger, corporate reorganization/restructuring or consolidation to all or substantially all of the assets of Project or SoCalGas, as the case may be and when the assignment is to a parent, affiliate or subsidiary of a Party hereto; or

B. When any Party assigns or pledges this Agreement under the provisions of any mortgage, deed of trust, indenture or similar instrument which it has

CONSULTING SERVICES AGREEMENT

executed or may execute hereafter; however, in such event the other Parties shall be provided prior written notice thereof; or

C. When the Party assigning shall have first obtained the consent in writing of the other Party hereto.

SECTION 10 - APPLICABLE LAW

The provisions of this Agreement shall be construed and enforced in accordance with the laws of the State of California.

SECTION 11 – WAIVERS

The failure or delay of either party to exercise or enforce at any time any of the provisions of this Agreement shall not constitute or be deemed a waiver of that party's right thereafter to enforce each and every provision of the Agreement and shall not otherwise affect the validity of this Agreement.

SECTION 12 – SEVERABILITY

If any provision of this Agreement is finally determined to be contrary to, prohibited by, or invalid under applicable laws or regulations, such provision shall become inapplicable and shall be deemed omitted from this Agreement. Such determination shall not, however, in any way invalidate the remaining provisions of this Agreement.

SECTION 13 - ENTIRE AGREEMENT AND AMENDMENTS

This Agreement and its exhibits constitute the entire understanding and agreement between the parties relating to the subject matter hereof and supersedes any prior written or oral understanding or agreement between the parties relating to the subject matter hereof. This Agreement shall not be amended, altered, or supplemented in any way except by an instrument in writing, signed by the duly authorized representative of the parties that expressly references this Agreement.

CONSULTING SERVICES AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and in the year first above written.

Southern California Gas Company

Client

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Exhibit A
Consulting Services Agreement dated _____

SoCalGas will provide the Client with a report that provides a preliminary cost estimate requested by the Client for construction of necessary facilities as described below (the "Services"). SoCalGas proposes to analyze the impact on its gas transmission system of receiving _____ million cubic feet per day (MMcfd) of new supply at _____, California, on a _____ basis. SoCalGas' analysis will identify any system improvements necessary to accept this new supply under the assumption that the new supply _____. Any assessment of gas quality or gas quality issues are outside of the scope of this cost estimate.

A cost estimate for any facility improvements, accurate to $\pm 20\%$, will be calculated. The findings and estimate will not constitute a proposal by SoCalGas. This preliminary cost estimate will include only the construction cost of the identified facilities. SoCalGas will not have performed a specific site or route evaluation for the Client's project in the development of this estimate. Additionally, costs associated with taxes (CIAC); permitting, paving, right-of-way acquisition, environmental issues, gas quality, measurement, regulatory, and land acquisition/development issues; and any unusual construction costs or facility requirements (e.g. freeway, river, or channel crossings) are explicitly excluded from this preliminary cost estimate. These costs are the Client's responsibility to determine and may be significant.

SoCalGas' construction costs continue to rise with increasing costs of labor and materials. Since this preliminary cost estimate is developed using average historical project cost data, it is highly likely that the actual construction costs for the Client's particular project will vary significantly from this preliminary estimate. SoCalGas urges the Client to retain the services of a third-party engineering construction firm, or enter into a design and engineering contract with SoCalGas to develop a more accurate construction cost estimate for this specific project.

Because of the exclusions and limitations of this initial review, SoCalGas does not recommend that the Client use this preliminary cost estimate for any purpose, including any substantive planning or other decisions regarding the cost or viability of its project. Any use by the Client is solely at its own risk and should factor in the above risks and limitations.

A report that summarizes the results of SoCalGas' analyses, identifies any facility improvements, and estimates the cost of construction of those improvements, will be provided to the Client. The Client will be granted an unrestricted license to use, copy, and distribute the report; however, the report and all work product shall remain the property of SoCalGas.

The estimated cost to perform the Services is \$_____. SoCalGas will complete the analysis within _____ business days after receipt of payment _____.

Payment in full of the estimated cost of the Services is required upon execution of a Consulting Services Agreement and Exhibit A to proceed with the analysis. The Client will

be responsible for the actual costs of the Services; to this end, an invoice or refund will be issued to the Client at the completion of the project for any difference between the actual costs and this estimate.

Should the Client's requirements vary from this proposal, SoCalGas would like the opportunity to modify and resubmit this proposal as appropriate. If the Client has any questions, please call _____ at _____.

Accepted and agreed to by their respective authorized representatives:

SOUTHERN CALIFORNIA GAS COMPANY

[Client]

By _____

By _____

Title _____

Title _____

Date _____

Date _____

Preliminary Engineering Study - Exhibit A1
Consulting Services Agreement dated _____

SoCalGas will provide the Client with a report that provides a Preliminary Engineering Study (“PES”) requested by the Client for construction of necessary facilities as described below (the “Services”). SoCalGas proposes to analyze the impact on its gas transmission system of receiving _____ million cubic feet per day (MMcfd) of new supply at _____, California, on a _____ basis. SoCalGas’ analysis will identify any system improvements necessary to accept this new supply under the assumption that the new supply _____.

The cost estimate calculated by SoCalGas will include land acquisition, site development, right-of-way, metering, gas quality, permitting, regulatory, environmental, unusual construction costs, and operating and maintenance costs for any facility improvements, accurate to $\pm 20\%$. The findings and estimate will not constitute a proposal by SoCalGas. SoCalGas will not have performed a specific site or route evaluation for the Client’s project in the development of this estimate.

SoCalGas’ construction costs continue to rise with increasing costs of labor and materials. Since the PES is developed using average historical project cost data, it is highly likely that the actual construction costs for the Client’s particular project will vary significantly from the PES. SoCalGas urges the Client to retain the services of a third-party engineering construction firm, or enter into a design and engineering contract with SoCalGas to develop a more accurate construction cost estimate for this specific project.

Because of the exclusions and limitations of this initial review, SoCalGas does not recommend that the Client use the PES for any purpose, including any substantive planning or other decisions regarding the cost or viability of its project. Any use by the Client is solely at its own risk and should factor in the above risks and limitations.

A report that summarizes the results of SoCalGas’ analyses, identifies any facility improvements, and estimates the cost of construction of those improvements, will be provided to the Client. The Client will be granted an unrestricted license to use, copy, and distribute the report; however, the report and all work product shall remain the property of SoCalGas.

The estimated cost to perform the Services is \$ _____. SoCalGas will complete the analysis within _____ business days after receipt of payment _____.

Payment in full of the estimated cost of the Services is required upon execution of a Consulting Services Agreement and Exhibit A1 to proceed with the analysis. The Client will be responsible for the actual costs of the Services; to this end, an invoice or refund will be issued to the Client at the completion of the project for any difference between the actual costs and this estimate.

Preliminary Engineering Study - Exhibit A1
Consulting Services Agreement dated _____

Should the Client's requirements vary from this proposal, SoCalGas would like the opportunity to modify and resubmit this proposal as appropriate. If the Client has any questions, please call _____ at _____.

Accepted and agreed to by their respective authorized representatives:

SOUTHERN CALIFORNIA GAS COMPANY

[Client]

By _____

By _____

Title _____

Title _____

Date _____

Date _____

Detailed Engineering Study - Exhibit A2
Consulting Services Agreement dated _____

SoCalGas will provide the Client with a report that provides a Detailed Engineering Study (“DES”) requested by the Client for construction of necessary facilities as described below (the “Services”). SoCalGas proposes to analyze the impact on its gas transmission system of receiving _____ million cubic feet per day (MMcfd) of new supply at _____, California, on a _____ basis. SoCalGas’ analysis will identify any system improvements necessary to accept this new supply under the assumption that the new supply _____.

A cost estimate for any facility improvements, accurate to $\pm 20\%$, will be calculated. The findings and estimate will not constitute a proposal by SoCalGas. The DES will (1) describe all costs of construction, (2) develop complete engineering construction drawings, and (3) prepare all construction and environmental permit applications and right-of-way acquisition requirements.

A report that summarizes the results of SoCalGas’ analyses, identifies any facility improvements, and estimates the cost of construction of those improvements, will be provided to the Client. The Client will be granted an unrestricted license to use, copy, and distribute the report; however, the report and all work product shall remain the property of SoCalGas.

The estimated cost to perform the Services is \$_____. SoCalGas will complete the analysis within _____ business days after receipt of payment _____.

Payment in full of the estimated cost of the Services is required upon execution of a Consulting Services Agreement and Exhibit A2 to proceed with the analysis. The Client will be responsible for the actual costs of the Services; to this end, an invoice or refund will be issued to the Client at the completion of the project for any difference between the actual costs and this estimate.

Should the Client’s requirements vary from this proposal, SoCalGas would like the opportunity to modify and resubmit this proposal as appropriate. If the Client has any questions, please call _____ at _____.

Detailed Engineering Study - Exhibit A2
Consulting Services Agreement dated _____

Accepted and agreed to by their respective authorized representatives:

SOUTHERN CALIFORNIA GAS COMPANY

[Client]

By _____

By _____

Title _____

Title _____

Date _____

Date _____

**Detailed Engineering Study and Long Lead Materials Procurement - Exhibit A3
Consulting Services Agreement dated _____**

SoCalGas will provide the Client with a report that provides a Detailed Engineering Study (“DES”) requested by the Client for construction of necessary facilities as described below (the “Services”). SoCalGas proposes to analyze the impact on its gas transmission system of receiving _____ million cubic feet per day (MMcfd) of new supply at _____, California, on a _____ basis. SoCalGas’ analysis will identify any system improvements necessary to accept this new supply under the assumption that the new supply _____.

A cost estimate for any facility improvements, accurate to $\pm 20\%$, will be calculated. The findings and estimate will not constitute a proposal by SoCalGas. The DES will (1) describe all costs of construction, (2) develop complete engineering construction drawings, (3) prepare all construction and environmental permit applications and right-of-way acquisition requirements, and if feasible, (4) issue purchase orders for long lead materials, which under the appropriate conditions, may provide the opportunity to accelerate the in service date.

A report that summarizes the results of SoCalGas’ analyses, identifies any facility improvements, list of long lead materials available for procurement, and estimates the cost of construction of those improvements, will be provided to the Client. The Client will be granted an unrestricted license to use, copy, and distribute the report; however, the report and all work product shall remain the property of SoCalGas.

The estimated cost to perform the Services is \$_____. SoCalGas will complete the analysis within _____ business days after receipt of payment _____.

Payment in full of the estimated cost of the Services is required upon execution of a Consulting Services Agreement and Exhibit A2 to proceed with the analysis. The Client will be responsible for the actual costs of the Services; to this end, an invoice or refund will be issued to the Client at the completion of the project for any difference between the actual costs and this estimate.

Should the Client’s requirements vary from this proposal, SoCalGas would like the opportunity to modify and resubmit this proposal as appropriate. If the Client has any questions, please call _____ at _____.

**Detailed Engineering Study and Long Lead Materials Procurement - Exhibit A3
Consulting Services Agreement dated _____**

Accepted and agreed to by their respective authorized representatives:

SOUTHERN CALIFORNIA GAS COMPANY

[Client]

By _____

By _____

Title _____

Title _____

Date _____

Date _____

TABLE OF CONTENTS

(Continued)

SAMPLE FORMS (continued)

Contracts (continued)

Equipment Incentive Program Agreement (Form 6700-1, Rev. 11/08) 44087-G
 Rule 38 Special Conditions: Metering and Gas Usage (Form 6700-1A, 11/08) 44088-G
 Rule 38 Affidavit (Form 6700-1B - 5/00) 32753-G
 Red Team Affidavit (Form 6683 - 5/00) 32754-G
 Feasibility Study Program Agreement (Form 6700-2, Rev. 8/96) 27950-G
 Consent to Common Use Agreement (Form 6679 - 1/01) 33304-G
 Special Facilities Contract (Form 6633, 6/05) 39322-G
 Proposal and Agreement for Transfer of Ownership of Distribution Systems
 (Form 6660, 03/98) 29947-G
 Optional Rate Agreement and Affidavit (Form 6662, 2/06) 40138-G
 Continuous Service Agreement (Form 6558-D, 07/08) 43584-G
 Consulting Services Agreement (Form 6440, 3/17) 53793-G
 Confidentiality Agreement (Form 6410, 11/05) 39742-G
 Collectible System Upgrade Agreement (Form 6420, 11/05) 39743-G
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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5104
 DECISION NO.

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 9, 2017
 EFFECTIVE Apr 8, 2017
 RESOLUTION NO. _____

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(TO BE INSERTED BY UTILITY)
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 DECISION NO.

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 9, 2017
 EFFECTIVE Apr 8, 2017
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ATTACHMENT B

Advice No. 5104

**Proposed Modifications to Sample Form 6440
(Redlined)**

CONSULTING SERVICES AGREEMENT

THIS CONSULTING SERVICES AGREEMENT (the "Agreement") is made and entered into effective this _____ day of _____, 20__ (the "Effective Date") by and between **Southern California Gas Company**, a California corporation ("SoCalGas"), and _____ (the "Client").

RECITALS

WHEREAS, SoCalGas is a public utility regulated by the California Public Utilities Commission ("CPUC") providing gas service to end-use customers within Southern California.

WHEREAS, the Client is a sponsor of a _____ project and/or has an interest in SoCalGas ' ability to receive and redeliver additional gas supplies into its gas utility system.

WHEREAS, the Client desires to retain SoCalGas in connection with the performance of certain consulting services, upon the terms and conditions set forth in this Agreement (the "Services").

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants set forth herein the parties agree as follows:

SECTION 1 - CONSULTING SERVICES

1.1. Retention. Client hereby retains SoCalGas to provide the Services, upon the terms and conditions set forth in this Agreement.

1.2. Scope of Services. The Services to be provided to Client by SoCalGas shall consist of the following tasks to this agreement including (check all that apply) as detailed in the applicable Exhibit:

- Exhibit A – Interconnect Capacity Study (_____),
- Exhibit A1 – Preliminary Engineering Study (_____),
- Exhibit A2 – Detailed Engineering Study (_____).
- Exhibit A3 – Detailed Engineering Study and Long Lead Materials Procurement (_____).

An executed Exhibit A is required before Client can contract for Exhibit A1 and/or A2 or A3 except in the case where Client has in place a valid and effective SoCalGas Interconnect Capacity Study. Each Exhibit only becomes effective upon execution by both Client and SoCalGas.

CONSULTING SERVICES AGREEMENT

No construction work shall be included or done pursuant to this Agreement.

1.3. Term. This Agreement shall be effective on the Effective Date and shall continue in full force and effect until the completion of the Services.

SECTION 2 - COMPENSATION AND EXPENSES

2.1. Compensation. An estimate of SoCalGas' fees and all other applicable costs to be billed by SoCalGas to Client under this Agreement are set forth in each applicable Exhibit to this Agreement. In any event, Client shall be liable for the actual costs of the Services which may be higher than the estimated costs. Actual costs shall include the actual Services rendered and all related costs incurred, and shall include permit or other fees or charges, procurement, indirect costs and overheads, carrying costs, and any related income or other tax liability thereon.

2.2. Payment. Upon execution of this Agreement and Exhibit A, Client shall make payment to "Southern California Gas Company" for the Services in the amount specified in Exhibit A within ___ days. Upon execution of any additional Exhibit (as further described in Section 1.2) Client shall make payment to "Southern California Gas Company" for Services in the amount specified in such Exhibit(s) within ___ days. Any amount billed by SoCalGas to Client subsequent to the initial payment shall be paid by Client within twenty (20) days after receipt of SoCalGas' invoice to the address set forth in Section 8 below.

2.3. Change Orders. Any change to the Scope of Services shall be in writing (a "Change Order") and signed by Client and SoCalGas. If Client issues any request for a change in the Scope of the Services or the time of completion of the Services beyond those tasks described in the Scope of Services and not identified as a Change Order, but which SoCalGas considers to be a Change Order, then SoCalGas shall notify Client in writing and the parties shall mutually decide whether such a change in the Scope of Services or the time of completion of the Services constitutes a Change Order, which increases or decreases the Scope of the Services and increases or decreases the cost to SoCalGas of providing the Services. If SoCalGas issues a Change Order that results in an increase or decrease in the cost of the Services, then an adjustment shall be made to the total compensation and/or the time of completion of the Services. All written Change Orders shall become a part of this Agreement. SoCalGas may refrain from any additional work until Client has paid such additional amount as set forth above.

2.4. Payroll Taxes. Social security, federal, and other applicable taxes shall not be withheld from payments made to SoCalGas.

SECTION 3 - INFORMATION AND OWNERSHIP

3.1. Confidential Information. During the term of this Agreement, either party may have access to and become acquainted with confidential information and trade and business secrets of the other. Treatment of this information by both parties is set forth

CONSULTING SERVICES AGREEMENT

in the Confidentiality Agreement which is attached hereto and incorporated herein as Exhibit B of this Agreement (the Confidentiality Agreement).

3.2. **Ownership and Use.** Notwithstanding the above, any and all material and information prepared, accumulated or developed by SoCalGas, any subcontractor or their respective employees, including, without limitation, documents, drawings, designs, calculations, maps, plans, workplans, text, filings, estimates, manifests, certificates, books, specifications, sketches, notes, reports, summaries, analyses, data models and samples, (hereinafter, collectively "Work Product"), shall remain the property of SoCalGas when prepared or in process, whether or not delivered to Client. SoCalGas hereby grants to Client a nonexclusive royalty-free unrestricted license to use, copy, and distribute any Work Product furnished by SoCalGas to Client under this Agreement, subject to the terms specified in Exhibit B, Confidentiality Agreement. SoCalGas warrants that the Work Product provided by SoCalGas hereunder will meet or exceed all generally accepted industry standards for this type of work. SoCalGas makes no representations about the suitability, reliability, availability, timeliness or accuracy of Work Product or Services for any purpose. The Work Product will be done using information and assumptions at one point of time and which are subject to change at any time that could change the results or analysis reflected in Work Product. Estimates of costs may not cover all environmental costs or other unforeseen costs, or costs resulting from changes to laws, rules and regulations governing the Services herein. Therefore, SoCalGas does not warrant the Services or Work Product for any use and specifically disclaims any liability for any subsequent use of the Work Product, or any part thereof, by Client. No warranty of any kind is or will be included as part of the Services and all express and implied warranties, including any warranties of merchantability, and/or fitness for a particular purpose are specifically disclaimed. With the exception of claims solely arising from the gross negligence or intentional misconduct by Utility that occurs while performing the Services, Client will not hold SoCalGas liable or responsible in any way for any losses, damages, claims, costs, expenses or other obligations it incurs, or may incur, arising out of or related to Client's use of, or reliance on, any part of the Services, Work Product or other information provided by SoGalGas hereunder.

SECTION 4 - STATUS

SoCalGas is and at all times during the term of this Agreement shall be an independent contractor providing consulting services to Client. Nothing contained in this Agreement shall be construed to create a relationship of principal and agent, employer and employee, servant and master, partnership or joint venture between the parties.

SECTION 5 - ATTORNEYS' FEES

Should any dispute arise regarding any term or provision of this Agreement or enforcement of any rights hereunder, or to collect any portion of the amount payable under this Agreement, then all litigation and collection expenses, witness fees, court costs and attorneys' fees shall be paid to the prevailing party.

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SECTION 6 - SUPERVISION AND COORDINATION

During the term of this Agreement, each party shall appoint a representative who will be authorized, empowered and available to act for and on behalf of each to implement the terms and conditions of this Agreement.

SECTION 7 – DISPUTES

Any dispute or need for interpretation arising out of this Agreement which cannot be resolved after a reasonable period of time of good faith negotiation may be submitted to the CPUC for resolution.

SECTION 8 – NOTICES

Any and all notices and other communications hereunder shall be in writing and shall be deemed to have been duly given or received when delivered personally or by courier forty-eight (48) hours after being mailed, via first class, postage prepaid, to the addresses set forth immediately below of the parties hereto or to such other addresses as either of the parties hereto may from time to time designate in writing to the other party.

SoCalGas:

Southern California Gas Company
Address
Address
Attn:

Client:

Client
Address
Address
Attn:

SECTION 9 - SUCCESSORS AND ASSIGNS

Assignment or transfer of the entire rights and obligations of any Party hereunder shall only be permitted under the following circumstances:

A. When the assignment is to a successor, representative or assignee which shall succeed by purchase, merger, corporate reorganization/restructuring or consolidation to all or substantially all of the assets of Project or SoCalGas, as the case may be and when the assignment is to a parent, affiliate or subsidiary of a Party hereto; or

B. When any Party assigns or pledges this Agreement under the provisions of any mortgage, deed of trust, indenture or similar instrument which it has

CONSULTING SERVICES AGREEMENT

executed or may execute hereafter; however, in such event the other Parties shall be provided prior written notice thereof; or

C. When the Party assigning shall have first obtained the consent in writing of the other Party hereto.

SECTION 10 - APPLICABLE LAW

The provisions of this Agreement shall be construed and enforced in accordance with the laws of the State of California.

SECTION 11 – WAIVERS

The failure or delay of either party to exercise or enforce at any time any of the provisions of this Agreement shall not constitute or be deemed a waiver of that party's right thereafter to enforce each and every provision of the Agreement and shall not otherwise affect the validity of this Agreement.

SECTION 12 – SEVERABILITY

If any provision of this Agreement is finally determined to be contrary to, prohibited by, or invalid under applicable laws or regulations, such provision shall become inapplicable and shall be deemed omitted from this Agreement. Such determination shall not, however, in any way invalidate the remaining provisions of this Agreement.

SECTION 13 - ENTIRE AGREEMENT AND AMENDMENTS

This Agreement and its exhibits constitute the entire understanding and agreement between the parties relating to the subject matter hereof and supersedes any prior written or oral understanding or agreement between the parties relating to the subject matter hereof. This Agreement shall not be amended, altered, or supplemented in any way except by an instrument in writing, signed by the duly authorized representative of the parties that expressly references this Agreement.

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IN WITNESS WHEREOF, the parties have executed this Agreement on the day and in the year first above written.

Southern California Gas Company

Client

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Exhibit A
Consulting Services Agreement dated _____

SoCalGas will provide the Client with a report that provides a preliminary cost estimate requested by the Client for construction of necessary facilities as described below (the "Services"). SoCalGas proposes to analyze the impact on its gas transmission system of receiving _____ million cubic feet per day (MMcfd) of new supply at _____, California, on a _____ basis. SoCalGas' analysis will identify any system improvements necessary to accept this new supply under the assumption that the new supply _____. Any assessment of gas quality or gas quality issues are outside of the scope of this cost estimate.

A cost estimate for any facility improvements, accurate to $\pm 20\%$, will be calculated. The findings and estimate will not constitute a proposal by SoCalGas. This preliminary cost estimate will include only the construction cost of the identified facilities. SoCalGas will not have performed a specific site or route evaluation for the Client's project in the development of this estimate. Additionally, costs associated with taxes (CIAC); permitting, paving, right-of-way acquisition, environmental issues, gas quality, measurement, regulatory, and land acquisition/development issues; and any unusual construction costs or facility requirements (e.g. freeway, river, or channel crossings) are explicitly excluded from this preliminary cost estimate. These costs are the Client's responsibility to determine and may be significant.

SoCalGas' construction costs continue to rise with increasing costs of labor and materials. Since this preliminary cost estimate is developed using average historical project cost data, it is highly likely that the actual construction costs for the Client's particular project will vary significantly from this preliminary estimate. SoCalGas urges the Client to retain the services of a third-party engineering construction firm, or enter into a design and engineering contract with SoCalGas to develop a more accurate construction cost estimate for this specific project.

Because of the exclusions and limitations of this initial review, SoCalGas does not recommend that the Client use this preliminary cost estimate for any purpose, including any substantive planning or other decisions regarding the cost or viability of its project. Any use by the Client is solely at its own risk and should factor in the above risks and limitations.

A report that summarizes the results of SoCalGas' analyses, identifies any facility improvements, and estimates the cost of construction of those improvements, will be provided to the Client. The Client will be granted an unrestricted license to use, copy, and distribute the report; however, the report and all work product shall remain the property of SoCalGas.

The estimated cost to perform the Services is \$_____. SoCalGas will complete the analysis within _____ business days after receipt of payment: _____.

Payment in full of the estimated cost of the Services is required upon execution of a Consulting Services Agreement and Exhibit A to proceed with the analysis. The Client will

be responsible for the actual costs of the Services; to this end, an invoice or refund will be issued to the Client at the completion of the project for any difference between the actual costs and this estimate.

Should the Client's requirements vary from this proposal, SoCalGas would like the opportunity to modify and resubmit this proposal as appropriate. If the Client has any questions, please call _____ at _____.

Accepted and agreed to by their respective authorized representatives:

SOUTHERN CALIFORNIA GAS COMPANY

[Client]

By _____

By _____

Title _____

Title _____

Date _____

Date _____

Preliminary Engineering Study - Exhibit A1
Consulting Services Agreement dated _____

SoCalGas will provide the Client with a report that provides a Preliminary Engineering Study (“PES”) requested by the Client for construction of necessary facilities as described below (the “Services”). SoCalGas proposes to analyze the impact on its gas transmission system of receiving _____ million cubic feet per day (MMcfd) of new supply at _____, California, on a _____ basis. SoCalGas’ analysis will identify any system improvements necessary to accept this new supply under the assumption that the new supply _____.

The cost estimate calculated by SoCalGas will include land acquisition, site development, right-of-way, metering, gas quality, permitting, regulatory, environmental, unusual construction costs, and operating and maintenance costs for any facility improvements, accurate to $\pm 20\%$. The findings and estimate will not constitute a proposal by SoCalGas. SoCalGas will not have performed a specific site or route evaluation for the Client’s project in the development of this estimate.

SoCalGas’ construction costs continue to rise with increasing costs of labor and materials. Since the PES is developed using average historical project cost data, it is highly likely that the actual construction costs for the Client’s particular project will vary significantly from the PES. SoCalGas urges the Client to retain the services of a third-party engineering construction firm, or enter into a design and engineering contract with SoCalGas to develop a more accurate construction cost estimate for this specific project.

Because of the exclusions and limitations of this initial review, SoCalGas does not recommend that the Client use the PES for any purpose, including any substantive planning or other decisions regarding the cost or viability of its project. Any use by the Client is solely at its own risk and should factor in the above risks and limitations.

A report that summarizes the results of SoCalGas’ analyses, identifies any facility improvements, and estimates the cost of construction of those improvements, will be provided to the Client. The Client will be granted an unrestricted license to use, copy, and distribute the report; however, the report and all work product shall remain the property of SoCalGas.

The estimated cost to perform the Services is \$ _____. SoCalGas will complete the analysis within _____ business days after receipt of payment: _____.

Payment in full of the estimated cost of the Services is required upon execution of a Consulting Services Agreement and Exhibit A1 to proceed with the analysis. The Client will be responsible for the actual costs of the Services; to this end, an invoice or refund will be issued to the Client at the completion of the project for any difference between the actual costs and this estimate.

Preliminary Engineering Study - Exhibit A1
Consulting Services Agreement dated _____

Should the Client's requirements vary from this proposal, SoCalGas would like the opportunity to modify and resubmit this proposal as appropriate. If the Client has any questions, please call _____ at _____.

Accepted and agreed to by their respective authorized representatives:

SOUTHERN CALIFORNIA GAS COMPANY

[Client]

By _____

By _____

Title _____

Title _____

Date _____

Date _____

Detailed Engineering Study - Exhibit A2
Consulting Services Agreement dated _____

SoCalGas will provide the Client with a report that provides a Detailed Engineering Study (“DES”) requested by the Client for construction of necessary facilities as described below (the “Services”). SoCalGas proposes to analyze the impact on its gas transmission system of receiving _____ million cubic feet per day (MMcfd) of new supply at _____, California, on a _____ basis. SoCalGas’ analysis will identify any system improvements necessary to accept this new supply under the assumption that the new supply _____.

A cost estimate for any facility improvements, accurate to $\pm 20\%$, will be calculated. The findings and estimate will not constitute a proposal by SoCalGas. The DES will (1) describe all costs of construction, (2) develop complete engineering construction drawings, and (3) prepare all construction and environmental permit applications and right-of-way acquisition requirements.

A report that summarizes the results of SoCalGas’ analyses, identifies any facility improvements, and estimates the cost of construction of those improvements, will be provided to the Client. The Client will be granted an unrestricted license to use, copy, and distribute the report; however, the report and all work product shall remain the property of SoCalGas.

The estimated cost to perform the Services is \$_____. SoCalGas will complete the analysis within _____ business days after receipt of payment: _____.

Payment in full of the estimated cost of the Services is required upon execution of a Consulting Services Agreement and Exhibit A2 to proceed with the analysis. The Client will be responsible for the actual costs of the Services; to this end, an invoice or refund will be issued to the Client at the completion of the project for any difference between the actual costs and this estimate.

Should the Client’s requirements vary from this proposal, SoCalGas would like the opportunity to modify and resubmit this proposal as appropriate. If the Client has any questions, please call _____ at _____.

Detailed Engineering Study - Exhibit A2
Consulting Services Agreement dated _____

Accepted and agreed to by their respective authorized representatives:

SOUTHERN CALIFORNIA GAS COMPANY

[Client]

By _____

By _____

Title _____

Title _____

Date _____

Date _____