

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 14, 2017

Advice Letter 5217-G

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

SUBJECT: Rule No. 39, Access to the SoCalGas Pipeline System, Interconnection Agreements Form Deviation

Dear Mr. van der Leeden:

Advice Letter 5217-G is effective as of December 13, 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

November 13, 2017

Advice No. 5217
(U 904 G)

Public Utilities Commission of the State of California

Subject: Rule No. 39, Access to the SoCalGas Pipeline System, Interconnection Agreements Form Deviation

Purpose

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission or CPUC) a request to deviate from Rule No. 39, Access to the SoCalGas Pipeline System, requirements to permit Calgren Dairy Fuels, LLC (“Calgren”) to use the California Producer Interconnection Agreement (CPIA), California Producer Operational Balancing Agreement (CPOBA), California Producer Interconnect Collectible System Upgrade Agreement (CPICUSA), and the California Producer Agreement to Transfer Ownership (CPATO) (the CPIA, CPOBA, CPICUSA, and CPATO are collectively referred to herein as “CP Forms”) instead of the Interconnection Agreement (IA), Operational Balancing Agreement (OBA), and Interconnect Collectible System Upgrade Agreement (ICSUA) (the IA, OBA and ICSUA are referred to herein as “Base Forms”) and revise its List of Contracts and Deviations, as shown on Attachment A. Calgren is expected to be SoCalGas’ first dairy based biomethane interconnection.

Background

SoCalGas Rule No. 39 specifies that SoCalGas and the interconnector must execute the Base Forms unless the interconnector is a California Producer. If the interconnector is a California Producer, then SoCalGas and the interconnector must execute the CP Forms.

The Base Forms were established pursuant to Decision (D.) 06-09-039 in the Gas Market Order Instituting Rulemaking (R.) 04-01-025. The CP Forms were established in D.07-08-029 as a result of Application (A.) 04-08-018, SoCalGas Application to

Establish Regulatory Authority Over the Access for Natural Gas Provided by California Gas Producers. In implementing D.07-08-029, SoCalGas established a definition for a California Producer based on the gas deliveries associated with natural gas from oil and/or gas wells, which is contained in SoCalGas Tariff Rule No. 1.¹ Biomethane interconnections were not contemplated as part of D.06-09-039 or D.07-08-029.

Since the issuance of D.06-09-039 and D.07-08-029, the State of California has and continues to provide policy support for developing the renewable gas market, and has directed the Commission and other state agencies to implement policies that promote renewable gas market development. For example, Assembly Bill (AB) 1900 (Gatto, 2012) and the resulting Section 399.24 of the Public Utilities Code require the Commission to adopt policies and programs that promote the in-state production and distribution of biomethane. AB 2313 (Williams, 2016) and the resulting Section 784.2 of the Public Utilities Code require the Commission to consider options to further the goals of Section 399.24, including enabling utility ratebased investment in infrastructure to interconnect biomethane facilities with the natural gas pipeline. Additionally, Senate Bill (SB) 1383 (Lara, 2016) provides for broad policy support to enable the reduction of short lived climate pollutant (SLCP) emissions, including dairy-sourced methane emissions, and specifically identifies the need to demonstrate the viability of pipeline-injected renewable gas as a strategy to meet its SLCP emission reduction goals.

Calgren has stated that its dairy based biogas production is similar to California Producer production and that the CP Forms are more appropriate for their biogas. As a result, Calgren has requested it be allowed to use the CP Forms.²

Proposed Revisions

SoCalGas requests Commission approval to allow SoCalGas and Calgren to enter into the CP Forms in lieu of the Base Forms. Calgren will be included in SoCalGas' tariff, List of Contracts and Deviations, as shown on Attachment A.

This filing will not increase any rate or charge or cause the withdrawal of service.

¹ SoCalGas Rule No. 1 defines a California Producer as "An entity which produces natural gas in association with crude oil (associated natural gas) or non-associated natural gas from oil and/or gas wells and is interconnected with the Utility's pipeline system."

² Both D.06-09-039 and D.07-08-029 envisioned deviations from the form agreements via an advice letter. See D.06-09-039 at 88 ("These standardized agreements should be considered the standard template, with deviations obtained through the advice letter process."). See also D.07-08-029 at 81 (Conclusion of Law 4: "SoCalGas and the producers should have the flexibility to negotiate mutually acceptable deviations to the IA and OBA, as adopted in this decision, through the filing on an advice letter."), and 83 (Ordering Paragraph 3.a: "SoCalGas and the California producers may negotiate mutually acceptable deviations to the adopted Interconnection Agreement and Operational Balancing Agreement through the filing on an advice letter.").

Protest

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 20 days of the date of this Advice Letter, which is December 3, 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 Advice Letter is subject to Energy Division disposition and should be classified as a Tier 2 (effective after staff approval) pursuant to General Order (GO) 96-B and direction from the Commission's Legal Division. SoCalGas respectfully requests that this Advice Letter be approved on December 13, 2017, which is 30 calendar days after the date filed.

Notice

A copy of this Advice Letter is being sent to SoCalGas' GO 96-B service list and the Commission's service list 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 213-244-2837. 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) #: 5217

Subject of AL: Rule No. 39, Access to the SoCalGas Pipeline System, Interconnection Agreements Form

Deviation

Keywords (choose from CPUC listing): Agreements, Forms

AL filing type: Monthly Quarterly Annual One-Time Other

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

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL N/A

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: 12/13/17

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: List of Contracts and Deviations and TOCs

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

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. 5217

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 54457-G	LIST OF CONTRACTS AND DEVIATIONS, Sheet 3	Revised 52483-G
Revised 54458-G	TABLE OF CONTENTS	Revised 52484-G
Revised 54459-G	TABLE OF CONTENTS	Revised 54451-G

LIST OF CONTRACTS AND DEVIATIONS

(Continued)

<u>Name and Location of Customer</u>	<u>Type or Class of Service</u>	<u>Date of</u>		<u>Commission Authorization No. and Date</u>	<u>Most Comparable Regular Tariff Schedule</u>	
		<u>Execution</u>	<u>Expiration</u>		<u>No.</u>	<u>Contract Differences</u>
US Government Basic Ordering Agreement Cont #N62473- 13-G-1402	Residential/ Commercial/ Industrial	8-7-13	3 years (Two 1-year extensions may be granted)	AL 4633 G.O. 96-B Sec. 8.2.3	-	Basic Ordering Agreement
US Government (GSA) Cont# GS-00P-14-BSD-1054	General	3-1-14	10 years	AL 4634 G.O. 96-B Sec. 8.2.3	-	Areawide Public Utility Contract
California High-Speed Rail Authority (CHSRA)	Commercial	7-1-14	Indefinite	AL 4946 G.O. 96-B Sec. 8.2.3	-	Master Agreement to accommodate the California High-Speed Rail Project
CalGren Dairy Fuels, LLC (Calgren)	Commercial	-	Indefinite	AL 5217 12-13-17	-	Rule No. 39 deviation to allow the use of the California Producer Agreement Forms

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5217
 DECISION NO.

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Nov 13, 2017
 EFFECTIVE Dec 13, 2017
 RESOLUTION NO. _____

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45165-G,49508-G,45167-G

LIST OF CONTRACTS AND DEVIATIONS 36974-G,50345-G,54457-G

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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 Nov 13, 2017
EFFECTIVE Dec 13, 2017
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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.

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Part III Cost Allocation and Revenue Requirement	53582-G,50447-G,53583-G
Part IV Income Tax Component of Contributions and Advances	52273-G,24354-G
Part V Balancing Accounts	
Description and Listing of Balancing Accounts	52939-G,54130-G
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Integrated Transmission Balancing Account (ITBA)	49313-G

(Continued)

(TO BE INSERTED BY UTILITY)
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