

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



April 9, 2018

**Advice Letter 5263**

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 Agreement Form**

Dear Mr. van der Leeden:

Advice Letter 5263 is effective as of March 30, 2018

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](mailto:RvanderLeeden@semprautilities.com)

February 28, 2018

Advice No. 5263  
(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 deviate from the California Producer Interconnection Agreement (CPIA) self-build warranty conditions and revise its tariff, List of Contracts and Deviations, as shown on Attachment A. Calgren is expected to be SoCalGas' first dairy based biomethane interconnection.

**Background**

On December 14, 2017, the CPUC approved SoCalGas' Advice No. 5217 requesting approval for Calgren to use the Rule No. 39 CPIA, California Producer Operational Balancing Agreement (CPOBA), California Producer Interconnect Collectible System Upgrade Agreement (CPICSUA), and the California Producer Agreement to Transfer Ownership (CPATO) (the CPIA, CPOBA, CPICSUA, 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").

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.

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 elected the CPICSUA self-build option, but stated that it will be unable to meet the self-build warranty provision. SoCalGas is willing, when SoCalGas' approved contractors and/or suppliers are used, to accept a transferred warranty that is equivalent, as further described in the deviation language, to a warranty SoCalGas would receive absent Calgren's self-build election.<sup>1</sup>

### **Proposed Revisions**

In addition to including Calgren in SoCalGas' tariff, List of Contracts and Deviations, SoCalGas requests Commission approval to allow SoCalGas and Calgren to enter into the CPICSUA, SoCalGas (Sample Forms – Contracts) Form No. 6456, with the revised warranty provision shown below (deviation language bolded).

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<sup>1</sup> 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 p. 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 p. 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 p. 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.").

## EXHIBIT D: SELF-BUILD ALTERNATIVE

**7. Warranty**

Prior to the acceptance of the Self-Build Facilities by SoCalGas, Interconnector shall be responsible for (a) the continued maintenance of the Self-Build Facilities to preserve its integrity, (b) the safe and reliable operation of the Self-Build Facilities in accordance with applicable laws, rules, regulations, ordinances and the like, and (c) all injury and damage resulting from operation of the Self-Build Facilities. After transfer, SoCalGas shall assume responsibility for operation of the Self-Build Facilities and provision of service and shall, per the CPIA and/or the California Producer Interconnect Collectible System Upgrade Agreement ("CPICSUA"), assume liability for operation of the Self-Build Facilities except with respect to defects known to Interconnector and not disclosed to SoCalGas during the transfer of ownership process or breach of Interconnector's representations. Interconnector warrants that all work and/or equipment furnished or installed by Interconnector or its contractor shall be free of defects in workmanship and material. If Interconnector elects to have any part of the Self-Build Facilities installed by a third party, Interconnector shall require at least a three (3)-year warranty on installation and parts from the contractor and/or supplier of materials and shall assign such warranty to SoCalGas. The warranty period shall begin from the date of final acceptance by SoCalGas and extend for three (3) years. **Notwithstanding the foregoing warranty requirement, for SoCalGas-approved contractors and/or suppliers, Interconnector shall require a warranty on installation and parts from such contractors and/or suppliers that is acceptable to SoCalGas, in its reasonable discretion (it being understood that any such warranty will be deemed reasonable, if it is with a SoCalGas approved contractor and/or supplier and equivalent to the warranty SoCalGas would receive on such installation and parts from the contractor and/or supplier absent Interconnector's Self-Build election), and shall assign such warranty to SoCalGas.** Should the Self-Build Facilities develop defects during that period, SoCalGas, at its election, shall either (a) repair or replace the defective work and/or equipment per the CPIA and/or CPICSUA, or (b) demand that Interconnector repair or replace the defective work and/or equipment. In either event, Interconnector shall be liable for all costs, claims or other liabilities associated with such repair and/or replacement. Interconnector upon demand by SoCalGas shall promptly correct, to SoCalGas' satisfaction and that of any governmental agency having jurisdiction, any breach of any warranty.

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

**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 protests must be made in writing and received within 20 days of the date of this advice letter, which is on March 20, 2018. 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  
Attn: 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 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: Ray Ortiz  
Tariff Manager - GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No.: (213) 244-4957  
E-mail: [ROrtiz@SempraUtilities.com](mailto:ROrtiz@SempraUtilities.com)

**Effective Date**

SoCalGas believes that this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to General Order (GO) 96-B. Therefore, SoCalGas respectfully requests that this advice letter become effective for service on March 30, 2018, which is 30 calendar days from 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 in R.04-01-025. Address change requests to the GO 96-B service list should be directed by electronic mail to [tariffs@socalgas.com](mailto: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](mailto:Process_Office@cpuc.ca.gov).

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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](mailto: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) #: 5263

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 #:

N/A

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 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: 3/30/18

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 proposed<sup>1</sup>: 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](mailto:EDTariffUnit@cpuc.ca.gov)

**Southern California Gas Company**

**Attention: Ray B. Ortiz**

**555 West 5<sup>th</sup> Street, GT14D6**

**Los Angeles, CA 90013-1011**

[ROrtiz@semprautilities.com](mailto:ROrtiz@semprautilities.com)

[Tariffs@socalgas.com](mailto:Tariffs@socalgas.com)

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

ATTACHMENT A  
Advice No. 5263

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 54789-G	LIST OF CONTRACTS AND DEVIATIONS, Sheet 3	Revised 54457-G
Revised 54790-G	TABLE OF CONTENTS	Revised 54458-G
Revised 54791-G	TABLE OF CONTENTS	Revised 54763-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
CalGren Dairy Fuels, LLC (Calgren)	Commercial	-	Indefinite	AL 5263 03-30-18	-	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. 5263  
 DECISION NO.

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

(TO BE INSERTED BY CAL. PUC)  
 SUBMITTED Feb 28, 2018  
 EFFECTIVE Mar 30, 2018  
 RESOLUTION NO. \_\_\_\_\_

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45165-G,49508-G,45167-G

LIST OF CONTRACTS AND DEVIATIONS ..... 36974-G,50345-G,54789-G

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 5263  
DECISION NO.

1H14

ISSUED BY

**Dan Skopec**  
Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

SUBMITTED Feb 28, 2018  
EFFECTIVE Mar 30, 2018

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

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(Continued)

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**Dan Skopec**  
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