

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



June 13, 2019

**Advice Letter 5468-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 5468-G is effective as of June 16, 2019.

Sincerely,

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

Edward Randolph  
Deputy Executive Director for Energy and Climate Policy/  
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

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May 17, 2019

Advice No. 5468  
(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 CalBioGas Hanford LLC, CalBioGas Kern LLC and CalBioGas West Visalia LLC (collectively, "CalBioGas") to use the California Producer Interconnection Agreement (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") and revise its List of Contracts and Deviations, as shown on Attachment A.

### **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 pursuant to D.07-08-029 in Application 04-08-018, SoCalGas Application to Establish Regulatory Authority Over the Access for Natural Gas Provided by California Gas Producers. The CP Forms are modifications of the Base Forms to accommodate California Producers' commodity ownership and smaller and varying production relative to the interstate

pipelines and liquified natural gas interconnectors' transportation and larger and steadier deliveries. 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 listed in SoCalGas Tariff Rule No. 01.<sup>1</sup> Biomethane interconnections were not contemplated as part of D.06-09-039 or D.07-08-029 but are now an existing and growing part of California's production.

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 addition of 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 addition of 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. Lastly, SB 1440 (Hueso, 2018) requires the California Public Utilities Commission (CPUC), in consultation with the State Air Resources Board (ARB), "...to consider adopting specific biomethane procurement targets or goals for each gas corporation, as specified." Biomethane procurement goals will provide market stability, increase production, drive down costs over time, and in time develop new gasification and other renewable gas technologies.

CalBioGas has stated its dairy based biogas production is similar to California Producer production and the CP Forms are more appropriate for their biogas. As a result, CalBioGas has requested it be allowed to use the CP Forms.<sup>2</sup> The CPUC similarly approved Advice No. 5217, Rule No. 39, Access to the SoCalGas Pipeline System,

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<sup>1</sup> SoCalGas Rule No. 01 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."

<sup>2</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 88, "These standardized agreements should be considered the standard template, with deviations obtained through the advice letter process." Also, see D.07-08-029, at 81, Conclusions 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 at 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."

Interconnection Agreements Form Deviation, on December 14, 2017 for Calgren Dairy Fuels, LLC.<sup>3</sup>

### **Proposed Revisions**

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

This submittal will not result in any increase or decrease in any rate or charge, conflict with any rate schedule or any rules, or cause the withdrawal of service.

### **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 must be received within 20 days of the date of this Advice Letter, which is June 6, 2019. 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

A copy of the protest should also be sent via e-mail to the attention of 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: 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](mailto:ROrtiz@SempraUtilities.com)

### **Effective Date**

SoCalGas believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to General Order (GO) 96-B and previous direction from the Commission's Legal Division. Therefore, SoCalGas respectfully requests that this Advice Letter be made effective June 16, 2019, which is 30 days after the date submitted.

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<sup>3</sup> <https://www.socalgas.com/regulatory/tariffs/tm2/pdf/5217.pdf>.

**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 service list should be directed by e-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 e-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



# ADVICE LETTER SUMMARY

## ENERGY UTILITY



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

Company name/CPUC Utility No.:

Utility type:

- ELC       GAS       WATER  
 PLC       HEAT

Contact Person:

Phone #:  
E-mail:  
E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

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

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested?  Yes  No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required?  Yes  No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

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:

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

Pending advice letters that revise the same tariff sheets:

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

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

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

Name:  
Title:  
Utility Name:  
Address:  
City:  
State: Zip:  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

Name:  
Title:  
Utility Name:  
Address:  
City:  
State: Zip:  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

ATTACHMENT A  
Advice No. 5468

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 56310-G	LIST OF CONTRACTS AND DEVIATIONS, Sheet 3	Revised 55738-G
Revised 56311-G	TABLE OF CONTENTS	Revised 55739-G
Revised 56312-G	TABLE OF CONTENTS	Revised 56309-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)	Interconnector	9-21-18	15 years and year to year thereafter	AL 5217 12-13-17	-	Rule No. 39 deviation to allow the use of the California Producer Agreement Forms
Calgren Dairy Fuels, LLC (Calgren)	Interconnector	9-21-18	In-service date	AL 5263 03-30-18	-	Rule No. 39 deviation to allow the use of the California Producer Agreement Forms
United States Utility Services Contract N62473-18-C-5602	General	6-5-18	10 years	AL 5397	-	Utility Services Umbrella Contract
CalBioGas Hanford LLC	Interconnector	-	Indefinite	AL 5468 05-17-19	-	Rule No. 39 deviation to allow the use of California Producer Agreement Forms
CalBioGas Kern LLC	Interconnector	-	Indefinite	AL 5468 05-17-19	-	Rule No. 39 deviation to allow the use of California Producer Agreement Forms
CalBioGas West Visalia LLC	Interconnector	-	Indefinite	AL 5468 05-17-19	-	Rule No. 39 deviation to allow the use of California Producer Agreement Forms

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 5468  
 DECISION NO.

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

(TO BE INSERTED BY CAL. PUC)  
 SUBMITTED May 17, 2019  
 EFFECTIVE Jun 16, 2019  
 RESOLUTION NO. \_\_\_\_\_

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45165-G,49508-G,45167-G

LIST OF CONTRACTS AND DEVIATIONS ..... 36974-G,50345-G,56310-G

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(TO BE INSERTED BY UTILITY)

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Vice President  
Regulatory Affairs

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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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(Continued)

(TO BE INSERTED BY UTILITY)  
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