



Ken Deremer  
Director  
Tariffs & Regulatory Accounts

8330 Century Park Court CP32C  
San Diego, CA 92123-1548  
Tel: 858.654.1756  
Fax: 858.654.1788  
KDeremer@SempraUtilities.com

June 1, 2007

Advice No. 3749  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Request for Service Deviation from Tariff Rule 13 Meters and Appliances to Serve Blythe Energy, LLC**

Southern California Gas Company ("SoCalGas") hereby submits for filing with the California Public Utilities Commission ("Commission") a request for deviation from Tariff Rule No.13, Meters and Appliances in order to serve Blythe Energy, LLC ("Blythe Energy"), using an El Paso Natural Gas Company ("EPNG") meter located at Ehrenberg, Arizona.

**Deviation Request**

SoCalGas' Rule 13 requires that "All meters ... be the property of the Utility...." And the Utility shall "... install service lines and meters of adequate capacity to provide satisfactory service and to assure accurate meter registration." SoCalGas is hereby requesting a deviation from Rule 13 in order to accept for interim customer billing purposes the measurement data from an EPNG owned meter. The metering and piping infrastructures already installed and in operation by EPNG provide adequate capacity and accurate meter registration as required by this Rule.

**Background**

Blythe Energy has requested service from SoCalGas for a two-year period starting as soon as possible. Blythe Energy is a 520 MW electric generation facility located in Blythe, California. Though located in SoCalGas' service territory, Blythe Energy has never been a SoCalGas customer. Blythe Energy currently takes transportation service from EPNG through a dedicated meter located in Ehrenberg, Arizona. This meter measures the gas flowing into an EPNG pipeline that runs from Ehrenberg to the California/Arizona border, at which point the gas is delivered into the custody of the Blythe Energy owned pipeline running from the California/Arizona border to the generating facility. The Ehrenberg meter site meets AGA design specifications and is comparable to facilities operated by SoCalGas within its service territory. Moreover EPNG maintenance, operating, and billing procedures are reviewed periodically by SoCalGas as part of its larger Interconnect activities with EPNG, and are found to be acceptable and consistent with industry

standards and SoCalGas' basic requirements for custody transfer. SoCalGas will also include this meter apparatus on the routine calibration witnessing schedule it currently administers in conjunction with EPNG meters measuring interstate deliveries to SoCalGas, which are co-located at the Ehrenberg facility.

Blythe Energy has a peak demand of approximately 85 MDth/day, and an expected annual usage of approximately 10 MMDth based on the historic peak. Blythe Energy has requested service from SoCalGas to take advantage of the supply diversity and operating flexibility offered under SoCalGas' existing tariffs.

In order to meet Blythe Energy's request to start SoCalGas service as soon as possible, SoCalGas proposes the one-time approach of using Blythe Energy's existing facilities and interconnection with EPNG and the existing EPNG meter installed at Ehrenberg, Arizona to measure gas used and prepare the bill for Blythe Energy's SoCalGas services. This approach avoids the approximately \$1 million cost to build interconnect facilities and the many months it would take to plan, procure, and install the interconnect facilities and metering capability. Establishing the tele-communications between the existing EPNG/Blythe Energy electronic measurement and SoCalGas operations and billing does not involve any capital expense.

By minimizing the time needed to start-up service, SoCalGas maximizes the incremental transportation revenue received from this new customer which benefits all other SoCalGas ratepayers. To the extent SoCalGas' service helps increase Blythe Energy's generating availability and decreases its operating costs, greater electricity supply and lower generating costs benefit California electricity customers.

Administratively, the proposed service arrangement makes Blythe Energy appear like any other SoCalGas noncore customer. Blythe Energy's existing EPNG meter will be added to the Operator Balancing Agreement ("OBA") between EPNG and SoCalGas and the volumes counted as interstate deliveries into SoCalGas at Blythe via Ehrenberg.

SoCalGas expects this unique service arrangement to last just for the agreed to two-year contract term. To the extent Blythe Energy wishes to retain SoCalGas services beyond the initial contract term, SoCalGas will ensure that future service is accomplished through the traditional means of a SoCalGas meter served from the SoCalGas transmission system within our California service territory.

### **Hinshaw Exemption Compliance**

The service provider/customer relationship between SoCalGas and Blythe Energy will not involve interstate commerce of natural gas. SoCalGas will not have piping or measurement facilities outside of California, and will not have custody of the natural gas being delivered to Blythe Energy at any time during the transportation activity. Blythe Energy will accept custody of the gas at the California/Arizona border where EPNG relinquishes custody.

**Advice Letter Process Precedent**

The Advice Letter process is the Commission's preferred method of requesting a tariff deviation, which SoCalGas does not pursue very often. In the past, the Energy Division has seen fit to approve Advice Letters for previous deviation requests when the requests are demonstrated to be in the best interest of all parties involved, anomalous in nature, and in keeping with the spirit of Commission-approved SoCalGas tariffs. The opportunity to provide service to Blythe Energy is one of those circumstances.

**Conditions Precedent**

Service to Blythe Energy is conditioned on the Commission's approval of this Advice Letter.

**Blythe Energy Letter of Support**

The following attachment is herein incorporated as part of this filing;

**Attachment B – Blythe Energy Letter to Steve Rahon, Director, Tariffs and Regulatory Accounts for SoCalGas**

This letter from Blythe Energy is provided in support of SoCalGas' request for Commission approval of the tariff deviation filed herein. In the letter Bryan J. Fennell, Vice President of Blythe Energy, acknowledges understanding of the requirement for and the impact of a deviation from Tariff Rule 13. Please note that this letter was written before Ken Deremer recently succeeded Steve Rahon as Director, Tariffs and Regulatory Accounts for SoCalGas.

**Submission of Negotiated Transmission Service Contract**

Ordering Paragraph 14 of Decision No. (D.) 88-03-085, dated March 23, 1988 and Resolution No. G-2959, dated July 24, 1991, requires that SoCalGas submit negotiated contracts with terms less than five years to the Energy Commission within five days after execution. In compliance with the above requirement SoCalGas is concurrently forwarding under separate cover a copy of the Master Services Contract and Schedule A of the two-year term negotiated contract with Blythe Energy.

**Protest**

Anyone may protest this Advice Letter to the California Public Utilities 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 this Advice Letter was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

Energy Division - IMC Branch  
California Public Utilities Commission  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Jerry Royer ([jjr@cpuc.ca.gov](mailto:jjr@cpuc.ca.gov)) and to Honesto Gatchalian ([jni@cpuc.ca.gov](mailto:jni@cpuc.ca.gov)) of the Energy Division. A copy of the protest should also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Sid Newsom  
Tariff Manager - GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No. (213) 244-4957  
E-mail: [snewsom@SempraUtilities.com](mailto:snewsom@SempraUtilities.com)

### **Effective Date**

SoCalGas believes that approval of this advice letter does not require a resolution to be issued by the Commission; however, the Commission may determine that a resolution is warranted in this case.

SoCalGas respectfully requests this advice letter be approved on or after July 1, 2007 which is thirty (30) days after the date filed, or on such later date the Commission may direct by resolution.

### **Notice**

A copy of this advice letter is being sent to all parties listed on Attachment A to this advice letter.

---

Ken Deremer  
Director  
Tariffs and Regulatory Accounts



**ATTACHMENT A**

**Advice No. 3749**

**(See Attached Service List)**

Aglet Consumer Alliance  
James Weil  
jweil@aglet.org

Alcantar & Kahl  
Elizabeth Westby  
egw@a-klaw.com

Alcantar & Kahl  
Kari Harteloo  
klc@a-klaw.com

Ancillary Services Coalition  
Jo Maxwell  
jomaxwell@ascoalition.com

Ancillary Services Coalition  
Terry Rich  
TRich@ascoalition.com

BP Amoco, Reg. Affairs  
Marianne Jones  
501 West Lake Park Blvd.  
Houston, TX 77079

Barkovich & Yap  
Catherine E. Yap  
ceyap@earthlink.net

Beta Consulting  
John Burkholder  
burkee@cts.com

CPUC  
Consumer Affairs Branch  
505 Van Ness Ave., #2003  
San Francisco, CA 94102

CPUC  
Energy Rate Design & Econ.  
505 Van Ness Ave., Rm. 4002  
San Francisco, CA 94102

CPUC  
Pearlie Sabino  
pzs@cpuc.ca.gov

CPUC - DRA  
Galen Dunham  
gsd@cpuc.ca.gov

CPUC - DRA  
Jacqueline Greig  
jnm@cpuc.ca.gov

CPUC - DRA  
R. Mark Pocta  
rmp@cpuc.ca.gov

California Energy Market  
Lulu Weinzimer  
luluw@newsdata.com

Calpine Corp  
Avis Clark  
aclark@calpine.com

City of Anaheim  
Ben Nakayama  
Public Utilities Dept.  
P. O. Box 3222  
Anaheim, CA 92803

City of Azusa  
Light & Power Dept.  
215 E. Foothill Blvd.  
Azusa, CA 91702

City of Banning  
Paul Toor  
P. O. Box 998  
Banning, CA 92220

City of Burbank  
Fred Fletcher/Ronald Davis  
164 West Magnolia Blvd., Box 631  
Burbank, CA 91503-0631

City of Colton  
Thomas K. Clarke  
650 N. La Cadena Drive  
Colton, CA 92324

City of Long Beach, Gas & Oil Dept.  
Chris Garner  
2400 East Spring Street  
Long Beach, CA 90806

City of Los Angeles  
City Attorney  
200 North Main Street, 800  
Los Angeles, CA 90012

City of Pasadena - Water and Power  
Dept.  
G Bawa  
GBawa@cityofpasadena.net

City of Riverside  
Joanne Snowden  
jsnowden@riversideca.gov

City of Vernon  
Daniel Garcia  
dgarcia@ci.vernon.ca.us

Commerce Energy  
Brian Patrick  
BPatrick@commerceenergy.com

Commerce Energy  
Lynelle Lund  
llund@commerceenergy.com

Commerce Energy  
Tony Cusati  
TCusati@commerceenergy.com

Commerce Energy  
Glenn Kinser  
gkinser@commerceenergy.com

County of Los Angeles  
 Stephen Crouch  
 1100 N. Eastern Ave., Room 300  
 Los Angeles, CA 90063

DGS  
 Henry Nanjo  
 Henry.Nanjo@dgs.ca.gov

Dept. of General Services  
 Celia Torres  
 celia.torres@dgs.ca.gov

Downey, Brand, Seymour & Rohwer  
 Ann Trowbridge  
 atrowbridge@downeybrand.com

Gas Purchasing  
 BC Gas Utility Ltd.  
 16705 Fraser Highway  
 Surrey, British Columbia, V3S 2X7

Goodin, MacBride, Squeri, Ritchie &  
 Day, LLP  
 J. H. Patrick  
 hpatrick@gmssr.com

Imperial Irrigation District  
 K. S. Noller  
 P. O. Box 937  
 Imperial, CA 92251

Kern River Gas Transmission Company  
 Janie Nielsen  
 Janie.Nielsen@KernRiverGas.com

LS Power (took over Duke Energy)  
 A Hartmann  
 AHartmann@LSPower.com

Luce, Forward, Hamilton & Scripps  
 John Leslie  
 jleslie@luce.com

Crossborder Energy  
 Tom Beach  
 tomb@crossborderenergy.com

Davis Wright Tremaine, LLP  
 Edward W. O'Neill  
 One Embarcadero Center, #600  
 San Francisco, CA 94111-3834

Douglass & Liddell  
 Dan Douglass  
 douglass@energyattorney.com

Downey, Brand, Seymour & Rohwer  
 Dan Carroll  
 dcarroll@downeybrand.com

Gas Transmission Northwest  
 Corporation  
 Bevin Hong  
 Bevin\_Hong@transcanada.com

Goodin, MacBride, Squeri, Ritchie &  
 Day, LLP  
 James D. Squeri  
 jsqueri@gmssr.com

JBS Energy  
 Jeff Nahigian  
 jeff@jbsenergy.com

LADWP  
 Nevenka Ubavich  
 nevenka.ubavich@ladwp.com

Law Offices of Diane I. Fellman  
 Diane Fellman  
 diane\_fellman@fpl.com

MRW & Associates  
 Robert Weisenmiller  
 mrw@mrwassoc.com

Culver City Utilities  
 Heustace Lewis  
 Heustace.Lewis@culvercity.org

Davis, Wright, Tremaine  
 Judy Pau  
 judypau@dwt.com

Douglass & Liddell  
 Donald C. Liddell  
 liddell@energyattorney.com

Dynegy  
 Joseph M. Paul  
 jmpa@dynegy.com

General Services Administration  
 Facilities Management (9PM-FT)  
 450 Golden Gate Ave.  
 San Francisco, CA 94102-3611

Hanna & Morton  
 Norman A. Pedersen, Esq.  
 npedersen@hanmor.com

Jeffer, Mangels, Butler & Marmaro  
 2 Embarcadero Center, 5th Floor  
 San Francisco, CA 94111

LADWP  
 Randy Howard  
 P. O. Box 51111, Rm. 956  
 Los Angeles, CA 90051-0100

Law Offices of William H. Booth  
 William Booth  
 wbooth@booth-law.com

Manatt Phelps Phillips  
 Randy Keen  
 rkeen@manatt.com

Manatt, Phelps & Phillips, LLP  
 David Huard  
 dhuard@manatt.com

March Joint Powers Authority  
 Lori Stone  
 PO Box 7480,  
 Moreno Valley, CA 92552

Matthew Brady & Associates  
 Matthew Brady  
 matt@bradylawus.com

Julie Morris  
 Julie.Morris@PPMEnergy.com

National Utility Service, Inc.  
 Jim Boyle  
 One Maynard Drive, P. O. Box 712  
 Park Ridge, NJ 07656-0712

PG&E Tariffs  
 Pacific Gas and Electric  
 PGETariffs@pge.com

Pacific Gas & Electric Co.  
 John Clarke  
 jpc2@pge.com

Praxair Inc  
 Rick Noger  
 rick\_noger@praxair.com

Questar Southern Trails  
 Lenard Wright  
 Lenard.Wright@Questar.com

R. W. Beck, Inc.  
 Catherine Elder  
 celder@rwbeck.com

Regulatory & Cogen Services, Inc.  
 Donald W. Schoenbeck  
 900 Washington Street, #780  
 Vancouver, WA 98660

Richard Hairston & Co.  
 Richard Hairston  
 hairstonco@aol.com

Sierra Pacific Company  
 Christopher A. Hilten  
 chilen@sppc.com

Southern California Edison Co  
 Fileroom Supervisor  
 2244 Walnut Grove Ave., Rm 290, GO1  
 Rosemead, CA 91770

Southern California Edison Co  
 Karyn Gansecki  
 601 Van Ness Ave., #2040  
 San Francisco, CA 94102

Southern California Edison Co.  
 Colin E. Cushnie  
 Colin.Cushnie@SCE.com

Southern California Edison Co.  
 Kevin Cini  
 Kevin.Cini@SCE.com

Southern California Edison Co.  
 John Quinlan  
 john.quinlan@sce.com

Southern California Edison Company  
 Michael Alexander  
 Michael.Alexander@sce.com

Southwest Gas Corp.  
 John Hester  
 P. O. Box 98510  
 Las Vegas, NV 89193-8510

Suburban Water System  
 Bob Kelly  
 1211 E. Center Court Drive  
 Covina, CA 91724

Sutherland, Asbill & Brennan  
 Keith McCrea  
 kmccrea@sablaw.com

TURN  
 Marcel Hawiger  
 marcel@turn.org

TURN  
 Mike Florio  
 mflorio@turn.org

The Mehle Law Firm PLLC  
 Colette B. Mehle  
 cmehle@mehlelaw.com

Western Manufactured Housing  
 Communities Assoc.  
 Sheila Day  
 sheila@wma.org

**ATTACHMENT B**

**Advice No. 3749**

**Blythe Energy Letter**

**Blythe Energy, LLC**  
**700 Universe Blvd.**  
**Juno Beach, FL 33408**

March 1, 2007

J. Steve Rahon  
Director, Tariff and Regulatory Accounts  
Southern California Gas Company  
8330 Century Park Ct.  
San Diego, CA 92123

**Subject: Request for Service Deviation from Tariff Rule 13, Meter Installation, to Serve Blythe Energy Project**

Dear Mr. Rahon,


The purpose of this letter is to express our understanding of, and support for, Southern California Gas Company's ("SoCalGas") request for tariff deviation from the California Public Utilities Commission ("CPUC"). SoCalGas' filing is being made pursuant to Blythe Energy's request for temporary gas transportation service, using existing interconnection and measurement facilities. Blythe Energy needs service to commence as soon as possible, and we desire to avoid the time, expense and considerable inconvenience of constructing what would essentially be redundant metering facilities estimated to cost approximately \$1 Million. Instead, under this arrangement, SoCalGas estimates start-up costs of approximately \$20,000 borne by Blythe Energy for measurement-related telemetry equipment.

SoCalGas' transportation service provides an operating flexibility that is economically beneficial and a supply diversity opportunity that we greatly desire. If we must wait several months to design, procure, and install the SoCalGas interconnection, metering, and telemetry normally required for gas service, we may lose the benefit of that opportunity.

Blythe Energy understands that the preferred arrangement described requires authorization from the CPUC. Blythe Energy hereby supports SoCalGas' filing to obtain the necessary CPUC authorization that will allow SoCalGas to use the existing meters serving Blythe Energy. Blythe Energy, of course, will provide all reasonable support and assistance.

Thank you for your courtesy and cooperation.

Sincerely,

  
Bryan J. Fennell  
Vice President  
Blythe Energy