



SOUTHWEST GAS CORPORATION

Justin Lee Brown, Vice President/Regulation and Public Affairs

June 12, 2015

ATTN: Tariff Unit, Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4005
San Francisco, CA 94102

Subject: Southwest Gas Corporation (U 905 G)
Advice Letter No. 975

Enclosed herewith is one (1) copy of Southwest Gas Corporation's Advice Letter No. 975, together with California Gas Tariff Sheet Nos. 4, 277 and 279.1 - 279.14.

Sincerely,

Justin Lee Brown
Vice President/Regulation & Public Affairs

JLB:kml
Enclosures



SOUTHWEST GAS CORPORATION

Advice Letter No. 975

June 12, 2015

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Southwest Gas Corporation (Southwest Gas) (U 905 G) tenders herewith for filing the following tariff sheets:

Cal. P.U.C. Sheet No.	California Gas Tariff Title of Sheet	Canceling Cal. P.U.C. Sheet No.
2nd Revised Sheet No. 4	Table of Contents (Continued)	1st Revised Sheet No. 4
2nd Revised Sheet No. 277	Rule No. 22 - Biomethane Gas (<i>Continued</i>)	1st Revised Sheet No. 277
1st Revised Sheet No. 279.1	Rule No. 22 - Biomethane Gas (<i>Continued</i>)	Original Sheet No. 279.1
1st Revised Sheet No. 279.2	Rule No. 22 - Biomethane Gas (<i>Continued</i>)	Original Sheet No. 279.2
1st Revised Sheet No. 279.3	Rule No. 22 - Biomethane Gas (<i>Continued</i>)	Original Sheet No. 279.3
1st Revised Sheet No. 279.4	Rule No. 22 - Biomethane Gas (<i>Continued</i>)	Original Sheet No. 279.4
1st Revised Sheet No. 279.5	Rule No. 22 - Biomethane Gas (<i>Continued</i>)	Original Sheet No. 279.5
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1st Revised Sheet No. 279.10	Rule No. 22 - Biomethane Gas (<i>Continued</i>)	Original Sheet No. 279.10
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1st Revised Sheet No. 279.13	Rule No. 22 - Biomethane Gas (<i>Continued</i>)	Original Sheet No. 279.13
1st Revised Sheet No. 279.14	Held for Future Use	Original Sheet No. 279.14



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Purpose

Southwest Gas submits this Advice Letter (AL) to modify its Rule No. 22 – Biomethane Gas in conformance with the November 4, 2014 errata issued by the California Air Resources Board (CARB) and the Office of Environmental Health Hazard Assessment (OEHHA) regarding their “Recommendations to the California Public Utilities Commission Regarding Health Protective Standards for the Injection of Biomethane into the Common Carrier Pipeline” issued on May 15, 2013 (Joint Report).

Background

Assembly Bill (AB) 1900 required the California Public Utilities Commission (Commission) to approve standards and requirements for health, safety and pipeline integrity for biomethane gas injected into utility pipelines, and rules ensuring nondiscriminatory open access. Per D.14-01-034, issued on January 22, 2014, the Commission identified 17 constituents of concern related to biomethane gas, and adopted the monitoring, testing and reporting, and recordkeeping protocols recommended in the Joint Report.

Southwest Gas’ AL 933-A, effective October 21, 2014, incorporated into the Company’s tariff the biomethane gas constituents of concern, their respective concentration standards, and the monitoring, testing, reporting and recordkeeping requirements.

The November 4, 2014 errata to the Joint Report included certain corrections and clarifications related to the use of “Group 1” and “Group 2” compounds and collective cancer or non-cancer risk. In conformance with the errata to the Joint Report, as well as to include other revisions for additional clarification and consistency with D.14-01-034, Southwest Gas herein revises its Rule No. 22 – Biomethane Gas.

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

Effective Date

Southwest Gas believes this AL is subject to Energy Division disposition and should be classified as Tier 1 (Effective Pending Disposition) pursuant to General Order (G.O.) 96-B since the revisions noted herein are made in compliance with D.14-01-034. Southwest Gas respectfully requests that this AL be made effective June 12, 2015, which is the date filed.

Protest

Anyone may protest this AL to the Commission. The protest must state the grounds upon which it is based with specificity, and should be submitted expeditiously. The protest must be sent no later than 20 days after the date of this AL filing and shall be sent by letter via U.S. Mail, facsimile, or electronically mailed. The address for mailing or delivering a protest to the Commission is:



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Protest (Continued)

Energy Division
California Public Utilities Commission
Attention: Investigation, Monitoring & Compliance Program Manager
505 Van Ness Avenue, Room 4002
San Francisco, CA 94102
E-mail: edtariffunit@cpuc.ca.gov
Facsimile: 415-703-2200

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004, at the same address as above and mailed or faxed to:

Mr. Justin Lee Brown
Vice President/Regulation & Public Affairs
Southwest Gas Corporation
P.O. Box 98510
Las Vegas, NV 89193-8510
Facsimile: 702-364-3452

Notice

Pursuant to Energy Industry Rule 3.1(1), Southwest Gas is exempt from the notice requirements set forth in General Rule 4.2 in G.O. 96-B since this AL is filed in accordance with D.14-01-034.

Service

Pursuant to G.O. 96-B, General Rule 4.3, Southwest Gas is mailing copies of this AL and related tariff sheets to the utilities and interested parties shown on the distribution list.

Communications regarding this filing should be directed to:

Valerie J. Ontiveroz
Regulatory Manager/California
Southwest Gas Corporation
P.O. Box 98510
Las Vegas, NV 89193-8510
Telephone: 702-876-7323
E-mail: valerie.ontiveroz@swgas.com

Respectfully submitted,
SOUTHWEST GAS CORPORATION

By: _____

Justin Lee Brown

Attachments

Distribution List

Advice Letter No. 975

In conformance with General Order 96-B, General Rule 4.3

The following individual has been served by regular, first-class mail:

Joe Como, Acting Director
Office of Ratepayer Advocates
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94105

The following individuals or entities have been served by electronic mail:

Pacific Gas & Electric Company
PG&ETariffs@pge.com

Southern California Gas Company
SNewsom@semprautilities.com

San Diego Gas & Electric Company
SDG&ETariffs@SempraUtilities.com

Robert M. Pocta
Office of Ratepayer Advocates
California Public Utilities Commission
rmp@cpuc.ca.gov

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California Public Utilities Commission
nws@cpuc.ca.gov

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California Public Utilities Commission
pzs@cpuc.ca.gov

ADVICE LETTER FILING SUMMARY
ENERGY UTILITY

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

Company name/CPUC Utility No. **Southwest Gas Corporation (U 905G)**

Utility type:

- ELC GAS
 PLC HEAT WATER

Contact Person: **Valerie Ontiveroz**

Phone #: **(702) 876-7323**

E-mail: **valerie.ontiveroz@swgas.com**

EXPLANATION OF UTILITY TYPE

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

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **975**

Subject of AL: **To revise Rule No. 22 – Biomethane Gas in accordance with D.14-01-034**

Keywords (choose from CPUC listing): **Rule**

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: **D.14-01-034**

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL **Not applicable**

Summarize differences between the AL and the prior withdrawn or rejected AL¹: **Not applicable**

Does AL request confidential treatment? If so, provide explanation: **Not applicable**

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: **June 12, 2015**

No. of tariff sheets: **16**

Estimated system annual revenue effect (%): **Not applicable**

Estimated system average rate effect (%): **Not applicable**

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: **Rule No. 22**

Service affected and changes proposed¹: **See 'Subject of AL' above**

Pending advice letters that revise the same tariff sheets: **Not applicable**

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
E-mail: edtariffunit@cpuc.ca.gov

Utility Info (including e-mail)
Mr. Justin Lee Brown,
Vice-President/Regulation & Public Affairs
Southwest Gas Corporation
P. O. Box 98510
Las Vegas, NV 89193-8510
E-mail: justin.brown@swgas.com
Facsimile: 702-364-3452

¹ Discuss in AL if more space is needed.

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RULE NO. 22

BIOMETHANE GAS
(Continued)

A. DEFINITIONS (Continued)

2. Non-carcinogenic (non-cancer risk or chronic risk):
antimony, copper, hydrogen sulfide, lead, mercaptans
(alkyl thiols), methacrolein, and toluene.

(b) Pipeline Integrity Protective Constituents include:
ammonia, biologicals, hydrogen, mercury, and siloxanes.

Group 1
Compound: Any Health Protective Constituent with a concentration below
the test detection level or below the Trigger Level.

Group 2
Compound: Any Health Protective Constituent with a concentration at or
above the Trigger Level.

Hazardous Waste
Landfill: For the purposes of this Rule, hazardous waste landfill shall be
given the same definition as provided in the California Health
and Safety Code, including facilities permitted by the
Department of Toxic Substances Control.

Lower Action
Level: Where applicable, a testing level used to screen Biomethane
Gas during the initial gas quality review and as an ongoing
screening level during periodic testing.

Merchantability: The ability to purchase, sell or market Biomethane Gas.

OEHHA: Office of Environmental Health Hazard Assessment.

Trigger Level: Constituents found at or above the Trigger Level require
additional periodic testing and analysis.

Upgrading: Increasing the percentage of methane in Biogas by removing
carbon dioxide and other trace components to achieve pipeline
quality gas (Biomethane Gas).

Upper Action
Level: A testing level that if reached for any Constituent results in
immediate shut-off of Biomethane Gas supply.

RULE NO. 22

BIOMETHANE GAS
(Continued)

B. BIOMETHANE GAS SPECIFICATIONS (Continued)

Table 1 ^[1] Concentration Standards for Biomethane Gas Constituents			
Constituent	Trigger Level	Lower Action Level	Upper Action Level
Health Protective Constituents			
<u>Carcinogenic</u>			
Arsenic	0.019 (0.006)	0.19 (0.06)	0.48 (0.15)
p-Dichlorobenzenes	5.7 (0.95)	57 (9.5)	140 (24)
Ethylbenzene	26 (6.0)	260 (60)	650 (150)
n-Nitroso-di-npropylamine	0.033 (0.006)	0.33 (0.06)	0.81 (0.15)
Vinyl Chloride	0.84 (0.33)	8.4 (3.3)	21 (8.3)
<u>Non-Carcinogenic</u>			
Antimony	0.60 (0.12)	6.0 (1.2)	30 (6.1)
Copper	0.060 (0.02)	0.60 (0.23)	3.0 (1.2)
Hydrogen Sulfide	30 (22)	300 (216)	1,500 (1,080)
Lead	0.075 (0.009)	0.75 (0.09)	3.8 (0.44)
Methacrolein	1.1 (0.37)	11 (3.7)	53 (18)
Alkyl Thiols (Mercaptans)	N/A (12)	N/A (120)	N/A (610)
Toluene	904 (240)	9,000 (2,400)	45,000 (12,000)
Pipeline Integrity Protective Constituents^[2]			
Siloxanes	0.01 mg Si/m ³	0.1 mg Si/m ³	-
Ammonia	0.001%	-	-
Hydrogen	0.1%	-	-
Mercury	0.08 mg/m ³	-	-
Biologicals	4 x 10 ⁴ /scf (qPCR per APB, SRB, IOB group ^[3]) and Free of <0.2 micron filter	-	-

^[1] The first number in Table 1, Health Protective Constituents, are in mg/m³, while the second number in () is in ppm.

^[2] The Pipeline Integrity Protective Constituent Lower and Upper Action Level limits will be established in the Commission's next update proceeding. Until that time, Biomethane Gas that contains Pipeline Integrity Protective Constituents exceeding the Trigger Level, but lacking a Lower or Upper Action Level, will be analyzed and addressed on a case-by-case basis based on the Biomethane Gas' potential impact on the Company's pipeline system integrity. The Lower Action Level may be set at concentration levels equal or greater than the Trigger Level.

^[3] Acid-producing Bacteria [APB], Sulfate-reducing Bacteria [SRB], and Iron-oxidizing Bacteria [IOB].

RULE NO. 22

BIOMETHANE GAS
(Continued)

B. BIOMETHANE GAS SPECIFICATIONS *(Continued)*

5. Biomethane Gas must conform to the requirements listed in Table 2 below:

Table 2 Collective Risk from Carcinogenic and Non-Carcinogenic Health Protective Constituents			
Risk Management Levels	Risk from Carcinogenic Constituents (chances in a million)	Hazard Index from Non-Carcinogenic Constituents	Action
Trigger Level ^[1]	≥1.0	≥0.1	Periodic Testing Required
Lower Action Level ^[2]	≥10.0	≥1.0	Biomethane Gas supply shut-in after three exceedances in 12 months
Upper Action Level ^[3]	≥25.0	≥5.0	Immediate Biomethane Gas supply shut-in
^[1] Applies to individual Constituent concentrations ^[2] Applies to the sum of all Constituent concentrations over the Trigger Level. ^[3] Applies to individual Constituent concentrations or to the sum of all Constituent concentrations over the Trigger Level.			

6. Source-specific Biomethane Gas Testing shall vary based on the source of the Biomethane Gas:

- a. Biomethane Gas supplied by landfills shall be tested for all 17 Health and Pipeline Integrity Protective Constituents.
- b. Biomethane Gas supplied by dairies shall be tested for Ethylbenzene, Hydrogen Sulfide, n-Nitroso-di-n-propylamine, Mercaptans, Toluene and all Pipeline Integrity Protective Constituents.
- c. Biomethane Gas supplied by publicly owned treatment works (water and sewage treatment plants) and other sources of Biomethane Gas shall be tested for p-Dichlorobenzene, Ethylbenzene, Hydrogen Sulfide, Mercaptans, Toluene, Vinyl Chloride, and all Pipeline Integrity Protective Constituents.

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RULE NO. 22

BIOMETHANE GAS
(Continued)

C. BIOMETHANE GAS TESTING

1. Pre-Injection Testing

- a. Prior to the injection of Biomethane Gas, the Biomethane Gas supplier shall conduct two tests over a two to four week period for the Constituents identified for that Biomethane Gas source in Section B.5 of this Rule.
- b. Testing will be performed by the Biomethane Gas supplier using independent certified third party laboratories. The Company shall be notified of the Biomethane Gas sampling and tests and have the option to observe the samples being taken. Test results will be shared with the Company within five (5) calendar days of the test results being received by the Biomethane Gas supplier.
- c. If during pre-injection testing Health Protective Constituents are found at or above the Trigger Level, the Biomethane Gas' collective cancer risk or non-cancer risk must be calculated. The collective cancer risk or non-cancer risk is the sum of all Health Protective Constituent concentrations above the Trigger Level, as specified in Section C.2.c.(i) of this Rule. If the collective cancer risk or non-cancer risk from Group 2 Compounds is at or above the Lower Action Level (the cancer risk Lower Action Level is ≥ 10 in a million and the non-cancer risk Lower Action Level is a hazard index of ≥ 1), the Biomethane Gas cannot be injected into the Company's pipeline system. The Biomethane Gas supplier shall make necessary modifications to lower the collective cancer risk or non-cancer risk below the Lower Action Level and restart pre-injection testing.
- d. If all the Health Protective Constituents in the Biomethane Gas are found to be below the Trigger Level or the collective cancer risk and non-cancer risk from the Group 2 Compounds are found to be below the Lower Action Level in both pre-injection tests, the Biomethane Gas may be injected into the Company's pipeline system subject to all other requirements set forth in this Rule.

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RULE NO. 22

BIOMETHANE GAS

(Continued)

C. BIOMETHANE GAS TESTING *(Continued)*

1. Pre-Injection Testing *(Continued)*

- e. If during pre-injection testing Pipeline Integrity Protective Constituents are found at or above levels equivalent to the Lower Action Level, the Biomethane Gas may not be injected into the Company's pipeline system. The Biomethane Gas supplier shall make necessary modifications to lower the levels of the Pipeline Integrity Protective Constituents to levels below the Lower Action Level equivalent and restart pre-injection testing.
- f. If during pre-injection testing Pipeline Integrity Protective Constituents are found below levels equivalent to the Lower Action Level, the Biomethane Gas may be injected into the Company's pipeline system subject to all other requirements set forth in this Rule.

2. Periodic Testing

a. Group 1 Compounds

- (i) Group 1 Compounds shall be tested once every 12 month period in which injection of Biomethane Gas occurs.
- (ii) Any Group 1 Compound with a concentration below the test detection level or below the Trigger Level during two (2) consecutive annual periodic tests shall be tested once every two-year period in which injection of Biomethane Gas occurs.
- (iii) If annual periodic testing demonstrates that a Group 1 Compound is at or above the Trigger Level that compound becomes a Group 2 Compound and will be tested quarterly.

b. Group 2 Compounds

- (i) Group 2 Compounds shall be tested quarterly (at least once every three (3) month period in which Biomethane Gas injection occurs).

RULE NO. 22

BIOMETHANE GAS
(Continued)

C. BIOMETHANE GAS TESTING (Continued)

2. Periodic Testing (Continued)

b. Group 2 Compounds (Continued)

(ii) If the quarterly testing demonstrates that any Group 2 Compound is below the Trigger Level four (4) consecutive times, that compound becomes a Group 1 Compound and testing will be reduced to once every 12 month period in which Biomethane Gas injection occurs.

c. Collective risk for Carcinogenic and Non-Carcinogenic Health Protective Constituents

(i) Cancer Risk

The potential cancer risk for Group 2 compounds can be estimated by summing the individual potential cancer risk for each carcinogenic Health Protective Constituent. Specifically, the cancer risk can be calculated using the ratio of the concentration of the Health Protective Constituent in the Biomethane Gas to the health protective ("trigger") concentration value corresponding to one in a million cancer risk for that specific Health Protective Constituent and then summing the risk for all the Group 2 Compounds (for reference, see CARB/OEHHA Report, pg. 67).

Non-Cancer Risk

The non-cancer risk can be calculated using the ratio of the concentration of the Health Protective Constituent in Biomethane Gas to the health protective concentration value corresponding to a hazard quotient of 0.1 for that specific non-carcinogenic Health Protective Constituent, then multiplying the ratio by 0.1, and then summing the non-cancer chronic risk for these Group 2 Compounds (for reference, see CARB/OEHHA Report, p. 67).

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RULE NO. 22

BIOMETHANE GAS
(Continued)

C. BIOMETHANE GAS TESTING (Continued)

2. Periodic Testing (Continued)

c. Collective risk for Carcinogenic and Non-Carcinogenic Health Protective Constituents (Continued)

(ii) If quarterly testing over a 12 month period demonstrates that the collective cancer risk or non-cancer risk for Group 2 Compounds is below the Lower Action Level, monitoring can be reduced to once every 12 month period in which Biomethane Gas injection occurs.

(iii) If annual periodic testing demonstrates that the collective cancer risk or non-cancer risk from Group 2 Compounds is at or above the Lower Action Level, then testing will revert to quarterly.

(iv) If the Biomethane Gas is not accepted into the Company's system in accordance with the requirements set forth in this Rule, testing for all Group 1 and Group 2 Compounds will be subject to the Biomethane Gas Restart Procedures set forth in Section C.4 of this Rule.

d. When a Pipeline Integrity Protective Constituent is found at or above levels equivalent to the Lower Action level three times in a 12 month period, the Biomethane Gas shall be shut-in and subject to the Biomethane Gas Restart Procedures set forth in Section C.4 of this Rule.

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RULE NO. 22

BIOMETHANE GAS
(Continued)

C. BIOMETHANE GAS TESTING (Continued)

3. Continuous Monitoring of Upgrading Process Integrity

Absent an agreement otherwise, the Biomethane Gas supplier's compliance with the specifications set forth in this Rule and the Company's Rule No. 21, Transportation of Customer-Secured Natural Gas, shall be used as an indicator that the upgrading system is effectively conditioning and upgrading the Biomethane Gas. If the continuous monitoring indicates that the Biomethane Gas has not been adequately or sufficiently conditioned and upgraded, the Company may accelerate the periodic testing schedule and initiate testing. Accelerated periodic testing shall count toward the recommended periodic testing requirements described herein.

4. Biomethane Gas Restart Procedures

a. Health Protective Constituents

- (i) Under Biomethane Gas restart procedures, the Biomethane Gas supplier will perform an initial test. If the test determines the collective cancer risk or non-cancer risk from Health Protective Constituents is below the Lower Action Level, injection can resume subject to periodic testing requirements set forth in Section C.2 of this Rule and shall be reevaluated by the Company for eligibility for less frequent testing.
- (ii) Restart procedures shall be initiated for all Health Protective Constituents when any of the following occurs:
 - (a) A change in the Biogas source at the facility or the upgrading equipment design that the Commission, in consultation with ARB and OEHHA, determines will potentially increase the level of any Health Protective Constituent over the previously measured baseline levels.
 - (b) A shut-off of Biomethane Gas to the Company pipeline occurs because testing indicates a collective cancer risk or non-cancer risk from Group 2 Compounds at or above the Lower Action Level three (3) times in a 12 month period.

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RULE NO. 22

BIOMETHANE GAS
(Continued)

C. BIOMETHANE GAS TESTING (Continued)

4. Biomethane Gas Restart Procedures (Continued)

a. Health Protective Constituents (Continued)

(c) A shut-off of Biomethane Gas to the Company pipeline occurs because a Health Protective Constituent concentration or the collective cancer risk or non-cancer risk from Group 2 Compounds is at or above the Upper Action Level (the cancer risk Upper Action Level is ≥ 25 in a million and the non-cancer risk Upper Action Level is a hazard index of ≥ 5 as noted in Table 2 of this Rule).

(iii) After Biomethane Gas supply has restarted, periodic testing for all Group 1 and Group 2 Compounds will be performed as set forth in Section C.2 of this Rule.

b. Pipeline Integrity Protective Constituents

A shut-off of Biomethane Gas to the Company pipeline occurs when a Pipeline Integrity Protective Constituent is found at or above levels equivalent to the Lower Action Level three times in a 12 month period. Under Biomethane Gas restart procedures, the Biomethane Gas supplier will perform an initial test. If the test determines the Pipeline Integrity Protective Constituents are below levels equivalent to the Lower Action Level, injection can resume subject to periodic testing requirements set forth in Section C.2 of this Rule and shall be reevaluated by the Company for eligibility for less frequent testing.

5. Testing Procedures

The Company will collect samples at the receipt point. Biomethane Gas suppliers will collect samples upstream of the Company meter. Samples will be analyzed by independent certified third party laboratories. Testing for Health Protective Constituents shall be by the methods specified in Table V-4, pg. 66, of the CARB/OEHHA Report. Testing for Pipeline Integrity Protective Constituents shall be the methods approved in D.14-01-034. Retesting shall be allowed to verify and validate the results. The cost of retesting shall be borne by the entity requesting the retest.

RULE NO. 22

BIOMETHANE GAS
(Continued)

C. BIOMETHANE GAS TESTING (Continued)

6. Recordkeeping and Reporting Requirements

Recordkeeping and reporting will be performed in accordance with the requirements set forth in D.14-01-034 and as specified in the CARB/OEHHA Report.

7. This Rule does not prohibit the Company from engaging in discretionary gas or facility testing on its system. The Biomethane Gas supplier will not be financially responsible for Company discretionary testing.

D. PROHIBITION OF BIOMETHANE GAS FROM HAZARDOUS WASTE LANDFILLS

1. Biomethane Gas from hazardous waste landfills, including landfills permitted by the Department of Toxic Substances Control, will not be purchased, accepted or transported.
2. Before a Biomethane Gas supplier can interconnect with the Company's pipeline system, the Biomethane Gas supplier must demonstrate that the Biogas was not collected from a landfill that is or was designated a hazardous waste landfill.

E. OPEN ACCESS TO INTERCONNECTION OF BIOMETHANE GAS SUPPLY

The Company shall provide non-discriminatory open access to its pipeline system to any Biomethane Gas supplier for the purpose of physically interconnecting with the Company's pipeline system and effectuating the delivery of Biomethane Gas into the Company's pipeline system. This open access to the Company's system is subject to the terms and conditions set forth in this Rule. None of the provisions in this Rule shall be interpreted to unduly discriminate against or in favor of Biomethane Gas or any other gas supplies coming from any source. Nothing in this Rule shall be interpreted as creating a requirement that the Company purchase any Biomethane Gas.

RULE NO. 22

BIOMETHANE GAS

(Continued)

E. OPEN ACCESS TO INTERCONNECTION OF BIOMETHANE GAS SUPPLY

(Continued)

1. Interconnection Terms of Access

The Company will perform interconnection-related work under the following conditions:

- a. The interconnection and physical flow of Biomethane Gas supply can be received into the Company's existing system in so far that it does not jeopardize the integrity or normal operation of the Company's system and without adversely affecting service to the Company's end-use customers. The specific interconnection point(s) will be determined by the Company.
- b. The maximum capacity for Biomethane Gas received into the Company's system at the interconnection point(s) will be determined by the size of the facilities and the Company's ability to redeliver the Biomethane Gas supply downstream of the interconnection point(s), including the metering and odorization capacities. The maximum capacity for Biomethane Gas received into the Company's system at any specific interconnection point is not the capacity of the Company's pipeline system to transport gas away from that interconnection point and is not, nor is it intended to be, any commitment by the Company of any takeaway capacity. The Company separately provides takeaway services, including the option to expand system capacity to increase takeaway services, through its otherwise applicable tariffs.
- c. The available capacity for a supplier of Biomethane Gas to deliver gas into the Company's system may, on any particular day, be affected by physical flows from other points of receipt, physical pipeline capacity, storage conditions, daily pipeline operating conditions, and end-use demand on the Company's system.

RULE NO. 22

BIOMETHANE GAS
(Continued)

E. OPEN ACCESS TO INTERCONNECTION OF BIOMETHANE GAS SUPPLY
(Continued)

1. Interconnection Terms of Access (Continued)

- d. The Biomethane Gas supplier shall pay all costs associated with required capacity or engineering studies, engineering, and construction of facilities on the Company's side of the interconnection point(s) necessary to receive the Biomethane Gas. Such costs may include, but are not limited to, taps, valves, piping, measuring equipment, odorizing equipment, land rights, permits, and communication equipment. The Biomethane Gas supplier shall pay for all changes to the Company's technology systems, if any, required to modify those systems to receive and account for a supplier's Biomethane Gas. The Company shall own and operate all facilities on the Company's side of the interconnection point(s). All contributions provided by the Biomethane Gas supplier are subject to ITCCA as set forth in Preliminary Statement 13 of this California Gas Tariff.
- e. The Biomethane Gas supplier shall execute a standard agreement, which shall contain a description of all work to be performed by the Company, as well as the costs and payment terms to be made by the Biomethane Gas supplier to the Company.
- f. The Biomethane Gas supplier, at its expense, shall obtain all land rights, easements, permits and/or other authorizations, and shall design and construct the piping, valves, filter separators, and other equipment that is required at the interconnection point(s) to effectuate deliveries of the Biomethane Gas to the Company, in accordance with sound and prudent industry practices and complies with all applicable laws, rules, and regulations of any authority having jurisdiction.
- g. The Biomethane Gas supplier shall install and maintain in good working condition the necessary pressure regulation or compression and flow equipment to effectuate delivery of Biomethane Gas to the interconnection point(s) at or above the prevailing pressure in the Company's pipeline. The Biomethane Gas supplier's equipment shall be designed and installed to protect the Company's pipeline from exposure to pressures in excess of the Company's then current maximum operating pressure at the interconnection point(s).

RULE NO. 22

BIOMETHANE GAS
(Continued)

E. OPEN ACCESS TO INTERCONNECTION OF BIOMETHANE GAS SUPPLY
(Continued)

1. Interconnection Terms of Access (Continued)

- h. The Biomethane Gas supplier shall comply with the Company's Tariff, including but not limited to nominations procedures, unless otherwise identified and written in an agreement between the supplier and the Company.
- i. The Biomethane Gas supplier and the Company shall execute an operating and/or other necessary agreement(s) prior to the final interconnection and the commencement of Biomethane Gas flowing into the Company's system.

2. Interconnection Capacity Studies

- a. Any Biomethane Gas supplier may request an Interconnection Capacity Study to determine the Company's downstream capability to take Biomethane Gas away from an interconnection point, or proposed interconnection point, and the associated Company facility enhancement costs, if any. Upon the request of an entity to establish or increase takeaway capacity from a receipt point, the Company will make a timely determination of the facilities, any required modifications and associated costs that are required to add the requested takeaway capacity. The Company shall make this determination on a nondiscriminatory and transparent basis, without favoring any region or entity within its territory.
- b. All analyses shall take into consideration new supplies and facilities that have been or may be installed pursuant to previously executed agreements. Priority for purposes of determining facility costs will be established on the basis of the date a Biomethane Gas supplier executes a formal request. The request shall include the activities from initial study through construction under terms that are mutually agreeable to the Company and the Biomethane Gas supplier.

RULE NO. 22

BIOMETHANE GAS
(Continued)

E. OPEN ACCESS TO INTERCONNECTION OF BIOMETHANE GAS SUPPLY
(Continued)

3. Interconnection Engineering Studies

- a. The Company will prepare a Detailed Engineering Study upon formal written request and receipt of payment for estimated charges from any Biomethane Gas supplier. A Detailed Engineering Study includes a description of all costs of construction, complete engineering construction drawings, and all construction, environmental permit applications, and right-of-way acquisition requirements.
- b. The Biomethane Gas supplier and the Company will execute an agreement prior to any work being completed on the Detailed Engineering Study and the Biomethane Gas supplier will provide payment equal to the estimated cost prior to the Company proceeding with the study. The Biomethane Gas supplier will be responsible for all actual costs of the analysis; an invoice or refund will be issued by the Company to the supplier at the completion of the analysis for any difference between the actual costs and the estimate.

SOUTHWEST GAS CORPORATION

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California Gas Tariff

Canceling 1st Revised
Original

Cal. P.U.C. Sheet No. 279.14

Cal. P.U.C. Sheet No. 279.14

(Held for Future Use)

Advice Letter No. 975
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Issued by
Justin Lee Brown
Vice President

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