

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Implement Dairy Biomethane Pilot Projects to Demonstrate Interconnection to the Common Carrier Pipeline System in Compliance with Senate Bill 1383.

Rulemaking 17-06-015  
(Filed June 15, 2017)

**REPLY COMMENTS OF  
SOUTHWEST GAS CORPORATION (U 905 G)  
ON THE DRAFT SOLICITATION**

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February 23, 2018

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9 Pursuant to Rule 6.2 of the California Public Utilities Commission’s (Commission) Rules  
10 of Practice and Procedure and Section 5.3 of the Draft Solicitation<sup>1</sup>, Southwest Gas Corporation  
(Southwest Gas or Company) submits the following Reply Comments on the Draft Solicitation.

11 **I. Reimbursement Mechanism for Applicant-Owned Pipeline Infrastructure**

12 Southwest Gas generally supports the staged reimbursement mechanism for Applicant-  
13 Owned pipeline infrastructure proposed by Southern California Gas Company and San Diego  
14 Gas & Electric with one exception. Southwest Gas believes that a determination to make a  
15 reimbursement payment to an Applicant should be made by the Selection Committee, and not  
16 the gas utility, regardless of whether costs are within or above the bid amount. With this change,  
17 the invoices and proof of payments for material/services would be provided to the Selection  
18 Committee at the appropriate milestones and the Selection Committee would then determine  
19 whether and when a reimbursement payment would be issued to the Applicant. Having the  
20 Selection Committee determine the reimbursement payment provides an appropriate and  
21 consistent level of regulatory oversight on these pilot projects.

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24 <sup>1</sup> Per email dated February 9, 2018, the Energy Division informed that the due date for Reply Comments was  
25 extended from February 12, 2018 to February 23, 2018.

1 **II. Conclusion**

2 Southwest Gas appreciates the opportunity to provide these Reply Comments, and looks  
3 forward to implementing the Dairy Biomethane Pilot Project framework.

4 DATED this 23<sup>rd</sup> day of February, 2018.

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Respectfully submitted,

SOUTHWEST GAS CORPORATION



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