



# BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

**FILED**

04/27/26

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**C2604014**

## Complaint of:

Clinton Wills, DBA Clint's Pumping Service (CPS)  
Drilling, Exploration & Operating Co., Inc. (DE&O)  
The Termo Company

Complainants,

v.

Pacific Gas and Electric Company (PG&E)

Respondent.

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## FORMAL COMPLAINT

(Pub. Util. Code §§451, 453, 701; Rule 4)

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## (F) DETAILS OF THE COMPLAINT

This complaint concerns Pacific Gas and Electric Company's conduct regarding corrosion monitoring equipment installations required at natural gas sales points connected to PG&E's regulated transmission system.

Complainants are natural gas producers and service providers whose production and operations depend upon access to PG&E's regulated gas delivery infrastructure.

In 2025 PG&E required corrosion monitoring equipment installations at producer sales points connected to its gas transmission system. Prior to September 1, 2025, several producers had this equipment installed by PG&E at **no cost**.

However, after those installations were completed, PG&E began demanding approximately **\$184,000 per sales point** for materially similar installations at other locations.

These installations were required as a condition of continuing gas deliveries into PG&E's system.

When certain producers declined to pay the \$184,000 cost, PG&E **terminated their sales points effective September 1, 2025**, resulting in immediate shutdown of gas production.

Several producers lost access to the system simultaneously.

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## **DE&O Injury**

Drilling, Exploration & Operating Co., Inc. ("DE&O") is a natural gas producer whose gas was being sold into PG&E's regulated system through a producer sales point prior to September 1, 2025.

Although DE&O was not the formal signatory to the interconnection agreement governing that sales point, PG&E was aware that upstream production—including DE&O's gas—depended upon the continued operation of that connection.

When PG&E imposed the \$184,000 cost requirement and the sales point operator declined to pay, the sales point was terminated and DE&O's production was shut in.

As a direct result:

- DE&O lost all gas sales revenue
  - DE&O continues to incur operating expenses without revenue
  - DE&O's producing wells and infrastructure have become stranded assets
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## **Termo Company Interconnect Agreement**

The Termo Company held an active interconnection agreement with PG&E governing one of the affected sales points.

Correspondence between PG&E and Termo in **2019** demonstrates that PG&E previously honored the terms of the interconnect agreement and permitted compliance actions consistent with the agreement provisions.

Section **2.2.4** of the interconnect agreement explicitly provides that the producer may utilize qualified third-party contractors listed on PG&E's approved vendor list to perform certain work at the sales point.

Despite this contractual provision, in 2025 PG&E refused to allow producers to utilize approved third-party contractors and instead asserted that the installations had to be performed exclusively by PG&E at a cost of approximately \$184,000.

Termo objected to this position and explained in written correspondence that PG&E's actions were inconsistent with the interconnect agreement and with PG&E's prior conduct in 2019.

When Termo refused to pay the \$184,000 charge, PG&E terminated the sales point.

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## **Discriminatory Cost Application**

Evidence indicates that:

- Some producers received corrosion monitoring installations **at no cost** prior to September 1, 2025
- Other producers were later quoted **\$184,000 for identical installations**
- In some cases the same producer received a **free installation at one sales point and a charged installation at another**

No tariff amendment or Commission authorization has been identified that allows PG&E to impose such inconsistent cost allocations.

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## **Economic Harm and Public Interest**

The termination of sales points has caused significant economic harm to producers and service providers.

Many affected wells are now unable to produce gas due to the loss of system access.

If this situation is not corrected quickly, producers will be left with **stranded assets** and may have no choice but to **abandon producing wells**, creating additional economic and environmental burdens.

PG&E must be held accountable and required to correct the situation before the damage becomes permanent.

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## **(G) SCOPING MEMO INFORMATION**

**Category:** Adjudicatory

**Are hearings needed:** YES

Material facts remain in dispute regarding:

- PG&E's tariff authority for imposing the \$184,000 installation cost
  - PG&E's refusal to allow third-party contractors permitted under Section 2.2.4 of the interconnect agreement
  - The inconsistent cost treatment of similarly situated producers
  - The termination of sales points on September 1, 2025.
- 

### **Issues to be considered**

1. Whether PG&E violated **Public Utilities Code §453** by applying discriminatory cost allocations to similarly situated producers.
  2. Whether PG&E violated **Public Utilities Code §451** by conditioning continued service upon payment of unjust or unreasonable costs.
  3. Whether PG&E violated or improperly disregarded **existing interconnection agreements**, including Section 2.2.4.
  4. What **tariff authority**, if any, PG&E relied upon to require the installations to be performed exclusively by PG&E.
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## **(H) RELIEF REQUESTED**

Complainants respectfully request that the Commission:

1. Determine whether PG&E violated **Public Utilities Code §453** through discriminatory treatment of producers.
  2. Determine whether PG&E violated **Public Utilities Code §451** by imposing unjust and unreasonable conditions for continued service.
  3. Require PG&E to identify the **specific tariff authority** relied upon to override or disregard the interconnection agreement provisions, including Section 2.2.4.
  4. Order corrective relief restoring fair and nondiscriminatory access to PG&E's gas system.
  5. Order any additional relief the Commission deems appropriate.
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## **VERIFICATION**

I, Clinton Wills, declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed in Princeton, California.

Date: March 5, 2026

Clinton Wills  
Clint's Pumping Service (CPS)



**CALIFORNIA PRODUCTION  
INTERCONNECTION AND OPERATING AGREEMENT**

No. 5044

between

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**PACIFIC GAS AND ELECTRIC COMPANY**

and

**THE TERMO COMPANY**

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**PRODUCER**

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This Agreement, (hereafter "Agreement") dated July 23, 2014, is between The Termo Company "Producer" and PACIFIC GAS AND ELECTRIC COMPANY (PG&E), individually and collectively also referred to as "Party" or "Parties":

**PURPOSE:**

1. Producer owns or otherwise controls, or may hereafter own or otherwise control, natural gas ("Gas") produced from the Well(s) specified in Appendix A, located in various Counties; and

2. PG&E is willing to connect Producer's Gas Delivery Facilities to accept Producer's Gas into PG&E's Gas Plant for transportation to PG&E's customers ("Customers"); however, this Agreement is not intended to be an agreement for transportation services, and it does not entitle Producer to deliver or obligate PG&E to receive Producer's Gas for transportation. PG&E provides transportation services pursuant to applicable rules, schedules, tariffs, and agreements.

3. This Agreement establishes the terms and conditions for the installation, operation, and maintenance of certain facilities (which may include taps, tie-ins, measurement facilities, valves, associated piping, and other such equipment as may be required from time to time) to connect Producer's Gas Delivery Facilities to and accept Gas into PG&E's Gas Plant; and

4. This Agreement also establishes the terms and conditions for the delivery of Gas into PG&E's Gas Plant (including gas quality, pressure, and measurement) and other conditions intended to govern the contractual relationship of the Parties.

**NOW THEREFORE**, in consideration of the covenants set forth herein, the Parties agree as follows:

**Definitions:** The following terms when used in this Agreement shall mean:

**“Article”** - A numbered Article of this Agreement. An Article includes all the numbered sections of this Agreement that begins with the same number as that Article.

**“British Thermal Unit” or “Btu”** - The amount of energy required to raise the temperature of one pound of water one degree Fahrenheit. Of the several precise definitions of a Btu, this agreement shall use the gas industry accepted International Table Btu (Btu<sub>IT</sub>) which is equal to 1,055.05585262 joules (exact) or rounded to 1,055.056 joules for most applications. (A joule is approximately equal to one watt-second.)

**“CPUC”** - The California Public Utilities Commission or any successor regulatory body.

**“Cubic Foot”** - (Also a Standard Cubic Foot of Gas) The volume of Gas which occupies one cubic foot when the Gas is at the standard reference conditions of sixty degrees Fahrenheit and fourteen and seventy-three hundredths (14.73) pounds per square inch absolute.

**“Delivery Facilities”** - Producer’s facilities at which Gas is transferred from Producer to PG&E’s Gas Plant.

**“Facilities”** - General term which includes all Measurement Facilities, Odorization Facilities, and Gas Sampling Facilities used to receive Producer’s Gas into PG&E’s Gas Plant.

**“FERC”** - The Federal Energy Regulatory Commission or any successor regulatory body.

**“Gas”** - Natural gas produced from gas wells or casing head gas produced in association with crude oil.

**“Gas Plant”** - The gas pipeline system, and all related facilities which are owned and operated by PG&E within the state of California.

**“Sampling Facilities”** - Equipment used to monitor the quality of Producer’s Gas.

**“Heating Value”** - The amount of heat, measured in Btu per standard cubic feet, produced by the complete combustion of a dry Cubic Foot of Gas. The Heating Value shall be the gross or higher Heating Value which is obtained when all of the products of combustion are cooled to 60 degrees Fahrenheit.

**“Master Meter”** - The Meter which measures volumes of Gas consolidated from two or more Meters.

**“Measurement Facilities”** - Equipment associated with the measurement of Gas, which may include but is not limited to the block valves, back-flow check valve, relief valves, straightening vanes, orifice tube, orifice plate, orifice fitting, flow meter, solar panel, and associated fittings, tubing and piping.

**“Meter”** - A measurement device used to determine the quantity of Gas that flows from Producer’s Well(s) into the PG&E Gas Plant.

**“Odorization Facilities”** - Equipment used to inject odorant into PG&E’s Gas Plant.

**“Producer”** - Person or persons (legal or natural) owning a Working Interest in, or otherwise controlling a Well and having the right to deliver or sell Gas from such Well. If more than one Producer are signatories to this Agreement, the term “Producer” shall mean the Producers signatories to this Agreement jointly and severally.

**“Physical Operator”** - May be designated under the terms of this agreement as Producer’s duly authorized representative for the purposes stated in Paragraph 3.2 hereof.

**“PSIG”** - Pounds per Square Inch Gauge gas pressure, measured with reference to the local atmospheric pressure.

**“Receipt Point”** - The interconnection point between Producer’s Gas Delivery Facilities and PG&E’s Gas Plant, where Gas is measured by PG&E for delivery into PG&E’s Gas Plant.

**“Section”** - A numbered section of this Agreement included within the Article that begins with the same number as that section.

**“Specifications”** - PG&E’s General Specifications for Producer Installation of Measurement Facilities and Related Equipment for Gas Gathering Interconnections, Appendix C to this Agreement, as required, and/or other specifications provided by PG&E for the installation of Facilities by Producer.

**“Volunteered Line”** - Pipelines, valves, and other attached appurtenances owned by PG&E, as listed on Appendix E, which are located between the Measurement Facility and Producer’s Gas Well(s).

**“Well(s)”** - Well(s) listed on Appendix A, attached hereto and made a part of this Agreement.

**“Working Interest”** - Percentage of ownership of production from a Well(s) under a gas lease.

**Article 1**

1. **Warranty of Title**: Producer hereby warrants that Producer has the right to nominate and deliver all Gas to be delivered to PG&E at the Receipt Point(s) and that such right is free and clear of all liens and adverse claims of any kind. Producer will hold harmless, indemnify and defend PG&E against all claims, suits, actions, debts, accounts, damages, liabilities, costs (including reasonable attorneys fees), losses, and expenses, for or arising from or out of any: (1) adverse claims of any and all persons to the Gas; (2) royalties, overriding royalties, or other payments with respect to the Gas; and (3) taxes, licenses, fees or charges, relating to the Gas or its delivery or sale, which are or may be applicable.

**Article 2**

**2. Well Connection and Facilities**

2.1. **Existing Facilities**: If there are existing Facilities for receipt of Producer's Gas into PG&E's Gas Plant and PG&E has determined that they are adequate for receipt of Gas for transportation purposes, then these Facilities may, in PG&E's sole discretion, be used for such purposes. Existing Facilities will not be used for the measurement of Gas that does not meet the quality requirements as provided in Section 4.1 of this Agreement. If Producer and PG&E determine or PG&E determines that additional Facilities, modifications or upgrades are required, then the conditions set forth in Sections 2.2, 2.3 and 2.5 below shall apply.

2.2. **New Facilities**: If new Facilities are required to connect a new Well or Wells, the following conditions shall apply:

2.2.1. **Request for Tie-In Connection Location**: Producer shall request PG&E to identify a specific tie-in connection location. At the time such request is made, Producer shall: (1) pay to PG&E a non-refundable application fee in the amount specified in Appendix F, as amended from time to time; (2) identify the exact well-site location; and (3) provide proof of mineral rights and the assignment of applicable easements, rights of way, and other necessary land rights to PG&E.

2.2.2. Connection Location(s): PG&E shall identify the tie-in connection location(s) with compatible Gas quality and available capacity for the receipt of Producer's Gas, after PG&E has: (1) received all items described in Section 2.2.1 above; (2) performed or witnessed a back pressure test; and (3) collected or received Gas sample(s). The back pressure test and collection or receipt of gas samples shall take place within thirty (30) days of the receipt of the items described in Section 2.2.1 above.

PG&E may refuse to accept Producer's Gas if the Gas quality is not compatible, PG&E does not have available system capacity, or in PG&E's reasonable judgment the delivery of Producer's Gas may have other adverse effects on PG&E's operations, Gas Plant or Facilities, or on the operations or property of Customers or other producers.

2.2.3. PG&E Installs Measurement Facilities, Odorization Facilities and/or Gas Sampling Facilities: If Producer requests PG&E to install Facilities at the Receipt Point and PG&E in its sole discretion agrees to install such Facilities at Producer's expense, the following conditions shall apply:

(a) Upon identification of the tie-in connection location(s), PG&E shall inform Producer of the cost to install the Facilities contemplated hereunder. Such costs may include, but not be limited to, engineering, PG&E's land survey and land rights acquisition, and/or equipment costs. Identification of the tie-in connection location(s) shall not obligate PG&E to maintain capacity available on its Gas Plant for Producer's Gas.

(b) Producer shall pay PG&E for PG&E's actual costs to provide and install Facilities pursuant to this Agreement, including all direct and overhead costs as allocated to such Facilities by PG&E. PG&E shall provide PG&E's estimate of these costs to Producer and Producer shall pay this estimated amount to PG&E prior to construction. After completion of the Facilities, PG&E will provide a statement to Producer showing the difference, if any, between such estimated costs and the actual costs. If the actual costs exceed the estimated costs paid by

California Production Interconnection and Operating Agreement

Producer, Producer shall submit payment to PG&E within thirty (30) calendar days of the date of PG&E's invoice. If the actual costs are less than the estimated costs paid by Producer, PG&E will refund the difference to Producer within the same time period.

All payments shall be made referencing account number UZB\_\_\_\_\_ on Producer's check, to the following address:

Mailing Address:  
PACIFIC GAS & ELECTRIC COMPANY  
C/O Payment Processing  
Mail Code B5C  
Box 770000  
San Francisco, CA 94177

Street Address:  
PACIFIC GAS & ELECTRIC COMPANY  
C/O Payment Processing  
Mail Code B5C  
77 Beale Street  
San Francisco, CA 94105

(c) After PG&E and Producer have reached agreement on the specific tie-in location(s) as stated in Section 2.2.3.(a) above, Producer may not change the location without PG&E's written concurrence. Producer shall pay to PG&E any additional costs associated with a change in location.

2.2.4. Producer Installs Measurement Facilities, Odorization Facilities and/or Gas Sampling Facilities: If Producer elects to install Facilities, the following shall apply:

(a) Producer may furnish and/or install Facilities in accordance with specifications, plans, standards and procedures provided by PG&E and subject to PG&E's inspection for compliance with PG&E's specifications, plans, standards and procedures. Producer shall use qualified licensed contractors for such work. Producer shall ensure that the Facilities meet all of the applicable requirements of all governmental authorities having jurisdiction.

(b) Prior to construction, Producer shall pay PG&E for PG&E's estimated cost of labor, material and overhead to provide engineering review, identification of the required tie-in connection location(s), Facilities, and inspections and tap installation. After PG&E has performed these activities, Producer shall pay to PG&E the difference, if any, between the estimated cost and the actual cost of these activities and any other actual costs to PG&E associated therewith. PG&E shall provide a statement to Producer, and Producer shall pay PG&E for such actual costs as provided in Section 2.2.3(b).

(c) After Producer has completed the installation of the Facilities, Producer shall request in writing that PG&E connect the Facilities to PG&E's Gas Plant. At the time of this connection request, Producer shall provide: (1) an assignment to PG&E of all applicable easements, rights of way, and other necessary land rights; (2) engineering specifications; (3) an "as-built" drawing with survey location of the Facilities and pipeline(s); and (4) Producer's warranty that the Facilities were constructed in conformance with CPUC General Order No. 112-E, or any successor regulations, and the Specifications.

2.2.5. Contributions in Aid of Construction:

(a) If PG&E determines that an amount with respect to Producer's Contributions in Aid of Construction (CIAC) is includable in PG&E's gross income, PG&E will calculate the CIAC gross up amount based on the methodology approved by the CPUC from time to time for that purpose; and Producer agrees to pay this CIAC gross up amount to PG&E, within thirty (30) days from PG&E's demand for payment, plus interest; the interest will be computed at the "CPUC Rate" from the due date (without extensions) of the federal tax return for the taxable year in which such amount is includable until the date Producer pays to PG&E the total amount described herein; the "CPUC Rate" is interest at the average three-month commercial paper rate as published in the Federal Reserve Bulletin, or such other rate as the CPUC may establish from time to time to replace the rate in paragraph 18 of its conclusions of law in Decision 87-09-026.

(b) The CIAC gross up amounts, if demanded, shall be paid in addition to Producer's reimbursements to PG&E, or Producer's expenditures, for the costs of facilities and their installation as provided in this Agreement.

(c) The payment of the CIAC gross up amount shall be made by Producer, pursuant to Section 2.2.5(a), when PG&E reasonably determines that an amount with respect to Producer's contribution is includable in PG&E's gross income based upon IRS ruling, regulation, court decision (including tax court), or other pertinent tax authority, or when an IRS revenue agent issues a notice of proposed adjustment or other notice indicating that such an amount is so includable.

2.2.6. Facility Inspection and Connection:

(a) PG&E will make reasonable efforts to inspect the Facilities during construction and as soon as practicable after construction. However, due to possible emergency situations or manpower constraints, PG&E's inspection within thirty (30) days after Producer's notice of completion shall constitute compliance with the provisions of this Section 2.2.6(a).

(b) PG&E will connect Facilities to PG&E's Gas Plant after PG&E has inspected the Facilities and has verified that the Facilities meet PG&E's applicable standards and the Specifications.

(c) All connections to and from the PG&E system shall be performed solely by PG&E or PG&E's contractor. For tap installations, Producer shall pay PG&E's actual cost of materials, equipment and labor (which labor charge shall include wages, benefits, and payroll taxes).

2.2.7. Failure to Request Connection: If Producer fails to request connection to PG&E's Gas Plant of the Facilities installed by Producer within one-hundred and twenty (120) days following the date of PG&E's identification of a specific tie-in connection location (pursuant to Section 2.2.2 above), then Producer shall request the following before requesting connection of the Facilities to PG&E's Gas Plant: (1) verification and a written statement from PG&E that capacity remains available at the identified tie-in connection location for the receipt of Producer's Gas; and (2)

that Producer's gas is still compatible with PG&E's gas plant. If, at the time Producer requests such verification, capacity is no longer available at that tie-in connection location and Producer still desires to connect the Facilities to PG&E's Gas Plant, then Producer shall request a new tie-in connection location pursuant to Section 2.2.1 above.

2.2.8. Failure to Connect: If Producer's Well is not connected to PG&E's Gas Plant within six (6) months from the date of Producer's request for a tie-in connection location, then PG&E shall render to Producer an itemized invoice for all unpaid costs of the work undertaken to identify a specific tie-in connection location in excess of the non-refundable application fee paid to PG&E pursuant to Section 2.2.1 hereof. If such failure to connect is not caused by PG&E, Producer agrees to reimburse PG&E for the actual cost of such work.

2.2.9. Payments: All amounts invoiced by PG&E, pursuant to this Article 2, shall be due and paid within thirty (30) calendar days following the date of PG&E's invoice, except as otherwise stated herein.

2.3. Ownership of Facilities: PG&E shall have sole ownership, custody and control of all Facilities, regardless of which Party installed the Facilities. Upon completion of construction, installation, inspection, and PG&E's finding that the Facilities conform to PG&E's specifications, title to the Facilities shall immediately transfer into the name of PG&E, whether or not the Parties have executed any documentation formalizing such transfer.

PG&E may at any time while this agreement is in effect transfer ownership of Facilities to Producer. In that event, Producer agrees to accept the ownership of such Facilities and the obligation to maintain and operate such Facilities at Producer's expense. PG&E shall have the right, at any time to access Facilities to do any of the following: (1) inspect Facilities to verify the proper maintenance and operation thereof to the extent PG&E deems it necessary; and (2) test and calibrate the Measurement

Facilities to verify the accuracy of instruments as provided in Article 5. If Producer does not grant access to the Facilities as provided herein, PG&E shall have the right to refuse to accept Producer's Gas until such access is granted in accordance with this Agreement.

2.4. No Dedication of Facilities: Nothing in this Agreement shall be construed as a dedication by either PG&E or Producer of its respective facilities to the other Party.

2.5. Repairs, Upgrades, Modifications and Replacements: If PG&E determines that Facilities, or the gas gathering pipeline(s) used to transport Producer's Gas to PG&E's transmission system, are in need of repairs, upgrades, modifications or replacements, PG&E shall notify Producer accordingly. If Producer requests PG&E to make the necessary repairs, upgrades, modifications or replacements, and PG&E agrees to do so, Producer shall pay PG&E for all (or a prorated portion if more than one Producer is served by the pipeline(s) and/or Facilities) of PG&E's actual costs of such work in accordance with the same provisions as applicable to Facilities under Section 2.2.3(b) above. If Producer fails to request that PG&E make the repairs, upgrades, modifications or replacements at Producer's expense, or if not all producers served by the pipeline(s) and/or Facilities request PG&E to perform such work at their expense, PG&E shall have the right to refuse to accept Producer's Gas. However, if Producer wishes to build its own pipeline, Producer may enter into a new CPIOA for a new connection and delivery of Gas at an appropriate Receipt Point.

If Producer takes ownership of Facilities, PG&E will not perform repairs, upgrades, modifications or replacements of such transferred Facilities.

2.6. Specific Equipment:

2.6.1. Pressure Regulations: Producer shall install (upstream of the Measurement Facilities), test, and maintain in good working condition the necessary pressure regulation equipment to protect PG&E's Gas Plant from exposure to pressures in excess of the specified maximum pressure. Such Facilities and the installation and maintenance thereof shall conform with CPUC General Order No. 112-E, or any successor regulations.

2.6.2. Odorization and/or Gas Sampling: If under the laws, rules or regulations of any local government or regulatory body having jurisdiction, or in PG&E's sole judgment as a public utility, it is required that all or any of Producer's Gas be odorized or that Producer's gas be monitored for quality, then Sections 2.2, 2.3, 2.4, and 2.5 above shall apply as they relate to such Odorization Facilities. Producer agrees to obtain a grant of easement at a suitable location and to grant PG&E a non-exclusive license to exercise the rights conveyed to Producer under said grant of easement for the purpose of installing, operating and maintaining said Odorization Facilities or Gas Sampling Facilities.

2.7. Future Well Additions

2.7.1. New Well Connection and Well Recompletions: PG&E may or may not accept Gas from a reworked, recompleted, or new well, at the same interconnection point and/or through the meters identified in Appendix A. PG&E will determine the tie-in location, and may refuse to accept such Gas, based upon the same criteria as set forth in Section 2.2.2.

2.7.2. Acceptance of New Gas: If PG&E refuses to accept new Gas at the existing Receipt Point, the Producer may request a new tie-in connection location for the Additional Well(s) by executing a separate CPIOA.

2.8 Certain Costs Payable By Producer: Charges payable by Producer pursuant to Sections 2.2.1, 2.2.3, 2.2.4, 2.2.6, 2.2.8, 2.5, 3.5.3 and 5.3 shall be based on the costs stated in Appendix F, which is subject to Section 7.7. Appendix F will be amended from time to time when PG&E reviews and recalculates its actual costs to keep the charges current.

**Article 3**

**3. Operations and Maintenance**

3.1. Appointment of Producer's Nominations Agent: As a condition of interconnection of Producer's Gas Delivery Facilities with PG&E's Gas Plant, under this Agreement, Producer shall appoint one authorized representative as Producer's sole agent with exclusive authority to place nominations for Producer on PG&E's system, for transportation of Producer's Gas to be delivered at the Receipt Point(s). That agent shall also be referred to as "Producer's Nominations Agent"; and the appointment shall be made pursuant to Appendix B "Appointment of Producer's Nominations Agent." The executed Appointment of Producer's Nominations Agent shall be returned to PG&E, addressed as follows:

PACIFIC GAS AND ELECTRIC COMPANY  
Gas System Operations Department  
Scheduling and Accounting Manager  
6121 Bollinger Canyon Road  
Building Z1, 5<sup>th</sup> Floor  
San Ramon, CA 94583

Producer may change its Producer's Nominations Agent, by providing a new Appointment of Producer's Nominations Agent to PG&E pursuant to PG&E's applicable procedures. If Producer and PG&E enter into a separate agreement regarding nominations, balancing and other issues relating to the transportation of the Gas delivered under this Agreement, with respect to the Well(s), it shall govern with respect to the procedures for the appointment and/or change of Producer's Nominations Agent.

Producer acknowledges and agrees that Producer's failure to appoint an agent with exclusive authority to make nominations for Producer may cause Producer, PG&E, or third parties to incur damages or liabilities; therefore, Producer agrees that if Producer fails to comply with this Section 3.1, Producer will hold PG&E harmless and will indemnify PG&E from and against any and all damages and liabilities that may be incurred by PG&E, Producer or third parties as a result of or in connection with the nominations of Producer's Gas made by anyone.

California Production Interconnection and Operating Agreement

3.2. Appointment of Physical Operator: Producer may appoint an authorized representative to serve as Physical Operator for the Well(s). Except as set forth in Section 3.1 above, the Physical Operator shall be duly authorized to act for Producer as follows: to give and receive notices and requests, make and witness tests, deliver quantities of Gas hereunder; and do and receive all things as provided herein regarding the physical operation of the Well(s). Producer shall notify PG&E in writing of the appointment and change of the Physical Operator. Producer expressly agrees that PG&E may rely on any and all acts and notices of the Physical Operator to the same extent as if they were performed or provided by Producer.

Producer hereby appoints as Physical Operator: (Appointed Under Appendix A) \_\_\_\_\_

Physical Operator's Address  
(Fill Out Appendix A)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

|                   |                  |
|-------------------|------------------|
| Telephone: _____  | Telephone: _____ |
| Telecopier: _____ | Attention: _____ |

3.3. Maintenance of Facilities: Maintenance of Facilities owned or controlled by PG&E will, in PG&E's sole discretion, be provided by PG&E at PG&E's expense, subject to Section 2.3 above. Producer acknowledges that PG&E intends to submit to the CPUC for approval an operating and maintenance fee (O&M Fee) to be charged to Producer, based on PG&E's actual costs to operate and maintain facilities, pipelines and equipment, for the receipt of Gas, as determined from time to time by PG&E pursuant to Appendix D. Such O&M Fee may include, without limitation, meter reading, gas sampling and analysis, gas odorization, equipment maintenance and calibration, direct and indirect expenses, and administrative and general office allocated costs. Producer agrees to start paying the O&M Fee when it is approved by the CPUC.

3.3.1. After the approval of the O&M Fee by the CPUC, PG&E will mail to Producer a statement (on or before the 15th day of each month), setting forth the applicable O&M Fee for the previous month. Producer shall pay the O&M Fee to PG&E on or before the twenty-fifth (25th) calendar day of the month or the tenth (10th) calendar day following receipt of PG&E's statement, whichever is later. Any late payments by Producer to PG&E shall accrue interest at the rate prescribed for pipeline refunds as provided in Section 154.67(c)(2) of the Federal Energy Regulatory Commission's Regulations under the Natural Gas Act (or any successor thereto).

### 3.4. Rights and Obligations

3.4.1. Operations: PG&E shall retain the full and exclusive right to operate its Gas Plant in a manner which, in PG&E's sole judgment, is consistent with safe and proper operating conditions, obligations of PG&E to others, laws, and regulations of governmental authorities having jurisdiction, without incurring any liability to Producer.

3.4.2. Tampering: Producer shall not alter, or in any manner disturb, manipulate, or tamper with any Facilities owned or controlled by PG&E.

3.4.3. Gas Pressures: Producer shall deliver Gas at the Receipt Point(s) at the Gas well pressure required by PG&E, which may be up to, but not to exceed the maximum allowable operating pressure (MAOP) in PG&E's Gas Plant downstream of the Receipt Point. PG&E shall have the right to upgrade the MAOP of PG&E's Gas Plant, and in such event Producer shall increase the pressure of its Gas if and to the extent required by PG&E, upon ninety (90) days' written notice to Producer.

3.4.4. Refusal of Gas: PG&E shall have the right, without incurring any liability to Producer, to refuse acceptance of Gas at the Receipt Point(s) when:

(a) Producer is operating Gas Delivery Facilities in a manner which in PG&E's reasonable judgment has or may have an adverse effect on PG&E's operations, Gas Plant or Facilities, or on PG&E's customer's operations or property; or

(b) Producer's handling or failure to properly collect or dispose of liquids of Producer's Gas Well(s) affects PG&E's operations, Gas Plant, or real property (leased or owned) or any other property of PG&E; or

(c) It is necessary or desirable to test, maintain, modify, enlarge, or repair any facility or property that is part of PG&E's Gas Plant, or related to its operation.

PG&E shall give reasonable notice to Producer prior to the date on which shut-in of Well(s) is required, except for emergency repair which may require an immediate shut-in.

In addition to the rights stated above in this Section 3.4.4., PG&E shall have the right to retire and/or remove all or any portion of PG&E's Facilities at the Receipt Point and to terminate this Agreement effective upon notice to Producer if:

(i) Producer has not delivered Gas, which meets the specifications set forth in this Agreement, through the Measurement Facilities at an average quantity of at least 50 Mcf per day for a period of ninety (90) consecutive days; PG&E may extend the shut-in date if the Producer provides to PG&E in writing reasons acceptable to PG&E as to why production should not be shut-in; or

(ii) Producer has not remedied, within thirty (30) days of PG&E's notice of refusal to accept the Gas, the conditions stated in Paragraphs (a) and/or (b) above, as applicable.

3.5. Volunteered Lines: This Section 3.5 shall apply only if Producer has been delivering Gas through a Volunteered Line. If Producer has been delivering Gas through PG&E's pipeline, specified in Appendix E, PG&E shall have the right to terminate this Agreement for cause at any time with thirty (30) days notice, unless a mutually acceptable arrangement for the delivery of Producer's Gas into PG&E's system has been made prior to such termination.

3.5.1. Control & Possession of Gas: Producer shall be deemed to be in control and possession of Gas produced into the Volunteered Line(s) from the gas well to the upstream fitting where Gas is delivered to PG&E. PG&E shall be deemed in control and possession of the Gas at the downstream fitting of Producer's Gas Delivery Facilities.

3.5.2. Operation of Lines: Notwithstanding the above, if PG&E in its sole discretion desires to operate the Volunteered Line(s) or any portion thereof at a higher pressure, or to have the direction of flow changed, Producer shall shut-in the Well(s) connected thereto during any such work on the Volunteered Line(s), upon thirty (30) days prior written notice to Producer.

3.5.3. Repair and Replacement: If PG&E determines that the Volunteered Line(s) require repair or replacement, PG&E shall provide Producer with a written description of such work and a statement detailing the costs to perform that work, including materials, direct, indirect, and overhead costs. If Producer desires PG&E to proceed with such work, Producer shall, within fifteen (15) business days from the date of PG&E's notice, pay PG&E the amount set forth therein. If Producer does not pay PG&E within fifteen (15) business days of PG&E's notice, PG&E shall have the right to refuse to accept Producer's Gas and to remove or retire all or any portion of the Volunteered Line(s).

3.6. Volume Report: PG&E shall provide Producer, once a month, a report containing the volume of Gas received by PG&E at the Receipt Point(s) for each day of the previous calendar month. If a future separate agreement between Producer and PG&E regarding nominations, balancing, and other issues relating to transportation of the Gas delivered under this Agreement, contains a provision that addresses the subject matter of this Section 3.6, the provision of such other agreement shall supersede this Section 3.6.

**Article 4**

**4. Gas Quality**

4.1. Gas Quality Requirements: Producer represents, warrants and guarantees that the Gas delivered to PG&E for transportation under this Agreement shall meet the following requirements:

4.1.1. Rule 21: Gas shall be merchantable pipeline quality Gas and shall conform to the quality specifications as prescribed in Rule 21(C) of PG&E's CPUC approved Tariff Schedule (Rule 21), as amended from time to time; and

4.1.2. Unnatural Substances: Gas shall not contain any substances that are not naturally contained in natural gas, excepting only those substances which PG&E specifies as additives for operating or Gas compatibility reasons; and

4.1.3. Heating Value: Gas shall have a Heating Value within the Operation BTU level required by PG&E for its pipeline system at the Receipt Point. PG&E may refuse to accept all or any portion of Gas of which the Btu content has significantly changed since the back pressure test and gas sample collections referred to herein.

4.1.4. Indemnity: If the Gas delivered to PG&E under this Agreement fails to meet the requirements of this Article, Producer shall indemnify and hold PG&E harmless against and from all losses, costs, damages, claims, suits, and liabilities arising out of or in connection with such failure.

4.2. Gas Quality Testing: Tests to determine the quality of the Gas delivered to PG&E may be performed by PG&E at any time. If Gas delivered by Producer fails to fully conform to the Gas quality specifications as stated herein, then PG&E may refuse to accept the Gas upon notice to Producer of any such failure. Producer shall revise any outstanding nominations for the affected Receipt Points to reflect no deliveries. Producer shall not resume deliveries of Gas until PG&E is satisfied that the problems

have been corrected and that the Gas conforms to the applicable quality specifications. PG&E's acceptance of Gas that does not conform to the specifications stated herein shall not constitute a waiver of the Gas quality specifications stated in this Agreement or any remedies of PG&E or obligations of Producer with respect to such a nonconformity.

4.3. Refusal of Gas: PG&E shall have the right, without incurring any liability to Producer, to refuse acceptance of Gas at the Receipt Point(s) when the Gas does not meet the temperature, delivery pressure, or quality specifications described in this Agreement.

## **Article 5**

### **5. Measurement and Tests**

5.1. Measurement and Computation: The volume of Gas delivered under this Agreement shall be measured by orifice meter(s), and computations made, as prescribed in the American National Standards Institute/American Petroleum Institute 2530 (ANSI/API 2530), also published as A.G.A. Report No. 3 as revised from time to time.

5.2. Custody, Maintenance and Records: Except as otherwise set forth in Section 2.3, during the term of this Agreement, all Measurement Facilities shall be in the sole custody and control of PG&E. The reading, calibration, and adjustment of Measurement Facilities and changing of charts, if required, shall be performed by PG&E or its agent at intervals determined by PG&E. The records from Measurement Equipment shall remain the property of PG&E, but Producer shall have access to PG&E's Meters relating to this Agreement and shall be allowed to inspect all charts or other records of measurement pertaining to the Gas delivered into PG&E's Gas Plant under this Agreement, at any reasonable time, for the purpose of verifying their accuracy. PG&E shall preserve, for a period of at least three (3) years, all test data, charts, and/or other records of Gas measurements. Transfer of Gas custody shall occur at the meter.

5.3. Meter Accuracy Verification: Producer may request at any time, but not exceeding two (2) times in any calendar year, that the accuracy of PG&E's Measurement Equipment be verified by testing. Producer may witness requested tests. Producer may not alter or in any manner disturb, manipulate, or tamper with any equipment or Facilities owned or controlled by PG&E. Within a reasonable time of such a request, PG&E will give at least two (2) working days prior notice to Producer of the time and date of the test. If upon such requested verification the measurement equipment is determined to be registering correctly, as specified in PG&E's Tariff Rule 17, or in any amendment thereto, the cost of such requested verification shall be charged to and paid by Producer, and no recalculation of quantities delivered shall be made.

If an inaccuracy of greater than specified in Rule 17 is discovered, PG&E will bear the cost of such test, and volume adjustments will be made pursuant to Section 5.5 of this Agreement.

5.4. Manufacturer's Specifications: Flow measurement and volume computations will be made by PG&E within the accuracy prescribed by the manufacturer of the measurement and computing equipment.

5.4.1. Gas Temperature: Flowing gas temperature shall be continuously measured or recorded. If a temperature chart recorder is used, the arithmetical average temperature recorded during each day shall be used for volume computations.

5.4.2. Sampling: Relative density (G), carbon dioxide (CO<sub>2</sub>), nitrogen (N<sub>2</sub>) and Heating Value, shall be determined, from time to time as deemed to be required by PG&E, from samples taken by PG&E at the Measurement Facilities. Determination of Heating Value and relative density by compositional analysis shall comply with the methods specified in the American Society for Testing and Materials ASTM D 3588, as revised from time to time. The physical properties of the constituent gases used to calculate Heating Value and relative density shall be taken from the Gas

Processors Association GPA 2145, as revised from time to time. Chromatography, calorimeters, densitometers, or other means acceptable in the industry may be used to determine Heating Value or relative density of the Gas.

5.4.3. Atmospheric Pressure: The average atmospheric (barometric) pressure shall be assumed to be 14.73 psia at sea level. Corrections for higher elevations shall be determined by PG&E by using an industry acceptable equation or by taking actual measurements at the point of measurement.

5.4.4. Gas Compressibility: Gas Compressibility shall be calculated at the flowing pressure and temperature under which Gas is metered in accordance with the recommendations contained in A.G.A. Report No. 8, "Compressibility Factors of Natural Gas and Other Related Hydrocarbon Gasses", as amended from time to time. If a chart recorder is used, the average flowing pressure and temperature for the day may be used to calculate an average compressibility for that day.

5.4.5. Other Tests: Tests for other quality parameters of the Gas delivered hereunder shall be made from time to time by PG&E using approved standard methods acceptable in the industry.

5.4.6. Service Fees: The Parties may execute a Service Fee Agreement if operational services, that are different from or in addition to the normal service provided by PG&E, are requested by Producer and provided by PG&E in PG&E's sole discretion.

5.5. Inaccuracies: If an inaccuracy is discovered at any time, or if a Meter is out of service, the following action will be taken for volume correction or determination:

5.5.1. Incorrect Constant: When the inaccuracy is a result of using an incorrect constant value in the volume calculation, the quantity of metered gas shall be recalculated. If the duration of the error cannot be determined, the adjustment shall be made based on one-half of the time since the last Meter and instrument inspection, or three months, whichever is the shorter period of time. Examples of using incorrect constant values include, but are not limited to, basing calculations on

the incorrect orifice plate size, orifice tube size, differential pressure range, or static pressure range.

5.5.2 Incorrect Calibration: When the inaccuracy is a result of errors in the calibration or operation of flow computers, transducers, recorders, or measurement devices for relative density or Heating Value, that result in an error greater than that specified in PG&E's Tariff Rule 17, as revised from time to time (at a reading corresponding to the average rate of flow for the period since the preceding test) the quantity of Gas shall be recalculated. Recalculations, due to differential pressure calibration errors, shall be limited to inaccuracies greater than that specified in Tariff Rule 17, of the transducers' or recorders' full scale reading. If the percentage of error is not ascertainable by calibration, test, or mathematical calculation, the correction shall be made by PG&E by estimating the quantity or quality of Gas delivered based upon deliveries under similar conditions during a period when the equipment was deemed to be registering accurately. Where the duration of the inaccuracy in measurement is not known or agreed upon, the period of inaccuracy shall be deemed to be one-half of the time elapsed since the date of the last test or three (3) months, whichever is the shorter period of time. Basis for calculation specified in this section may be modified by a PG&E Rule or applicable standard.

5.5.3 Pulsation Induced Errors: When the inaccuracy is caused by compressor induced pulsations and the measurement error is greater than one percent (1%), the quantity of metered gas shall be recalculated based on the percent error determined by a Square Root Error Indicator developed by the Southern Gas Association's Pipeline Compressor Research Committee. If the duration of the error cannot be determined, the adjustment shall be made based on one-half of the time since the last pulsation check, or three months, whichever is the shorter period of time.

**Article 6**

**6. Compression:** In the event that Producer owns, or at some future time installs compressor plants upstream of the Measurements Facilities, in order to deliver gas to PG&E's Gas Plant, the following shall apply:

6.1. Operation: Producer shall install and operate its compressor so that its operation will not adversely affect PG&E's Gas, Gas Plant, or customers, or impair the accuracy of the measurement of the Gas at the Meter. Producer shall eliminate compressor induced pulsation or vibration before Gas is passed through PG&E's Meter. PG&E shall not be required to take Gas if compressor induced pulsation and/or vibration exists.

**Article 7**

**7. General Conditions**

7.1. Term: This Agreement shall be effective from the date of execution by PG&E and shall, subject to the termination rights contained herein, continue in full force and effect for a period of one (1) year from that date (the "Initial One Year Period") and thereafter until it is terminated as provided in this Agreement.

7.2. Termination:

(a) Termination for Convenience: Either Party may terminate this Agreement after the Initial One Year Period upon thirty (30) days written notice.

(b) Termination for Cause: Either Party may terminate this Agreement during or after the Initial One Year Period, immediately upon notice: (i) if the other Party is in breach of this Agreement; or (ii) if the portion of PG&E's gathering system to which Producer's Delivery Facilities are connected is sold by PG&E; or (iii) if the CPUC or the FERC at any time asserts (1) that Producer is a public utility or subject to regulation by such a regulatory body, or (2) that such a regulatory body may prevent

PG&E from complying with this Agreement; or (iv) if any state or federal legislation, decision or rule of any governmental authority, enacted or issued after the effective date of this Agreement, affects either Party or this Agreement in a manner that is unacceptable to either Party.

(c) Additional Termination Rights: PG&E may also, during or after the Initial One Year Period, terminate this Agreement as provided in this Section 7.2(c) or in other Articles of this Agreement.

Producer acknowledges that PG&E is a public utility regulated by the CPUC, that PG&E's Gas transportation services are exempt from the jurisdiction of the FERC pursuant to Section 1(c) of the Natural Gas Act (15 U.S.C. § 717(c)) commonly referred to as the "Hinshaw Amendment," and that PG&E has received a "blanket certificate" from the FERC pursuant to 18 CFR §284.224. Producer agrees that if at any time the CPUC, the FERC, a court, or PG&E, determines that PG&E's status as aforesaid is or may be affected in any respect as a result of this Agreement or the transportation of Gas delivered into PG&E's Gas Plant pursuant to this Agreement, PG&E may, in its sole discretion, refuse to perform such transportation services and/or refuse to accept Producer's Gas under this Agreement, and/or terminate this Agreement upon ten (10) days written notice.

If Producer breaches a term or condition of this Agreement, or fails to comply with all applicable laws, rules, regulations, orders, ordinances, and codes, including any existing or future applicable tariffs or schedules, and Producer does not immediately correct such breach or failure, then in addition to all remedies provided by law or by this Agreement, PG&E shall have the right, without notice, to: (1) refuse to accept Producer's Gas into PG&E's Gas Plant and suspend its performance under this Agreement until the breach or failure has been corrected and PG&E has been fully compensated for all damages and costs incurred, and/or (2) terminate this Agreement, prior to or following such a suspension.

(d) Certain Rights and Obligations: Termination of this Agreement shall not release either Party from its obligation to make payments or compensate the other Party for damages or costs, if any are due or have been incurred.

Upon termination of this Agreement, PG&E shall have the right to disconnect from PG&E's Gas Plant the Facilities used to receive Producer's gas.

7.3. Survival: The following Sections shall survive the termination of this Agreement: 4.1.4, 7.2, 7.4, 7.5, 7.6, 7.7, 7.9, 7.10, 7.11, and 7.18. All other provisions of this Agreement, which by their nature or content are intended to survive termination of this Agreement, shall also survive.

7.4. WARRANTY DISCLAIMER: ALL INSTALLATION, CONNECTION, MAINTENANCE AND OTHER SERVICES PERFORMED BY PG&E AND MATERIAL, EQUIPMENT AND FACILITIES INCLUDING BUT NOT LIMITED TO MEASUREMENT EQUIPMENT AND VOLUNTEERED LINES PROVIDED BY PG&E OR MADE AVAILABLE BY PG&E FOR USE, IN CONNECTION WITH THIS AGREEMENT, ARE PROVIDED "AS IS," WITHOUT ANY WARRANTIES, EXPRESS, IMPLIED OR STATUTORY. ALL WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED BY PG&E INCLUDING WITHOUT LIMITATION THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND NO WARRANTIES SHALL APPLY TO ANY SERVICES, MATERIAL, EQUIPMENT OR FACILITIES PROVIDED BY PG&E OR MADE AVAILABLE BY PG&E UNDER THIS AGREEMENT.

7.5. Exclusive Remedy: In lieu of all warranties express, implied, or statutory, PG&E's sole obligation and total liability, and Producer's sole and exclusive remedy, relating to or arising out of the installation or connection of equipment or Facilities or the furnishing of equipment, material, or Facilities or of any services by PG&E, shall be limited, at PG&E's option, to (1) reperformance of the installation or connection work or other services at PG&E's expense up to a cost equal to the amount paid by Producer for such installation or connection work, or other services, excluding any amounts paid for equipment, material or Facilities or other costs, or (2) a refund by PG&E to Producer of an amount equal to the amount paid to PG&E by Producer for said installation or connection work or other services, excluding any other costs, or (3) a refund of the amount paid by Producer to PG&E for equipment, material or Facilities, as applicable.

Except as specifically stated above in this Paragraph 7.5, PG&E shall have no obligation or liability and shall be released from any and all liability for losses, costs or damages of

any kind with respect to or arising out of installation or connection work, or other services, equipment, material or Facilities installed, connected, or in any way provided by PG&E or made available by PG&E pursuant to this Agreement, whether arising in contract, tort (including negligence), strict liability, warranty, or otherwise.

7.6. CONSEQUENTIAL DAMAGES: IN NO EVENT, SHALL EITHER PRODUCER OR PG&E BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING WITHOUT LIMITATION LOST PROFITS OR REVENUES, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, WARRANTY, OR OTHERWISE, AND WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE.

7.7. Governmental Authority: This Agreement shall at all times be subject to all applicable present and future rules, tariffs and schedules of PG&E, and to all valid legislation with respect to the subject matter hereof, either state or federal, and to all valid present and future decisions, rules, regulations, orders and ordinances of all duly constituted governmental authorities having jurisdiction; this Agreement shall at all times be subject to any and all amendments to such rules, tariffs, and schedules of PG&E, legislation, and decisions, rules, regulations, orders and/or ordinances of governmental authorities.

If at any time the CPUC or any branch thereof issues a finding or opinion, formal or informal, that this Agreement is inconsistent with CPUC rules, regulations, decisions, or policy, then this Agreement shall be amended to eliminate any inconsistency. This Agreement shall at all times be subject to such changes or modifications by the CPUC as it may from time to time direct in the exercise of its jurisdiction.

PG&E will file for CPUC approval of all or part of this Agreement, and this Agreement shall be subject to such approval.

7.8. Compliance with Laws: Producer shall comply with all applicable federal, state and local laws, rules, regulations, ordinances and codes and shall obtain all applicable licenses and permits for the conduct of its business and the performance of this Agreement.

7.9. Environmental Indemnification: Producer shall indemnify, defend, and hold PG&E harmless against and from all claims, suits, liabilities, damages, costs (including attorney's fees), expenses, fines and penalties, and all applicable judicial, administrative, and regulatory decrees, directives, judgments, and orders resulting from, or arising out of or in connection with any environmental contamination or any violation of environmental or other laws, regulations, rules, ordinances, codes, orders, directives and similar items of all appropriate governmental authorities relating to Producer's Property used by PG&E for the installation and operation of Facilities pursuant to this Agreement, to the extent that such claims, suits, liabilities, damages, costs, expenses, fines or penalties arise out of or result from or in connection with: (1) causes or events occurring prior to PG&E's use of the Property, or (2) acts or omissions of Producer, its parent, agents, employees, contractors or successors, occurring at any time. For purposes of this paragraph, "Property" shall mean any property, real or personal, in or to which Producer owns or hold any rights including easements, licenses, rights-of-way or any other contractual or real property rights.

7.10. Arbitration

7.10.1. Disputes: Any disputes arising out of or related to the interpretation or performance of the provisions of this Agreement, which cannot be settled by the Parties within a reasonable time, may be submitted by either Party to binding arbitration.

7.10.2. Appointment of Panel: All disputes to be arbitrated shall be submitted to and decided by a panel of three arbitrators: one to be appointed by Producer, one by PG&E, and the third one to be chosen by the two arbitrators appointed by the Parties. If either Party shall fail or refuse to appoint an arbitrator within thirty (30)

days, after written notice has been given to it by the other party naming the latter's arbitrator, the Party giving such notice shall have the right to request the Presiding Judge of the Superior Court of the State of California in and for the City and County of San Francisco to appoint an arbitrator for the other party so in default.

If the two arbitrators thus chosen shall be unable to agree upon a third arbitrator within thirty (30) days, such arbitrator shall be appointed, upon application of either party, by the Presiding Judge of the Superior Court of the State of California in and for the City and County of San Francisco. Except as otherwise specifically provided in this Section 7.10, any arbitration shall be subject to the provisions of Title 9 of Part 3 of the Code of Civil Procedure of the State of California.

7.10.3. Venue for Arbitration and Costs: Venue for arbitration hereunder shall be the City and County of San Francisco unless another location is unanimously selected by the arbitrators. The cost of the arbitrator appointed by Producer shall be paid for by Producer; the cost of the arbitrator appointed by PG&E shall be paid for by PG&E; and the cost of the third arbitrator and any attendant costs shall be borne equally by Producer and PG&E. Each Party shall bear its own attorney's fees and other expenses in connection with such arbitration.

7.10.4. Binding Decision: The decision of a majority of the arbitrators, after a hearing at which the Parties shall have an opportunity to be heard and to introduce evidence, shall be binding upon the Parties hereto and judgment thereon may be entered in any court of competent jurisdiction.

7.10.5. Jurisdiction, Choice of Litigation Location: Any suit or action brought between the Parties relating to this Agreement shall be litigated only in a California State Court of competent jurisdiction or, if jurisdiction over the action cannot be obtained in a California State Court, in a Federal Court of competent jurisdiction situated in the State of California.

7.11. Governing Law: This Agreement shall be governed and interpreted in accordance with the laws of the State of California, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

7.12. Easements and Rights of Way: Producer shall grant and assign to PG&E, insofar as Producer has the right to do so, and without any charge to PG&E, all necessary easements and rights-of-way for the installation, operation, maintenance, replacement, and/or removal of pipelines and Facilities necessary or convenient to the receipt and the measurement of Gas covered by this Agreement.

7.13. Force Majeure: Neither PG&E nor Producer shall be considered in default in the performance of its obligations under this Agreement, except obligations to make payments hereunder, to the extent that the performance of any such obligation is prevented or delayed by any cause, existing or future, which is beyond the reasonable control of the affected Party. Causes beyond the reasonable control of a Party shall include, but not be limited to, acts of God, a public enemy, or a governmental authority, strikes, lockouts, riots, rebellions, injunctions, breakage of or accident to wells, machinery, equipment, or lines of pipe, washouts, earthquakes, floods, storms, extreme weather conditions, freezing of lines, or any cause or causes of whatsoever nature (whether like or unlike those herein enumerated) beyond the reasonable control of either Party. In the event either Party claims that performance of its obligations was prevented or delayed by any cause beyond its reasonable control, that Party shall promptly notify the other Party of the circumstances preventing or delaying performance. Such Party so claiming a cause-delayed performance shall endeavor, to the extent reasonable, to remove the obstacles which preclude performance.

7.14. Waivers: No waiver, expressed or implied, by either Party, of any default by the other Party in the performance of its obligations hereunder shall be deemed or construed to be a waiver of any other or subsequent default whether of like or different nature. A failure of either Party to declare the other Party in default, regardless of how long such failure continues, shall not constitute a waiver by such Party of any of its rights hereunder.

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7.16. Enforceability: In the event that one or more of the provisions contained in this Agreement, shall for any reason be invalid, illegal or unenforceable, in any respect, this shall not affect any other provision contained in this Agreement.

7.17. Ambiguities: Any ambiguities or uncertainties in the wording of this Agreement shall not be construed for or against any Party, but shall be construed in a manner which most accurately reflects the intent of the Parties at the time of its execution.

7.18. Headings: The headings of this Agreement are for convenience only and shall not vary the meaning of the text.

7.19. Notices: Except as otherwise provided herein, any notice, request, demand, or statement ("Notice") regarding this Agreement, including notices of Arbitration, shall be in writing and deemed given when deposited in the United States mail, postage prepaid, directed to the address of the Parties as follows:

Producer Address  
3275 Cherry Avenue  
Long Beach, CA 90807  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone: (888) 260-4715  
Attention: Bill Buss  
Telecopier: \_\_\_\_\_

Pacific Gas and Electric Company  
6121 Bollinger Canyon Road  
Mail Code BR1Z4A  
San Ramon, CA 94583

Telephone: (925) 244-3517  
Attn: Manager, Gas Strategy,  
Policy & Development  
Telecopier: (925) 244-3544

Notices may also be given by facsimile or other electronic transmittal, provided that such facsimile or electronically conveyed Notice is confirmed in writing and delivered as aforesaid within three (3) days of the facsimile or other electronic Notice. Routine communications may be exclusively communicated by facsimile or other electronic means.

Either Party may from time to time change its address for Notices upon a thirty (30) day prior Notice, given pursuant to this Article 7.19.

7.20. Assignments: The rights and obligations of the Parties hereunder shall bind and benefit the Parties' successors and assigns; provided, however, that neither Party may assign its rights or delegate its obligations hereunder, without first obtaining the written consent of the other Party, except for an assignment of the entire interest in this agreement of the assigning Party (an assignment of all rights coupled with a delegation of all of the obligations of such Party under this Agreement) to a corporate parent or affiliate of the assigning Party or to an entity succeeding to all or substantially all of the business, properties or assets of the assigning Party related to or directly used in the performance of this Agreement. An assignment pursuant to the aforesaid exception shall become effective on the date of notice thereof to the other Party. For purposes of this Paragraph 7.20, "affiliate" shall mean any corporation, partnership, or other legal entity, which controls, is controlled by, or is under common control with the Party making the assignment, and fifty percent (50%) or more of the equity shall constitute "control." Assignment of this Agreement shall not release Producer from any of its obligations under this Agreement, unless such release is agreed to in writing by PG&E and by the assignee.

7.21. Appendices: All of the following appendices and exhibits attached hereto are incorporated herein by reference:

Appendix A; Appendix B; Appendix C; Appendix D; Appendix F; \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

California Production Interconnection and Operating Agreement

7.22. Separate Agreement: Producer acknowledges and agrees that terms and conditions governing nominations of Producer's Gas for transportation, balancing of Gas accounts, and other provisions relating to the transportation of Producer's Gas on PG&E's system, shall be governed by a separate California Production Balancing Agreement (CPBA); therefore, Producer agrees to appoint an Authorized Agent, as defined in the CPBA, and to execute a standard "Appointment of Authorized Agent" (Attachment 1 to the CPBA) for that purpose, as soon as CPUC approval of the CPBA becomes effective .

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized representatives of the Parties hereto.

Pacific Gas and Electric Company

The Termo Company

By: Steve Whelan

By: Bill Buss

Name: Steve Whelan

Name: Bill Buss

Title: Director

Title: V.P. Operations

Date: 11/19/14

Date: 11/14/14



File PGE  
(Boulder Creek  
Willows)

David Lewis  
Director  
Wholesale Marketing and Business Development  
6121 Bollinger Canyon Road  
Mail Code BR1Z4A  
San Ramon, CA 94583

March 4, 2019

Via e-mail and U.S. Mail

Mr. Bill Buss  
The Termo Company  
3275 Cherry Avenue  
Long Beach, CA 90807

Re: Odorization Requirement Compliance Letter

Dear Mr. Buss:

Please refer to the California Production Interconnection and Operating Agreement between Pacific Gas and Electric Company (PG&E) and The Termo Company (Termo) dated November 19, 2014 (CPIOA 5046) and Appendices A-1, B-1, A-4 and B-4 for receipt point Meters 00506 and 04305.

PG&E's first responsibility is to safely operate our system to ensure public safety and pipeline facility integrity. In support of that responsibility and to mitigate safety and risk concerns surrounding the supply of unodorized gas into the PG&E system, on April 7, 2016, pursuant to CPIOA 5046 Section 2.6.2 Odorization and/or Gas Sampling, Termo was notified of the need to install odorization equipment at receipt point Meters 00506 and 04305 on or before March 31, 2017.

Termo completed its installation of the required odorization equipment, submitted the requested documentation in support of the installations, and paid PG&E's invoice for the costs associated with the inspection, connection and income tax component of contributions attributable to the installation of the odorization equipment at receipt point Meters 00506 and 04305.

This will confirm that Termo has met the odorization requirement for Meters 00506 and 04305 and, having met the requirement, may now request a new well connection or recompletion request through receipt point Meters 00506 and 04305.

Sincerely,

Dave Lewis

cc: Ben Ferreira, Physical Operator for Meters 00506 and 04305

MAR 11 2019



LONG BEACH CORPORATE OFFICE  
P.O. Box 2767, Long Beach, CA 90801  
562.595.7401 562.426.2730  
MAIN FAX  
www.TERMOCO.com

January 4, 2019

Mr. David R. Lewis  
Director, Wholesale Marketing and Business Development  
Pacific Gas and Electric Company  
6121 Bollinger Canyon Road, Mail Code BR1Z4A  
San Ramon, California 94583

Re: Odorization Facilities Installation Producer Warranty

Dear Mr. Lewis:

Please refer to the California Production Interconnection and Operating Agreement between TheTermo Company and Pacific Gas and Electric Company dated July 23, 2014, (CPIOA 5044) for receipt point Meters 00506 and 04305.

Pursuant to CPIOA 5044 Section 2.2.4, Producer Installs Measurement Facilities, Odorization Facilities and/or Gas Sampling Facilities The Termo Company hereby warrants that the procurement, installation and connection of the odorization facilities at receipt point Meters 00560 and 04305 were constructed in conformance with California Public Utilities Commission General Order No. 112-F, State of California Rules Governing Design, Construction, Testing, Operation and Maintenance of Gas Gathering, Transmission, and Distribution Piping Systems. This document is The Termo Company's assurance that the installation of the odorization facilities was performed by Noble Methane Inc., 104 Matmor Rd, Woodland, CA 95776, who is licensed in the State of California, Licence # 573172, to perform such work.

Sincerely,

Bill Buss  
V.P of Operation



David Lewis  
Director  
Wholesale Marketing and  
Business Development  
6121 Bollinger Canyon Road  
Mail Code BR1Z4A  
San Ramon, CA 94583

March 29, 2017

Via e-Mail and Overnight Mail

Mr. Bill Buss  
The Termo Company  
3275 Cherry Avenue  
Long Beach, CA 90807

Dear Mr. Buss:

Please refer to the California Production Interconnection Operating Agreement between Pacific Gas and Electric Company and The Termo Company dated July 23, 2014 (CPIOA 5044) and Appendices A-1 and B-1 for receipt point Meter 00506.

PG&E is contacting you again because we have not yet received any written request to PG&E to connect the Odorization Facilities that were required to be installed at receipt point Meter 00506 by March 31, 2017.

This will provide notice that pursuant to CPIOA 5044 Section 3.4.4, Refusal of Gas, if The Termo Company has not completed installation of the Odorization Facilities and submitted its written request to interconnect the Facilities by March 31, 2017, PG&E will add receipt point meter 00506 to a list of meters to be shut in beginning on May 1, 2017.

Please work with Mark Young in our Pipeline Services group to meet the March 31, 2017 deadline and direct any questions concerning this notice to Mark at (650) 444-4934.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ben Ferreira'. The signature is stylized and includes a large circular flourish at the beginning.

cc: Ben Ferreira, Physical Operator for Meter 00506 *Bounde Creek 1-11*



Carol Burke  
Supervising Engineer  
Pacific Gas and Electric Company -  
Pipeline Services  
Mail Code: BR1Y4C  
6111 BOLLINGER CANYON RD  
SAN RAMON, CA 94583-5186

October 27, 2016

Mr. Bill Buss via email and U.S. Post  
The Termo Company  
3275 Cherry Ave.  
Long Beach, CA 90807

Re: Production Gas Odorization requirement letter dated April 7, 2016 (copy enclosed)

Dear Mr. Buss:

On April 7, 2016, Pacific Gas and Electric Company sent you a letter with information regarding the requirement that all natural gas delivered to PG&E's system must be odorized as mitigation of safety and risk concerns. The letter also stated that necessary equipment and facilities must be installed at each receipt point of gas delivery into PG&E's Gas Plant and operational on or before March 31, 2017.

As of the date of this letter, PG&E has not received a formal response as to your plans for, or confirming the installation of, the required facilities on any existing receipt point meter(s) currently listed on the CPIOA 5044 Appendix A.

Mr. Mark Young has been assigned as the Program Manager for PG&E's Gas Gathering Team to facilitate the process of compliance and provide as the point of contact for all communications to assist you with understanding and meeting PG&E requirements by March 31, 2017. PG&E requests your response to this letter by completing the enclosed form as to the status of your plans to meet PG&E's requirements as stated in the April 7, 2016 letter. Please send your response to this letter in the enclosed self-addressed envelope by no later than November 4, 2016. If you have questions or need assistance, please contact Mark Young at [mjy3@pge.com](mailto:mjy3@pge.com) or (650) 444-4934. Please indicate in your response if you would like to be contacted directly by our Program Manager.

Your response will assist PG&E in determining the next steps to assist you with continued connection of your source to PG&E's gas infrastructure.

Sincerely,

Carol Burke  
Supervising Engineer  
Pipeline Services, Gas Quality  
Pacific Gas and Electric Company

Enclosures:  
Cc: Ben Ferreira

## Historical Evidence PG&E worked with Qualified Contractors

These corresponding emails and documents show that PG&E previously worked cooperatively with producers and their qualified contractors to install required equipment—specifically, a gas odorizer system used to odorize natural gas. This odorizer installation was a significantly more complex project than the corrosion-sample-port modification PG&E now requires. The work was performed by producer-selected contractors, reviewed by PG&E, and approved by PG&E upon completion.

This evidence demonstrates that, as recently as 2017, PG&E acted in good faith and honored the terms and intent of producer contracts by allowing qualified contractors to perform work at sales points.

We have also included a photograph of the odorizer to clearly show that PG&E's newly required \$184,000 corrosion-monitoring system is being installed at the same meter run (i.e., the same producer sales point) where the odorizer equipment was previously installed without issue or excessive cost.



# Noble Methane, Inc.

104 Matmor Road  
Woodland Ca 95776

# Invoice

| Date      | Invoice # |
|-----------|-----------|
| 6/24/2017 | 37139     |

|   |
|---|
| <b>Bill To</b>  |
| The Termo Co.<br>C/O Ben Ferreria<br>7845 County Road 61<br>Princeton, CA 95970 |



| Called Out By    | Date of Ser... | Attention To   | Work Order #             | Location           |  |
|------------------|----------------|--|--------------------------|--------------------|--|
| BF               | 6/22/2017      |  |                          | Doheny Sales meter |  |
| Item             | Quantity       | Description  | Rate                     | Amount             |  |
| Technician       | 8              | Loaded up necessary supplies, went to site , installed YZ 601 odorizer on PG&E sales meter. set concrete pad, anchored support flange, post and mounted FD-1 reg. set, and odorizer, ran stainless tubing etc. per PG&E guide lines. | 65.00                    | 520.00             |  |
| Assistant        | 8              | Hourly rate  | 40.00                    | 320.00             |  |
| MILEAGE .        | 120            | Hourly Rate  | 1.20                     | 144.00             |  |
| Parts & Supplies | 1              | Mileage  | 120.00                   | 120.00T            |  |
| Parts & Supplies | 1              | 3x3x5.5 inch concrete pad  | 12.18                    | 12.18T             |  |
| Parts & Supplies | 1              | 5/8 inch x 8 foot ground rod   | 3.54                     | 3.54T              |  |
| Parts & Supplies | 1              | ground rod clamp   | 0.30                     | 4.50T              |  |
| Parts & Supplies | 15             | feet copper ground wire.   | 2,825.00                 | 2,825.00T          |  |
| Parts & Supplies | 1              | FD-1 PG&E approved filter/dryer , regulator. relief valve (assembly)   | 4.25                     | 4.25T              |  |
| Parts & Supplies | 1              | 18 inch band clamp   | 5.00                     | 5.00T              |  |
| Parts & Supplies | 1              | cradle shoe  | 5.00                     | 5.00T              |  |
| Parts & Supplies | 1              | alum. cover plate  | 10.00                    | 10.00              |  |
| Parts & Supplies | 1              | rotor hammar fee   | 2.37                     | 106.65T            |  |
| 1/4" S.S.        | 45             | 1/4" Stainless Steel .035wt per ft.  | 0.64                     | 22.40T             |  |
| Parts & Supplies | 35             | feet 3/8 inch ID applicator tubing   | 19.79                    | 98.95T             |  |
| Parts & Supplies | 5              | 1/4x1/4 90 degree Swagelok compression fittings NPTxComp.  | 10.34                    | 10.34T             |  |
| Parts & Supplies | 1              | 1/4x1/4 strait fitting as above  |                          |                    |  |
|                  |                |  | <b>Sales Tax (7.25%)</b> |                    |  |
| <b>Phone#</b>    | <b>Fax #</b>   | <b>Total</b>   |                          |                    |  |
| 530-668-7961     | 530-668-9725   |  |                          |                    |  |

# Noble Methane, Inc.

104 Matmor Road  
Woodland Ca 95776

# Invoice

| Date      | Invoice # |
|-----------|-----------|
| 6/24/2017 | 37139     |

|   |
|---|
| <b>Bill To</b>  |
| The Termo Co.<br>C/O Ben Ferreria<br>7845 County Road 61<br>Princeton, CA 95970 |

| Called Out By | Date of Ser... | Attention To | Work Order # | Location           |
|---------------|----------------|--------------|--------------|--------------------|
| BF            | 6/22/2017      |              |              | Doheny Sales meter |

| Item             | Quantity | Description                         | Rate  | Amount |
|------------------|----------|-------------------------------------|-------|--------|
| Parts & Supplies | 3        | 1/4 inch Swagelok comp. unions      | 16.24 | 48.72T |
| Parts & Supplies | 1        | 1/8x1/4 stainless reducing coupling | 7.33  | 7.33T  |
| Parts & Supplies | 1        | 1/4 inch Parker bulk head fitting   | 30.00 | 30.00T |
| Parts & Supplies | 1        | 1/2 inch 3000 lb. hex nipple        | 13.22 | 13.22T |
| Parts & Supplies | 1        | 2 inch 150# tapped flange           | 17.50 | 17.50T |
| Parts & Supplies | 4        | 1/2x5.5 inch wedge anchors          | 1.98  | 7.92T  |
| 1/2"             | 2        | Teflon Tape 1/2 in roll             | 1.50  | 3.00T  |

CA-116-009-75-16  
B

|  |  |  |                          |          |
|--|--|--|--------------------------|----------|
|  |  |  | <b>Sales Tax (7.25%)</b> | \$242.55 |
|--|--|--|--------------------------|----------|

|               |              |
|---------------|--------------|
| <b>Phone#</b> | <b>Fax #</b> |
| 530-668-7961  | 530-668-9725 |

|              |            |
|--------------|------------|
| <b>Total</b> | \$4,582.05 |
|--------------|------------|



Equipment installed by

qualified private

contractor. That

producer are now

being denied to use on

same facility.

| INVOICE | DATE     | DESCRIPTION | NET      |
|---------|----------|-------------|----------|
| 127571  | 05/25/17 | Odorizer    | 9,600.69 |
| 127613  | 06/01/17 | Odorizer    | 9,588.15 |

VENDOR TRI0036 CHECK 472940 DATE 07/19/17 19,188.84

**THE TERMO COMPANY**  
 Operating Account  
 P O BOX 2767  
 LONG BEACH, CA 90801

JP Morgan Chase Bank N.A.  
 Houston, TX  
 32-61/1110

| CHECK NO | CHECK DATE | CHECK AMOUNT     |
|----------|------------|------------------|
| 472940   | 07/19/17   | \$*****19,188.84 |

PAY \*\*\*19,188 Dollars and 84 Cents

NON-NEGOTIABLE

PAY TO THE ORDER OF  
 TRI-PACIFIC SUPPLY, INC.  
 4345 PACIFIC STREET  
 ROCKLIN CA 95677

NON-NEGOTIABLE





# Tri-Pacific Supply, Inc.

Measurement, Regulation and Distribution Specialists  
8845 Pacific Avenue • Redden, CA 94567 • Office 916-630-2323 • Fax 916-630-3050  
Email: tripac@triapacific.com • Website: www.tripacific.com

# Invoice

Customer No.: **TERMO**  
Invoice No.: **127571**

Tax ID# 68-0272171

Bill To: **The Termo Company**  
PO Box 2767  
Long Beach, CA 90801

Ship To: **The Termo Company**  
Ben Ferreira  
7845 County Rd. 61  
Princeton, CA 95970

|          |                 |        |        |
|----------|-----------------|--------|--------|
| Date     | Ship Via        | F.O.B. | Terms  |
| 05/25/17 | Best way pp/add | Origin | Net 30 |

|                       |            |              |                  |
|-----------------------|------------|--------------|------------------|
| Purchase Order Number | Order Date | Sales Person | Our Order Number |
| Bounde Creek          | 03/23/17   | YZ Products  | 32312            |

| Req | Quantity Shipped | B.O. | Item Number | Description                  | Unit Price | Amount  |
|-----|------------------|------|-------------|------------------------------|------------|---------|
| 1   | 1                |      | 610G-00N-1D | 5 gallon low volume odorizer | 8795.00    | 8795.00 |

with the following:  
(1) C5-0303 Inj probe sight glass assembly  
(1) A3-0024 1/4" npt 50 psig back check valve  
(2) A1-0182 dielectric Insulator, 1/4" tube

|                      |                |
|----------------------|----------------|
| Invoice subtotal     | 8795.00        |
| Shipping & Handling  | 168.05         |
| Sales tax @ 7.25000% | 637.64         |
| <b>Invoice total</b> | <b>9600.69</b> |

CA-016-001-75-16  
Ben

Please Note: As of 04/24 we will be charging a 4% handling fee for all Credit Card payments



# Tri-Pacific Supply, Inc.

Measurement, Regulation and Distribution Specialists

4345 Pacific Street • Rocklin CA 95677 • Office 916-830-2323 • Fax 916-830-3859  
Email: tripacsup@tripacific.net • Website: www.tripacific.net

# Invoice

Customer No.: **TERMO**  
Invoice No.: **127571**

Tax ID# 68-0272171

Bill To: **The Termo Company**  
PO Box 2767  
Long Beach, CA 90801

Ship To: **The Termo Company**  
Ben Ferreira  
7845 County Rd. 61  
Princeton, CA 95970

|                       |                 |              |                  |        |
|-----------------------|-----------------|--------------|------------------|--------|
| Date                  | Ship Via        | F.O.B.       | Terms            |        |
| 05/25/17              | Best way pp/add | Origin       | Net 30           |        |
| Purchase Order Number | Order Date      | Sales Person | Our Order Number |        |
| Bounde Creek          | 03/23/17        | YZ Products  | 32312            |        |
| Quantity              | Item Number     | Description  | Unit Price       | Amount |
| Req Shipped B.O.      |                 |              |                  |        |

|   |   |  |         |         |
|---|---|--|---------|---------|
| 1 | 1 | 610G-00N-1D 5 gallon low volume odorizer with the following:<br>(1) C5-0303 Inj probe sight glass assembly<br>(1) A3-0024 1/4" npt 50 psig back check valve<br>(2) A1-0182 dielectric Insulator, 1/4" tube | 8795.00 | 8795.00 |
|---|---|--|---------|---------|

|                      |                |
|----------------------|----------------|
| Invoice subtotal     | 8795.00        |
| Shipping & Handling  | 168.05         |
| Sales tax @ 7.25000% | 637.64         |
| <b>Invoice total</b> | <b>9600.69</b> |



# Tri-Pacific Supply, Inc.

Measurement, Regulation and Distribution Specialists

4345 Pacific Street • Rocklin CA 95677 • Office 916-630-2323 • Fax 916-630-3059  
Email: tripacsup@tripacific.net • Website: www.tripacific.net

# Invoice

Customer No.: **TERMO**  
Invoice No.: **127571**

Tax ID# 68-0272171

Bill To: **The Termo Company**  
PO Box 2767  
Long Beach, CA 90801

Ship To: **The Termo Company**  
Ben Ferreira  
7845 County Rd. 61  
Princeton, CA 95970

| Date                  | Ship Via        | F.O.B.   | Terms            |         |
|-----------------------|-----------------|--|------------------|---------|
| 05/25/17              | Best way pp/add | Origin   | Net 30           |         |
| Purchase Order Number | Order Date      | Sales Person   | Our Order Number |         |
| Bounde Creek          | 03/23/17        | YZ Products  | 32312            |         |
| Quantity              | Item Number     | Description  | Unit Price       | Amount  |
| Req Shipped B.O.      |                 |  |                  |         |
| 1 1                   |                 | 610G-00N-1D 5 gallon low volume odorizer with the following:<br>(1) C5-0303 Inj probe sight glass assembly<br>(1) A3-0024 1/4" npt 50 psig back check valve<br>(2) A1-0182 dielectric Insulator, 1/4" tube | 8795.00          | 8795.00 |

|                      |                |
|----------------------|----------------|
| Invoice subtotal     | 8795.00        |
| Shipping & Handling  | 168.05         |
| Sales tax @ 7.25000% | 637.64         |
| <b>Invoice total</b> | <b>9600.69</b> |

*Bounde Creek  
odorizer  
Chrepid  
717-17  
75-44*

MAY 30 2017





# Tri-Pacific Supply, Inc.

Measurement, Regulation and Distribution Specialists  
2245 Pacific Street • Rocklin, CA 95677 • Office (916) 710-7320 • Fax (916) 710-7321  
Email: tripac@tri-pacific.com • Website: www.tri-pacific.com

# Invoice

Customer No.: **TERMO**  
Invoice No.: **127613**

Tax ID# 68-0272171

Bill To: **The Termo Company**  
PO Box 2767  
Long Beach, CA 90801

Ship To: **The Termo Company**  
Ben Ferreira  
7845 County Rd. 61  
Princeton, CA 95970

| Date     | Ship Via        | FOB    | Terms  |
|----------|-----------------|--------|--------|
| 06/01/17 | Best way pp/add | Origin | Net 30 |

| Purchase Order Number | Order Date | Sales Person | Our Order Number |
|-----------------------|------------|--------------|------------------|
| Doheny Unit           | 03/23/17   | YZ Products  | 32313            |

| Req | Quantity Shipped | B.O. | Item Number | Description  | Unit Price | Amount  |
|-----|------------------|------|-------------|--|------------|---------|
| 1   | 1                |      | 610G-00N-1D | 5 gallon low volume odorizer<br>(1) C5-0303: Inj. probe sight glass assembly<br>(1) A3-0024: 1/4" npt 50 psig back check valve<br>(2) A1-0182: Dielectric insulator, 1/4" tube | 8795.00    | 8795.00 |

|                      |                |
|----------------------|----------------|
| Invoice subtotal     | 8795.00        |
| Shipping & Handling  | 155.51         |
| Sales tax @ 7.25000% | 637.64         |
| <b>Invoice total</b> | <b>9588.15</b> |

CA. 116-009-75-16  
Ben

Please Note: As of 04/24 we will be charging a 4% handling fee for all Credit Card payments

State of California

County of Los Angeles

I, RALPH E. COMBS, being duly sworn, declare as follows:

1. I am the owner/operator or authorized representative of THE TERMO COMPANY, a natural gas producer operating under a California Production Interconnection and Operating Agreement (CPIOA) with Pacific Gas and Electric Company (PG&E);

2. The affected meter run/sales point is identified as Doheny 39-3 04305, operating under CPIOA No. 5004.

3. On or about 3/7/2025, PG&E; notified our company that we were required to install new sample ports (corrosive gas monitoring equipment) on our existing meter run. PG&E; estimated the total cost at approximately \$ 184,500, broken down as follows:

|                  |                  |                   |
|------------------|------------------|-------------------|
| Parts            | Engineering      | Labor             |
| \$ <u>10,000</u> | \$ <u>50,000</u> | \$ <u>124,500</u> |

4. Actual Cost Paid by Producer:

Our company incurred the following actual costs associated with the installation and compliance requirements imposed by PG&E;:

|                         |             |             |                                |
|-------------------------|-------------|-------------|--------------------------------|
| Parts                   | Engineering | Labor       | Additional/Unforeseen Expenses |
| \$ <u>0</u>             | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u>                    |
| Total Actual Cost Paid: |             |             | \$ <u>0</u>                    |

5. When we requested to use a private, qualified contractor to perform the installation, PG&E; responded that "since the facility is in operation, PG&E; would have to do the work." We were not permitted to use our own licensed contractor, even though the CPIOA allows it.

6. PG&E; stated that if we did not agree to the quoted costs or PG&E;'s exclusive performance of the work, our gas deliveries would be shut in or disconnected. As a result, our production was [suspended/reduced] on 8/31/2025 or we paid under protest to maintain operations.

7. To my knowledge, multiple independent gas producers in Northern California received similar notices and were subject to comparable costs or shut-ins.

8. The statements herein are true and correct to the best of my knowledge and belief. I make this declaration to support a CPUC investigation into whether PG&E;'s actions constitute unreasonable or discriminatory practices under its tariff and applicable state regulations.

Signature: [Signature]

Name (Printed): RALPH E. COMBS

Title: MANAGER, REGULATORY & GOVERNMENT AFFAIRS

Company: THE TERMO COMPANY

Date: 10/24/25 10/24/2025

Subscribed and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

Notary Public Signature: \_\_\_\_\_

My Commission Expires: see attached

## AFFIDAVIT OF NATURAL GAS PRODUCER

I, the undersigned, am a natural gas producer in California. I am providing this affidavit to confirm my experience regarding PG&E's recent installation requirements for new sample ports (meter runs/sales point

|   |                   |
|---|-------------------|
| Producer/Company Name:                  | The Termo Company |
| Location of Facilities (County):        | Glenn             |
| Date of PG&E Notice:                    | 3/07/2025         |
| Quoted Installation Cost from PG&E (\$) | \$184,500         |
| Actual Cost Paid (if any) (\$):         | \$0               |
| Did PG&E allow use of private contracts | No                |

Comments / Notes:

[Redacted area]

I certify that the information provided above is true and accurate to the best of my knowledge.

Signature:

[Redacted signature]

Date:

10/23/2025  
10/24/2025

PC

*Note: Individual cost information will remain confidential and used only for CPUC filing purposes. Affidavits may be shared only to demonstrate inconsistencies in PG&E's pricing to regulatory bodies.*

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 24th day of October, 2025, by  
Date Month Year



(1) Ralph Combs

(and (2) \_\_\_\_\_),  
Name(s) of Signer(s)

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature [Handwritten Signature]  
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Affidavit of Natural Gas Producer

Document Date: 10/24/2025 Number of Pages: 2

Signer(s) Other Than Named Above: \_\_\_\_\_

**From:** Bill Buss  
**Sent:** Friday, March 21, 2025 8:47 AM  
**To:** [Calprodnotices@pge.com](mailto:Calprodnotices@pge.com); [colleenbrodt@pge.com](mailto:colleenbrodt@pge.com)  
**Subject:** IC Monitoring Equipment

We are in receipt of the letter of agreement to install monitoring equipment at the meter 04305.

We are unable to sign this agreement as the cost of this equipment is uneconomical to the property at current gas prices.

We would be in favor of other alternatives to monitoring that would meet the regulatory requirements. Routine gas analysis would indicate the presence of any corrosive constituents. I think there would be a long history demonstrating absence of any corrosive gaseous constituents. Water vapor is limited in the gas specifications, and can easily be monitored by dew point or other testing, and as long as the water vapor is within spec, there can be no free water. There is no indication in the letter on the monitoring frequency of this new installation- whether there is some type of continuous monitoring or if it will be spot checks.

We could be agreeable to the installation if a more reasonable cost can be achieved. I understand that this equipment is being installed at all receipt points. If so, why is a \$50,000 engineering charge required on each nearly identical installation? Construction costs of \$124,000 also appears to be inflated for what I understand should be a one day job. Maybe we could be provided with labor hours and rates that comprise this figure, and a diagram of the equipment involved, to better understand these costs.

In the past, producers have been allowed to use approved contractors to provide and install odorization equipment. Could this be considered for the new required equipment as well? It should also be noted that a few years ago we were allowed to use approved contractors and suppliers for the installation of odorizers. These installations were done for less than a tenth of the proposed costs for the new monitoring equipment, which appears to be less complicated equipment and installation than the odorizers.

Lastly, please note that Rule 49 CFR 192.478 (quoted in the email) has been vacated by the US Court of Appeals effective Jan 15, 2025. <https://www.federalregister.gov/documents/2025/01/15/2025-00073/pipeline-safety-safety-of-gas-transmission-pipelines-repair-criteria-integrity-management#p-10>

In its current form, this proposed agreement will result in end-of-life for gas wells, and will create job losses. Hopefully this proposal can be reconsidered.

Thank you,

Bill

Bill Buss  
The Termo Company  
562-279-1938

Clint,

Here is what MRC Global is paying.

| Item | Description  | Quantity | Cost/Ea.   |
|------|--|----------|------------|
| 1    | <b>Model: CS2HP1BV1NVDMP3RFSBM2P</b><br>2" MNPT Coupon Sampler 316ss, (1) 1/4" ball valve 3000#<br>and (1) 1/4" needle valve 6000#, 2" MNPT Delrin coupon holder for 3<br>rod/flat coupons with sessile bacteria monitor | 3        | \$1,500.00 |
| 2    | 3/4" MNPT x 2" MNPT XXH CS Swage with 2" FNPT x 2" FNPT XXH CS Collar<br>(adaptor/fittings - to be assembled and hydro test with the coupon sampler)   | 3        | \$520.00   |
| 3    | Hydro Testing w/Report (ANSI 900 - 8 hours @ 3240 psi)   | 3        | \$385.00   |
| 4    | Extra Sessile Bacteria Screen  | 3        | n/c        |
| 5    | Operations Manual/MTR's  | 3        | n/c        |

Thank you,

Eric Smith

EnhanceCo

2714 Cypress Point Drive, Ste E

Missouri City, TX 77459

Phone: 281-499-4426

e-mail: [rust@enhanceco.net](mailto:rust@enhanceco.net)

[www.enhanceco.net](http://www.enhanceco.net)



**CUSTOMER DETAILS**

CPSCW  
 CPS  
 208 Commercial ST  
 Princeton CA  
 USA

**Date:** 10/16/2025

**Payment Terms:** CASH IN ADVANCE  
**Shipping Terms:** Ex Works  
**Cust. Reference:**

**Attn:** Clinton J Wills  
**Phone:**  
**Fax:**  
**Email:** clintonwills@gmail.com

**Quoted By:** Lauren Meeks  
**Phone:** 281-219-8200  
**Fax:** 281-219-8200  
**Email:** LFister@cosasco.com

| Approx. Gross Weight: | Approx. Cubic Dims | Destination | Delivery Period:          | Quote Expires |
|-----------------------|--------------------|-------------|---------------------------|---------------|
| 0.00 Lbs. 0.00 Kgs    | 0.00ft. 0.00m.     | California  | 8 Weeks (See Notes Below) | 10/26/2025    |

**For high velocity process conditions where intrusive devices will be exposed to the flow, it is recommended that Wake Frequency or Drag Force Calculations be performed as applicable - please contact Cosasco representative for further details.**

**We quote the following per our standard terms and conditions to meet your equipment requirements:**

| Line | Qty  | Part / Description  | Unit Price | <i>United States Dollar</i><br>Net Price |
|------|------|---|------------|--|
| 1    | 1 EA | <b>3500HT-T10-K03005-24-1-0-0</b><br>Model 3500HT Retractable High-Temp ER Cylindrical Element Probe Assembly with a Grafoil Packing, All Welded Element Seal Material and Ceramic Fill Material in 316L Stainless Steel or Higher (Element-Matching) Probe Body with a 10mil (5mil span/life) Cylindrical Element (T10) Assembly (2.25" Length) in Pipe Grade (Mild) Carbon Steel material, with a 24" Order Length, a Safety Clamp Assembly, 1" NPT Stuffing Box in 316 Stainless Steel and no Shield included. | \$1,106.00 | \$1,106.00                               |

**Total - Ex Works -: \$1,106.00**

Ex Works DELIVERY: 8 Weeks after receipt of purchase order and approved drawings (if required, authorizing us to commence manufacture) in our Santa Fe Springs Office.

NLR general license classification applies to all of our equipment. ECCN# EAR99.

All goods subject to U.S. export regulations as applicable.

All freight charges from our Santa Fe Springs factory to customer's designated location will be prepaid and add.

Due to the delicate nature of equipment quoted all shipments in excess of 75 pounds will be crated in a wooden box.

Items quoted herein are of the United States of America origin and prices quoted are in United States Dollars.

Quoted prices remain firm through shipment provided that your written purchase order is received in our Santa Fe Springs office within 10 day validity period of this quotation. Due to the volatility of metal markets, orders subject to review at time of order release.

Our quote reference number must appear when placing your order, or on any written/faxed inquiries on above quotation.

# COSASCO®

11841 Smith Avenue  
Santa Fe Springs, CA 90670  
USA

Phone: +1 (562) 949-0123  
Fax: +1 (562) 949-3065  
[www.cosasco.com](http://www.cosasco.com)

QUOTE NO: 146203



Page: 2 of 2

| Line | Qty | Part / Description | Unit Price | United States Dollar<br>Net Price |
|------|-----|--------------------|------------|-----------------------------------|
|------|-----|--------------------|------------|-----------------------------------|

#### CHECKS REMITTANCE ADDRESS

Rohrback Cosasco Systems, Inc.  
11841 Smith Avenue  
Santa Fe Springs, CA 90670  
USA

#### ACH AND DOMESTIC WIRE TRANSFERS

Bank of America  
222 Broadway  
New York, NY 10038 (USA)  
ABA No. for ACH/EFT: 071000039  
ABA No. for DOMESTIC Wires: 026009593  
Acct. Name: Rohrback Cosasco Systems, Inc.  
Acct. No.: 8670006339

#### INTERNATIONAL WIRE TRANSFERS

Bank of America  
222 Broadway  
New York, NY 10038 (USA)  
Swift Code: BOFAUS3N  
Acct. Name: Rohrback Cosasco Systems, Inc.  
Acct. No.: 8670006339

**WWe accept VISA, MASTERCARD and AMEX/ <https://www.cosasco.com/resources/partner-payment>**

This quotation is governed by and is subject to the Cosasco Terms of Sale in effect on the date the quotation is received by the purchaser, which Terms of Sale are incorporated in full by this reference. The Terms of Sale are available at <https://www.cosasco.com/terms-conditions-of-sale>, and also will be provided to the purchaser upon request. Acceptance of this quotation by the purchaser is expressly limited to the Terms of Sale. The Terms of Sale prevail over any of the purchaser's general terms and conditions of purchase regardless of whether or when the purchaser has submitted its purchase order or such terms. Fulfillment of the purchaser's purchase order by Cosasco does not constitute acceptance of any of the purchaser's terms and conditions and does not serve to modify or amend the Terms of Sale. Cosasco hereby objects to any additional or different terms in the purchaser's purchase order, acceptance or other correspondence. By accepting goods or services from Cosasco, the purchaser agrees to be bound by the Terms of Sale. This quotation, together with all attachments hereto and the Terms of Sale, forms the entire quotation and supersedes all prior communications between the parties, both written and oral.



This is \$184,000 peice of equipment.



**Electrical Resistance  
Probes 3500/3500HT  
\$1105.00**

**Odor injection point  
installed by qualified  
private contractor.**

**2" MNPT Coupon  
Sampler \$2405.00**



To Whom It May Concern and Independent Producers:

The following is a cost estimate for installing an electrical resistance probe and a 2 inch coupon sampler on the outlet leg of custody transfer orifice plate type DP meters which are commonly used in the Sacramento Valley , the inlet side of the (Meter Run) assembly is the point where the receiving company ( typically Pacific Gas and Electric in the upper Sacramento Valley) takes possession and owns the piping and hardware which the natural gas flows through. Noble Methane Inc. has been ask by several producers for a cost estimate to install these two instruments in a section of pipe downstream of the orifice plate , at the sales point facility. This seems to be a new requirement for some producers. PG&E has been purchasing gas from at least 100 producers for the last 70 plus years without these gismos even under the wet gas contracts which came in to effect in the late 1980s , this wet vs dry contract is a very important point as free water is detrimental to mild steel pipeline integrity (the vast majority of underground pipelines are constructed from mild steel) due to the fact that all the gas being delivered to these sales points (meter runs) is dry gas and shall not to exceed 7 lbs. per million standard cubic feet which in general is about 25 degrees F. (this is the maximum) a yearly average is about -5 degrees F this means that pipeline temperatures here in the valley would need to be this low in order to accumulate free water , we don't see pipeline temps. this low, so we have a good safety margin so the pipelines don't gather free water over time and contribute to corrosion. Of course there are many types of corrosion and processes that can attack mild steel saturated CO<sub>2</sub> , saturated H<sub>2</sub>S, anaerobic bacteria and electrolysis are a few that can contribute to internal degradation not to mention external corrosion which is not measured by the 2 instruments that prompted this cost estimate.

To summarize these two instruments will aid in detecting corrosion over time by passing the sales gas over thin mild steel strips and will help evaluate what may also be affecting the pipeline downstream of the instruments in question. To be clear the vast majority of natural gas produced in the upper Sac. Valley goes through the sales meter with no free water, little to no CO<sub>2</sub> or H<sub>2</sub>S so the thin mild steel strips should remain relatively unaffected by the high quality dry natural gas produced in this area, the very same natural gas by the way that flows through mild steel pipes in all homes with gas service.

Order of operation as follows:

Notify PG&E and Producer of intentions, dates, expected offline downtime.

Isolate meter run with both parties involved, may need to have odorizer shut off depending on injection point, relieve pressure, lock out tag out as necessary, unbolt one of the legs downstream of orifice plate (may be installed differently on some locations) such as welding TOL in position or rotating entire meter run to avoid overhead welding , this example is downstream leg removal. move flanged leg to hot work area, lay out TOL points cut holes in pipe wall and clean rough edges, clean paint down to bare metal , weld 1 inch TOLs on to pipe one at 12 and one at 6 o'clock in staggered fashion, blind flange ends and pressure test to 1.25 x working pressure most likely 1800 psig., duration one hour ,record with

calibrated data logger, dewater and blow dry, bolt leg back on meter run and torque flange studs as required with new gasket or insulation kit as necessary, if downstream flange is connected to orifice fitting care must be taken to reuse or replace gasket as these are proprietary and self centering, not ANSI 600 RF gaskets.

Preassemble new PG&E required instruments in vise and finish assembly in position on meter run, check thread depths and use best practice as far as sealants on (NPT) fittings. Check insertion depth on ER probe and secure per MFG specs, double check assembly, pull locks, purge air from piping, pressure up and leak check all joints. Once completed notify PG&E and ask to have the downstream block valve opened which will allow producer to sell natural gas through the system.

The following are the projected costs to execute the above procedure.

|  |        |
|--|--------|
| 25 man hours @ \$80.00 -----           | \$2000 |
| 5 hours certified welder @ \$105 ----- | \$ 525 |
| 225 miles @ \$ 1.35 per mile -----     | \$ 304 |
| Eagle 2 gas monitor -----              | \$ 100 |
| 2 trucks @150 per day -----            | \$ 300 |

|   |        |
|---|--------|
| Crystal XPi2 data logger pressure ga. Current calibration ----- | \$ 100 |
| 10 k pump for hydrotest -----                                   | \$ 50  |

|  |         |
|--|---------|
| 1 ea. Cosasco ER Probe 3500HT-T10-K03005-24-1-0-0 quote#146203 -----                                 | \$ 1106 |
| 1 ea. EnhanceCo coupon sampler Model#CS2HP1BV1NVDMP3RFSBMP2 with swedge<br>and testing report. ----- | \$ 2405 |
| Misc. valves/fittings /grey primer (paint)-----  | \$ 400  |
| Shipping/unexpected costs / time overrun /taxes -----  | \$ 2000 |

|                            |         |
|----------------------------|---------|
| Total estimated cost ----- | \$ 9290 |
|----------------------------|---------|

|   |          |
|---|----------|
| Total estimated cost if prevailing wages are paid ----- | \$10,145 |
|---|----------|

Thank you considering Noble Methane Inc. for your process needs.

Noble Methane Inc.  
104 Matmor Rd.  
Woodland, Ca. 95776

10-22-25

Brent Noble

To: CPUC (case manager) case#700495

12-1-25

The reason for writing this letter is to see if anyone in an oversight position is actually going to review this complaint or just dismiss it out of hand .

I started Noble Methane Inc. in 1988 and since that time our primary mission has been getting natural gas from the wellhead to the receiving pipeline in a form that meets the contract standards outlined by the purchaser.

In the past 37 years NMI have averaged 10 employees , including with my business partner Steve Stein. We have historically had a great relationship with PG&E s local management teams at PG&E yards in Willows, Marysville and Meridian. ( all in the upper Sacramento valley) We have also served as direct contractors to PG&E, Servicing PG&E owned natural gas dehydrators and separation systems. We had always been free to stop and meet with the managers of these PG&E field offices and discuss the issues that come up in the course of our mutual businesses. All this has changed over the last 5 plus years. The the decision makers are not in the field, that I have noticed, and the people in upper management don't seem to understand that these complex gas gathering , compression and dehydration systems cannot be turned off and on like a light switch. For instance in the past if the dew point temperature of the gas stream at sales point (PG&E meter run) was trending up but still far below saturation, we would have a grace period to make necessary adjustments. At this point in time when a PG&E field operator notices the dew point rising (approaching a converted moisture content of 7 lbs.plus per million standard cubic feet) he or she will report it up the food chain until someone with seemingly no understanding of these processes demands a complete (shut in) the industry term for the complete stoppage of gas flow, the people that make these decisions at (PG&E gas control)are seemingly indifferent to the problems that the gas producers now face (you cant stabilize a system with no gas flow) and often time the producer just needs a few hours to rectify the above scenario .

The contracts between PG&E and the Independent producers have the words" Good Faith" written many times in it ! Where is the reciprocal Good Faith from PG&E ? We, the people who deliver gas, have done everything asked of us each time PG&E wanted to add some gismo or make a rule change.

To be clear Noble Methane benefits in the short term as we help the gas producing companies comply with the endless demands from the State of California and now PG&E but I would gladly swap this kind of compliance work for real exploration and get some new gas to market. We have watched our industry shrink by 95% in the Sac. Valley and with PG&E s latest corrosion ER probe and coupon sampler demand, conditions are likely to get worse. We don't understand the motivation of the people regulating this industry? We are not using less natural gas in general, we just import a higher percentage! What is wrong with Californians producing natural gas consumed by Californians? (we are,as a state, committing energy suicide)

Anyone can see that PG&E s latest attempt to punish and hinder the independent gas producers by demanding this unnecessary corrosion equipment is working, as at least 5 more natural gas sales points have been lost in the last few months , leaving all the natural gas wells upstream with no where to go! These companies producing gas in our area are just getting by financially as these existing gas fields are

mostly depleted , most can still make a profit if ran efficiently but now this seems impossible with PG&E demanding 10x what is a fair cost to add this corrosion monitoring equipment. This demand by PG&E can mean 2 years without positive cash flow when producing at low volumns of gas say 65 MCF-D (65,000 cubic feet a day )PG&E will not allow less than 50,000 a day and are happy to shut the producer out of their system. These policies of PG&E and calgem (state enforcement) have investors going elsewhere and real people with real families are affected. It may be too late to save our industry here, and if we as a State continue down the current path we will certainly have to depend on other states and countries to keep warm and cool in our homes , power our cars, fuel our aircrafts to fly to the latest climate change conference. We all benefit from the energy industry while we complain it , then while making it more costly to produce energy here in this state we blame the companies for our elevated costs here in California for fuel and electricity.

And just so you know , when PG&E no longer accepts the producers gas they immediately (even on a weekend) will send a crew out , probably on overtime pay and physically disconnect their meter run outlet piping . Now the connection point is lost and if the producer has future plans to drill a new promising gas well and is successful you might think PG&E would welcome new high quality California gas in to their system as they have in the past, but no! I have heard (I don't know this to be a fact ) that PG&E wants 1 to 2 million \$ to reconnect to the same pipe that they just disconnected , it is relatively easy to reconnect: 16 bolts and 2 new gaskets , should take 2 men about ½ day to reconnect to the meter run, a piece of equipment by the way that the producers paid for but are not allowed to touch , also the cost burden to add odorizer units to the dry gas flowing in to the PG&E system was shouldered by the producers, and the minute the odorizers were put in service, PG&E took ownership of them and will not give them back to the people who paid for them ,many sit derelict and unused for years just as the meter runs themselves laying all over the valley.

Our company in 37 years has never been in a lawsuit , we are not complainers , we are just tired of our industry being hammered on, seemingly unappreciated by the public who drive past us at 75 MPH while we make our way to a gas well site in our heavy work trucks.

Please CUPC give us a face to face meeting and maybe we can get some of this bullying stopped! Our Great State needs you, the biggest public utility in the USA is not going to police itself.

Thanks for considering this matter .

Brent Noble President Noble Methane Inc. Woodland , Ca.



TO: Drilling Exploration & Operating Co. Inc.  
 PO Box 283  
 Princeton, CA 95970

Attn: Clinton J Willa, President  
[ClintonWills@gmail.com](mailto:ClintonWills@gmail.com)  
 (530) 682-2378 Office

ACTIVITY DATE Aug-25

| PROPERTY NAME  | GROSS<br>MCF | GROSS<br>MMBTU | PG&E<br>CITYGATE<br>PRICE | GROSS VALUE | TRANSPORT @<br>\$.5087/MMBTU | Transportation<br>Cost | PG&E<br>CITYGATE less<br>Transportation<br>PRICE | PG&E<br>CITYGATE less<br>Transportation<br>PRICE @<br>75% | NET VALUE   |
|--|--------------|----------------|---------------------------|-------------|------------------------------|------------------------|--|---|-------------|
| DE&O Balsdon & West Grimes Gas                                 | 725.11       | 730.52         | \$ 3.340                  | \$ 2,439.94 | \$ 0.5087                    | \$ 371.62              | \$ 2.8313  | \$ 2.1235   | \$ 1,551.24 |
| <b>TOTAL DUE Drilling Exploration &amp; Operating Co. Inc.</b> |              |                |                           |             |                              |                        |  |   |             |
|  |              |                |                           |             |                              |                        |  | <b>\$ 1,551.24</b>  |             |

- Month ▾
- Sep, 2025
- Aug, 2025
- Jul, 2025
- Jun, 2025
- May, 2025
- Apr, 2025
- Mar, 2025
- Feb, 2025
- Jan, 2025
- Dec, 2024
- Nov, 2024
- Oct, 2024
- Sep, 2024
- Aug, 2024
- Jul, 2024
- Jun, 2024
- May, 2024
- Apr, 2024
- Mar, 2024
- Feb, 2024
- Jan, 2024
- Dec, 2023
- Nov, 2023
- Oct, 2023
- Sep, 2023
- Aug, 2023
- Jul, 2023
- Jun, 2023
- May, 2023
- Apr, 2023
- Mar, 2023

**Monthly Gas Meter Reading** Last modified on: 9/11/2025 07:50:21 By: Susan Nelson

Month:  Allocated On: 9/11/2025 08:34:02

|              | Allocated to this point | Statement Volume | Converted to Standard Pressure Base | Sum of Daily Estimates |
|--------------|-------------------------|------------------|-------------------------------------|------------------------|
| Gas:         | 0.00                    | 4,107.00         | 4,107.00                            | 4,094.94               |
| MMBTU:       | 0.00                    | 4,144.00         | 4,144.00                            | 4,059.87               |
| Plant Gas:   | 0.00                    |                  |                                     |                        |
| Plant MMBTU: | 0.00                    |                  |                                     |                        |

**Pressures, Temperatures & BTU**

|                   |          |          |
|-------------------|----------|----------|
| BTU Factor:       | 1.009009 | 1.009009 |
| Temperature:      | 60       | 60       |
| Pressure Base:    | 14.73    | 14.73    |
| Specific Gravity: | 0        | 0        |
| Wet / Dry:        | Wet      | Wet      |

Volume Auto Pop Flag:  Entered purchaser volume is used as actuals (9)

**Settings for allocating FROM this point:**

|                      |            |  |
|----------------------|------------|--|
| Volume Source:       | 1          | Volumes Entered (and converted) at this point are allocated (1)          |
| Allocation Method:   | 57         | Meter to Meters - mcf and mmbtu allocation based on factors 1 and 2 (57) |
| Inj. Alloc Method:   | 0          | Unassigned (0)   |
| Allocate By Compont: | Unassigned |  |

|           | Allocated From       | Allocated To                     | Gas      | Basis    | Factor Type                                    | MMBTU    | MMBTU Basis |
|-----------|----------------------|----------------------------------|----------|----------|--|----------|-------------|
| Sep, 2023 | This meter           | YU_3P DE&O MM 3RD PARTY GAS      | 725.11   | 756.32   | Measured gas volume - (allocate injection from | 730.52   | 756.32      |
| Aug, 2023 | This meter           | YU_A80922 BALSDON 9-22 GAS       | 2,389.35 | 2,492.18 | Measured gas volume - (allocate injection from | 2,435.65 | 2,521.66    |
| Jul, 2023 | This meter           | YU_A81410 WEST GRIMES UNIT 14-1C | 32.61    | 34.01    | Measured gas volume - (allocate injection from | 33.05    | 34.22       |
| Jun, 2023 | This meter           | YU_A81509 WEST GRIMES UNIT 15-9  | 609.09   | 635.3    | Measured gas volume - (allocate injection from | 594.56   | 615.56      |
| May, 2023 | This meter           | YU_A81513 WEST GRIMES UNIT 15-1E | 350.85   | 365.95   | Measured gas volume - (allocate injection from | 350.22   | 362.59      |
| Apr, 2023 | Totals for Aug, 2025 |                                  | 4,107    | 4,283.76 |  | 4,144    | 4,290.35    |
| Mar, 2023 |                      |                                  |          |          |  |          | Unassigned  |