



**J. Steve Rahon**  
**Director**  
**Tariffs & Regulatory Accounts**

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June 10, 2005

Advice No. 3422-A  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Special Facilities Contract Form No. 6633 - Supplement**

Southern California Gas Company (SoCalGas) hereby submits for filing with the Public Utilities Commission (Commission) revisions to its Special Facilities Contract, Form No. 6633, applicable throughout its service territory, as shown on Attachment B.

**Purpose**

This supplemental filing replaces in its entirety SoCalGas Advice No. 3422 filed November 1, 2004, in response to the protest filed by Imperial Irrigation District (IID) as discussed below.

**Information**

On December 1, 2004, SoCalGas received a protest from IID to AL 3422, SoCalGas' revised Special Facilities contract. IID's protest focused on specific items in the revised Special Facilities contract that are addressed in this supplemental filing. IID objected to language in the contract stating that a customer terminating a Special Facilities contract would be responsible for "the cost of subsequent replacement facilities" at the time of contract termination.<sup>1</sup> IID also protested the fact that if a customer terminated a Special Facilities contract and the Utility retained a portion of the Special Facilities for service to general ratepayers, that the contract only made an equitable adjustment in termination charges if the contract termination occurred within five years after the Special Facilities were first ready to serve the customer.

On Energy Division's recommendation, SoCalGas contacted IID. IID requested (1) SoCalGas to obtain customer consent before replacing a Special Facility and (2) customers that terminated Special Facilities contracts after five years of service to be eligible for an equitable adjustment to their Special Facilities Contract Termination

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<sup>1</sup> IID's concern is addressed in the rewrite of Section 12.1 and 12.2 of the Special Facilities Contract.

Charges if the Utility decided to retain and use a portion of the Special Facility to serve other customers at the time of contract termination.

SoCalGas informed IID that the rules for owning and operating gas pipeline systems are issued by the Department of Transportation (DOT) and that consent of a customer cannot take precedence over Federal Regulatory Authority. If the DOT states that a pipe *must be replaced after a specific number of years in service, SoCalGas must replace the pipe*. No pipeline owner or operator in the U.S. has the authority to supersede DOT rules and regulations on pipeline operations. SoCalGas did agree to give written notification and cost information to a customer if a Special Facility was scheduled to be replaced. The customer would have the option, at that time, to continue to use their Special Facility or terminate their Special Facility contract.

SoCalGas agreed to grant an equitable adjustment to customers terminating their Special Facility contract if the Special Facility could be used to provide service to ratepayers at the time of contract termination. SoCalGas also agreed to remove the "Less than Five Years" and "More than Five Years" provisions of the existing contract. SoCalGas now would grant an equitable adjustment to a customer based on the Company's standard accounting practices.

The reference to the "full installed cost" in Section 12.1 of the contract has been clarified by referencing Rule 2. Rule 2 defines the terms under which Special Facilities are installed and gives a full description of all costs associated with Special Facilities.

### **Revisions to Contract Template**

#### **Section: Applicant Payments Required:**

The first heading "Advance" is changed to "Estimated Cost".

Under Estimated Cost, the words "(“Advance”); Customer Financed" are added to the box marked "In advance of the Work"

Under Ownership Charge, the words "In advance of the Work" are added to the box marked "One-time Ownership Charge".

Added below the box marked "Customer Financed Rate" is the sentence, "(Only available when all installed costs are paid in advance.)"

#### **Section 12.1:**

Section 12.1 gives a description of the termination charges that would apply to Customer Financed Special Facility projects. These charges are consistent with SoCalGas' Rule 2.

#### **Section 12.2**

Section 12.2 gives a description of the termination charges that would apply to a Utility Financed Special Facility project. These charges are consistent with SoCalGas' Rule 2.

**Section 12.3**

This section headed "Removal or Abandonment" is entirely new.

**Section 12.4**

This section headed "Alteration and Retention" is entirely new.

**Protest**

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received within 20 days of the date this Advice Letter. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

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

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

**Effective Date**

SoCalGas believes that this filing is subject to Energy Division disposition and therefore respectfully requests that this advice letter become effective July 10, 2005, which is 30 calendar days after the date filed.

**Notice**

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

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J. STEVE RAHON  
Director  
Tariffs and Regulatory Accounts

Attachments

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

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

Company name/CPUC Utility No. **SOUTHERN CALIFORNIA GAS COMPANY/ U 904 G**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Nena Maralit

Phone #: (213) 244-2822

E-mail: nmaralit@semprautilities.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 3422-A

Subject of AL: Special Facilities Contract Form No. 6633

Keywords (choose from CPUC listing): Contracts, Forms

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

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

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

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: \_\_\_\_\_

Resolution Required?  Yes  No

Requested effective date: 7/10/05

No. of tariff sheets: 3

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: Table of Contents, Forms

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

Pending advice letters that revise the same tariff sheets: \_\_\_\_\_

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

**CPUC, Energy Division**

**Attention: Tariff Unit**

**505 Van Ness Avenue**

**San Francisco, CA 94102**

**jjr@cpuc.ca.gov and jnj@cpuc.ca.gov**

**Southern California Gas Company**

**Attention: Sid Newsom**

**555 West Fifth Street, ML GT14D6**

**Los Angeles, CA 90013-4957**

**snewsom@semprautilities.com**

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

**ATTACHMENT A**  
**Advice No. 3422-A**

**(See Attached Service List)**

ACN Energy  
 Gary Morrow  
 GMorrow@commerceenergy.com

ACN Energy  
 Tony Cusati  
 tony.cusati@commerceenergy.com

ACN Inc.  
 Glenn Kinser  
 gkinser@commerceenergy.com

Aglet Consumer Alliance  
 James Weil  
 jweil@aglet.org

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 egw@a-klaw.com

Alcantar & Kahl  
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 Marianne Jones  
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Beta Consulting  
 John Burkholder  
 burkee@cts.com

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

CPUC  
 Energy Rate Design & Econ.  
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 San Francisco, CA 94102

CPUC  
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California Energy Market  
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 luluw@newsdata.com

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 Avis Clark  
 aclark@calpine.com

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 P. O. Box 3222  
 Anaheim, CA 92803

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

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

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

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

City of Lompoc  
 H. Paul Jones  
 100 Civic Center Plaza  
 Lompoc, CA 93438

City of Long Beach, Gas Dept.  
 Chris Garner  
 2400 East Spring Street  
 Long Beach, CA 90806-2385

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

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 Pasadena, CA 91101

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 Joanne Snowden  
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City of Vernon  
 Daniel Garcia  
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Dynegy  
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Gas Purchasing  
BC Gas Utility Ltd.  
16705 Fraser Highway  
Surrey, British Columbia, V3S 2X7

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

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Imperial, CA 92251

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San Francisco, CA 94111

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Janie Nielsen  
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LADWP  
Nevenka Ubavich  
nevenka.ubavich@ladwp.com

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

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diane\_fellman@fpl.com

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ATTACHMENT B  
Advice No. 3422-A

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 39322-G	SAMPLE FORMS, Special Facilities Contract, Form 6633 (6/05), Sheet 1	Revised 38382-G Original 28386-G
Revised 39323-G	TABLE OF CONTENTS	Revised 38383-G Revised 37486-G
Revised 39324-G	TABLE OF CONTENTS	Revised 39321-G

SAMPLE FORMS  
Special Facilities Contract  
Form 6633 (6/05)

Sheet 1

T

(See Attached Form)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 3422-A  
DECISION NO.

ISSUED BY  
**Lee Schavrien**  
Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
DATE FILED Jun 10, 2005  
EFFECTIVE Jul 10, 2005  
RESOLUTION NO. \_\_\_\_\_

**SOUTHERN CALIFORNIA GAS COMPANY  
SPECIAL FACILITIES CONTRACT**

Applicant Name and Address  _____ _____ _____	Job I.D. No.: _____	Work Order No. _____ Work Request No. _____
	Contract Preparation Date: _____	Rev. No. and Date: _____
	<input type="checkbox"/> Individual	<input type="checkbox"/> Corporation
	<input type="checkbox"/> Gen. Partnership	<input type="checkbox"/> Lim. Partnership
	<input type="checkbox"/> Other _____	
Job Name and Description: _____		
Tract No. _____, Lots _____, Phases _____		
Job Address (if known) _____ City _____ County _____		
Special Facilities: _____		
Description of Work: _____		
_____		
_____		

**APPLICANT PAYMENTS REQUIRED**

Estimated Cost:

Estimated Installed Cost (above Company's standard facilities) or estimated Cost of Rearrangement of facilities including ITCCA: \$ \_\_\_\_\_

Due and Payable:  In advance of the Work ("Advance"); Customer Financed

Through Utility Financed Monthly Ownership Charge (at Company's discretion)

Payment arrangements (at Company's discretion) are set out in the Payment Appendix attached and incorporated by reference.

Ownership Charge:

One-time Ownership Charge In advance of the Work \$ \_\_\_\_\_ (Lump-sum payment)

Monthly Ownership Charge (Percentage of Estimated Installed Cost):

Customer Financed Rate \_\_\_\_\_% \$ \_\_\_\_\_/month  
(Only available when all installed costs are paid in advance.)

Utility Financed Rate \_\_\_\_\_% \$ \_\_\_\_\_/month

**Total Lump Sum Charge:** \$ \_\_\_\_\_

NOTICE: All costs and charges are based on estimates. An adjustment will be made to reflect the actual Installed Cost, and Applicant will be billed for additional payments due or given a credit, as appropriate. Applicant authorizes Company to correct the amounts shown on the face hereof and agrees to pay any additional amount due within 19 days from the date of Company's invoice. Company will refund any credit due Applicant within a reasonable time after the credit is determined, without interest. Company reserves the right to determine the method and type of Applicant's Advance and Ownership Charge, at its discretion.

At the request of Applicant, SOUTHERN CALIFORNIA GAS COMPANY (Company) hereby agrees, as an accommodation, to install at the Applicant's expense within a reasonable time, or to allocate for Applicant's use, at the Job Address, the Special Facilities, in accordance with its tariffs on file with and authorized by the California Public Utilities Commission (Commission), subject to the terms and conditions set out herein.

The undersigned Applicant agrees to perform all of its responsibilities as set out in Rule 2 and other applicable Company tariff schedules and acknowledges receipt of a copy of Rule 2, and the General Terms and Conditions and agrees to be bound by them and the other provisions on the face hereof. This Contract shall not be effective unless it is (1) executed and delivered by Applicant to Company together with any payment required hereunder within ninety days of the Contract Preparation Date shown on the first page, and (2) accepted by Company. This Contract shall then take effect without further notice to Applicant.

Applicant:

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Accepted by: Southern California Gas Company

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**SOUTHERN CALIFORNIA GAS COMPANY  
SPECIAL FACILITIES CONTRACT  
GENERAL TERMS AND CONDITIONS**

1. **Tariff Rules.** This Contract is subject to and incorporates by reference all of Company's applicable tariff schedules as filed from time to time with the California Public Utilities Commission ("Commission"), including but not limited to, Company's Preliminary Statement and Rules 1, 2, 4, 9, 13, 20, 21 and 22. No Agent of the Company has authority to make any terms or representations not contained in this Contract and the tariff schedules and Applicant hereby waives them and agrees neither Company nor Applicant shall be bound by them.

2. **Commission.** This Contract is at all times subject to such changes or modifications as the Commission may direct from time to time in the exercise of its jurisdiction.

3. **Charges.** Applicant shall make the payments required hereunder as provided in the "Applicant Payments Required" section. Applicant shall pay any monthly Ownership Charges, representing the continuing ownership costs of the Special Facilities determined in accordance with the applicable percentage rates established in Company's Tariff Rule No. 2. This monthly Ownership Charge shall commence on the date the Special Facilities are first ready to serve, as determined by the Company. Company will notify Applicant, in writing, (which may be through its invoice) of such commencement date. Monthly Ownership Charges, utility-financed or customer-financed, and any alternate payment arrangements are provided for at the discretion of Company and are subject to the Applicant's creditworthiness, practicality of monthly or alternate payment arrangements, difficulty of administration of the contract, and other factors.

4. **Change in Ownership Charge.** The monthly charges shown in the "Applicant Payments Required" section shall automatically increase or decrease without formal amendment to the Contract if the Commission should subsequently authorize a higher or lower percentage rate for monthly costs of ownership of Special Facilities as stated in Rule No. 2, effective with the date of such authorization.

5. **Easements.** Where formal rights-of-way or easements are required in, under, across or through Applicant's property or the property of others for the installation of the Special Facilities, Applicant understands and agrees that Company shall not be obligated to install the Special Facilities unless and until any necessary permanent rights-of-way or easements, satisfactory to Company, are granted without cost to Company.

5.1 **General.** Applicant grants to the Company such easements and rights-of-way in, under, across and through the real property which is a part of the Job site ("Premises"), together with such rights of ingress and egress as may be necessary or convenient for the Company to install, operate, inspect, maintain, repair, replace and remove the Special Facilities.

5.2 **Specific.** Upon Applicant's request, the blanket easements granted Company may be deleted and replaced by non-exclusive easement(s) in mutually acceptable form and substance, provided that such easement(s), including the legal description(s), shall be provided at no expense to Company. The Company's acceptance of the easement(s) shall operate to terminate the blanket easement(s) for the applicable portion of the Premises, but shall not affect any of the other terms or conditions of this Contract or any of the tariff rules applicable to any utility service to be provided by Company.

6. **Force Majeure.** Company shall not be responsible for any delay in the installation or completion of the Special Facilities by Company resulting from events of Force Majeure (Rule No. 1). In the event that Company is prevented from commencing or completing the installation of the Special Facilities due to reasons of Force Majeure within twelve months following the acceptance date of this Contract, Company shall have the right to terminate the Contract or to revise its estimates of the cost figures to reflect any changes since the original costs were determined. Company shall notify Applicant of such termination, or of such adjusted costs and give Applicant the option to either terminate this Contract or proceed with the Contract as revised. Economic conditions or inability of Applicant to obtain financing and/or to sell any part of the Premises shall not be considered an event of Force Majeure.

7. **Early Termination.** If this Contract is terminated as set forth in Section 6, the provisions of Section 13 shall be applicable, based on that portion of the Special Facilities then completed, if any. Applicant shall also be responsible for any and all charges for any expense incurred by Company for any engineering, surveying, right-of-way acquisition expenses and other associated expenses incurred by Company for that portion of the Special Facilities not installed, or in Company's sole judgment, not useful in supplying permanent gas service to Company's other customers plus attorney's fees and costs of collection. If such expenses are greater or less than the payments previously made by Applicant, Applicant shall pay to Company, or Company shall refund the balance without interest, to Applicant, as the case may be.

8. **Indemnity.**

8.1 **General.** Applicant shall indemnify and hold Company harmless from and against all liability (excluding only Pre-Existing Environmental Liability) connected with or resulting from injury to or death of persons, including but not limited to employees of Company or Applicant, injury to property of Company, Applicant or a third party, or violation of local, state or federal laws or regulations (excluding environmental laws or regulations) (including attorney's fees) arising out of the performance of this Contract, except only for liability caused by the sole negligence or willful misconduct of Company. Provided, however, that as long as the liability is not caused by Applicant's willful misconduct, Applicant's duty to indemnify Company shall also not extend to liability to the extent it is caused by the negligence of Company.

8.2 **Environmental.** Applicant shall indemnify and hold Company harmless from and against any and all liability (including attorney's fees) arising out of or in any way connected with the violation or compliance with any local, state, or federal

environmental law or regulation as a result of pre-existing conditions at the Job site, release or spill of any pre-existing hazardous materials or waste, or out of the management and disposal of any pre-existing contaminated soils or groundwater, hazardous or nonhazardous, removed from the ground as a result of the work performed under this Contract ("Pre-Existing Environmental Liability"), including, but not limited to, liability for the costs, expenses, and legal liability for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remedial work, penalties, and fines arising from the violation of any local, state, or federal law or regulation, attorney's fees, disbursements, and other response costs. As between Applicant and Company, Applicant agrees to accept full responsibility for and bear all costs associated with Pre-Existing Environmental Liability. Applicant agrees that Company may stop work, terminate the Job in accordance with Section 7, redesign the Job to a different location or take other action reasonably necessary to complete the Job without incurring any Pre-Existing Environmental Liability.

8.3 Withhold Rights. In addition to any other rights to withhold, Company may withhold from payments due Applicant such amounts as, in Company's reasonable opinion, are necessary to provide security against all loss, damage, expense and liability covered by the foregoing indemnity provision.

9. Title. Special Facilities provided hereunder shall at all times be and remain the property of Company.

10. Contract For Extension of Gas Line. This Contract supplements the appropriate Contract for Extension of Gas Line (Rules 20 and 21) for gas service presently in effect between Applicant and Company.

11. Special Facilities Charge. If it becomes necessary for Company to alter or rearrange the Special Facilities, Applicant shall be notified of such necessity and shall be given the option to either (i) terminate this Contract (and pay the amounts set out in Section 12) or (ii) pay to Company additional Special Facilities charges consisting of (a) a facility termination charge for that portion of the Special Facilities which is being removed because of alteration or rearrangement (determined in the same manner as described in Section 12) plus, (b) an additional Advance and/or rearrangement cost, if any, for any new Special Facilities requested; plus, (c) a revised monthly Ownership Charge based on the total installed cost of all new and remaining Special Facilities.

12. Termination Charges (except Lump Sum payments)

12.1 Customer financed. Upon discontinuance of the use of any Special Facilities for any reason, in addition to all other monies to which Company may be legally entitled or required to collect by virtue of such termination, Applicant having paid the full installed costs consistent with Rule 2 as an Advance under this Contract shall be required to pay the cost of subsequent replacement facilities installed in accordance with Section 11 above, less accumulated depreciation, if applicable, plus Company's costs of removal or abandonment less any remaining salvage value.

12.2 Utility financed. Upon discontinuance of the use of any Special Facilities for any reason, in addition to all other monies to which Company may be legally entitled or required to collect by virtue of such termination, Applicant shall pay to Company on demand a facility termination charge defined as the initial installed costs as determined by Company in accordance with its standard accounting practices and Rule 2, less accumulated depreciation, plus the cost of subsequent replacement facilities installed in accordance with Section 11 above, less accumulated depreciation, if applicable, plus Company's costs of removal or abandonment, plus any applicable ITCCA, less the salvage value for the Special Facilities to be removed or abandoned.

12.3 Removal or Abandonment. Company shall be entitled to remove or abandon and shall have a reasonable time in which to remove or abandon any portion of the Special Facilities located on the Applicant's premises.

12.4 Alteration and Retention. Company may, at its option, alter, rearrange, convey, or retain in place any portion of the Special Facilities located on other property off Applicant's Premises. Where all or any portion of the Special Facilities located off Applicant's Premises are retained in place and used by Company to provide permanent service to other customers, an equitable adjustment will be made in the facility termination charge.

13. Payment Terms. Unless otherwise expressly stated in writing signed by Company, all payments from Applicant are due and payable within 19 days from the date of invoice. Applicant agrees Company may apply any credits due Applicant under this Contract or any related Contract for Extension of Gas Line (Rules 20/21 contract) to amounts owed by Applicant to Company under this Contract, including the costs of collection (attorney's fees, whether or not suit is brought, and costs).

14. Incorporation by Reference/Revisions. All exhibits attached hereto and all applicable tariff schedules (whether or not specifically mentioned in this Contract or attached hereto) are incorporated by reference. This Contract, including the documents so incorporated, is the complete agreement between the parties respecting its subject matter. If there is more than one Contract, the effective Contract shall be the one with the highest/most current revision number and date.

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(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 3422-A  
 DECISION NO.

ISSUED BY  
**Lee Schavrien**  
 Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Jun 10, 2005  
 EFFECTIVE Jul 10, 2005  
 RESOLUTION NO. \_\_\_\_\_

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The following listed sheets contain all effective Schedules of Rates and Rules affecting service and information relating thereto in effect on the date indicated thereon.

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(Continued)

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