



Ronald van der Leeden  
Director  
Regulatory Affairs

555 W. Fifth Street, GT14D6  
Los Angeles, CA 90013-1011  
Tel: 213.244.2009  
Fax: 213.244.4957

[RvanderLeeden@semprautilities.com](mailto:RvanderLeeden@semprautilities.com)

May 1, 2019

Advice No. 5463  
(U 904G)

Public Utilities Commission of the State of California

**Subject: Core Pricing Flexibility and Noncore Competitive Load Growth Opportunities Programs**

Southern California Gas Company (SoCalGas) hereby submits with the California Public Utilities Commission (Commission) its Core Pricing Flexibility and Noncore Competitive Load Growth Opportunities Program information for 2018. This submittal is made in compliance with Decision (D.) 97-07-054 (SoCalGas' Performance Based Regulation), D.00-04-060 (SoCalGas' 1999 Biennial Cost Allocation Proceeding), and Resolution G-3515 (Southern California Gas Company Report on Core Pricing Flexibility and Noncore Competitive Load Growth Opportunities Programs).

**Purpose**

Consistent with the prior year's submittal,<sup>1</sup> the purpose of this submittal is to report the 2018 results of the Core Pricing Flexibility Program and Noncore Competitive Load Growth Opportunities Program as adopted in D.97-07-054 and D.00-04-060, respectively, for informational purposes only.

Additionally, SoCalGas submits the confidential Attachment A and appendices referenced therein to this advice letter in compliance with Resolution G-3515, Ordering Paragraph 5:

In its 2019 Advice Letter submittal, SoCalGas shall explain how new contracts improved energy efficiency.

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<sup>1</sup> Advice No. (AL) 5288, submitted on May 1, 2018 and effective on May 31, 2018, was approved on June 21, 2018.

- a. For the Core Pricing Flexibility Program, the report should include: customer name, technology installed, projected energy savings, whether the customer was existing or new, the baseload quantity, the minimum incremental quantity, the contract term, the tariff used, the set of qualifications each customer was required to meet to receive that tariff, whether the customer received a volumetric discount or an upfront billing credit, the value of that incentive or discount, and a copy of the contract.
- b. For the Noncore Competitive Load Growth Opportunities Program, the report should include: customer name, technology installed, projected energy savings, whether the customer was existing or new, contract type, minimum annual quantity, incentive(s), contract term, and a copy of the contract.

### **Core Pricing Flexibility Program**

In D.97-07-054 and D.98-01-040, the Commission authorized a Core Pricing Flexibility program for SoCalGas as detailed in Section K.2 of AL 2687-A. Under the Core Pricing Flexibility program, SoCalGas' shareholders are responsible for any reduction in core revenues that may occur due to discounting, and likewise, receive the benefit of any resulting gains. The Commission has authorized SoCalGas to adjust its Core Fixed Cost Account to reflect this arrangement.

On May 11, 2018, the Commission closed the Core Pricing Flexibility program to new contracts.<sup>2</sup> The new contracts attached hereto in Attachment A were executed prior to the Commission closing the Core Pricing Flexibility program.

The Core Pricing Flexibility Program produced incremental net revenues in the amount of \$564,402 for 2018.

### **Noncore Competitive Load Growth Opportunities Program**

In D.00-04-060, the Commission authorized SoCalGas' revenue treatment for new negotiated contracts that are part of a California Red Team economic development effort and contracts where Rule No. 38 shareholder funding has been used. Under the Noncore Competitive Load Growth Opportunities Program, SoCalGas' shareholders are responsible for any reduction in noncore revenues that may occur due to discounting, and likewise, receive the benefit of any resulting gains. The Commission has authorized SoCalGas to adjust its Noncore Fixed Cost Account to reflect this arrangement.

On May 11, 2018, the Commission closed the Noncore Competitive Load Growth Opportunities Program to new contracts.<sup>3</sup> The new contracts attached hereto in

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<sup>2</sup> D.18-05-006, at 23 (Ordering Paragraph 2).

<sup>3</sup> D.18-05-006, at 23 (Ordering Paragraph 2).

Attachment A were executed prior to the Commission closing the Noncore Competitive Load Growth Opportunities Program.

The Noncore Competitive Load Growth Opportunities Program produced incremental net revenues in the amount of \$1,292,506 for 2018.

### **Confidentiality**

Due to the confidential nature of Attachment A and the appendices referenced therein, a declaration requesting confidential treatment is included. Attachment A is only being provided to Energy Division under the confidentiality provisions of California Public Utilities Code § 583, General Order (GO) 66-D, and D.17-09-023.

### **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 received within 20 days of the date of this advice letter, which is May 21, 2019. The address for mailing or delivering a protest to the Commission is:

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

Copies of the protest should also be sent via email to the attention of the Energy Division Tariff Unit ([EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)). A copy of the protest should also be sent via both e-mail and facsimile to the addresses shown below on the same date it is mailed or delivered to the Commission.

Attn: Ray B. Ortiz  
Tariff Manager - GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No.: (213) 244-4957  
E-Mail: [rortiz@semprautilities.com](mailto:rortiz@semprautilities.com)

Attn: Rafaela Diaz  
Regulatory Case Manager - GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No.: (213) 244-4957  
E-Mail: [rdiaz@semprautilities.com](mailto:rdiaz@semprautilities.com)

**Effective Date**

SoCalGas believes that this submittal is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. SoCalGas respectfully requests that this submittal become effective on May 31, 2019, which is 30 calendar days after the date submitted.

**Notice**

A copy of this advice letter is being sent to SoCalGas' GO 96-B service list and the Commission's service list in A.16-12-010. Address change requests to the GO 96-B service list should be directed via e-mail to [tariffs@socalgas.com](mailto:tariffs@socalgas.com) or call 213-244-2837. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or via e-mail at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov).

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Ronald van der Leeden  
Director – Regulatory Affairs

Attachments



# ADVICE LETTER SUMMARY

## ENERGY UTILITY



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

Company name/CPUC Utility No.:

Utility type:

ELC       GAS       WATER  
 PLC       HEAT

Contact Person:

Phone #:  
E-mail:  
E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type:  Monthly    Quarterly    Annual    One-Time    Other:

If AL submitted 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:

Confidential treatment requested?  Yes    No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required?  Yes    No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

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:

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

Pending advice letters that revise the same tariff sheets:

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

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, 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  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Name:  
Title:  
Utility Name:  
Address:  
City:  
State: Zip:  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

Name:  
Title:  
Utility Name:  
Address:  
City:  
State: Zip:  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

**ATTACHMENT A**

**Advice No. 5463**

**Noncore and Core Agreements**

**Appendices A.1, A.2, A.3, A.4, A.5**

**and**

**Appendices B.1, B.2**

**Confidential and Protected Materials Pursuant to Public Utilities  
Code Section 583, General Order 66-D, and D.17-09-023**

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

**DECLARATION OF RASHA PRINCE  
REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS  
PURSUANT TO D.17-09-023**

I, Rasha Prince, do declare as follows:

1. I am the Director of Commercial/Industrial Services for Southern California Gas Company (“SoCalGas”). I have been delegated authority to sign this declaration by Jeffery L. Walker, Vice President of Customer Solutions for SoCalGas. I have reviewed the Advice Letter (AL) 5463 and attachments referenced therein. I am personally familiar with the facts and representations in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or belief.

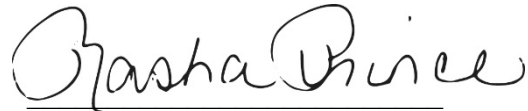
2. I hereby provide this Declaration in accordance with Decision (“D.”) 17-09-023 and General Order (“GO”) 66-D to demonstrate that the confidential information (“Protected Information”) provided in AL 5463 and attachments submitted concurrently herewith, is within the scope of data protected as confidential under applicable law.

3. In accordance with the narrative justification described in Attachment A, the Protected Information should be protected from public disclosure.



I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this 1<sup>st</sup> day of May, 2019, at Los Angeles, California.

A handwritten signature in black ink that reads "Rasha Prince". The signature is written in a cursive style with a horizontal line underneath the name.

Rasha Prince  
Director of Commercial/Industrial  
Services  
Southern California Gas Company

# ATTACHMENT A

## SoCalGas Request for Confidentiality on the following Protected Information in AL 5463 and Attachments thereto

| Location of Protected Information  | Legal Citations   | Narrative Justification  |
|--|---|--|
| <p>Gray shaded portions in Attachment A and Appendix A.1, A.2, A.3, A.4, A.5, B.1 and B.2 of AL 5463</p> | <p>CPRA Exemption, Gov't Code § 6254(k) ("Records, the disclosure of which is exempted or prohibited pursuant to federal or state law"); Gov't Code § 6254.7(d) (Trade Secrets)</p> <p><i>See, e.g.,</i> D.11-01-036, 2011 WL 660568 (2011) (agreeing that confidential prices and contract terms specifically negotiated with a program vendor is proprietary and commercially sensitive and should remain confidential)</p> <p><i>Valley Bank of Nev. v. Superior Court</i>, 15 Cal.3d 652, 658 (1975) (financial information is protected – especially of non-parties)</p> | <p>Data is market sensitive information that, if revealed, would place customers at an unfair business disadvantage because it provides market sensitive information regarding customer gas usage, competitive data, customer and vendor proprietary information and contract terms.</p> <p>Contracts between the utility and third-party that contain customer and vendor proprietary information, are commercially sensitive, and are subject to non-disclosure or confidentiality agreements.</p> |

Contains Confidential and Protected Materials provided pursuant to PUC Section 583, GO 66-D, D.17-09-023, the accompanying declaration, and/or non-disclosure agreement.

|   | Confidential  | Confidential | Confidential                         |                                 |               | Confidential | Confidential | Confidential  | Confidential   |                  |
|---|---------------|--------------|--------------------------------------|---------------------------------|---------------|--------------|--------------|---------------|----------------|------------------|
| # | Customer Name | Technology   | Projected Energy Savings (therms/yr) | Customer Type (Existing or New) | Contract Type | MAQ          | Incentive    | Contract Term | Qualifications | Contract         |
| 1 | [REDACTED]    | [REDACTED]   | [REDACTED]                           | new                             | Rule 38       | [REDACTED]   | [REDACTED]   | [REDACTED]    | [REDACTED]     | See Appendix A.1 |
| 2 | [REDACTED]    | [REDACTED]   | [REDACTED]                           | new                             | Rule 38       | [REDACTED]   | [REDACTED]   | [REDACTED]    | [REDACTED]     | See Appendix A.2 |
| 3 | [REDACTED]    | [REDACTED]   | [REDACTED]                           | new                             | Rule 38       | [REDACTED]   | [REDACTED]   | [REDACTED]    | [REDACTED]     | See Appendix A.3 |
| 4 | [REDACTED]    | [REDACTED]   | [REDACTED]                           | new                             | Rule 38       | [REDACTED]   | [REDACTED]   | [REDACTED]    | [REDACTED]     | See Appendix A.4 |
| 5 | [REDACTED]    | [REDACTED]   | [REDACTED]                           | new                             | Rule 38       | [REDACTED]   | [REDACTED]   | [REDACTED]    | [REDACTED]     | See Appendix A.5 |

AL 5463  
Attachment A (Core)

Contains Confidential and Protected Materials provided pursuant to PUC Section 583, GO 66-D, D.17-09-023, the accompanying declaration, and/or non-disclosure agreement.

|   | Confidential  | Confidential | Confidential                         |                                 | Confidential      | Confidential     | Confidential  |             | Confidential   |  |       |                  |
|---|---------------|--------------|--------------------------------------|---------------------------------|-------------------|------------------|---------------|-------------|----------------|--|-------|------------------|
| # | Customer Name | Technology   | Projected Energy Savings (therms/yr) | Customer Type (Existing or New) | Baseload Quantity | Incremental load | Contract Term | Tariff Used | Qualifications | Volumetric Discount or an Upfront Billing Credit | Value | Contract         |
| 1 | [REDACTED]    | [REDACTED]   | [REDACTED]                           | New                             | [REDACTED]        | [REDACTED]       | [REDACTED]    | GO-ET       | [REDACTED]     | Rate Discount                                    | 10%   | See Appendix B.1 |
| 2 | [REDACTED]    | [REDACTED]   | [REDACTED]                           | New                             | [REDACTED]        | [REDACTED]       | [REDACTED]    | GO-ET       | [REDACTED]     | Rate Discount                                    | 10%   | See Appendix B.2 |

Appendix A.1 (Public)

Date [REDACTED]

Southern California Gas Company's  
Equipment Incentive Program Agreement  
(Shareholder-Funded)

Customer Name and Address:

[REDACTED]

Customer's Capacity:

[REDACTED]

Equipment:

[REDACTED]

Facility:

[REDACTED]

The following provisions apply to Equipment Incentives:

Incentive \$ [REDACTED] • Maximum Percentage [REDACTED]%. The Incentive will be paid by Southern California Gas Company (SoCalGas) as follows: [REDACTED]% upon placement of the Equipment purchase order, [REDACTED]% upon delivery of the Equipment to the Facility and the balance of [REDACTED]% after the Commencement Date. In no event will the total Incentive or any individual payment exceed the Maximum Percentage of the amounts paid by Customer for the acquisition and installation of the Equipment. Verification of Customer's execution of Equipment acquisition agreement and of Customer's payment(s) will be required.

Purchase Order Date: The Purchase Order Date is the date a firm order for purchasing the Equipment has been placed with the Equipment vendor.

Commencement Date: The Commencement Date is the date the Equipment has been installed and has produced one hour of continuous operation.

Cut-off: Purchase Order Date must occur by [REDACTED] and Commencement Date must occur by [REDACTED] (or such later dates as SoCalGas and Customer may agree to in writing). If not, SoCalGas has no obligation to pay the Incentive; or, if a part of the Incentive has been paid, Customer shall refund such amount to SoCalGas, plus interest equal to SoCalGas' Authorized Rate of Return, promptly upon demand. If, in SoCalGas' reasonable opinion, the Commencement Date will not occur by the Cut-off date, no portion of the Incentive need be paid, or any paid portion shall be refunded as provided above.

Term of Use: [REDACTED] months from Commencement Date.

Early Termination: If, during the Term of Use, Customer (i) does not take gas service for the Facility from SoCalGas; or (ii) does not use the Equipment in the manner disclosed to SoCalGas prior to this Agreement; or (iii) wishes to terminate this Agreement, then the occurrence of any one of the events in (i) through (iii) above shall constitute an event of default, and SoCalGas may, at its sole option, declare this Agreement terminated and notify Customer of such termination in writing. Upon receipt of such notification, Customer agrees to immediately pay to SoCalGas an early termination charge. The early termination charge shall be calculated as the amount equal to the lesser of the original incentive received by the Customer plus interest



equal to SoCalGas' Authorized Rate of Return from the date payment(s) were made, or the MAQ specified in the Rule No. 38 Special Conditions, Form No. 6700-1A, paragraph 7.4 multiplied by the number of years (or fractions thereof) remaining on the contract multiplied by the applicable Tariff Rate.

1. Information and Demonstration. Customer will provide information and documents reasonably requested by SoCalGas concerning the Equipment, including its acquisition, installation and operation (energy use and operating costs). This information may be provided to third parties, except for Customer's proprietary or trade secret information. Customer will provide SoCalGas with reasonable access to the Equipment to observe and monitor its performance. SoCalGas may demonstrate the Equipment to third parties and may advertise savings/benefits realized; but any advertising which identifies Customer is subject to Customer's prior written approval, which will not be unreasonably withheld. In its sole discretion, SoCalGas may waive any of these rights.
2. Tariff Service. Customer understands and agrees that as consideration for the Incentive paid by SoCalGas, during the Term of Use, Customer will take natural gas service (purchase and/or transportation) from SoCalGas for the Facility.
3. CPUC/Tariffs. This program is approved by the California Public Utilities Commission ("CPUC") and may be amended, modified, or terminated at any time by the CPUC. This Agreement is subject to the provisions of Rule No. 38 as amended from time to time and except as otherwise provided herein, to the terms and conditions of SoCalGas' other applicable tariff rules as amended from time to time, including but not limited to Rule No. 4, the terms of which are incorporated by reference.
4. No Ownership. SoCalGas will have no ownership interest in the Equipment, if any, and is not a partner of or joint venturer with Customer.
5. NO WARRANTIES BY SoCalGas AND LIMITATION OF LIABILITY.


5.1 Although SoCalGas shall have the right to review information regarding the Equipment and/or Consultant's proposal and Report, as set forth above, Customer understands and agrees that SoCalGas' review is for SoCalGas' own purposes in determining Customer's eligibility, calculating the amount of the Incentive and/or Payment for the Feasibility Study, and obtaining information on the Equipment's operation. SoCalGas makes NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE EQUIPMENT OR THE SYSTEM OR ANY ASPECT OF THE INSTALLATION, OPERATION, PERFORMANCE, ENERGY USAGE, COST SAVINGS, OR ANY OTHER MATTER CONCERNING THE EQUIPMENT OR THE SYSTEM OR CONSULTANT OR CONSULTANT'S RECOMMENDATIONS, INCLUDING, BUT NOT LIMITED TO, RECOMMENDATIONS AS TO SELECTION AND INSTALLATION OF EQUIPMENT OR ADOPTION OF ENERGY MANAGEMENT MEASURES.

5.2 Customer understands and represents to SoCalGas that Customer will select or has selected the Equipment and/or Consultant in reliance upon information obtained by Customer or on its behalf by its agents and that SoCalGas is not and will not be responsible for the selection, installation, operation, performance, energy usage, cost savings, or any other matter concerning the Equipment, Consultant or Feasibility Study or Report, or for any liability, losses, damages or injuries arising from the Equipment's use or from the Feasibility Study. If the Equipment is unsatisfactory for any reason, or if Consultant's recommendations or implementation of them is unsatisfactory for any reason, Customer will make any claim on account thereof against Customer's engineer, vendor, installer, Equipment manufacturer, and/or Consultant as appropriate.

5.3 SoCalGas will not be liable for any consequential, indirect, or punitive damages.

6. No Third Party Beneficiaries. This program and Agreement are for the benefit of, and enforceable only by, SoCalGas and Customer.
7.  If checked, the attached Rule No. 38 Special Conditions, Form No. 6700-1A, and Rule No. 38 Affidavit, Form No. 6700-1B, are incorporated by reference.

Contains Confidential Information and is Provided Pursuant  
to California Public Utilities Code § 583, General Order (G.O.) 66-D, and D.17-09-023,  
the accompanying declaration, and/or non-disclosure agreement.

Customer: 



**Rule No. 38 Special Conditions: Metering and Gas Usage**  
**Commercial & Industrial Equipment Incentive Program**  
Attachment to Form No. 6700-1

**7.0 Special Conditions: Metering and Gas Usage**

*Check and Initial Applicable Paragraphs:*

7.1 Baseload Gas Use  
*Customer Initials*

Except as may be modified immediately below, historic actual gas consumption for the 24-month period prior to signing the Agreement is used to establish the average baseload of \_\_\_\_\_ therms per year ("Baseload"). Consumption greater than this Baseload will be considered towards fulfilling Customer's obligation to use the Equipment in the manner disclosed in Paragraph 7.4 below.

Modifications to Paragraph No. 7.1  
*Customer Initials*

7.2 Metering  
*Customer Initials*

Customer shall install the energy Equipment in a manner such that metering devices can readily and safely be installed and accessed. Customer shall allow SoCalGas routine access to the measurement-related facilities and measurement logs, to verify meter reads and accuracy. Equipment gas consumption shall be metered during the Term of Use by one of the methods below.

- a) SoCalGas shall install a separate, permanent Utility-owned gas billing meter in accordance with Rule No. 13, Meters and Appliances, and when applicable with Rule No. 21, Gas Service Extensions.
- b) Other: "Measurement Plan" approved by Utility and attached herein, titled: \_\_\_\_\_

Modifications to Paragraph No. 7.2  
*Customer Initials*

7.3 Rate Schedule  
*Customer Initials*

Except as may be modified immediately below, Customer must take gas under Utility's noncore GT-F or GT-I tariff rate schedule for the entire Term of Use as long as Customer qualifies for at least one of these rates or until both Customer and Utility mutually agree on a different rate.

Modifications to Paragraph No. 7.3  
*Customer Initials*



7.4 Gas Requirements/Customer Equipment Disclosure  
*Customer Initials*

Customer discloses that Equipment will have a collective rated capacity of [REDACTED] MMBtu/h, and during the Term of Use will consume a Minimum Annual Quantity ("MAQ") of not less than [REDACTED] therms of gas per year (including Baseload use when the box by Paragraph 7.1 is checked), to be assessed each 12 months following the Commencement Date. If a period of fewer than 12 months remains at the end of the Term of Use, a pro-rata portion of the MAQ applies. Except as may be modified immediately below, if actual usage falls below this MAQ, Customer will be subject each contract year to an additional charge equal to the difference in Transmission Charges between Customer's actual usage and MAQ in that time period. MAQ adjustments will be made to the extent consumption is reduced specifically due to intrastate curtailment or an event of force majeure, as defined in Rule No. 1, on either the interstate or intrastate systems.

Modifications to Paragraph No. 7.4  
*Customer Initials*

[REDACTED]

7.5 Other  
*Customer Initials*

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Rule No. 38 Affidavit  
Commercial & Industrial Equipment Incentive Program  
Attachment to Form No. 6700-1

Customer certifies as follows:

Southern California Gas Company's shareholder-funded incentive offered to Customer under Tariff Rule 38 was a material factor in Customer's decision to utilize the energy Equipment identified in the Equipment Incentive Program Agreement to which this Affidavit is attached.

The identified equipment is not an existing gas load that Customer has received past SoCalGas discounts to avoid fuel switching to fuels such as oil and propane, nor is it an existing gas load with a demonstrated history of fuel switching. Additionally, Customer, in making its decision to utilize the identified equipment, was not contemplating bypassing SoCalGas' system for another system within the State of California, and/or is not a new customer planning on locating in close proximity to a bypass pipeline.

I declare under penalty of perjury under the laws of the State of California that the foregoing statement is true and correct.

Executed at [redacted] California, this [redacted] day of [redacted],  
20 [redacted] (City) (Date) (Month)

CUSTOMER

[redacted]

Name: [redacted]

Signature: [redacted]

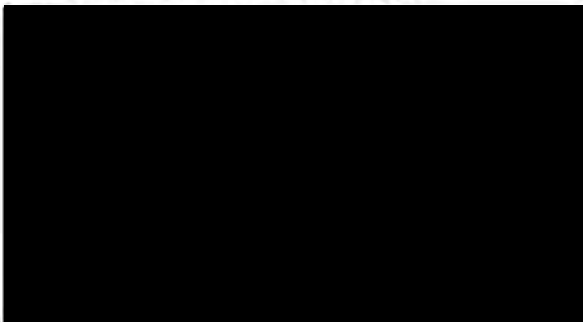
Title: [redacted]

Appendix A.2 (Public)

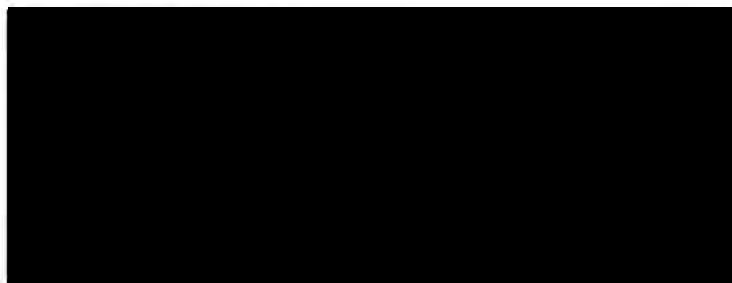
Date [REDACTED]

Southern California Gas Company's  
Equipment Incentive Program Agreement  
(Shareholder-Funded)

Customer Name and Address:

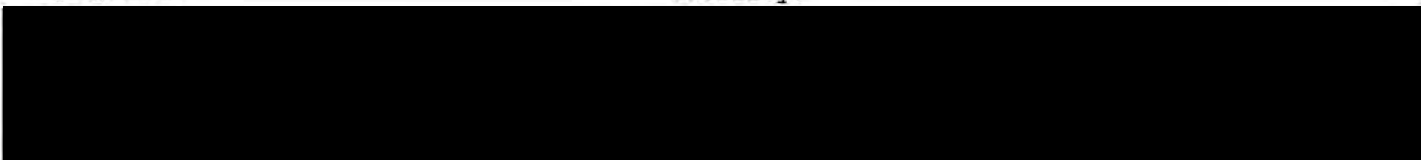


Customer's Capacity:



Equipment:

Facility:



The following provisions apply to Equipment Incentives:

Incentive \$ [REDACTED] • Maximum Percentage [REDACTED]%. The Incentive will be paid by Southern California Gas Company (SoCalGas) as follows: [REDACTED]% upon placement of the Equipment purchase order, [REDACTED]% upon delivery of the Equipment to the Facility and the balance of [REDACTED]% after the Commencement Date. In no event will the total Incentive or any individual payment exceed the Maximum Percentage of the amounts paid by Customer for the acquisition and installation of the Equipment. Verification of Customer's execution of Equipment acquisition agreement and of Customer's payment(s) will be required.

Purchase Order Date: The Purchase Order Date is the date a firm order for purchasing the Equipment has been placed with the Equipment vendor.

Commencement Date: The Commencement Date is the date the Equipment has been installed and has produced one hour of continuous operation.

Cut-off: Purchase Order Date must occur by [REDACTED] and Commencement Date must occur by [REDACTED] (or such later dates as SoCalGas and Customer may agree to in writing). If not, SoCalGas has no obligation to pay the Incentive; or, if a part of the Incentive has been paid, Customer shall refund such amount to SoCalGas, plus interest equal to SoCalGas' Authorized Rate of Return, promptly upon demand. If, in SoCalGas' reasonable opinion, the Commencement Date will not occur by the Cut-off date, no portion of the Incentive need be paid, or any paid portion shall be refunded as provided above.

Term of Use: [REDACTED] months from Commencement Date.

Early Termination: If, during the Term of Use, Customer (i) does not take gas service for the Facility from SoCalGas; or (ii) does not use the Equipment in the manner disclosed to SoCalGas prior to this Agreement; or (iii) wishes to terminate this Agreement, then the occurrence of any one of the events in (i) through (iii) above shall constitute an event of default, and SoCalGas may, at its sole option, declare this Agreement terminated and notify Customer of such termination in writing. Upon receipt of such notification, Customer agrees to immediately pay to SoCalGas an early termination charge. The early termination charge shall be calculated as the amount equal to the lesser of the original incentive received by the Customer plus interest



equal to SoCalGas' Authorized Rate of Return from the date payment(s) were made, or the MAQ specified in the Rule No. 38 Special Conditions, Form No. 6700-1A, paragraph 7.4 multiplied by the number of years (or fractions thereof) remaining on the contract multiplied by the applicable Tariff Rate.

1. Information and Demonstration. Customer will provide information and documents reasonably requested by SoCalGas concerning the Equipment, including its acquisition, installation and operation (energy use and operating costs). This information may be provided to third parties, except for Customer's proprietary or trade secret information. Customer will provide SoCalGas with reasonable access to the Equipment to observe and monitor its performance. SoCalGas may demonstrate the Equipment to third parties and may advertise savings/benefits realized; but any advertising which identifies Customer is subject to Customer's prior written approval, which will not be unreasonably withheld. In its sole discretion, SoCalGas may waive any of these rights.

2. Tariff Service. Customer understands and agrees that as consideration for the Incentive paid by SoCalGas, during the Term of Use, Customer will take natural gas service (purchase and/or transportation) from SoCalGas for the Facility.

3. CPUC/Tariffs. This program is approved by the California Public Utilities Commission ("CPUC") and may be amended, modified, or terminated at any time by the CPUC. This Agreement is subject to the provisions of Rule No. 38 as amended from time to time and except as otherwise provided herein, to the terms and conditions of SoCalGas' other applicable tariff rules as amended from time to time, including but not limited to Rule No. 4, the terms of which are incorporated by reference.

4. No Ownership. SoCalGas will have no ownership interest in the Equipment, if any, and is not a partner of or joint venturer with Customer.

5. NO WARRANTIES BY SoCalGas AND LIMITATION OF LIABILITY.

5.1 Although SoCalGas shall have the right to review information regarding the Equipment and/or Consultant's proposal and Report, as set forth above, Customer understands and agrees that SoCalGas' review is for SoCalGas' own purposes in determining Customer's eligibility, calculating the amount of the Incentive and/or Payment for the Feasibility Study, and obtaining information on the Equipment's operation. SoCalGas makes NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE EQUIPMENT OR THE SYSTEM OR ANY ASPECT OF THE INSTALLATION, OPERATION, PERFORMANCE, ENERGY USAGE, COST SAVINGS, OR ANY OTHER MATTER CONCERNING THE EQUIPMENT OR THE SYSTEM OR CONSULTANT OR CONSULTANT'S RECOMMENDATIONS, INCLUDING, BUT NOT LIMITED TO, RECOMMENDATIONS AS TO SELECTION AND INSTALLATION OF EQUIPMENT OR ADOPTION OF ENERGY MANAGEMENT MEASURES.

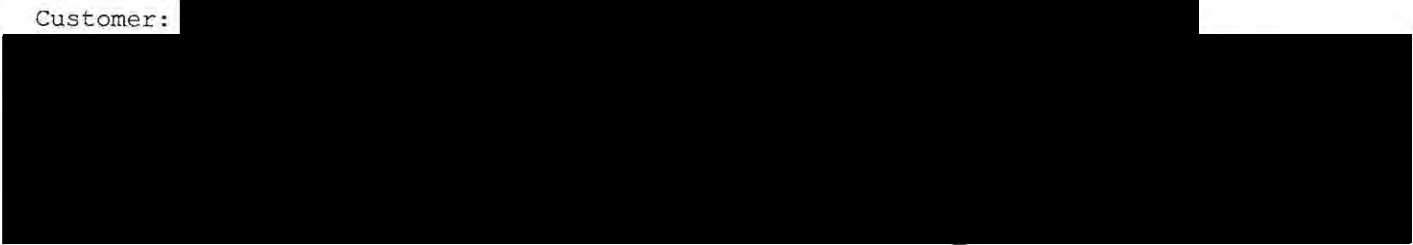
5.2 Customer understands and represents to SoCalGas that Customer will select or has selected the Equipment and/or Consultant in reliance upon information obtained by Customer or on its behalf by its agents and that SoCalGas is not and will not be responsible for the selection, installation, operation, performance, energy usage, cost savings, or any other matter concerning the Equipment, Consultant or Feasibility Study or Report, or for any liability, losses, damages or injuries arising from the Equipment's use or from the Feasibility Study. If the Equipment is unsatisfactory for any reason, or if Consultant's recommendations or implementation of them is unsatisfactory for any reason, Customer will make any claim on account thereof against Customer's engineer, vendor, installer, Equipment manufacturer, and/or Consultant as appropriate.

5.3 SoCalGas will not be liable for any consequential, indirect, or punitive damages.

6. No Third Party Beneficiaries. This program and Agreement are for the benefit of, and enforceable only by, SoCalGas and Customer.

7. [REDACTED] If checked, the attached Rule No. 38 Special Conditions, Form No. 6700-1A, and Rule . 38 Affidavit, Form No. 6700-1B, are incorporated by reference.

Customer:



**Rule No. 38 Special Conditions: Metering and Gas Usage**  
**Commercial & Industrial Equipment Incentive Program**  
Attachment to Form No. 6700-1

**7.0 Special Conditions: Metering and Gas Usage**

*Check and Initial Applicable Paragraphs:*

7.1 Baseload Gas Use  
*Customer Initials*

Except as may be modified immediately below, historic actual gas consumption for the 24-month period prior to signing the Agreement is used to establish the average baseload of [REDACTED] [REDACTED] therms per year ("Baseload"). Consumption greater than this Baseload will be considered towards fulfilling Customer's obligation to use the Equipment in the manner disclosed in Paragraph 7.4 below.

Modifications to Paragraph No. 7.1  
*Customer Initials*

7.2 Metering  
*Customer Initials*

Customer shall install the energy Equipment in a manner such that metering devices can readily and safely be installed and accessed. Customer shall allow SoCalGas routine access to the measurement-related facilities and measurement logs, to verify meter reads and accuracy. Equipment gas consumption shall be metered during the Term of Use by one of the methods below.

- a) SoCalGas shall install a separate, permanent Utility-owned gas billing meter in accordance with Rule No. 13, Meters and Appliances, and when applicable with Rule No. 21, Gas Service Extensions.
- b) Other: "Measurement Plan" approved by Utility and attached herein, titled: \_\_\_\_\_

Modifications to Paragraph No. 7.2  
*Customer Initials*

7.3 Rate Schedule  
*Customer Initials*

Except as may be modified immediately below, Customer must take gas under Utility's noncore GT-F or GT-I tariff rate schedule for the entire Term of Use as long as Customer qualifies for at least one of these rates or until both Customer and Utility mutually agree on a different rate.

Modifications to Paragraph No. 7.3  
*Customer Initials*



7.4 Gas Requirements/Customer Equipment Disclosure  
*Customer Initials*

Customer discloses that Equipment will have a collective rated capacity of \_\_\_\_\_ MMBtu/h, and during the Term of Use will consume a Minimum Annual Quantity ("MAQ") of not less than \_\_\_\_\_ therms of gas per year (including Baseload use when the box by Paragraph 7.1 is checked), to be assessed each 12 months following the Commencement Date. If a period of fewer than 12 months remains at the end of the Term of Use, a pro-rata portion of the MAQ applies. Except as may be modified immediately below, if actual usage falls below this MAQ, Customer will be subject each contract year to an additional charge equal to the difference in Transmission Charges between Customer's actual usage and MAQ in that time period. MAQ adjustments will be made to the extent consumption is reduced specifically due to intrastate curtailment or an event of force majeure, as defined in Rule No. 1, on either the interstate or intrastate systems.

Modifications to Paragraph No. 7.4  
*Customer Initials*

\_\_\_\_\_

7.5 Other  
*Customer Initials*

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

Rule No. 38 Affidavit  
Commercial & Industrial Equipment Incentive Program  
Attachment to Form No. 6700-1

Customer certifies as follows:

Southern California Gas Company's shareholder-funded incentive offered to Customer under Tariff Rule 38 was a material factor in Customer's decision to utilize the energy Equipment identified in the Equipment Incentive Program Agreement to which this Affidavit is attached.

The identified equipment is not an existing gas load that Customer has received past SoCalGas discounts to avoid fuel switching to fuels such as oil and propane, nor is it an existing gas load with a demonstrated history of fuel switching. Additionally, Customer, in making its decision to utilize the identified equipment, was not contemplating bypassing SoCalGas' system for another system within the State of California, and/or is not a new customer planning on locating in close proximity to a bypass pipeline.

I declare under penalty of perjury under the laws of the State of California that the foregoing statement is true and correct.

Executed at [redacted] California, this [redacted] day of [redacted],  
20 [redacted].

CUSTOMER

[redacted]



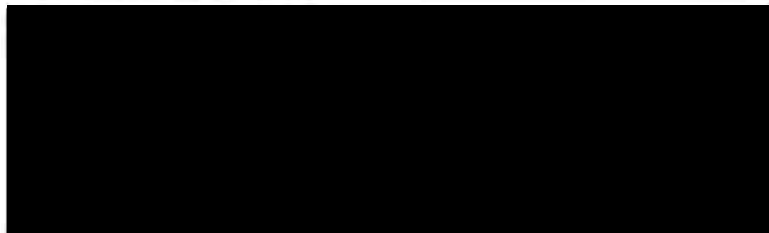
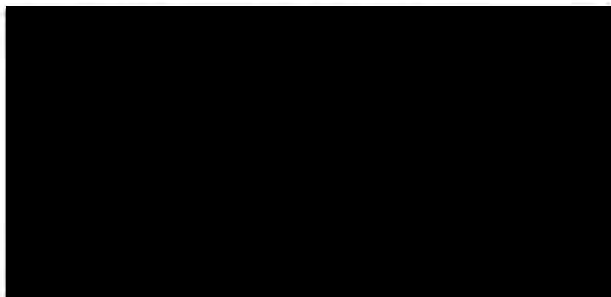
Appendix A.3 (Public)

Date [REDACTED]

Southern California Gas Company's  
Equipment Incentive Program Agreement  
(Shareholder-Funded)

Customer Name and Address:

Customer's Capacity:



Equipment:

Facility:



The following provisions apply to Equipment Incentives:

Incentive \$ [REDACTED] • Maximum Percentage [REDACTED]%. The Incentive will be paid by Southern California Gas Company (SoCalGas) as follows: [REDACTED] upon placement of the Equipment purchase order, [REDACTED]% upon delivery of the Equipment to the Facility and the balance of [REDACTED]% after the Commencement Date. In no event will the total Incentive or any individual payment exceed the Maximum Percentage of the amounts paid by Customer for the acquisition and installation of the Equipment. Verification of Customer's execution of Equipment acquisition agreement and of Customer's payment(s) will be required.

Purchase Order Date: The Purchase Order Date is the date a firm order for purchasing the Equipment has been placed with the Equipment vendor.

Commencement Date: The Commencement Date is the date the Equipment has been installed and has produced one hour of continuous operation.

Cut-off: Purchase Order Date must occur by [REDACTED] and Commencement Date must occur by [REDACTED] (or such later dates as SoCalGas and Customer may agree to in writing). If not, SoCalGas has no obligation to pay the Incentive; or, if a part of the Incentive has been paid, Customer shall refund such amount to SoCalGas, plus interest equal to SoCalGas' Authorized Rate of Return, promptly upon demand. If, in SoCalGas' reasonable opinion, the Commencement Date will not occur by the Cut-off date, no portion of the Incentive need be paid, or any paid portion shall be refunded as provided above.

Term of Use: [REDACTED] months from Commencement Date.

Early Termination: If, during the Term of Use, Customer (i) does not take gas service for the Facility from SoCalGas; or (ii) does not use the Equipment in the manner disclosed to SoCalGas prior to this Agreement; or (iii) wishes to terminate this Agreement, then the occurrence of any one of the events in (i) through (iii) above shall constitute an event of default, and SoCalGas may, at its sole option, declare this Agreement terminated and notify Customer of such termination in writing. Upon receipt of such notification, Customer agrees to immediately pay to SoCalGas an early termination charge. The early termination charge shall be calculated as the amount equal to the lesser of the original incentive received by the Customer plus interest

**Contains Confidential Information and is Provided Pursuant  
to California Public Utilities Code § 583, General Order (G.O.) 66-D, and D.17-09-023,  
the accompanying declaration, and/or non-disclosure agreement.**

equal to SoCalGas' Authorized Rate of Return from the date payment(s) were made, or the MAQ specified in the Rule No. 38 Special Conditions, Form No. 6700-1A, paragraph 7.4 multiplied by the number of years (or fractions thereof) remaining on the contract multiplied by the applicable Tariff Rate.

1. Information and Demonstration. Customer will provide information and documents reasonably requested by SoCalGas concerning the Equipment, including its acquisition, installation and operation (energy use and operating costs). This information may be provided to third parties, except for Customer's proprietary or trade secret information. Customer will provide SoCalGas with reasonable access to the Equipment to observe and monitor its performance. SoCalGas may demonstrate the Equipment to third parties and may advertise savings/benefits realized; but any advertising which identifies Customer is subject to Customer's prior written approval, which will not be unreasonably withheld. In its sole discretion, SoCalGas may waive any of these rights.

2. Tariff Service. Customer understands and agrees that as consideration for the Incentive paid by SoCalGas, during the Term of Use, Customer will take natural gas service (purchase and/or transportation) from SoCalGas for the Facility.

3. CPUC/Tariffs. This program is approved by the California Public Utilities Commission ("CPUC") and may be amended, modified, or terminated at any time by the CPUC. This Agreement is subject to the provisions of Rule No. 38 as amended from time to time and except as otherwise provided herein, to the terms and conditions of SoCalGas' other applicable tariff rules as amended from time to time, including but not limited to Rule No. 4, the terms of which are incorporated by reference.

4. No Ownership. SoCalGas will have no ownership interest in the Equipment, if any, and is not a partner of or joint venturer with Customer.

5. NO WARRANTIES BY SoCalGas AND LIMITATION OF LIABILITY.

5.1 Although SoCalGas shall have the right to review information regarding the Equipment and/or Consultant's proposal and Report, as set forth above, Customer understands and agrees that SoCalGas' review is for SoCalGas' own purposes in determining Customer's eligibility, calculating the amount of the Incentive and/or Payment for the Feasibility Study, and obtaining information on the Equipment's operation. SoCalGas makes NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE EQUIPMENT OR THE SYSTEM OR ANY ASPECT OF THE INSTALLATION, OPERATION, PERFORMANCE, ENERGY USAGE, COST SAVINGS, OR ANY OTHER MATTER CONCERNING THE EQUIPMENT OR THE SYSTEM OR CONSULTANT OR CONSULTANT'S RECOMMENDATIONS, INCLUDING, BUT NOT LIMITED TO, RECOMMENDATIONS AS TO SELECTION AND INSTALLATION OF EQUIPMENT OR ADOPTION OF ENERGY MANAGEMENT MEASURES.

5.2 Customer understands and represents to SoCalGas that Customer will select or has selected the Equipment and/or Consultant in reliance upon information obtained by Customer or on its behalf by its agents and that SoCalGas is not and will not be responsible for the selection, installation, operation, performance, energy usage, cost savings, or any other matter concerning the Equipment, Consultant or Feasibility Study or Report, or for any liability, losses, damages or injuries arising from the Equipment's use or from the Feasibility Study. If the Equipment is unsatisfactory for any reason, or if Consultant's recommendations or implementation of them is unsatisfactory for any reason, Customer will make any claim on account thereof against Customer's engineer, vendor, installer, Equipment manufacturer, and/or Consultant as appropriate.

5.3 SoCalGas will not be liable for any consequential, indirect, or punitive damages.

6. No Third Party Beneficiaries. This program and Agreement are for the benefit of, and enforceable only by, SoCalGas and Customer.

7.  If checked, the attached Rule No. 38 Special Conditions, Form No. 6700-1A, and Rule No. 38 Affidavit, Form No. 6700-1B, are incorporated by reference.



Customer:



**Rule No. 38 Special Conditions: Metering and Gas Usage**  
**Commercial & Industrial Equipment Incentive Program**  
Attachment to Form No. 6700-1

**7.0 Special Conditions: Metering and Gas Usage**

*Check and Initial Applicable Paragraphs:*

7.1 Baseload Gas Use  
*Customer Initials*

Except as may be modified immediately below, historic actual gas consumption for the 24-month period prior to signing the Agreement is used to establish the average baseload of [REDACTED] [REDACTED] therms per year ("Baseload"). Consumption greater than this Baseload will be considered towards fulfilling Customer's obligation to use the Equipment in the manner disclosed in Paragraph 7.4 below.

Modifications to Paragraph No. 7.1  
*Customer Initials*

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7.2 Metering  
*Customer Initials*

Customer shall install the energy Equipment in a manner such that metering devices can readily and safely be installed and accessed. Customer shall allow SoCalGas routine access to the measurement-related facilities and measurement logs, to verify meter reads and accuracy. Equipment gas consumption shall be metered during the Term of Use by one of the methods below.

- a) SoCalGas shall install a separate, permanent Utility-owned gas billing meter in accordance with Rule No. 13, Meters and Appliances, and when applicable with Rule No. 21, Gas Service Extensions.
- b) Other: "Measurement Plan" approved by Utility and attached herein, titled: \_\_\_\_\_

Modifications to Paragraph No. 7.2  
*Customer Initials*

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7.3 Rate Schedule  
*Customer Initials*

Except as may be modified immediately below, Customer must take gas under Utility's noncore GT-F or GT-I tariff rate schedule for the entire Term of Use as long as Customer qualifies for at least one of these rates or until both Customer and Utility mutually agree on a different rate.

Modifications to Paragraph No. 7.3  
*Customer Initials*

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7.4 Gas Requirements/Customer Equipment Disclosure  
*Customer Initials*

Customer discloses that Equipment will have a collective rated capacity of \_\_\_\_\_ MMBtu/h, and during the Term of Use will consume a Minimum Annual Quantity ("MAQ") of not less than \_\_\_\_\_ therms of gas per year (including Baseload use when the box by Paragraph 7.1 is checked), to be assessed each 12 months following the Commencement Date. If a period of fewer than 12 months remains at the end of the Term of Use, a pro-rata portion of the MAQ applies. Except as may be modified immediately below, if actual usage falls below this MAQ, Customer will be subject each contract year to an additional charge equal to the difference in Transmission Charges between Customer's actual usage and MAQ in that time period. MAQ adjustments will be made to the extent consumption is reduced specifically due to intrastate curtailment or an event of force majeure, as defined in Rule No. 1, on either the interstate or intrastate systems.

Modifications to Paragraph No. 7.4  
*Customer Initials*

\_\_\_\_\_

7.5 Other  
*Customer Initials*

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

Rule No. 38 Affidavit  
Commercial & Industrial Equipment Incentive Program  
Attachment to Form No. 6700-1

Customer certifies as follows:

Southern California Gas Company's shareholder-funded incentive offered to Customer under Tariff Rule 38 was a material factor in Customer's decision to utilize the energy Equipment identified in the Equipment Incentive Program Agreement to which this Affidavit is attached.

The identified equipment is not an existing gas load that Customer has received past SoCalGas discounts to avoid fuel switching to fuels such as oil and propane, nor is it an existing gas load with a demonstrated history of fuel switching. Additionally, Customer, in making its decision to utilize the identified equipment, was not contemplating bypassing SoCalGas' system for another system within the State of California, and/or is not a new customer planning on locating in close proximity to a bypass pipeline.

I declare under penalty of perjury under the laws of the State of California that the foregoing statement is true and correct.

Executed at [redacted] California, this [redacted] day of [redacted]  
20 [redacted]

CUSTOMER

[redacted]

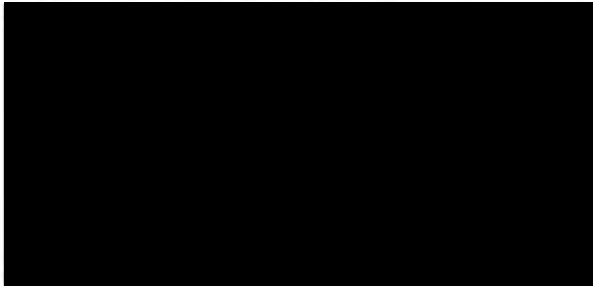


Appendix A.4 (Public)

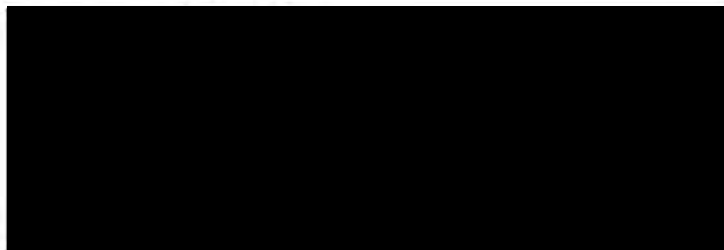
Date [REDACTED]

Southern California Gas Company's  
Equipment Incentive Program Agreement  
(Shareholder-Funded)

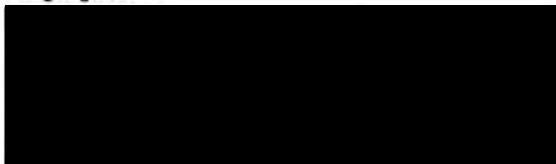
Customer Name and Address:



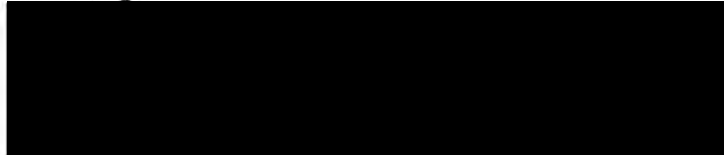
Customer's Capacity:



Equipment:



Facility:



The following provisions apply to Equipment Incentives:

Incentive \$ [REDACTED] • Maximum Percentage [REDACTED]%. The Incentive will be paid by Southern California Gas Company (SoCalGas) as follows: [REDACTED] upon placement of the Equipment purchase order, [REDACTED] upon delivery of the Equipment to the Facility and the balance of [REDACTED] after the Commencement Date. In no event will the total Incentive or any individual payment exceed the Maximum Percentage of the amounts paid by Customer for the acquisition and installation of the Equipment. Verification of Customer's execution of Equipment acquisition agreement and of Customer's payment(s) will be required.

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Term of Use: [REDACTED] months from Commencement Date.

Early Termination: If, during the Term of Use, Customer (i) does not take gas service for the Facility from SoCalGas; or (ii) does not use the Equipment in the manner disclosed to SoCalGas prior to this Agreement; or (iii) wishes to terminate this Agreement, then the occurrence of any one of the events in (i) through (iii) above shall constitute an event of default, and SoCalGas may, at its sole option, declare this Agreement terminated and notify Customer of such termination in writing. Upon receipt of such notification, Customer agrees to immediately pay to SoCalGas an early termination charge. The early termination charge shall be calculated as the amount equal to the lesser of the original incentive received by the Customer plus interest

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5.3 SoCalGas will not be liable for any consequential, indirect, or punitive damages.

6. No Third Party Beneficiaries. This program and Agreement are for the benefit of, and enforceable only by, SoCalGas and Customer.
7.  If checked, the attached Rule No. 38 Special Conditions, Form No. 6700-1A, and Rule No. 38 Affidavit, Form No. 6700-1B, are incorporated by reference.



Contains Confidential Information and is Provided Pursuant  
to California Public Utilities Code § 583, General Order (G.O.) 66-D, and D.17-09-023,  
the accompanying declaration, and/or non-disclosure agreement.

Customer



**Rule No. 38 Special Conditions: Metering and Gas Usage**  
**Commercial & Industrial Equipment Incentive Program**  
Attachment to Form No. 6700-1

**7.0 Special Conditions: Metering and Gas Usage**

*Check and Initial Applicable Paragraphs:*

7.1 Baseload Gas Use  
*Customer Initials*

Except as may be modified immediately below, historic actual gas consumption for the 24-month period prior to signing the Agreement is used to establish the average baseload of \_\_\_\_\_ therms per year ("Baseload"). Consumption greater than this Baseload will be considered towards fulfilling Customer's obligation to use the Equipment in the manner disclosed in Paragraph 7.4 below.

Modifications to Paragraph No. 7.1  
*Customer Initials*

7.2 Metering  
*Customer Initials*

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- b) Other: "Measurement Plan" approved by Utility and attached herein, titled: \_\_\_\_\_

Modifications to Paragraph No. 7.2  
*Customer Initials*

7.3 Rate Schedule  
*Customer Initials*

Except as may be modified immediately below, Customer must take gas under Utility's noncore GT-F or GT-I tariff rate schedule for the entire Term of Use as long as Customer qualifies for at least one of these rates or until both Customer and Utility mutually agree on a different rate.

Modifications to Paragraph No. 7.3  
*Customer Initials*

7.4 Gas Requirements/Customer Equipment Disclosure  
*Customer Initials*

Customer discloses that Equipment will have a collective rated capacity of [REDACTED] MMBtu/h, and during the Term of Use will consume a Minimum Annual Quantity ("MAQ") of not less than [REDACTED] therms of gas per year (including Baseload use when the box by Paragraph 7.1 is checked), to be assessed each 12 months following the Commencement Date. If a period of fewer than 12 months remains at the end of the Term of Use, a pro-rata portion of the MAQ applies. Except as may be modified immediately below, if actual usage falls below this MAQ, Customer will be subject each contract year to an additional charge equal to the difference in Transmission Charges between Customer's actual usage and MAQ in that time period. MAQ adjustments will be made to the extent consumption is reduced specifically due to intrastate curtailment or an event of force majeure, as defined in Rule No. 1, on either the interstate or intrastate systems.

Modifications to Paragraph No. 7.4  
*Customer Initials*

[REDACTED]

7.5 Other  
*Customer Initials*

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

Rule No. 38 Affidavit  
Commercial & Industrial Equipment Incentive Program  
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I declare under penalty of perjury under the laws of the State of California that the foregoing statement is true and correct.

Executed at [REDACTED] California, this [REDACTED] day of [REDACTED]  
20[REDACTED].

CUSTOMER

[REDACTED]



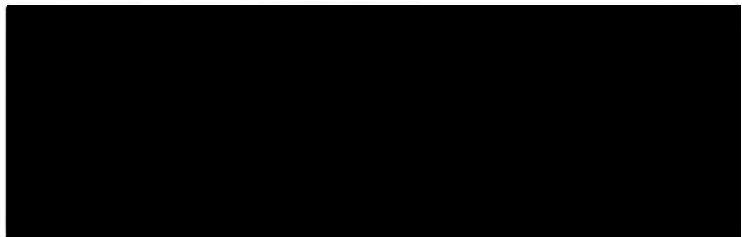
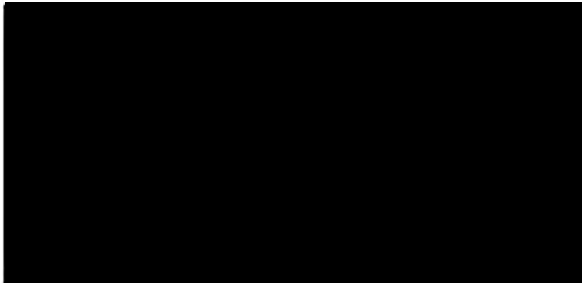
Appendix A.5 (Public)

Date [REDACTED]

Southern California Gas Company's  
Equipment Incentive Program Agreement  
(Shareholder-Funded)

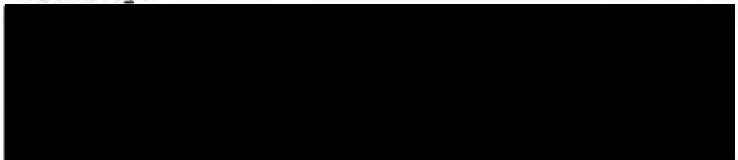
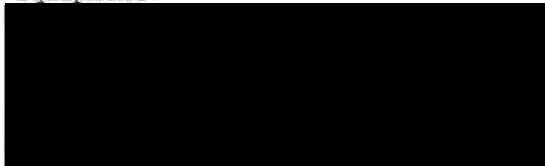
Customer Name and Address:

Customer's Capacity:



Equipment:

Facility:



The following provisions apply to Equipment Incentives:

Incentive \$ [REDACTED] • Maximum Percentage [REDACTED]%. The Incentive will be paid by Southern California Gas Company (SoCalGas) as follows: [REDACTED] upon placement of the Equipment purchase order, [REDACTED] upon delivery of the Equipment to the Facility and the balance of [REDACTED] after the Commencement Date. In no event will the total Incentive or any individual payment exceed the Maximum Percentage of the amounts paid by Customer for the acquisition and installation of the Equipment. Verification of Customer's execution of Equipment acquisition agreement and of Customer's payment(s) will be required.

Purchase Order Date: The Purchase Order Date is the date a firm order for purchasing the Equipment has been placed with the Equipment vendor.

Commencement Date: The Commencement Date is the date the Equipment has been installed and has produced one hour of continuous operation.

Cut-off: Purchase Order Date must occur by [REDACTED] and Commencement Date must occur by [REDACTED] (or such later dates as SoCalGas and Customer may agree to in writing). If not, SoCalGas has no obligation to pay the Incentive; or, if a part of the Incentive has been paid, Customer shall refund such amount to SoCalGas, plus interest equal to SoCalGas' Authorized Rate of Return, promptly upon demand. If, in SoCalGas' reasonable opinion, the Commencement Date will not occur by the Cut-off date, no portion of the Incentive need be paid, or any paid portion shall be refunded as provided above.

Term of Use: [REDACTED] months from Commencement Date.

Early Termination: If, during the Term of Use, Customer (i) does not take gas service for the Facility from SoCalGas; or (ii) does not use the Equipment in the manner disclosed to SoCalGas prior to this Agreement; or (iii) wishes to terminate this Agreement, then the occurrence of any one of the events in (i) through (iii) above shall constitute an event of default, and SoCalGas may, at its sole option, declare this Agreement terminated and notify Customer of such termination in writing. Upon receipt of such notification, Customer agrees to immediately pay to SoCalGas an early termination charge. The early termination charge shall be calculated as the amount equal to the lesser of the original incentive received by the Customer plus interest



equal to SoCalGas' Authorized Rate of Return from the date payment(s) were made, or the MAQ specified in the Rule No. 38 Special Conditions, Form No. 6700-1A, paragraph 7.4 multiplied by the number of years (or fractions thereof) remaining on the contract multiplied by the applicable Tariff Rate.

1. Information and Demonstration. Customer will provide information and documents reasonably requested by SoCalGas concerning the Equipment, including its acquisition, installation and operation (energy use and operating costs). This information may be provided to third parties, except for Customer's proprietary or trade secret information. Customer will provide SoCalGas with reasonable access to the Equipment to observe and monitor its performance. SoCalGas may demonstrate the Equipment to third parties and may advertise savings/benefits realized; but any advertising which identifies Customer is subject to Customer's prior written approval, which will not be unreasonably withheld. In its sole discretion, SoCalGas may waive any of these rights.

2. Tariff Service. Customer understands and agrees that as consideration for the Incentive paid by SoCalGas, during the Term of Use, Customer will take natural gas service (purchase and/or transportation) from SoCalGas for the Facility.

3. CPUC/Tariffs. This program is approved by the California Public Utilities Commission ("CPUC") and may be amended, modified, or terminated at any time by the CPUC. This Agreement is subject to the provisions of Rule No. 38 as amended from time to time and except as otherwise provided herein, to the terms and conditions of SoCalGas' other applicable tariff rules as amended from time to time, including but not limited to Rule No. 4, the terms of which are incorporated by reference.

4. No Ownership. SoCalGas will have no ownership interest in the Equipment, if any, and is not a partner of or joint venturer with Customer.

5. NO WARRANTIES BY SoCalGas AND LIMITATION OF LIABILITY.

5.1 Although SoCalGas shall have the right to review information regarding the Equipment and/or Consultant's proposal and Report, as set forth above, Customer understands and agrees that SoCalGas' review is for SoCalGas' own purposes in determining Customer's eligibility, calculating the amount of the Incentive and/or Payment for the Feasibility Study, and obtaining information on the Equipment's operation. SoCalGas makes NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE EQUIPMENT OR THE SYSTEM OR ANY ASPECT OF THE INSTALLATION, OPERATION, PERFORMANCE, ENERGY USAGE, COST SAVINGS, OR ANY OTHER MATTER CONCERNING THE EQUIPMENT OR THE SYSTEM OR CONSULTANT OR CONSULTANT'S RECOMMENDATIONS, INCLUDING, BUT NOT LIMITED TO, RECOMMENDATIONS AS TO SELECTION AND INSTALLATION OF EQUIPMENT OR ADOPTION OF ENERGY MANAGEMENT MEASURES.

5.2 Customer understands and represents to SoCalGas that Customer will select or has selected the Equipment and/or Consultant in reliance upon information obtained by Customer or on its behalf by its agents and that SoCalGas is not and will not be responsible for the selection, installation, operation, performance, energy usage, cost savings, or any other matter concerning the Equipment, Consultant or Feasibility Study or Report, or for any liability, losses, damages or injuries arising from the Equipment's use or from the Feasibility Study. If the Equipment is unsatisfactory for any reason, or if Consultant's recommendations or implementation of them is unsatisfactory for any reason, Customer will make any claim on account thereof against Customer's engineer, vendor, installer, Equipment manufacturer, and/or Consultant as appropriate.

5.3 SoCalGas will not be liable for any consequential, indirect, or punitive damages.

6. No Third Party Beneficiaries. This program and Agreement are for the benefit of, and enforceable only by, SoCalGas and Customer.

7.  If checked, the attached Rule No. 38 Special Conditions, Form No. 6700-1A, and Rule No. 38 Affidavit, Form No. 6700-1B, are incorporated by reference.

Customer:





**Rule No. 38 Special Conditions: Metering and Gas Usage**  
**Commercial & Industrial Equipment Incentive Program**  
Attachment to Form No. 6700-1

**7.0 Special Conditions: Metering and Gas Usage**

*Check and Initial Applicable Paragraphs:*

7.1 Baseload Gas Use  
*Customer Initials*

Except as may be modified immediately below, historic actual gas consumption for the 24-month period prior to signing the Agreement is used to establish the average baseload of \_\_\_\_\_ therms per year ("Baseload"). Consumption greater than this Baseload will be considered towards fulfilling Customer's obligation to use the Equipment in the manner disclosed in Paragraph 7.4 below.

Modifications to Paragraph No. 7.1  
*Customer Initials*

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7.2 Metering  
*Customer Initials*

Customer shall install the energy Equipment in a manner such that metering devices can readily and safely be installed and accessed. Customer shall allow SoCalGas routine access to the measurement-related facilities and measurement logs, to verify meter reads and accuracy. Equipment gas consumption shall be metered during the Term of Use by one of the methods below.

- a) SoCalGas shall install a separate, permanent Utility-owned gas billing meter in accordance with Rule No. 13, Meters and Appliances, and when applicable with Rule No. 21, Gas Service Extensions.
- b) Other: "Measurement Plan" approved by Utility and attached herein, titled: \_\_\_\_\_

Modifications to Paragraph No. 7.2  
*Customer Initials*

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7.3 Rate Schedule  
*Customer Initials*

Except as may be modified immediately below, Customer must take gas under Utility's noncore GT-F or GT-I tariff rate schedule for the entire Term of Use as long as Customer qualifies for at least one of these rates or until both Customer and Utility mutually agree on a different rate.

Modifications to Paragraph No. 7.3  
*Customer Initials*

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7.4 Gas Requirements/Customer Equipment Disclosure  
*Customer Initials*

Customer discloses that Equipment will have a collective rated capacity of [REDACTED] MMBtu/h, and during the Term of Use will consume a Minimum Annual Quantity ("MAQ") of not less than [REDACTED] therms of gas per year (including Baseload use when the box by Paragraph 7.1 is checked), to be assessed each 12 months following the Commencement Date. If a period of fewer than 12 months remains at the end of the Term of Use, a pro-rata portion of the MAQ applies. Except as may be modified immediately below, if actual usage falls below this MAQ, Customer will be subject each contract year to an additional charge equal to the difference in Transmission Charges between Customer's actual usage and MAQ in that time period. MAQ adjustments will be made to the extent consumption is reduced specifically due to intrastate curtailment or an event of force majeure, as defined in Rule No. 1, on either the interstate or intrastate systems.

Modifications to Paragraph No. 7.4  
*Customer Initials*

[REDACTED]

7.5 Other  
*Customer Initials*

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

Rule No. 38 Affidavit  
Commercial & Industrial Equipment Incentive Program  
Attachment to Form No. 6700-1

Customer certifies as follows:

Southern California Gas Company's shareholder-funded incentive offered to Customer under Tariff Rule 38 was a material factor in Customer's decision to utilize the energy Equipment identified in the Equipment Incentive Program Agreement to which this Affidavit is attached.

The identified equipment is not an existing gas load that Customer has received past SoCalGas discounts to avoid fuel switching to fuels such as oil and propane, nor is it an existing gas load with a demonstrated history of fuel switching. Additionally, Customer, in making its decision to utilize the identified equipment, was not contemplating bypassing SoCalGas' system for another system within the State of California, and/or is not a new customer planning on locating in close proximity to a bypass pipeline.

I declare under penalty of perjury under the laws of the State of California that the foregoing statement is true and correct.

Executed at [REDACTED] California, this [REDACTED] day of [REDACTED],  
20[REDACTED].

CUSTOMER

[REDACTED]





5. **Customer Affidavit:** The basis upon which the determination was made that the Customer could not use gas economically at the default tariff rate is as follows: [REDACTED]


By signing this agreement and providing initials adjacent to the appropriate paragraph, the Customer certifies and declares under penalty of perjury under the laws of the State of California that the statement designated paragraph below in this subsection is true and correct:

5.1. Terms and conditions of the Optional Rate Tariff Schedule and this agreement are a material factor in the decision to become a new customer. (A new customer is a new meter measuring volumes not previously served, or a reconnected meter measuring load that has been off the system for at least 12 months.) OR,

5.2. Terms and conditions of the Optional Rate Tariff Schedule and this agreement are a material factor in the decision to add new or incremental usage. (For existing customers)

6. Special Conditions: The following special conditions apply to this agreement:

- 6.1 Customer's minimum annual consumption will be \_\_\_\_\_ Therms/year. This may include consumption for base and new or incremental usage.
- 6.2 If Transmission Charge option in Section 3 is selected, this agreement and the rights and obligations hereunder shall be terminated with any change in Customer, facility, or entity ownership, unless assigned pursuant to Section 6.5.
- 6.3 If the Up Front Bill Credit option in Section 3 is selected, this agreement and the rights and obligations hereunder may be assigned pursuant to Section 6.5 or terminated pursuant to Section 6.6.
- 6.4 If actual usage falls below the minimum load allocations as stated in Section 6.1, the Customer will be subject to an annual true-up not to exceed Otherwise Applicable Tariff rate schedule charges for the minimum annual quantity.
- 6.5 This agreement (or any rights or obligations related thereto) may be assigned with the prior written consent of the Utility, which consent shall not be withheld unreasonably (but the Utility may require that any assignee first establishes its "creditworthiness" to Utility's reasonable satisfaction and confirm in writing its assumption of the rights and obligations of its predecessor).
- 6.6 In the event Customer wishes to terminate this agreement and this agreement includes an Up Front Bill Credit, Customer shall promptly notify Utility of its desire to do so and Customer shall pay Utility liquidated damages upon the payment of which this agreement will be terminated. Liquidated Damages shall be calculated as the amount equal to the lesser of the original Up Front Bill Credit received by the Customer plus interest equal to the Utilities' Authorized Rate of Return from the start date of this agreement, or the Minimum Annual Consumption specified in Section 6.1 multiplied by the number of years (or fractions thereof) remaining on the contract multiplied by the applicable Tariff Rate.

6.7 For the duration of this agreement, Customer understands that Customer will remain customer under the Otherwise Applicable Tariff Rate schedule(s) selected in Section 

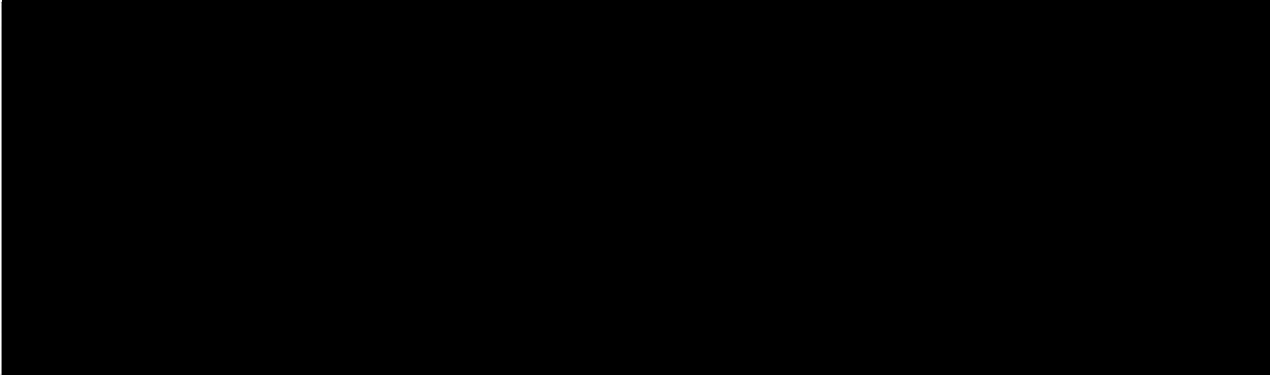
7. Additional Charges: The following additional charges apply to this agreement:

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If additional space is necessary to adequately reply to Sections 5, 6 or 7, please attach supplemental sheets of paper to this Agreement.



Appendix B.2 (Public)

**OPTIONAL RATE AGREEMENT AND AFFIDAVIT**  
**Core Commercial & Industrial**

This agreement is entered into as of [redacted] by and between Southern California Gas Company (SoCalGas) and [redacted] (Customer). This agreement shall at all times be subject to such changes or modifications by the Public Utilities Commission of the State of California (CPUC) as said Commission may, from time to time, direct in the exercise of its jurisdiction.

1. Services Provided: SoCalGas shall provide Customer the services set forth in the appropriate Core Optional Rate Tariff Schedule in conjunction with the services set forth in the Otherwise Applicable Tariff Rate Schedule(s) indicated below as they are modified from time to time:

[redacted] GN-10 [redacted] GT-AC [redacted] Other \_\_\_\_\_  
[redacted] GT-10 [redacted] G-EN  
[redacted] G-AC [redacted] GT-EN

2. Facility Served: Such services shall be provided to the following:

Facility Name: \_\_\_\_\_  
Existing Account Number (if applicable): \_\_\_\_\_  
Address: \_\_\_\_\_  
SIC Code: \_\_\_\_\_

3. Rates: The discounted rate for core gas service hereunder shall be:

Customer Charge: Same as Otherwise Applicable Tariff  
Transmission Charge: [redacted] discount from Otherwise Applicable Tariff rate  
Up-Front Bill Credit: [redacted] schedules transmission charges for usage above monthly baseline (See attachment A).

The Up Front Bill Credit is calculated as the net present value of the revenue based on the minimum annual consumption specified in Section 6.1 multiplied by the Otherwise Applicable Tariff Rate for the term of this agreement as specified in Section 4 using SoCalGas' Authorized Rate of Return.

This optional rate will vary with the Otherwise Applicable Tariff rate schedules. Periodically the Otherwise Applicable Tariff rate schedules shall be adjusted consistent with applicable rate adjustments and cost allocation procedures approved by the CPUC as set forth in SoCalGas' Tariffs from time to time. Such adjustments shall be referred to herein, both individually and cumulatively, as "CPUC Adjustments" OR,

[redacted] per therm, Tier I (for applicable Otherwise Applicable Tariff rate schedules)  
[redacted] per therm, Tier II (for G-10 Otherwise Applicable Tariff rate schedule)  
[redacted] per therm, Tier III (for G-10 Otherwise Applicable Tariff rate schedule)  
Up-Front Bill Credit  
Special Charge [redacted] per month or \$ [redacted] per therm (fixed or consumption-related charge)

4. Term: This agreement shall be effective as of [redacted] and continue thereafter to [redacted].



5. Customer Affidavit: The basis upon which the determination was made that the Customer could not use gas economically at the default tariff rate is as follows:


By signing this agreement and providing initials adjacent to the appropriate paragraph, the Customer certifies and declares under penalty of perjury under the laws of the State of California that the statement in the designated paragraph below in this subsection is true and correct:

5.1. Terms and conditions of the Optional Rate Tariff Schedule and this agreement are a material factor in the decision to become a new customer.  
(A new customer is a new meter measuring volumes not previously served, or a reconnected meter measuring load that has been off the system for at least 12 months.) OR,

5.2. Terms and conditions of the Optional Rate Tariff Schedule and this agreement are a material factor in the decision to add new or incremental usage.  
(For existing customers)

6. Special Conditions: The following special conditions apply to this agreement:

- 6.1 Customer's minimum annual consumption will be [REDACTED] Therms/year. This may include consumption for base and new or incremental usage.
- 6.2 If Transmission Charge option in Section 3 is selected, this agreement and the rights and obligations hereunder shall be terminated with any change in Customer, facility, or entity ownership, unless assigned pursuant to Section 6.5.
- 6.3 If the Up Front Bill Credit option in Section 3 is selected, this agreement and the rights and obligations hereunder may be assigned pursuant to Section 6.5 or terminated pursuant to Section 6.6.
- 6.4 If actual usage falls below the minimum load allocations as stated in Section 6.1, the Customer will be subject to an annual true-up not to exceed Otherwise Applicable Tariff rate schedule charges for the minimum annual quantity.
- 6.5 This agreement (or any rights or obligations related thereto) may be assigned with the prior written consent of the Utility, which consent shall not be withheld unreasonably (but the Utility may require that any assignee first establishes its "creditworthiness" to Utility's reasonable satisfaction and confirm in writing its assumption of the rights and obligations of its predecessor).
- 6.6 In the event Customer wishes to terminate this agreement and this agreement includes an Up Front Bill Credit, Customer shall promptly notify Utility of its desire to do so and Customer shall pay Utility liquidated damages upon the payment of which this agreement will be terminated. Liquidated Damages shall be calculated as the amount equal to the lesser of the original Up Front Bill Credit received by the Customer plus interest equal to the Utilities' Authorized Rate of Return from the start date of this agreement, or the Minimum Annual Consumption specified in Section 6.1 multiplied by the number of years (or fractions thereof) remaining on the contract multiplied by the applicable Tariff Rate.

6.7 For the duration of this agreement, Customer understands that Customer will remain a "Core" customer under the Otherwise Applicable Tariff Rate schedule(s) selected in Section 1. 

7. Additional Charges: The following additional charges apply to this agreement:

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If additional space is necessary to adequately reply to Sections 5, 6 or 7, please attach supplemental sheets of paper to this Agreement.

