

SAMPLE FORMS - Contracts
Cogeneration Contract Addendum (Form 5058)

Sheet 1

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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 1275
DECISION NO.

ISSUED BY
Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
SUBMITTED Jul 16, 1981
EFFECTIVE Aug 15, 1981
RESOLUTION NO. _____

COGENERATION CONTRACT ADDENDUM

This Agreement is entered into this _____ day of _____, 20_____, between _____, a corporation (“Applicant”), and SOUTHERN CALIFORNIA GAS COMPANY, a corporation (“the Company”).

Applicant hereby requests, and the Company hereby agrees, in consideration for and subject to the mutual terms and conditions of this Agreement, to furnish and install a _____ (“the facilities”) to the premises commonly known as _____, California (“the Premises”), along the following described route:

1. The facilities are deemed by the parties to be essential and acceptable for the efficient operation of a qualifying cogeneration facility. The facilities shall be for the sole use of Applicant, but shall at all times be owned and maintained by the Company.
2. All gas service delivered pursuant to this Agreement shall be governed by and subject to the rates and rules established from time to time by the Company and on file with the Public Utilities Commission. Applicant shall pay for gas service in accordance with the Company’s applicable rates therefor.
3. The Company shall provide deliveries of volumes up to _____ standard cubic feet per hour at a pressure of _____ pounds per square inch gauge. Applicant acknowledges that the Company’s system pressure is subject to fluctuations, and Applicant agrees the Company shall not be liable for any drop in delivery pressure below _____ psig which does not exceed ten percent (10%) of _____ psig. In no event shall the Company be liable for failure to provide deliveries at any particular pressure, or for the interruption of gas service, which results from the breakage of facilities, acts of God, strikes, a failure of gas supply, or other conditions beyond the reasonable control of the Company. In addition, the Company shall not be liable for any interruption of service due to planned maintenance of the facilities. In the event interruption of service becomes necessary, the Company shall notify Applicant of such interruption as soon as is practicable under the circumstances.
4. Applicant agrees to pay to the Company a monthly facilities surcharge each month for: (as checked below)

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€ (a) fifteen (15) years (defined as the payoff period) equal to one-twelfth of twenty percent (1/12 of 20%)

or

€ (b) ten (10) years (defined as the payoff period) equal to one-twelfth of twenty-one and one-half percent (1/12 of 21-1/2%)

of the Company's actual installed cost of the facilities, which the Company estimates to be _____ . However, in no event shall the Company's actual installed cost of the facilities be deemed to exceed a sum greater than fifteen percent (15%) more than said estimated amount.

5. The facilities surcharge shall be in addition to Applicant's monthly gas bill. The first monthly facilities surcharge shall be due thirty (30) days after the commencement of gas service or as soon thereafter as the Company submits a bill for the facilities surcharge due. Upon the expiration of the payoff period, or any earlier prepayment of the principal balance due hereunder, the facilities surcharge shall be renegotiated based on the Company's average unit operation and maintenance costs for the type of facilities involved, in accordance with the Company's average unit operation and maintenance costs calculated from the most recent information then on file with the California Public Utilities Commission in the Company's annual report.
6. In the event the Premises, or any part thereof, is sold, assigned, transferred or alienated (with or without consideration), or if the title to the Premises becomes vested (voluntarily or involuntarily) in any other person or entity, or if the Premises, or any part thereof, is leased for a term of more than ten (10) years (including the periods covered by any options to extend or renew such lease), then, in that event, at the option of the Company, and without notice or demand, the entire remaining unpaid principal balance shall be immediately due and payable. The unpaid principal balance shall be equal to the undepreciated value of the facilities as determined by using straight line depreciation over the payoff period based on the actual installed cost of the facilities with zero salvage value.
7. In the event Applicant (a) does not commence using the qualifying cogeneration facilities referred to herein within one (1) year after the execution of this Agreement or six (6) months after the installation of the facilities, whichever is sooner, or (b) thereafter ceases to use said cogeneration facilities for a continuous period of six months, or (c) is in default as to any provision of this Agreement and fails to cure such default within thirty (30) days after notice has been given to Applicant, then the entire unpaid principal balance shall be immediately due and payable unless granted an extension in writing by the Company.

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8. Applicant shall have the right to prepay, at any time and without penalty, all or any part of the remaining unpaid principal balance, subject to the provisions of Paragraph 5 above.
9. Applicant grants easements and rights-of-way necessary or convenient for the Company to install, maintain and operate the facilities, together with the right of ingress and egress thereto.
10. No agent of the Company has authority to make terms or representations not contained in this Agreement. Accordingly, this Agreement contains all terms and conditions agreed to by Applicant and the Company in relation to the installation of the facilities and gas service thereunder.
11. Applicant shall not assign or otherwise transfer its rights or obligations under this Agreement without the prior written consent of the Company. Any such purported assignment or transfer without such consent shall be void.
12. If any provision of this Agreement is held to be invalid, such invalidity shall not affect the other provisions which can be given effect, and to this end the provisions of this Agreement are severable.
13. Should any litigation be commenced between the parties hereto concerning this Agreement, or the rights of the parties hereunder, the prevailing party in such litigation shall be entitled to a reasonable sum for its attorneys' fees.
14. Applicant represents that Applicant is the owner of the Premises, or is the authorized agent for said owner. If Applicant is a corporation, partnership, joint venture or group of individuals, the subscriber hereto represents that he/she has the authority to bind said corporation, partnership, joint venture or group of individuals, as the case may be.
15. This Agreement is at all times subject to changes or modification by the California Public Utilities Commission, as the Commission may from time to time direct in the exercise of its jurisdiction.

This Agreement shall be effective only when and if signed by an authorized representative of the Company.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

By: _____

Title: _____

By: _____

Title: _____

SOUTHERN CALIFORNIA GAS COMPANY

By: _____

Title: _____