

SAMPLE FORMS

Sheet 1

Contracts

Optional Rate Agreement and Affidavit, Form 6662 (2/06)

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(See Attached Form)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3581

DECISION NO.

106

ISSUED BY

Lee Schavrien

Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jan 23, 2006

EFFECTIVE Feb 22, 2006

RESOLUTION NO. _____

OPTIONAL RATE AGREEMENT AND AFFIDAVIT
Core Commercial & Industrial

This agreement is entered into as of _____ by and between Southern California Gas Company (SoCalGas) and _____ (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:

- | | | |
|--------------------------------|--------------------------------|--------------------------------------|
| <input type="checkbox"/> GN-10 | <input type="checkbox"/> GT-AC | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> GT-10 | <input type="checkbox"/> G-EN | |
| <input type="checkbox"/> G-AC | <input type="checkbox"/> 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 Rate Schedule

Transmission Charge: _____

Up-Front Bill Credit: _____

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.

The 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,

- \$_____ per therm, Tier I (for applicable Otherwise Applicable Tariff rate schedules)
- \$_____ per therm, Tier II (for G-10 Otherwise Applicable Tariff rate schedule)
- \$_____ per therm, Tier III (for G-10 Otherwise Applicable Tariff rate schedule)
- \$_____ Up-Front Bill Credit

Special Charges: \$_____ per month or \$_____ per therm (fixed or consumption-related charge)

4. **Term:** This agreement shall be effective as of _____ and continue thereafter until _____.

(Initials)

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, (Initials)

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) (Initials)

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. (Initials)

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. _____
(Initials)

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

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

CUSTOMER

SOUTHERN CALIFORNIA GAS COMPANY

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____