

MASTER SERVICES CONTRACT

SCHEDULE A

INTRASTATE TRANSMISSION SERVICE

26729

This Agreement is entered into by and between Southern California Gas Company ("Utility") and **City of Long Beach** ("Customer") as of the **14th** day of **October, 2003**. This Agreement shall be deemed attached to and incorporated as a Schedule in the Master Services Contract ("MSC") executed by the Parties.

NOW THEREFORE, in consideration of the promises and mutual undertakings set forth herein, the parties agree as follows:

Section 1 - Scope

A. Intent

This Agreement sets forth the general terms and conditions under which Utility will transport gas, or transport and procure gas, for Customer in California pursuant to Utility's applicable Tariff Rate Schedules and Tariff Rules ("Tariffs") on file with the Public Utilities Commission of the State of California ("CPUC"), as are in effect from time to time.

To the extent not inconsistent herewith, the provisions of the MSC are incorporated by reference in this Agreement. All transmission services by Utility shall be paid for by Customer at the rates specified in the applicable Tariffs, except as otherwise specified herein. Nothing in this Agreement shall be construed as preventing Utility and Customer from mutually agreeing to conditions which are more stringent than set forth in the Tariffs.

B. Effective Date/Term

- (1) The Effective Date of this Agreement shall be as of 12:00 AM on **November 1st, 2003**.
- (2) The initial term of this Agreement shall end on **November 1st, 2005**.
- (3) Billing Schedule Sequences for terms less than the initial term of this Agreement may be amended or renewed upon expiration as permitted or required in the applicable Tariffs on file with the CPUC. In the event any such Billing Schedule Sequences are not amended or renewed by the Customer, an available Tariff Service that allows a month term may be provided.

At the end of the initial term, this Agreement shall continue thereafter on a month to month basis unless terminated by written notice from one party to the other given not less than twenty (20) days prior to the last day of the initial term or any month thereafter.

Section 2 - Services Provided and Redelivery Locations

Customer has requested and agreed to pay for, and Utility has determined that Customer is qualified for transmission services to the following locations (the data provided will be utilized by Utility in determinations regarding curtailment):

Facility A

Facility Name: **CITY OF LONG BEACH**
Account Number: **[REDACTED]**
Address: **0001 TERMINAL ISLAND**
LONG BEACH, CA 90802

Mail copy of Bill to this Facility: **NO**

Facility Mailing Address: _____

Supplemental Facility Account Number(s):

[REDACTED] **[REDACTED]** **[REDACTED]** **[REDACTED]**

Full Requirements **YES** (Noncore only)

Facility Customer Contacts

Operations		Emergency	
Name:	_____	Name:	Mr. Alan Winter
Title:	Mgr - Energy Services	Title:	Manager of Engineering
Address:	2400 E. SPRING ST.	Address:	2400 E. SPRING ST.
	LONG BEACH, CA 90806		LONG BEACH, CA 90806
Tel. No:	(562) 507-2060	Tel. No:	(562) 507-2040
Fax No:	(562) 507-2008	Fax No:	(562) 507-2008

Customer shall notify Utility in the event of any change in the gas requirements or notification designations for this facility.

BILLING SCHEDULE SEQUENCE 01				
Rate Schedule	Priority	Net Billed	Transmission Rates Tariff/Negotiated	Otherwise Applicable Rate
GT-F7	FIRM	N/A	-TARIFF-	

The term of this sequence is for: 2 YEARS .

MONTHLY SCHEDULED QUANTITY (THERMS)			
January	20,821,460	July	11,255,624
February	18,302,069	August	7,432,178
March	19,099,051	September	8,008,363
April	13,721,742	October	12,350,239
May	9,975,131	November	16,854,110
June	8,477,272	December	17,873,728

Annual Quantity **164,170,967**

Use or Pay Aggregator (Yes/No) **NO**

Customer's regular days for operations under this sequence are:

M x T x W x Th x F x Sat x Sun x

Section 3 - Other Existing Transportation/Exchange Arrangements

(1) Customer has existing intrastate transportation/exchange arrangements with Utility: _____

(2) Date of Arrangement: _____

(3) Term of Arrangement: _____

(4) This Agreement shall have no impact on such existing arrangement except: _____

Section 4 - Transportation Services

Customers "Order Control Code" (OCC) for gas transportation by Utility is : **L02**

In the event Customer has elected Transportation Services herein, a Transportation Services Addendum must be completed to indicate the specific account to which any applicable imbalance charges pursuant to imbalance service provided under Tariff Schedule G-IMB shall be applied. Additional elections may be made by the customer, including but not limited to the use of Agent or Contracted Marketer services. Any elections, or changes thereto, made on the Transportation Services Addendum shall be applicable to all Customer Agreements and facilities utilizing the same Order Control Code.

Section 5 - Billing and Payment

Billing and Payment for services hereunder shall be as provided in Utility's Tariff Rule No. 9. Any special billing instructions should be noted in Section 7(E).

Section 6 - Transfer of Rights

Subject to Section 7(A), this Agreement and the rights and obligations hereunder shall only be transferred or assigned with the prior written consent of Utility which shall not be withheld unreasonably, provided that any successor first establishes its "creditworthiness" and assumes such contractual rights and obligations in writing.

Section 7 - Miscellaneous

A. Use or Pay Aggregator : N/A

Use or Pay Aggregators will automatically be authorized to access Customer's meter usage. To the extent applicable, appropriate authorization by Customer (including the terms and conditions thereof) has been executed and incorporated by reference (as supplemented from time to time) in this Agreement.

B. Contacts/Notices:

Any written notices from one party to the other affecting this Agreement shall be sent to the following locations (unless changed by seven days prior written notice):

Customer	Utility
City of Long Beach	Southern California Gas Company
_____ 2400 E. SPRING ST.	_____ 555 W. FIFTH STREET, GT 22A1
_____ LONG BEACH, CA 90806	_____ LOS ANGELES, CA 90013-1001
Attn: _____	Attn: MS. BETH MUSICH
Title: Mgr - Energy Services	Title: ACCOUNT MANAGER

C. Definitions:

All definitions set forth in the Tariffs, including without limitation Utility Rule No. 1, are incorporated herein by reference as if set forth in full.

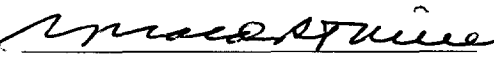

D. Miscellaneous Legal Provisions:

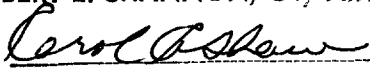
This Agreement incorporates by reference all terms and conditions of the MSC.

E. Special Conditions: The following special conditions of service are applicable hereto:

The MSQ is based on the single maximum usage day from the last 3 years, as provided by Long Beach, multiplied by the number of days in the month.

IN WITNESS WHEREOF, the authorized representatives of the parties have executed two duplicate original copies hereof.

Customer	Utility
<u>City of Long Beach</u>	<u>Southern California Gas Company</u>
Signature: <u></u>	Signature: <u></u>
Name: <u>Gerald R. Miller</u>	Name: <u>Mr. Jeff Hartman</u>
Title: <u>City Manager</u>	Title: <u>Dir.-Energy Mrkt & Cap. P</u>

APPROVED AS TO FORM
Oct 23, 2003
ROBERT E. SHANNON, City Attorney
By 
DEPUTY CITY ATTORNEY

MASTER SERVICES CONTRACT

SCHEDULE A – INTRASTATE TRANSMISSION SERVICE

TRANSPORTATION SERVICES ADDENDUM

Order Control Code: L02

The Customer acknowledges that the above Order Control Code (OCC) shall be used to associate Customer's nominations and deliveries to individual Customer facilities. Any rights or access granted herein by the Customer shall be applicable to all Agreements and facilities utilizing the above OCC.

Any applicable imbalance charges pursuant to Tariff Schedule G-IMB associated with the OCC selected above shall be charged to account number: [REDACTED] For any Customer utilizing the services of a Contracted Marketer, a summary of transactional activities shall be provided to the following designated account: N/A.

Contracted Marketer Services:

In accordance with Tariff Rule No. 35, Customers may elect a Contracted Marketer to purchase, nominate, trade and balance the Customer's gas requirements. This election, along with confirmation of this election by the Contracted Marketer, and any changes to this election, must be received by Utility not less than ten days prior to the effective date of the election.

Customer hereby designates / terminates (circle one) : N/A as the Contracted Marketer for the above OCC.

Authorized to access Customer's meter usage: N/A
Will nominate on Customer's behalf : N/A
Will trade on Customer's behalf : N/A

Agent Services:

Customers may elect an Agent to purchase, nominate, and trade on their behalf. Any changes to the Agent designations below must be received by the Utility not less than ten days prior to the effective date of the election.

Customer hereby designates / terminates (circle one): CORAL ENERGY RESOURCES, L.P. as an Agent for the above OCC.

Authorized to access Customer's meter usage: YES
Will nominate on Customer's behalf : YES
Will trade on Customer's behalf : YES

If Customer designates an Agent or Contracted Marketer, any communications made by such Agent or Contracted Marketer shall be binding on Customer and shall prevail in any conflict during the period such authorization remains in effect. Such authorization shall remain in effect for the term of this Agreement unless otherwise specified in the initial authorization, or unless terminated pursuant to written notification received by the Utility.

Effective the first day of: 11/1/2003 (month/year)

Customer: CITY OF LONG BEACH

Signature: [Handwritten Signature]

Date: 10/29/03

Name: Gerald R. Miller

Title: City Manager

APPROVED AS TO FORM BY: [Signature], City Attorney

Oct 23, 2003 By [Signature]

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

No. 5907

State of California

County of Los Angeles

On 10/10/03 before me, Diane Peterson

DATE

NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared Jeff Hartman

NAME(S) OF SIGNER(S)

personally known to me - OR - proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Diane Peterson

SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- INDIVIDUAL
- CORPORATE OFFICER

TITLE(S)

- PARTNER(S) LIMITED
- ATTORNEY-IN-FACT GENERAL
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

SIGNER(S) OTHER THAN NAMED ABOVE



October 10, 2003

Carol Consolver
Attorney
Commercial Law

101 Ash Street HQ11B
San Diego, CA 92101-3017

Tel: 619 . 696 . 4341
Fax: 619 . 699 . 5189
cconsolver@sempra.com

Mr. Christopher Garner
Long Beach Energy
2400 Spring Street
Long Beach, CA 90806

Dear Mr. Garner:

Mr. Jeff Hartman, Director, Energy Markets, is authorized to commit Southern California Gas Company ("SoCalGas") to fulfill its obligations under that certain Master Services Contract 42568 and Schedule A between SoCalGas and the City of Long Beach.

If you need additional information, please do not hesitate to call me.

Sincerely,

A handwritten signature in cursive script that reads "Carol A. Consolver".

Carol A. Consolver

CAC:asv