

## SERVICE AGREEMENT

# 30018

This Service Agreement ("Agreement") is entered into as of April 1, 2007 by and between Southern California Gas Company ("Utility") and City of Long Beach ("Customer") and sets forth the terms and conditions under which Utility will provide certain utility-related services to Customer for the gas transmission and distribution business operated by its Department of Public Utilities.

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

### Section 1. Services Provided.

1.1 Services. Customer has requested, and Utility has agreed to provide, access to the services specified in the Appendices, which are attached hereto. Customer agrees Utility's own operating needs may be a factor in determining the time for completion of services. Without limiting the foregoing, Customer agrees that Utility may refuse to provide any services (or may delay completion of them) if Customer requests such services during Utility's heating season or if Utility's operating needs prevent it from being able to provide such services at the time they are requested (or to complete them within the time period originally agreed upon). In the event Utility is unable to meet Customer's request for Services due to Utility's own operating needs, Utility may offer to complete the Services through the use of subcontractors or through overtime work for its employees, in which event Utility shall provide Customer with the revised pricing for such Services. Customer shall specify from time to time by notice to Utility (as set forth more fully in Section 3.2 below) which services it wishes to receive during the term of this Agreement. The parties shall, in good faith, determine any terms and conditions of such services requested by Customer, which are not specified in the Appendices

1.2 Service Appendices. It is anticipated that the various Appendices specifying the services to be provided hereunder may be modified, added to or superseded from time to time during the term hereof. All Appendices are hereby incorporated by reference. In the event of any conflict between the provisions of this Agreement (excluding the Appendices), and any Appendix, the terms of such Appendix shall control.

1.3 Warranty. Utility warrants that it will perform the services in a good and workmanlike manner and that it will repair or replace, at its option, any defective work or parts discovered within 12 months of installation. Utility herein assigns to Customer all warranties provided by the manufacturer and/or distributor of parts installed pursuant to this Agreement. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED ARE EXCLUDED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR USE.

1.4 Indemnity. Utility shall defend, indemnify and hold the Customer, its officials and its employees harmless from any and all liability and claims for injury or death of any and all persons whatsoever and from any and all damages to property in any manner arising from or in connection with Services provided hereunder, except to the extent such injury, death or damage is due to the negligence of the Customer or its employees. Utility's liability hereunder shall not be limited to the insurance limits set out in Section 1.5.

1.5 Insurance. (a) Utility agrees that it shall provide, at its cost for the duration of the Agreement, comprehensive general liability insurance or self-insurance with a combined single limit of \$5 million, and automobile liability insurance or self-insurance (owned, non-owned, and hired automobiles) with a combined single limit of \$1 million. All policies shall be endorsed to provide that such coverage is primary and not excess to or contributing with any insurance or self-insurance maintained by Customer. Customer, its officials, agents and employees shall be named as additional insureds with respect to insurance or self insurance for comprehensive general liability. Utility shall deliver to Customer certificates of insurance or self-insurance prior to the start of performance hereunder. Any self-insurance program shall protect Customer, its officials, agents and employees in the same manner and to the same extent as they would be protected if commercial insurance were in effect.

(b) Customer and Utility shall each provide workers compensation insurance or self-insurance as required by law for their own employees, and Customer and Utility each waive all rights of subrogation. Neither Customer nor Utility shall be responsible for insuring the other's employees.

## Section 2. Effective Date/Term.

2.1 Start/Duration. Once this Agreement has been approved by the Customer's City Council, this Agreement shall be effective as of the first day of the month following execution ("Effective Date") for an Initial Term of one year from the Effective Date, subject to renewal as provided below in Section 2.2.

2.2 Renewal. This Agreement shall renew automatically for up to four (4) additional one-year (1) terms, unless either party gives, to the other party, written notice of non-renewal at least ninety (90) days before the expiration of each term.

## Section 3. Ordering Services and Charges.

3.1 Ordering Services. Customer and Utility intend this Agreement to be the complete expression of their agreement as to the utility-related services to be provided, however, to facilitate its ordering of services from Utility, Customer may order services from Utility by issuing Customer's then standard purchase order, a current example of which is attached hereto, marked Attachment 1. In the event there are any provisions in the purchase order which are inconsistent with provisions in this Agreement, the provisions of this Agreement shall prevail. The address to which a purchase order for any service should be sent is listed on the attached Appendices. In ordering services from Utility, the purchase order shall specify whether services as scheduled are modified to accommodate the particular needs of Customer (for instance, in a 10 week scheduled Utility training course, only a 2 week segment of the course is requested by Customer to meet its needs and the charges are prorated accordingly). Service requests made during the last thirty (30) days of the Agreement Term will only be accepted if Customer has an amount of its Minimum Payment remaining and the Utility can complete the requested services within thirty (30) days after the expiration of that Agreement Term and with consideration of Utility operating needs. If Utility has any amount of Customer's Minimum Payment remaining, Utility may retain it pursuant to the provisions of Section 4.3 below.

3.2 Charges for Services. The price charged for each service shall be as set out in the applicable Appendix, as escalated in accordance with Section 3.3 below.

3.3 Price Escalation. The charges for each service shall be subject to escalation upon renewal of this Agreement. The charges shall be increased by an amount equal to any percentage change between the Customer Price Index, All Urban Consumers, City Average ("CPI") as published by the Bureau of Labor Statistics of the United States Department of Labor for the twelve-month period ending two (2) full months prior to the anniversary, multiplied by the charge for each service. For example, the percentage change for the first anniversary assuming an Effective Date of March 1, 2002, shall be determined by subtracting the January 1, 2002 CPI from the January 1, 2003 CPI and dividing the result of such subtraction by the January 1, 2002 CPI to determine the CPI percentage change, which shall then be used to increase the charges for each service for the year beginning March 1, 2003.

#### Section 4. Billing and Payment.

4.1 Billing/Payment. During the term hereof, except as otherwise provided in Section 3.2, all charges for services provided under this Agreement, plus applicable sales and other taxes shall be invoiced quarterly by Utility consistent with the terms of this Agreement. All services shall be fully itemized as to the date of the service, description of each service rendered, and the cost of each service. Additional information reasonably requested by Customer to substantiate services rendered shall be provided by Utility within fifteen (15) days of request. Customer shall pay Utility any outstanding balance due for all services provided by the Utility within fifteen (15) calendar days of the mailing date of Utility's invoice. Payment shall be considered past due if payment has not been received by Utility within fifteen (15) calendar days of the mailing date of Utility's invoice. Payment shall be made only from funds available in Customer's Gas Revenue Fund and not from Customer's general fund account.

4.2 Late Charges. In the event that Utility does not receive payment of any amount invoiced hereunder not in dispute within the time frame set forth above in Section 4.1, such amount shall be subject to a late payment charge of 1.5% of such amount (minimum \$50) for each month or portion thereof that it remains unpaid.

4.3 Minimum Payment. Customer shall pay Utility within thirty (30) days of the Effective Date the sum of \$30,000 ("Minimum Payment"). If Agreement is renewed under the provisions of Section 2.2, the schedule of Minimum Payment is as follows: Contract Year 2: \$25,000; Contract Years 3, 4 and 5: \$20,000 each. As Customer requests Services and Utility invoices them, Utility shall apply the Minimum Payment to the invoice amount. The Minimum Payment shall compensate Utility for the time and expense involved in standing by to perform services for Customer, and, accordingly, shall not be refundable or applied to the following year's Minimum Payment.

#### Section 5. Termination.

5.1 By Customer. This Agreement may be terminated in its entirety for any reason or no reason, on 90 days' prior written notice to Utility. Any minimum payment paid to Utility per Section 4.3 above shall be retained by Utility.

5.2 By Utility. This Agreement may be terminated in its entirety for any reason or no reason on 90 days' prior written notice to Customer. Any minimum payment received by Utility per Section 4.3 above that has not been applied to services under this Agreement will be refunded to Customer.

Section 6. Billing and Payment Addresses.

6.1 Customer's Billing Address. All bills to Customer shall be sent to:

Long Beach Gas & Oil  
2400 E. Spring Street  
Long Beach, CA 90806  
Attention: Accounting

6.2 Utility's Payment Address. All payments to Utility shall be sent to the address specified in the Appendix.

Section 7. Notices.

All notices between the parties shall be in writing and sent by telecopy and confirmed by telephone, with a hard copy to follow within two business days, to the following locations:

**CUSTOMER**

**Operating Matters**

Telecopy No: (562) 570-2008  
Contact Title: Gas Supply and Business Officer  
Telephone: (562) 570-2007  
Address: Long Beach Gas & Oil  
2400 E. Spring Street  
Long Beach, CA 90806

**Contract Matters**

Telecopy No: (562) 570-2008  
Contact Title: Gas Supply and Business Officer  
Telephone: (562) 570-2007  
Address: Long Beach Gas & Oil  
2400 E. Spring Street  
Long Beach, CA 90806

**UTILITY**

**Operating Matters**

Operating notices shall be sent to the address specified in the Appendix.

**Contract Matters**

Telecopy No.: (213) 244-8222  
Contact Title: Wholesale & Electric  
Generation Manager  
Telephone: (213) 244-3695  
Address: 555 W. Fifth Street, GT22A1  
Los Angeles, CA 90013-1011

The hard copy shall be mailed by first class mail, postage pre-paid, addressed to the party at the appropriate address shown above. The above designations may be changed by either party on at least seven (7) days prior notice to the other party.

**Section 8. Independent Contractor.**

Utility and its employees shall act as an independent contractor and not as part of the Customer, or as employees of the Customer, nor as employees, agents, or representatives of the Customer.

## Section 9. Miscellaneous.

9.1 Interpretation. The interpretation and performance of this Agreement shall be in accordance with the laws of the State of California.

9.2 Amendment or Modification. Except as required to conform with California law, and the orders, rules and regulations of the CPUC (to the extent it shall assert jurisdiction over this Agreement), no amendment or modification shall be made to this Agreement except by an instrument in writing executed by authorized parties hereto, and no amendment or modification shall be made by course of performance, course of dealing or usage of trade.

9.3 Waiver. No waiver by any party of one or more defaults under this Agreement shall operate or be construed as a waiver of any other default or defaults, whether of a like or different character.

9.4 Damages. No party under this Agreement shall be assessed any special, punitive, consequential, incidental, or indirect damages, whether in contract or tort, for any actions or inactions arising from or related to this Agreement.

9.5 Assignment. Except for a transfer to a successor in interest acquiring substantially all the assets of either party, this Agreement (and any rights or obligations related thereto) shall not be assigned without the prior written consent of the other party, which consent shall not be withheld unreasonably; provided, however, that the non-assigning party may require that any assignee confirm in writing its express assumption of all rights and obligations hereunder and establish the assignee's creditworthiness to perform and discharge such rights and obligations. Assignment shall be permitted only of the entire Agreement, and not any portion thereof (or rights related to a portion of this Agreement).

9.6 Force Majeure. Notwithstanding any other provision hereof and except for Customer's obligations to make payments to Utility, in the event that either Utility or Customer is rendered unable by an event or condition of Force Majeure to carry out, wholly or in part, its obligations under this Agreement, on such party's giving notice and full particulars of such event or condition of Force Majeure to the other party as soon as possible after the occurrence of the event or condition relied on, the obligations of the party affected by such event or condition of Force Majeure, other than the obligation to make payments hereunder, shall be suspended during the continuance of any such inability. Such event or condition of Force Majeure shall, so far as reasonably possible, be remedied by the party claiming Force Majeure with all reasonable dispatch. However, the obligation to remedy Force Majeure events or conditions with all reasonable dispatch shall not require the settlement by either party of any strikes, lockouts or similar labor disputes by acceding to such demands when such action is inadvisable in the opinion of the party having the difficulty. For the avoidance of doubt, settlement of any strikes, lockouts or similar labor disputes shall be entirely at the discretion of the party having the difficulty. For purposes of this Agreement "Force Majeure" shall mean unanticipated events or conditions beyond the reasonable control of the party claiming Force Majeure which could not have been prevented by the exercise of due diligence.

9.7 Covenant of Assurances. Each party shall do all necessary acts, and execute and deliver such written instruments, as shall be reasonably required from time to time to carry out the intent and terms of this Agreement, including without limitation any non-material

changes to this Agreement necessary to make it enforceable consistent with the intent of the parties and to conform to law.

9.8. Nondiscrimination. In connection with the performance of this Agreement and subject to applicable rules and regulations, the parties shall not discriminate against any person or employee, or fail to provide any service on the basis of race, religion, national origin, color, age, sex, sexual orientation, AIDS, AIDS related condition, handicap, disability, or Vietnam Era veteran status. The parties shall ensure that applicants are employed, and that employees are treated during their employment, without regard to these bases. In connection with the performance of this Agreement, the parties shall be in compliance with all applicable provisions of the Americans with Disabilities Act (ADA). This section does not create a duty on either party to insure performance of the other party under this section.

9.9 Entire Agreement. This Agreement sets forth the entire understanding and agreement between the parties with respect to the subject matter hereof and supersedes and replaces any and all prior and contemporaneous contracts, understandings, negotiations and discussions, whether written or oral regarding such subject matter.

9.10 Counterpart Execution. This Agreement may be executed in counterparts, and shall be deemed to be executed fully when representatives of each party have signed on behalf of such party on counterpart signature pages for this Service Agreement. Appendices or Amendments to this Agreement may be executed in the future consistent with this Section.

9.11 Confidentiality. Any and all pricing information (concerning the services Utility provides pursuant to this Agreement) is the confidential, trade secret information of Utility, Customer agrees not to disclose any pricing information to third parties, subject, however, to the requirements of the Public Records Act.

9.12 Survey. After Customer has received a service (under any Appendix) the first time, and not more often than annually thereafter, Customer agrees to provide feedback to Utility on the quality of the service, detailing Customer's satisfaction with the service and ways Utility could improve its service.

IN WITNESS WHEREOF, the authorized representative(s) of the parties have executed both duplicate originals as of the date written above.

CITY OF LONG BEACH

SOUTHERN CALIFORNIA GAS COMPANY

By: ~~Walter Miller~~

By: Paul Borkovich

Name: Gerald R. Miller

Name: Paul D. Borkovich

Title: City Manager

Title: Segment Manager

Date: April 4, 2007

Date: 1/29/2007

APPROVED AS TO FORM

3/19, 2007

ROBERT E. SHANNON, City Attorney

By



DEPUTY CITY ATTORNEY

**ATTACHMENT 1**

**Long Beach Purchase Order Form**

## **Appendices**

## **APPENDIX A – MARKETING CONSULTING**

1. **Scope.** A description of the Marketing Consulting services offered by Utility, including prices, is attached. Services may be ordered by Customer through its standard purchase order, pursuant to the terms of the Agreement, which is incorporated by reference. The time for completion of such services, as well as other terms and conditions not set forth here shall be determined by the parties, in accordance with the Agreement. Customer agrees Utility's own operating needs may be a factor in determining the time for completion of services.
  
2. **Payments.** Payments shall be sent to:  
  
Southern California Gas Company  
P.O. Box 3249  
Los Angeles, CA 90051-1249  
Attn.: Mail Payments  
SC711A
  
3. **Operating Notices to Utility.** Operating notices shall be sent to:  
  
Southern California Gas Company  
P.O. Box 3249  
Los Angeles, CA 90051-1249  
Attn: Mr. Patrick Brown, SCERC5  
Tel.: (562) 803-7456
  
4. **Billing Rates and Escalation.** The billing rate or rates shown on the attachment shall be subject to escalation as of the first anniversary date of this Agreement, and annually thereafter, in accordance with Section 3.3 of the Agreement. Provided, however, that the labor rates are subject to revision at any time to reflect changes in actual wage and benefit rates pursuant to any collective bargaining agreement. Also, the labor rate or rates shown in the attachment are for labor during Utility's normal business hours, excluding swing or graveyard shifts.

## **APPENDIX A**

### **MARKETING CONSULTING**

This service offers strategic and analytical support on issues related to the marketing of natural gas to customers of Long Beach Gas & Oil. Examples of this type of support include, but are not limited to:

1. Perform engineering and economic analysis to aid in evaluating potential added load projects.
2. Make technical and marketing presentations to potential and existing customers.
3. Interact with customers' engineering consultants.
4. Provide sales and marketing strategies.
5. Create mailing campaigns to help penetrate potential markets.
6. Provide technical support for natural gas absorption cooling and engine driven technologies (compressed air, low temperature refrigeration, air conditioning, cogeneration).
7. Review engineering studies, designs and recommendations.

Services will be billed at \$140.33/hour.

## APPENDIX B - PERSONNEL TRAINING

1. Scope. A description of the Personnel training services offered by Utility, including the initial prices, is attached. Customer may order services through its standard purchase order, pursuant to the terms of the Agreement, which is incorporated by reference. The time for completion of such services, as well as other terms and conditions not set forth here, shall be determined by the parties, in accordance with the Agreement. Customer agrees that Utility's own operating needs may be a factor in determining the time for completion of services.
  
2. Payments. Payments shall be sent to:  
  
Southern California Gas Company  
P.O. Box 3249  
Los Angeles, CA 90051-1249  
Attn.: Mail Payments  
SC711A
  
3. Operating Notices to Utility. Operating notices shall be sent to:  
  
Southern California Gas Company  
8101 South Rosemead Blvd.  
Pico Rivera, CA 90660-5164  
Attn.: Darrell Hebert, SC720C  
Tel: (562) 806-4450
  
4. Billing Rates and Escalation. The billing rate or rates shown on the attachment shall be subject to escalation as of the first anniversary date of this Agreement, and annually thereafter, in accordance with Section 3.3 of the Agreement. Provided, however, that the labor rates are subject to revision at any time to reflect changes in actual wage and benefit rates pursuant to any collective bargaining agreement. Also, the labor rate or rates shown in the attachment are for labor during Utility's normal business hours, excluding swing or graveyard shifts.

## **APPENDIX B**

### **PERSONNEL TRAINING**

#### **Description:**

This service offers training to Customer personnel in a variety of technical and operational areas. Classes are designed to provide practical instruction and hands-on experience. Upon completion of each class, personnel will be equipped to immediately be able to perform the specified tasks in the field with a high level of proficiency. Unless otherwise specified, classes will be conducted at Utility's Pico Rivera training facility. Bid prices for training at the Pico facility are listed on the following page. On-site training at the customer's project site or specific location is also offered at \$181.65 per hour regardless of class size. Training topics offered on-site are similar to those offered at the Pico facility. Any class, on or off-site, conducted outside of Utility's normal business hours will be charged an additional 25% of the prices shown.

Utility offers the following benefits for training Customer personnel:

- ◆ Utility instructors are uniquely qualified with years of experience in all technical areas of gas operations
- ◆ No other training program in Southern California is available to meet the specific needs of a gas utility
- ◆ Utility's training standards meet strict CPUC requirements for utilities
- ◆ Utility's training props, equipment and facilities are specifically designed for gas utility operations
- ◆ The equipment (i.e., meter, regulators, pressure controllers) is compatible
- ◆ Minimal travel required
- ◆ Utility offers "one-stop-shopping" for training needs
- ◆ Classes are customized to Customer's operations
- ◆ Instruction is flexible and geared toward Customer's system
- ◆ Field follow-up and consulting may be provided.

**Summary of Training Classes and Prices (Pico Rivera facility)**

	<b>CLASS</b>	<b>CLASS LENGTH</b>	<b>BID PRICE *</b>	<b>CLASS SIZE</b>
1.	P.E. Plastic Pipe Joining	16 hours	\$2,724.75 for first student \$301.35 each add'l; plus materials	max 8 students
2.	P.E. Plastic Pipe Joining Butt Fusion-2" – 4"	4 hours	\$683.55 for first student; \$70.35 each add'l; plus materials	max 6 students
2a.	P.E. Plastic Pipe Joining Butt Fusion – 6" & 8"	8 hours	\$1,365 for first student; \$153.30 each add'l; plus materials	max 2 students
3.	P.E. Plastic Pipe Joining (Electrofusion)	6 hours	\$1,022.70 for first student; \$114.45 each add'l; plus materials	max 8 students
4.	Pressure Control – 3" through 12" Mueller Equipment	40 hours	\$6,813.45 for first student; \$693 each add'l; plus materials	max 4 students
5.	<ul style="list-style-type: none"> <li>• Welding – Shielded Metal Arc</li> </ul>	<ul style="list-style-type: none"> <li>• 240 hrs. or customized</li> </ul>	\$170.10 per instruction weld hour for first student; \$17.07/hr each add student; plus materials	max 6 students
6.	<ul style="list-style-type: none"> <li>• Welding – Gas Metal Arc</li> </ul>	<ul style="list-style-type: none"> <li>• 120 hrs. or customized</li> </ul>		
7.	<ul style="list-style-type: none"> <li>• Welding – Oxy- Acetylene</li> </ul>	<ul style="list-style-type: none"> <li>• 120 – 240 hrs. or customized</li> </ul>		
		<b>Certification 1 day extra</b>		
8.	Weld Inspection and Radiographic Interpretation (X-Ray)	8 hours	\$1,362.90 for first student; \$153.30 each add'l, plus materials	max 8 students
9.	Appliance Technologies	152 hrs. or customized	Same as 5, 6 and 7	max 8 students
10.	Industrial Appliance Technology	296 hours of customized	Same as 5, 6 and 7	max 8 students
11.	Leakage Survey	16 hours	\$2,724.75 for first student; \$301.35 each add'l; plus materials	max 8 students
12.	Cathodic Protection	120 hrs. or customized	Same as 5, 6 and 7	max 8 students
13.	Fire Fighting	4 hours	\$718.20 for first student; \$70.61 each add'l; plus materials	max 8 students
14.	Shoring Training	16 hours	\$2,724.75 for first student; \$301.35 each add'l; plus materials	max 8 students
15.	Meter and Regulation Technician (Basic)	280 hrs. or customized	Same as 5, 6 and 7	max 8 students

	<b>CLASS</b>	<b>CLASS LENGTH</b>	<b>BID PRICE *</b>	<b>CLASS SIZE</b>
16	Meter and Regulation Technician (Advanced)	200 hrs. or customized	Same as 5, 6 and 7	max 8 students
17.	Pneumatic Control Systems	To be determined based on Customer's needs	Same as 5, 6 and 7	max 8 students
18.	Basic Electronics	To be determined based on Customer's needs	Same as 5, 6 and 7	max 8 students

Note: Customer's students may join a Utility class if the same training materials are used and space is available. Charge per student is \$59.62 per instruction hour (e.g. \$476.98/student for an 8-hour class). Lunch is taken off campus.

## DETAILED DESCRIPTION OF TRAINING CLASSES

### 1. **P.E. Plastic Joining**

P.E. plastic pipe installation including socket and saddle fusion techniques for 1/2" through 6" pipe sized. Classes cover:

- (a) joining safety
- (b) materials and fittings
- (c) tools and equipment
- (d) installation procedures
- (e) hands-on work in joining, pinching and hot tapping of P.E. pipe and fittings
- (f) prevention of accidental ignition
- (g) prevention of heat damage
- (h) sidewinder saddle application

### 2. **P. E. Plastic Joining 2" – 4" Butt Fusion**

#### 2.a. **P. E. Plastic Joining 6" & 8" Butt Fusion**

Butt fusion joining of P.E. plastic pipe and fittings. Classes cover:

- (a) joining safety
- (b) tools and material
- (c) materials and fittings
- (d) installation methods and techniques
- (e) hands-on joining
- (f) pinching
- (g) hot and cold tapping (6"&8" class only)

### 3. **P.E. Plasting Joining - Electrofusion**

Electrofusion joining of P.E. plastic pipe 2" through 6" sizes. Classes cover:

- (a) joining safety
- (b) tools and equipment
- (c) fittings
- (d) review of installation procedure

### 4. **Distribution and Transmission Pressure Control**

Pressure and control operations for Mueller fittings 3" through 12" sizes. Classes cover:

- (a) pressure control safety
- (b) tools and equipment
- (c) pressure control fittings
- (d) pressure limitations
- (e) hands-on drill, stop, and completion operations

5. **Welding - shielded Metal Arc (SMA)**

Shielded Metal Arc process of welding for all pipe sizes. Classes cover

- (a) welding safety
- (b) Shielded Metal Arc theory and procedures
- (c) Shielded Metal Arc process for butt, fillet, and saddle welds

6. **Welding - Gas Metal Arc (GMQ)**

Gas Metal Arc process of welding for all pipe sizes. Classes cover:

- (a) welding safety
- (b) Gas Metal Arc theory and procedures
- (c) Gas Metal Arc processes for butt fillet, and saddle welds

7. **Welding - Oxy-Acetylene**

Oxy-Acetylene process of welding on 6" pipe and smaller. Includes hot pinch and reopen for 3" pipe and smaller. Classes cover:

- (a) welding safety
- (b) Oxy-Acetylene cutting
- (c) Oxy-Acetylene welding processes, including butt, fillet and saddle welds through 6" butt
- (d) Oxy-Acetylene welding procedure
- (e) basic layout
- (f) pipe pinching and reopening for 3" pipe and smaller

8. **Weld Inspection and Radiographic Interpretation (X-Ray)**

Basic X-Ray interpretation joint design, welding procedures and weld inspection. Classes cover:

- (a) radiographic interpretation
- (b) joint design
- (c) welding procedures
- (d) welding inspection

**9. Appliance Technologies - Appliance Service Technician**

Service and parts replacement for domestic gas appliances, volume food preparation equipment, water heating and space heating appliances. Classes cover:

- (a) appliance safety - installations
- (b) basic electricity for gas appliances, circuit tracing, problem analysis and corrections
- (c) use and maintenance of test instruments
- (d) problem diagnosis - valves, controls and systems
- (e) parts replacement - domestic and food industry
- (f) thermostat calibration - domestic and food industry
- (g) carbon monoxide (CO) testing
- (h) ventilation for commercial kitchens
- (i) appliance venting categorization
- (j) leak testing/repair - appliances
- (k) natural gas properties
- (l) burner flame adjustment
- (m) volume water heaters and small boiler service
- (n) aspirated and power burners
- (o) heating equipment - servicing, trouble-shooting and repair
- (p) pressure regulation and 2lb system training

**10. Industrial Appliance Technology**

Designed for technicians who service absorption air conditioners, industrial burners, and mixers - emphasizing combustion, flue gas analysis and energy surveys.

For Industrial Technician, class covers:

- (a) safe work practices
- (b) basic electricity and trouble-shooting
- (c) industrial burner/mixer adjustment
- (d) combustion for industrial boilers
- (e) pressure regulation for industrial equipment
- (f) flue gas analysis - test instruments
- (g) calculating gas flow rates
- (h) diagnosing pipe sizing conditions
- (i) industrial energy management manual
- (j) large boiler system training

For large tonnage gas air conditions, class covers:

- (a) safe work practices
- (b) system checks and adjustments
- (c) motor and blower bearing lubrication
- (d) operational analysis from pressure and temperature read
- (e) cleaning system components
- (f) reference manual
- (g) thermostat calibration
- (h) analyzing conditions from improper installations

For emission measurement conditioners, class covers:

- (a) safe work practices
- (b) NOx compliance
- (c) emission flow calculation
- (d) flue gas analysis procedures

## **11. Leakage Survey**

Procedures for performing leak survey and leak investigation. Class covers:

- (a) leak survey
- (b) leak investigation
- (c) the use and maintenance of the F.I. unit and combustible gas detector

## **12. Cathodic Protection**

Theory and practice for the mitigation of leakage through the use of cathodic protection techniques. Class covers:

- (a) corrosion theory
- (b) cathodic protection theory
- (c) introduction to basic electricity
- (d) Ohm's law
- (e) criteria for cathodic protection
- (f) use of instruments in cathodic protection work
- (g) troubleshooting
- (h) rectifier maintenance and troubleshooting
- (i) interference
- (j) setting up impressed current drain stations

### **13. Fire Fighting**

Familiarity with various types of fire fighting equipment available. Practical experience using the equipment to fight several types of fires. Classes cover:

- (a) care and use of 20-lb, 40-lb and 150 lb dry chemical extinguishers, including weekly and monthly inspections and field recharging procedures
- (b) CO<sub>2</sub> extinguisher system
- (c) water systems and use of foam
- (d) fighting natural gas, gasoline and oil fires using several types of extinguisher systems

### **14. Shoring Training**

Class covers:

- (a) shoring safety
- (b) prevention of damage to substructures
- (c) soil pressures, lateral and vertical
- (d) soil classification system
- (e) soil testing
- (f) distressed soil recognition
- (g) shoring requirements general
- (h) standard shoring systems
- (i) hands-on training

### **15. Meter and Regulation Technician – Basic**

Introduction to regulation, pressure correctors and meter proving. Class covers:

- (a) terminology of regulation, pressure correctors and meter proving
- (b) safe work practices
- (c) maintenance and bypassing of spring-operated regulators and inferential meters
- (d) pressure corrector calibration checks and related forms
- (e) inspection and sizing of flow meter plates
- (f) chart changing and curtailment

## **16. Meter and Regulation Technician – Advanced**

Lectures and hands-on training in servicing pilot-operated regulators, pressure correctors, inferential meters, positive displacement meters and electronic, electronic and pneumatic equipment. Class covers:

- (a) maintenance, calibration, trouble-shooting and repair of pilot-operated regulators, pressure correctors, inferential meters, positive displacement meters and electronic, electronic and pneumatic equipment
- (b) safe work practices
- (c) job planning, forms and responsibilities
- (d) reconciliation of customer billing problems

## **17. Pneumatic Control Systems**

Training in controllers, positioners, motor valves, actuators and related equipment, along with hands-on practice. Class covers:

- (a) system terminology
- (b) theory of operation
- (c) safe work practices
- (d) required maintenance
- (e) re-build various components
- (f) calibrate controllers and positioners
- (g) operate complete system

## **18. Basic Electronics**

Basic trouble-shooting techniques and the safe use of test equipment. Class covers:

- (a) terminology
- (b) Ohm's Law
- (c) Kirchoff's Law
- (d) inductors and insulators
- (e) series, parallel and series/parallel circuits
- (f) use of electronic test equipment
- (g) safe work practices
- (h) apply trouble-shooting techniques to live circuits

## **APPENDIX C – REPAIR SERVICES**

1. **Scope.** A description of the Repair services offered by Utility, including the initial prices, is attached. Customer may order services through its standard purchase order, pursuant to the terms of the Agreement, which is incorporated by reference. The time for completion of such services, as well as other terms and conditions not set forth here, shall be determined by the parties, in accordance with the Agreement. Customer agrees that Utility's own operating needs may be a factor in determining the time for completion of services.
  
2. **Payments.** Payments shall be sent to:  
  
Southern California Gas Company  
P.O. Box 3249  
Los Angeles, CA 90051-1219  
Attn.: Mail Payments  
SC711A
  
3. **Operating Notices to Utility.** Operating notices shall be sent to:  
  
Southern California Gas Company  
8101 South Rosemead Blvd.  
Pico Rivera, CA 90660-5164  
Attn: Mark Jacalone, SC721A  
Tel: (562) 806-4279
  
4. **Billing Rates and Escalation.** The billing rate or rates shown on the attachment shall be subject to escalation as of the first anniversary date of this Agreement, and annually thereafter, in accordance with Section 3.3 of the Agreement. Provided, however, that the labor rates are subject to revision at any time to reflect changes in actual wage and benefit rates pursuant to any collective bargaining agreement. Also, the labor rate or rates shown in the attachment are for labor during Utility's normal business hours, excluding swing or graveyard shifts.

## APPENDIX C

### REPAIR SERVICES

#### 1. Meter Repair

##### **Description:**

This service provides repair of all types of domestic and commercial gas meters. Five levels of repair are available with each level increasing in complexity and scope. Utility will determine the extent to which repair is needed and will charge for the repair accordingly. Under this service, Customer has the option to purchase new meters if replacement is determined to be necessary. If the repair price exceeds the replacement price, the replacement price is quoted.

Customer will benefit from the repair of its meters by Utility in a number of ways:

- ◆ Repair cost is lower than replacement cost.
- ◆ Utility's standards are among the highest in the industry. Meters are outtested to +0.0%, - 5% with no more than .4% timing.
- ◆ Utility's facility is permanent and certified, capable of handling several thousand meters per month of contract work. This capability is unmatched in the industry.
- ◆ Because of the close proximity, Utility's location allows for possibly the lowest shipping rates of any vendor.
- ◆ Repair work is comprehensive. Meters are thoroughly checked for other potential problems.

**Following is a description of the repair specifications for each of the five repair levels.**

#### Meter Repair Specification

##### **Repair 7 (Ra):**

Shall denote the meter was classified as a **Pass Thru (OK)** and did not require calibration or repair based on interest score.

##### **Repair 8 (Rb):**

Shall denote the meter was classified as requiring **Calibration only** and did not require repair based on interest score.

##### **Repair 4 (Re):**

Shall denote the meter was classified as requiring a **Top Repair**. Criteria outlining repair classification are as follows:

1. Clean and strip outside of meter of foreign matter.
2. Remove top, disassemble, clean and inspect all parts above table.
3. Reface valves and valve seats. Test diaphragms, case and stuffing box for Leaks.

4. All worn parts above the table are to be replaced, including all gaskets, bushings and screws.
5. Clean index, index box, as required.
6. Leak test, calibrate, prove and paint.

**Repair 5 (Rd):**

Shall denote the meter was classified as requiring a **Partial Repair**. Criteria outlining a Partial Repair classification are as follows:

1. The repair will include the minimum requirement in the Repair 4.
2. In addition, the repairs shall be those necessary to repair leaks between the upper case and lower case assembly.
3. Disassemble and check diaphragms, align or adjust component parts.
4. Inspect inside of case; all worn or defective parts including all gaskets shall be replaced.
5. Replace defective flag rod arms as necessary.

**Repair 6 (Re):**

Shall denote the meter was classified as requiring a **Complete Repair**. Criteria outlining a Complete Repair classifications are as follows:

1. The minimum repairs of Complete Repair shall include the replacement of diaphragms and shall include those repairs as outlined in Repair 4 and Repair 5.
2. All gaskets and components parts used in diaphragm replacement shall be replaced.

**Meter Repair Prices:**

Repair Level	Size 1	Rockwell 310/315	Sprague 400	Sprague 400 Curb	Rockwell 415	American 425
RA	\$28.90	\$33.65	\$34.70	\$36.44	\$37.19	\$37.19
RB	\$36.20	\$38.97	\$41.43	\$49.96	\$42.50	\$42.50
RC	N/A	\$71.82	\$101.72	\$133.50	\$87.93	\$85.53
RD	N/A	\$84.74	\$121.00	\$161.98	\$102.96	\$101.62
RE	N/A	\$111.85	\$204.66	\$285.84	\$183.66	\$133.31

Repair Level	Sprague 675	Sprague 675 Curb	American 800 (20#)	American 800 (100#)	Sprague 1000	Rotary 1.5M
RA	\$159.37	\$220.51	\$154.02	\$154.02	\$181.04	N/A
RB	\$175.23	\$235.78	\$169.98	\$171.63	\$205.21	N/A
RC	\$418.10	\$432.00	\$364.84	\$364.84	\$392.69	\$279.89
RD	\$461.80	\$487.40	\$403.63	\$412.71	\$448.96	\$442.13
RE	\$550.24	\$588.97	\$553.41	\$564.99	\$631.46	\$605.21

\*Minimum Charge for repair

N/A = Not economical to repair.

Pickup and delivery of meters is charged extra at \$3.31/mile.

Any repair work requiring overtime will be charged an additional 25% to those prices quoted above.

## **2.Tool and Equipment Repair**

### **Description:**

Under this service, Utility will perform repair work on regulators and various electronic and pneumatic tools. Machining and metal crafting of pressure control fittings are also available. Customer has the option of purchasing its own materials for Utility to fabricate. All work is done at Utility's facility in Pico Rivera.

In addition to immediate repair problems, all tools and equipment are thoroughly checked for potential problems. If any other repair work is necessary, Utility's facilities are fully equipped to perform such work. This "one-stop-shopping" for tool and equipment repair translates to savings in shipping or delivery charges. A 24-hour emergency service is also available. Work is done by experienced technicians who perform to "CPUC-utility" standards.

### **Tool Equipment Repair Prices:**

Following is a list of tool repair and fabrication items and corresponding bid prices for repair of each unit. Utility will also fabricate materials furnished by Customer to its specification.

<b>Electronic Tools</b>	<b>(\$/unit)*</b>
Gas Scope	\$331.55
Flame Ionization Unit	\$540.04
Pipe Locator	\$288.71
Meter, Beckman	\$187.13
Enerac 2000	\$295.43
Enerac 60	\$461.14
Locator	\$208.50
Gas Trac	\$331.49
Custom Work (/hr)	\$159.06

<b>Pneumatic Tools</b>	<b>(\$/unit)*</b>
400 Unit	\$2,017.05
500 Unit	\$1,728.17
C-1 Drilling Machine	\$1,223.15
Clay Spade	\$411.65

Breaker	\$431.69
Tamper	\$431.69
AccuPunch	\$1,309.97
Rock Drill	\$1,058.65
Hypergun	\$1,583.99
Pincher	\$431.69
Lubrigun	\$1,043.91
Motor, Earth Boring	\$1,152.25
Blower	\$1,432.97
Saw, Concrete	\$899.60
Custom Work (/hr)	\$144.42

<b>Machining</b>	(\$/unit)*
Pressure Control Fittings	
3x2	\$550.75
3x3	\$560.06
4x4	\$669.69
6x4	\$1,583.91
8x6 150#	\$2,117.29
8x6 300#	\$2,649.23
10x8	\$11,234.61
4x3	\$2,376.62
10	\$7,776.69
Nipple – 1.050x4½	\$8.05
2.4½	\$9.26
2x12	\$18.75
3x4½	\$32.13
3½x12	\$56.15
6x4½	\$52.15
6 5/8x12	\$37.45
12¾x6	\$52.15
Custom Work (/hour)	\$124.33

<b>Regulators</b>	(\$/unit)*
Fisher – 61 H Pilot	\$482.62
Fisher – 61L	\$482.62
Fisher – 99 (1)	\$775.27
Fisher – 99-1	\$835.40
Fisher – 99-10-65	\$847.51
Fisher Z	\$200.56
Repair is also available for all Mueller tools	Price provided on request.

\*Unit prices are based on typical time required. Additional time will be charged the "Custom Work" rate indicated above. All work requiring overtime will be charged an additional 25% to those prices quoted above.

## **APPENDIX D – DISTRIBUTION PLANNING AND MAINTENANCE SERVICES**

1. **Scope.** A description of the Distribution Planning and Maintenance Services offered by Utility, including the initial prices is attached. Services may be ordered by Customer through its standard purchase order, pursuant to the terms of the Agreement, which is incorporated by reference. The time for completion of such services, as well as other terms and conditions not set forth here, shall be determined by the parties, in accordance with the Agreement. Customer agrees that Utility's own operating needs may be a factor in determining the time for completion of services.
  
2. **Payments.** Payments shall be sent to:  
  
Southern California Gas Company  
P.O. Box 3249  
Los Angeles, CA 90051-1249  
Attn.: Mail Payments  
SC711A
  
3. **Operating Notices to Utility.** Operating notices shall be sent to:  
  
Southern California Gas Company  
8101 S. Rosemead Blvd.  
Pico Rivera, CA 90660  
Attn: Stephen B. Hammer, SC722A  
Tel: (562) 806 - 4239
  
4. **Billing Rates and Escalation.** The billing rate or rates shown on the attachment shall be subject to escalation as of the first anniversary date of this Agreement, and annually thereafter, in accordance with Section 3.3 of the Agreement. Provided, however, that the labor rates are subject to revision at any time to reflect changes in actual wage and benefit rates pursuant to any collective bargaining agreement. Also, the labor rate or rates shown in the attachment are for labor during Utility's normal business hours, excluding swing or graveyard shifts.

## APPENDIX D

### **DISTRIBUTION PLANNING AND MAINTENANCE SERVICES**

#### **1. Meter and Regulator (M&R) Services**

##### **Description:**

Five areas of M&R services are offered as well as installation and maintenance of new gas electronic measurement (GEMS) sites purchased by Customer.

##### **1. Regulator Station Maintenance**

- External inspections at one year intervals. Internal inspections and with parts replacement at 10 year intervals.
- May be performed according to Utility's own procedures or customized to Customer's requirements.
- If done following Utility's procedures, external inspection will include:
  - Vault Gas Leak Test
  - Station Condition Check
  - Inlet Pressure Check
  - District Pressure Check
  - Stop Valve Inspection
  - Regulator Operating Pressure Test
  - Regulator Lockup Test
  - Diaphragm Leak Test
  - Control Piping Check
  - Pilot and Instrument Filter Inspection
  - Relief Valve Operation
  - Regulator Seat and Plunger Inspection
  - Mainline Filter and Screen Inspection
  - Deodorizer and Charcoal Filter Check
  - Recording Pressure Gauge Test
  - Valve Position Check
  - Leak Test

Internal Inspections will include:

- Regulator Inner Valves and Expansible Elements Inspection
- Diaphragm Leakage Check
- Diaphragm Inspection or Replacement
- Pilot and Instrument Filters

##### **2. Field Calibration for Displacement, Meters (Meter Proving)**

- Field meter accuracy test performed on medium to large displacement meters to ensure measurement accuracy and to comply with CPUC order
- Accuracy test performed
- Accuracy tolerance within CPUC-approved standards

- Inspection of parts and replacement if necessary
- Adjustments made on Diaphragm meters
- Follow-up Accuracy tests conducted

3. New Industrial Meter Set Installation

4. Instrument Calibration

- Field inspection of Base Pressure Indexes (BPI) and Emcorector
- Includes:
  - Preliminary inspection
  - Accuracy Check
  - Mechanical Inspection
  - Pressure Arm Installation
  - Correct Rocker Lever Bind

5. Collection and Changeout of Recording Charts for Billing and Area Pressure Recording

6. Installation and Maintenance of customer-owned "little" GEMS sites

Utility will contract for a portion of or the entire construction of little GEMS sites for Customer's customers. The telemetering device currently being installed for Utility's customers is the Mercor EC-AT Electronic Corrector which is mounted directly on a turbine, rotary or diaphragm meter.

**MAR Services Prices:**

<b>Service</b>	<b>Typical Time Required <sup>1</sup></b>	<b>Bid price (\$/unit)</b>
1. Regulator Station Maintenance (external inspection)	6.5 hrs.	\$1,373.64/inspection (2-person crew)
Regulator Station maintenance (internal inspection)	9.5 hrs.	\$2,2007.73/inspection (2 person crew)
2. Field Calibrations for Meters	4 hrs.	\$846.11/meter (2 person crew)
3. Installation of New Industrial Meter Sets	4 hrs.	\$846.11/meter (2 person crew)
4. Instrument Calibration	1.5 hrs.	\$159.05/instrument (1 person)
5. Collection and Change-out of Recording Charts for Billing and Area Pressure	5 min	\$9.16/site (1-person)
6. Install and Maintain little GEMS sites	Avg. 16 hr. to install; Avg. 1-2 hr/yr. to maintain	\$1,688.22 for installation \$211.21/year for maintenance
7. Install and Maintain Big GEMS sites	Avg. 20 hr. to install; 8 hr/mo. to maintain	\$2,111.92 for installation \$846.11/mo for maintenance

Travel or additional time required will be charged at \$105.81 per hour. Parts are extra. Any work requiring overtime will be charged an additional 25% to those prices quoted above.

<sup>1</sup> Actual time may differ.

## 2. Cathodic Protection

Utility can provide complete consulting and field analysis in corrosion control of gas distribution piping systems. All test equipment and instrumentation required to conduct surveys, diagnose and troubleshoot all types of Cathodic Protection systems will be provided by the company.

Our staff representatives hold N.A.C.E. (National Association of Corrosion Engineers) certifications of Corrosion Specialist and Cathodic Protection Specialist. They have a combined 60 years of field and staff experience in the design, installation and maintenance of Cathodic Protection Systems.

**The following activities will be provided at \$91.97/hr/person with travel assessed at \$0.485/mile per vehicle:**

- Design cathodic protection system and isolation requirements on existing and new piping systems
- Design impressed current stations and anode beds (conventional and deepwell)
- Troubleshoot CP systems and determine cause for not meeting established criteria
- Determine cause of malfunctioning impressed current station equipment and anode beds and make minor repairs if possible
- Conduct stray current interference testing caused by foreign CP systems and electric rail systems and determine corrective measures
- Conduct surveys to qualify piping systems to meet another criteria (i.e. 100mv polarization shift)

## 3. Gas Pipeline Economic Analysis (EPOCH - Efficient Pipeline Operation in a Competitive Habitat)

EPOCH is a process for economically analyzing gas distribution systems to determine their future disposition. It is a process that provides cost-efficient answers to the continuing problems associated with the replacement or repair of gas pipelines. The EPOCH process is where attributes of deteriorating gas pipelines segments are identified and processed by a computer model. The net results are prioritized reports of recommended work that will continue to change as new information is supplied to the computer model. EPOCH provides reports illustrating which pipe segments are recommended for Replacement, Repair, or Repair with the addition of Cathodic Protection. The reports also provide estimated costs for projecting future capital expenditures.

The service offered is to develop an initial database of deteriorating pipeline and their attributes and continued maintenance of the data as new information develops. Utility will process this information and provide routine reports identifying the disposition of the selected gas prepare segments, in a prioritized order with their estimated capital costs.

Detail of Service - Service	Price / hr (per person)	Number of Persons
<b>Initial Unit Cost development or Future updates</b> (Developing variables required for use in program i.e. Replacement cost, repair costs)	\$85.42 – 117.61	1 - 2
<b>Initial Database development</b> (Identify pipeline segments, collect attributes)	\$75.29 – 85.43	1 - 3
<b>Collection and identification of projects</b> (Ongoing analysis or identification of potential projects for <i>EPOCH</i> processing)	\$75.24	1
<b>Processing and reporting of projects</b> (Ongoing processing through computer model of collected pipeline information and reporting)	\$75.24	1
<b>Consulting</b> (Support and training in establishing or maintaining data collection methods needed to support the <i>EPOCH</i> process)	\$85.42 – 117.61	1

Travel assessed at \$0.485/mile per vehicle

#### 4. Data Management of Operations and Maintenance Activity

Utility will administer the management of Operations and Maintenance related data; including, but not limited to, Leakage Survey of the underground piping system, monitoring Cathodic Protection levels of individual steel piping segments, inspection of Critical Valves, and Pipeline Patrols. Utility will use a reliable and consistent computer program to automate this process. The database created will provide the necessary statistical information required for cost planning functions and reporting needs.

##### Detail of Services

Create a master record for each:

- Operating map of the piping system to be surveyed for underground leakage
- Valve that has been identified as critical to the safe operation of the system
- Cathodic protection area in the network
- Pipe segment in unstable earth areas and piping on piers, bridges, and spans

**Price: \$67.43 – \$91.97/hour/person\***

The resulting database will schedule execution orders to be completed by Customer field operations personnel. These pending orders will be tracked, and upon completion, entered

into the system. Any remedial work as a result of the inspections and surveys will be scheduled and tracked until completion.

**Price: \$60.20/hour/person\***

The status of pending orders and a summary of complete work can be reported by an individual operating area on a weekly, monthly and yearly basis. Special requests for this information can be accessed at any time, within minutes.

**Price: \$91.97/hour/person\***

**\*Travel assessed at \$0.485/mile per vehicle**

## **5 . Leakage Survey and Leak Repair**

- a) Utility will conduct a thorough search for leakage on the underground piping system. We will utilize state of the art flame ionization leak detectors to sample atmosphere near the surface of the ground in the vicinity of buried Customer facilities.

Detected leaks will be assigned repair priority according to location, spread, concentration of gas, possibility for accumulation of gas, possible sources of ignition and imminence of hazard to people and property.

**Price: \$106.91/hour/person\***

- b) Utility will establish a computerized record of each leak reported to the Customer, immediately upon discovery (or soon thereafter) and maintain record control until the indication has been investigated, appropriate action taken and the source of leakage eliminated or otherwise resolved. This will include reports of gas leaks, odor complaints, time breaks or leak indications found during surveys.

**Price: \$67.38/hour/person\*\***

- c) The status of pending leak orders and a summary of completed work can be reported by an individual operating area on a weekly, monthly and yearly basis. Special requests for this information can be accessed at any time, within minutes.

**Price: \$92.09/hour/person\*\***

**• vehicle cost included in hourly rate**

**\*\*Travel assessed at \$0.485/mile per vehicle**

## **6. Inspection Services**

### **Valve Inspection**

Utility will inspect, lubricate (if required), and check for proper operation all valves designated by Customer as critical to the safe operation of their system. This can include sectionalizing valves in supply lines, shut off valves upstream and downstream of regulator stations, isolation area valves, and bridge approach valves.

**Price: \$196.51/hour/2-man crew\***

### **Pipeline Patrols**

Utility will patrol all lines with a Maximum Allowable Operating Pressure (MAOP) of 20% or more of Specified Minimum Yield Strength (SMYS). In addition, Utility will patrol pipe segments in unstable earth areas and piping on piers, bridges, and spans. The following items will be investigated and reported:

- Actual or threatened land slides
- Flooding or unusual erosion
- Subsidence or cracking of land and paved surfaces on or adjacent to the pipeline right-of-way
- Indications of gas leakage
- Construction activity by others
- Adjacent subdivision activity that may affect class location
- Damaged or missing pipeline markers
- Any other factors that might affect the safety and operation of the pipeline

**Price: \$106.96/hour/person\***

**\*Vehicle cost included in hourly rate**

## APPENDIX E – ENGINEERING SERVICES

1. Scope. A description of the Engineering Services offered by the Utility, including the initial prices is attached. Customer may order services through its standard purchase order, pursuant to the terms of the Agreement, which is incorporated by reference. The time for completion of such services, as well as other terms and conditions not set forth here, shall be determined by the parties, in accordance with the Agreement. Customer agrees that Utility's own operating needs may be a factor in determining the time for completion of services.
  
2. Payments. Payments shall be sent to:  
  
Southern California Gas Company  
P.O. Box 3249  
Los Angeles CA 90051-1249  
Attn: Mail Payments  
SC711A
  
3. Operating Notices to Utility. Operating notices shall be sent to:  
  
Southern California Gas Company  
8101 South Rosemead Blvd.  
Pico Rivera, CA 90660-5164  
Attn: Larry Sasadeuz, SC723B  
Tel.: (562) 806-4343
  
4. Billing Rates and Escalation. The billing rate or rates shown on the attachment shall be subject to escalation as of the first anniversary date of this Agreement, and annually thereafter, in accordance with Section 3.3 of the Agreement. Provided, however, that the labor rates are subject to revision at any time to reflect changes in actual wage and benefit rates pursuant to any collective bargaining agreement. Also, the labor rate or rates shown in the attachment are for labor during Utility's normal business hours, excluding swing or graveyard shifts.

## APPENDIX E

### ENGINEERING SERVICES

#### 1. Engineering Testing and Analysis

##### Description:

Utility will provide a variety of mechanical and chemical tests at its Engineering Analysis Center (EAC). This is a new, 30,000 sq. ft., state-of-the-art facility houses many of the latest testing equipment. In addition to standard ASTM tests, the EAC also handles an array of customized tests unique to the needs of gas distribution. For each job, the EAC will determine the extent to which pre-work is necessary to prepare the object or site for testing. Some jobs may require customized machining of a part, thus adding to the time and cost required to do the test. *In any event, a proposal for the price and scope of the job and the length of time required to conduct the test will be given beforehand.* Unlike most outside vendors, there is no minimum charge required to conduct a test.

##### Mechanical and Combustion Tests:

1. Paint, Coating and Adhesive Testing - includes accelerated weathering, application characteristics, cathodic disbondment, and comparative corrosion characteristics.
2. Metallurgical and Failure Analysis - includes macro and micro hardness, SEM analysis, EDX elemental analysis, sample mounting and polishing, microscopic examination and photography.
3. Environmental Simulation - using large and small environmental chambers, salt fog cabinet, and weather-ometer with UV (xenon arc) and water spray.
4. Flow Measurement - includes leak measurement, air flow velocity, and ultrasonic water flow.
5. Material Physical Properties Determination - includes tensile, yield, compression, force, moment and force application, torque and stress/strain.
6. New Product and System Component Qualification Testing - includes regulators, meters, valves, gasket materials, etc.
7. Strength and Leak Testing - includes burst and sustained pressure testing of system components with hydrostatic pressures of up to 9,000 psig.
8. Air Pollution Control Device Testing - includes NO<sub>x</sub>, CO, CO<sub>2</sub>, O<sub>2</sub> and total Hydrocarbons from IC engines, gas turbines, boilers, heaters, etc.
9. Dimensional Metrology - using calipers, gages, thread gages, etc.

### Polyethylene Testing:

1. Surface Tension of Water Samples
2. Electrical Conductivity of Water Samples
3. Melt index per ASTM D- 1238
4. Density per ASTM D-1505
5. Quick Burst Test (to 6" IPS pipe size) per ASTM D-1599
6. Dead Weight Testing – 2,000, 5,000 and 10,000 hours (2" IPS sample only)
7. Impact Testing per ASTM d-2244 to 500 ft/lbs
8. Elevated Temperature Testing – 80 °C and 60 °C per ASTM D-1598 to 12" IPS pipe size
9. Tensile Elongation (2" IPS pipe size only)
10. Tensile Elongation D-638 to 6"IPS pipe sizes
11. Ring Tensile per ASTM D-2290
12. Compressive Shear Test
13. 3-point Bend Test to ~10% bend ratio
14. 4-point Bent Test to ~6% ratio
15. Strip Examination
16. Bend Back Test
17. Crushed Ring Test
18. Environmental Stress Crack Resistance per ASTM F-1248
19. Electrofusion pipe and fittings per ASTM F-1055
20. Electronic Testing/Electrofusion Fittings. Non-destructive Full Load Testing – All sizes
21. Differential Scanning Calorimetry
22. Optical Microscopy – with photographic capabilities
23. Stereo Microscopy
24. Microtome
25. Scanning Electron Microscopy/EDAX
26. Fourier Transform Infrared Spectroscopy
27. Ovality/Out-of-round Measurement
28. Environmental and Controlled Cycle Testing
29. Rubber, Composites, Component Testing
30. X-ray Analysis – with photographic capabilities

Engineering Testing and Analysis Prices: All tests performed in the EAC will be charged at \$152.40/hr. Use of the Mobile Emissions Lab will be charged at \$107.60/hr. Any work requiring overtime will be charged an additional 25% to the price quoted above.

## **2. Gas Analysis - Btu Content**

### **Description:**

This service offers the complete function of analyzing the btu content of natural gas at various locations in Long Beach's territory. Long Beach's own sample cylinders will be collected on a regular basis (weekly, monthly, etc.) and brought to SoCalGas' facilities for analysis. Analyses may be reported in two formats: with and without correction factors. In addition to the components listed in the sample reports, O<sub>2</sub> will also be included, as required by customer.

### **Gas Analysis Price:**

The unit price for each sample is \$271.29. This includes travel time, collecting, sampling, analyzing and reporting. Turnaround time for each sample is two days from the point of collection. Any work requiring overtime will be charge an additional 25% to the price quoted above.

## **APPENDIX F – EQUIPMENT SERVICE**

1. **Scope.** A description of the Equipment services offered by Utility, including the initial prices, is attached. Customer may order services through its standard purchase order, pursuant to the terms of the Agreement, which is incorporated by reference. The time for completion of such services, as well as other terms and conditions not set forth here, shall be determined by the parties, in accordance with the Agreement. Customer agrees that Utility's own operating needs may be a factor in determining the time for completion of services.

Utility will provide services such as trenching, backfilling, etc. which are needed for Customer's transmission or distribution of gas. Customer understands that Utility shall provide the personnel to operate equipment (as well as the equipment), and that Utility shall not be obligated to provide this service in the event its operating needs require its own use of the personnel (or equipment).

2. **Payments.** Payments shall be sent to:

Southern California Gas Company  
P.O. Box 3249  
Los Angeles, CA 90051-1249  
Attn.: Mail Payments  
SC711A

3. **Operating Notices to Utility.** Operating notices shall be sent to:

Southern California Gas Company  
2191 E. Birch Street  
Brea, CA 92621-5105  
Attn. Eddie Araya, SC8380  
Tel.: (714) 634-3261

4. **Billing Rates and Escalation.** The billing rate or rates shown on the attachment shall be subject to escalation as of the first anniversary date of this Agreement, and annually thereafter, in accordance with Section 3.3 of the Agreement. Provided, however, that the labor rates are subject to revision at any time to reflect changes in actual wage and benefit rates pursuant to any collective bargaining agreement. Also, the labor rate or rates shown in the attachment are for labor during Utility's normal business hours, excluding swing or graveyard shifts.

## APPENDIX F

<b>EQUIPMENT SERVICE</b>
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**Description:**

Various types of fully operated equipment are available for rent. Special provisions can be made for emergencies at no extra charge. Travel time is charged extra at \$70.46/hr. The following lists available rental equipment and the corresponding bid prices.

<b>Item</b>	<b>Bid Price (fully operated – regular hours)</b>
Crane Truck	\$187.13/hr – 4 hours minimum
Backhoe w/dump truck	\$93.59/hr – 4 hours minimum
Dump Truck	\$89.54/hr – 4 hours minimum

An additional 25% will be charged to the bid price for work requiring overtime of operators.

## **APPENDIX G -MATERIALS MANAGEMENT AND PROCUREMENT**

1. **Scope.** A description of the Materials Management and Procurement services offered by Utility, including the initial prices, is attached. Customer may order services through its standard purchase order, pursuant to the terms of the Agreement, which is incorporated by reference. The time for completion of such service, as well as other terms and conditions not set forth here, shall be determined by the parties, in accordance with the Agreement. Customer agrees that Utility's own operating needs may be a factor in determining the time for completion of services.
  
2. **Payments.** Payments shall be sent to:  
  
Southern California Gas Company  
P.O. Box 3249  
Los Angeles, CA 90051-1249  
Attn.: Mail Payments  
SC711A
  
3. **Operating Notices to Utility.** Operating notices shall be sent to:  
  
Southern California Gas Company  
555 W. 5th Street  
Los Angeles, CA 90013-1011  
Attn.: Frank Chechitelli, GT17H7  
Tel.: (213) 244-5677
  
4. **Billing Rates and Escalation.** The billing rate or rates shown on the attachment shall be subject to escalation as of the first anniversary date of this Agreement, and annually thereafter, in accordance with Section 3.3 of the Agreement. Provided, however, that the labor rates are subject to revision at any time to reflect changes in actual wage and benefit rates pursuant to any collective bargaining agreement. Also, the labor rate or rates shown in the attachment are for labor during Utility's normal business hours, excluding swing or graveyard shifts.

## **APPENDIX G**

### **MATERIALS MANAGEMENT AND PROCUREMENT**

#### **1. Surplus Inventory Resale**

##### **Description**

This service offers Customer the potential opportunity to purchase goods, materials, tools and equipment from Utility's own warehouse of inventory. Like Customer, Utility is a buyer of gas distribution-related goods and materials. But, due to the high-volume of goods bought, Utility is able to obtain discounts on many of the items and, in turn, pass them on to Customer through this service offering.

At this time, Utility is only able to offer the sale of goods and materials on a limited basis. Utility reserves the right to limit the sale of certain materials items if this type of transaction is objectionable to the supplier. The exact price and availability of each item will be given and quoted to Customer upon request of the item.

The exact procedure for procuring supplies from Utility will be set forth later in the contract. Generally, however, Customer will call Utility to place an order for supplies. Utility will in turn place the order with the supplier and have the supplies shipped directly to Customer

#### **2. Warehouse Storage**

##### **Description:**

Storage of non-hazardous goods and materials is available to Customer in Utility's General Warehouse located in Pico Rivera. The exact square foot available is dependent on length of time required and will be quoted upon request. The General Warehouse is a 77,000 square foot, secured facility which currently houses over \$5 million of natural gas related materials. Located on site at the facility is the Utility's trucking fleet and Manufacturing and Repair Operations. The warehouse has been earthquake retrofitted for survivability in the event of an earthquake.

**Price: \$11.06/sq. ft./year**

### 3. Inventory Consulting

#### Description:

This service offers Inventory Management Consulting to Customer. Utility has been on the leading edge in the utility industry in the design, and establishment of a daily delivery inventory system. Utility can offer Customer a rich, experienced team of Logistics Personnel that can help to improve inventory turns, inventory reconciliation, design and set up of a daily delivery program, and Logistics performance management.

Utility offers the following benefits for Inventory consulting:

- ◆ Inventory management
- ◆ Supply chain management
- ◆ Optimization of materials storage
- ◆ Inventory turn optimization
- ◆ Warehouse performance management
- ◆ Forecasting design and analysis
- ◆ Transportation management

**Price: The service is priced at \$137.71/hour. Travel (\$0.485/mile) and incidental charges are extra.**

### 4. Investment Recovery Consulting

#### Description:

This service offers Customer the assistance of experience professional expertise in the areas of the liquidation's of assets for expenditure recovery. Utility can assist Customer in identifying previously unknown buyer in order to maximize recovery. Using the Internet to sell materials, holding auctions, and negotiation strategies with auction and buyers are part of this service offering.

**Price: 15% commission on recovery amount.**

## 5. Transportation

### Description:

This service offers the transportation of equipment and materials to Customer. Utility operates a trucking fleet designed to transport materials, and equipment to warehouses, storerooms, work sites, and to emergencies. The fleet also picks up materials from vendors. The fleet consists of several 40-foot trailers, tractors, enclosed trailers, bob tail trucks, parcel vans, and large lift gate trucks. Customer can call a service number to request the pick up, and delivery of materials throughout the Customer system.

Utility offers the following transportation benefits to Customer:

- ◆ One phone number to call for service.
- ◆ Drivers are certified, experienced and professional in the hauling of natural gas related material and equipment.
- ◆ A variety of equipment is available to transport Customer materials, such as enclosed trailer, parcel vans, 40-foot trailers, lift gate trucks, and tractors with cranes.
- ◆ Driver and equipment are certified in the hauling of hazardous materials.
- ◆ Utility driver and equipment are on call 24 hours a day, seven days a week.

**Price: The price for this service varies by the type of equipment and services requested to transport the materials. The price will be quoted upon customer requesting service.**

## 6. Environmental Consulting

### Description:

This service offers Customer with consulting support on identifying cost effective hazardous waste transporters and handling facilities. Audit of corporate environmental operations policies, and procedures and characterization of hazardous, waste.

**Price: The service price is \$140.30/hour. Travel (\$0.485/mile) and incidental expenses are extra.**

## **APPENDIX H – COMMERCIAL AND INDUSTRIAL EQUIPMENT INSPECTION AND REPAIR SERVICE**

1. **Scope.** A description of Commercial and Industrial Equipment Inspection and Repair Service, offered by Utility, including the initial prices, is attached. Customer may order services through its standard purchase order, pursuant to the terms of the Agreement, which is incorporated by reference. The time for completion of such services, as well as other terms and conditions not set forth here, shall be determined by the parties, in accordance with the Agreement. Customer agrees that Utility's own operating needs may be a factor in determining the time for completion of services.
  
2. **Payments.** Payments shall be sent to:  
  
Southern California Gas Company  
P. O. Box  
Los Angeles, CA 90051-1249  
Attn.: Mail Payments  
SC711A
  
3. **Operating Notices to Utility.** Operating notices shall be sent to:  
  
Southern California Gas Company  
P. O. Box 3249  
Los Angeles, CA 90051-1249  
Attn.: Mr. Patrick Brown, SCERC5  
Tel.: (562) 803-7456
  
4. **Billing Rates and Escalation.** The billing rate or rates shown on the attachment shall be subject to escalation as of the first anniversary date of this Agreement, and annually thereafter, in accordance with Section 3.3 of the Agreement. Provided, however, that the labor rates are subject to revision at any time to reflect changes in actual wage and benefit rates pursuant to any collective bargaining agreement. Also, the labor rate or rates shown in the attachment are for labor during Utility's normal business hours, excluding swing or graveyard shifts.

## APPENDIX H

### **COMMERCIAL AND INDUSTRIAL EQUIPMENT INSPECTION AND REPAIR SERVICE**

This service enables Customer's customers, at Customer's request, to use Utility commercial and industrial service technicians for equipment-related work. Service technicians will be available for dispatch to a non-Company customer site in Customer's territory as quickly as possible on an as-available basis.

Services performed by technicians include but are not limited to the following:

#### ***Industrial Services:***

- Gas Air Conditioning Service
  - check and adjust chilled water system
  - diagnostic service
  - inspection and adjustments (flue gas injection, tower bleed, cooling tower)
  - unit pumping, removal of non-condensable gases
- Gas Engine Service
  - minor ignition timing adjustments
  - air/fuel adjustments to carburetor
  - inspect ignition systems, vacuum lines, engine speed, water jacket temperature, governor, safe control operation, pressure and temperature
  - determine efficiency changes in well production pump or driven equipment
  - measure well standing and running water level
  - measure water flow
- Locate steam leaks
- Perform initial start-up for boilers
- Boiler tune-ups required by AQMD
- Conduct tune gas analysis
- Uncertified NOx, testing on all industrial gas-fired equipment
- Pipe Sizing
- Trouble-shoot and repair electrical problems within company policy

#### **Pricing**

Labor will be billed at \$125.66 per hour. This rate will apply to actual time at the customer's site and travel time. Mileage will be billed at \$0.485/mile. Parts as needed for repairs will be billed to Customer at cost plus applicable sales tax.

## **APPENDIX I – CONSULTING**

1. **Scope.** A description of the Consulting services offered by Utility, including prices, is attached. Services may be ordered by Customer through its standard purchase order, pursuant to the terms of the Agreement, which is incorporated by reference. The time for completion of such services, as well as other terms and conditions not set forth here shall be determined by the parties, in accordance with the Agreement. Customer agrees Utility's own operating needs may be a factor in determining the time for completion of services.
  
2. **Payments.** Payments shall be sent to:  
  
Southern California Gas Company  
P.O. Box 3249  
Los Angeles, CA 90051-1249  
Attn. Mail Payments  
SC711A
  
4. **Operating Notices to Utility.** Operating notices shall be sent to:  
  
Southern California Gas Company  
P.O. Box 3249  
Los Angeles, CA 90051-1249  
Attn: Ms. Martha A. García, GT22A1  
Tel.: (213) 244 - 3695
  
4. **Billing Rates and Escalation.** The billing rate or rates shown on the attachment shall be subject to escalation as of the first anniversary date of this Agreement, and annually thereafter, in accordance with Section 3.3 of the Agreement. Provided, however, that the labor rates are subject to revision at any time to reflect changes in actual wage and benefit rates pursuant to any collective bargaining agreement. Also, the labor rate or rates shown in the attachment are for labor during Utility's normal business hours, excluding swing or graveyard shifts.

## APPENDIX I

### CONSULTING

**Description:** This service offers strategic and analytical support on issues ranging from regulatory, operational, and technical aspects related to operating a natural gas utility. Examples of this type of support include, but are not limited to:

1. Regulatory historical information on file with and publicly available from the CPUC for Utility programs and services.
2. Program set-up/startup for new programs and services, such as the blanket pipeline contract process.
3. Operational information for field operations.
4. Rate support for the implementation of rate structures, tariffs and rules.

**Price:** The consulting request will be evaluated for public releasability of data, scope and manpower requirements and billed at one or a combination of the following consulting tier levels, depending on the resources utilized to provide the requested service:

Tier 1	\$103.03/hour
Tier 2	\$127.34/hour
Tier 3	\$163.68/hour
Tier 4	\$206.06/hour
Tier 5	\$260.64/hour

## **APPENDIX K – Other Pipeline Construction, Relocation and Removal**

### 1. Scope.

- (a) This service offers pipeline construction, relocation and removal services to City of Long Beach (hereinafter referred to as “Customer”), upon Customer’s request with the exception of the Bolsa Chica Wetlands Line 1228 Pipe Relocation and Removal Project (the “Project”) as specified in Appendix J. Examples of the type of services to be performed by Utility include, but are not limited to, the following:
- Removal of the pipe, pipe supports, and appurtenances, including aboveground and buried pipes.
  - Removal of the existing meter and equipment connected to the pipeline.
  - Environmental permitting, monitoring and mitigation for construction, relocation and removal work.
  - Relocation of the existing pipeline, including the purchase of materials and construction of the new pipeline.
  - Relocation of the existing Meter Set Assembly connected to the removal of the existing pipeline.
  - Pipeline routing, engineering, design, acquisition of permits necessary for project, and project management for new installation and relocation services.
  - Survey work, acquisition of land and rights of way, licenses, easements necessary for the installation of the new or relocated pipeline.
  - Purchase of pipeline materials for the new or relocation services.
  - Construction of pipeline not associated with a relocation.
  - Startup of pipeline, including tie-in, purging, pressure tests and final reconciliation
- (b) Services may be ordered by Customer through its standard purchase order, pursuant to the terms of the Agreement which is incorporated by reference. The time for completion of such services, as well as other terms and conditions not set forth here shall be determined by the parties, in accordance with the Agreement. Customer agrees Utility’s own operating needs may be a factor in determining the time for completion of services.
- (c) The scope of a particular pipeline construction, relocation and removal project shall be as provided in a project-specific estimate, which shall be deemed a part of this Appendix K.

### 2. Payments. Payments shall be sent to:

Southern California Gas Company  
P.O. Box 2007, SC711D  
Monterey Park, CA 91754-0957

3. Operating Notices to Utility.

Operating notices shall be sent to:

Southern California Gas Company  
P.O. Box 513249  
Los Angeles, CA 90051-1249  
Attn: Martha Garcia ML GT22A1  
Tel.: (213) 244-3695

4. Price and Invoice.

- (a) Instead of billing rates which are subject to escalation as of the first anniversary date of this Agreement and annually thereafter in accordance with Section 3.3 of the Agreement, Utility shall invoice and Customer shall pay Utility's actual costs. Actual costs shall include all direct and overhead costs ordinarily charged by Utility for similar work, accounted for in accordance with the Federal Uniform system of Accounts (18 C.F.R. Part 201) to which Utility is subject, consistent past practices consistently applied.
- (b) The estimated cost of the services for a specific project will be provided upon the Customer's requesting service. The attached Price and Special Conditions (or a similar form) will be used for this purpose.
- (c) Customer agrees to pay Utility the estimated cost (in total or for specific parts of the project as determined by Utility) in advance and any additional balance within 30 days of invoice. Utility has no obligation to proceed until the estimated payment is received. When its costs exceed the estimate, Utility may, but is not obligated to notify Customer, and cease all work until approval for the increased cost is obtained from Customer. If the total actual cost is less than the amounts previously paid, Utility will refund the difference (without interest).

5. **No Warranty of the Actual Cost.** The estimated cost is furnished only for the convenience of Customer. It is intended to reflect Utility's general past experience of the cost of similar work under favorable conditions. Because of unforeseen contingencies and other factors, the actual cost may be considerably higher or lower than this estimate. **The estimate is not a warranty by Southern California Gas Company of the actual cost.**

6. Excavations. Customer agrees that any excavation made by Customer that is to be entered by Utility employees, agents or subcontractors shall conform to all the requirements of the State of California's Cal/OSHA Regulations pertaining to construction safety orders, particularly the provisions of Subchapter 4, Article 6, Sections 1539 through 1547 of Chapter 4 titled Division of Industrial Safety, which relate to the safe construction of trenches and excavations. Customer further agrees to take all

reasonable care in protecting Utility's property from damage, including the use of procedures which will not place undue strain on pipes during excavation and backfill or cause damage to pipe protective coatings.

7. General Indemnity. Customer shall indemnify, defend and hold harmless Utility from and against any and all liability of every kind and nature for - (i) injury to or death of persons, including without limitation, employees or agents of Utility or of Customer; (ii) damage, destruction or loss, consequential or otherwise, to or of any and all property, real or personal, including without limitation, property of Utility, Customer or any other person; (iii) violation of local, state or federal laws or regulations (excluding environmental laws or regulations); and (iv) including attorneys' fees incurred in defending against such liability or enforcing this provision - resulting from or in any manner arising out of or in connection with the performance of the Work including the indemnity obligations imposed on Utility by the owner of the Job Address if other than Customer, by the local jurisdiction in which the Work is performed or which issues a permit for any part of the Work, excepting only those liabilities and attorneys' fees incurred or arising from the sole negligence or willful misconduct of Utility or its agents compared to any other person.
8. Environmental Indemnity. Customer shall indemnify, defend and hold Utility harmless from and against any and all liability (including attorneys' fees incurred in defending against such liability or in enforcing this provision) arising out of or in any way connected with the violation of or compliance with any local, state or federal environmental law or regulation as a result of pre-existing conditions at the project location, release or spill of any pre-existing hazardous materials or waste, or out of the management and disposal of any pre-existing contaminated soils or groundwater, hazardous or nonhazardous, removed from the ground as a result of the Work ("Pre-Existing Environmental Liability"), including but not limited to liability for the costs, expenses and legal liability for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remedial work, penalties, and fines arising from the violation of any local, state or federal law or regulation, attorneys' fees, disbursements, and other response costs. As between Customer and Utility, Customer agrees to accept full responsibility for and bear all costs associated with Pre-Existing Environmental Liability. Customer agrees that Utility may stop work, terminate the work, redesign it to a different location or take other action reasonably necessary to complete the work without incurring any Pre-Existing Environmental Liability.
9. No Warranty as to Schedule. Utility shall propose an estimated schedule for the project in its estimate. **The estimated schedule shall not be a warranty of the schedule or completion of project**, as the timing is dependent on so many variables, including, but not limited to, responses of permitting agencies, availability of materials, Utility's operating matters and unforeseen events.
10. Subcontractors. Utility may perform all or any part of the services for an Appendix K project itself or through a contractor.

11. Project. If Customer desires to accept Utility's offer to provide services (pursuant to Appendix K) for which Utility has provided Customer an estimate, Customer shall obtain the prior approval of such services to be provided under this Appendix K from the Long Beach City Council.
  
12. Service Agreement. If Customer issues its purchase order for a project pursuant to Appendix K, then such Appendix shall be incorporated into and be a part of the Agreement between the parties. Except as otherwise provided in this Appendix K, all of the terms and conditions of the Agreement remain the same and shall be ratified and affirmed by Customer's issuance of its purchase order.

**SOUTHERN CALIFORNIA GAS COMPANY**

Date: 1/29/2007

BY: Paul Borkovich  
NAME: Paul D Borkovich  
TITLE: Segment Mgr

"UTILITY"

Notary Form Attached.

**CITY OF LONG BEACH**

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

BY: [Signature]  
City Manager

"CUSTOMER"

The foregoing document is approved as to form.

Date: 3/29/07

ROBERT E. SHANNON, City Attorney

BY: [Signature]  
Deputy