29460

NATURAL GAS DELIVERY AGREEMENT FOR LOCALLY PRODUCED GAS

This Natural Gas Delivery Agreement for Locally Produced Gas (this "Agreement") is dated for reference purposes as of Feb. 13, 2006 is made by and between the CITY OF LONG BEACH ("City"), a municipal corporation, and THE TERMO COMPANY ("Company"), a California corporation, and is created pursuant to minute order adopted by the City Council of the City of Long Beach on December 20, 2005, for the delivery of locally produced natural gas processed by Company into City's pipeline to supply a portion of City's gas requirements.

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

SECTION 1. TERM

1.1 This Agreement shall be effective on January 1, 2006 and shall be in effect for a period of five (5) years thereafter, subject to the terms and conditions set forth herein. Either party hereto may terminate this Agreement at any time by giving the other party sixty (60) days prior written notice.

SECTION 2. DEFINITIONS

For the purpose of this Agreement, the letters, words, phrases, and terms used herein shall be used in the ordinary meaning unless this Agreement clearly indicates otherwise. The following letters, words, phrases and terms are hereby defined as follows:

2.1 "BTU" shall refer to British Thermal Unit, which is the standard unit for measuring a quantity of thermal energy.

2.2 "day" shall mean a period of twenty-four (24) consecutive hours commencing at 12:01 a.m. Pacific Standard Time and ending at 12:00 midnight Pacific Standard Time.

2.3 "Delivery Point" shall mean the connection between the outlet of the Processing Facility and the inlet of the Metering Station, designated on Exhibit "A" attached hereto as the Point of Connection.

2.4 "gas" shall mean natural gas meeting the Required Specifications.

2.5 "Local Gas Price" shall mean a price equivalent to the "Cost of Gas" under the Southern California Gas Company's Core Procurement Gas Service Schedule No. G-CP for any given month, as posted on the Southern California Gas Company's website from time to time.

2.6 "Locally Produced Gas" shall mean all Gas delivered directly into City's pipeline system (as distinguished from gas transported via pipeline into Long Beach).

2.7 "MCF" shall mean one thousand (1,000) Standard Cubic Feet.

2.8 "Metering Station" shall mean all pipe, gauges, gas chromatographs, flow computers, meters, valves, regulators, filters, fittings, odorizer and other equipment installed, owned and operated by City downstream of the Delivery Point.

2.9 "month" shall mean the period commencing on the first day of a calendar month and ending at the end of the last day of the same calendar month.

2.10 "MMBTU" shall mean one million (1,000,000) BTUs.

2.11 "Normal Business Hours" shall mean the hours between 7:30 a.m. and 4:00 p.m., excluding weekends and holidays recognized by City.

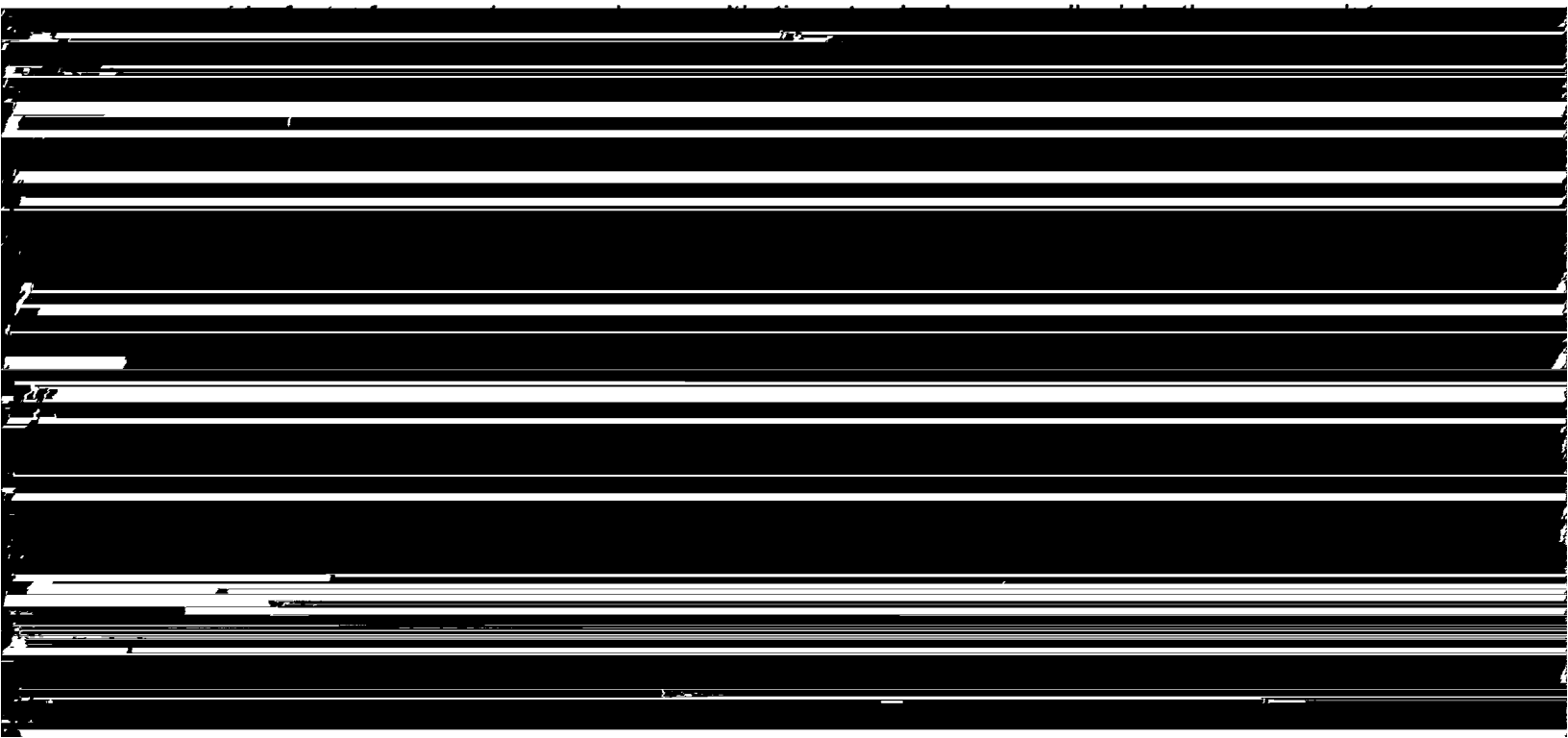
2.12 "Processing Facility" shall mean the area which includes all connecting pipelines, meters, regulators, filters, odorizer (if required), monitors and all other equipment necessary for Company to process Locally Produced Gas for City.

2.13 "psia" shall mean pounds per square inch absolute.

2.14 "psig" shall mean pounds per square inch gauge.

2.15 "Required Specifications" shall mean those specifications set forth in Exhibit "B" attached hereto, or such other specifications as may be required pursuant to Section 6.4.

2.16 "Standard Cubic Foot" shall mean the volume of gas contained in one (1)



3.2 The parties recognize and agree that City has no obligation under this Agreement to purchase and receive any specified minimum quantity of gas from Company for any given period during the term of this Agreement. Further, City represents that City does not have storage capabilities to accept any gas volumes at any specified time in excess of its immediate daily requirements. City's daily requirements may fluctuate substantially depending upon weather conditions or other external events.

3.3 City shall give preference to acceptance of gas into its pipeline system in the following order: (1) Locally Produced Gas (which meets all quality specifications applicable thereto), and (2) all other gas purchases including that gas which requires transportation from the California border by intrastate pipelines into City's pipeline system.

3.4 The parties recognize and agree that Company's obligation to deliver and City's obligation to receive gas hereunder is subject to Company's ability to deliver and City's available capacity in the pipeline utilized to transport such gas, the need for such gas and other factors affecting operations and maintenance of City's pipeline facilities.

SECTION 4. PERMITS

4.1 City's acceptance of gas under this Agreement is conditioned upon the continuing effectiveness of a South Coast Air Quality Management District ("SCAQMD") permit for installation of an odorizer at the Metering Station. Execution of this Agreement by Company obligates Company to timely reimburse City for all permits paid for by City. Any renewal fee will be paid by City and Company shall reimburse City within thirty (30) days after receiving a statement of billing from City advising Company of the amount of such renewal fee.

4.2 Company shall obtain, at Company's expense, all necessary permits and approvals for construction and placement of all concrete work, fences and equipment for the Processing Facility, except as specifically set forth herein. City's execution of this Agreement shall not be considered a waiver or approval of any permitting process, including but not limited to, those required by City's Harbor Department, or of the zoning and permit requirements as presently exist by ordinance, statute and procedural rules of City and the State of California.

SECTION 5. DELIVERY POINT

5.1 Company shall deliver the gas purchased hereunder to City at the Delivery Point. Title to all gas delivered hereunder shall pass from Company to City at the Delivery Point.

5.2 Except as otherwise set forth herein, Company shall be deemed to be in control and possession of the gas and responsible for any damage, or injury, or risk of loss of such gas prior to City's receipt at the Delivery Point, after which City shall be

deemed to be in exclusive control and possession thereof and responsible for any damage, injury, or risk of loss of gas caused thereby, except where such damage is attributable to Company's failure to meet any of the requirements of this Agreement.

5.3 The location of the Delivery Point may be changed by mutual written agreement of the parties executed with the same formality as this Agreement.

[redacted]

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Los Angeles } ss.

On 1/13/06 (Date), before me, Raquel R. Gongora, Notary Public, (Name and Title of Officer (e.g., "Jane Doe, Notary Public"))

personally appeared Francis H. Roth (Name(s) of Signer(s)),

☑ personally known to me

☐ 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.

RAQUEL R. GONGORA
Commission # 1414070
Notary Public - California
Los Angeles County
My Comm. Expires Apr 27, 2007

WITNESS my hand and official seal.

Place Notary Seal Above

Raquel R. Gongora
Signature of Notary Public

OPTIONAL

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

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☒ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer's Name: _____

☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☒ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

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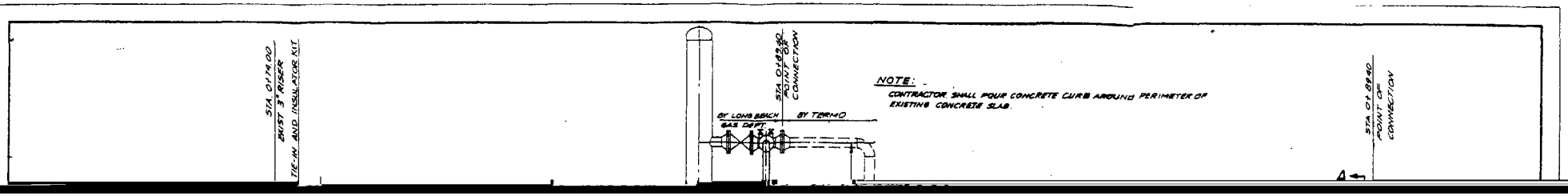
STA. 0+74.00
8W/ST 3" RISER
TIE-IN AND INSULATOR KIT
STA. 0+42.90
POINT OF
CONNECTION
BY LONG BEACH
GAS DEPT.
BY TERMO
NOTE:
CONTRACTOR SHALL POUR CONCRETE CURB AROUND PERIMETER OF
EXISTING CONCRETE SLAB.
STA. 0+89.90
POINT OF
CONNECTION

CITY OF LONG BEACH ENERGY DEPARTMENT

NATURAL GAS QUALITY SPECIFICATIONS

EXHIBIT "B"

Heating Value:	The minimum heating value is nine hundred and seventy (970) Btu (gross) per standard cubic foot on a dry basis. The maximum heating value is one thousand one hundred fifty (1150) Btu (gross) per standard cubic foot on a dry basis.
Moisture Content or Water Content:	Gas delivered shall have a water content not in excess of seven (7) pounds per million standard cubic feet.
Hydrogen Sulfide:	The gas shall not contain more than twenty-five hundredths (0.25) of one (1) grain of hydrogen sulfide per one hundred (100) standard cubic feet. The gas shall not contain any entrained hydrogen sulfide treatment chemical (solvent) or its by-product in the gas stream.
Mercaptan Sulfur:	The mercaptan sulfur is not to exceed three tenths (0.3) grains per hundred standard cubic feet.
Total Sulfur:	The gas shall not contain more than seventy-five hundredths (0.75) of a grain of total sulfur compounds per one hundred (100) standard cubic feet. This includes COS and CS2, hydrogen sulfide, mercaptans and mono, di and poly sulfides.
Carbon Dioxide:	The gas shall not have a total carbon dioxide content in excess of three percent (3%) by volume.
Oxygen:	The gas shall not at any time have an oxygen content in excess of two-tenths of one percent (0.2%) by volume, and customer will make every reasonable effort to keep the gas free of oxygen.
Inerts:	The gas shall not at any time contain in excess of four percent (4%) total inerts (the total combined carbon dioxide, nitrogen, oxygen and other inert compound by volume.
Dust, Gums, and Other Objectionable Matter:	The gas shall be commercially free from dust, gums, and other foreign substances.
Hazardous Substances:	The gas must not contain hazardous substances (including but not limited to toxic and/or carcinogenic substances and/or reproductive toxins) concentrations which would prevent or restrict the normal marketing of gas, be injurious to pipeline facilities, or which would present a health and/ or safety hazard to Utility employees and/or the general public.
Delivery Temperature:	The gas delivery temperature is not to be below 50F or above 105F.
Interchangeability:	The gas shall meet American Gas Association's Wobbe Number, Lifting Index, Flashback Index and Yellow Tip Index interchangeability indices for high methane gas relative to a typical composition of gas in the Utility system near the points of receipt. Acceptable specification ranges are:

- Wobbe Number (W for receiving facility)
  (WP for producer)
  0.9 W <=WP<=1.1 W
- Lifting Index (IL)
  IL<=1.06
- Flashback Index (IF)
  IF<=1.2
- Yellow Tip Index (IY)
- IY>=0.8

Effective 2/1/05