

RESOLUTION NO. C-

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH APPROVING CHANGES IN GAS
UTILITY RATES, CLASSIFICATIONS, AND UTILITY FEES
AND CHARGES

WHEREAS, Chapter 15.36 of the Long Beach Municipal Code provides that the rates, services and conditions for natural gas provided by the City's gas utility shall be established by resolution of the Long Beach City Council; and

WHEREAS, the schedules of the various rates, use priorities, special conditions, fees and charges by the City's gas utility which have been established are presently specified in Resolution No. C-28258, adopted by the Long Beach City Council on September 16, 2003, and amended by Resolution No. C-28357, adopted by the Long Beach City Council on April 20, 2004; and

WHEREAS, Section 1502 of the Charter of the City of Long Beach requires that the rates charged customers for services by the City's gas utility shall be based upon the prevailing rates for similar services and commodities supplied or sold by other utilities in the Southern California area; and

WHEREAS, the gas utility fees and charges, including any changes therein are identified as separate Exhibits herein; and

WHEREAS, the City Manager has submitted proposed revisions to schedules of gas rates, classifications, utility fees and charges for consideration by the City Council.

NOW, THEREFORE, the City Council of the City of Long Beach resolves as follows:

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SCHEDULE 1 – RESIDENTIAL

Applicable to residential service of natural gas for cooking, water heating, space heating and other residential uses, as set forth in Section 15.36.020 of the Municipal Code.

RATES:

Residential

Daily service charge per meter

\$0.1644

Baseline Rate (per therm)

All usage per dwelling unit under Special Condition (2)

\$0.2808

Non-Baseline Rate (per therm)

All usage per dwelling unit in excess of Baseline volume under Special Condition (2)

\$0.4631

Cost of Gas (per therm)

Applicable to all usage Core Weighted Average Cost of Gas (Core WACOG)

USE PRIORITY:

Service under this schedule shall be limited to residential customers who shall have priority in the use of gas over customers served under any of the other rate schedules at times when there is insufficient gas to supply the demands of all customers.

SPECIAL CONDITIONS:

- (1) **Baseline Rates:** Applicable only to specific volumes of residential space heating, cooking, and water heating usage.
- (2) **Baseline Usage:** The quantities of gas listed on the following page used for residential purposes (A, B) are to be billed at the Baseline rates. Usage in excess of applicable Baseline allowances will be billed at residential Non-Baseline rates.

SCHEDULE 1

Page 2 of 3

Effective Date: **October 1, 2004**

<u>Billing Codes</u>	<u>End Use for Residence</u>	<u>Daily Baseline Therm Allowance</u>	
		<u>(A) Single Family and individually Metered Dwelling Units</u>	<u>(B) Master Metered Multi-Family Dwelling Units</u>
		<u>Per Unit</u>	<u>Per Unit</u>
1	Space heating only Summer (5/1 thru 10/31) Winter (11/1 thru 4/30)	0.489 1.657	0.000 1.168
2	Cooking & water heating Summer (5/1 thru 10/31) Winter (11/1 thru 4/30)	0.489 1.657	0.489 0.489
3	Basic plus space heating Summer (5/1 thru 10/31) Winter (11/1 thru 4/30)	0.489 1.657	0.489 1.657
4	Cooking & space heating Summer (5/1 thru 10/31) Winter (11/1 thru 4/30)	0.489 1.657	0.091 1.259
5	Cooking only Summer (5/1 thru 10/31) Winter (11/1 thru 4/30)	0.489 1.657	0.091 0.091
6	Water heating Summer (5/1 thru 10/31) Winter (11/1 thru 4/30)	0.489 1.657	0.398 0.398
7	Water & space heating Summer (5/1 thru 10/31) Winter (11/1 thru 4/30)	0.489 1.657	0.398 1.566
8	<Intentionally omitted>		
9	Non-essential Uses	0.000	0.000

Monthly allowance is expressed in therms as determined by the system average
One therm equals 100,000 Btu.

- (3) Gas purchased on behalf of customers taking service under this rate schedule will come from the Core WACOG portfolio which may be comprised of any one or combination of three increments of supply as follows: (a) interstate supplies delivered into the Southern California Gas Company's intrastate pipeline system without consideration of SoCalGas (or any other intrastate pipeline company providing similar services) pipeline transportation and other system costs associated with intrastate delivery to Long Beach; (b) gas storage withdrawals; and (c) any local gas delivered directly into Long Beach Energy's pipeline system. All gas purchased by the Long Beach Energy Department shall be assigned to either the Core WACOG portfolio or Noncore WACOG portfolio according to the price of each increment. The core demand (Rate Schedules 1, 2, 3, 5 and 10) shall be met with the sufficient volumes of the lowest-cost increment(s) of gas. The Core WACOG is defined as an amount equal to the Long Beach Energy Department's weighted average cost per therm of gas supply necessary to meet the forecasted core demand for the month, less any transmission-related charges. This Core WACOG shall be subject to adjustment as the result of tariff, pricing changes, or regulatory action that may be imposed by governmental entities having jurisdiction therein.
- (4) The Core WACOG will be calculated on a monthly basis and the Cost of Gas under this Schedule will be adjusted to reflect the Core WACOG on a monthly basis. There will be no markup to the customer above the City's true cost of gas as defined in this Condition. The monthly commodity rate will be made available to customers by calling the Long Beach Energy Department at (562) 570-2067 and will also be posted on the City's Internet website. The actual cost of gas to be charged to the customer may differ from the posted rate as the customer's billing period may overlap over more than one month and therefore the billed commodity rate will reflect the weighted average Cost of Gas based on the number of days in each month under the customer's billing cycle.
- (5) **Minimum Charge:** At no time shall the rate charged for the cost of gas and/or its transportation to any customer be less than the cost of the gas and/or service to the City.
- (6) These rates do not apply to services provided by the Southern California Gas Company operating under franchise with the City of Long Beach.
- (7) Residential customers using gas for non-essential uses only will pay the Non-baseline Tier II commodity rate. These non-essential uses include but are not limited to decorative fireplaces, gas lamps, and clothes dryers.

SCHEDULE 2 - SMALL COMMERCIAL AND INDUSTRIAL

Applicable to non-residential service of natural gas to commercial and industrial customers whose annual consumption does not exceed 12,000 therms based on the customer's prior calendar year consumption, or estimated annual consumption for new customers, as set forth in Section 15.36.030 of the Municipal Code.

RATES:

Daily service charge per meter

Annual usage of less than 1,000 therms per year (prorated on a daily basis)	\$0.3288
Annual usage of 1,000 therms or more per year (prorated on a daily basis)	\$0.4932

Transmission charge (per therm)

Tier I - All usage not to exceed 100 therms per summer month (April – November) or 250 therms per winter month (December – March) (prorated on a daily basis)	\$0.4383
Tier II - All usage exceeding Tier I volumes but not exceeding 4,167 therms monthly (prorated on a daily basis)	\$0.2455
Tier III - All usage exceeding 4,167 therms monthly (prorated on a daily basis)	\$0.1154

Cost of Gas (per therm)

Applicable to all usage Core Weighted Average Cost of Gas (Core WACOG)

USE PRIORITY:

Customers receiving service under this schedule shall have priority in the use of gas over customers served under other rate schedules except Schedule 1 when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedule 1. The City shall not be liable for damages, which may be occasioned by the curtailment, discontinuance or shut off of such gas supply or service.

SPECIAL CONDITIONS:

- (1) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules.
- (2) The Core Weighted Average Cost of Gas (Core WACOG) as is defined in Special Condition 3 under Gas Rate Schedule 1 and is calculated as set forth in Special Condition 4 of Gas Rate Schedule 1.
- (3) Minimum Charge: At no time shall the rate charged for the cost of gas and/or its transportation to any customer be less than the cost of the gas and/or service to the City.
- (4) These rates do not apply to services provided by the Southern California Gas Company operating under franchise with the City of Long Beach.

SCHEDULE 3 - COMMERCIAL AND INDUSTRIAL

Applicable to Commercial and Industrial service of natural gas to customers with annual consumption in excess of 12,000 therms based on the customer's prior calendar year consumption, or estimated annual consumption for new customers, as set forth in Section 15.36.040 of the Municipal Code.

RATES:

<u>Daily service charge per meter</u>	\$0.4932
<u>Transmission charge (per therm)</u>	
Tier I - All usage not to exceed 100 therms per summer month (April – November) or 250 therms per winter month (December – March) (prorated on a daily basis)	\$0.4383
Tier II - All usage exceeding Tier I volumes but not exceeding 4,167 therms monthly (prorated on a daily basis)	\$0.2455
Tier III - All usage exceeding 4,167 therms monthly (prorated on a daily basis)	\$0.1154
<u>Cost of Gas (per therm)</u>	
Applicable to all usage	Core Weighted Average Cost of Gas (Core WACOG)

USE PRIORITY:

Customers receiving service under this schedule shall have priority in the use of gas over customers served under other rate schedules except Schedules 1 and 2 when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedules 1 and 2. The City shall not be liable for damages, which may be occasioned by the curtailment, discontinuance or shut off of such gas supply or service.

SPECIAL CONDITIONS:

- (1) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules.

- (2) The Core Weighted Average Cost of Gas (Core WACOG) as is defined in Special Condition 3 under Gas Rate Schedule 1 and is calculated as set forth in Special Condition 4 of Gas Rate Schedule 1.
- (3) Minimum Charge: At no time shall the rate charged for the cost of gas and/or its transportation to any customer be less than the cost of the gas and/or service to the City.
- (4) These rates do not apply to services provided by the Southern California Gas Company operating under franchise with the City of Long Beach.

SCHEDULE 4 - LARGE COMMERCIAL AND INDUSTRIAL

Applicable to Commercial and Industrial service to customers with annual consumption in excess of 250,000 therms based on the customer's prior calendar year consumption, or estimated annual consumption for new customers, as set forth in Section 15.36.050 of the Municipal Code.

RATES:

<u>Daily Service Charge per Customer (per meter location)</u>	\$11.5068
<u>Transmission charge (per therm)</u>	
Tier I - 0 - 20,833 Therms	\$ 0.1752
Tier II - 20,834 – 83,333 Therms	\$ 0.1274
Tier III – 83,334 – 166,667 Therms	\$ 0.0986
Tier IV – Over 166,667 Therms	\$ 0.0749
<u>Cost of Gas (per therm)</u>	
Applicable to all usage Noncore Weighted Average Cost of Gas (Noncore WACOG)	

USE PRIORITY:

Service under this schedule shall have priority in the use of gas over customers served under other rate schedules except Schedules 1, 2, 3, and 5 when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedules 1, 2, 3, and 5. The City shall not be liable for damages, which may be occasioned by the curtailment, discontinuance or shut off of such gas supply or service.

SPECIAL CONDITIONS:

- (1) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules.
- (2) Gas supplied under this schedule shall be subject to shutoff of service without notice to the customer in the event of nonpayment exceeding fifteen (15) days from the date of mailing of a statement to the customer.

- (3) Gas purchased on behalf of customers served under this rate schedule will come from the Noncore WACOG portfolio which may be comprised of any one or combination of three increments of supply as follows: (a) interstate supplies delivered into the Southern California Gas Company's intrastate pipeline system without consideration of SoCalGas (or any other intrastate pipeline company providing similar services) pipeline transportation and other system costs associated with intrastate delivery to Long Beach; (b) gas storage withdrawals; and, (c) any local gas delivered directly into Long Beach Energy's pipeline system. All gas purchased by Long Beach Energy Department shall be assigned to either the Core WACOG portfolio or Noncore WACOG portfolio according to the price of each increment with the Core WACOG portfolio having the lowest-cost increment(s). The core demand shall be met with the sufficient volumes of the lowest-cost increment(s) of gas. The noncore demand (Rate Schedules 4, 6, 7, 8, and 9) shall be met with the next lowest-cost increment(s) of gas, which will come from the Noncore WACOG portfolio. The Noncore WACOG is defined as an amount equal to the Long Beach Energy Department's weighted average cost per therm of the gas supply necessary to meet the forecasted noncore demand for the month, less any transmission-related charges. This Noncore WACOG shall be subject to adjustment as the result of tariff, pricing changes, or regulatory action that may be imposed by governmental entities having jurisdiction therein.
- (4) **Minimum Charge:** At no time shall the rate charged for the cost of gas and/or its transportation to any customer be less than the cost of the gas and/or service to the City.
- (5) These rates do not apply to services provided by the Southern California Gas Company operating under franchise with the City of Long Beach.
- (6) All Customers eligible for service under this Schedule, may at any time elect to switch to Schedule 9 in order to procure their own gas at a possible savings to Customer by entering into a written Agreement with the City of Long Beach.

SCHEDULE 5 - COMPRESSED NATURAL GAS

Applicable to the experimental service and sale of natural gas to customers who use Compressed Natural Gas (CNG) as a motor vehicle fuel.

RATES:

<u>Daily Service Charge per Meter</u> (applicable only to customers that perform their own compression)	\$ 0.4274
<u>Transmission Charge (per therm)</u> <u>Compressed</u> - All usage when compression is performed by utility	\$ 0.4665
<u>Uncompressed</u> - All usage when compression is performed by customer	\$ 0.1165
<u>Cost of Gas (per therm)</u> Applicable to all usage	Core Weighted Average Cost of Gas (Core WACOG)

Upon recommendation by the Director of the Long Beach Energy Department, the City Manager may adjust the amount of the Cost of Gas a maximum of 10% above or below the stated Cost of Gas to reflect current changes in market conditions.

The customer's Cost of Gas is subject to adjustment for the payment of any local, state, or federal taxes, fees, or other charges, which may be imposed on such sales or services.

USE PRIORITY

Customers receiving service under this schedule shall have priority in the use of gas over customers served under other rate schedules except Schedules 1, 2, and 3 when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedules 1, 2, and 3. The City shall not be liable for damages, which may be occasioned by the curtailment, discontinuance or shut off of such gas supply or service.

SPECIAL CONDITIONS:

- (1) If compression is performed by the utility, service will be available from a Long Beach Energy Department refueling station which will deliver CNG at approximately 3,000 pounds per square inch through a dispensing unit and a mass flowmeter.
- (2) These rates do not apply to services provided by the Southern California Gas Company operating under franchise with the City of Long Beach.
- (3) The owner of any vehicle obtaining or attempting to obtain CNG fuel from a City fueling station shall be liable for any and all damages to CNG pumps or adjacent City property while refueling or attempting to refuel. Customers shall pay all damages within 30 days from the time billed by the City. If any damage amount is disputed, within 15 days from the billing date, Customer shall provide a request in writing setting out the disputed amount and request for an adjustment, including any proof substantiating same, and shall deliver this to the Director of the Long Beach Energy Department for a determination which shall be made in writing. Thereafter, the Customer may appeal the Director's determination to the City Council within 30 days of receipt of determination.
- (4) The Core Weighted Average Cost of Gas (Core WACOG) as is defined in Special Condition 3 under Gas Rate Schedule 1 and is calculated as set forth in Special Condition 4 of Gas Rate Schedule 1.
- (5) Minimum Charge: At no time shall the rate charged for the cost of gas and/or its transportation to any customer be less than the cost of the gas and/or service to the City.

SCHEDULE 6 – ELECTRIC GENERATION

Applicable to uses of natural gas in the generation of electric energy, except cogeneration facilities.

RATES = Except as otherwise contracted, the following rates shall apply:

Daily service charge per customer

For customers using less than 3 million therms per year \$ 1.6438

For customers using 3 million therms or more per year No Charge

Transmission Charge per Therm

For customers using less than 3 million therms per year \$ 0.0659

For customers using 3 million therms or more per year \$ 0.0344

Cost of Gas

Non-Core WACOG plus a surcharge of \$0.0500

Upon recommendation by the Director of the Long Beach Energy Department, the City Manager, subject to approval by City Council, may adjust on a case-by-case basis, the amount of the surcharge in the Cost of Gas per therm a maximum of \$0.03 above or below the stated surcharge rate to reflect current changes in market conditions. Notice of the upcoming monthly surcharge amount will be posted at the Long Beach Energy Department at least 15 days before the beginning of each month and will also be available from the Long Beach Energy Department by telephone or facsimile upon request. The Non-Core WACOG will be posted at the Long Beach Energy Department within 10 days after the end of each month and will also be available from the Long Beach Energy Department website www.lbenergy.org as well as by telephone or facsimile upon request.

USE PRIORITY

Customers receiving service under this schedule shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of all other customers unless otherwise contracted. The City shall not be liable for damages which may be occasioned by the discontinuance, curtailment, or shut off of such gas supply or service.

SPECIAL CONDITIONS:

- (1) This schedule covers transportation and delivery of compatible pipeline quality gas from designated receipt points to customers' premises.

- (2) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules.
- (3) Gas supplied under this schedule shall be subject to shutoff of service without notice to the customer in the event of nonpayment exceeding fifteen (15) days from the date of mailing of a statement to the customer.
- (4) Gas transported under this schedule shall be used only by the customer.
- (5) Gas delivered under this schedule shall be supplied at standard delivery pressure. Additional costs to serve a customer at higher than standard delivery pressure shall be borne by the customer.
- (6) Customer must demonstrate to City's satisfaction that customer has arranged with its supplier for uniform daily delivery into the City's distribution system.
- (7) The minimum charge quantities shall be determined on a monthly basis. These quantities will be taken from applicable CPUC decisions or derived from information underlying such decisions.
- (8) As a condition precedent to service under this schedule, a separate Transportation/Service Agreement must be executed. The Transportation/ Service Agreement shall specify the terms and conditions applicable to service under this schedule.
- (9) Any costs including modifications or new facilities that may be required to provide the transportation service shall be paid in advance by the customer.
- (10) Any additional transmission costs or surcharges incurred by Long Beach on behalf of these customers will be passed through to the customer at cost.
- (11) Minimum charge: Utility is subject to a minimum charge, irrespective of actual volume, equal to: a) the volume amounts of gas determined by the CPUC as being served by Long Beach in setting the current SoCalGas wholesale rate applicable to Long Beach, times b) the Transmission charge. At no time shall the rate charged for the commodity and/or its transportation to any customer be less than the cost of the commodity and/or service to the City plus any surcharges or penalties related to that service.
- (12) The Non-Core Weighted Average Cost of Gas (Non-Core WACOG) is as defined in Special Condition 3 under Gas Rate Schedule 4.

- (13) These rates do not apply to services provided by the Southern California Gas Company operating under franchise with the City of Long Beach.

- (14) Customer may elect to purchase all of its gas commodity from the Long Beach Energy Department if Customer does the following: a) maintains a deposit with the Long Beach Energy Department for the remaining term of the Agreement in an amount equal to the average of two months of gas commodity and transportation charges, b) Customer advises the Long Beach Energy Department 10 days before the initial month that the customer elects to purchase all of its gas from the Long Beach Energy Department for the remaining term of the Agreement, and c) Customer pays as agreed upon receipt of the monthly bill and is not delinquent in any prior month's billing.

SCHEDULE 7 - COGENERATION

Applicable to service of customer's gas used for the sequential production of electrical energy and heat, steam or useful work from the same fuel source and meeting the efficiency standards set forth in Chapter 18 of the Code of Federal Regulations, Sections 292-205 and subsequent revisions thereto, as set forth in Section 15.36.071 of the Municipal Code.

RATES:

Daily service charge per Customer

For Customers using less than 3 million therms per year \$ 1.6438

For Customers using 3 million therms or more per year No Charge

Transmission Charge per Therm

For Customers using less than 3 million therms per year \$ 0.0659

For Customers using 3 million therms or more per year \$ 0.0344

Cost of Gas (per therm)

Non-Core WACOG plus a surcharge of \$0.0500

Upon recommendation by the Director of the Long Beach Energy Department, the City Manager, subject to approval of City Council, may adjust on a case-by-case basis the amount of the surcharge in the Cost of Gas per therm a maximum of \$0.03 above or below the stated surcharge rate to reflect current changes in market conditions. Notice of the upcoming monthly surcharge amount will be posted at the Long Beach Energy Department at least 15 days before the beginning of each month and will also be available from the Long Beach Energy Department by telephone or facsimile upon request. The Non-Core WACOG will be posted at the Long Beach Energy Department within 10 days after the end of each month and will also be available from the Long Beach Energy Department website www.lbenergy.org as well as by telephone or facsimile upon request.

USE PRIORITY:

Customers receiving service under this schedule shall have priority in the use of gas over Customers served under other rate schedules except Schedules 1, 2, 3, 4, and 5, when there is curtailment or insufficient gas to supply the demands of all Customers, and such Customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of Customers under Schedules 1, 2, 3, 4, and 5. The City shall not be liable for damages which may be occasioned by the curtailment, discontinuance or shut off of such gas supply or service.

SPECIAL CONDITIONS:

- (1) At all locations where gas is furnished or used under this schedule, the Customer must install separate meters to measure gas subject to a different schedule or schedules.
- (2) Gas supplied under this schedule shall be subject to shutoff of service without notice to the Customer in the event of nonpayment exceeding fifteen (15) days from the date of mailing of a statement to the Customer.
- (3) Gas delivered under this schedule shall be used only by the Customer.
- (4) Gas delivered under this schedule shall be supplied at standard delivery pressure. Additional costs to serve a Customer at higher than standard delivery pressure shall be borne by the Customer.
- (5) Gas supplied under this schedule is only available for the cogeneration portion of the customer's gas purchases, which will be the actual gas used by the cogenerator in the sequential production of electrical energy and heat, steam or useful work.
- (6) Cogeneration facilities with standby boilers will be treated as one customer for purposes of assessing customer charges, providing the customer has signed an affidavit to the effect that its boiler system only operates when the cogeneration system is not operating.
- (7) Customer will provide all meters and measuring facilities required to measure the final energy and kilowatt-hours generated. The City shall have the right to read, inspect and/or test the measuring facilities during normal working hours. The City may utilize estimated data to determine such gas usage.
- (8) As a condition precedent to service under this schedule when Customer elects to procure its own gas supply, a separate Transportation/Service Agreement must be executed. The Transportation/Service Agreement shall specify the terms and conditions applicable to service under this schedule.
- (9) Any costs including modifications or new facilities that may be required to provide the transportation service shall be paid for in advance by the Customer.
- (10) In cases only where a cogeneration system has a maximum output of two hundred fifty kilovolt amperes or less, the Long Beach Energy Department may, in its sole discretion, dispense with the requirement of a separate Schedule 7 meter. In such instances, gas volumes for billing purposes will be determined by an engineering computation utilizing the kilowatt hours generated by the system as shown by the Customer's electric generation meters and associated facilities.

- (11) Any additional transmission costs, surcharges or penalties incurred by Long Beach on behalf of these Customers will be passed through to the Customer at cost.
- (12) These rates do not apply to services provided by the Southern California Gas Company operating under franchise with the City of Long Beach.
- (13) If a Customer receiving service under this schedule while procuring its own gas reverts to purchasing all of its gas commodity from the Long Beach Energy Department the following applies: a) Customer has to maintain a deposit with the Long Beach Energy Department for the remaining term of the Agreement in an amount equal to the average of two months of gas commodity, transportation, and daily service charges, b) Customer advises the Long Beach Energy Department 10 days before the initial month that the Customer elects to purchase all of its gas from the Long Beach Energy Department for the remaining term of the Agreement, and c) Customer pays as agreed upon receipt of the monthly bill and is not delinquent in any prior month's billing.
- (14) Minimum charge: At no time shall the rate charged for the commodity and/or its transportation to any Customer be less than the cost of the commodity and/or service to the City plus any surcharges or penalties related to that service.
- (15) The Non-Core WACOG is as defined in Special Condition 3 under Gas Rate Schedule 4.
- (16) Any gas transportation customer who bypasses the City of Long Beach Energy Department's (LBE) service, in whole or in part, by connection to and service from an alternate gas transportation service provider, while remaining connected to LBE's system, shall be subject to a monthly Standby Charge as a Standby Customer, in addition to the applicable Schedule 7 rate as follows:
 - a. The Standby Charge shall be determined by reference to a base period comprised of the prior twelve-month period of time immediately prior to Customer obtaining Standby Customer Status.
 - b. Customer shall be subject to a Minimum Monthly Bill Component charge in addition to all other rates, charges, or penalties provided under Schedule 7 and/or other applicable rates.

- c. If Customer's actual gas consumption volume for a given month, multiplied by the current schedule rate, is less than the Minimum Monthly Bill Component, then Customer's bill will include a Standby Charge equal to the difference between the Minimum Monthly Bill Component and the current billing period gas consumption volume multiplied by Customer's current Schedule 7 rate.
- d. The Standby Charge will remain in place until the Standby Customer notifies LBE that the alternate gas transportation service provider's interconnection has been physically and permanently removed and LBE inspects and verifies such removal.
- e. The Base Period remains the same so long as the Standby Charge remains in place.
- f. Customer shall notify LBE in writing within 24 hours of the earlier of either (a) Customer has executed a contract with an alternate gas transportation service provider or (b) Customer has installed a gas pipeline interconnection with an alternate gas transportation service provider for the purpose of bypass.
- g. Upon written request by LBE, Customer shall within 48 hours of receipt of such notice, provide LBE access to its facility(ies) in order to physically inspect and/or verify the existence or removal of any non-LBE operated gas pipeline interconnections.

SCHEDULE 8 - ENHANCED OIL RECOVERY

Applicable to natural gas used by an oil production customer for the purpose of increasing the production of oil, as set forth in Section 15.36.072 of the Municipal Code.

RATES:

<u>Daily service charge per customer</u>	\$16.4384
<u>Transmission Charge per Therm</u>	\$ 0.0349
<u>Cost of Gas (per therm)</u>	Non- Core WACOG plus a surcharge of \$0.0500

Upon recommendation by the Director of the Long Beach Energy Department, the City Manager, subject to approval of City Council, may adjust on a case-by-case basis the amount of the surcharge in the Cost of Gas per therm a maximum of \$0.03 above or below the stated surcharge rate to reflect current changes in market conditions. Notice of the upcoming monthly surcharge amount will be posted at the Long Beach Energy Department at least 15 days before the beginning of each month and will also be available from the Long Beach Energy Department by telephone or facsimile upon request. The Long Beach Weighted Average Cost of Gas (WACOG) will be posted at the Long Beach Energy Department within 10 days after the end of each month and will also be available from the Long Beach Energy Department website www.lbenergy.org as well as by telephone or facsimile upon request.

USE PRIORITY:

Service under this schedule provides transportation and delivery of customer-procured compatible pipeline quality gas from designated receipt points to customer premises.

Customers receiving service under this schedule shall have priority in the use of gas over customers served under other rate schedules except Schedules 1, 2, 3, 4, 5, 7, and 9, when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedules 1, 2, 3, 4, 5, 7, and 9. The City shall not be liable for damages which may be occasioned by the curtailment, discontinuance or shut off of such gas supply or service.

SPECIAL CONDITIONS:

- (1) As a condition precedent to service under this schedule, a separate Transportation/Service Agreement must be executed. The Transportation/Service Agreement shall specify the terms and conditions applicable to service under this schedule.
- (2) Any costs including modifications or new facilities that may be required to provide the transportation service shall be paid in advance by the customer.
- (3) Gas transported under this schedule shall be used only by the customer and such gas may not be sold, transported, assigned another customer or provide non-municipal natural gas to any natural gas user, transporter or consumer within the City.
- (4) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules.
- (5) These rates do not apply to services provided by the Southern California Gas Company operating under franchise with the City of Long Beach.
- (6) Any additional transmission costs or surcharges incurred by Long Beach on behalf of these customers will be passed through to the customer at cost.
- (7) Gas supplied under this schedule shall be subject to shutoff of service without notice to the customer in the event of nonpayment exceeding fifteen (15) days from the date of mailing of a statement to the customer.
- (8) Customer may elect to purchase all of its gas commodity from the Long Beach Energy Department if Customer does the following: a) maintains a deposit with the Long Beach Energy Department for the remaining term of the Agreement in an amount equal to the average of two months of gas commodity, transportation, and daily service charges, b) Customer advises the Long Beach Energy Department 10 days before the initial month that the customer elects to purchase all of its gas from the Long Beach Energy Department for the remaining term of the Agreement, and c) Customer pays as agreed upon receipt of the monthly bill and is not delinquent in any prior month's billing.
- (10) The Non-Core WACOG is as defined in Special Condition 3 under Gas Rate Schedule 4

- (11) **Minimum charge:** Utility is subject to a minimum charge, irrespective of actual volume, equal to: a) the volume amounts of gas determined by the CPUC as being served by Long Beach in setting the current SoCalGas wholesale rate applicable to Long Beach, times b) the Transmission charge. At no time shall the rate charged for the commodity and/or its transportation to any customer be less than the cost of the commodity and/or service to the City plus any surcharges or penalties related to that service.

SCHEDULE 9 - TRANSPORTATION AND EXCHANGE OF NATURAL GAS SERVICE

Applicable to natural gas procured by commercial/industrial customers with annual consumption in excess of 250,000 therms based on the customer's prior calendar year consumption, or estimated annual consumption for new customer, transported or exchanged by the City's Long Beach Energy Department for the customer under Section 15.36.080 of the Municipal Code.

RATES:

<u>Daily Service Charge per Customer</u> (per meter location)	\$11.5069
<u>Transmission charge (per therm)</u>	
Tier I - 0 - 20,833 Therms	\$ 0.1252
Tier II - 20,834 – 83,333 Therms	\$ 0.0774
Tier III – 83,334 – 166,667 Therms	\$ 0.0468
Tier IV – Over 166,667 Therms	\$ 0.0249

USE PRIORITY:

Service under this schedule provides transportation and delivery of customer-procured compatible pipeline quality gas from designated receipt points to customer premises.

Customers receiving service under this schedule shall have priority in the use of gas over customers served under other rate schedules except Schedules 1, 2, 3, 4, and 5, when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedules 1, 2, 3, 4, and 5. The City shall not be liable for damages which may be occasioned by the curtailment, discontinuance or shut off of such gas supply or service.

SPECIAL CONDITIONS:

- (1) As a condition precedent to service under this schedule, a separate Transportation/Service Agreement must be executed. The Transportation/ Service Agreement shall specify the terms and conditions applicable to service under this schedule. Also, customer may be required to pay a deposit equivalent to two times the customer's estimated average monthly billing.

- (2) Any costs including modifications or new facilities that may be required to provide the transportation service shall be paid in advance by the customer.
- (3) Gas transported under this schedule shall be used only by the customer and such gas may not be sold, transported, assigned distributed, exchanged, or otherwise transferred to benefit another customer or provide non-municipal natural gas to any natural gas user, transporter or consumer within the City.
- (4) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules. The customer will be required to pay for the installation and cost of electronic meter reading equipment and monthly charges associated with such equipment.
- (5) These rates do not apply to services provided by the Southern California Gas Company operating under franchise with the City of Long Beach.
- (6) Any additional transmission costs or surcharges incurred by Long Beach on behalf of these customers will be passed through to the customer at cost.
- (7) Minimum charge: Utility is subject to a minimum charge, irrespective of actual volume, equal to: a) the volume amounts of gas determined by the CPUC as being served by Long Beach in setting the current SoCalGas wholesale rate applicable to Long Beach, times b) the Transmission charge. At no time shall the rate charged for the commodity and/or its transportation to any customer be less than the cost of the commodity and/or service to the City plus any surcharges or penalties related to that service.
- (8) Any gas transportation customer who bypasses the City of Long Beach Energy Department's (LBE) service, in whole or in part, by connection to and service from an alternate gas transportation service provider, while remaining connected to LBE's system, shall be subject to a monthly Standby Charge as a Standby Customer, in addition to the applicable Schedule 9 rate as follows:
 - a. The Standby Charge shall be determined by reference to a base period comprised of the prior twelve-month period of time immediately prior to Customer obtaining Standby Customer Status.
 - b. Customer shall be subject to a Minimum Monthly Bill Component charge in addition to all other rates, charges, or penalties provided under Schedule 9 and/or other applicable rates.

- c. The Minimum Monthly Bill Component shall be determined by multiplying the total monthly gas volume utilized by Customer during the same calendar month of the twelve-month period immediately prior to Standby Customer status (Base Period) by the current Schedule 9 rate. Except, to the extent that Customer's current monthly billing period gas consumption volume multiplied by the current monthly Schedule 9 rate is equal to or greater than the Minimum Monthly Bill Component, then Customer will be excused from the Minimum Monthly Bill Component for that specific month and the resulting Standby Charge shall be zero.
 - d. If Customer's actual gas consumption volume for a given month, multiplied by the current schedule rate, is less than the Minimum Monthly Bill Component, then Customer's bill will include a Standby Charge equal to the difference between the Minimum Monthly Bill Component and the current billing period gas consumption volume multiplied by Customer's current Schedule 9 rate.
 - e. The Standby Charge will remain in place until the Standby Customer notifies LBE that the alternate gas transportation service provider's interconnection has been physically and permanently removed and LBE inspects and verifies such removal.
 - f. The Base Period remains the same so long as the Standby Charge remains in place.
 - g. Customer shall notify LBE in writing within 24 hours of the earlier of either (a) Customer has executed a contract with an alternate gas transportation service provider or (b) Customer has installed a gas pipeline interconnection with an alternate gas transportation service provider for the purpose of bypass.
 - h. Upon written request by LBE, Customer shall within 48 hours of receipt of such notice, provide LBE access to its facility(ies) in order to physically inspect and/or verify the existence or removal of any non-LBE operated gas pipeline interconnections.
- (9) If any term, section, provision, rate or portion of the rate is found to be invalid, ineffective, void, or unenforceable for any reason whatsoever by a court or regulatory body having jurisdiction therein, the remaining terms, sections, provisions, and rates, or portions of rates shall remain in full force and effect.
- (10) If a Customer receiving service under this Schedule reverts to service under Schedule 4 at any time during the term of the Transportation/Service Agreement, the Customer may be required, at the sole discretion of LBE, to continue service under Schedule 4 for the remainder of the term of the Agreement.

SCHEDULE 10 - AIR CONDITIONING SERVICE

Applicable to natural gas service for customers operating gas air conditioning equipment, under Section 15.36.085 of the Municipal Code, to fuel high-efficiency gas cooling absorption chillers with two- or three-stage generators, designed and built by the original equipment manufacturers, and rated as double-effect or triple-effect units. The cooling output of the absorption chillers must equal at least 90% of the Btu input at the higher heating value of gas.

RATES:

<u>Daily service charge per meter</u>	\$ 4.9315
<u>Transmission Charge</u> (per therm)	\$ 0.1168
<u>Cost of Gas</u> (per therm) Applicable to all usage	Core WACOG

USE PRIORITY:

Customers receiving service under this schedule shall have priority in the use of gas over customers served under other rate schedules except Schedules 1, 2, 3, 4, and 5 service when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedules 1, 2, 3, 4, and 5. The City shall not be liable for damages which may be occasioned by the curtailment, discontinuance or shut off of such gas supply or service.

SPECIAL CONDITIONS:

- (1) At all locations where gas is furnished or used under this schedule, the customer must install a separate meter to measure gas subject to this schedule.
- (2) Gas delivered under this schedule shall be supplied at standard delivery pressure. Additional costs to serve a customer at higher than standard delivery pressure shall be borne by the customer.
- (3) As a condition precedent to service under this schedule, a separate Gas Air Conditioning Services Form must be executed. The Services Form shall specify the terms and conditions applicable to service under this schedule.
- (4) Any costs including modifications or new facilities that may be required to provide the service shall be paid in advance by the customer.

SCHEDULE 10

Page 2 of 2

Effective Date: **October 1, 2004**

- (5) The Core WACOG is as defined in Special Condition 3 under Gas Rate Schedule 1.
- (5) Minimum Charge: At no time shall the rate charged for the cost of gas and/or its transportation to any customer be less than the cost of the gas and/or service to the City.
- (7) These rates do not apply to services provided by the Southern California Gas Company operating under franchise with the City of Long Beach.

EXHIBIT "A"

SCHEDULE 1 - RESIDENTIAL

SPECIAL CONDITIONS: ADDITIONAL DAILY BASELINE THERM ALLOWANCE FOR PERSONS WITH CERTAIN MEDICAL CONDITIONS – EFFECTIVE JULY 1, 1997

As required by City of Long Beach Municipal Code, Chapter 15.36.020 Section D.3, Schedule 1 – Residential Customers, an additional daily baseline allowance of .822 therms shall be allowed to a residential customer using gas for space heating and/or daily use of natural gas-operated life support equipment under the following definitions and conditions:

1. **Definitions:**

“Hemiplegic” means paralysis of one lateral half of the body or part of it.

“Life support equipment” means that equipment which utilizes mechanical or artificial means to sustain, restore, or supplant a vital function. It is life support equipment that requires daily use of natural gas for functioning of the medical equipment. Life support equipment does not include apparatus or appliances used in a hospital or medical clinic, nor does it include therapeutic devices such as pool or tank heaters, saunas, or hot tubs.

“Life threatening illness” means a severe medical condition that requires additional space heating which is medically necessary to sustain the life of the person or prevent deterioration of the person’s medical condition.

“Paraplegic” means paralysis of the lower half of the body.

“Quadriplegic” means paralysis of both arms and both legs.

“Residential customer” means a customer or person residing with a customer receiving gas service under Schedule 1 including service to residential dwelling units and mobile home units; but excluding industrial, commercial and every other category of customer (including rooming or boarding houses, rest homes, dormitories, convalescent or care facilities, military barracks, hospitals, stores, restaurants, and other similar establishments; or central heating plants serving a combination of residential and commercial uses).

2. A person who is permanently residing at the service address is or has one or more the following medical conditions: (i) has emphysema and requires positive pressure breathing apparatus, (ii) has had pneumonia three (3) or more times in twelve (12) months as a result of a chronic illness, (iii) has paralysis of two (2) or more limb extremities, or has multiple sclerosis, (viii) scleroderma, or (xi) is being treated for a life-threatening illness, or (x) has a compromised system; and

3. To qualify for the additional baseline therm allowance, a person with one or more of the medical conditions in paragraph 2, shall file an application with the Commercial Services Bureau (the "Bureau"), upon a form supplied by the Bureau. The applicant shall recite facts under oath on the form which qualify the applicant for the additional baseline therm allowance. The application shall also require a licensed physician or osteopath to certify under oath on the form, the existence of one or more of the medical conditions described in paragraph 2 above.
4. The Bureau shall review all such applications and certify those applicants determined to qualify for the additional therm allowance. The additional therm allowance shall not be retroactive prior to the date of certification of the application by the Bureau. All eligible applications shall continue and be renewed automatically by the Bureau so long as the prerequisite facts supporting the initial qualification for medical conditions shall continue; provided, however, that the Bureau shall have the discretion to review and request additional certification of a medical condition annually or as determined necessary by the Bureau. A customer's additional baseline therm allowance shall terminate automatically with any change in customer, service address or residence. Any individual qualifying for the additional baseline therm allowance, or the customer in whose name service is billed, if different from the applicant, shall notify the Commercial Services Bureau within ten (10) days of any change in fact or circumstances which might disqualify the residential customer from receiving such additional baseline therm allowance.
5. It shall be a misdemeanor for any person to knowingly provide false information in an application or to knowingly receive the benefits of the additional baseline therm allowance for a medical condition provided herein when the basis for such benefit either does not exist or ceases to exist.

LONG BEACH ENERGY GAS FUND (EF 301) FEES & CHARGES

For fees and charges pursuant to Section 15.36.090 of the Municipal Code:

1. **Meter Reset Charge** **\$100.00**
Charged if it becomes necessary to remove a consumer's meter due to tampering. Must be paid with the reconnection fee prior to restoration of service.

2. **Returned Check Charge** **\$30.00**
Will be charged if a check is returned for any reason.

3. **Re-Connection Fee** **\$35.00**

Charged if A) gas service is terminated for non-payment of bill (must be paid before service will be restored, B) if gas service was temporarily terminated at customer's request (i.e. summer turn-off), or C) for a temporary turn-on for landlord/owner.

A) Single family dwelling unit or to a single non-residential unit

B) Housing project, apartment house, or other multi-family dwelling units, or to more than one non-residential unit:
 - 1) In the first family dwelling unit or non-residential unit **\$35.00**
 - 2) For each additional unit **\$16.00**

4. **Stand-By Service for Alternative Fuel Charge Per Month** **\$50.00**

Fee charged for providing natural gas service that is used as a backup for another Energy-fuel source.

5. **Demand Test Deposit** **\$35.00**
Fee charged if a customer requests a meter accuracy test for a service meter. The charge will be refunded if the meter is found to record more than 2% fast.

6. **Service Establishment Charge** **\$35.00**

Charged to establish a new service at the time the account is opened.

Note: Senior citizens and disabled persons who qualify for a reduced gas bill under Municipal Code 15.36.120 shall receive a \$20.00 credit against the Service Establishment Charge. This credit will be applied to the customer's gas bill upon receipt of certification and will apply only to those who establish a new service on or after July 1, 1995 and who qualify for the reduced gas bill within 120 days after the date of service establishment.

7. Gas Service Appointment Fee **\$25.00**

Fee charged to customers requesting a specific appointment time for gas services as compared to service time within a 4 hour time period as provided in California Civil Code Section 1722 (c).

This fee will be charged to the customer's account for each scheduled appointment. If the service cannot be performed for the reason that the customer is not available at the scheduled time, an additional appointment will be made, which may include an additional appointment fee.

8. Damaged Lock **\$20.00**

9. Meter Upgrade/Relocate **\$100.00**

Fee charged when a customer requests a meter upgrade to accommodate increased gas usage, i.e. a pool or when the customer requests their meter be moved to a new location for meter reading purposes or convenience.

10. Pilot Lighting **\$25.00**

Once each year a customer may have the pilot lights on their natural gas appliances lit for free. Pilot lights lit more than once during a 12-month period are charged a \$25.00 service fee.

11. Tented Fumigation **\$35.00**

Effect gas appliances and service to accommodate tented fumigation. Fee to be paid by fumigation vendor.

A) Single family dwelling unit or to a single non-residential unit **\$35.00**

B) Housing project, apartment house, or other multi-family dwelling units, or to more than one non-residential unit:

1) In the first family dwelling unit or non-residential unit **\$35.00**

2) For each additional unit **\$16.00**

12. Pipeline Fee Schedule

NEW SERVICES SIZE OF PIPE	COST PER FOOT	MINIMUM	
1 ½" AND SMALLER	\$26.00	\$325.00	
2' - 4'	\$34.00	\$425.00	
6' - 8'	\$55.00	\$700.00	
ALTERATION OF EXISTING MAINS & SERVICES SIZE OF SERVICE	COST PER FOOT	MINIMUM	
1 ½" AND SMALLER	\$55.00	\$700.00	
2"-4"	\$65.00	\$800.00	
6" - 8"	\$110.00	\$1,375.00	
ENGINEERING FEES	HOURLY RATE	MINIMUM	
NATURAL GAS FLOW STUDIES	\$115.00		
TECHNICAL REVIEWS	\$115.00		
STATIONING	\$115.00		
PLAN CHECK	\$115.00		
PROJECT SITE - ENGINEERING	\$115.00		
DESIGN & SUB-STRUCTURE DRAWINGS	\$115.00		
SUPPORT FEES	HOURLY RATE	MINIMUM	
ENGINEERING SUPPORT FEES	\$80.00		
METER SET INSTALLATION & INSPECTION	\$100.00		
GAS PIPELINE CONSTRUCTION INSPECTION	\$100.00		
AS-BUILT DRAWINGS	\$80.00		
AS-BUILT DRAWINGS REVIEW	\$115.00		
AS-BUILT DRAWINGS APPROVAL	\$115.00		
DOCUMENT FEES			FLAT FEE
BID PACKAGE - PLAN & SPECIFICATIONS			\$15.00
ENGINEERING STANDARD MANUAL			\$15.00
DEVELOPER PROCESS GUIDE			\$15.00
COMPUTER DISKETTE WITH DESIGN INFO.			\$10.00
ADMINISTRATIVE FEES			FLAT FEE
ADMINISTRATION			\$1,000.00
PREPARE & PROCESS AGREEMENTS			\$1,100.00
RIGHT OF WAY ROCESSING/EASEMENT			\$400.00
RIGHT OF WAY SKETCHES			\$140.00
DRAWINGS & PRINTS (PER COPY/NON REFUNDABLE)			FLAT FEE
12" X 24" PLAN SHEET			\$5.00
18" X 33" GAS ATLAS			\$5.00

INSTALLATION FEES	HOURLY RATE	MINIMUM	FLAT FEE
DEMOLITION - DISCONNECT CHARGE	\$300.00	\$1,200.00	
PER INDIVIDUAL SERVICE LATERAL	\$300.00	\$1,200.00	
REPAIR FOR CONTRACTOR DAMAGES	\$300.00	\$1,200.00	
INDIVIDUAL SERVICE LINE METER SET			\$100.00
MULTIPLE METER SET	\$60.00	\$240.00	
PRESSURE CONTROL FITTING - TAPPING & STOPPING (UP TO 4" – HALF PC)			\$2,000.00
PRESSURE CONTROL FITTING - TAPPING & STOPPING (4" AND GREATER – FULL PC)			\$5,000.00
BOLLARD INSTALLATION (EACH)			\$100.00
EXCESS FLOW VALVE - INITIAL INSTALLATION (EACH)			\$600.00
EXCESS FLOW VALVE REPLACEMENT/ MAINTENANCE (EACH)			\$4,000.00
PERSONNEL QUALIFICATION TESTING (MANDATORY)			FLAT FEE PER TEST
STEEL PIPE JOINING			
ELECTRIC ARC - 4 TESTS REQUIRED			\$400.00
OXYACETYLENE WELDING - 4 TESTS REQUIRED			\$200.00
PLASTIC PIPE JOINING - 5 TESTS REQUIRED			\$100.00

NOTE: SPECIAL CONDITION

- (1) These fees and charges do not apply to services provided by the Southern California Gas Company operating under franchise with the City of Long Beach.
- (2) **Minimum Charge:** The minimum charge under Section 8 of Exhibit "B" is intended to represent the average costs for set up and take down time for a gas construction service crew at the work site. At no time shall the fee for service be less than the cost to the City of providing that service.

GAS EQUIPMENT INCENTIVES

Applicable to gas equipment incentives pursuant to Section 15.36.095 of the Municipal Code:

In order to assist customers in determining the feasibility of natural gas energy and the potential benefits of natural gas equipment, the Long Beach Energy Department will offer to all qualifying customers, subject to the availability of funds, incentives for the cost of feasibility studies and/or the purchase of new or replacement commercial or industrial gas equipment to be installed and used by customers for energy-efficiency purposes.

A. Program Objectives:

1. Persuade existing nonresidential customers to install new gas equipment to reduce their overall energy costs and thereby increase their productivity and profitability.
2. Encourage the placement of new businesses into the Long Beach area by offering incentives comparable to incentives offered by other utilities in the Southern California area.
3. Demonstrate that nonresidential gas equipment is a cost competitive alternative to electric technologies.
4. Increase the amount of nonresidential gas usage during the off-peak summer to reduce average operating costs by balancing the system load.
5. Improve the Long Beach Energy Department's long-term revenue by offering incentives only to customers with projects which contribute a positive cash flow to the City with a reasonable payback period balanced against the actual amount of the incentive.

B. Customer Application

Customers shall file a written application with the Director of the Long Beach Energy Department on forms provided by the City. The application shall include:

1. The name and address of the applicant,
2. The type of gas equipment being considered for purchase/replacement,
3. The size or capacity of the equipment and the volume of expected natural gas consumption,
4. The applicant's forecasted payback period,

B. Customer Application (continued)

5. The applicant's forecast of time for implementation of studies or gas equipment purchases,
6. Estimates of cost of feasibility studies,
7. Estimates of cost of natural gas equipment,
8. Profit/loss statements or other relevant financial data as requested.

C. Customer Selection

The customer's application will be evaluated by the Director of the Long Beach Energy Department based upon the following criteria:

1. The information provided by the customer on the application,
2. The applicant's willingness to share relevant data and provide access to the facility,
3. The applicant's forecasted time requirements,
4. Any prior equipment incentives provided by the Long Beach Energy Department to the applicant,
5. Public policy considerations,
6. The availability of funds,
7. The balance of the cost of the incentive against the long-term benefits provided by related incremental gas sales.

SPECIAL CONDITIONS:

- (1) As a condition precedent to granting an incentive, a separate Equipment Incentive/Feasibility Study Agreement must be executed and approved by the City Council. The Equipment Incentive/Feasibility Study Agreement shall specify the terms and conditions applicable to incentives under this program.
- (2) These incentives do not apply to services provided by the Southern California Gas Company operating under franchise with the City of Long Beach.