

DOCKETED

Docket Number:	16-RPS-02
Project Title:	Appeal by Los Angeles Department of Water & Power re Renewables Portfolio Standard Certification Eligibility
TN #:	213072
Document Title:	63 SoCalGas 2008 Master Srvcs Contract Storage Service Agmt 47335-8 LADWP Board File No 47335-8 (Bates Nos. LA000749-LA000752)
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DEPARTMENT OF WATER AND POWER
CITY OF LOS ANGELES

COMMISSION OFFICE

September 10, 2008

BOARD FILE

Attached herewith for FILE

The following **CONFORMED COPY OF AGREEMENT.**

FILE NO.	DATE	NAME	
Agreement No. 47335-8	06-19-08	<p>Southern California Gas Company – Agreement No. 47335-8 – Authorizes providing LADWP with continued natural gas storage service for the period of April 1, 2008 through March 31, 2009.</p> <p>Authorized by Resolution No. 008-273, adopted June 19, 2008.</p> <p>Approved under Council File No. 08-1719, on August 5, 2008</p>	
		<p>Original – Accounts Payable Duplicate Original – Kept by Sr. AGM – Power System Conformed Copies – Sr. AGM – Power System – Supply Chain Services – Board File</p>	


BARBARA E. MOSCHOS
Title Board Secretary

LA000749

MASTER SERVICES CONTRACT

SCHEDULE I

TRANSACTION BASED STORAGE SERVICE AGREEMENT

THIS TRANSACTION BASED STORAGE SERVICE AGREEMENT ("Agreement") is entered into as of the 15 day of February, 2008, by and between Southern California Gas Company ("Utility") and Dept. of Water & Power of the City of LA ("Service User") and sets forth the terms and conditions under which Utility will provide storage services to Service User. This Agreement shall be attached to and incorporated as Schedule I to the Master Services Contract ("MSC") entered into by the parties.

SECTION 1 - STORAGE SERVICES

(a) For the Time Period for Service indicated below (the "Service Period"), Utility shall provide Service User with the storage services set forth below. This Agreement and the rights established herein shall be subject to the terms and conditions of Utility's Tariff Rate Schedule G-TBS and other applicable Tariff Rules hereto from time to time (including, without limitation, the definitions in Utility's Tariff Rule No. 1).

<u>Storage Services</u>	<u>Maximum Quantity</u>		<u>Firm or As-Available</u>	<u>Time Period for Service ("Service Period")</u>
Inventory	<u>500,000</u>	(Dth)	Firm	April 1, 2008 - March 31, 2009
Injection	<u>10,000</u>	(Dth/day)	Firm	April 1, 2008 - October 31, 2008
Withdrawal	<u>20,000</u>	(Dth/day)	Firm	April 1, 2008 - March 31, 2009

(b) All gas to be stored under this Agreement must be delivered by Service User to Utility system at the California border during the period from April 1, 2008 to March 31, 2009, subject, however, to Utility system constraints. Withdrawals must be completed by March 31, 2009. Upon implementation of Firm Access Rights (D.06-12-031), gas to be stored must be received at the SoCalGas City Gate.

(c) If storage injection and withdrawal services are offered hereunder on an "as-available" basis, such services may be temporarily restricted in accordance with Utility Tariff Rule 23.C.1.(4), Utility Tariff Rule 30.F.2 and G, and G-IMB Special Conditions 3. Upon the CPUC approval of Utility's Omnibus tariffs (D.07-12-019), such "as available" storage injection and withdrawal services will be prioritized as zero-priced "interruptible" storage injection and withdrawal services.

(d) Upon Service User's request for withdrawal, Utility will re-deliver all gas stored by Service User under this Agreement at the California border or other mutually agreed upon locations. Upon implementation of Firm Access Rights (D.06-12-031), Utility will deliver stored gas to the SoCalGas City Gate.

(e) Other: Service User has multiple cycling rights. Service User has year-round as-available injection and withdrawal rights, which are subject to interruption. Service User's Firm Withdrawal rights shown above in Section 1(a) are Annual Firm Withdrawal rights as defined in Rule No. 01. Service User may change its storage services through a negotiated agreement ("Transaction") with Utility. Utility shall record each Transaction in a letter agreement ("Transaction Confirmation") that references this Agreement. The Transaction Confirmation is considered an integral part of the Agreement and will be sent by Utility to Service User by facsimile, or other mutually agreeable electronic means, no later than close of the first Business Day (a day during which Federal Reserve banks in New York City are open for business) immediately following the date of the Transaction. Service User shall identify any error in such Transaction Confirmation and shall immediately provide written notice to Utility. If no such notice is received by Utility within 2 Business Days from Service User's receipt of the Transaction Confirmation, the Transaction Confirmation will be deemed correct. Both parties hereby agree that the Transaction Confirmation sent electronically to Service User forms a binding and enforceable contract.

SECTION 2 - RESERVATION AND STORAGE CHARGES

Service User agrees to pay to Utility the following charges:

<u>Storage Services</u>	<u>Quantity (Dth)</u>		<u>Unit Reservation Charges</u>		<u>Variable Storage Charges</u>		
					<u>In-Kind Fuel</u>	<u>O&M Injection or Withdrawal</u>	
Inventory	500,000	(Dth)	2.92000	\$(Dth)			
Injection	10,000	(Dth/day)	0.00000	\$(Dth)	2.44 %	0.0127	\$(Dth)
Withdrawal	20,000	(Dth/day)	0.00000	\$(Dth/day)		0.0177	\$(Dth)

Other charges: The per-unit reservation charges stated above result in an annual reservation charge of one-million, four-hundred-sixty-thousand dollars (\$1,460,000). Variable charges are subject to change and are those specified in the G-TBS tariff. Notwithstanding Section 4(a) reservation charges will be billed in equal monthly installments over the term of the Agreement.

SECTION 3 - TRANSMISSION CHARGES

Service User agrees to pay Utility all applicable transportation charges incurred to move gas to Utility system, including the Wheeler Ridge access fee, if applicable.

Other transportation charges and conditions: Transmission charges are subject to change and are those specified in the G-TBS tariff. Transmission charges/credits specified in the G-TBS tariff are waived for this agreement.

SECTION 4 - BILLING AND PAYMENT

(a) All reservation charges shall be billed by Utility and paid by Service User in equal monthly installments over the Service Period of this Agreement. Provided, however, that if Service User is not an end-use customer of Utility, 25% of the reservation charges shall be paid to Utility prior to the commencement of the Service Period and the balance shall be billed and paid in equal monthly installments over the Service Period. All other charges shall be billed and paid as the applicable services are provided.

(b) All bills shall be timely paid. In addition to any remedies provided under Utility's Tariff Rate Schedules and Tariff Rules, in the event that Service User fails to timely pay any amounts due hereunder and such amounts are not paid in full within seven (7) days following notice by Utility that such payment is in arrears, Utility may, without any additional notice, immediately suspend service hereunder until Service User pays all amounts due.

(c) In the event of a billing dispute, the bill must be paid in full by Service User pending resolution of the dispute. Such payment shall not be deemed a waiver of Service User's right to a refund. All bills shall be sent to Service User as specified below in Section 5 (a).

SECTION 5 - MISCELLANEOUS

(a) Notices - All notices and requests under this Agreement shall be deemed to have been duly given if sent by facsimile (fax) properly addressed, and with confirming original copy thereof being sent by postage prepaid, certified mail properly addressed, as follows:

SERVICE USER

Contact Name: _____
 Contact Title: _____
 Telephone: _____
 Fax No.: _____

Operating Matters

UTILITY

Contact Name: Gas Transactions Hotline
 Contact Title: Gas Transactions & Operations
 Telephone: (213) 244-3900
 Fax No.: (213) 244-8281

Billing Matters

Contact Name: Harumi Barron
 Contact Title: _____
 Telephone: (213) 367-3083
 Fax No.: (213) 367-3148

Contact Name: Susana Santa Maria
 Contact Title: Billing Analyst
 Telephone: (213) 244-4337
 Fax No.: (213) 244-8449

Contract Matters

Contact Name: Robert Pettinato
 Contact Title: Natural Gas Supply Manager
 Telephone: (213) 367-1735
 Fax No.: (213) 367-1772

Contact Name: Gwoon Tom
 Contact Title: Storage Products Manager
 Telephone: (213) 244-3692
 Fax No.: (213) 244-8645

Either party may change its designation set forth above by giving the other party at least seven (7) days prior written notice.

(b) Governing Law - This Agreement shall be construed in accordance with the laws of the State of California and the orders, rules and regulations of the Public Utilities Commission of the State of California in effect from time to time.

(c) Credit Worthiness - From time to time, as is deemed necessary, Utility may request that Service User furnish Utility with all relevant information or data to establish Service User's credit worthiness, including, without limitation, financial statements of Service User which are audited or otherwise attested to Utility's satisfaction. Following review of such information, Utility may require that Service User supply additional assurance as may be necessary to establish Service User's ongoing financial ability to perform under this Agreement during the Term, including, without limitation, contractual guarantees or financial instruments such as letters of credit.

(d) Limited Storage Liability - Utility shall not be responsible for any loss of gas in storage, including, without limitation, losses due to the inherent qualities of gas (including leakage and migration) or due to physical or legal inability to withdraw gas from storage, unless such loss is caused by failure of Utility to exercise the ordinary care and diligence required by law. In the event of any such loss, the portion of such loss which is attributable to Service User shall be determined based on Service User's pro rata share of the total recoverable working gas inventory in Utility's storage facilities at the time of the loss.

(e) Incorporated Provisions - The provisions of Section 6 of the MSC are incorporated by reference herein as if set forth in full herein, except to the extent such Section 6 is superseded by Utility's Tariff Rule 4.

IN WITNESS WHEREOF, the authorized representatives of the parties have executed two (2) duplicate original copies of this Agreement as of the date first written above.

DEPARTMENT OF WATER AND POWER
 OF THE CITY OF LOS ANGELES BY
 BOARD OF WATER AND POWER COMMISSIONERS
 OF THE CITY OF LOS ANGELES

By: [Signature]
 H. David Nafar, Chief Executive Officer & General Manager

Date: AUG 27 2008

And: [Signature]
 Secretary

APPROVED AS TO FORM AND LEGALITY
 ROCKARD J. DELGADILLO, CITY ATTORNEY

MAR 18 2009
 BY [Signature]
 STANTON J. SNYDER
 Assistant City Attorney

SOUTHERN CALIFORNIA GAS COMPANY R

By: [Signature]
 Rodger Schwecke

Title: Director, Energy Markets and Capacity Products