

DOCKETED

Docket Number:	16-RPS-02
Project Title:	Appeal by Los Angeles Department of Water & Power re Renewables Portfolio Standard Certification Eligibility
TN #:	213342
Document Title:	LADWP Transaction Confirmation with Atmos Energy Marketing Effective 9-1-2009
Description:	N/A
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TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY

ATMOS
energy

Atmos Energy Marketing

Date: August 21, 2009

Transaction Confirmation #:

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated effective upon execution by the LADWP. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

SELLER:

Atmos Energy Marketing, LLC ("AEM")
13430 Northwest Freeway, Suite 700
Houston, Tx. 77040
Attn: Jude Mariea
Phone: 615-595-1203
Fax: 713-688-1625
Base Contract No. LADWP 96 125-516
Transporter: Kern River Transmission (KRT)
Transporter Contract Number: _____

BUYER:

City of Los Angeles acting by and through the Department of
Water and Power ("LADWP")
111 North Hope St, Room 1150, Los Angeles, CA 90012
Attn: Natural Gas Manager
Phone: 213-367-1735
Fax: 213-367-1772
Base Contract No. 96 125-516
Transporter: Kern River Gas Transmission
Transporter Contract Number: 1006, 1706

Contract Price: \$ 9.80 per MMBtu

Delivery Period: Begin: September 1, 2009

End: July 31, 2014

Performance Obligation and Contract Quantity: Seller shall sell to Buyer, and Buyer shall purchase from Seller, up to 5,000 MMBtus per Day ("Contract Quantity") for the Delivery Period, consisting of both Environmental Attributes and Standard Base Load gas as set forth in the Special Conditions. Seller agrees to dedicate solely to Buyer all of the Environmental Attributes that Seller has contracted for with the designated landfill set forth in Attachment A as of the Effective Date of this Transaction Confirmation up to the Contract Quantity hereof. Seller further agrees that all deliveries of Landfill Gas received by Seller under said contract with the designated landfill shall be delivered to Buyer under this Transaction Confirmation up to the Contract Quantity. Notwithstanding the foregoing, buyer and Seller acknowledge and agree that Landfill Gas is interruptible and is subject to the successful flow of scheduled Landfill Gas from the facility.

During the Delivery Period hereunder, Seller may offer to Buyer and Buyer may agree to purchase supplementary quantities of Landfill Gas from additional landfill facilities that are qualified and approved by Seller.

Delivery Point(s): KRT - Opal, Wyoming

Special Conditions:

General Terms and Conditions and Definitions:

Transaction No.
0909005

Natural Gas Supply Business Group
Los Angeles Department of Water & Power
P.O. Box 51111, Rm 1150
Los Angeles, CA 90051-0100
Phone (213) 367-1748
Fax (213) 367-1772

21 Aug 09

Attn: Confirmation Dept
Rep: Marc Tronzo
Company: Atmos Energy Marketing
Fax: (713) 688-1625

Award and Confirmation Letter
Natural Gas Purchase, Sales, or Exchange

This letter serves to confirm the following transaction between your company and the Los Angeles Department of Water and Power.

Seller: Atmos Energy Marketing
Buyer: LADWP
Start: 01 Sep 09
End: 31 Jul 14
Type: Purchase
Price (\$/MMBtu): As per Exhibit A
Volume: As per Exhibit A
Point of Sale, Purchase, Exchange: Opal/Kern Rec
Additional Terms and Conditions:

Los Angeles Department Of Water and Power

By: As per Exhibit A

Date: As per Exhibit A

Attestation

The undersigned hereby attests that the product being sold by GSF to Atmos Energy Marketing, LLC contains all the environmental attributes associated with pipeline quality gas generated from the conversion of raw landfill gas at GSF's processing facilities located at the McCarty Road Landfill in Houston, Texas ("Environmental Attributes"). The Environmental Attributes exclude (a) any federal or state tax credits associated with the collection, production, transfer or sale of such landfill gas, (b) any emission reduction credits required or available for the operation of a landfill gas processing facility at the Landfill to convert collected Landfill Gas to pipeline quality gas standards, and (c) any credits or payments associated with the capture and destruction of methane or the reduction in or avoidance of Greenhouse Gas emissions at the Landfill, including emission reduction credits, verified emission reductions, voluntary emission reductions, offsets, allowances, voluntary carbon units, avoided compliance costs, emission rights and authorizations, and CO2 reduction and sequestration. For purposes hereof, "Greenhouse Gas" means carbon dioxide (CO2), methane (CH4), nitrous oxide (NO2), hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride, or any other substance or combination of substances that may become regulated or designated as Greenhouse Gases under any federal, state or local law or regulation, or any emission reduction registry, trading system, or reporting or reduction program for Greenhouse Gas emission reductions that is established, certified, maintained, or recognized by any international, governmental (including U.N., federal, state, or local agencies), or non-governmental agency from time to time, in each case measured in increments of one metric ton of carbon dioxide equivalent.

The undersigned further attests that GSF has not agreed to sell the environmental attributes associated with any gas to be delivered to Atmos Energy Marketing, LLC to any other party.

"Project" means the landfill source facility set forth in Attachment A to the Transaction Confirmation hereof.

"Standard Base Load" means gas produced from the Project that:

- (i) consists of Landfill Gas, as that term is defined in the California Energy Commission's ("CEC") Renewable Energy Program Overall Program Guidebook (January 2008); and
- (ii) contains all the Environmental Attributes associated with the use of Landfill Gas derived fuel for the generation of electric power, but excluding (a) any federal or state tax credits associated with the collection, production, transfer or sale of such Landfill Gas, (b) any emission reduction credits required or available for this operation of a Landfill Gas processing facility at the Landfill to collect and process Landfill Gas, and (c) any credits or payments associated with the reduction in or avoidance of Greenhouse Gas emissions at the Landfill, including emission reduction credits, verified emission reductions, voluntary emission reductions, offsets, allowances, voluntary carbon units, avoided compliance costs, emission rights and authorizations and CO2 reduction and sequestration. For purposes hereof, "Greenhouse Gas" means carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O) hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride, or any other substance or combination of substances that may become regulated or designated as Greenhouse Gases under any federal, state or local law or regulation, or any emission reduction registry, trading system, or reporting or reduction program for Greenhouse Gas emission reductions that is established, certified, maintained, or recognized by any international, governmental (including U.N., federal, state, or local agencies), or non-governmental agency from time to time, in each case measured in increments of one metric ton of carbon dioxide equivalent.

The parties acknowledge that Landfill Gas, as defined herein is a qualifying resource under the Buyer's Renewable Portfolio Standard ("RPS") policy in effect as of the execution date of this Transaction Confirmation, and neither party makes any further representation in this regard.

Seller's Support of Buyer's RPS Program:

Seller will provide an attestation identifying the specific landfill source, stating that the supply source is Landfill Gas and that the Landfill Gas is injected into a pipeline at the landfill and is measured in BTU's. The parties understand that this Landfill Gas will be delivered to Buyer through an exchange rather than through direct long-haul transportation. Specifically, that Environmental Attributes will be unbundled from the gas near the landfill source, and the resulting gas without Environmental Attributes will be sold by Seller in the local market. The gas will be replaced with an equal quantity of gas and re-bundled with the Environmental Attributes for delivery to Buyer at the specified Delivery Point as Standard Base Load. Seller shall provide any additional documentation or information related to the supply of Standard Base Load, to the Buyer; as reasonably required to support Buyer's ongoing reporting compliance with Buyer's RPS program.

Should the California Energy Commission's ("CEC"), through its Renewable Energy Program Overall Program Guidebook (January 2008) or by other means, alter its rules or guidelines for renewable compliance and disallow any or all the Landfill facilities under this Transaction Confirmation, such action shall neither excuse Buyer from performance of its obligation hereunder nor give rise to any right of Buyer to a refund or any retroactive adjustment of the Contract Price hereof.

Notwithstanding anything in the Base Contract to the contrary, the Parties agree and acknowledge that title to all Gas sold by Seller and purchased by Buyer under this Transaction Confirmation shall pass from Seller to Buyer at the Delivery Point specified herein.

Seller: Atmos Energy Marketing, LLC

By: Matt Davis

Title: Sr. VP

Date: August 20, 2009

Buyer: City of Los Angeles acting by and through the Department of Water and Power

By: Larry L. H...

Title: Director of Resource Planning, Procurement and Development

Date: 8/20/2009

Attachment -A

1. McCarty Road Landfill, located in Houston, Tx.