

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 LBGO for the customer under Section 15.36.080 of the Municipal Code.

RATES:

• Daily Service Charge per Customer	\$11.5069
• Transmission Charge (per therm)	
Tier I: 0 – 20,833 therms	\$0.3512
Tier II: 20,834 – 83,333 therms	\$0.2374
Tier III: 83,334 – 166,667 therms	\$0.1646
Tier IV: Over 166,667 therms	\$0.1126

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 equal to customers served under Rate Schedule 7, and lower than Rate 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.
- (6) Any additional transmission costs or surcharges incurred by the City on behalf of these customers will be passed through to the customer at cost.