

CITY OF VERNON
NATURAL GAS DEPARTMENT

Schedule G-4

LARGE COMMERCIAL GAS COMMODITY

APPLICABILITY

This schedule is for gas commodity service to large customers receiving transportation service under Schedules G-3 or G-5 through City of Vernon's natural gas system.

RATES

Commodity prices hereunder are in addition to rates pursuant to Schedules G-3.

Commodity Charge: Commodity Charge is equal to the City's Weighted Average Cost of Gas calculated at the SoCalGas Citygate for gas purchased by the City for each month for customers purchasing gas from the City. Gas supply will consist mainly of index price gas, daily market priced gas, and long-term supply purchased for customers purchasing gas from the City. The Commodity Charge includes the cost of transporting the gas to the SoCalGas Citygate. Bond-financed, prepaid gas may be provided to customers at prices not to exceed market prices for monthly index price gas. From time-to-time, the Commodity Charge may include a Purchased Gas Adjustment that will be used to maintain a zero sum gain to COV for gas sales. The Commodity Administrative Fee shall also be added.

Customized Price: Customers eligible for this Rate Schedule G-4 shall also have the option to request mutually agreeable fixed prices, indexed prices, and other customized pricing options for specific months and quantities (Customized Price Gas). Customized prices shall be passed through at COV's cost from its supplier(s), plus the Commodity Administrative Fee.

Commodity Administrative Fee: 0.30 cents per Therm

SPECIAL CONDITIONS

1. As a condition precedent for a large commercial gas commodity service, a "Natural Gas Commodity Agreement" must be executed between COV and Customer. This agreement shall provide specific terms and conditions consistent with COV's natural gas tariff.

2. Customers purchasing gas commodity from City of Vernon shall provide an estimate of each month's consumption, days of operation, and a facility contact responsible for natural gas consuming equipment.
3. Gas purchased 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 COV.