

CITY OF VERNON

GAS MUNICIPAL UTILITIES DEPARTMENT

RULES FOR GAS SERVICE

The latest revision of the RULES FOR GAS SERVICE has been prepared by the Gas Municipal Utilities Department. The City Council of the City of Vernon shall review and approve these Rules. Subsequent City Council Resolutions are necessary for any and all future updating of these Rules. For each case, those conditions drafted in a Resolution will take precedence until the Rules and Regulations are revised to reflect those changes.

Rule	Description	Revised
1.	Definitions	09/1/09
2.	Description of Service	10/6/06
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Rule No. 1. DEFINITIONS

For the purpose of these Rules the terms and expressions listed below shall have the meanings set forth opposite them when initially capitalized in the text.

Agent Marketer (Agent): Agents are individuals, companies, or consortiums that are appointed by noncore customers to act on their behalf in activities such as the purchasing, nominating and balancing of gas supplies. As an example, however, Agents bear no financial responsibility for the transportation imbalances incurred by the customers they represent.

British Thermal Unit (Btu): The standard unit for measuring a quantity of thermal energy. One Btu equals the amount of thermal energy required to raise the temperature of one pound of water one degree Fahrenheit and is exactly defined as equal to 1,055.05585262 joule, rounded to 1,055.056 joule. (A joule is equal to one watt-second.)

Commodity Administrative Fee: Fee charged to customers who procure supply directly from COV to cover gas purchasing expenses.

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 of monthly 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 maintain a zero sum gain to COV for gas sales.

COV: City of Vernon

Contracted Marketer: Contracted Marketers are individuals, companies, or consortiums that arrange for natural gas procurement-related activities on behalf of noncore customers. Contracted Marketers must enter into a contract with SoCalGas and meet certain credit requirements. They must comply with SoCalGas' Rules 30 and 35 and all other tariffs which address the transportation and management of customer-owned gas on SoCalGas' system.

Core Service: Core Service consists of all residential usage regardless of size, all commercial usage less than 20,800 Therms per month, and all other customers that have elected Core Service under Rate Schedule G-2.

Curtailement: When SoCalGas and/or Vernon (jointly or separately referred to hereafter in this definition as "Utility") or other transmission pipeline used by Vernon, initiates suspension of gas service, Utility may temporarily reduce the daily quantity of gas it will transport or deliver or terminate service entirely for certain service categories as needed for operational and/or contractual requirements. Curtailement is implemented when, in the Utility's judgment, there exists a restriction or limitation on Utility transmission or distribution pipelines necessary for the acceptance, transportation or subsequent redelivery of gas resulting in Utility being unable to

meet its operational, contractual or gas customers' requirements or when the Utility has a deficiency of gas supply available to meet its operational, contractual or sales customers' requirements.

Customer-Owned Gas: Natural gas transported by Vernon for customer's own use where title to such natural gas is held by Vernon's customer or third party and is not a part of the Vernon-owned system supplies.

Customer's Point of Delivery: The COV natural gas meter located at the Customer's place of consumption.

Day: Period commencing at 12:00 midnight (Pacific time) on any calendar day and ending at 12:00 midnight (Pacific time) on the next succeeding calendar day.

Decatherm: Ten Therms or 1,000,000 British thermal units (Also 1 MMBtu).

Force Majeure: Unanticipated events or conditions beyond the reasonable control of the party claiming Force Majeure which could not have been prevented by the exercise of due diligence. Force Majeure as it applies to tariffs, or rate schedules specifically, does not include required maintenance of customer's facilities, plant closures, or economic conditions.

Heating Value: Number of Btus liberated by the complete combustion at constant pressure of one cubic foot of natural gas at a base temperature of sixty degrees Fahrenheit (60°F) and a pressure base of fourteen and seventy-three hundredths (14.73) psia, with air at the same temperature and pressure as the natural gas, after the products of combustion are cooled to the initial temperature of the natural gas, and after the water vapor of the combustion is condensed to the liquid state. The Heating Value of the natural gas shall be corrected for the water vapor content of the natural gas being delivered except that, if such content is seven (7) pounds or less per one million (1,000,000) cubic feet, the natural gas shall be considered to be dry.

Marketer: Third party which accesses one or more interstate or intrastate pipeline systems for the purpose of transporting natural gas to SoCalGas on Marketer's own behalf or on the behalf of designated end-use customers.

Mcf/d: Thousands of cubic feet per day. Measure quantifies the amount of gas being consumed or transported on a daily basis.

Noncore Service: Noncore Service is for all customers not defined as Core Service. Customers receiving noncore service must have Automated Meter Reading (AMR) equipment installed at customer's expense as a condition of noncore service.

Premises: The area of land employed in a single enterprise, as determined by the City, whether or not divided by a dedicated street, highway, other public thoroughfare, or a railway.

Purchased Gas Adjustment (PGA): The PGA is applicable to Customers purchasing Gas from COV. The PGA may be negative or positive and will show as a line item in COV's monthly

posted Commodity Charge. The purpose of the PGA is to maintain a zero sum gain to COV for Commodity Gas Sales.

Over-Nomination Event: As defined in SoCalGas Rule No. 30. Determined solely by SoCalGas in the event transportation nominations received by SoCalGas for a specific date of gas flow exceed SoCalGas expected system capacity.

SoCalGas: Southern California Gas Company, also “The Gas Company.”

SoCalGas Border: Delivery points for Gas into the SoCalGas system.

SoCalGas Citygate: Virtual delivery and pricing point for Gas located within the SoCalGas system, established October 1, 2008.

Therm: 100,000 British Thermal Units.

Third-Party Supplier: Supplier of natural gas to noncore customers including, but not limited to Energy Service Provider, Contracted Marketer, Agent, or its equivalent.

WACOG. See Weighted Average Cost of Gas.

Weighted Average Cost of Gas (WACOG): The average cost of purchased gas, based on specific quantities and associated prices.

Rule No. 2. DESCRIPTION OF SERVICE

The following general rules shall apply to all services.

1. The character of service available at any particular location should be ascertained by inquiry at the City's office.
2. The Rate Schedules are applicable for service where the Customer transports its entire gas requirements through the City's Gas system, and are not applicable where a part of the Customer's gas requirements are supplied from some other source.
3. The gas supplied by Vernon is natural gas that is obtained from various sources, primarily oil and gas fields, but also includes landfills and other biomass processes. The gas may consist of any combustible gas or gases so produced. The gas is processed to remove condensable constituents, to minimize the concentration of certain impurities as specified by orders of the California Public Utilities Commission and to add a warning odorant. Customers using gas supplied by Vernon for processes which are affected by impurities in excess of specified minimum levels are responsible for testing gas supplied and for rendering the gas suitable for their intended uses.

EXCEPT AS PROVIDED IN THIS RULE, VERNON MAKES NO WARRANTIES AS TO THE NATURE, COMPOSITION OR PROPERTIES OF THE NATURAL GAS SUPPLIED AND THE OBLIGATIONS SET FORTH IN THIS RULE ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, GUARANTIES OR LIABILITIES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE (INCLUDING WITHOUT LIMITATION ANY OBLIGATIONS OF VERNON WITH RESPECT TO FITNESS, MERCHANTABILITY AND CONSEQUENTIAL DAMAGES).

4. Heating Value of Gas Served. The heating value of the natural gas served will vary from time to time depending upon the supplies being drawn and the relative quantities being taken. The monthly average heating values (in Btu per cubic foot, dry basis, at normal atmospheric pressure of 30" mercury and a temperature of 60 degrees Fahrenheit) of the gas served 1000-1060 Btu, and the maximum variation will rarely exceed 100 Btu above or below this range.
5. Pressure. The standard delivery pressure at the point of delivery is eight inches of water column. For connected loads of one million Btu/hour or greater, the following delivery pressures can be provided upon request and acceptance by Vernon:
 - a) Two Pounds
 - b) Five Pounds
 - c) Service at as-available fluctuating pressures from the point of service
 - d) Such other pressure as the Vernon and the Customer agree to

Rule No. 3. APPLICATION FOR SERVICE

A. **Application for Service.** Each applicant for gas service will be required to sign an Application on a form provided by the City and, upon request, will be required to furnish the following information:

1. Name of applicant (if not an individual, insert business organization and person to be served).
2. Date and place of Application.
3. Location of Premises to be served.
4. Date applicant will be ready for service.
5. Whether the Premises have been heretofore supplied.
6. Purpose for which service is to be used.
7. Applicant's mailing address.
8. Whether applicant is owner or tenant of, or agent for, the Premises.
9. Rate Schedule desired if optional rate is available.
10. Information to establish credit of applicant.
11. Such other information as the City may reasonably require.

The Application is a request for service and does not in itself bind the City to provide service except under reasonable conditions, nor does it bind the applicant to take service for a longer period than the minimum requirements of the Rate Schedule.

B. **Individual Liability for Joint Service.** Two or more Persons who join in one Application shall be jointly and severally liable thereunder and shall be billed by means of a single periodic bill mailed to the Person designated on the Application to receive the bill.

C. **Change in Customer's Equipment or Operations.** Customers shall give the City written notice of the extent and nature of any material change in the size, character, or extent of its equipment or operations for which the City is supplying gas service before making any such change.

Rule No. 4. CONTRACTS

- A. Facilities Contracts.** A contract or agreement to pay for the use, installation, or removal of facilities will be required if the provisions of the rate schedules so specify, in which case the terms of the contract will be governed thereby.

When a Person, whether or not a Customer, desires to have the City modify, rearrange, relocate, or remove any of its facilities, the City if it agrees to make such changes may require the Person, at whose request the changes are made, to agree to pay, in advance or otherwise, the cost to the City of making the changes.

- B. City Council Approval.** Standard contract forms shall be approved by the City Council by resolution pursuant to City Charter Section 8.10. Such standard contracts may be executed by the City Administrator or his designee in accordance with these Rules and the rate schedules without additional City Council approval.

Rule No. 5. SPECIAL INFORMATION REQUIRED ON FORMS

- A. Applications and Contracts.** Each Application and contract for gas service will contain the following provision:

This Application or contract for services shall at all times be subject to the rules and regulations of the City of Vernon, which may be changed or modified by the City Council from time to time in the exercise of its jurisdiction.

- B. Customer's Bills.** Information printed on each bill for gas service will include the following:

PLACE OF PAYMENT

The City of Vernon Customer Service Division, 4305 Santa Fe Avenue, Vernon, CA 90058-1786 is the only authorized payment station. If paid elsewhere, the City is not responsible for payments delayed in reaching said office. Checks shall be made payable to the City of Vernon.

PAYMENT

Bills are due and payable on the Date of Presentation shown on this bill. Bills become delinquent and subject to a late fee if payment is not received (postmark not acceptable) by the City of Vernon 20 days thereafter. If not paid within this time, service may be discontinued. If discontinued, a reconnection charge, pre-payment of the closing bill equal to twice the average monthly bill, and the entire delinquent bill shall be remitted in full before a discontinued service will be reestablished.

RETURNED CHECKS

1. If a check for payment is returned unpaid, a service charge will be assessed.
2. Payment in lieu of the returned check will be accepted only in the form of cash, money order, or cashier's check.
3. Personal or business checks will not be accepted for a period of at least 6 months on accounts with more than one returned check within a 12-month period.

INFORMATION

If you question this bill, please request an explanation from the Customer Service Division. If you thereafter believe that you have been billed incorrectly, to avoid discontinuance of service send your payment under protest to the Customer Service Division with a copy of the bill and a written statement supporting your belief that the bill is not correct. Such statements regarding disputed gas bills should be made to the attention of the Gas System Manager. The Manager will review the basis of the billed

amount and authorize any adjustment required in accordance with his findings. If the matter is not satisfactorily resolved by the Manager, you may petition the City Council for final determination. If you need further information, please call the Customer Service Division at (213) 583- 8811 between the hours of 7:00 a.m. and 5:30 p.m., Monday through Thursday.

RULES AND REGULATIONS

The City of Vernon Gas Service Rules, under which service is rendered are on file at the Customer Service Division. If you wish a copy of any information pertaining to your account, please write to the Customer Service Division.

MEASURES OF CONSUMPTION

Natural gas meters measure cubic feet of natural gas; however billing quantities are adjusted for the Heating Value of the Gas to yield Therms billed. Rates are stated in terms of Therms.

- C. Final Notice.** The following statement will be printed on each final Notice:

This notice includes a late fee. If you question this bill please request an explanation from the Customer Service Division. If you thereafter believe that you have been billed incorrectly, to avoid discontinuance of service send your payment under protest to the Customer Service Division with a copy of the bill and a written statement supporting your belief that the bill is not correct. Such statements regarding disputed gas bills should be made to the attention of the Gas System Manager. The Manager will review the basis of the billed amount and authorize any adjustment required in accordance with his findings. If the matter is not satisfactorily resolved by the Manager, you may petition the City Council for final determination. If you need further information, please call the Customer Service Division at (213) 583-8811 between the hours of 7:00 a.m. and 5:30 p.m., Monday through Thursday.

If a discontinued service is reestablished, a reconnection charge will be assessed.

Rule No. 6. ESTABLISHMENT AND REESTABLISHMENT OF CREDIT

- A. Establishment of Credit.** Each applicant, before receiving service, will be required to make prepayment in accordance with Rule No. 7 or to satisfactorily establish credit. Credit will be deemed established by one or more of the following means at the sole discretion of the City:
1. The applicant is the owner with a substantial equity, of value satisfactory to the City, in the Premises to be served.
 2. The applicant furnishes a guarantor, satisfactory to the City, to secure payment of bills for gas service.
 3. The applicant has been a Customer of the City for a similar type of service within the last two years and during the last twelve consecutive months of that prior service did not have more than two past due bills and provided that the credit of the applicants is unimpaired in the opinion of the City.
 4. The applicant's credit is otherwise established to the satisfaction of the City.
- B. Reestablishment of Credit.** An applicant or Customer will be required to make prepayment in accordance with Rule No. 7 and/or to reestablish credit in accordance with Rule No. 6 under any of the following conditions:
1. In case applicant previously has been a Customer of the City and services have been discontinued by the City during the last twelve months because of nonpayment of bills.
 2. In case a Customer has failed to pay bills before they become past due as prescribed in Rule No. 11-A, and has further failed to pay such bills within two (2) City working days after presentation of a discontinuance of service notice for nonpayment of bills. This condition will apply regardless of whether or not service has been discontinued.
 3. In case the conditions of service or basis on which credit was originally established have, in the opinion of the City, materially changed.

Rule No. 7 PREPAYMENTS

- A. Amount of Prepayment.** Prepayment shall be required from any applicant or Customer which has not established or reestablished credit. The amount of the prepayment shall be twice the estimated average monthly bill.
- B. Return of Prepayment.**
1. When an application for Gas service has been cancelled prior to the establishment of service, the prepayment will be applied to any charges applicable in accordance with the Rate Schedules and the applicant will be so advised. The excess portion of the prepayment will be refunded.
 2. When the Customer's credit has been established in accordance with Rule No. 6, the City will apply the balance of the prepayment as a credit against future bills.
 3. Upon discontinuance of Gas service, the City will apply the prepayment to any outstanding charges and the excess portion of prepayment will be refunded.

Rule No. 8. NOTICES

- A. A Notice to a Customer.** When a notice from the City to a Customer is required, it will normally be given in writing; either mailed to the Customer's Mailing Address or delivered to the Customer's place of business, except that in emergencies the City may give an oral notice.
1. Final Notice. The "Final Notice" for nonpayment of a delinquent account shall be sent by first class mail, addressed to the Customer to whom the service is billed, at least 10 calendar days prior to proposed termination of service.
 2. Notice of Call. Notice of discontinuance of service for nonpayment of a delinquent account shall be given by delivery of a "Notice Call" to the Customer's place of business at least 48 hours prior to proposed termination of service.
- B. A Notice from the Customer.** A notice from a Customer to the City may be given by written communication mailed to the Customer Service Division or may be given orally by the Customer or its authorized agent at the Customer Service Division or may be given orally by the Customer or its authorized agent at the Customer Service Division except when written notice is specifically required in the applicable Rate Schedule.

Rule No. 9 PRESENTATION AND PAYMENT OF BILLS

A. Presentation of Bills.

1. **Billing Period.** Bills for gas service will be presented monthly or as otherwise provided in the applicable Rate Schedules. At the sole discretion of the City, a Customer may be required to make weekly payments based on estimated usage.
2. **Metered Service.** Bills for metered service will be based on Meter registrations. Meters will be read as required for the preparation of regular bills, opening bills, and closing bills. It may not be possible always to read meters on the same day of the month, and if a monthly Billing Period contains less than 27 days or more than 33 days, a pro rata computation in the bill will be made.
3. **Pro Rata Computation.** All opening bills, closing bills, and bills for gas service presented for periods of less than 27 days or more than 33 days on a monthly Billing Period will be computed in accordance with the applicable Rate Schedule, but the size of the energy blocks, and the amount of the Customer, service, volumetric, or minimum charges, specified therein, will be prorated on the basis of the ratio of the number of days in the period to the number of days in an average monthly period, which for this purpose shall be taken as 30 days, or as otherwise provided in rate schedules. Energy usage (Therms) will not be prorated.

B. Reading of Separate Meters Not Combined. For the purpose of billing, each Meter upon the Customer's premises will be considered separately, and the readings of two or more Meters will not be combined except as follows:

1. Where combinations of Meter readings are specifically provided for in the Rate Schedule.
2. Where the City's Operating Necessity requires the use of more than one Meter.

C. Payment of Bills. When bills are presented monthly, they will be due and payable on or before twenty (20) days after the Date of Presentation. When bills are presented weekly, they will be due and payable on or before five (5) days after the Date of Presentation. Payment shall be made at the City of Vernon Customer Service Division, 4305 Santa Fe Avenue, Vernon, CA 90058-1786. A late charge may be imposed at the City's sole discretion equal to five percent of the unpaid balance, or as revised under Rate Schedule G-CS.

D. Returned Check Charge. The City will require payment of a charge for any check returned from the bank unpaid. Payment in lieu of the returned check will be accepted only in the form of cash, money order, or cashier's check. Personal or business checks will not be accepted for a period of at least 6 months on accounts with more than one returned check within a 12-month period. A returned check charge may be imposed at

the City's sole discretion in amount of \$20.00, or as revised under Rate Schedule No. G-CS.

Rule No. 10 DISPUTED BILLS

- A. Request for Billing Review.** Any request for review of a bill filed by a Customer shall be reviewed by a Customer Service Division representative. The review shall include consideration of whether the Customer should be permitted to amortize the unpaid balance of his account over a reasonable period of time.
- B. Review by Gas System Manager.** Any Customer, whose request for review regarding a bill for gas service has resulted in a determination by the Customer Service Division representative which is adverse, may have such determination reviewed by the Gas System Manager of the City of Vernon.
1. To avoid discontinuance of service, the Customer shall pay the amount claimed by the City to be due. Such payment shall be deemed to be made under protest. In lieu of such payment, a Customer whose credit has been established pursuant to Rule No. 6 may request to amortize payments. Approval of such amortized payments shall be at the sole discretion of the City.
 2. Checks or other forms of remittance for such payment under protest shall be accompanied by a letter of explanation to the Gas System Manager.
 3. Upon receipt of the payment under protest and letter of explanation the Manager will review the basis of the billed amount. After review the Manager may:
 - a. If special circumstances exist, waive returned check charge, reconnect charge, and late charge, or
 - b. Recommend any adjustment to gas charges as determined by the review. Any recommendation for a credit or refund must be approved by the City Administrator, and, if the amount exceeds \$10,000, City Council approval will also be required.
 4. If the matter is not satisfactorily resolved by the Manager, the Customer may petition the City Council for a final decision.
- C. Discontinuance of Service.** Failure of the Customer to make payment under protest of the disputed bill prior to the expiration date of a 48 hour Notice of Call will warrant discontinuance of service without further notice.
- D. Additional Bills during Review.** If before completion of the City Council's review, additional bills become due which the Customer wishes to dispute, the additional amounts claimed by the City to be due for such additional bills shall be paid before they become past due and failure to do so will warrant discontinuance of service in accordance with Rule No. 11.

Rule No. 11 DISCONTINUANCE AND RESTORATION OF SERVICE

A. Past Due Bills. When bills are presented monthly, they will be considered past due if payment is not received within 20 days after the Date of Presentation. When bills are presented weekly, they will be considered past due if payment is not received within 5 days after the Date of Presentation.

B. Nonpayment of Bills.

1. A Customer's service may be discontinued for nonpayment of a bill for service previously rendered by the City provided such bill is not paid within 48 hours after a notice of discontinuance of service by delivery of a "Notice of Call."
2. If a Customer is receiving more than one service, any or all services may be discontinued when any service, regardless of location, is discontinued for nonpayment
3. Under no circumstances may service be discontinued for nonpayment of a bill to correct previously billed incorrect charges for a period in excess of the preceding three months, unless such incorrect charges have resulted from the Customer not abiding by these Rules.
4. Service will not be discontinued on any Saturday, Sunday or legal holiday for delinquency in payment of a bill for gas service.

C. Violations or unsafe Equipment

1. The city may refuse or discontinue service to a Customer if the City determines:
 - a. That any part of the Customer's piping or other equipment, or the use thereof, is unsafe or in violation of applicable laws, ordinances, rules or regulations of public authorities.
 - b. That any condition existing upon the Customer's Premises endangers the City's service facilities.
2. Such discontinuance shall continue until piping, equipment, or use has been put in a safe condition or the violation remedied. In the event of a dangerous condition, the City may without giving prior notice immediately discontinue service to any Premises.
3. The city does not assume any responsibility of inspecting or repairing the Customer's piping or other equipment or any part thereof and assumes no liability therefore.

- D. Service Detrimental to Other Customers.** The City will not provide service for equipment, the operation of which will be detrimental to the service of the City's other Customers, and will discontinue gas service to any Customer which continues to operate such equipment after having been given notice to cease by the City.
- E. Fraud.** The City may refuse or discontinue service immediately if the acts of the Customer or the conditions upon its Premises are such as to indicate intent to defraud the City.
- F. Restoration of Service.** Before restoring service that has been discontinued for nonpayment of a bill or for a violation:
1. The City may require payment of a reconnection charge, as defined in Rate Schedule G-CS. In case the Customer requests that such service be reconnected on the day of its request or outside of regular business hours, the reconnection charge may be increased to cover the cost thereof.
 2. The Customer will be required to reestablish credit in accordance with Rule No. 6 or make prepayment in accordance with Rule No. 7.
 3. The Customer will be required to pay all delinquent bills.

Rule No. 12. RATE AND OPTIONAL RATES

- A. Effective Rates.** The rates charged by the City of natural gas service are those approved by resolution of the City Council. A copy of complete Rate Schedules will be maintained for public inspection at the City Clerk's Office.
- B. Optional Rates.** If there are two or more Rate Schedules or optional provisions applicable to the class of service requested by the applicant, the City will call applicant's attention thereto at the time application is made, and the applicant must designate which Rate Schedule of optional provision is desired.
- C. Change in Equipment of Operation.** When the Customer, in accordance with Section C of Rule No. 3, notifies the City of any material change in the size, character, or extent of its equipment or operations the City will, within a reasonable time, advise the Customer of the resulting rate options. In the absence of the notification provided for in Section C of Rule No. 3, the City assumes no responsibility for advising the Customer of lower optional rates under other existing Rate Schedules or optional provisions available as a result of the Customer's changes in equipment of operations.
- D. New or Revised Rates.** If new or revised Rate Schedules are established, the City will, within a reasonable time, bring them to the attention of the Customers which may be affected.

E. Change of Rate Schedule.

1. A change to another applicable Rate Schedule or optional provision will be made only when a Customer elects in writing to make such change.
2. If a Customer so elects, the change to another Rate Schedule will be made provided:
 - a. A change of Rate Schedule has not been made during the past twelve-month period; or
 - b. The change of Rate Schedule is made to, or from, a new or revised Rate Schedule; or
 - c. There has been a change in the Customer's equipment or operations for that service which, in the opinion of the City, justifies the change of Rate Schedule.
3. The change of Rate Schedule will become effective for the billing period during which the Customer has requested such change.
4. City of Vernon natural gas rates schedules are applicable only for service supplied entirely by the City without interconnection with any other source of natural gas.

Rule No. 13 SHORTAGE OF SUPPLY AND INTERRUPTION OF SERVICE

- A. Shortage and Interruption.** The City does not guarantee a sufficient supply of gas or freedom from interruption. The City will not be liable for interruption or shortage of supply, nor for any loss or damage occasioned thereby.
- B. Temporary Suspension for Repairs.** Whenever the City finds it necessary to make repairs or improvements to its gas system, it will have the right to suspend temporarily the delivery of gas. In such cases reasonable notice will be given to the Customers. To the extent practicable such repairs or improvements will be performed expeditiously and with as little inconveniences to the Customers as possible.

Whenever, in the operation of the City's gas system interruption in the delivery of gas to Customers results from or is occasioned by any other cause, notice of such interruption will not be given to the Customers. The City will exercise reasonable diligence to restore delivery of gas energy.

- C. Apportionment of Supply During Time of Shortage.** If a shortage of supply of gas occurs, the City will apportion its available supply among its Customers as consistent with SoCalGas Rule No. 23.

Rule No. 14. SERVICE CONNECTIONS AND FACILITIES ON CUSTOMER'S PREMISES

- A. General.** The City will construct, own, operate and maintain natural gas lines only along public streets, roads and highways which the City owns or has the legal right to occupy, and on public lands and private property across which rights of way or easements satisfactory to the City may be obtained at the Customer's cost and without cost or condemnation by the City. Upon request by the City, the applicant shall provide such rights of way or easements.
- B. Connection Costs.** Connection costs include traffic control, surface sawing, trenching, boring, pipe, tapping, backfill, surface restoration, meter, regulators, electronic corrector, and any other labor and equipment necessary for the City to connect Customer, up to and including the meter, regulator(s) and electronic corrector (meter equipment). Connection costs shall not include costs incurred by Customer on the Customer side of the meter equipment. Connection costs shall be shared between Customer and City. City shall contribute an amount equal to the greater of: (1) four cents per Therm multiplied by Customer's projected annual usage, not to exceed fifty percent of the total connection cost incurred for work done by the City; or (2) three times the projected annual transportation revenue to the City from the account. Customer shall pay the balance of costs.

All installed facilities up to and including the meter equipment shall be owned and maintained by City of Vernon. All installed facilities downstream of the meter equipment shall be owned and maintained by Customer.

Customer may request City of Vernon to conduct additional work at Customer's expense to modify Customer house line piping.

- C. Meter Installations.** The Customer shall provide an approved location for the Meter or Meters and associated equipment on the Premises which at all times shall be accessible for inspection, reading, and testing. In general, the City will approve a location if it is within close proximity to the property line of the premises, there is no superior alternate location, and it can be installed in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, safety, social, and technological factors. The Director of Light & Power may approve an alternate location not in proximity to the property line, on written findings that doing so would demonstrably reduce economic costs to the City, foster public safety, mitigate unreasonable disruption or cost to the property owner or occupant, or be preferable for engineering, geologic, or other related concerns. Approval of such alternate location is conditioned upon the City's receiving necessary easements or license agreements to allow maintenance of City equipment.

If requested by City, Customer shall allow City, at City's expense, to install and maintain an active phone line terminating at the gas meter for the purpose of City of Vernon

telephonically communicating with the meter. City, at City's expense, may instead utilize wireless transmission to access meter data.

The Customer shall, at its own expense, provide a new and approved location whenever the existing location becomes inaccessible for inspecting, reading, or testing.

Rule No. 15. METER TEST AND ADJUSTMENT OF BILLS FOR METER ERROR

A. Tests.

1. Prior to Installation. Every Meter will be tested at or prior to the time of installation, and no Meter will be placed in service if found to register more than 1% fast or 1% slow.
2. On Customer Request. A Customer may, on notice of not less than one week, require the City to test the Meter for its service. A charge will be made for such a test in accordance with Rate Schedule G-CS, but, this amount will be waived if the Meter is found to register more than 2% fast or 2% slow.

A Customer shall have the right to require the City to conduct the test in its presence or in the presence of its expert or other appointed representative. The results of the test will be furnished to the Customer within a reasonable time after completion of the test.

B. Adjustment of Bills for Meter Error.

1. Fast Meters. When, upon test, any meter is found to be registering more than 2% fast, the City will refund to the Customer the amount of the overcharge based on corrected Meter readings for the preceding six months, subject to the provisions of paragraph 4 hereof.
2. Slow Meters. When, upon test, any meter is found to be registering more than 2% slow, the City may bill the Customer for the amount of the undercharge based on corrected meter readings for the preceding six months, subject to the provisions of paragraph 4 hereof.
3. Nonregistering Meters. When, upon test, any Meter is found to be nonregistering, the City may bill the Customer for the estimated amount of gas consumed but not registered for a period of three months, subject to the provisions of paragraph 4 hereof.

Bills for this purpose will be estimated from the Customer's prior use, the Customer's subsequent use correctly Metered, the City's experience with other Customers of the same class, and/or the general characteristics of the Customer's operations.

4. General. When it is found that the error in a Meter is due to causes the date of which can be reliably established, the overcharge or the undercharge will be computed back to but not beyond that date, provided, however, that in no case will a bill for undercharge on domestic service schedules be rendered for a period exceeding three months. When a slow or nonregistering meter has been caused by an action of the Customer, its agents, employees, or licensees, the above time limitations shall not apply.

C. Replacement of Meters.

1. Any Meter damaged or destroyed by the Customer, its agents, employees, clients, or visitors shall be replaced by the City at the Customer's expense.
2. Any defective Meter, other than the above, shall be replaced by the City at its expense.

Rule No. 16. SUPPLY TO SEPARATE PREMISES AND USE BY OTHERS

A. Separate Metering. Separate Premises will not be supplied through the same Meter, except as may be specifically provided for in the applicable Rate Schedule.

B. Other uses or Premises. Gas received from the City shall not be used by the Customer upon other Premises or for other purposes than those specified in its application or in the applicable Rate Schedule.

C. Use by Others. A Customer shall not charge for gas received from the City and used by another person, except:

1. If the charge to tenants is absorbed in the rental for the Premises or space occupied; or
2. If the Customer is the owner, lessee, or operator of a multiple-occupancy Premises and provides submeters for the gas used by tenants at the same rates that the City would charge for the service if supplied directly. In such cases, the Customer shall furnish, install, maintain, and test the submeters.