

CITY OF VERNON
NATURAL GAS DIVISION
Schedule G-2
COMMERCIAL GAS SERVICE

APPLICABILITY

This schedule is for combined gas commodity and transportation service to commercial customers using less than 250,000 Therms per year receiving Core gas service through City of Vernon’s natural gas system. This schedule is also applicable to all other non-residential customers, regardless of usage volume, that have elected Core Service.

RATES

Monthly Service Charge: \$80.00

Monthly Transportation Charges:		<u>Rate, per Therm</u>
Tier I	0 – 4,187 Therms	\$0.2747
Tier II	Over 4,187 Therms	\$0.1247

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 to maintain a zero sum gain to City for gas sales.

Commodity Administrative Fee: \$0.0030 per Therm

Fixed Price Option: Customers with annual gas consumption above 180,000 Therms shall have the option to request a mutually agreeable fixed price on an annual basis for specific quantities (Fixed Price Gas). Fixed Price Gas shall be passed through at City’s cost plus 0.40 Cents per Therm to cover additional administrative work for customized billing and additional gas management. This 0.40 Cents per Therm is in addition to the Commodity Administrative Fee. A Fixed Price Addendum must be executed between

Customer and City in order to formalize Fixed Price Gas. Customer shall be responsible for payment of Fixed Price Gas in accordance with City of Vernon Contract for Gas Service, to which Customer agreed when applying for gas service in the first instance, and which incorporates by reference the City of Vernon Rules for Gas Service.

SPECIAL NOTES

1. Prior to the commencement of service, 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.
2. Costs for connection of Customer's facility to City's gas system shall be covered by City up to three times the projected annual transportation revenue to the City from the account. Customer shall pay the balance of the costs. The total connection costs include traffic control, trenching, piping, repaving, and installation of the meter, regulator(s), and other equipment required by the City. See also Rule 14. An "Application and Contract for Natural Gas Service" is required.
3. In the event of curtailment, any Customer unable or unwilling to curtail shall be assessed penalty based on the rate per Therm that SoCalGas would charge customers whose volumes used are in violation of curtailment. The City shall not be liable for damages caused by curtailment, discontinuance, or shut off of gas service.
4. 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 the City.
5. Any additional transmission costs, taxes, fees, regulatory surcharges, and interstate or intrastate pipeline charges, incurred by City on behalf of Customer will be passed through to Customer at cost.
6. Surcharge for Greenhouse Gas Emissions is calculated per Schedule G-CARB approved by City Council Resolution No. 2015-12.