

**CITY OF VERNON**  
**NATURAL GAS DIVISION**

**Schedule G-3**

**LARGE COMMERCIAL GAS TRANSPORTATION**

**APPLICABILITY**

This schedule is for City of Vernon gas transportation service to large commercial customers using at least 250,000 Therms per year. Customers receiving service under this schedule may purchase commodity gas from a Third-Party Supplier or may request to purchase commodity gas from City of Vernon under Schedule G-4.

**RATES**

Monthly Customer Charge:           \$300.00

Monthly Transportation Charges:		<u>Rate, per Therm</u>
Tier I	0 – 20,833 Therms	\$0.1414
Tier II	20,834 – 83,333 Therms	\$0.0657
Tier III	Over 83,333 Therms	\$0.0493

**SPECIAL CONDITIONS, GENERAL.** The following Special Condition is applicable to all customers, whether they receive transportation-only service or both transportation and commodity service.

1. Costs for connection of Customer's facility to City's gas system 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. 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.

**SPECIAL CONDITIONS, TRANSPORTATION-ONLY SERVICE.** The following Special Conditions are applicable to customers that receive transportation-only service. If customers receive commodity service from COV, the following Special Conditions do not apply and the Special Conditions in Schedule G-4 apply.

1. As a condition precedent to service under this schedule, a "Natural Gas Transportation Agreement" must be executed with City. The Transportation Agreement shall provide specific terms and conditions consistent with this schedule.
2. Transportation of natural gas shall be consistent with SoCalGas Rule No. 30, "Transportation of Customer-Owned Gas," except where it conflicts with Vernon's rates and rules.
3. Nomination procedures shall apply to gas transported and delivered to Customer by Vernon as follows.
  - (a) All nominations shall be communicated to Vernon (or its designated agent) thirty (30) minutes prior to SoCalGas' deadlines. Communication shall be confirmed by email or facsimile.
  - (b) All determinations by Vernon as to allocation points and/or maximum daily quantities related thereto or as to the procedures utilized for any allocation process, when made by Vernon, shall be final.
  - (c) In the event of a declared Over-Nomination Event by SoCalGas, if any Customer is unable or unwilling to reduce its transportation nomination within the two (2) hour window allotted by SoCalGas and Customer's nominations exceed 110% of its gas usage, Customer may, at Vernon's sole discretion, be assessed a charge based on the rate per Therm that SoCalGas would charge customers whose nomination exceed 110%.
  - (d) Winter Deliveries. During November through March, any Customer unable or unwilling to nominate and deliver volumes meeting the minimum requirement as specified by SoCalGas in its current applicable Rule 30, may, at Vernon's sole discretion, be assessed a charge based on the rate per Therm that SoCalGas would charge customers whose nomination and delivery fails to meet the minimum requirement as specified by SoCalGas in its current applicable Rule 30.
4. 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.
5. Monthly imbalances shall be resolved as follows.
  - (a) Over-Deliveries. Vernon shall permit Customer to carry-over, to the following month, over-delivery volumes of up to 10% of Customer's consumption for the month in which the over-delivery occurred. Any Customer volumes carried over will be applied first to the following month's consumption. Any volumes of over-deliveries in excess of 10% of Customer's consumption shall be purchased by Vernon by crediting to the Customer an amount that is is not less than the volume of over-deliveries times the SoCalGas Buy-Back Rate in SoCalGas Schedule G-IMB for the month in which the excess imbalance was incurred.

(b) Under-Deliveries. Vernon shall permit Customer to carry-over, to the following month, under-delivery volumes of up to 10% of Customer's consumption for the month in which the under-delivery occurred. Any volumes of under-deliveries up to 10% of Customer's consumption shall be applied to the following month's consumption. Any volumes of under-deliveries in excess of 10% of Customer's consumption shall be sold to Customer by Vernon at a rate that is not more than the volume of under-deliveries times the SoCalGas Standby Procurement Charge in SoCalGas Schedule G-IMB for the month in which the excess imbalance was incurred.

(c) Imbalance Trading. Vernon has no program for trading of monthly imbalances amongst Vernon customers; however, Vernon, or Vernon's gas management agent, may, at its sole discretion, be willing to facilitate imbalance trading through SoCalGas consistent with Schedule G-IMB. As such, Vernon specifically does not imply an obligation to facilitate imbalance trading.

(d) Stricter Provisions. Should SoCalGas impose additional, more restrictive, balancing provisions upon Vernon, the stricter provisions will be adopted and implemented by Vernon, as required by SoCalGas, and thereafter will apply to Customer. Such more restrictive balancing conditions may include the winter balancing rules contained in SoCalGas Rule 30. Customers shall be subject to changed balancing requirements at the time such balancing is imposed by SoCalGas upon Vernon, irrespective of prior written notice to Customer; however, Vernon will attempt to provide advance written notice to Customer.

6. 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.
7. 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.
8. Surcharge for Greenhouse Gas Emissions is calculated per Schedule G-CARB approved by City Council Resolution No. 2015-12.