

SAMPLE FORMS - CONTRACTS
Constrained Area Firm Capacity Trading Agreement
(Form No. 6910)

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(See Attached Form)

N

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3684
DECISION NO. 06-09-039

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Nov 22, 2006
EFFECTIVE Mar 1, 2007
RESOLUTION NO. _____

CONSTRAINED AREA
FIRM CAPACITY TRADING AGREEMENT

This **Constrained Area Firm Capacity Trading Agreement** (“**Agreement**”) is entered into among **Southern California Gas Company** (“**Utility**”), _____ (“**Capacity Holder**”) and _____ (“**Recipient**”) to trade all or a portion of firm capacity and the associated obligations (“**Trade**”), pursuant to **Utility’s** **Tariff Schedules**. In consideration of the promises and premises hereinafter set forth, **Utility**, **Capacity Holder**, and **Recipient** (individually referred to as “**Party**” and collectively referred to as the “**Parties**”) agree as follows:

Terms and Conditions

1. By execution and submission of this Agreement, including the attached Exhibit 1, to **Utility** in accordance with **Utility’s** **Tariff Schedules**, **Capacity Holder** and **Recipient** request that **Utility** approve the trade of volumes and periods set forth below and/or on Exhibit 1 hereto:

Monthly Scheduled Quantities (Subject to Trade)

Year _____		Year _____	
Month	Trade Amount in Therms	Month	Trade Amount in Therms
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Operating Days M_____ T_____ W_____ Th_____ F_____ Sat_____ Sun_____
(Operating Days are applicable if quantities are only stated on a monthly basis.)

(Additional Monthly Scheduled Quantities tables may be added as necessary)

Monthly Amounts may be specified hourly on Exhibit 1 (Hourly Scheduled Quantities). The total of all hourly quantities for each month must equal the Monthly Scheduled Quantities specified herein.

- 2. **Utility** shall either approve or reject the request as provided in **Utility’s** **Tariff Schedules**. **Capacity Holder** and **Recipient** agree that:
 - (a) If **Utility** rejects the request, this Agreement shall be null and void.
 - (b) **Utility** may accept the request by executing this Agreement.

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3. This Agreement shall not become effective unless and until the date on which it is executed by Utility. Each calendar day on which a Trade occurs shall constitute a Trading Day. The Trade(s) shall commence on the first Trading Day. This Agreement shall continue in full force and effect through 11:59 p.m. on the last Trading Day set forth in the Request, unless terminated earlier by Utility in accordance with Utility's Tariff Schedules. Notwithstanding the forgoing, no contract shall exist and no Trades may occur until Utility approves the request and executes this Agreement.
4. Each Party hereto agrees to comply with the terms and conditions of this Agreement, the applicable Utility Tariff Schedules, as each may be amended from time-to-time by the California Public Utilities Commission ("CPUC").
5. Throughout the term of this Agreement, Recipient shall have the right to use the firm capacity that is the subject of the Trade for the periods set forth herein.
6. As of the first Trading Day and throughout the period subject to the Trade, all Capacity Holder's obligations with regard to the traded capacity, including use-or-pay obligations, shall become Recipient's sole responsibility. Capacity Holder's firm capacity and use-or-pay obligation will decrease and Recipient's firm capacity and use-or-pay obligation will increase by the quantities set forth herein.
7. This Agreement shall be governed by and construed in accordance with Utility's Tariff Schedules, the rules, regulations, decisions, and/or orders of the CPUC, and the laws of the State of California without giving effect to the principles of conflicts of laws.
- (a) Any dispute that cannot be resolved between representatives of the Parties shall be referred for resolution to Utility officer or his/her delegate and, as applicable, an officer of Capacity Holder and/or an officer of Recipient. If the Parties cannot reach an agreement within a reasonable period of time after such referral, a Party hereto shall have the right to pursue relief before the CPUC and the Parties agree to submit to the exclusive jurisdiction of the CPUC.
- (b) If either Party files any action or brings any proceeding against the other arising from or related to this Agreement, the prevailing Party shall be entitled to recover from the other Party as an element of its costs of suit and not as damages, all costs, expenses (including expert testimony), and reasonable attorneys' fees (including in-house and outside counsel) incurred therein by the prevailing Party in the action or proceeding, including any appeal thereof. The "prevailing Party" within the meaning of this section shall be the Party to the action or proceeding who is entitled to recover its costs of suit for the proceeding, whether or not the same proceeds to final judgment. A Party not entitled to recover its costs shall not recover attorneys' fees.

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8. All notices to be given under this Agreement shall be in writing and either sent by a nationally recognized overnight courier service, in which case notice shall be deemed delivered as of the date shown on the courier's delivery receipt; or sent by telecopy during business hours of the recipient, with a copy of the notice also deposited in the United States mail (postage prepaid) , in which case notice shall be deemed delivered on transmittal by telecopier provided that a transmission report is generated reflecting the accurate transmission of the notices; or sent by United States mail, in which case notice shall be deemed delivered as of two business days after deposit in the mail, addressed as follows:

Capacity Holder

Customer Name: _____

Address: _____

Account No. _____

Customer Contact:

Name: _____

Phone # (____) ____-_____

Fax # (____) ____-_____

Email Address: _____

Recipient

Customer Name: _____

Address: _____

Account No. _____

Customer Contact:

Name: _____

Phone # (____) ____-_____

Fax # (____) ____-_____

Email Address: _____

Utility

Address: _____

Utility Contact:

Name: _____

Phone # (____) ____-_____

Fax # (____) ____-_____

Email Address: _____

9. The failure of any Party to insist upon or enforce, in any instance, strict performance by any other Party of any of the terms of this Agreement or to exercise any rights herein conferred shall not be construed as a waiver or relinquishment to any extent of its right to assert or rely upon any such terms or rights on any future occasion.

10. Where the context permits, the obligations imposed on Capacity Holder and Recipient pursuant to this Agreement shall survive the termination of this Agreement.

11. No modification of any provisions of this Agreement shall be valid unless in writing and signed by authorized representatives of the Party against whom such modification is ought to be enforced.

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12. The captions in this Agreement are for convenience and reference only and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.
13. This Agreement may be executed in counterparts which, taken together, shall constitute a single instrument.
14. Each individual executing this Agreement represents and warrants that they are duly authorized to execute and deliver this Agreement on behalf of said Party and that this Agreement is binding upon said Party in accordance with its terms.

IN WITNESS WHEREOF, the Parties have executed this Agreement intending to be legally bound as of the date on which Utility executes below.

Capacity Holder

Company Name: _____
Signature: _____
Name: _____
Title: _____

Recipient

Company Name: _____
Signature: _____
Name: _____
Title: _____

Accepted and Agreed to as of _____, 20__

Southern California Gas Company

Signature: _____
Name: _____
Title: _____

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EXHIBIT 1

Hourly Scheduled Quantities

Hourly Scheduled Quantities Range # _____

Operating Days M ___ T ___ W ___ Th ___ F ___ Sa ___ Su ___

Date Range: Start Month _____ End Month _____
Day _____ Day _____
Year _____ Year _____

Hour Range: Start _____ am End _____ am
_____ pm _____ pm

Bid Amount Therms per Hour: _____

Hourly Scheduled Quantities Range # _____

Operating Days M ___ T ___ W ___ Th ___ F ___ Sa ___ Su ___

Date Range: Start Month _____ End Month _____
Day _____ Day _____
Year _____ Year _____

Hour Range: Start _____ am End _____ am
_____ pm _____ pm

Bid Amount Therms per Hour: _____

Hourly Scheduled Quantities Range # _____

Operating Days M ___ T ___ W ___ Th ___ F ___ Sa ___ Su ___

Date Range: Start Month _____ End Month _____
Day _____ Day _____
Year _____ Year _____

Hour Range: Start _____ am End _____ am
_____ pm _____ pm

Bid Amount Therms per Hour: _____

Times are stated in Pacific Standard Time. Date ranges are specified using the first and last day of the applicable period (the last day is inclusive). Date Ranges are applicable for each operating day during the applicable period. Starting and ending times are specified in whole hours (the last hour specified is included). The sum of all hourly quantities in any month must be equal to the monthly amount set forth herein.

(Use Additional Pages if Necessary)