ENERGY EFFICIENCY GRANT PROGRAM AGREEMENT

This Energy Efficiency Grant Program ("EEGP") Agreement ("Agreement") is made by and between Southern California Gas Company ("SoCalGas") and <<CUSTOMER>> ("Customer") as of <<DATE>>.

The parties agree as follows:

- 1. <u>EEGP Overview</u>. EEGP is designed to encourage large nonresidential customers to develop innovative and varied strategies to reduce therm usage at their facilities by providing monetary incentives for qualifying projects with new, high efficiency equipment and/or systems. EEGP is funded by California utility customers and administered by SoCalGas under the auspices of the California Public Utilities Commission ("CPUC").
- 2. 1.1 EEGP General Terms and Conditions. SoCalGas administers EEGP on an annual basis. EEGP has a limited budget. Applications for EEGP will be accepted on a first-come, first-served basis until allocated funds are depleted, or until October 31, 2008, whichever comes first. Subject to Section 3 below, Customer must meet all deadlines and obligations under this Agreement, or meet the October 31, 2008 deadline, whichever comes first, before incentive payments can be made. Customer must also adhere to the timelines and meet all deliverable requirements set forth in the approved Project Advancement Schedule (as defined in Section 3.1 below) and the M&V Schedule (as defined in Section 3.1 below) and permit SoCalGas and/or its consultants to measure and validate the amount of annual natural gas therms saved in accordance with the approved M&V Schedule.
- 3. 1.2 Incentive. Under EEGP, Customer may qualify for a monetary incentive, which consists of an incentive ("Incentive") for installing new high efficiency commercial or industrial natural gas-fired equipment and/or for implementing a comprehensive energy efficient natural gas-fired related process (individually and collectively referred to herein as "System"). In all cases, the System must be a retrofit of pre-existing natural gas-fired equipment and/or preexisting natural gas-fired related processes.
- 4. 2. Representations and Warranties of Customer. Customer represents and warrants that all information contained on Customer's Energy Efficiency Grant Program Application #_______ ("Application"), including, without limitation, information regarding Customer's project site(s) ("Project Site") and the estimated natural gas savings, is true and correct as of the date of the Application and the date of this Agreement. The Application is incorporated herein by this reference. Customer further warrants that Customer would not have undertaken an energy efficiency project under EEGP at this time if SoCalGas had not offered a monetary incentive.
- 5. 3. <u>Eligibility</u>; <u>Payment of Incentive</u>. In order to qualify for and receive an Incentive under EEGP, Customer understands and agrees that Customer must comply with all terms and conditions of EEGP and this Agreement, including the following:
- 6. 3.1 Submission of Application; Conditional Fund Reservation. Customer must submit to SoCalGas a completed Application, which shall consist of the Application and all of the applicable items listed in the Application, in order for SoCalGas to determine whether Customer meets the eligibility requirements for participation in EEGP. SoCalGas shall review the Application upon receipt. If SoCalGas determines, in its sole discretion, that the project measure(s) meet EEGP eligibility requirements and that the Application is complete, SoCalGas shall make a ninety (90) day conditional reservation of funds for the System ("Conditional Reservation") to enable SoCalGas and Customer to take the following actions in connection with the execution of this Agreement: (i) complete the Proof of Project Advancement Schedule, which

shall establish the timeline and deliverables with respect to Customer's implementation of the

System to demonstrate to SoCalGas that the design and purchase of the System is progressing at the agreed upon rate and that Customer is committed to completing installation of the System, as set forth in Attachment A attached hereto ("Project Advancement Schedule"), and (ii) complete the Measurement and Validation Schedule, which shall identify the method(s) and deliverables with respect to the measurement, validation, and reporting of annual therms saved for the System, as set forth in Attachment B attached hereto ("M&V Schedule"). Upon making the Conditional Reservation, SoCalGas shall send Customer a written notice regarding the Conditional Reservation, which shall include the start date for the Conditional Reservation and the dollar amount of EEGP funds reserved for Customer pursuant to the Conditional Reservation ("Reserved Funds"). SoCalGas must validate the Application and execute this Agreement prior to Customer submitting any orders to purchase the System or any component of the System. If this Agreement is not executed by the parties by the expiration of the ninety (90)-day period for the Conditional Reservation, SoCalGas may withdraw the Reserved Funds, at its sole discretion.

- 1. 3.2 Fund Reservation. Upon execution of this Agreement by SoCalGas and Customer, SoCalGas shall send Customer a reservation confirmation and incentive claim forms ("Claim Form" or "Claim Forms") in the forms set forth in Attachment C, which shall list the specific reservation amount for the Incentive and the estimated amounts of each of the First Payment and the Second Payment of the Incentive (as defined in Section 3.4 below). Customer understands and agrees that SoCalGas shall not pay to Customer any portion of the Incentive unless and until all applicable requirements under this Agreement have been timely completed to the satisfaction of SoCalGas.
- 3.3 Calculation of Incentive. This Agreement is limited to the Application. The estimated amount of the Incentive, as set forth in the Claim Form, is based upon (i) a percentage of project cost or (ii) a dollar amount per estimated annual natural gas therms saved, whichever is lower, up to a maximum of \$1,000,000 per Premise, per year. Premise is defined by Southern California Gas Company Tariff, Rule No. 1, "Definitions". Project costs may include equipment, materials, freight, contractor labor,, associated costs directly required for installation of the energy efficiency equipment and is subject to modification by SoCalGas, at its sole discretion. The precise amount of the Incentive is subject to adjustments by SoCalGas, at its sole discretion, in accordance with Section 3.4 below. SoCalGas' determination of the amount of the Incentive is final, and Customer agrees to accept this determination. The maximum amount of the Incentive is \$1,000,000 per, premise, per year.
- 3.4 Payment of Incentive. Customer must comply with all terms and conditions of this Agreement in order for Customer to receive the Incentive, including, without limitation, meeting all deadlines and conditions established by the Project Advancement Schedule and the M&V Schedule, submitting to SoCalGas all applicable documents identified in the Project Advancement Schedule and the M&V Schedule prior to each of the established deadlines, and installing and operating the System in accordance with the Application and this Agreement. In the event that all required deliverables and documentation are not timely received by SoCalGas or the System is not completely installed and operational in accordance with the Application and this Agreement, the Application and this Agreement, including SoCalGas' obligation to pay the Incentive, are void and of no further force or effect. Each document submitted by Customer shall be reviewed, and, if appropriate, approved by SoCalGas. Customer must also ensure that SoCalGas and/or its consultants have access to the Project Site for inspections of the System and measurement and validation data collection. Customer understands and agrees that SoCalGas shall pay the Incentive to Customer in two (2) payments, each of which is specifically conditioned upon Customer's satisfaction of the applicable requirements under this Agreement, including the specific requirements set forth below:

Customer upon SoCalGas' receipt of paid invoices which demonstrate that Customer has paid the cost of the System, including all labor, materials, associated costs directly required for the installation of the energy efficient equipment (all of which must be dated between January 1, 2006 to October 31, 2008 and include itemized materials costs) and upon physical verification and approval by SoCalGas that the System is completely installed and operating in accordance with the terms and conditions of the Application and this Agreement and that all deliverables identified in the Project Advancement Schedule and the M&V Schedule have been met to the satisfaction of SoCalGas. Customer may also be required to provide any additional cost information requested by SoCalGas in order to substantiate the total qualifying cost of the System.

- 1. 3.4.2 Second Payment of Incentive. SoCalGas shall pay approximately sixty percent (60%) of the Incentive ("Second Payment") to Customer upon physical verification and approval by SoCalGas that the System is completely installed and operating in accordance with the terms and conditions of the Application and this Agreement and that all deliverables identified in the Project Advancement Schedule and the M&V Schedule have been met to the satisfaction of SoCalGas. At the conclusion of the project (as identified in the Project Advancement Schedule and M&V Schedule), Customer shall deliver to SoCalGas a final report ("Project Completion M&V Report"), which forecasts the expected annual natural gas therms saved by implementing the System. SoCalGas shall review the Project Completion M&V Report and, if approved, shall determine the final amount of the Incentive based upon the methods of calculating the Incentive identified in Section 3.3 above. Upon Customer's receipt of written notice that SoCalGas (i) has approved the Project Completion M&V Report and determined the final amount of the Incentive pursuant to the Project Completion M&V Report and (ii) has determined that all items identified in the Project Advancement Schedule and the M&V Schedule have been met to the satisfaction of SoCalGas, Customer must complete and submit to SoCalGas a Claim Form to request payment of the Second Payment of the Incentive ("Claim Form 2"). Upon receipt of Claim Form 2 by SoCalGas, SoCalGas or its contractors shall conduct an inspection of the Project Site to verify that the System has been completely installed and is operating in accordance with the Application and the Agreement. If the System passes such inspection, SoCalGas shall approve and send to Customer the approved Claim Form 2, which shall include the amount of the Second Payment of the Incentive, and shall issue payment of such Second Payment.
- 2. 3.4.3 Reduction in Amount of Second Payment of Incentive. In the event that Customer fails more than three (3) measurement and validation inspections and/or other required validation measures performed by SoCalGas or its contractors pursuant to the M&V Schedule, Customer understands and agrees that SoCalGas shall have the right, at its sole discretion, to reduce the amount of the Second Payment by the amount of the costs and expenses incurred by SoCalGas in performing such measurement and validation inspections or other required validation measures pursuant to the M&V Schedule.
- 1. 3.5 <u>Time Extensions</u>. SoCalGas reserves the right, at its sole discretion, to grant Customer an extension of time for any deliverable or other requirement identified in the Project Advancement Schedule or the M&V Schedule (which must be in a writing signed by SoCalGas) in order for Customer to remedy such delinquent deliverable or requirement, subject, however, to the October 31, 2008 final cut-off date for EEGP (refer to Section 1.1 above).
- 2. 4. <u>Conditions to Payment of Incentive</u>. Payment of the Incentive to Customer is specifically conditioned upon the following obligations of Customer:
- 3. 4.1 <u>Installation of System</u>. Customer shall install and operate the System at the Project Site identified in the Application for at least five (5) calendar years from the date that SoCalGas verifies the complete installation of the System. For purposes of this Agreement, complete installation of the System shall mean that the System has been installed, including, but not limited

to, the System's electrical, thermal and fuel connections, in accordance with industry practice for permanently installed equipment and that the System is securely attached to a permanent surface (i.e., foundation or other permanent equipment).

- 4. 4.2 Customer Account. The account of Customer on which the System is installed must be on a SoCalGas core or non-core tariff at the time this Agreement is executed and for a period of five (5) calendar years from the date that SoCalGas verifies the complete installation of the System.
- 5. 4.3 Access to System; Inspections. Customer shall provide SoCalGas with access to the System during Customer's normal business hours, and Customer shall reasonably cooperate with SoCalGas to verify installation of the System and equipment specifications and to measure and validate the efficiency of the System for ten (10) calendar years following the date that SoCalGas verifies the complete installation of the System.
- 6. 4.4 <u>Customer Monthly Production Data</u>. Customer shall, at CPUC-specified intervals, but not more frequently than on an annual basis, provide SoCalGas and/or its independent contractors and the CPUC with up to three (3) years of pertinent historical Customer monthly production data (or a monthly production index) for the System, as applicable. Customer understands and agrees that Customer will reasonably cooperate with and provide available data to SoCalGas and/or its independent contractors during Customer's normal business hours for ten
- (10) calendar years following the date that SoCalGas verifies the complete installation of the System.
- 1. 4.5 Operation of System Metering and Other Monitoring Equipment. If required by SoCalGas pursuant to the M&V Plan, Customer agrees to install and operate a gas meter(s) or any other monitoring equipment on the System at Customer's facility for measurement and validation purposes for ten (10) calendar years following the date that SoCalGas verifies the complete installation of the System. Data generated by the meter or monitoring equipment will be provided to SoCalGas upon request or pursuant to a schedule agreed to by the parties.
- 2. 4.6 <u>Availability of Incentive</u>. Customer cannot receive an incentive for the same measures as contained in the Application and this Agreement from another utility, state or local program funded by the Public Purpose Surcharge.
- 3. 4.7 System Data. All data generated by SoCalGas or submitted to SoCalGas by Customer pursuant to this Section 4 shall be kept confidential by SoCalGas and used only for the purpose of obtaining energy savings estimates in order to evaluate EEGP. SoCalGas shall not disclose such data to any third parties, except as may be required by the CPUC or law.
- .5. <u>Term; Termination</u>. The term of this Agreement shall commence on the date that SoCalGas executes this Agreement and shall terminate upon the date which is ten (10) calendar years from the date that SoCalGas verifies the complete installation of the System, unless terminated earlier pursuant to this Section 5. This Agreement may be terminated by SoCalGas in the event that (i) Customer fails to perform a material obligation under this Agreement, or (ii) any statement,

representation or warranty made by Customer in connection with the Application or this Agreement is false, misleading or inaccurate. In the event that this Agreement is terminated by SoCalGas, on SoCalGas' demand, Customer shall promptly reimburse SoCalGas the full dollar amount of the First Payment and the Second Payment, if applicable, of the Incentive paid to Customer, or any percentage thereof, with interest at the rate of ten percent (10%) per annum. Such reimbursement shall be in the form of a certified check or cash payable to SoCalGas.

4. 6. <u>Independent Contractor</u>; <u>Licenses and Permits</u>. In performing the obligations of this Agreement, Customer and any other third parties involved with the System are independent contractors; therefore, the parties to this Agreement shall not be deemed partners, agents or joint venturers of the other. Customer, at its own expense, shall obtain and maintain all licenses and permits needed to successfully install and operate the System.

- 5. 7. <u>Tax Liability</u>. Monetary incentives are generally considered subsidies for tax purposes and could be taxable to Customer. Customer is urged to consult Customer's tax advisor concerning the taxability of the Incentive. Incentives greater than \$600 will be reported to the IRS on Form 1099 unless documentation of tax-exempt status is provided to SoCalGas. SoCalGas is not responsible for any taxes that may be imposed on Customer as a result of Customer's receipt of the Incentive.
- 6. 8. <u>Regulation</u>; <u>Modification and Termination of EEGP</u>. This Agreement and EEGP are subject to regulation by the CPUC and may be amended, modified, or terminated by the CPUC at any time without prior notice. EEGP may also be modified or terminated by SoCalGas at any time without prior notice. Any references in this Agreement to SoCalGas and the CPUC shall include their respective employees, independent contractors and agents.
- 9. <u>Disclaimer</u>. SoCalGas is neither the manufacturer nor the distributor of the System or any component of the System and does not recommend or endorse the System or any components thereof or the selection or qualifications of any System installers, designers or manufacturers. SoCalGas makes no warranties, either expressed or implied, as to the performance, operation, safety, efficiency, reliability, merchantability or fitness for a particular purpose, use or application of the System or any equipment or measures selected. Customer agrees that Customer is solely responsible for election, technical feasibility, installation, operational capability, reliability and maintenance of the System, and that SoCalGas makes no representations regarding selection of the System or any equipment or measures selected. SoCalGas' review of the design, construction, installation, operation or maintenance of the System or any components of the System is not a representation as to the economic or technical feasibility, operational capability, efficiency or reliability of the System or any equipment or measures selected. Customer shall not make any such representations to its customers or any other third parties on behalf of SoCalGas.
- 8. 10. <u>Limitation of Liability</u>. SoCalGas shall not be liable for any damages of any kind for replacement of Customer's former equipment, for the System or its failure, or otherwise arising from SoCalGas' performance or nonperformance of its obligations under this Agreement, including direct, indirect, consequential, special, incidental or punitive damages, regardless of the form of action, whether in contract, indemnity, warranty, strict liability or tort, including negligence of any kind.
- .11. Indemnification. To the greatest extent permitted by applicable law, Customer shall indemnify, defend and hold harmless SoCalGas, its affiliates, present and future parent companies, subsidiaries, officers, directors, employees and agents from and against any and all claims, actions, suits, proceedings, demands, losses, damages, penalties, fines, costs, expenses and liabilities (legal, contractual or otherwise) which arise from or are in any way connected with
- any: (i) injury to or death of persons, including, but not limited to, employees of SoCalGas, Customer or any third party; (ii) injury or damage to property, including, but not limited to, property of SoCalGas, Customer or any third party; (iii) violation of local, state or federal law, statute or regulation, including, but not limited to, environmental laws or regulations; or (iv) strict liability imposed by any law or regulation; so long as such injury, damage, violation or strict liability (as set forth in (i) through (iv) above) arises from or is in any way connected with this Agreement or Customer's performance or nonperformance of this Agreement, however caused, regardless of any strict liability or negligence of SoCalGas. This indemnity shall not apply to the extent that such injury, damage, cost, expense, liability, strict liability or violation of law or regulation is caused by the gross negligence or willful misconduct of SoCalGas. Customer shall, on SoCalGas request, defend any action, claim or suit asserting a claim which might be covered by this indemnity. Customer shall pay all costs and expenses that may be incurred by SoCalGas in enforcing this indemnity, including reasonable attorneys' fees. This indemnity shall survive the termination of this Agreement for any reason.
 - .12. Notices. Each party shall designate a representative for the other party to contact regarding

this Agreement. Each party shall notify the other in writing if such representative changes within ten (10) business days of such change. The first such representatives are as follows:

.CUSTOMER SOCALGAS

- 9. 13. Entire Agreement; Amendments. This Agreement sets forth the entire understanding of the parties and supersedes any prior representations, understandings, negotiations or agreements, both oral and written. No amendment, modification or change to this Agreement shall be binding or effective unless expressly set forth in writing and signed by an authorized representative of SoCalGas. This Agreement shall not be modified by usage of trade, course of performance, or course of dealing.
- 10. 14. <u>Severability</u>. The invalidity, in whole or in part, of any provisions of this Agreement shall not affect the validity of any other provisions contained in this Agreement.
- 11. 15. <u>Assignment</u>. Customer shall not assign this Agreement at any time without the prior written consent of SoCalGas. Any such assignment without the prior written consent of SoCalGas shall be null and void.
- 12. 16. Nonwaiver. A waiver of any right under this Agreement shall not be deemed a subsequent waiver of that right or any other right under this Agreement.
- 13. 17. Choice of Law. This Agreement shall be interpreted and enforced according to the laws of the State of California. Sole jurisdiction and venue shall be with the courts in Los Angeles County, California.
- 14. 18. <u>Counterparts</u>. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.
- 15. 19. <u>Authority</u>. Each individual executing this Agreement on behalf of Customer and SoCalGas represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of such party.

Name:	Energy Efficiency Grant Program Manager
Address:	555 W. Fifth Street GT28A4
City, State, Zip:	Los Angeles, CA 90013-1046
Telephone:	(213) 244-3635
Facsimile:	(213) 244-8252

By execution of this Agreement, Customer certifies that the System meets all EEGP eligibility requirements. Customer further certifies that Customer has read and understands the Application, and this Agreement, and Customer agrees to abide by EEGP requirements and the terms and conditions set forth in the Application and this Agreement.

In witness whereof, the parties have executed this Agreement as of the date of execution by SoCalGas.

CUSTOMER SOCALGAS

By:	

Name:	
Title:	
Date:	

ATTACHMENT A PROOF OF PROJECT ADVANCEMENT SCHEDULE

This Project Advancement Schedule identifies key project milestones (deliverables) and the dates upon which those milestones will be reached.

The parties agree as follows:

Customer Signature Date

ATTACHMENT B MEASUREMENT AND VALIDATION SCHEDULE

This Measurement and Validation Schedule identifies the methodologies, documentation, and deliverables that will determine the project's annual therms saved.

The parties agree as follows:

ATTACHMENT C RESERVATION CONFIRMATION AND INCENTIVE CLAIM FORMS

Energy Efficiency Grant Program Reservation Confirmation

Dear << NAME>>,

Thank you for participating in our Energy Efficiency Grant Program. Our Energy Efficiency Grant Program is designed to encourage customers to use natural gas as efficiently as possible. The aim of the incentives offered under the Energy Efficiency Grant Program is to encourage your selection of energy efficient/cost effective solutions.

Enclosed with the Energy Efficiency Grant Program Agreement is information regarding the terms and conditions of the Energy Efficiency Grant Program and each energy efficiency measure being evaluated.

Our analysis indicates that you would substantially benefit by implementing the following:

<<APPLICATION NUMBER>> << PROGRAM ELEMENT>>

SoCalGas is reserving approximately <<INCENTIVE AMMOUNT >> in incentive funding for the above measure to be paid in two installments, as set forth in Section 3.4 of the Agreement. The actual amount of the total incentive will depend on, among other

things, the final invoices and specifications and the confirmed results of the Project Completion M&V Report.

Once you have completed the requirements for a payment, you must complete and submit a corresponding Claim Form, including all required documentation, to me at the following address:

Southern California Gas Company <<AE NAME>> <<AE ADDRESS>> Upon receipt of each claim form, I will return the approved Claim form along with the corresponding incentive payment. Please note that your final invoice(s) must include itemized materials costs. Please call me with any questions or comments that you might have.

SoCalGas strongly encourages you review our website at www.socalgas.com/energyefficiency/ for any applicable updates or modifications to EEGP as they may be pertinent to your application.

Please contact me if you have any questions, or if you plan to replace or install other equipment in the near future.

Sincerely, <<AE NAME>> <<AE TITLE>> <<PHONE>>



2006-2008 Energy Efficiency Grant Program Claim Form 1

Application Number_

Customer Information		
Company	Name:	Address 1:
Contact	Name:	Address 2:
Phone:		City:
FAX:		State:
Email:		ZIP:
 Tax	ID:	

Tax Status (check one): [] Individual/Sole Proprietor [] Corporation [] Partnership [] Exempt

Incentive checks will be delivered to the address listed in this Customer

Information section

Claim Form Instructions and Information

- 1. 1. Submit Proof of Deposit
- 2. 2. Submit Proof of Equipment Delivery
- 3. 3. Schedule Equipment Delivery Inspection
- 4. 4. Complete and Submit Claim Form 1 (*This Form*)

Incentive Calculation The estimated amount of the Incentive is based upon 50% of equipment cost or \$0.50 per estimated annual natural gas therms saved, whichever is less, up to a maximum of \$300,000 dollars per customer, per year. Equipment costs exclude tax, freight, labor and other associated costs required in installation of equipment.

Initial Estimated Savings	Initial Estimated Equipment Cost	Estimated Incentive	Incentive Payment #1
	\$	\$	\$

Monetary incentives are generally considered subsidies for tax purposes and could be taxable to Customer. Customer is urged to consult Customer's tax advisor concerning the taxability of the Incentive. Incentives greater than \$600 will be reported to the IRS on Form 1099 unless Customer has checked corporation or tax exempt status above. SoCalGas is not responsible for any taxes that may be imposed on Customer as a result of Customer's receipt of the Incentive.

The undersigned understands and agrees that the first payment of the Incentive as set forth in this Claim Form 1 is based upon the terms and conditions set forth in the Energy Efficiency Grant Program Agreement ("Agreement"), including Section 3.4.1 of the Agreement. The undersigned certifies that (i) the information provided in this form is true, accurate and complete, (ii) the site of installation is located within the SoCalGas service territory and (iii) the undersigned has met all applicable requirements under the Agreement in order to receive the first payment of the Incentive pursuant to this Claim Form 1.

CUSTOMER

		ву:				
		Name:				
		Title:				
		Date:				
	Application #		Receipt Date/_	/		
Administrator	Taxpayer ID N	Number_		_ (or)	Project Name	
Use Only	Social Securit	y Numbei	i	- /	Account Representative (if applicable)	
	Tax Status					

SOCALGAS



2006-2008 Energy Efficiency Grant Program Claim Form 2

Application Number

CH.	prication Number	
Customer Information		
Company	Name:	Address 1:
Contact	Name:	Address 2:
Phone:		City:
FAX:		State:
Email:		ZIP:
Tax	ID:	

Tax Status (check one): [] Individual/Sole Proprietor [] Corporation [] Partnership [] Exempt

Incentive checks will be delivered to the address listed in this Customer Information section

Claim Form Instructions and Information

- 1. 1. Complete Claim Form 1 Process
- 2. 2. Submit Final Paid Invoice(s)
- 3. 3. Submit Final Project Completion M&V Report
- 4. 4. Schedule Final Inspection
- 5. 5. Complete and Submit Claim Form 2 (*This Form*)

At the conclusion of the project (as identified in the Project Advancement Schedule and M&V Schedule of the Energy Efficiency Grant Program Agreement ("Agreement")), Customer shall deliver to SoCalGas a final report ("Project Completion M&V Report"), which forecasts the expected annual natural gas therms saved by implementing the System. SoCalGas shall review the Project Completion M&V Report and, if approved, shall determine the final amount of the Incentive based upon the methods of calculating the Incentive identified in Incentive Calculation section below.

Incentive Calculation The estimated amount of the Incentive is based upon 50% of equipment cost or \$0.50 per estimated annual natural gas therms saved, whichever is less, up to a maximum of \$300,000 dollars per customer, per year. Equipment costs exclude tax, freight, labor and other associated costs required in installation of equipment.

Initial Estimated Savings	Initial Estimated Equipment Cost	Initial Estimated Incentive	Actual Savings per M&V Report	Actual Equipment Cost	Revised Total Incentive	Incentive Payment #2
	\$	\$		\$	\$	\$

Monetary incentives are generally considered subsidies for tax purposes and could be taxable to Customer. Customer is urged to consult Customer's tax advisor concerning the taxability of the Incentive. Incentives greater than \$600 will be reported to the IRS on Form 1099 unless Customer has checked corporation or tax exempt status above. SoCalGas is not responsible for any taxes that may be imposed on Customer as a result of Customer's receipt of the Incentive.

The undersigned understands and agrees that the second payment of the Incentive as set forth in this Claim Form 2 is based upon the terms and conditions set forth in the Agreement, including Section 3.4.2 of the Agreement. The undersigned certifies that (i) the information provided in this form is true, accurate and complete, (ii) the site of installation is located within the SoCalGas service territory and (iii) the undersigned has met all applicable requirements under the Agreement in order to receive the second payment of the Incentive pursuant to this Claim Form 2.

	CUSTOMER	SOCALGAS
By:		
Name:		
Title:		
Date:		

11	Application #	Receipt Date//	
Administrator	Taxpayer ID Number	(or)	Project Name
Use Only	Social Security Number		Account Representative (if applicable)
	Tax Status		