

ORDER NO.

An Order of the Board of Harbor Commissioners of the City of Los Angeles fixing compensation to be paid by SOUTHERN CALIFORNIA GAS COMPANY ("Grantee") under a written Franchise Granted by the City of Los Angeles to Southern California Gas Company to Maintain Pipelines in the Harbor District ("Franchise") authorized by the Board of Harbor Commissioners' Order No. 4506, for the fifth ten-year period commencing January 20, 2012 and ending January 19, 2022.

WHEREAS, the Franchise provides, in pertinent part, that the compensation to be paid to the City of Los Angeles ("City") shall be adjusted for each ten-year period;

WHEREAS, the City and Grantee have agreed on compensation to be paid by Grantee during the ten-year period commencing January 20, 2012 and ending January 19, 2022; and

WHEREAS, the City and Grantee agree that compensation for the fifth ten-year period shall be retroactive to January 20, 2012.

NOW, THEREFORE, IT IS HEREBY ORDERED by the Board of Harbor Commissioners of the City of Los Angeles, as follows:


Section 1. During the fifth ten-year period of this Franchise beginning January 20, 2012 and ending midnight January 19, 2022, Grantee shall pay to City as compensation for the use of the subject premises granted under the Franchise as follows: a sum annually which shall be equivalent to two percent (2%) of gross annual receipts of Grantee arising from the use, operation or possession of the pipelines maintained in the Harbor District pursuant to the Franchise; provided, however, that such payment shall in no event be less than one percent (1%) of the gross annual receipts of Grantee derived from the sale of natural gas to consumers within the Harbor District of the City of Los Angeles as defined by Section 651(a) of the Charter of the City of Los Angeles.

I HEREBY CERTIFY that the foregoing Order was adopted by the Board of Harbor Commissioners of the City of Los Angeles at its meeting held _____.

KORLA G. TONDREAU
Board Secretary

The undersigned Grantee hereby consents to the foregoing readjustment of compensation for the Franchise authorized by Order No. 4506 granted by the Board of Harbor Commissioners of the City of Los Angeles and agrees to pay the Board the sums as provided in Section 1 above.

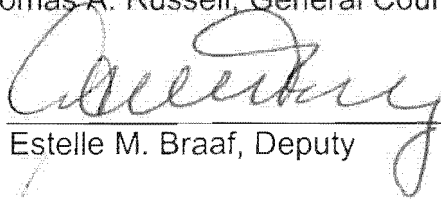
SOUTHERN CALIFORNIA GAS COMPANY

By 
Richard M. Morrow, Vice President,
Engineering and Operations Staff

Attest 
Sharon O'Rourke, Franchise & Fees Manager

APPROVED AS TO FORM AND LEGALITY

Feb 2, 2012
CARMEN A. TRUTANICH, City Attorney
Thomas A. Russell, General Counsel

By 
Estelle M. Braaf, Deputy

SoCalGas Franchise Premises

