



County of Santa Cruz

GENERAL SERVICES DEPARTMENT

701 OCEAN STREET, SUITE 330, SANTA CRUZ, CA 95060-4073

(831) 454-2718 FAX: (831) 454-2710 TDD: (831) 454-2123

ROY HOLMBERG, DIRECTOR

December 2, 1998

Agenda: December 15, 1998

**Board of Supervisors
County of Santa Cruz
701 Ocean Street
Santa Cruz, California 95060**

STATUS REPORT ON CNG REFUELING FACILITY

Dear Members of the Board:

On November 24, 1998 your Board accepted a status report on the compressed natural gas (CNG) fueling facility projects of the Natural Gas Fueling Coalition, and directed a further update on or before today's meeting.

The CNG vehicle fueling facilities are now operational at the City of Watsonville Fleet facility on Harvest Drive and here at the County Fleet Operations Service Center.

As you Board is aware, a coalition of public and private agencies was established in order to obtain a broad user base for the CNG vehicle fueling facilities and to qualify for grant funding of construction costs. It is typical for coalitions of this type to give up ownership of the equipment when the project is complete, in return for signed agreements providing the members access and fueling rights. The County of Monterey, for example, recently took this approach with their CNG facilities.

Based on the Monterey example, and using their agreements as a model, we have developed the appropriate documents to take this approach also. These documents are Attachment I to this report.

Attachment I transfers ownership of the facility equipment at the Santa Cruz site to the County and stipulates the obligation to provide access to Coalition members. The documents include user agreements, liability release and "hold harmless" provisions, and establish a pricing formula to recover County operational costs. Included within this contract is the policy and training standard each user will receive.

Attachment II is an agreement with PG&E, providing a reduced rate for natural gas compressed by the facility for vehicle fueling.

In order to yield Coalition ownership of the other facility, with your Board's approval of this item, Attachment I and the related Exhibits will be reprinted to show "City of Watsonville" where these show "County" or "County of Santa Cruz". The City of Watsonville representative to the Coalition will then submit the documents to their Council and, when approved, the County will be asked to sign as a member of the Coalition.

It is therefore **RECOMMENDED** that your Board:

1. Accept and file this status report on the Natural Gas Fueling Coalition projects; and
2. Authorize the County Administrative Officer to sign the attached agreements on behalf of the County, and the Director of General Services to sign as the County Representative to the Coalition; and
3. Direct the General Services Department to return with a further report on the natural gas facility project on or before the meeting of February 2, 1999.

Very truly yours,


ROY HOLMBERG
General Services Director

RH/sb
CNG0910

RECOMMENDED:


SUSAN A. MAURIELLO
County Administrative Officer

AGREEMENT BETWEEN THE
COUNTY OF SANTA CRUZ
AND THE
NATURAL GAS FUELING COALITION OF SANTA CRUZ COUNTY (NGFCSCC)

This Agreement is entered into between the County of Santa Cruz (herein referred to as County), and the Natural Gas Fueling Coalition of Santa Cruz County (herein referred to as NGFCSCC). Members of the Coalition are the signatories listed on page 4.

SECTION 1. PURPOSE:

The purpose of this Agreement is to establish duties and responsibilities between the County and the NGFCSCC on the construction, operation, maintenance, liabilities, sale price for gas and other related issues in the establishment and operation of the Santa Cruz Natural Gas Refueling Facility (Santa Cruz NGRF). The Santa Cruz NGRF is for the use and benefit of the County and the NGFCSCC.

The use of the Santa Cruz NGRF by non-members of the NGFCSCC is addressed on the attached Exhibit D to this agreement.

SECTION 2. TERMS OF AGREEMENT:

This Agreement shall be effective on _____, _____. This Agreement is for a period of three (3) years and shall thereafter continue in effect on a year to year basis unless and until specifically canceled by either party.

SECTION 3. DUTIES AND JURISDICTION:

The parties agree County shall have sole ownership of the Santa Cruz NGRF and shall be responsible for managing the operations of said fueling station.

The County will be responsible for the administration of the financing, billing, operation and maintenance of the Santa Cruz NGRF. The parties agree to reimburse the County, through fuel pricing, their proportionate share of all expenses (cost of natural gas, compressing gas, dispensing fuel, maintenance, materials and labor and contribution to the sinking fund) in the administration of the Santa Cruz NGRF. County's personnel involved in the maintenance and administration of the Station are as shown on Exhibit B as provided herein. The hourly rates of said County's personnel are subject to change from time to time to reflect actual change in pay rates for these positions. Adjustments to fuel pricing resulting from such change shall only be effective upon thirty (30) days written notice to the members of the NGFCSCC.

Each member of the NGFCSCC agrees to relinquish its right of ownership in the Santa Cruz NGRF and agrees to abide by this Agreement.

Each member of the NGFCSCC and its employees and agents who will be using the Santa Cruz NGRF shall be obligated to execute the Certificate of Instruction for Fueling Natural Gas Vehicles as shown on Exhibit A and made part of this Agreement.

Each member of the NGFCSCC agrees to provide a written list of all vehicles, including make, model, year, vehicle identification number, and license number, that will be using the Santa Cruz NGRF. Each member of the NGFCSCC agrees to notify the County if any of the vehicles are taken out of service, are no longer fueled by CNG, or if new vehicles using CNG are added to the fleet.

Each member of the NGFCSCC and its employees shall have reasonable access time to the fueling station. The fueling station shall be operational by card access 24 hours a day, except for unforeseen and uncontrollable circumstances that disable the fueling station. The County shall notify NGFCSCC members at the earliest possible time, but not more than 96 hours after the event.

Fueling will be accomplished using the fast-fill CNG dispensing system. Each member of the NGFCSCC shall be provided with one (1) card key per vehicle designated to use the Santa Cruz NGRF. The card key will be used to initiate refueling. Each holder of the key shall be held responsible for the safekeeping of the card key and will be charged for replacement of said card key if it is lost or stolen. It shall be the responsibility of the NGFCSCC member to notify the County immediately if said key card is lost or stolen.

SECTION 4. INSURANCE AND LIABILITY:

Each NGFCSCC member accepts all risk related to the operation and fueling of their motor vehicles at the Santa Cruz NGRF and agrees to exonerate, indemnify, defend, and hold harmless the County, its agents, officers, and employees from any and all damages, injuries, deaths, claims, defense costs, demands, claims, losses, or liabilities resulting directly or indirectly from ingress, egress, fueling or any other use of this facility to the extent caused by the actions or inactions of such member or the County.

Each NGFCSCC member shall provide the County with a certificate of insurance evidencing Comprehensive General Liability including Automobile Liability in an amount of at least \$1 ,000,000 combined single limit naming the County of Santa Cruz, its officers, agents and employees as additional insured, or evidence of self-insurance. Any insurance shall be issued by a company qualified to write such coverage. Coverage may not be canceled, non-renewed or materially changed without 30 days written notice to the County.

SECTION 5. RATE SCHEDULE AND BILLING:

Each member of the NGFCSCC agrees to purchase and the County agrees to provide a supply of CNG pursuant to the terms of this Agreement. The method for calculating rate per therm shall be as shown on Exhibit C, Items A through G. This rate per therm of CNG shall only be applicable to the County and the members of the NGFCSCC, with non-member billings including Item H of Exhibit C, reflecting the increased maintenance costs resulting from non-member usage. Except as noted in Section 3, the rate per therm is subject to change as determined necessary by the County in response to changes in actual cost of components listed in Exhibit C.

The County will balance the Santa Cruz NGRF account periodically and, except as noted in Section 3, adjust the rate as necessary. Performance summaries will be developed periodically, and each NGFCSCC member will receive a copy, with a minimum reporting period of 1 July through 30 June yearly.

Rate per therm of gas shall be established to meet the cost of operation and maintenance and for establishing a sinking fund. This sinking fund shall be used for major repair of the station.

Both the County and the NGFCSCC agree to abide by the terms of the attached rate schedule.

Billing shall be done by the County. The County will send a monthly invoicing statement to each member dispensing fuel during the billing period, based upon the applicable rate set forth herein.

Each NGFCSCC member agrees to send payment to the County in a timely manner. Access to the Santa Cruz NGRF may be interrupted for member bills not paid within 90 days.

SECTION 6. NO PARTNERSHIP OR JOINT VENTURE:

Nothing in this Agreement shall be construed to constitute a partnership or a joint venture between NGFCSCC members or between the NGFCSCC members and the County.

SECTION 7. RIGHTS TO DATA:

The County reserves the right to collect, use, or distribute all vehicle performance data relating to NGFCSCC CNG vehicle operations.

SECTION 8. ASSIGNMENT:

This Agreement may not be assigned by the County or the member of the NGFCSCC without the written consent of the other. If this Agreement is assigned, it shall be binding on the party to which it is assigned. Assignment of this Agreement shall not release the assigning party from any of its obligations under this Agreement unless such a release is agreed to in writing by the other party and the assuming party.

IN WITNESS WHEREOF, the parties hereto have executed this Santa Cruz Natural Gas Refueling Facility Agreement as of the dates indicated.

OWNER:

_____ Susan A. Mauriello, C.A.O.	_____ County of Santa Cruz	_____ DATE
_____ Roy K. Holmberg, President NGFCSCC	_____ County of Santa Cruz	_____ DATE
_____	_____ City of Watsonville	_____ DATE
_____	_____ City of Capitola	_____ DATE
_____	_____ UC Santa Cruz	_____ DATE
_____	_____ Granite Construction Company	_____ DATE
_____	_____ Geo. H. Wilson, Inc.	_____ DATE
_____	_____ Odwalla Juices	_____ DATE
_____	_____ Pacific Gas & Electric	_____ DATE

APPROVED AS TO INSURANCE:

Janet McKinley 12-2-98
Risk Management

APPROVED AS TO FORM:

Maria Costa 12-4-98
County Counsel

DISTRIBUTION: County Administrative Office
 Auditor-Controller
 County Counsel
 Risk Management

EXHIBIT A
SANTA CRUZ NATURAL GAS REFUELING FACILITY
VEHICLE FUELING PROCEDURE AND CERTIFICATION OF INSTRUCTION

Name: _____

Member Agency: _____

Account/Card Number: _____

One form is to be completed for each individual who may refuel a natural gas vehicle. No person may dispense CNG without a completed certification on file with the County of Santa Cruz Fleet Operations Office. Each individual shall receive three (3) separate training sessions and will sign and date a form on completion of each session. (May be completed during operator's initial three vehicle fills.)

HOW TO SAFELY FILL NATURAL GAS VEHICLES

The following procedures shall be followed:

1. No smoking or open flame shall be allowed within 50 feet of the fueling area.
2. Cylinders not in compliance with DOT or ASME regulations shall not be refueled.
3. Vehicle must be shut off during refueling.
4. The vehicle hand or emergency brake must be set.
5. Remove protective cap on vehicle refueling receptacle (if applicable).
6. Inspect fueling hose and connector prior to connection.
7. Make connection and ensure connector is locked in place.
8. Open refueling valve.
9. Shut off refueling valve on fueling device after flow stops registering on dispenser.
10. Place refueling device back on dispenser.

I hereby certify that the instructions for filling natural gas vehicles as outlined above, were given to me by an authorized trainer of the County of Santa Cruz on the following dates:

Date of Instruction:

Operator's Signature:

Trainer's Signature:

I hereby further certify that I will not permit any non-certified person to use my card key for filling of natural gas vehicles.

SIGNED: _____

Operator's Signature

Date

EXHIBIT B
SANTA CRUZ NATURAL GAS REFUELING FACILITY
INITIAL PRICING ASSUMPTIONS AND VOLUME DETERMINATION

- I. The rate per therm charge for dispensed CNG is established in accordance with the formula set forth in Exhibit C. This methodology intends to meet the actual cost of operation and maintenance, and to establish a set-aside fund for major repairs and equipment replacement. The total of these costs is divided by the total therms dispensed to arrive at a per-therm charge. An estimated monthly volume of 500 therms will be used for initial operation. This usage volume figure will be held for a period of three months or until it is exceeded in practice. If, at the end of this period, a monthly facility volume of 500 therms is not reached, the pricing will be adjusted accordingly.

The cost of compressing natural gas is determined by a KWH meter that isolates usage specific to the facility compressors, but there is not a separate PG&E account for this equipment. For billing purposes, actual KWH usage will be multiplied by the average annual cost per KWH for the County Government Center.

The County does not have separate meters for the dispenser electrical usage, the dispenser island lighting, or the access card reader. An estimated total cost of \$25 per month will be used for all of these factors.

- II. The following County staff are involved in routine facility operation, maintenance and billing:

TITLE/POSITION	ESTIMATED HOURS PER MONTH ASSIGNED TO NGRF OPERATION
1. Automotive Supervisor	1 . @ \$ 22.64/hr
2. Automotive Mechanic (daily maintenance)	8 . @ \$ 16.18/hr
3. Automotive Clerical (user training, data collection, etc.)	1 . @ \$ 14.14/hr
4. Administrative Accountant/Analyst (taxes & reporting)	.5 @ \$ 18.18/hr
5. Administrative Clerical (monthly billing)	2 . @ \$ 12.45/hr

- III. The set-aside fund for major repairs and equipment replacement seeks a contribution of \$500 per year.

EXHIBIT C
SANTA CRUZ NATURAL GAS REFUELING FACILITY
CNG PRICING FACTORS

EFFECTIVE DATE _____

CNG PRICING FACTORS			GALLON EQUIVALENT PRICE*
A	COST OF NATURAL GAS - PG&E cost of uncompressed natural gas	\$.27 /THERM	\$.34
B	COST OF COMPRESSION - Cost of electricity to run compressor	\$.10 /THERM	\$.12
C	DISPENSING AND TRANSACTION COST - Cost of electricity to run dispenser, card reader, phone and lights, and administrative cost of billing and reporting	\$.15 /THERM	\$.19
D	DEFERRED MAINTENANCE FUND - Sinking fund to cover major repair and equipment replacement cost	\$.08 /THERM	\$.10
E	DAILY MAINTENANCE COST - Labor, supplies, and materials cost of routine maintenance of the station	\$.10 /THERM	\$.12
F	STATE TAX *	\$.07 /THERM	\$.09
G	FEDERAL TAX *	\$.05 /THERM	\$.06
H	NON-MEMBER MAINTENANCE SURCHARGE - 7% of the sum of A through E	\$.06 /THERM	\$.07

* For those users exempt from paying either of these taxes, F and/or G may be eliminated from the calculations.

Rate per Therm Formulas

I. Santa Cruz NGRF Members:

$$\text{Rate/Therm} = (A + B + C + D + E + F + G)$$

II. All other users:

$$\text{Rate/Therm} = (A + B + C + D + E + F + G + H)$$

* Natural gas is delivered uncompressed, by volume, and billed by the supplier (PG&E) per therm . Gallon equivalent figures are provided for information, comparison, and analysis using the formula GE=therm price x 1.25.

EXHIBIT C

Page 2

III. FORMULAS TO CALCULATE RATE OF FACTORS/VARIABLES

- a. monthly total therms of NG used per PG&E invoice
- b. total of PG&E usage per invoice, less monthly customer charge
- c. PG&E monthly customer charge on NG account
- d. monthly total CNG dispensed
- e. monthly KWH usage to operate compressors
- f. average annual Government Center cost per KWH for electricity
- g. monthly County Automotive staff cost for record keeping & billing data collection
- h. monthly County Administrative staff cost for billing, reporting, tax accounting, and point of operation expenses
- i. monthly cost of electricity to run dispenser lighting, card reader, emergency phone, etc.
- j. annual deferred maintenance contribution
- k. monthly County Automotive staff cost for daily maintenance and operation

A - COST OF NATURAL GAS

$$A = b \div a \quad (\text{PG\&E per-therm cost})$$

B - COST OF COMPRESSION

$$B = \frac{e \times f}{d} \quad (\text{monthly cost of electricity to operate compressors, divided by total monthly therms dispensed})$$

C - DISPENSING & TRANSACTION COST

$$C = \frac{c + g + h + i}{d}$$

D - DEFERRED MAINTENANCE FUND

$$D = \frac{j \div 12}{d}$$

E - DAILY MAINTENANCE COST

$$E = k \div d$$

F - STATE TAX

$$F = \text{current State taxing authority rate}$$

G - FEDERAL TAX

$$G = \text{current Federal taxing authority rate}$$

H - NON-MEMBER MAINTENANCE SURCHARGE

$$H = (A + B + C + D + E) \times .07$$

EXHIBIT D

COPY OF NON-MEMBER CONTRACT

COUNTY OF SANTA CRUZ**NATURAL GAS REFUELING FACILITY (NGRF) USER'S AGREEMENT**GENERAL

1. This Agreement, entered into between the County of Santa Cruz (herein referred to as County), and _____, herein referred to as Customer), is for the supply of compressed natural gas (CNG) for fueling of motor vehicles.
2. Customer agrees to purchase and County agrees to provide a supply of CNG pursuant to the terms of this Agreement and in accordance with County's applicable gas fueling rules.
3. Customer agrees to provide a written list of all vehicles, including make, model, year, vehicle identification number, and license number, which will be fueling at the Santa Cruz NGRF. Customer agrees to notify County if any of the vehicles are taken out of service or no longer fueled by CNG.
4. Customer and each of its employees and agents who will be using the Santa Cruz NGRF shall execute the Certificate of Instruction for Fueling Natural Gas Vehicles as shown on Exhibit A and made part of this Agreement.
5. Customer agrees to pay the rate per-therm charges based upon the formula detailed in Exhibit B, as established by the Natural Gas Fueling Coalition of Santa Cruz County. This pricing formula seeks recovery of the cost of operating the Santa Cruz NGRF and is subject to change based on changes in the cost of individual formula components.

FUELING LOCATION

6. All fueling will be provided at Santa Cruz NGRF.
7. Customer access time shall be mutually arranged.
8. Fueling will be accomplished using the fast-fill CNG dispensing system. Customer will be provided one (1) card key per vehicle which will be used to initiate fueling. Customer will be held responsible for the safe keeping of the card key and will be charged for replacement of said card key if it is lost or stolen. It shall be the responsibility of Customer to notify County immediately if said key card is lost or stolen.

TAXES

9. Customer acknowledges that the use or sale of natural gas as a motor vehicle fuel may subject Customer to use fuel, sales, or other taxes imposed by governmental jurisdictions. While County may collect such taxes from Customer as required by applicable laws, County makes no representation and undertakes no obligation as to Customer's compliance with Customer's own tax obligations and liabilities.

BILLING

10. The Natural Gas Refueling Coalition of Santa Cruz County will invoice Customer at the applicable rate(s) set forth herein for compressed natural gas service on a monthly basis and will send the Customer's monthly billing to the following address:

11. Customer will send payment to the County of Santa Cruz in a timely manner. Access to Santa Cruz NGRF may be interrupted for customer bills not paid within 60 days.

12. A customer delinquent in payment for two (2) billing cycles shall be prohibited use of the Santa Cruz NGRF until the balance due is paid in full. Repeated delinquencies in payment may result in termination of this Agreement.

TERMS AND TERMINATION

13. The initial term of this Agreement shall be one year commencing _____. This Agreement shall continue on a month-to-month basis until terminated by either party upon thirty (30) days prior written notice.

COMMUNICATIONS

14. Any formal communications concerning this Agreement shall be in writing. Formal communications are to be delivered either by hand or by certified delivery to the appropriate address, as follows:

To Customer:

Attn: _____

To County of Santa Cruz: General Services Department
 Attn: Sue Dunleavy
 701 Ocean St., Room 330
 Santa Cruz, CA 95060-4073

15. Either party must designate by written notice any change of address to which formal communications should be sent. Formal communications shall be deemed effective when deposited in the U.S. Mail or submitted to a generally recognized delivery firm.

LIABILITY

16. Customer accepts all risk related to the operation and fueling of Customers motor vehicles at the Santa Cruz NGRF and agrees to exonerate, indemnify, defend, and hold harmless the County of Santa Cruz and Natural Gas Fueling Coalition of Santa Cruz County, their agents, officers, and employees from any and all damages or damages, injuries, deaths, claims, defense costs, demands, claims, losses, or liabilities resulting directly or indirectly from ingress, egress, fueling or any other use of the Santa Cruz NGRF unless caused by the sole negligence of the County of Santa Cruz and/or the Natural Gas Fueling Coalition of Santa Cruz County.

Customer shall provide the County with a Certificate of Insurance evidencing comprehensive general liability including automobile liability in an amount of at least \$1,000,000 combined single limit naming the County of Santa Cruz, its officers, agents and employees as additional insured, or evidence of self insurance satisfactory to the County of Santa Cruz. Any insurance shall be issued by a company qualified to write such coverage. Coverage may not be canceled, non-renewed or materially changed without thirty (30) days written notice to the County.

RIGHTS TO DATA

17. County reserves the right to collect, use, or distribute all vehicle performance data relating to the Customer's CNG vehicle operations. To the extent that performance data is made publicly available, County will aggregate customer data where possible. Customer specific data will not be disclosed without Customer consent.

ASSIGNMENT

18. This Agreement may not be assigned by Customer without the written consent of County. If County agrees to such assignment, this Agreement shall be binding on the party to which it is assigned. Assignment of this Agreement shall not release the Customer from any of its obligations under this Agreement unless such a release is agreed to in writing by the County and the assuming party.

19. This Agreement shall be interpreted under the laws of the State of California. This Agreement and the obligation of the parties are to subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this Agreement (or the successors of those authorities).

SIGNATURE

(For Customer)

Signature_____
Name_____
Title_____
Date

(For County of Santa Cruz)

Signature_____
Name_____
Title_____
Date

APPROVED AS TO INSURANCE:

Janet McKinley 12-2-98
Risk Management

APPROVED AS TO FORM:

Marie Costa -4-98
County Counsel

DISTRIBUTION: County Administrative Office
Auditor-Controller
County Counsel
Risk Management

EXHIBIT A
SANTA CRUZ NGRF
VEHICLE FUELING PROCEDURE & CERTIFICATION OF INSTRUCTION

Name: _____

Member Agency: _____

Account/Card Number: _____

One form is to be completed for each individual who may refuel a natural gas vehicle. No person may dispense CNG without a completed certification on file with the County of Santa Cruz Fleet Operations Office. Each individual shall receive three (3) separate training sessions and will sign and date a form on completion of each session. (May be completed during operator's initial three vehicle fills.)

HOW TO SAFELY FILL NATURAL GAS VEHICLES

The following procedures shall be followed:

1. No smoking or open flame shall be allowed within 50 feet of the fueling area.
2. Cylinders not in compliance with DOT or ASME regulations shall not be refueled.
3. Vehicle must be shut off during refueling.
4. The vehicle hand or emergency brake must be set.
5. Remove protective cap on vehicle refueling receptacle (if applicable).
6. Inspect fueling hose and connector prior to connection.
7. Make connection and ensure connector is locked in place.
8. Open refueling valve.
9. Shut off refueling valve on fueling device after flow stops registering on dispenser.
10. Place refueling device back on dispenser.

I hereby certify that the instructions for filling natural gas vehicles as outlined above, were given to me by an authorized trainer of the County of Santa Cruz on the following dates:

Date of Instruction:	Operator's Signature:	Trainer's Signature:
_____	_____	_____
_____	_____	_____
_____	_____	_____

I hereby further certify that I will not permit any non-certified person to use my card key for filling of natural gas vehicles.

SIGNED: _____
 Operator's Signature

_____ Date

EXHIBIT B

EFFECTIVE DATE _____

CNG PRICING FACTORS:			GALLON EQUIVALENT PRICE*
A	COST OF NATURAL GAS - PG&E cost of uncompressed natural gas	\$.27 /THERM	\$.34
B	COST OF COMPRESSION - Cost of electricity to run compressor	\$.10 /THERM	\$.12
C	DISPENSING AND TRANSACTION COST - Cost of electricity to run dispenser, card reader, phone and lights, and administrative cost of billing and reporting	\$.15 /THERM	\$.19
D	DEFERRED MAINTENANCE FUND - Sinking fund to cover major repair and equipment replacement cost	\$.08 /THERM	\$.10
E	DAILY MAINTENANCE COST - Labor, supplies, and materials cost of routine maintenance of the station	\$.10 /THERM	\$.12
F	STATE TAX *	\$.07 /THERM	\$.09
G	FEDERAL TAX *	\$.05 /THERM	\$.06
H	FACILITY MAINTENANCE SURCHARGE - 7% of the sum of A through E	\$.06 /THERM	\$.07

* For those users exempt from paying either of these taxes, F and/or G may be eliminated from the calculations.

Rate per Therm Formulas

$$A + B + C + D + E + F + G + H$$

* Natural gas is delivered uncompressed, by volume, and billed by the supplier (PG&E) per therm . Gallon equivalent figures are provided for information, comparison, and analysis using the formula GE=therm price x 1.25".

Distribution:
q Customer (Original)
q Division (Original)
q Marketing Services (Original)

q Region
q Customer Accounting

Meter Number: 47864487
Account No.: GVT 04 54021
Acct. Rep: Spence Erickson
Rep Phone No.: (831) 7553347

AGREEMENT FOR SUPPLY OF NATURAL GAS FOR COMPRESSION AS A MOTOR-VEHICLE FUEL

GENERAL

1. This Agreement, between Pacific Gas and Electric Company (PG&E), a California corporation, and County of Santa Cruz (Customer), a(n) political subdivision of California, is for the supply of natural gas for compression for use as a motor-vehicle fuel at Customer's premises located at: 701 Ocean St., Santa Cruz.

2. Customer agrees to purchase and PG&E agrees to provide a supply of natural gas pursuant to the terms of this Agreement and to experimental rate Schedule G-NGV1, or its successor.

3. Attached to this Agreement, for illustrative purposes, are all applicable PG&E gas rules and rate schedules in effect at the time of this Agreement execution.

4. Both Customer and PG&E agree to abide by the terms of the above rate Schedule and its successor, as well as all effective rules in PG&E's gas tariff schedules.

FACILITIES

5. PG&E shall not be obligated to furnish facilities in addition to standard metering and pressure regulating equipment to provide service under rate Schedule G-NGV1. Where additional facilities are required, they will be treated as special facilities in accordance with PG&E's gas Rule 2, Description of Service.

6. Delivery of natural gas shall be at the point where pipes owned, leased or under license by Customer contact PG&E's pipes, but for convenience of the parties natural gas may be regulated and/or metered at such location on the Customers side of the point of delivery as shall be agreed upon by the parties.

BILLING

7. PG&E will bill customer at the applicable rate(s) set forth above for the total natural gas service during the calendar month.

8. PG&E will send the Customer's monthly billing to the following address:

Attn: Steve Bailey
County of Santa Cruz - General Services
701 Ocean Street, Room 330
Santa Cruz, CA 95060

TERM AND TERMINATION

9. The initial term of this Agreement shall be _____ month(s) commencing _____. This Agreement shall continue on a month-to-month basis until terminated by either party upon thirty (30) days prior written notice.

COMMUNICATIONS

10. Any formal communications concerning this Agreement shall be in writing. Formal communications are to be delivered either by hand or by certified delivery to the appropriate address, as follows:

To the Customer: Steve Bailey
County of Santa Cruz
701 Ocean Street, Room 330
Santa Cruz, CA 95060

To PG&E: Faith Kerns
356 E. Alisal St.
Salinas, CA 93901
 Attention: Account Services Director

11. Either party must designate by written notice any change of address to which formal communications should be sent. Formal communications shall be deemed effective when received.

RIGHTS TO DATA

12. **PG&E** has the right to collect, use, or distribute all vehicle performance data relating to the Customers compressed natural gas (CNG) vehicle operations.

ASSIGNMENT

13. This Agreement may not be assigned by either party without the written consent of the other. If this Agreement is assigned, it shall be binding on the party to which it is assigned. Assignment of this Agreement shall not release the assigning party from any of its obligations under this Agreement unless such a release is agreed to in writing by the other party and the assuming party.

EXCLUSIVE NATURE AND INTERPRETATIONS

14. This Agreement does not change the obligations, restrictions or rights contained in other agreements between the parties unless expressly indicated in this Agreement. Customer and **PG&E** agree that all understandings between them regarding this Agreement are set forth or referenced in this Agreement. No agreements, representations, memoranda, or other forms of communication, written or oral, exchanged before the signing of this Agreement, shall be grounds for altering or interpreting the terms of this Agreement.

15. This Agreement shall be interpreted under the laws of the State of California, excluding any choice of law rules which may direct the application of the laws of another jurisdiction. This Agreement and the obligations of the two parties are subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this Agreement (or the successors of those authorities).

REGULATORY

16. This Agreement shall at all times be subject to any changes or modifications the California Public Utilities Commission may direct from time to time in the exercise of its jurisdiction. Such changes or modifications may be to this Agreement or to **PG&E's** applicable tariff schedules. PG&E shall notify the Customer of any such changes or modifications which may affect Customers obligations under this Agreement.

by (for County of Santa Cruz)

For Pacific Gas and Electric Company)

(Signature)

(Signature)

Roy K. Holmberg

Faith H. Kerns

(Name)

(Name)

Director - General Services Department

Account Services Director

(Title)

(Title)

(Date)

(Date)

Illustrative Attachments: Rate Schedule **G-NGV1**
Gas Rules 2, 14