DUPLICATE ORIGINAL

MASTER INTER-UTILITY AGREEMENT BETWEEN SOUTHERN CALIFORNIA GAS COMPANY AND LOS ANGELES DEPARTMENT OF WATER AND POWER FOR ENERGY EFFICIENCY, RESOURCE SAVINGS, AND RELATED ACTIVITES

Purpose

The purpose of this Master Inter-Utility Agreement (Agreement) between Southern California Gas Company (SCG) and the Los Angeles Department of Water & Power (LADWP) is to establish a working relationship between SCG and LADWP (each, a "Party" and collectively, "Parties") to jointly undertake various programs aimed at reducing natural gas, water and electricity usage by Joint Service Territory Customers (as defined below). This Agreement will serve as an "umbrella" agreement that sets forth, among other things, the general terms and conditions under which plans or programs for energy efficiency and resource savings developed and implemented by the Parties for Joint Service Territory Customers may be undertaken jointly by the Parties. With this Agreement, the Parties aim to achieve the following goals:

1. To establish a method to collectively address energy efficiency and resource savings programs for persons and companies residing or located in the area where the respective service territories of the Parties overlap and who take utility service from both Parties ("Joint Service Territory Customers").
2. To leverage costs otherwise borne separately by each Party separately and human resources of each Party to better serve the energy efficiency and resource savings needs of Joint Service Territory Customers.
3. To increase awareness and participation by Joint Service Territory Customers in the Parties' resource savings programs.
4. To develop a process that standardizes the sharing of information regarding SCG and LADWP's Joint Service Territory Customers participating in each Party's respective energy and resource savings programs.
5. To establish and implement incentive and/or financing mechanisms for Joint Service Territory Customers with the goal of promoting energy efficiency and resource savings.
6. To facilitate the implementation of multiple energy efficiency and resource savings programs.

In order to carry out the foregoing goals, SCG and LADWP agree to enter into this Agreement to potentially implement multiple joint programs as deemed in the best interests of the utilities' joint service territory customers. This Agreement provides a vehicle for the utilities to implement joint program elements with the consent of both Parties, subject to each utility's management approval, which may be provided or withheld at any time at each Party's sole discretion.

The Allowable Activities Section set forth in Schedule C of this Agreement describes the general tasks that may be implemented under one or more joint programs that may be entered into under this master Agreement. Individual program elements when entered into by the Parties will be described in detail in written Program Orders ("Program Orders") signed by both Parties. The general outline of a Program Order is included in Schedule C of this Agreement. Entering into Program Orders is an administrative function under this Agreement not requiring amendment to

the Agreement. Each Party shall designate the individual management approver to implement Program Orders. For LADWP, the General Manager or his designee may approve Program Orders. For SCG, the approver shall be the Day-to-Day Contract for this Agreement.

Authorized Representatives

SCG hereby designates the individuals named below as SCG Representatives for all matters relating to the performance of this Agreement. The actions taken by the SCG Representatives shall be deemed acts of SCG. SCG may at any time upon written notice to LADWP change the designated SCG Representative(s).

SCG Joint Incentives Program Representatives:

(Signatory Authority)
Hal Snyder, Vice President, Customer Solutions
Southern California Gas Company
555 West 5th Street, GT20C1
Los Angeles, CA 90013-1046
Phone: (213) 244-5700
Email: HSnyder@semprautilities.com

(Day-to-Day Contact)
Gillian Wright, Director, Customer Programs and Assistance
Southern California Gas Company
555 West 5th Street, GT19A5
Los Angeles, CA 90013-1046
Phone: (213) 244-6843
Email: gwright@semprautilities.com

LADWP hereby designates the individuals named below as LADWP Representatives for all matters relating to the performance of this Agreement. The actions taken by LADWP Representatives shall be deemed acts of LADWP. LADWP may at any time upon written notice to SCG change the designated LADWP Representative(s).

LADWP Joint Incentives Program Representative:

(Signatory Representative)
Ronald O. Nichols, General Manager
Los Angeles Department of Water and Power
111 North Hope Street, Room 1500
Los Angeles, CA 90012
Phone: (213) 367-1320
Email: Ronald.nichols@ladwp.com

(Day-to-Day Contact)
David Jacot, Director of Energy Efficiency
Los Angeles Department of Water and Power
111 North Hope Street, Room 1057
Los Angeles, CA 90012
Phone: (213) 367-0936
Email: David.jacot@ladwp.com

Complete Agreement

This Agreement, including all Schedules attached hereto and which are incorporated by reference, constitutes the complete and entire Agreement between the Parties and supersedes any previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. There are no additions to, or deletions from, or changes in, any of the provisions hereof, and no understandings, representations or agreements concerning any of the same, which are not expressed herein. **THE PARTIES HEREBY AGREE THAT NO TRADE USAGE, PRIOR COURSE OF DEALING OR COURSE OF PERFORMANCE UNDER THIS AGREEMENT SHALL BE A PART OF THIS AGREEMENT OR SHALL BE USED IN THE INTERPRETATION OR CONSTRUCTION OF THIS AGREEMENT.** The following Schedules are attached hereto and incorporated herein by this reference:

Schedule A – Non Disclosure
Schedule B – Terms and Conditions
Schedule C – Allowable Activities and Program Orders

IN WITNESS WHEREOF, this Agreement has been duly executed on behalf of the Parties hereto:

SOUTHERN CALIFORNIA GAS COMPANY

By: _____

Name: Hal D. Snyder

Its: V.P. Customer Solutions

Date: July 27, 2012

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES BY BOARD OF WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES

By: _____
Ronald O. Nichols
General Manager

Date: 9-4-12

And: _____
Barbara E. Moschos
Secretary

AUTHORIZED BY RES. 013 051
AUG 22 2012

APPROVED AS TO FORM AND LEGALITY
CARMEN A. TRUTANICH, CITY ATTORNEY

JUL 30 2012

BY _____
LONNIE ELDRIDGE
DEPUTY CITY ATTORNEY

SCHEDULE A
NON DISCLOSURE

Confidential Information

The term "Confidential Information" as used in this Agreement shall mean the names, addresses, usage, specific billing, personally identifiable information and other similar customer information of either Party. When provided by one Party to the other Party, Confidential Information shall be clearly marked as confidential with the legend "Confidential Information", or the confidential status thereof shall be otherwise clearly indicated, if the data format of such Confidential Information does not reasonably permit marking with a legend.

1. Each Party ("Receiving Party") receiving Confidential Information from the other Party ("Disclosing Party") agrees that it shall use such Confidential Information, unless otherwise specified in writing in a relevant Program Order, solely for the purpose of coordinating such Receiving Party's enrollment in particular customer programs ("Programs"), and not in any way detrimental to the Disclosing Party. The Receiving Party shall use the higher or the same degree of care it uses with respect to its own Confidential Information or a reasonable standard of care to prevent unauthorized use or disclosure of the Confidential Information. In addition, the Receiving Party shall ensure that it complies with all relevant customer privacy laws, including without limitation and by way of example, Sections 394.4 and 8381 of the California Public Utilities Code at all times in the receipt and use of the Confidential Information. Except as otherwise provided herein, the Receiving Party shall keep confidential, and not disclose, and shall cause its Representatives to keep confidential and not disclose, Confidential Information to any third party, other than its directors, officers, employees, agents and advisors who have a direct need to access such Confidential Information for the purposes described above (collectively, "Representatives").

2. Consistent with Paragraph 1, the Receiving Party shall not disclose to any third party any information which identifies a customer as being enrolled in the Disclosing Party's Program. Without limiting the foregoing, and without limiting any other restriction outside of this Schedule A, the Receiving Party shall not be restricted under this Schedule A from disclosing to any third party information which identifies a customer of the Receiving Party as being enrolled in a Program solely of the Receiving Party, provided that the Receiving Party uses no Confidential Information received from the Disclosing Party in making such disclosure.

3. Notwithstanding the provisions of Paragraph 1 above, the Receiving Party and its Representatives may disclose any of the Confidential Information in the event, but only to the extent, that, based upon advice of counsel, it is required to do so by the disclosure requirements of any law, rule, or regulation or any order, decree, subpoena or ruling or other similar process of any court, governmental agency or governmental or regulatory authority. Prior to making or permitting any of its Representatives to make such disclosure, the Receiving Party shall provide the Disclosing Party with prompt written notice (unless imminent circumstances by law prevent prompt written notice in advance, and in such case notice will be provided as soon as practicable) of any such requirement so that the Disclosing Party (with the Receiving Party's assistance) may seek a protective order or other appropriate remedy. Notwithstanding the foregoing, SCG may disclose Confidential Information to regulatory agencies with jurisdiction over SCG and their staffs, including, but not limited to, the California Public Utilities Commission and the Federal Energy Regulatory Commission

(collectively, "Regulatory Agencies"), provided that a) the provision of such Confidential Information to the Regulatory Agencies is legally required; b) the provision of such Confidential Information to the Regulatory Agencies is done under a guarantee of confidentiality (whether by law or legally binding instrument), such that the Regulatory Agencies will continue to treat the Confidential Information as confidential; and c) SCG use commercially reasonable efforts to designate such Confidential Information as confidential in connection with any such disclosures. SCG will provide LADWP prompt written notice of any such disclosures of Confidential Information to Regulatory Agencies if SCG is not legally prohibited from doing so.

4. The Receiving Party shall not, and shall cause its Representatives not to, disclose to any person the fact that the Confidential Information has been made available to such Receiving Party or its Representatives; provided, however, that the Receiving Party and its Representatives may disclose the fact that the Confidential Information has been made available to such Receiving Party or its Representatives if such disclosure is required under any of the circumstances described in Paragraph 3 above, in which case the procedures specified therein with respect to such disclosure shall apply. The restrictions in this paragraph do not prevent the Parties from jointly agreeing upon public announcements that generally describe the activities under this Agreement, provided that no Confidential Information is disclosed in such announcement, and further provided that any such announcements comply with the procedure set forth in Section 12 of Schedule B. This Agreement itself and any Program Orders are not confidential and may be publicly disclosed by either Party. Both Parties recognize that the City of Los Angeles is subject to public disclosure laws, including without limitation the California Public Records Act and the Ralph M. Brown Act.

5. The Receiving Party shall disclose to the Disclosing Party when Confidential Information is intentionally or accidentally disclosed other than as expressly permitted, and/or misused, and shall provide immediate notification to the Disclosing Party upon discovery of such incident.

6. At any time upon the request of the Disclosing Party, the Receiving Party shall promptly deliver (and return, if applicable) to the Disclosing Party or destroy (with such destruction to be certified to the Disclosing Party) the following:
    a. all Confidential Information existing in written form or recorded in any other tangible medium (and all copies, abstracts and backups thereof, however stored) furnished to the Receiving Party or any of its Representatives,
    b. all portions of all documents, instruments, data, reports, plans, specifications, abstracts and media (and all copies, abstracts and backups thereof, however stored) furnished to or prepared by the Receiving Party or any of its Representatives that contain Confidential Information, and
    c. all other portions of all documents, instruments, data, reports, plans, specifications, abstracts and media (and all copies, abstracts and backups thereof, however stored) in the Receiving Party's or its Representatives' possession that contain or that are based on or derived from Confidential Information.

7. The Parties acknowledge that the Confidential Information is valuable, unique and that the proper handling thereof is critical to the mission and obligations of the Parties, and that damages would be an inadequate remedy for breach of this Agreement and the obligations of the Receiving Party and its Representatives are specifically enforceable. Accordingly, the

Parties agree that in the event of a breach or threatened breach of this Agreement by the Receiving Party, the Disclosing Party shall be entitled to seek an injunction preventing such breach, without the necessity of proving damages or posting any bond. Any such relief shall be in addition to, and not in lieu of, money damages or any other legal or equitable remedy available to the Disclosing Party.

8. If any provision of this Schedule A or the application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable, or void, the remainder of the agreement and such provisions as applied to the same or other persons, places, and circumstances shall remain in full force and effect.

9. Except as otherwise set forth in this Agreement, each Party acknowledges and agrees that neither the Disclosing Party nor any of the Disclosing Party's representatives or agents is making any representation or warranty, express or implied, as to the accuracy or completeness of the Confidential Information disclosed under this Agreement, and neither the Disclosing Party nor any of the Disclosing Party's representatives, agents, officers, directors, employees, stockholders, owners, affiliates or advisors will have any liability to the Receiving Party or any other person resulting from the use of the Confidential Information.

10. The parameters and scope of any potential exchange of any Confidential Information will be set forth in the relevant Program Order, and no exchange of Confidential Information will take place other than through the terms of a written Program Order. The Parties will endeavor to only exchange the minimum amount of Confidential Information necessary to accomplish the purposes of the particular Program Order under which Confidential Information is to be exchanged. Unless otherwise provided in writing in a Program Order, the Receiving Party will only retain Confidential Information until such time as the purposes under the relevant Program Order have been accomplished, and after such time the Receiving Party will dispose of such Confidential Information in accordance with the method set forth in Section 6 of this Schedule A.

SCHEDULE B
TERMS AND CONDITIONS

1. No Warranty

Except as otherwise expressly provided in this Agreement, neither Party makes any express or implied warranty to the other pertaining to the Program, or portions of products thereof, in regard to accuracy, correctness, defensibility, completeness, or any other standard or measure of quality or adequacy or as to its use or intended use for any particular purpose.

2. Proprietary Information

Intellectual property and proprietary information ("Input Data") will only be provided by one Party to another, if at all, through procedures specifically set forth in a relevant Program Order.

3. Ownership of Work

a. Any Proprietary Information provided by a Party to the other Party pursuant to this Section shall remain the exclusive property of the providing Party.

b. The Parties may through Program Orders develop certain program processes, data, reports, manuals, works of authorship, designs, improvements (of equipment, tools or processes), written, recorded photographic or visual materials, marketing collateral and other joint works ("Developments") which may contain Proprietary Information provided by one or both of the Parties. No Proprietary Information shall be provided by one Party to another unless specifically authorized in a Program Order, and all such Proprietary Information will be conspicuously labeled as "Proprietary Information" when provided. Unless otherwise specified in a relevant Program Order, no Proprietary Information which is confidential shall be provided from one Party to another. The following terms shall apply to the use of Proprietary Information and the Developments:

   i. Each Party providing Proprietary Information grants the other Party a perpetual, royalty-free, worldwide, fully paid-up license (a) to use such Proprietary Information as part of any Development created under the Program Order under which the Proprietary Information was provided; and (b) to use such Proprietary Information for the purposes of carrying out the relevant Program Order.

   ii. The Developments may be used by either Party for any purpose in carrying out the relevant Program Order, unless otherwise specified in the relevant Program Order. The Parties jointly own any portion of the Developments which is not Proprietary Information of one of the Parties.

   iii. The Parties hereby agree that the Developments may be disclosed to the California Public Utilities Commission (CPUC) upon request of the CPUC. However, should any confidential Proprietary Information be provided by one Party to another under the terms of a relevant Program Order, and should the receiving Party be required to disclose such confidential Proprietary Information to the CPUC, said disclosure shall be pursuant to California Public

Utilities Code Section 583 and CPUC General Order 66-C or other relevant law, rule or regulation. The disclosing Party shall receive timely notice of any such disclosure pursuant to this subsection (iii).

iv. For purposes of this Agreement, "Proprietary Information" means Party data and any other technical, commercial, financial, or customer information of a Party hereto, including, without limitation thereto, patent applications; trade secrets; proprietary information; techniques; sketches; drawings; maps; reports; specifications; designs; records; data; software; programs; code; computer models; manuals and related documentation; software source documents; algorithms; information related to the current, future, and proposed products and services of a Party and any of its affiliated companies; research; experimental work; inventions; development; engineering; know-how; financial information; procurement requirements; purchasing or manufacturing information; business forecasts; sales or merchandising information; and marketing plans; all as delivered through a valid Program Order from one Party to another Party. In each case, "Proprietary Information" also includes any such confidential information of any third party disclosing such confidential information to a Party or Consultant in the course of such third party's employment, engagement, business, or other relationship with such Party or its parent, subsidiary, or affiliated companies. Notwithstanding the foregoing, for purposes of this Agreement, Proprietary Information does not include Confidential Information as described in Schedule A of this Agreement.

4. Notices

All notices and correspondence under this Agreement shall be in writing and shall be effective upon actual receipt whether delivered by personal delivery, legible facsimile or reputable overnight courier or sent by United States registered or certified mail, return receipt requested, postage prepaid, addressed to the Parties as follows:

If to SCG Joint Incentives Program Contact:
Kevin Shore, Manager, Customer Programs
Southern California Gas Company
555 West 5th Street, GT19A8
Los Angeles, CA 90013-1046
Phone: 213-244-5351
Email: kshore@semprautilities.com

If to LADWP Joint Incentives Program Contact:
David Jacot, Director of Energy Efficiency
Los Angeles Department of Water and Power
111 North Hope Street – Room 1057
Los Angeles, CA 90012
Phone: (213) 367-0936
Email: David.jacot@ladwp.com

5. Term; Amendments

This Agreement shall be effective as of the date of full execution hereof by both Parties, and shall continue in effect until December 31, 2014, unless otherwise terminated in accordance with this Agreement. The Agreement may be amended by a written instrument signed by both Parties; however, neither Party is obligated in any way to consider or agree to any proposed amendment.

6. Termination of Agreement

Either Party may terminate this Agreement or any particular Program Order with or without cause, upon forty-five (45) calendar days' prior written notice to the other Party. Notwithstanding the foregoing, in the event of a termination, either of a Program Order or this Agreement, each Party shall be responsible for complying with the terms and conditions of the respective Program Order and Agreement until the date the termination becomes effective, unless otherwise specified in a particular Program Order. Termination by a Party shall not relieve the Parties of any financial obligations incurred prior to the date the termination becomes effective. At the option of the Parties, individual Program Orders may specify particular "wind down" provisions or procedures in case of termination by a Party while a Program Order is in progress. Upon the date termination becomes effective, both Parties should dispose of Confidential Information of the other Party in their possession according to Section 6 of Schedule A.

7. Reporting Requirements

7.1 LADWP shall have the right to claim Joint Service Territory Customer electric and water savings resulting from the Program Measures (as defined below) and to report such savings to various entities requesting such information including without limitation the California Energy Commission and California Urban Water Conservation Council.

7.2 SCG shall have the right to claim Joint Service Territory Customer natural gas savings resulting from the Program Measures and to report such savings to various entities requesting such information including without limitation to the Public Utilities Commission.

8. Installation Verification

Each Party understands and acknowledges that the other Party shall have the right to conduct its own inspections of the program measures (e.g. retrofits or other improvements or devices, as set forth in a relevant Program Order) (collectively, "Program Measures") for which the other Party is required to pay or reimburse under this Agreement. Any such Program Measure that fails to meet the requirements of this Agreement shall, at no cost to the other Party, be re-installed or otherwise corrected by the installing or responsible Party within a reasonable period of time after the other Party reports the failed inspection to the installing or responsible Party. Unless otherwise set forth in a relevant Program Order, should the installing or responsible Party fail for any reason to re-install or otherwise correct, within a reasonable period of time, a Program Measure that has failed inspection, then the other Party may, in its sole discretion, request reimbursement for said Program Measure. Said reimbursement shall be limited to the extent of (and up to but not exceeding) the amount received by the installing or responsible Party from the other Party under this Agreement for such Program Measure.

9. Funding

For the purposes of this Agreement, each Party may individually or jointly fund rebates or other customer payments ("Customer Incentives") through customer programs developed through signed Program Orders. Each Program Order under which Customer Incentives are to be made will include limits and not-to-exceed amounts specified in writing. All expenditures by LADWP through this Agreement shall be included within LADWP's approved budget for energy efficiency programs, and expenditures shall not exceed the specific budget for that program in place at the time of Program Order initiation. Except for reimbursements under Section 9 of this Schedule B, or as otherwise specified in a relevant Program Order, it is not generally contemplated that one Party will provide funds to the other Party under this Agreement, except as a method to provide Customer Incentives to customers.

10. Invoicing

Approval and Payment of Invoices: Approval and payment of invoices shall be done on a quarterly basis unless otherwise specified in a relevant Program Order. Program Orders will set forth more specific approval and payment processes for invoices.

Unless specifically indicated in a Program Order, in no event shall the cost associated with efficiency measures exclusive to natural gas be charged to LADWP and, conversely, the cost associated with efficiency measures exclusive to electric and/or water be charged to SCG.

11. Use of Name or Endorsements

No Party shall use the name, logo, trademark, tradename or service mark of the other Party on or with regard to any product or service directly or indirectly related to such other Party's Program or this Agreement, without the prior written approval of the other Party. By entering into this Agreement, no Party directly or indirectly endorses any product or service provided, or to be provided, by any Party, its successors or assignees. Any press or media release regarding this Agreement by one Party which includes the name, logo or otherwise references the other Party must be agreed to in advance by the other Party, which Agreement shall not be unreasonably withheld.

12. Entire Agreement

This Agreement constitutes the entire agreement among the Parties concerning the subject matter hereof and supersedes any prior understanding or written or oral agreement relative to said matter. Nothing in this Agreement is intended to limit the right or ability of the Parties in any way whatsoever to implement additional, similar or different incentive programs or promotional or marketing activities.

13. Survival

Notwithstanding completion or termination of the Agreement, the Parties shall continue to be bound by Sections 1, 2, 3, 4, and 12 of this Schedule A, as well as Schedule B to the extent either Party possesses the Confidential Information of the other Party.

14. Waiver

None of the provisions of the Agreement shall be considered waived by any party unless such waiver is specifically stated in writing. The waiver by one party of the performance of any covenant, condition or promise shall not invalidate the Agreement, nor shall it be considered a waiver by that party of any other covenant, condition or promise. The waiver by any party of the time for performing any act shall not constitute a waiver of the time for performing any other act or identical act required to be performed at a later time. The exercise of any remedy provided in the Agreement shall not be a waiver of any consistent remedy provided by law, and the provision in this Agreement for any remedy shall not exclude other consistent remedies unless they are expressly excluded.

15. Governing Law, Venue

This Agreement shall be interpreted, governed, and construed under the laws of the State of California as if executed and to be performed wholly within the State of California. Any action brought to enforce or interpret this Agreement shall be filed in Los Angeles County, California. In any action to enforce the terms of this Agreement, each Party shall be responsible for its own attorneys' fees and costs.

16. Headings

Titles and headings of the Sections and Subsections of this Agreement are for the convenience of reference only and do not form a part of this Agreement and shall in no way affect the interpretation thereof.

17. Severability

If any provision of this Agreement or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each such provision shall be valid and enforceable to the fullest extent permitted by law. However, if either Party in good faith determines that the finding of illegality or unenforceability adversely affects the material consideration for its performance under this Agreement such party may, by giving written notice to the other party, terminate this Agreement.

18. Assignment

Except as otherwise permitted herein, neither this Agreement nor any rights or obligations of any Party shall be assigned or otherwise transferred by any Party without the prior written consent of the other Party, which shall not be unreasonably withheld or delayed.

19. Independent Parties

The relationship of the Parties is that of independent parties and not as agents of each other or as joint venturers or partners. The Parties shall maintain sole and exclusive control over their respective personnel and operations.

20. Counterparts

This Agreement may be executed in any number of identical counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument when each Party has signed one such counterpart.

21. Compliance with Laws

The parties hereto, in undertaking their obligations hereunder, or any of them, shall comply with all laws and governmental rules and regulations, state, national, or local, or any of them applicable to their respective obligations under this Agreement.

22. Acts and Documents

The Parties hereto agree diligently to do such acts and to prepare and execute all documentation that may be reasonably necessary to perform and carry out this Agreement.

23. Access to Records and Audits

Upon no less than five business days prior to written notice, each Party shall provide the other Party, during normal business hours, with full and free access to all books, papers, documents and records that are used or are otherwise directly related to the first Party's performance under this agreement, including the right to audit, and to make excerpts from transactions and reports if required to comply with laws, regulations and administrative requirements. If either Party utilizes contractors to perform any of the work under this Agreement, the contracts with those contractors must state that they are subject to audit, as are any subcontractors they may use. Any expenditure that was unauthorized by this Agreement or a Program Order shall be refunded by one Party to the other Party within ninety (90) days from the date of such determination.

SCHEDULE C
ALLOWABLE ACTIVITIES AND PROGRAM ORDERS

1. Program Order Purposes/Goals

All Program Orders developed under the Master Inter-Utility Agreement must be consistent with the goals stated on Page 1 of the Agreement. Programs that meet these goals will be eligible for inclusion in this Agreement.

2. Program Orders

Specific work or activities of the Parties will only take place through written Program Orders under this Agreement, which shall not become effective and binding on either party until such Program Order is duly executed by both Parties. The Parties may separately or jointly prepare draft proposed Program Orders. The Parties agree and acknowledge that neither Party is under any obligation whatsoever to consider or sign any particular number or types of Program Orders, or any Program Order whatsoever, under this Agreement.

Each Program Order implemented through this Agreement shall be in the sample Program Order format set forth in the outline below. Not all items below will apply to all Program Orders.

Either Party may take the lead on a particular Program Order, depending on the infrastructure and staffing resources available.

- **Program Name and Description**
- **Roles and Responsibilities**
  - **Program Management**
    - **SCG**
    - **LADWP**
  - **SCG Tasks**
  - **LADWP Tasks**
- **Program Implementation and Schedule**
  - **Program Intake and Processing**
  - **Provision of Incentive/Rebate/Other Benefit to Customer**
  - **Sharing of Customer Information**
  - **Marketing and Outreach**
  - **Training**

- **Inspection Procedures**
- **Data Collection/Record Keeping**
- **Program Evaluation, Measurement, and Verification**

- **Program Costs**
  - **Division of Costs**
  - **Invoicing – Approval and Payment**
  - **Receipt of Payments**
  - **Overall Payment Limits**
  - **Optional Provisions for Early Termination of Program Order**
- **Program Modifications**
- **Authorization**
  - **Management Approval**
  - **Date**

3. Allowable Activities

The allowable activities listed below provide guidance for the types of activities that may be set forth in any particular signed Program Order between the Parties.

a) **Program Development** – SCG and LADWP staff may work separately or jointly to develop Program Orders for joint implementation. Both Parties must approve the roles and responsibilities in the final Program Order.

b) **Program Staffing/Resources** – Each Party will identify its own project teams, to include program managers and implementing staff. Project teams may include contractors or consultants. Each Party will modify its own project team as deemed necessary by its management, taking care to provide continuity in project implementation.

c) **Marketing and Outreach** – Co-branding of program marketing materials may be permitted in a Program Order; each Party may require processing and approval of an internal co-branding request to allow the other Party access to its logo and must abide by the provisions of Schedule B, Section 12 of this Agreement. All marketing materials must be reviewed and approved by SCG and LADWP prior to production and/or distribution. Marketing materials may include written materials, web-based text and illustrations, power point presentations, video or film intended for cable, television, or internet distribution, and radio spots. Materials to be produced by SCG shall be developed in accordance with SCG's branding and design guidelines and materials to be produced by LADWP shall be developed in accordance with LADWP's branding and design guidelines. Upon co-branding approval by both Parties, and as provided in a Program Order, each Party may produce and/or

reproduce and distribute materials on the other Party's relevant customer programs and joint SCG-LADWP programs to Joint Service Territory Customers. Reproduction of previously approved materials is permitted provided the marketing piece has not been modified in any way.

d) **Program/Application Intake and Processing** – Either Party may intake customer applications and program materials and administer a Program Order on behalf of both utilities. This "lead" Party may ensure compliance with Program Order guidelines and any other applicable regulation, and determine the amount and/or type of incentive or other customer benefit, according to the agreed upon program qualifications and requirements. The utility performing the intake and program compliance task will collect pertinent program data according to the provisions in Schedule A, Non-Disclosure and as further described in the Program Order. As required for a particular Program Order, each Party may provide verification of account status for its customers to the lead utility.

e) **Sharing of Customer Information –** To fully implement the Program Order, SCG and LADWP may share customer information per the provisions of Schedule A to this Agreement and as further described in the Program Order.

f) **Training** – SCG and LADWP may provide training to each other's inspectors and other staff to allow them to identify and/or verify compliance with the provisions of a Program Order or to assist in the successful implementation of the Program Order.

g) **Inspections** – Either Party may perform inspections as described and required in a Program Order to assist in the determination of program compliance; this inspection may be performed on behalf of both Parties. This provision is intended to streamline the amount of inspection activity needed at a customer site. If necessary, the inspecting utility staff may receive training by the other utility to ensure full understanding of compliance requirements.

h) **Program Costs** – The costs to implement a Program Order will be divided between the two Parties according to the roles and responsibilities agreed upon for that Program Order. In some cases costs may be reimbursed to the lead utility; in-kind services may be acceptable as reimbursement of costs.

   i. **Rebate/Incentive Payment Costs** – Where applicable to the Program Order, LADWP shall be responsible for rebate or incentive payment costs that represent the electricity or water savings associated with the customer's activity. SCG shall be responsible for rebate or incentive payment costs that represent the natural gas savings associated with the customer's activity. Energy savings costs may be apportioned differently if agreed to in the Program Order.

   ii. **Party-Specific Costs –** The Parties may share the cost of processing Joint Service Territory Customer applications, or this cost may be accepted by one of the two Parties. If costs are shared, actual, reasonable processing costs will be apportioned within the Program Order. In lieu of providing a portion of actual program costs, the Parties may assign in-kind tasks to support the program, as defined in the Program Order.

   iii. **Invoicing –** Either party may invoice the other Party for costs incurred toward the implementation of the Program Order, as agreed to in the Program Order.

i) **Program Evaluation –** The SCG and LADWP shall determine appropriate program evaluation methods as programs are developed and the data collection needs to support energy and/or water savings, as described in the Program Order. Either Party may propose inclusion of a Program Order in its own Evaluation, Measurement and Verification Program (EM&V). Relevant results of this EM&V process shall be provided to the other participating utility.

j) **Program Modifications –** Any Program Order may be modified as necessary through written agreement by the LADWP, Director of Energy Efficiency and the Director, Customer Programs and Assistance at SCG.