

May 15, 2018

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution of Intention declaring its intent to grant a limited Natural Gas Franchise with the Southern California Gas Company for the purpose of transmitting and distributing natural gas within the City of Long Beach; and, setting a public hearing for June 12, 2018, at 5:00 p.m., on the proposed extension.
(Citywide)

DISCUSSION

On May 4, 1993, the City Council adopted Ordinance No. C-7106 (Ordinance) granting franchise rights to the Southern California Gas Company (SoCalGas) to transmit and distribute natural gas within the City of Long Beach (City). The Ordinance is for a 25-year term, which is due to expire on June 7, 2018. The franchise grants SoCalGas a limited right to lay, construct, operate, maintain, repair and replace, or remove pipelines and other facilities for transmitting, conducting, and distributing natural gas within the City.

City staff and SoCalGas are in the process of franchise negotiations for a new Franchise Ordinance. SoCalGas is the sole owner and operator of the gas service utility adjacent to, and surrounding the City, and is the only corporation, firm, or individual that could or would bid for the furnishing of this franchise.

For the franchise to be granted, a public hearing must be held. Therefore, the Energy Resources Department is requesting the City Council to set a public hearing for June 12, 2018, at 5:00 p.m.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on May 3, 2018 and by Revenue Management Officer Geraldine Alejo on May 1, 2018.

TIMING CONSIDERATIONS

City Council action is requested on May 15, 2018, to set a public hearing date on this matter for June 12, 2018.

FISCAL IMPACT

Franchise fee revenue accrue in the General Fund. The fiscal impact resulting from the new Franchise Ordinance is currently pending negotiations with SoCalGas. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ROBERT M. DOWELL
DIRECTOR OF ENERGY RESOURCES

RD:LAF:rmw

APPROVED:



PATRICK H. WEST
CITY MANAGER

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH TO DECLARE ITS INTENT TO GRANT A LIMITED FRANCHISE WITH THE SOUTHERN CALIFORNIA GAS COMPANY FOR THE PURPOSE OF TRANSMITTING AND DISTRIBUTING NATURAL GAS WITHIN THE CITY OF LONG BEACH

WHEREAS, the Southern California Gas Company ("Franchisee") has a limited right to distribute natural gas within the City limits in accordance with a franchise granted by the City Council pursuant to its adoption of Ordinance No. C-7106 on May 4, 1993 (the "Existing Franchise"); and

WHEREAS, the Existing Franchise is scheduled to expire on June 7, 2018; and

WHEREAS, City has received a request for a new limited Natural Gas Franchise by Franchisee, and City intends to grant such request;

NOW THEREFORE, the City Council of the City of Long Beach resolves as follows:

Section 1. The new limited Natural Gas Franchise will allow Franchisee to continue to deliver natural gas to, among others, the Southern California Edison Company and the Los Angeles Department of Water and Power for the purposes of electricity generation.

Section 2. A public hearing regarding the new limited Natural Gas Franchise shall be conducted on June 12, 2018 at 5:00 p.m., and the City Clerk is hereby authorized and directed to publish notice of said hearing in accordance with Public Utilities Code Section 6232.

Section 3. This resolution shall take effect immediately upon its adoption

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by the City Council, and the City Clerk shall certify the vote adopting this resolution.

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of May 15, 2018 by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk