

ROBERT E. SHANNON City Attorney

HEATHER A. MAHOOD Chief Assistant City Attorney

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February 19, 2008

HONORABLE MAYOR AND CITY COUNCIL City of Long Beach California PRINCIPAL DEPUTIES

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RECOMMENDATION:

Authorize the City Manager to execute an agreement with Davis Wright Tremaine LLP for legal services during the period of February 1, 2008 through January 31, 2010, up to a maximum amount of \$150,000 each year, and subject to appropriation of funds in the second year.

DISCUSSION

Certain proceedings before the California Public Utilities Commission (CPUC) are of vital interest to the City in that they affect the manner in which gas and electricity are purchased and transported by large end-users such as the City (and its customers). The Southern California Gas Company (SoCalGas) has filed an application for its Biennial Cost Allocation Proceeding (BCAP), during which a number of important issues will be raised and considered. The decisions made by the CPUC during the BCAP proceedings could potentially have significant impacts, monetary and otherwise, on the operations of Long Beach Gas & Oil Department (LBGO). Therefore, it is critically important that the City's interests are represented before the CPUC by counsel with experience practicing in the field of energy regulation and appearing before the CPUC.

Davis Wright Tremaine LLP has recently appeared before the CPUC on behalf of the City in separate but partially related proceedings and obtained favorable results. Both the City Attorney's Office and LBGO have been pleased with the firm's work product to date and believe that the firm's energy regulatory group will continue to provide top-quality advice and representation on behalf of the City.

FISCAL IMPACT

Payment for these services has been budgeted by LBGO in the Gas Revenue Fund and will result in no cost to the General Fund.

SUGGESTED ACTION:

Approve recommendation.

Very truly yours,

ROBERT E. SHANNON, Gity Attorney

Ву

Richard F. Anthony

Deputy