



Legislation Details (With Text)

File #: 11-0093 **Version:** 1 **Name:** LBGO - RES - Gas Rate Schedules
Type: Resolution **Status:** Adopted
File created: 1/14/2011 **In control:** City Council
On agenda: 2/1/2011 **Final action:** 2/1/2011

Title: Recommendation to adopt resolution authorizing City Manager to adjust certain rates for natural gas service by implementing Gas Rate Schedules 1 through 5, 7, 9, and special conditions and incentives in Exhibits A and B. (Citywide)

Sponsors: Long Beach Gas and Oil

Indexes:

Code sections:

Attachments: 1. 020111-R-18sr&att.pdf, 2. RES-11-0013.pdf

Date	Ver.	Action By	Action	Result
2/1/2011	1	City Council	approve recommendation and adopt	Pass

Recommendation to adopt resolution authorizing City Manager to adjust certain rates for natural gas service by implementing Gas Rate Schedules 1 through 5, 7, 9, and special conditions and incentives in Exhibits A and B. (Citywide)

The Long Beach Gas & Oil Department (LBGO) operates the largest municipal natural gas utility in California and the fifth largest such utility in the United State, serving a population of over half a million residents and businesses in the cities of Long Beach and Signal Hill since 1924. As the natural gas pipeline system ages, LBGO must continually reinvest gas revenues into its infrastructure consisting of 1,800 miles of underground pipeline and 150,000 gas meters, as well as investing in new technologies to improve safety and service provided to our customers.

To help meet the financial demands needed to properly maintain its natural gas system, LBGO proposes to increase its natural gas transmission rates for residential customers by 2.65 percent (95 cents a month) and commercial/industrial customers by about 1 percent (see Attachment 1 for a detailed breakdown). It is important to note that while LBGO is proposing an increase to these gas rates, this will only impact the non-commodity portion of a customer's gas bill. The commodity charges for all customer classifications will continue to reflect the actual fluctuating monthly market price of natural gas along with any associated costs of receiving that gas. As natural gas commodity prices are expected to continue to be lower than in recent years past, it is entirely possible that customers will see lower natural gas bills in the next year even with LBGO's minor rate adjustment. In addition to adjustments in the gas rate schedules, Exhibits A and B concerning special conditions and incentives are included under this Resolution to be readopted. There are no changes to Exhibit A or B.

This matter was reviewed by Deputy City Attorney Richard Anthony on January 10, 2011, and by Budget Officer Victoria Bell on January 11, 2011.

City Council action is requested on February 1, 2011 in order to implement the gas rate changes

effective for service received on or after February 1, 2011.

An approximate \$1 million increase in revenues to the Gas Fund is anticipated for the remainder of FY 11 (\$1.7 million annually). This increased revenue will be utilized to help fund LBGO's ongoing pipeline infrastructure replacement program. The actual amount of revenues may vary, depending upon the actual demand for natural gas during the year. The requested action will not have an impact on jobs.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING
CHANGES TO THE SCHEDULE OF GAS RATES.

CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH GAS & OIL

APPROVED:

PATRICK H. WEST
CITY MANAGER