



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

C-7

333 West Ocean Boulevard, 5th Floor • Long Beach, CA 90802

October 12, 2004

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Refund of \$10,669.37 to Utility Customer Real Energy, Inc.

DISCUSSION

In July 2004, Real Energy, Inc., a transport customer, was delivered gas from their supplier in excess of what they consumed. Pursuant to their Transportation/Service Agreement, the City credited them for the excess gas at 75 percent of the lowest cost of gas purchased by the City in the month of August 2004. This buy back created a credit balance on their utility account. On August 16, 2004, Real Energy, Inc., closed their utility account with a credit balance of \$10,669.37.

City of Long Beach Municipal Code Section 3.48.040 (C), requires that a refund exceeding \$5,000 be approved by the City Attorney and the City Council.

This matter was reviewed by Assistant City Attorney Michael J. Mais on September 23, 2004, and Budget Management Officer David Wodynski on September 27, 2004.

TIMING CONSIDERATIONS

City Council action is requested on October 12, 2004 to process the refund expeditiously.

FISCAL IMPACT

The source of the funding for the refund of \$10,669.37 will be the Gas Fund, an Enterprise Fund. Sufficient funds are currently budgeted in the Gas Fund (EF 301) in the Long Beach Energy Department (EN) to make this payment.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the issuance of a refund check in the amount of \$10,669.37 to Real Energy, Inc.

Respectfully submitted,

MICHAEL A. KILLEBREW
ACTING DIRECTOR OF FINANCIAL MANAGEMENT

MICPAW102624

APPROVED:

GERALD R. MILLER
CITY MANAGER