



A DEPARTMENT OF THE CITY OF LONG BEACH

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www.lbenergy.org

CHRISTOPHER J. GARNER
DIRECTOR

July 19, 2005

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt the attached Resolution authorizing the City Manager to negotiate and execute Customer Natural Gas Transportation/Service Agreements between the City of Long Beach and Gas Rate Schedule 7 (Cogeneration), Schedule 8 (Enhanced Oil Recovery), and Schedule 9 (Transportation) customers for contract periods not to exceed two (2) years, which shall continue until a new resolution changes the basis of these Agreements. (Citywide)

DISCUSSION

The current Customer Natural Gas Transportation/Service Agreements under Gas Rate Schedule 7 (Cogeneration), Schedule 8 (Enhanced Oil Recovery), and Schedule 9 (Transportation) will expire on July 31, 2005. Customers opting to continue procurement of their own natural gas volumes must enter into and sign new Agreements.

Customers under these Agreements secure their own gas supplies and arrange pipeline transportation to the California border. The City of Long Beach utilizes capacity on the Southern California Gas Company's (SoCalGas) intrastate pipeline system and its own distribution system to transport these natural gas volumes to the customer's location.

The Customer Natural Gas Transportation/Service Agreement outlines the terms and conditions under which a transport customer must operate. Transmission rates charged under this Agreement are as stated in the applicable customer Rate Schedule.

This matter was reviewed by Deputy City Attorney Richard Anthony on July 7, 2005 and Budget Management Officer David Wodynski on July 8, 2005.

TIMING CONSIDERATIONS

City Council action on this item is requested on July 19, 2005, in order to renew the existing Natural Gas Transportation/Service Agreements, which are due to expire on July 31, 2005.

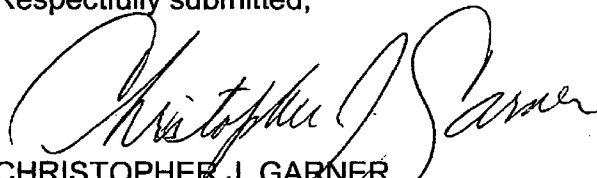
FISCAL IMPACT

All revenues collected under these Agreements will be deposited in the Gas Fund (EF 301) in the Long Beach Energy Department (EN). The revenue forecast for these customers is not projected to change. These Agreements merely facilitate the continuation of standard business operations for 13 out of approximately 150,000 natural gas customers. These 13 customers are American Textile, Bally's Fitness, California State University Long Beach, D.G. Cogen, Thums Cogen, Angelica, GP Gypsum, Edgington, National Gypsum, TABC, Inc., Veteran's Hospital, St. Mary's Hospital and Boeing.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

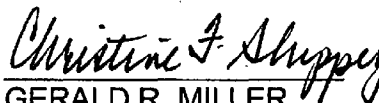


CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH ENERGY AND OIL PROPERTIES

CJG:JC
C:\My Documents\Word\City Council\07-19-05 cd - Gas Transportation Service Agreement.doc

ATTACHMENT

APPROVED:

for 
GERALD R. MILLER
CITY MANAGER