



February 20, 2007

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute an Agreement between Southern California Gas Company and the City of Long Beach for Pipeline Services (Non-Tariffed) for the relocation and abandonment of the existing section of a natural gas transmission line. (Citywide)

DISCUSSION

The City of Long Beach Gas and Oil Department owns a 14-inch natural gas transmission pipeline (line 1228) located within and outside Long Beach city limits. Line 1228 is leased to Southern California Gas Company (SoCalGas) under a 25-year lease agreement (No. 22889), which ends in 2018. A segment of this pipeline located in the vicinity of Bolsa Chica Street and Los Patos Avenue, in the Brightwater Development Area, requires relocation, due to a new housing development construction project. The required work will be completed by SoCalGas through the proposed agreement.

The Agreement shall contain the following major points:

- The costs for all services associated with the relocation of line 1228 and the abandonment of the existing section of the line is projected by SoCalGas to be \$175,780.
- The costs associated with this Agreement are recoverable from the developer, Hearthside Homes.

This matter was reviewed by Deputy City Attorney Richard Anthony and Budget and Performance Management Bureau Manager David Wodynski on February 7, 2007.

TIMING CONSIDERATIONS

City Council action is requested on February 20, 2007 to authorize commencement of this Agreement to expedite the completion of the pipeline relocation.

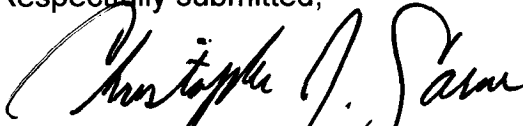
FISCAL IMPACT

Abandonment and relocation costs of \$175,780 will be paid from the Gas Fund (EF 301) and the Long Beach Gas and Oil Department (EN) using existing appropriations. The costs will be prepaid by the developer and deposited into the Gas Fund.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH GAS AND OIL

CJG:AJW
CCL 2-20-07.DOC

APPROVED:



GERALD R. MILLER
CITY MANAGER