



April 14, 2009

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

RECOMMENDATION:

Recommendation to declare ordinance amending the Long Beach Municipal Code by amending Section 15.40.130; and by repealing Section 15.40.140 and Section 15.40.150, all relating to natural gas pipeline regulations read the first time and laid over to the next regular meeting of the City Council for final reading. (Citywide)

DISCUSSION

Upon request of private parties who want to be connected to the City's natural gas pipeline system, the Long Beach Gas and Oil Department (LBGO) performs construction activities such as gas pipeline installation or extensions. LBGO charges these parties fees that are based on a council approved tariff. LBGO owns the new extension and is responsible for operation and maintenance of the system.

In an effort to simplify the code for operational efficiency, LBGO is requesting to amend and consolidate various sections of the Long Beach Municipal Code that relate to the construction activities on the City's gas pipeline system. Gas mains, gas services, and stub pipelines are all part of the City's gas pipeline system and, therefore, can be combined into one Municipal Code section.

In addition, the Municipal Code has been modified to eliminate an exemption which allows for the "free" installation of 150 feet of main pipeline by LBGO under certain circumstances. This exemption and the "free" installation has no cost recovery basis and currently requires a subsidy from ratepayer revenues.

This matter was reviewed by Deputy City Attorney Richard Anthony on March 23, 2009, and by Budget and Performance Management Bureau Manager David Wodynski on March 20, 2009.

TIMING CONSIDERATIONS

There is no timing consideration to this action.

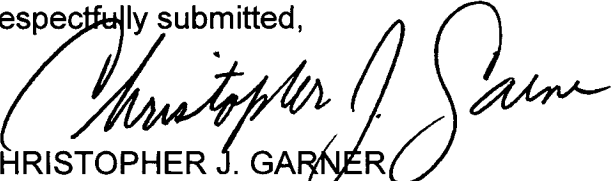
FISCAL IMPACT

There is no expected impact to the revenue generated in the Gas Fund (EF 301) in the Long Beach Gas and Oil Department (EN). There is a potential cost avoidance from avoided installation exemption requests.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,




CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH GAS AND OIL

CJG:AJW:AJW
CCL 4-14-09 Municipal Code 15.40.130.DOC

Attachment

APPROVED:



PATRICK H. WEST
CITY MANAGER

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ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH AMENDING THE LONG BEACH
MUNICIPAL CODE BY AMENDING SECTION 15.40.130;
AND BY REPEALING SECTION 15.40.140 AND SECTION
15.40.150, ALL RELATING TO NATURAL GAS PIPELINE
REGULATIONS

The City Council of the City of Long Beach ordains as follows:

Section 1. Section 15.40.130 of the Long Beach Municipal Code is
amended to read as follows:

15.40.130 Gas pipeline extensions.

All gas pipeline extensions shall be installed under the following
regulations:

A. General Requirements.

1. When an applicant requests that the gas utility extend a
gas pipeline, applicant shall, prior to the commencement of any work, pay
all fees applicable to the estimated footage of such extension in accordance
with the schedule of fees and charges.

2. If the actual footage of the gas pipeline extension
differs from the estimated footage, then the fees due under the schedule of
fees and charges shall be adjusted accordingly, and excess fees shall be
refunded to the applicant without interest or applicant shall promptly pay
any additional fees, as applicable.

3. If the gas pipeline extension project is cancelled, then
the gas utility shall refund to the applicant those fees, without interest,

1 which do not cover costs actually incurred by the gas utility prior to the
2 cancellation.

3 4. The right to a refund of any fees paid pursuant to this
4 section shall not be assigned except upon the prior written consent of the
5 gas utility, and the gas utility may refuse to refund any such fees to an
6 assignee of the applicant where such consent to the assignment thereof
7 was not first obtained.

8 5. If an applicant's pipeline extension project is re-
9 scheduled or delayed, the gas utility shall have the right to revise its fee
10 estimate based on the most current schedule of fees and charges.

11 6. All work on gas pipelines shall be by the gas utility or
12 by a contractor approved and qualified by the gas utility, and such work
13 shall be in accordance with gas utility standards and specifications.

14 7. The gas utility, at its own cost and expense, shall safely
15 operate and maintain the gas pipeline.

16 8. All gas pipelines and appurtenances on public or
17 private property installed under this section, up to and including the meter
18 set assembly, shall be the property of the city, and may be repaired,
19 replaced or removed by the gas utility at any time.

20 B. Technical Requirements.

21 1. The gas utility shall, except in very unusual cases,
22 extend its gas pipelines only in public highways, streets or alleys. Such
23 pipelines shall be installed along the most practical route from a point of
24 service selected by the gas utility to a point directly opposite the meter
25 locations satisfactory to the gas utility to service the applicant. Gas
26 pipelines shall be installed upon private property only in the most unusual
27 cases and if the terms and provisions of the right-of-way agreement and the
28 cost of the right-of-way are satisfactory to the gas utility.

1 2. The gas utility shall design the most practical route on
2 public streets from an existing pipeline to where the new pipeline will be
3 most useful to the applicant.

4 3. The gas utility shall, at the applicant's expense, design,
5 furnish and install a pipeline of suitable capacity, extending from a gas main
6 to the meter location of the premises to be served. The applicant shall
7 furnish on the premises to be served an accessible meter location
8 satisfactory to the gas utility. The gas utility reserves the right to choose the
9 point on the premises where service will be provided.

10 4. Whenever an application is made for gas service to
11 premises that have been re-subdivided from that shown in the original
12 subdivider's plat and it is found necessary to install a pipeline in addition to
13 that which would have been required to serve the premises as originally
14 platted, the gas utility shall, at the applicant's expense, install and maintain
15 the individual pipeline required to serve such premises.

16 5. Whenever an application is made for gas service at a
17 location not in conformance with this section and an individual pipeline
18 extension is required in excess of that originally installed or planned to
19 serve the premises, the gas utility may at its option install the additional
20 pipeline provided the applicant shall advance the entire cost of such
21 additional pipeline.

22 6. Stub services, i.e., services laid in public streets
23 extending from the main to a point without a meter assembly, shall be
24 installed at the sole and absolute discretion of the gas utility.

25 7. In the event an applicant for gas service to a premises,
26 to which the gas utility already has and maintains an adequate stub serving
27 such premises, locates buildings, concrete pavement or other
28 improvements in such a manner as to render the use of such stub service

1 impossible, the gas utility shall require the applicant to pay the fee for
2 installing additional service from the main to the meter of the premises to be
3 served.

4 8. Branch services, i.e., services which extend from
5 another service to applicant's meter or meters, shall be installed only at the
6 sole and absolute discretion of the gas utility.

7 9. The gas utility shall not, except in very unusual cases,
8 install, extend, renew or replace any gas pipeline which is located under
9 any portion of a building. No person shall, except in very unusual cases,
10 erect, construct, place, replace, build or rebuild any building over a pipeline
11 through which gas can flow. In very unusual cases, a pipeline may be
12 installed under a building provided such pipeline is enclosed within a gas-
13 tight metal casing installed at the expense of the applicant and approved by
14 the gas utility in its sole and absolute discretion. If the pipeline enclosed
15 within a casing or the casing needs to be repaired the cost of such repair
16 will be borne by the applicant.

17 10. In case it shall be necessary to extend a pipeline
18 across private property other than the property of the applicant, the
19 applicant shall first secure and furnish, without cost to city, the meter
20 location and the rights-of-way necessary for such pipeline satisfactory to the
21 gas utility. If rights-of-way are satisfactory to the gas utility, the gas utility
22 shall extend a pipeline to the meter location of the applicant in accordance
23 with this section. In the event such rights-of-way shall in any instance be
24 revoked, the gas utility may discontinue the supply of gas without obligation
25 or liability. When the extension of pipeline is made in the manner above
26 provided and subsequent to the date service is first rendered to the
27 customer, the gas utility installs in a public street a distribution main pipeline
28 from which service can be rendered to the customer, the customer shall

1 thereafter take service from the distribution main pipeline.

2 11. When meter, or meters, have been installed in
3 locations which are not in conformance with the requirements of this section
4 and any applicable ordinances of the city because of new construction,
5 alterations or additions upon the premises, the gas utility may require the
6 owner or customer to relocate the house piping connection or connections
7 in such a manner as to permit the receiving of gas at an accessible meter
8 location that does conform to the requirements of this section and any
9 applicable ordinances of the city. The gas utility reserves the right to
10 relocate the pipeline at the customer's expense and provide facilities for the
11 service of gas at any location on the premises to be served that it so
12 desires, and where more than one adequate gas service exists on a
13 premises, the gas utility shall have the right to continue or discontinue
14 whichever service it chooses.

15 12. The customer and owner shall exercise reasonable
16 care and cooperation in furnishing and maintaining an adequate space or
17 location for the installation, renewal, repair or replacement of the gas
18 pipeline.

19 13. When performing work on customer's premises the gas
20 utility will at all times exercise reasonable care to protect customer or
21 owner's property from unnecessary damage or destruction. However, the
22 gas utility assumes no responsibility for the replacement or repair of any
23 surfacing or other improvements broken, damaged or destroyed in the due
24 course of installing or relocating gas pipeline or other gas facilities located
25 on customer's premises when such installation or relocation work is being
26 done on the request or application of the owner or customer or when
27 changes in the gas facilities are made necessary due to new construction,
28 alterations or additions upon the premises. The gas utility may at its option

1 replace any surfacing broken or damaged on customer's premises in the
2 due course of repairing, replacing or relocating the gas pipeline or other gas
3 facilities due to deterioration, leakage, stoppage or any other natural cause.
4 The gas utility assumes no responsibility for future inspection or
5 maintenance of any surfacing repairs or replacements which it may make
6 on customer's premises and therefore accepts no liability.

7 14. All pipe beyond the outlet connections of the meter,
8 master meter, or bank of meters, shall be maintained by applicant,
9 customer and the owner of the premises, and the gas utility shall not be
10 responsible for any loss of gas or any loss or damage whatsoever caused
11 by or arising out of, or in connection with pipe or equipment installed
12 beyond the outlet of the gas utility's meter, master meter or bank of meters.

13 15. If an applicant requests relocation of a pipeline for
14 purposes benefiting the applicant, then the costs for removal and relocation
15 will be the responsibility of the applicant.

16
17 Section 2. Section 15.40.140 of the Long Beach Municipal Code is
18 hereby repealed.

19
20 Section 3. Section 15.40.150 of the Long Beach Municipal Code is
21 hereby repealed.

22
23 Section 4. The City Clerk shall certify to the passage of this ordinance by
24 the City Council and cause it to be posted in three (3) conspicuous places in the City of
25 Long Beach, and it shall take effect on the thirty-first (31st) day after it is approved by the
26 Mayor.

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I hereby certify that the foregoing ordinance was adopted by the City Council of the City of Long Beach at its meeting of _____, 2009, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

Approved: _____
(Date)

Mayor

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664