



July 10, 2007

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 and future amendments between the City of Long Beach and Gas Rate Schedule 7 (Cogeneration) and Schedule 9 (Transportation) customers for contract periods not to exceed five years, which shall continue until a new resolution changes the basis of these Agreements. (Citywide)

DISCUSSION

All current Customer Natural Gas Transportation/Service Agreements (Agreements) with customers who fall under Gas Rate Schedule 7 (Cogeneration) and Schedule 9 (Transportation) (Customers) will expire on July 31, 2007. Customers opting to continue procurement of their own natural gas volumes must execute new Agreements.

Customers under these Agreements secure their own gas supplies and arrange pipeline transportation of the commodity to the California border. The City of Long Beach utilizes capacity on the Southern California Gas Company's intrastate pipeline system and its own distribution system to transport these natural gas volumes from the California border to the Customer's delivery point.

The Agreements outline 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 and Budget and Performance Management Manager David Wodynski on June 25, 2007.

TIMING CONSIDERATIONS

City Council action is requested on July 3, 2007 in order to establish new Natural Gas Transportation/Service Agreements, which are due to expire on July 31, 2007.

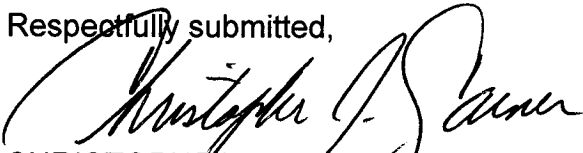
FISCAL IMPACT

All revenues collected under these Agreements will be deposited in the Gas Fund (EF 301) and in the Long Beach Gas and Oil Department (EN). The annual estimated revenue for these customers is projected to be \$1.7 million. These Agreements merely facilitate the continuation of standard business operations for 12 natural gas customers. Examples of these customers are Boeing Corporation, California State University at Long Beach, Edgington Oil, St. Mary Medical Center, and THUMS Long Beach.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

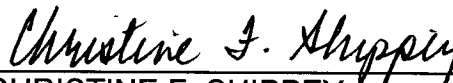


CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH GAS AND OIL

CJG:CG:ld

Attachment

APPROVED:



CHRISTINE F. SHIPPEY
ASSISTANT CITY MANAGER

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH PROVIDING FOR THE ADOPTION OF A REVISED FORM OF CUSTOMER NATURAL GAS TRANSPORTATION/SERVICE AGREEMENT TO BE EXECUTED BETWEEN THE CITY AND SCHEDULES 7 AND 9 TRANSPORTATION CUSTOMERS OF THE LONG BEACH GAS & OIL DEPARTMENT

WHEREAS, the City of Long Beach (the "City"), acting through the Long Beach Gas & Oil Department ("LBGO"), has entered into agreements ("Agreements") to transport natural gas on behalf of various customers within the City of Long Beach ("Transport Customers"); and

WHEREAS, the Agreements are scheduled to expire on July 31, 2007; and
WHEREAS, certain provisions of the existing Agreements require updating;

and

WHEREAS, the Transport Customers desire to continue to purchase services from LBGO;

NOW, THEREFORE, the City Council of the City of Long Beach resolves as follows:

Section 1. The City Manager shall be authorized to execute the form of Customer Natural Gas Transportation/Service Agreement attached hereto as Exhibit A in order to update certain terms and provisions thereof and continue to provide services to the Transport Customers.

Section 2. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

//

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2007 by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

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

RFA; abc
6/26/2007
#07-03113