



Legislation Text

File #: 06-1327, **Version:** 1

Recommendation to authorize City Manager to execute (i) an Assignment Consent Agreement to Assignment from Edgington Oil Company to Edgington Oil Company, LLC, certain rights and obligations under the Customer Natural Gas Transportation/Service Agreement with the City of Long Beach, and (ii) the Assignment Consent Agreement attached in Exhibit A to the Resolution. (District 9)

Effective October 24, 2005, the City of Long Beach (City) and Edgington Oil Company (Edgington) entered into a Customer Natural Gas Transportation/Service Agreement which allowed Edgington to procure its own natural gas commodity and have it transported from the California border to its site by the Long Beach Gas & Oil Department (LBGO). On September 28, 2006, Alon USA acquired Edgington and renamed it Edgington LLC.

The City has 11 commercial/industrial customers, including Edgington LLC who has entered into a Customer Natural Gas Transportation/Service Agreement with LBGO. All 11 agreements are scheduled for renewal on August 1, 2007.

Historically, Transportation/Service customers have asked the City to execute Assignment Consent Agreements to evidence the City's consent to the transfer of a customer's rights and obligations under its Customer - Natural Gas Transportation/Service Agreement to a successor. A form of Assignment Consent Agreement is attached as Exhibit A to the attached Resolution.

This matter was reviewed by Deputy City Attorney Richard Anthony on November 17, 2006 and by Budget Management Officer David Wodynski on December 7, 2006.

City Council action is requested on December 19, 2006, as the change from Edgington Oil Company to Edgington Oil Company LLC and the purchase by Alon USA was effective September 28, 2006.

There is no fiscal impact associated with this requested consent to assignment.

Approve recommendation.

CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH GAS AND OIL

APPROVED:

GERALD R. MILLER
CITY MANAGER

