



MICHAEL N. FEUER
CITY ATTORNEY

REPORT NO. R 15 - 0 0 7 2
MAR 0 6 2015

REPORT RE:

**DRAFT ORDINANCE AMENDING THE EXPIRATION DATE APPLICABLE TO THE
SOUTHERN CALIFORNIA GAS COMPANY FRANCHISE ORDINANCE NO. 168164
SO AS TO EXTEND THE TERM OF THE FRANCHISE**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Honorable Members:

This Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. The draft ordinance amends the expiration date applicable to the Southern California Gas Company Franchise Ordinance No. 168164 so as to extend the term of the franchise to June 30, 2016.

If you have any questions regarding this matter, please contact Deputy City Attorney Michael D. Nagle at (213) 978-8141. He or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By

DAVID MICHAELSON
Chief Assistant City Attorney

DM:MDN:ac
Transmittal

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June 2016.docx

City Hall East 200 N. Main Street Room 800 Los Angeles, CA 90012 (213) 978-8100 Fax (213) 978-8312

ORDINANCE NO. _____

An ordinance amending the expiration date applicable to Southern California Gas Company Franchise Ordinance No. 168164 so as to extend the term of the franchise.

WHEREAS, in 1992, the City granted a franchise authority, Ordinance No. 168164 to Southern California Gas Company to: (a) install, construct, replace, reconstruct, repair and retain its gas system in streets located in the City of Los Angeles; (b) maintain and operate said gas system; and (c) engage in the business of the transmission and distribution of gas to customers within the City of Los Angeles;

WHEREAS, the franchise authority granted to Southern California Gas Company in Ordinance No. 168164 was for a 20-year term set to expire on December 31, 2012;

WHEREAS, in the course of the last two years, staff of several City Departments, including the Bureau of Street Services, Bureau of Engineering, Department of Transportation, City Attorney, City Administrative Officer, Chief Legislative Analyst and City Council have been negotiating the terms and conditions of a new franchise ordinance to allow Southern California Gas Company to prepare a bid for said franchise;

WHEREAS, Ordinance No. 182350 was adopted by the City Council on December 11, 2012, extending the expiration date of the franchise to June 30, 2013;

WHEREAS, Ordinance No. 182614 was adopted by the City Council on June 28, 2013, extending the expiration date of the franchise to June 30, 2014;

WHEREAS, Ordinance No. 183146 was adopted by the City Council on June 27, 2014, extending the expiration date of the franchise to December 31, 2014;

WHEREAS, Ordinance No. 183313 was adopted by the City Council on December 2, 2014, extending the expiration date of the franchise to March 31, 2015; and

WHEREAS, while all parties had reached an agreement on a new franchise, a recently published decision by the Second Appellate District in the matter of *Jacks v. City of Santa Barbara* requires that the parties renegotiate some of the terms of the agreement. Therefore, it is necessary to extend the current franchise beyond the March 31, 2015 expiration date previously adopted to assure that the Gas Company continues to operate in the City under the terms set forth in Ordinance No. 168164.