

BUDGET AND FINANCE COMMITTEE REPORT relative to a refund claim filed by Pacific Summit Energy, LLC.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE the refund claim by Pacific Summit Energy, LLC for the amount of \$139,427.07.
2. AUTHORIZE the Southern California Gas Company, the authorized billing and collection entity for the City's Gas Users Tax, to apply a non-refundable credit in the amount of \$423,766.07 to Anheuser-Busch, Inc.'s Gas Users Tax liability until the credit is fully exhausted.

Fiscal Impact Statement: None submitted by the Office of Finance (Finance). Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

At its regular meeting held on October 5, 2015, the Budget and Finance Committee considered a report from Finance dated September 15, 2015, relative to a refund claim filed by Pacific Summit Energy, LLC for the amount of \$139,427.07; and, authorization for the Southern California Gas Company to apply a \$423,766.07 Gas Users Tax credit to Anheuser-Busch, Inc.'s Gas Users Tax liability.

The Office of Finance reports that during the course of an audit, it was found that both Pacific Summit Energy, LLC and Southern California Gas Company were collecting the City's Gas Users Tax from Anheuser-Busch, Inc. on behalf of the City. However, Southern California Gas Company is the agency responsible for billing and collecting the City's Gas User Tax. Therefore, Pacific Summit, LLC refunded \$139,427.07 to Anheuser-Busch, Inc, and is in turn seeking a refund of this amount from the City. Additionally, an amount of \$423,766.07 was also collected in error by Pacific Summit, LLC from Anheuser-Busch, Inc. However, this amount is non-refundable, and therefore the Finance is requesting authorization for Southern California Gas Company to apply the credit towards Anheuser-Busch, Inc.'s Gas User Tax liability until the credit is fully exhausted.

After providing an opportunity for public comment, the Committee approved the recommendations above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
ENGLANDER:	YES
KORETZ:	YES
BLUMENFIELD:	YES
BONIN:	YES

REW
10/8/15
FILE NO. 15-1127

-NOT OFFICIAL UNTIL COUNCIL ACTS-