

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to a request for approval of Binding Request and Period Two Firm Transportation Service Agreement No. BP 16-019 between the Los Angeles Department of Water and Power (LADWP) and Kern River Gas Transmission Company for long-term natural gas transportation service to LADWP's generating stations.

Recommendation for Council action:

CONCUR with the Board of Water and Power Commissioners' action of January 17, 2017, Resolution No. 017-137, authorizing execution of Binding Request and Period Two Firm Transportation Service Agreement No. BP 16-019 between the LADWP and Kern River Gas Transmission Company for long-term natural gas transportation service to LADWP's generating stations.

Fiscal Impact Statement: The City Administrative Officer reports that approval of the proposed resolution is expected to result in expenditures from the Power Revenue Fund of \$3.1 million annually or \$46.5 million over a 15-year term. The proposed agreement complies with the LADWP adopted financial policies and will not impact the City's General Fund.

Community Impact Statement: None submitted.

TIME LIMIT FILE - MARCH 19, 2017

(LAST DAY FOR COUNCIL ACTION - MARCH 8, 2017)

Summary:

At a meeting held on February 1, 2017, the Energy and Environment Committee considered reports from the Board of Water and Power Commissioners and City Administrative Officer, and Resolution No. 017-137 relative to a request for approval of Binding Request and Period Two Firm Transportation Service Agreement No. BP 16-019 between the LADWP and Kern River Gas Transmission Company for long-term natural gas transportation service to LADWP's generating stations. The reports, attached to the Council file, provide background information. During the discussion of this item, staff from the LADWP provided an overview of the proposed agreement and responded to related questions from the Committee members. After providing an opportunity for public comment, the Committee recommended that Council concur with the Board action as detailed above. This matter is now submitted to Council for its consideration.


Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE

MEMBER	VOTE
MARTINEZ:	YES
BLUMENFIELD:	YES
CEDILLO:	ABSENT
KORETZ:	ABSENT
O'FARRELL:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-