


BOARD OF UTILITIES COMMISSIONERS

1800 E. Wardlow Road, Long Beach, CA 90807
562.570.2300 | LBUutilities.org

March 20, 2025

Recommendation

Authorize the General Manager to execute a Schedule I, Transaction-Based Natural Gas Storage Service Agreement and any necessary amendments with the Southern California Gas Company for natural gas storage capacity rights in an amount not to exceed \$1,846,510, for a period of one year.

Executive Summary

The Long Beach Public Utilities Department (LBPUD) maintains an ongoing agreement with the Southern California Gas Company (SoCalGas) for the storage of natural gas. Given that 90 percent of natural gas used in California is imported from out of state, local gas storage is extremely important for natural gas service reliability to LBPUD customers.

In March 2000, the City of Long Beach (City) and SoCalGas executed a Master Services Agreement which includes Schedule I, Transaction-Based Natural Gas Storage Service Agreement (Storage Agreement). The overall Master Services Agreement sets forth the general terms and conditions under which SoCalGas provides gas services to the City pursuant to applicable Tariff Rate Schedules and Tariff Rules filed with the California Public Utilities Commission (CPUC). This Storage Agreement requires an annual renewal. The current annual Storage Agreement expires on March 31, 2025.

Given the need for reliable natural gas service delivery, LBPUD seeks a renewal of the current Storage Agreement. The proposed renewal will be for a one-year term, beginning April 1, 2025, and ending March 31, 2026. Under the terms of the renewed Agreement, SoCalGas will assign LBPUD natural gas storage capacity, along with firm injection and withdrawal levels. These terms dictate LBPUD's ability to add and use storage gas. Rates charged for storage fall under SoCalGas' G-TBS tariff and are subject to change with approval from the CPUC.

Fiscal Impact

Natural gas storage service costs are estimated at \$1,836,510 for the contract term and are budgeted in the Gas Fund.

Diana C. Tang
Assistant General Manager

B. Anatole Falagán
General Manager