



ADDENDUM TO COUNCIL AGENDA  
CITY OF BURBANK  
TUESDAY, OCTOBER 17, 2006  
6:30 P.M.

CONSENT CALENDAR: (Item 4A)

The following item may be enacted by one motion. There will be no separate discussion on this item unless a Council Member so requests, in which event the item will be removed from the consent calendar and considered in its normal sequence on the agenda. A **roll call** vote is required for the consent calendar.

4A. AUTHORIZING AN INCREASE IN THE CITY OF BURBANK'S PARTICIPATION IN THE NATURAL GAS PROJECT DEVELOPMENT AGREEMENT BY AND AMONG THE CITY OF BURBANK, VARIOUS OTHER PUBLIC AGENCIES, AND THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY:

Staff requests the Council adopt the proposed resolution which would authorize the General Manager of Burbank Water and Power to increase the quantity of gas that can be purchased under the authority granted in Resolution No. 26,754, passed on June 29, 2004 from 1,000 Dth/Day to 3,000 Dth/Day. This additional purchase is less than the market price of natural gas.

Additional gas capacity is now available through the Southern California Public Power Authority (SCPPA). SCPPA and Turlock are in a position to close the transaction; however, the Los Angeles Department of Water and Power (LADWP) still needs to obtain Board and Council approval. LADWP just advised SCPPA that they cannot get authority to undertake the acquisition within that timeframe. Hence, SCPPA and Turlock have proposed that they proceed with the acquisition without LADWP's participation.

Burbank has existing authority to acquire up to 1,000 Dth/Day from SCPPA. However, this transaction would bring Burbank's share above 1,000 Dth/Day. Therefore, staff is requesting that the existing authority to purchase natural gas from SCPPA be increased to an average of 3,000 Dth/Day over the expected life of the resources. LADWP's inability to go forward with the acquisition is not based on the merits of the proposition. They are simply unable to get the appropriate governance in place in time. Staff finds that it is in the best interest of Burbank to increase the quantity of natural gas that can be acquired through the SCPPA Reserve Development Agreement to an average of 3,000 Dth/Day over the expected life of the resources.

Recommendation:

Adoption of the proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK AUTHORIZING AN INCREASE IN THE CITY OF BURBANK'S PARTICIPATION IN THE NATURAL GAS PROJECT DEVELOPMENT AGREEMENT BY AND AMONG THE CITY OF BURBANK, VARIOUS OTHER PUBLIC AGENCIES, AND THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY.