

MEMORANDUM
COUNTY OF PLACER
DEPARTMENT OF ADMINISTRATIVE SERVICES
PROCUREMENT SERVICES DIVISION

TO: Honorable Board of Supervisors

FROM: David Seward, Purchasing Manager *DS*

DATE: September 26, 2006

SUBJECT: Approve the Renewal of BPO No. 13147 for Compressed Natural Gas with Southwest Gas Corporation in the Maximum Amount of \$115,000.00.

ACTION REQUESTED

Approve the renewal of BPO No. 13147 for Compressed Natural Gas (CNG) with Southwest Gas Corporation of Las Vegas, Nevada in the maximum amount of \$115,000.00, and authorize the Purchasing Manager to sign the resulting contract.

BACKGROUND

DPW has a need to purchase natural gas for its fueling station at the Cabin Creek Road Facility in Truckee. This fueling station is used to refuel the County's fleet of natural gas transit buses. There is only one service provider for natural gas in the Truckee/Tahoe Region – Southwest Gas.

The contract price elements fluctuate with current market conditions based upon Schedule Nos. GS-50/GN-50 and C.P.U.C. Sheet No. 6356-G provided as Attachments A and B to this memo. Some of the elements of the price per therm include: a Transportation and Reservation charge, a Balancing Account Adjustment, and various other surcharges and fees imposed by the California Public Utilities Commission (CPUC). Currently the effective sales rate per therm is \$0.79673.

FISCAL IMPACT

The BPO resulting from this recommendation will total \$115,000.00 and will be effective from October 1, 2006 through September 30, 2007. There is sufficient funding in Public Work's budget for these expenditures.

Attachments

Attachment A: Schedule Nos. GS-50/GN-50
Attachment B: C.P.U.C. Sheet No. 6356-G

Cc: Jim Geach, DPW Fleet Services
Cynthia Taylor, DPW Administration

SOUTHWEST GAS CORPORATION
 P.O. Box 98510
 Las Vegas, Nevada 89193-8510
 California Gas Tariff

Canceling _____ Revised _____ Cal. P.U.C. Sheet No. 5863-C
 Original _____ Cal. P.U.C. Sheet No. 4247-G/4280

Schedule Nos. GS-50/GN-50

CORE NATURAL GAS SERVICE FOR MOTOR VEHICLES

APPLICABILITY

Applicable to gas service to municipal, utility, corporate and other fleet operators and retail distributors for the sole purpose of compressing natural gas for use as a motor vehicle fuel.

This schedule is available only to the compressed natural gas for motor vehicle fuel portion of the customer's gas usage. Service for any end use of gas other than as motor vehicle fuel shall be billed under the customer's otherwise applicable tariff schedule.

TERRITORY

Throughout the Company's certificated gas service areas in its Southern and Northern California Divisions, except as may hereafter be provided.

RATES

The commodity charges and basic service charge are set forth in the currently-effective Statement of Rates of this California Gas Tariff and are incorporated herein by reference. Where natural gas service for motor vehicles is rendered in combination with another schedule, a basic service charge for each service shall apply.

The number of therms billed shall be determined in accordance with the provisions of Rule No. 2C.

Minimum Charge:

The minimum charge per meter per month is the basic service charge.

SPECIAL CONDITIONS

1. As a condition precedent to service under this schedule, a signed contract for a minimum of one year may be required. Said contract shall continue in force and effect from year to year thereafter until either the Company or the customer shall give the other written notice of a desire to terminate the same at least 30 days prior to the expiration of any such year. If the customer permanently ceases operation, such contract shall not thereafter continue in force.

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Advice Letter No. 707 Issued by Edward S. Zub Date Filed March 25, 2004
 Decision No. 04-03-034 Executive Vice President Effective April 15, 2004
 Resolution No. _____

SOUTHWEST GAS CORPORATION
P.O. Box 98510
Las Vegas, Nevada 89193-8510
California Gas Tariff

Canceling _____ Revised _____ Cal. P.U.C. Sheet No. 5864-
Original _____ Cal. P.U.C. Sheet No. 4248-G/4281

Schedule Nos. GS-50/GN-50

CORE NATURAL GAS SERVICE FOR MOTOR VEHICLES
(Continued)

SPECIAL CONDITIONS (Continued)

2. All contracts, rates and conditions are subject to revision and modification as a result of Commission order.
3. Service under this schedule is subject to interruption or discontinuance of service in accordance with Rule No. 21.
4. Service under this schedule shall require separate metering from other gas uses the customer may have. All gas used for natural gas vehicles (NGVs) must be billed under this rate schedule.
5. Qualifying customers that receive service under this schedule may elect transportation service under Schedule No. GN-T.

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SOUTHWEST GAS CORPORATION
 P.O. Box 98510
 Las Vegas, Nevada 89193-8510
 California Gas Tariff

Canceling Revised Cal. P.U.C. Sheet No. 6356-G
Revised Cal. P.U.C. Sheet No. 6331-G

STATEMENT OF RATES
 EFFECTIVE RATES APPLICABLE TO NORTHERN CALIFORNIA DIVISION SCHEDULES 11(12)(13)(14)

Schedule No. and Type of Charge	Southwest Rate	Upstream Reserve	Upstream Material Change	Storage	Res. Acc. Adj. GFCAM (S) NFCAM	BBAAM	Subtotal Gas Usage Rate	CPUC Other Charges Per (S)	Gas Cost	Effective Sales Rate
GN-10 -- Residential Gas Service										
Basic Service Charge	\$ 5.00									\$ 5.00
Cost per Therm	\$ 0.56819	\$ 0.18291	\$ 0.03274	\$ 0.03591	\$ 0.03591	\$ 0.00028	\$ 0.81803	\$ 0.00076	\$ 0.51817	\$ 1.36515
Baseline Quantities										
Tier I	0.96842	0.18291	0.03274	0.03591	0.03591	0.00028	0.92076	0.00076	0.51817	1.45736
GN-12 -- CARE Residential Gas Service										
Basic Service Charge	\$ 4.00									\$ 4.00
Cost per Therm	\$ 0.29895	\$ 0.19291	\$ 0.03274	\$ 0.03591	\$ 0.03591	\$ 0.00028	\$ 0.82076	\$ 0.00076	\$ 0.51817	\$ 1.07648
Baseline Quantities										
Tier I	0.49073	0.19291	0.03274	0.03591	0.03591	0.00028	0.92076	0.00076	0.51817	1.15826
GN-15 -- Secondary Residential Gas Service										
Basic Service Charge	\$ 6.00									\$ 6.00
Cost per Therm	\$ 0.70916	\$ 0.18331	\$ 0.03281	\$ 0.03581	\$ 0.03581	\$ 0.00028	\$ 0.96119	\$ 0.00076	\$ 0.51817	\$ 1.48531
GN-20 -- Multi-Family Master-Metered Gas Service										
Basic Service Charge	\$ 25.00									\$ 25.00
Cost per Therm	\$ 0.57120	\$ 0.17890	\$ 0.03202	\$ 0.03591	\$ 0.03591	\$ 0.00028	\$ 0.81803	\$ 0.00076	\$ 0.51817	\$ 1.36515
Baseline Quantities										
Tier I	0.67343	0.17890	0.03202	0.03591	0.03591	0.00028	0.92076	0.00076	0.51817	1.43738
GN-25 -- Multi-Family Master-Metered Gas Service - Submetered										
Basic Service Charge	\$ 25.00									\$ 25.00
Cost per Therm	\$ 0.43569	\$ 0.17890	\$ 0.03202	\$ 0.03591	\$ 0.03591	\$ 0.00028	\$ 0.82076	\$ 0.00076	\$ 0.51817	\$ 1.21864
Baseline Quantities										
Tier I	0.67343	0.17890	0.03202	0.03591	0.03591	0.00028	0.92076	0.00076	0.51817	1.45736
GN-30 -- Street and Outdoor Lighting Gas Service										
Charge per Therm of Rated Capacity	\$ 0.67983	\$ 0.18144	\$ 0.03247	\$ 0.03591	\$ 0.03591	\$ 0.00028	\$ 0.92076	\$ 0.00076	\$ 0.51817	\$ 1.46577
GN-35 -- Agricultural Employee Housing and Monitors Group Living Facility Gas Service										
Basic Service Charge	\$ 8.80									\$ 8.80
Cost per Therm	\$ 0.17358	\$ 0.17750	\$ 0.00000	\$ 0.00000	\$ 0.03591	\$ 0.00028	\$ 0.38709	\$ 0.00076	\$ 0.51817	\$ 0.91278
Summer (June - September)										
First 100	0.12568	0.17750	0.00000	0.00000	0.03591	0.00028	0.33609	0.00076	0.51817	0.88478
Next 500	0.06948	0.17750	0.00000	0.00000	0.03591	0.00028	0.28309	0.00076	0.51817	0.80678
Next 2,400	(0.01310)	0.17750	0.00000	0.00000	0.03591	0.00028	0.20031	0.00076	0.51817	0.72800
Over 3,000										
Winter (October - May)										
First 100	\$ 0.16565	\$ 0.17750	\$ 0.04000	\$ 0.00000	\$ 0.03591	\$ 0.00028	\$ 0.41509	\$ 0.00076	\$ 0.51817	\$ 0.94478
Next 500	0.11768	0.17750	0.04000	0.00000	0.03591	0.00028	0.37109	0.00076	0.51817	0.89678
Next 2,400	0.08168	0.17750	0.04000	0.00000	0.03591	0.00028	0.31509	0.00076	0.51817	0.84078
Over 3,000	(0.02110)	0.17750	0.04000	0.00000	0.03591	0.00028	0.23331	0.00076	0.51817	0.75800

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Advice Letter No. 765
 Decision No. _____

Issued by
 John P. Hester
 Senior Vice President

Date Filed June 30, 2006
 Effective July 7, 2006
 Resolution No. _____

SOUTHWEST GAS CORPORATION
 P. O. Box 98510
 Las Vegas, Nevada 89193-8510
 California Gas Tariff

Canceling Revised Cal. P.U.C. Sheet No. 6357-G
Revised Cal. P.U.C. Sheet No. 6332-G

STATEMENT OF RATES
 EFFECTIVE RATES APPLICABLE TO NORTHERN CALIFORNIA DIVISION SCHEDULES (1) (2) (3) (4)

Schedule No. and Type of Charge	Southwest Margin	Upstream Interstate Charges	Reproduction	Storage	CFCAAM (S) NECAU	Balancing Acct. Adj.	Subsidial Gas Usage Rate	Other Surcharges C.P.U.C.	Gas Cost	Effective Sales Rate
GN-40 - Core General Gas Service	11.00									\$ 11.00
Basic Service Charge										
Summer (June - September)	\$ 0.40000	\$ 0.17750	\$ 0.00000	\$ 0.00000	\$ 0.03591	\$ 0.51341	\$ 0.00076	\$ 0.00076	\$ 0.51817	\$ 1.15053
Next 500	0.34000	0.17750	0.00000	0.00000	0.03591	0.58341	0.00076	0.00076	0.51817	1.09053
Next 2,400	0.27000	0.17750	0.00000	0.00000	0.03591	0.48341	0.00076	0.00076	0.51817	1.02053
Over 3,000	0.16552	0.17750	0.00000	0.00000	0.03591	0.37993	0.00076	0.00076	0.51817	0.91705
Winter (October - May)										
Next 100	\$ 0.40000	\$ 0.17750	\$ 0.04000	\$ 0.00000	\$ 0.03591	\$ 0.65341	\$ 0.00076	\$ 0.00076	\$ 0.51817	\$ 1.19053
Next 500	0.34000	0.17750	0.04000	0.00000	0.03591	0.59341	0.00076	0.00076	0.51817	1.13053
Next 2,400	0.27000	0.17750	0.04000	0.00000	0.03591	0.52341	0.00076	0.00076	0.51817	1.06053
Over 3,000	0.16552	0.17750	0.04000	0.00000	0.03591	0.41993	0.00076	0.00076	0.51817	0.95705
GN-50 - Core Natural Gas Service for Motor Vehicles										
Basic Service Charge	\$ 25.00									\$ 25.00
Coal per Therm	\$ 0.08070	\$ 0.14300	\$ 0.00000	\$ 0.03192	\$ 0.03591	\$ 0.25961	\$ 0.00076	\$ 0.00076	\$ 0.51817	\$ 0.79673
Summer (June - September)	0.08070	0.14300	0.00000	0.03192	0.03591	0.28753	0.00076	0.00076	0.51817	0.83485
Winter (October - May)										
GN-60 - Core Internal Combustion Engine Gas Service										
Basic Service Charge	25.00									\$ 25.00
Coal per Therm	\$ 0.24217	\$ 0.16823	\$ 0.00000	\$ 0.03428	\$ 0.03591	\$ 0.44631	\$ 0.00076	\$ 0.00076	\$ 0.51817	\$ 0.98343
Summer (June - September)	0.24217	0.16823	0.00000	0.03428	0.03591	0.48057	0.00076	0.00076	0.51817	1.01769
Winter (October - May)										
GN-65 - Small Electric Power Generation Gas Service										
Basic Service Charge	\$ 25.00									\$ 25.00
Coal per Therm	\$ 0.08413	\$ 0.17750	\$ 0.00000	\$ 0.00000	\$ 0.03591	\$ 0.79754	\$ 0.00076	\$ 0.00076	\$ 0.51817	\$ 0.81647
Summer (June - September)	0.08413	0.17750	0.00000	0.00000	0.03591	0.33754	0.00076	0.00076	0.51817	0.85647
Winter (October - May)										
GN-70 - Noncore General Gas Transportation Service										
Basic Service Charge	\$ 100.00									\$ 100.00
Coal per Therm	\$ 0.07499									\$ 0.09594
Summer (June - September)	0.07499									0.09594
Winter (October - May)										
Transportation Franchise Fee (TF) Surcharge Provision										\$ 0.00876
TF Surcharge per Therm										



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Advice Letter No. 765
 Decision No. _____

Issued by John P. Hester
 Senior Vice President

Date Filed June 30, 2006
 Effective July 7, 2006
 Resolution No. _____

SOUTHWEST GAS CORPORATION
 P.O. Box 98510
 Las Vegas, Nevada 89193-8510
 California Gas Tariff

Canceling Revised Cal. P.U.C. Sheet No. 6264-G
Revised Cal. P.U.C. Sheet No. 6254-G

STATEMENT OF RATES
 EFFECTIVE RATES APPLICABLE TO NORTHERN CALIFORNIA DIVISION SCHEDULES (1) (2) (3) (4)

Schedule No. and Type of Charge	Southwest Margin	Upstream Interstate Charges	Reservation	Storage	Other Surcharge	CPUC	PPP [E]	Subtotal Gas Usage Rate	Gas Cost	Effective Sales Rate
MHPS — Master-Metered Mobile Home Park Safety Inspection Provision										\$ 0.21000
MHPS Surcharge per Space per Month										

- [1] Customers taking only transportation service will pay the Effective Sales Rate less the Interstate Reservation Charge and Gas Cost components of the Effective Sales Rate, plus a Transportation Service Charge of \$780 per month and an amount of \$0.01123 per therm for distribution system shrinkage. The PGA Balancing Account Adjustment is applicable to customers converting from sales service to transportation service for the greater period of either 12 months or the conclusion of the amortization period upon which the Balancing Account Adjustment was developed. The volume charge for customer-secured natural gas transportation will also be subject to the TFF Surcharge, if applicable. The TFF Surcharge shall be the product of the customer-secured volumes transported multiplied by the monthly projected cost of gas, excluding franchise fees and uncollectibles, multiplied by the most current authorized franchise fee factor.
- [2] For the purpose of administering the tariff provisions of Rule No. 22, Transportation of Customer-Secured Natural Gas, the otherwise applicable Procurement Charge is equal to the monthly projected cost of gas.
- [3] In addition to the Effective Sales Rate, a Facilities Surcharge per therm applies to all natural gas volumes delivered in the Utility's Northern California Expansion Areas pursuant to the provisions of Section 16 of the Preliminary Statements of this California Gas Tariff.
- [4] A Franchise Fee differential of 2.5% will be applied to monthly billings calculated for all rate schedules for all customers within the limits of the Town of Truckee.
- [5] The CFCAM surcharge includes an amount of \$ 00000 per therm related to the difference between Southwest's authorized core margin and recorded revenues intended to recover these costs.
- [6] The PPP Surcharge applies to all gas sales and transportation service excluding exempt customers as defined in Rate Schedule No. G-PPPS. The PPP Surcharge includes \$ (00074) per therm to return prior over collections in the CARE Balancing Account. This amount is not related to current program year expenses.

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Advice Letter No. 753
 Decision No. _____

Issued by
 John P. Hester
 Vice President

Date Filed February 1, 2006
 Effective February 7, 2006
 Resolution No. _____