

**MEMORANDUM
COUNTY OF PLACER
ADMINISTRATIVE SERVICES DEPARTMENT
PROCUREMENT SERVICES DIVISION**

TO: Honorable Board of Supervisors
FROM: Jim Boggan, Purchasing Manager *JB*
DATE: March 8, 2011
SUBJECT: Approve the Renewal of a Sole Source Blanket Purchase Order with Pacific Gas and Electric Company for the Purchase of Natural Gas for Compression as a Motor Vehicle Fuel for Fleet Services in the Maximum Amount of \$160,000.00

ACTION REQUESTED

Approve the renewal of a sole source Blanket Purchase Order (BPO) with Pacific Gas and Electric Company (PG&E) for the purchase of natural gas for compression as a motor vehicle fuel for Fleet Services in the maximum amount of \$160,000.00, and authorize the Purchasing Manager to sign the resulting BPO.

BACKGROUND

The Department of Public Works (DPW) has been purchasing piped-in natural gas for compression as a motor vehicle fuel from PG&E for several years to fuel its fleet of natural gas transit buses, passenger sedans, and work trucks. The natural gas purchased through this agreement is piped directly to the County's own refueling station at DeWitt Center where it is compressed for fueling County vehicles.

The contract price fluctuates within current market conditions and is based on Rate Schedule G-NGV-1. The elements of the rate include a per therm procurement charge and a per therm transportation charge.

Because PG&E is the only supplier of piped-in natural gas in the Auburn area, this purchase is considered sole source in accordance with Section 1.3(l) of the Purchasing Policy Manual.

FISCAL IMPACT

Upon your Board's approval, a blanket purchase order will be awarded to PG&E in the maximum amount of \$160,000.00 for the period of April 1, 2011, through March 31, 2012. Attachment A shows the various charges that are billed to the County under this contract. The most current combined procurement and transportation charge is \$0.71989 per therm, which is up from \$0.64663 one year ago. Attachment B is DPW's Fiscal Impact Statement.

Attachments: A. PG&E Schedule G-NGV-1
B. DPW's Fiscal Impact Statement

cc: Chuck Gordon, DPW Fleet Services
Cynthia Taylor, DPW Administration



Pacific Gas and Electric Company
San Francisco, California
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Revised
Cancelling Revised
Cal. P.U.C. Sheet No. 28747-G
Cal. P.U.C. Sheet No. 28712-G

GAS SCHEDULE G-NGV1
CORE NATURAL GAS SERVICE
FOR COMPRESSION ON CUSTOMERS' PREMISES

Sheet 1

APPLICABILITY: This rate schedule* applies to natural gas service to Core End-Use Customers on PG&E's Transmission and/or Distribution Systems. Service is for uncompressed natural gas for the sole purpose of compressing it for use as a motor-vehicle fuel. Compression of natural gas to the pressure required for its use as motor-vehicle fuel will be performed by the Customer's equipment at the Customer's designated premises only.

TERRITORY: Schedule G-NGV1 applies everywhere PG&E provides natural gas service.

RATES: Customers on this schedule pay a Customer Charge, a Procurement Charge and a Transportation Charge, per meter, as specified below. Customers that have executed a Request for Reclassification from Noncore Service to Core Service (Form 79-983) will pay the Customer Charge and Transportation Charge shown below. Such Customers will pay the Procurement Charge specified in Schedule G-CPX for any of the first twelve (12) regular monthly billing periods that they are taking core procurement service from PG&E. After the twelfth regular monthly billing period, such Customers will pay the Procurement Charge specified on this schedule.

	<u>Per Day</u>
Customer Charge:	\$0.44121
	<u>Per Therm</u>
Procurement Charge:	\$0.61180 (I)
Transportation Charge:	\$0.10809
Total:	\$0.71989 (I)

Public Purpose Program Surcharge:

Customers served under this schedule are subject to a gas Public Purpose Program (PPP) Surcharge under Schedule G-PPPS.

The Customer's total charges are subject to adjustment for the applicable proportionate part of any taxes or governmental imposition which may be assessed on the basis of the gross revenues from such sales.

See Preliminary Statement, Part B for the Default Tariff Rate Components.

The Procurement Charge on this schedule is equivalent to the rate shown on informational Schedule G-CP—Gas Procurement Service to Core End-Use Customers.

SERVICE AGREEMENT: Customers must execute an Agreement For Supply of Natural Gas for Compression as a Motor-Vehicle Fuel (Form No. 79-755) in order to receive service under this rate schedule.

METERING REQUIREMENTS : Service under this schedule must be metered by a separate gas meter.

PG&E's gas tariffs are available online at www.pge.com.

(Continued)

Advice Letter No: 3186-G
Decision No. 97-10-065

Issued by
Jane K. Yura
Vice President
Regulation and Rates

Date Filed January 25, 2011
Effective February 1, 2011
Resolution No. _____



GAS SCHEDULE G-NGV1
CORE NATURAL GAS SERVICE
FOR COMPRESSION ON CUSTOMERS' PREMISES

Sheet 2

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**ALTERNATIVE
 PROCUREMENT
 OPTIONS:**

Customers may procure gas supply from a party other than PG&E by taking service on this schedule in conjunction with Schedule G-CT—Core Gas Aggregation Service. Customers who procure their own gas supply will not pay the Procurement Charge component of this rate schedule and will be subject to the applicable rates specified in Schedule G-CT.

Customers taking service on this schedule in conjunction with Schedule G-CT, or in conjunction with noncore service, will be subject to a franchise fee surcharge under Schedule G-SUR for gas volumes purchased from parties other than PG&E and transported by PG&E.

Service under this schedule may also be taken in conjunction with procurement service from a party other than PG&E if: (1) the Customer is taking noncore service at the same premises, and (2) the Customer executes a Natural Gas Service Agreement (Form No. 79-756) with PG&E. Service will be provided in increments of one year. If there is a difference between actual deliveries and actual usage, such differences will be subject to the terms and conditions of Schedule G-BAL. Customers who procure their own gas supply will not pay the Procurement Charge component of this schedule.

Transportation volumes will be subject to a shrinkage allowance in accordance with Rule 21.*

The Customer may, at its option, receive firm interstate capacity directly assigned by PG&E as provided in Rule 21.1.

**CURTAILMENT
 OF SERVICE:**

Service under this rate schedule may be curtailed. See Rule 14 for details.

* The rules referred to in this schedule are part of PG&E's gas tariffs. Copies are available at local offices.

Advice Letter No: 3021-G
 Decision No. 97-10-065

Issued by
Brian K. Cherry
 Vice President
 Regulatory Relations

Date Filed May 22, 2009
 Effective June 1, 2009
 Resolution No. _____

MEMORANDUM

DEPARTMENT OF PUBLIC WORKS
County of Placer

TO: Honorable Board of Supervisors

FROM: Ken Grehm, Director

DATE: March 8, 2011

SUBJECT: **Fiscal Impact Statement**
Purchase of Fuel: RQ052498, PG&E Compressed Natural Gas-Vehicle Fuel

Sufficient funding has been budgeted in the amount of \$160,000 in the FY 2010-11 Fleet Services budget.