ORDINANCE NO. ORD-19-0002

AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH GRANTING TO SOUTHERN
CALIFORNIA GAS COMPANY, A CORPORATION, THE
RIGHT, PRIVILEGE AND FRANCHISE UPON TERMS AND
CONDITIONS HEREIN SET FORTH TO LAY AND USE
PIPES AND APPURTENANCES FOR TRANSMITTING AND
DISTRIBUTING GAS FOR THE PURPOSES AS SPECIFIED
HEREINAFTER UNDER, ALONG, ACROSS OR UPON
CERTAIN PUBLIC STREETS, WAYS, ALLEYS AND
PLACES, AS THE SAME NOW OR MAY HEREAFTER
EXIST, WITHIN THE CITY OF LONG BEACH

WHEREAS, the City granted to Southern California Gas Company the right,
privilege and franchise to lay, construct, operate, maintain, repair and replace or remove
pipelines and other facilities for transmitting, conducting and distributing natural gas within
the City by Ordinance No. C-3582, adopted August 15, 1956, Ordinance No. C-3701,
adopted January 29, 1957, and Ordinance No. C-3710, adopted March 12, 1957; and

WHEREAS, the three ordinances mentioned above were amended and
extended by the City Council to ultimately expire on June 15, 1993, by Ordinance No. C-
6936, adopted October 8, 1991, Ordinance No. 6976, adopted February 25, 1992,
Ordinance No. C-7059, adopted November 24, 1992, and Ordinance No. C-7087, adopted
February 23, 1993; and

WHEREAS, the four ordinances mentioned immediately above were
amended and extended by the City Council to ultimately expire on June 7, 2018, by
Ordinance No. C-7106, adopted May 4, 1993

WHEREAS, Southern California Gas Company has provided, and continues
to provide, all but a small portion of the gas service for utility electric generation to AES California ("AES") and Los Angeles Department of Water and Power ("LADWP") within the City; and

WHEREAS, significant costs would be incurred in order for the City to convert to an exclusive provider of gas service to AES and LADWP within the boundaries of the City; and

WHEREAS, Southern California Gas Company owns and operates the gas service utility territory adjacent to and surrounding the City and is the sole provider of utility natural gas pipelines adjacent to and surrounding the City; and

WHEREAS, Southern California Gas Company desires to extend its natural gas franchise to operate, transmit and distribute natural gas within the City for specified purposes, and to adequately compensate the City for the privilege of such a franchise; and

WHEREAS, no useful purpose would be served by advertising for bids for a natural gas franchise within the City since Southern California Gas Company is the sole owner and operator of the gas service utility territory adjacent to and surrounding the City, and is the only corporation, firm or individual that could or would bid for the furnishing of said franchise to the City; and

WHEREAS, to advertise for bids for a natural gas franchise would constitute an idle and useless act and an unnecessary expenditure of public funds on the part of the City; and

WHEREAS, on May 15, 2018, in accordance with Public Utilities Code Section 6232, the City Council declared its intention to extend the natural gas franchise with the Southern California Gas Company and established a date and time for a public hearing to consider the proposed extension; and

WHEREAS, on June 12, 2018, a public hearing was held to consider the granting and extension of a natural gas franchise ordinance to Southern California Gas Company, at which time the City Council gave due consideration to the quality and type of the service proposed, the amount of income to the City, the experience, background, and
financial responsibility of Southern California Gas Company and other considerations
d deemed pertinent by the City Council for safeguarding the interests of the City and the
public;

WHEREAS, on June 7, 2018, the Franchise Agreement between the
Southern California Gas Company and the City will terminate unless a new Franchise
Agreement and Ordinance of the City Council of the City of Long Beach is adopted;

NOW, THEREFORE, the City Council of the City of Long Beach does hereby
ordain as follows:

Section 1. Definitions. Whenever in this ordinance the words or phrases
hereinafter in this section defined are used, they shall have the respective meanings
assigned to them in the following definitions (unless, in the given instance, the context
wherein they are used shall clearly import a different meaning):

A. The word "Grantee" shall mean Southern California Gas
Company, and its lawful successors or assigns;

B. The word "City" shall mean the City of Long Beach, a municipal
corporation of the State of California, in its present incorporated form and in
any later reorganized, consolidated or reincorporated form;

C. The word "streets" shall mean those public streets, ways, alleys
and places as the same now or may hereafter exist within said City;

D. The word "Engineer" shall mean the Director of Public Works
of the City or such other public official as may hereafter be charged with the
performance of duties similar to those now imposed upon the Director of
Public Works by the City;

E. The word "franchise" shall mean and include any authorization
granted hereunder in terms of a franchise, privilege, permit, license or
otherwise to lay and use pipes and appurtenances for transmitting, storing,
and distributing gas as specified hereinafter, under, along, across or upon
the public streets, ways, alleys and places in the City, and shall include and
be in lieu of any existing or future City requirement to obtain a license or permit for the privilege of transacting and carrying on a business within the City;

F. The word “gas” shall mean natural or manufactured gas or renewable natural gas, or a mixture of natural and manufactured gas and renewable natural gas;

G. The phrase “pipes and appurtenances” shall mean pipe, pipeline (including water disposal), cable, main, service, cathodic protection equipment, trap, vent, vault, manhole, meter, gauge, regulator, valve, conduit, communication facilities, appliance, attachment, appurtenance and any other property located or to be located in, upon, along, across, under or over the streets of the City, and used or useful in, or in carrying on the business of, transmitting, storing, and distributing gas;

H. The phrase “lay and use” shall mean to lay, construct, erect, install, operate, maintain, use, repair, replace, or remove;

I. The phrase “City Manager” shall mean the City Manager of the City of Long Beach, or his successor as the chief executive officer of the City;

J. The phrase “City Clerk” shall mean the duly qualified and acting City Clerk of the City of Long Beach, or such person as may hereafter by law be authorized to perform the duties now being performed by that official.

Section 2. Nature of Franchise Granted.

A. That the right, privilege and franchise, subject to each and all of the terms and conditions contained in this ordinance, and Article XVI, Section 1600 through 1604 of the City Charter of the City of Long Beach, shall be, and the same is hereby granted to Grantee, to lay and use pipes and appurtenances for transmitting under, along, across or upon the streets of the City and other places as provided herein, and distributing gas to certain
geographical areas as specified hereinafter.

B. The Grantee of this franchise shall construct, install and maintain all pipes and appurtenances in accordance with and in conformity with all of the ordinances, rules and regulations heretofore, or hereafter adopted by the legislative body of this City in the exercise of its police powers and not in conflict with the paramount authority of the State of California, and, as to State highways, subject to the provisions of general laws relating to the location and maintenance of such facilities.

Section 3. Term. The right, privilege and franchise, subject to each and all of the terms and conditions contained in this ordinance herein is granted to Grantee for the term of fifty (50) years from the effective date of this franchise. Provided however, this franchise may be terminated earlier, with the consent of the Public Utilities Commission of the state of California by being voluntarily surrendered or abandoned by Grantee, if the state of California or some municipal or public corporation thereunto duly authorized by law shall purchase by voluntary agreement or shall condemn and take under the power of eminent domain, all property actually used and useful in the exercise of this franchise, and situated within the territorial limits of the State, municipal, or public corporation purchasing or condemning such property, or until this franchise shall be thereof.

Section 4. Consideration. Grantee shall pay to City a Franchise Fee calculated and paid as follows:

1. The Grantee shall pay to the City at the times hereinafter specified, in lawful money of the United States, a sum annually which shall be equivalent to two percent (2%) of the gross annual receipts of Grantee arising from the use, operation or possession of said franchise within the City; provided however, that such payment shall in no event be less than two percent (2%) of the gross annual receipts of the Grantee derived from the sale and transportation of gas for Grantee's retail and utility electric generation (“UEG”) customers within the limits of the City under this
franchise, plus the Surcharge and the In-Lieu Fee of Section 4.2 below;

2. Grantee shall also pay to City one percent (1%) of the gross annual receipts derived by Grantee from the sale of Gas within the limits of the City under this franchise (the “Surcharge”). The Surcharge will be applied to all Grantee’s gas utility customers, including residential, commercial, industrial, government, utility electric generation, and wholesale customers, except for those customers participating in Grantee’s California Alternative Rates for Energy (“CARE”) Program or successor low-income assistance program. Grantee shall also pay to City an In-Lieu Fee which is that certain fee described in the “Municipal Lands Use Surcharge Act”, Chapter 2.5 of Division 3 of the California Public Utilities Code beginning with Section 6350, as the same is now or as amended from time to time (“In-Lieu Act”). The Municipal Surcharge is calculated with the “imputed value” of “non-proprietary gas” delivered by Grantee to its UEG retail customers, within the City per calendar year during the term of this franchise.

As used herein, “non-proprietary gas” means gas that is conducted, conveyed, transported, supplied and distributed, but not sold, to Grantee’s retail customers within the City by Grantee and excluding gas delivered to City’s municipal gas utility for resale or redelivery;

“Imputed value” means the value of the actual quantities of such non-proprietary gas delivered within the City by Grantee during the period of calculation. For purposes of this franchise agreement, City and Grantee intend that the imputed value accurately reflect the value of such gas delivered as if it were sold on a proprietary basis by Grantee, rather than transported on behalf of third parties. City and Grantee agree that the “imputed value” will be calculated in a manner consistent with Section 6353(b) of the California Public Utilities Code as it is implemented and authorized by the California Public Utilities Commission. Currently this is
Grantee’s adjusted core procurement rate of “GCPA”. Thus, the imputed value shall be determined by multiplying the actual quantities of such non-proprietary gas times the GCPA. In the event that either City or Grantee believes that a change in circumstances results in the GCPA no longer representing the intent of the parties, or GCPA information is no longer available, such party shall notify the other of its concerns and the parties agree to negotiate in good faith to adopt an alternate measure of imputed value that is consistent with the original intent of both parties. Should the parties fail to agree as to an alternate standard for imputed value, the matter shall be submitted for binding arbitration.

3. The Franchisee of this franchise shall file with the Clerk of the City within three (3) months after the expiration of the calendar year, or fractional calendar year, following the date of the grant of this franchise, and within three (3) months after the expiration of each and every calendar year thereafter, a duly verified statement showing in detail the gross annual receipts of the Franchisee, its successors or assigns, during the preceding calendar year, or such fractional calendar year, from the sale of the utility service within the City for which this franchise is granted. It shall be the duty of the Franchisee to pay the City within fifteen (15) days after the time for filing such statement in lawful money of the United States, the specified percentage of its gross receipts for the calendar year, or such fractional calendar year, covered by such statement. Any neglect, omission or refusal by said Franchisee to file such verified statement, or to pay said percentage, at the times or in the manner hereinbefore provided, shall be grounds for the declaration of forfeiture of this franchise and of all rights hereunder.

Section 5. Data, Reports and Audits.

A. On or before the thirty-first (31st) day of March of each calendar year during the term of this franchise and forty-five (45) days after the
expiration of the term of this franchise, the Grantee shall file with the City Clerk of the City, the original, and with one copy each to the City Manager, the Director of the Gas Department and the Director of Finance of the City, a statement showing the following:

1. The total gross revenue under Section 4 received by the Grantee from the operation of its business in the City during the preceding year, or fractional calendar year.

2. The method (and supporting calculations) used to calculate the franchise fees which are payable to the City in accordance with this franchise (i.e., Franchise fee, In-Lieu Fee, or fees of Section 4.B).

3. The total amount of all annual payments made by Grantee attributable to the preceding calendar year or fractional calendar year.

4. Such other data or information as City may reasonably need to calculate or determine the amounts which Grantee is obligated to pay City pursuant to Section 4, provided that the City shall request such data and information from Grantee in writing and shall deliver said request no less than sixty (60) days prior to the due date of the above-described statement and which shall solely be used by City for the limited purposes described herein.

B. Said statement shall be verified by the Manager of Taxes or other authorized officer of the Grantee, and shall be in such form and detail as from time to time shall be reasonably prescribed by the Director of Finance.

C. Within ten (10) days after the filing of said statement, the Grantee shall pay to City, at the office of the City Treasure, in lawful money of the United States, the sums of money required to be paid by Grantee to City under Section 4 for the calendar year.
D. Any neglect, omission or refusal by Grantee to file the verified statement required under subsection A above, or to pay any required payments under Section 4 at the time and in the manner specified shall be grounds for the declaration of a forfeiture of this franchise and of all rights and privileges of Grantee hereunder, provided that Grantee shall not have cured said neglect, omission, or refusal to file or pay within twenty (20) days following written notice from the City of such failure to file or pay, or, if such neglect, omission or refusal is not reasonably subject to cure such neglect, omission or refusal within such twenty (20) day period and has not continued to prosecute such cure to completion. The prevailing party in any action to collect or enforce Section 4 and/or 5, shall be entitled to reasonable attorney's fees.

E. Grantee shall supply free of cost to City copies of such tariffs, financial data or financial reports on Grantee's operations within the city, under this franchise, as the City Manager may, from time to time, reasonably request.

Section 6. Prior Franchises. This grant is made in lieu of all other existing franchises owned by the grantee, or by any successor of the grantee to any rights under this franchise, for transmitting and distributing gas within the limits of the City, as said limits now or may hereafter exist, and the acceptance of the franchise hereby granted shall operate as a termination and an abandonment of all such franchises within the limits of the City, including but not limited to Ordinance No. C-7106, as such City limits now or may hereafter exist, in lieu of which this franchise is granted.

Section 7. Acquisition and Valuation. The franchise granted hereunder shall not in any way or to any extent impair or affect the right of the City to acquire the property of the Grantee hereof either by voluntary agreement to purchase or through the exercise of the right of eminent domain, and nothing herein contained shall be construed to contract away or to modify or to abridge, either for a term or in perpetuity, the City's right
of eminent domain in respect to Grantee; nor shall this franchise ever be given any value
before any court or other public authority in any proceeding of any character in excess of
the cost to the Grantee of the necessary publication and any other sum paid by it to the
City therefor at the time of the acquisition thereof. In the event the City exercises its right
of eminent domain, it shall do so in accordance with the procedures provided by the general
law of the State of California for the condemnation of public utility property except the City
agrees it shall pay Grantee the higher of market value or the cost of replacement of the
condemned facilities and property.

Further, in the event City exercises such rights, subsequent to such action
the City shall not be entitled to any future payments as calculated in and provided for in
Section 4 herein, except monies already due for any prior period.

Section 8. Grantee's Facilities.

A. Grantee, at City's request shall supply to City maps of any of
Grantee's pipes and appurtenances presently existing within the City,
including the size and diameter of the pipes, and designation of the general
location of existing routes. Notwithstanding anything to the contrary
contained herein, Grantee shall not be obligated to provide such maps if
doing so could cause Grantee to violate or otherwise act in a manner
inconsistent with federal or state rules, regulations or other guidance
concerning disclosure of critical energy infrastructure information. Further, it
is explicitly understood that Grantee does not warrant the precise location
accuracy of its pipes and appurtenances on any map information given by
Grantee to City.

B. The City's Engineer shall have power to give the Grantee such
directions for the location of any pipes and appurtenances as may be
reasonably necessary to avoid sewers, water pipes, conduits or other
structures lawfully in or under the streets (provided such directions are not in
conflict with any express provisions of this franchise, regulations of the
California Public Utilities Commission or the paramount authority of the State); and before the work of constructing any pipes and appurtenances is commenced, the Grantee shall file with said Engineer plans showing the location thereof, which shall be subject to the approval of the City Engineer (such approval not to be unreasonably withheld); and all such construction shall be subject to the inspection of said Engineer and done to his reasonable satisfaction. All street coverings or openings of traps, vaults, and manholes shall at all times be kept flush with the surface of the streets; provided, however, that vents for underground traps, vaults and manholes may extend above the surface of the streets when said vents are located in parkways, between the curb and the property line.

C. Where it is necessary to lay any underground pipes through, under or across any portion of a paved or macadamized street, the same, where practicable and economically reasonable shall be done by a tunnel or bore, so as not to disturb the foundation of such paved or macadamized street; and in the event that the same cannot be so done, or in the event it is necessary to cut the street in order to access existing pipes and appurtenances, such work shall be done under a permit to be granted by the Engineer within a reasonable period of time after application thereof. The application shall contain such information as the Engineer reasonably requires, and the permit shall contain such conditions as the Engineer reasonably requires, subject to City ordinances, standards and/or regulations not in conflict with any express provisions of the franchise, regulations of the California Public Utilities Commission or the paramount authority of the State.

D. If Grantee desires to abandon any of its pipes and appurtenances, or at the time of expiration of this franchise or of the permanent discontinuance of the use of its facilities, or any portion thereof, Grantee shall make application to the City Engineer, pursuant to Section 9.C.
for a street cut permit to abandon said pipes and appurtenances. Upon issuance of the permit, Grantee shall abandon in place (subject to any reasonable conditions imposed by the Engineer in said permit), or, if reasonably requested by the Engineer, remove such pipes and appurtenances, in compliance with the terms of the permit, subject, however, to the express provisions of this franchise, applicable regulations and orders of the California Public Utilities Commission and the paramount authority of state law.

Section 9. Repair Costs. If any portion of any street shall be damaged by reason of defects in any of the pipes and appurtenances maintained or constructed under this grant, or by reason of any other cause arising from the operation or existence of any pipes and appurtenances constructed or maintained under this grant, said Grantee shall, at its own cost and expense, immediately repair any such damage and restore such portion of street, to as good condition as existed before such defect or other cause of damage occurred, such work to be done under the direction of the Engineer, and to his reasonable satisfaction.

Section 10. City Reserved Powers.

A. The Grantee of this franchise shall remove and relocate, at the request of the City and without expense to the City, any facilities installed, used and maintained under this franchise if and when made necessary by any lawful change of grade, alignment or width of any public street, way, alley or place, including the construction of any subway or viaduct by the City; provided, however, that Grantee shall not be required to bear the expense of any removal or relocation made at the request of the City on behalf of or for the benefit of any private developer or other third party, except this shall not include development or relocation by the City’s Redevelopment Agency.

B. Distribution of gas within the City pursuant to this franchise shall
be limited to those geographical areas presently being served by Grantee. Grantee's service of new geographical areas within the geographical boundaries of this franchise shall require City's written approval. The decision whether to allow Grantee to serve additional new geographical areas within the geographical boundaries of this franchise shall be at the sole discretion of the City.

C. The City Manager may request Grantee to serve retail customers within the City of Long Beach needing new or additional gas service until such time as the City is economically able to provide this service. Grantee is not required to provide such service unless Grantee and the City mutually agree on the specific terms and conditions of such service.

D. Nothing herein contained shall ever be construed or taken to exempt Grantee from compliance with all valid Engineering permits, inspections or construction ordinances of City now in effect or which may be hereafter adopted not in conflict with the paramount authority of the State of California wherein it has jurisdiction and as to State Highways subject to the provisions of the general laws relating to the location and maintenance of such facilities. Enumeration hereof of specific rights reserved shall not be taken as exclusive, or as limiting the general reservation herein made, or as limiting such rights as City may now or hereafter have in law.

Section 11. No Transfer Without Consent.

A. This franchise may not be transferred (voluntarily, involuntarily, or by operation of law), leased or assigned by the Grantee except by consent in writing of the City Council, which consent shall not be unreasonably withheld or conditioned, and unless the transferee or assignee thereof shall covenant and agree to perform and be bound by each and all of the terms hereof. The Grantee shall file with the legislative body of the City within ninety (90) days before any sale, transfer, assignment or lease of this franchise, or
any part hereof, or of any of the rights or privileges granted hereby, written

evidence of the same, certified thereto by the Grantee or its duly authorized

officers.

B. Any purported or attempted sale, lease, assignment or transfer

thereof, without such approval, regardless of whether made voluntarily or

otherwise, shall be void and of no effect, and shall transfer none of the rights

or privileges hereby granted or facilities installed or maintained pursuant

hereto.

Section 12. Forfeiture.

A. This franchise is granted upon each and every condition herein

contained. Nothing shall pass by the franchise granted hereby to Grantee

unless it be granted in plain and unambiguous terms. Each of said conditions

is a material and essential condition to the granting of the franchise. If the

Grantee shall fail, neglect or refuse to comply with any of the provisions or

conditions hereof, and shall not, within ninety (90) days after written demand

for compliance, begin the work of compliance, or after such beginning shall

not prosecute the same with due diligence to completion, then the City, in

addition to all rights and remedies allowed by law, thereupon may terminate

the right, privilege and franchise granted in and by this ordinance, and all the

rights, privileges and the franchise of Grantee granted hereby may be

declared forfeited and shall thereupon be at an end when the breach creates

a material health and safety risk. Thereupon and immediately, Grantee shall

surrender all rights and privileges in and to the franchise granted hereby. No

provision herein made for the purpose of securing the enforcement of the

terms and conditions of the franchise granted hereby shall be deemed an

exclusive remedy or to afford the exclusive procedure for the enforcement of

said terms and conditions, but the remedies and procedure outlined herein

or provided, including forfeiture, shall be deemed to be cumulative.
Section 13. Indemnification by Grantee - Insurance.

A. The Grantee of this franchise shall pay to the City, on demand, the cost of all repairs to public property made necessary by any operations of the Grantee under this franchise.

B. The Grantee of this franchise shall indemnify and hold harmless the City and its officers, agents and employees from any and all liability for damages proximately resulting from any operations under this franchise, including but not limited to air, ground or water contamination; and be liable to the City for all damages proximately resulting from the failure of said Grantee well and faithfully to observe and perform each and every provision of this franchise and each and every provision of Division 3, Chapter 2 of the Public Utilities Code of the State of California.

C. Concurrent with the acceptance of this franchise by Grantee, and as a condition precedent to the effectiveness of this franchise, and in partial performance of the obligations assumed herein, Grantee shall procure and maintain at Grantee's expense for the duration of this franchise from an insurance company that is admitted to write insurance in California or that has a rating of or equivalent to A:VIII by A.M. Best & Company the following insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of this franchise by the Grantee, its agents, representatives, employees or subcontractors:

1. Comprehensive general liability or self-insurance naming the City, its officials, employees, and agents as additional insured from and against claims, demands, causes of action, expenses, costs, or liability for injury to or death of persons, or damage to or loss of property arising out of or in any manner connected with Grantee's operation or performance under this franchise in an amount not less than Five Million Dollars ($5,000,000) combined single limit for each occurrence or Five Million
Dollars ($5,000,000) general aggregate.

2. Automobile liability in an amount not less than Five Hundred Thousand Dollars ($500,000) combined single limit per accident for bodily injury and property damage covering owned, non-owned and hired vehicles.

3. Workers' Compensation insurance as required by the Labor Code of the State of California.

Each insurance policy shall be endorsed to state that coverage shall not be suspended, voided or canceled by either party, reduced in coverage or in limits, except after thirty (30) days prior written notice has been given to the City, and shall be primary and not contributing to any other insurance or self-insurance maintained by the City.

Not more frequently than every five (5) years, if in the opinion of City or of an insurance broker retained by City, the amount of the foregoing insurance coverage is not adequate, Grantee shall increase the insurance coverage as required by City.

Grantee shall furnish the City with certificates of insurance and with original endorsements affecting coverage as required above. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. Any modification or waiver of the insurance requirements contained in this franchise shall only be made with the written approval of the City's Risk Manager in accordance with established City policy.

Grantee may fulfill the obligations of this Section through self-insurance. A certificate of self-insurance program shall be provided to and approved by City.

Section 14. Compliance with Laws. Grantee shall be in compliance with all valid applicable local, state and federal laws, orders, directives, rules and regulations of any governmental body, agency, or official having jurisdiction in the premises.

Section 15. Nondiscrimination. In the performance of this franchise, Grantee shall not discriminate against any person on the basis of race, religion, national origin, color, age, sex, sexual orientation, gender identity, AIDS, HIV status, handicap or
disability.

Section 16. **Notice.** Any notice required to be given under the terms of this franchise shall be in writing and personally delivered or deposited in the U.S. Postal Service, or sent by courier, return receipt requested, to the following addresses:

A. Upon the City at 333 West Ocean Boulevard, Long Beach, California 90802, Attention: City Manager with copies to the City Engineer at the same address, and also a copy to the General Manager of the Long Energy Resources Department at 2400 E. Spring Street, Long Beach, California 90806.

B. Upon the Grantee at Southern California Gas Company, Franchise and Facilities Manager, Engineering and Operations Support, 555 West Fifth Street, Los Angeles, California 90013-1011.

Section 17. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, phrases, or portions be declared invalid or unconstitutional.

Section 18. **Acceptance.** The franchise granted hereunder shall not become effective until written acceptance thereof shall have been filed by the Grantee thereof with the Clerk of the City no later than ten (10) working days after the adoption of this Ordinance by the city Council. The Grantee shall file with the City Clerk a written acceptance of the franchise hereby granted, and an agreement to comply with the terms and conditions hereof. When so filed, such acceptance shall constitute a continuing agreement of the Grantee that if and when the City shall thereafter annex or consolidate with, additional territory, any and all franchise rights and privileges owned by Grantee therein shall likewise be deemed to be abandoned within the limits of such territory and
shall thereafter be governed by the terms of this franchise.

Section 19. The procedure of advertising for bids on a new natural gas franchise within the City serves no useful purpose since Grantee is the sole owner and operator of the gas service utility territory adjacent to and surrounding the City, and is the only corporation, firm or individual that could or would bid for the furnishing of said franchise to the City, and to advertise for bids for a natural gas franchise would constitute an idle and useless act and an unnecessary expenditure of public funds on the part of the City.

Section 20. The City Clerk shall certify to the passage of this ordinance by the City Council and cause it to be posted in three (3) conspicuous places in the City of Long Beach, and it shall take effect on the thirty-first (31st) day after it is approved by the Mayor.
I hereby certify that the foregoing Ordinance was adopted by the City Council of the City of Long Beach at its meeting of February 12, 2019, by the following vote:

Ayes: Councilmembers: Gonzalez, Pearce, Price, Supernaw, Mungo, Uranga, Richardson, Andrews.

Noes: Councilmembers: None.

Absent: Councilmembers: Austin.

Approved: Feb 14, 2019

(Date)

Mayor

City Clerk
AFFIDAVIT OF POSTING

STATE OF CALIFORNIA   ) ss
COUNTY OF LOS ANGELES  )
CITY OF LONG BEACH     )

Tamela Austin being duly sworn says: That I am employed in the Office of the City Clerk of the City of Long Beach; that on the 13th day of February 2019, I posted three true and correct copies of Ordinance No. ORD-19-0002 in three conspicuous places in the City of Long Beach, to wit: One of said copies in the entrance lobby of City Hall in front of the Information Desk; one of said copies in the Main Library; and one of said copies on the front counter of the Office of the City Clerk.

[Signature]

Subscribed and sworn to before me this 13th day of February, 2019.

[Signature]
CITY CLERK