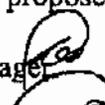


COUNCIL AGENDA STATEMENT

ITEM 8

MEETING DATE: October 12, 2004

ITEM TITLE: Resolution approving in concept the Memorandum of Understanding between the City Of Chula Vista and San Diego Gas and Electric regarding proposed terms for the gas and electric franchises.

SUBMITTED BY: City Manager 

REVIEWED BY: City Manager 

(4/5ths Vote: YES NO X)

RECOMMENDATION:

That Council approve in concept the Memorandum of Understanding ("MOU") between the City of Chula Vista and the San Diego Gas and Electric ("SDG&E") regarding proposed terms for the gas and electric franchises.

BOARD/COMMISSION RECOMMENDATION: N/A

DISCUSSION: In 1972 the City granted an electric franchise to SDG&E. That franchise was extended in 1998 and expired in June 2003. The City and SDG&E have been working for the past two years to negotiate new gas and electric franchises. Under the terms of this MOU, which will become the basis of the new franchise agreements, SDG&E will continue to deliver electricity and natural gas to the residents and businesses of Chula Vista. A summary of the terms and benefits of the MOU are as follows:

- The City and SDGE will work together at the California Public Utilities Commission ("CPUC") to have the proposed 230kV line along the Bayfront corridor undergrounded and the removal of two of the existing 138 kV lines and supporting structures, at an estimated cost of \$36-41 million.
- The City and SDG&E will work together at the CPUC to accomplish the undergrounding of the remaining 138kV lines and supporting structures, along the Bayfront corridor from the existing power plant area to the Sweetwater River, which is anticipated to occur before the end of 2008. This will be accomplished through the use of some City 20A funds, which are estimated at \$14 million. If needed, SDG&E has agreed to advance the City up to \$10 million of its 20A funds interest free to complete the City portion of this undergrounding.
- The major long term benefit of the undergrounding and removal of the lines and structures along the Bayfront is the facilitation of the development of the Bayfront Master Plan. The removal will greatly increase the value of the State Tide Land currently under the control of the San Diego Unified Port District.

DOCKET
06-AFC-3
DATE <u>JUL 31 2006</u>
RECD. <u>AUG 1 2006</u>

Oversize Document(s)

1. MAP(S) # _____

Document too large, to scan.

2. PICTURE(S) # _____

For more information contact:

California Energy Commission
Docket Unit
1516 9th Street, MS-4
Sacramento, CA 965814-5512

Telephone (916) 654-5076
docket@energy.state.ca.us