

RESOLUTION NO. 12112

A RESOLUTION OF THE COUNCIL OF THE CITY OF MESA ARIZONA, APPROVING AND AUTHORIZING THE CITY MANAGER OR DESIGNEE TO ENTER CONTRACTS FOR THE PURCHASE OF FIRM BASE, SUPPLEMENTAL, AND SEASONAL NATURAL GAS SUPPLIES FOR THE CITY'S NATURAL GAS DISTRIBUTION SYSTEM FOR A PERIOD OF UP TO FIVE YEARS AND IN AMOUNTS UP TO THE FULL REQUIREMENTS OF THE SYSTEM, AS WELL AS CONTRACTS FOR ASSOCIATED GAS MANAGEMENT BALANCING AND SCHEDULING AND TRANSMISSION ASSET MANAGEMENT SERVICES AND BALANCING GAS SUPPLIES FOR A PERIOD OF TWO YEARS.

WHEREAS, the City of Mesa owns and operates a municipal gas distribution utility and is authorized by the provisions of the Laws of the State of Arizona and the City of Mesa City Charter to acquire, purchase and manage supplies and transmission rights necessary to meet the requirements of the residential, commercial and industrial customers served by such utility; and

WHEREAS, the City of Mesa Energy Resources Department issued a Request for Proposals, ERDRFP-2024026 ("RFP") for gas supplies, associated gas management balancing and scheduling services, and transmission asset management services; and

WHEREAS, BP Energy Company, ConocoPhillips Company, Spotlight Energy, LLC, and Tenaska Marketing Ventures (collectively the "Suppliers"), in response to the City's RFP, have offered to sell to the City a supply of natural gas and/or to provide associated gas management balancing and scheduling services and/or to provide transmission asset management services; and

WHEREAS, the City desires to acquire natural gas for resale by its municipal gas distribution utility and further desires to enter into agreements with one or more of said Suppliers for such supplies and services to be delivered and to enter into transmission asset management agreement(s) over the RFP stipulated period of up to five (5) years (the "Supply Period").

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, AS FOLLOWS:

Section 1. The City hereby approves the procurement of firm natural gas supplies, associated gas management balancing and scheduling services (including the hourly, daily and monthly balancing through purchase and sale of gas supplies as necessary to meet Mesa's total gas delivery requirements), and transmission asset management services based on best and final pricing for the Supply Period beginning on April 1, 2024, all as more fully set forth in this Resolution.

Section 2. The City Manager or his designee is hereby authorized and directed to enter a contract with one Supplier, in the form of a North American Energy Standards Board Base Contract ("NAESB") and associated supply confirmation ("Confirm") or similar contractual documents and with such additions, deletions, and substitutions as shall be approved by the City

Attorney or his designee and the City Manager or his designee, pursuant to which such Supplier shall sell the City and the City may purchase 2,000 Dekatherms (“DTh”)/Day of year-round supply, known as base supply, for up to the Supply Period at a price not to exceed fifteen dollars (\$15.00) per DTh.

Section 3. The City Manager or his designee is further authorized and directed to enter a contract with one or more Suppliers, in the form of a NAESB and associated Confirm or similar contractual documents and with such additions, deletions, and substitutions as shall be approved by the City Attorney or his designee and the City Manager or his designee, pursuant to which Suppliers may sell to the City and the City may purchase supplemental firm natural gas supplies in total amounts not to exceed 4,000DTh/Day, known as supplemental delivered gas supply, for the months of December and February, during the Supply Period at a price not to exceed twenty dollars (\$20.00) per DTh.

Section 4. The City Manager or his designee is further authorized and directed to enter a contract with one Supplier in the form of a NAESB and associated Confirm, an asset management agreement, a gas management scheduling and balancing agreement, or similar contractual documents for:

- (i) Natural gas management scheduling and balancing services; and
- (ii) Transmission asset management services to manage and market the value of the City’s natural gas pipeline transmission capacity; and
- (iii) The purchase and sale of natural gas quantities in excess of the base supplies up to the City’s full requirements for the system known as balancing daily volumes.

All with such additions, deletions, and substitutions as shall be approved by the City Attorney or his designee and the City Manager or his designee and pursuant to which the selected Supplier will provide scheduling and balancing of gas supplies as necessary to meet Mesa’s total gas delivery requirements for up to two (2) years.

Section 5. The City Manager or his designee is hereby authorized and directed to enter Confirms as shall be approved by the City Attorney or his designee and the City Manager or his designee, with any supplier with whom Mesa has an executed NAESB (“NAESB Enabled Suppliers”), pursuant to which such NAESB Enabled Supplier shall sell the City and the City may purchase 5,000 Dekatherms (“DTh”)/Day for up to two terms, each not to exceed six months in any three hundred and sixty-five day period, known as seasonal supply, at a price not to exceed fifty dollars (\$50.00) per DTh.

Section 6. The signing by the City Manager and approval by the City Attorney or their designees of the various contracts authorized by this Resolution shall constitute conclusive evidence of this Council’s approval thereof.

Section 7. The various City officers and employees are hereby authorized to sign any other documents or certificates and to perform all such other acts necessary to carry out the intent and purpose of this Resolution.

PASSED AND ADOPTED by the City Council of the City of Mesa, Arizona, this 6th day of November, 2023.

APPROVED:

Mayor

ATTEST:

City Clerk