

RESOLUTION NO. 12245

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 NATURAL GAS SUPPLIES FOR THE CITY'S NATURAL GAS DISTRIBUTION SYSTEM 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.

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 as necessary to serve the residential, commercial and industrial customers of such utility; and

WHEREAS, the City of Mesa Energy Resources Department issued a Request for Proposals, ERDRFP-2024190 ("RFP") for gas supplies, associated gas management balancing and scheduling services, and transmission asset management services; and

WHEREAS, BP Energy Company, ConocoPhillips Company, NextEra Energy, Inc, 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 periods.

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 up to three (3) years beginning on April 1, 2025.

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 2,500 Dekatherms ("DTh")/Day of year-round supply

(the “Base Supply”) for up to ten (10) years 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 Supplier, 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 Supplier may sell to the City and the City may purchase seasonal firm natural gas supplies in amounts above the Base Supply not to exceed 7,500 DTh/Day, for the months of November through April (“the Seasonal Base Supply”) for up to five (5) years 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 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 above the Base Supply not to exceed 2,000 DTh/Day, for the months of December and February (“the Supplemental Delivered Gas Supply”) for up to five (5) years at a price not to exceed twenty dollars (\$20.00) per DTh.

Section 5. 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) Purchase and sell those natural gas quantities in excess of the Base Supply and Seasonal Base Supply up to the City’s full requirements for the system (“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, 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 three (3) years.

Section 6. The signing by the City Manager and approval as to form 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 19th day of August, 2024.

APPROVED:

Mayor

ATTEST:

City Clerk