RESOLUTION NUMBER R- 294402

ADOPTED ON DEC 1 2 2000

WHEREAS, in 1970, the City of San Diego [City] granted to San Diego Gas & Electric Company [SDG&E] franchises to use the public rights of way [Franchises] for the transmission and distribution of electricity (Ordinance No. O-10466) and natural gas (Ordinance No. O-10465) to the citizens of the City; and

WHEREAS, the Franchises were for a term of fifty (50) years, commencing on January 17, 1971; and

WHEREAS, in consideration of the grant of the Franchises, SDG&E agreed to pay to the City three percent (3%) of defined gross receipts as a franchise fee [Franchise Fee]; and

WHEREAS, the Franchises called for a renegotiation of the Franchise Fee percentage prior to the commencement of the final twenty (20) years of the Franchises, which date is January 17, 2001; and

WHEREAS, the Franchises also provided that the parties could agree to a six (6) month extension of the negotiating period regarding the Franchise Fee percentage, during which time the Franchise Fee would remain at three percent (3%) of defined gross receipts; and

WHEREAS, the City and SDG&E have been negotiating the Franchise Fee amount but have been unable to reach agreement on a percentage to be applicable during the remaining twenty (20) years of Franchises; and
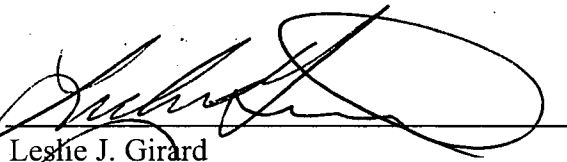
WHEREAS, the City and SDG&E agree that an extension of the negotiating period as set forth in the Franchises is necessary and appropriate; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the City agrees to a six

(6) month extension of the negotiating period for the Franchise Fee percentage as set forth in the

Franchises, to and including July 17, 2001.

BE IT FURTHER RESOLVED, that the City Manager and City Attorney are authorized

and directed to execute any necessary or appropriate document memorializing the extension

agreed to pursuant to this resolution.


APPROVED: CASEY GWINN, City Attorney


By_____
    Leslie J. Girard
    Assistant City Attorney


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