

Newsbrief

NATURAL GAS LEADERSHIP



To secure long-term, stabilized supplies of natural gas to fuel power generating plants, the DWP has spearheaded a \$300 million purchase agreement with Anschutz Pinedale Corporation in Denver to buy a portion of the company's natural gas reserves in Sublette County, Wyoming.

The acquisition is believed to be the largest natural gas field owned by public power utilities. DWP is the lead agency in a partnership with the Southern California Public Power Authority (SCPPA), which represents Anaheim, Colton, Glendale, Burbank and Pasadena, and the Turlock Irrigation District.

Approved by the City Council, the natural gas reserves will provide Los Angeles with a firm supply of natural gas at a stable price. The natural gas will be transported to Los Angeles using the DWP's existing long-term capacity contract with the Kern River Gas Transmission Company.

DWP General Manager Ronald F. Deaton said, "The acquisition of this natural gas field serves to further stabilize the single most volatile component of the DWP's operating expenses, thereby helping the DWP achieve its goal of maintaining stable retail electric rates for our customers." Deaton also said that, depending on future market conditions, the DWP could realize substantial savings as well, noting that the DWP has already saved quite a bit of money through financial hedging of natural gas prices.

The agreement gives the DWP 74.5 percent ownership in the natural gas acquisition, which is expected to yield approximately 112 billion cubic feet of proven reserves. The DWP's share of the \$300 million investment is \$223.4 million.

The DWP said the reserves initially will represent approximately 12 percent of the Department's daily average use of natural gas, and will replace an existing 15-year contract with Duke Energy Trading and Marketing that expires in February 2007. Located in the Pinedale Anticline region of Wyoming, the reserves have a field production expectancy of more than 30 years.

The DWP relies on natural gas as the fuel source for its Los Angeles Basin generating stations, including Harbor, Haynes, Scattergood and Valley. Natural gas represents about 26 percent of the DWP's energy resources.

The DWP Board of Commissioners had approved the agreement June 21. The assets include Anschutz Pinedale's interest in 38 operating oil and gas wells, and any associated lateral pipelines, equipment, permits, rights-of-way, and easements used in the production. The agreement calls for a smooth transition to a new field operator, Ultra Resources Inc.

The SCPPA southern California cities are expected to use the majority of the natural gas for the new 300 Megawatt SCPPA Magnolia Power Project in Burbank as well as other local generating plants within their cities. Bill D. Carnahan, SCPPA executive director, echoed Deaton's remarks: "The significance of this purchase as a stable long-term supply, as well as the ability of the cities and the irrigation district to come together to plan for the future, demonstrates true leadership and foresight by all those involved."

The other utilities with roughly 26 percent of the reserves are Turlock Irrigation District (10.6 percent) and Anaheim (5.3 percent), Glendale (4.3 percent), Burbank (2.1 percent), Pasadena (2.1 percent) and Colton (1.1 percent).



Win \$200!

The Amazing Club Race



■ Running, Swimming, Eating, Gathering Clues.

At ClubFest 2005, Oct. 2, two-person teams will try to be the first to find clues and perform various tasks to win \$200! Do you have what it takes? Sign up now! Only 20 teams will be accepted to participate in the Amazing Club Race.

- Teams will consist of two adults (18 and older).
- At least one team member must be a Club member in good standing.
- Please note that there will be swimming, running and eating contests involved.
- The race will be 45 to 60 minutes long.
- Teams will be given tasks to perform.
- The first team to finish wins \$200.
- Check-in is at 10:30 a.m. Race will commence at 11 a.m.
- Participants will be given a complimentary ClubFest shirt after the contest.
- Participants must purchase tickets to attend ClubFest. There is no extra fee.
- Note: Due to physical activity involved, participants will be required to sign a liability waiver at ClubFest.

Win!

The First
AMAZING RACE!

Running
Swimming
Eating
Gathering clues
Win \$200



Do you have what it takes?

At ClubFest 2005, Oct. 2

Sign up now!

Only 20 teams will be accepted to participate in the Amazing Club Race.

Two-person teams will try to be the first to find clues and perform various tasks to **WIN \$200!**

- The first team to finish wins \$200.
- Teams will be given tasks to perform.
- The race will be 45 to 60 minutes long.
- Teams will consist of two adults (18 and older).
- Check-in is at 10:30 a.m. Race will commence at 11 a.m.
- At least one team member must be a Club member in good standing.
- Participants will be given a complimentary ClubFest shirt after the contest.
- Please note that there will be swimming, running and eating contests involved.
- Participants must purchase tickets to attend ClubFest. There is no extra fee.
- Note: Due to physical activity involved, participants will be required to sign a liability waiver at ClubFest.



Entry Form

We are up to the challenge! Enter us for the **First Amazing Club Race**, as part of ClubFest 2005.

Register Today!

MAIL THIS FORM TO: Michelle Moreno
City Employees Club of Los Angeles
350 S. Figueroa St., Suite 700
Los Angeles, CA 90071

Name of Team: _____
 Club Member: _____
 Member #: _____ Phone: _____
 City Dept.: _____ E-mail: _____
 Second Team Member: _____
 City Dept. (if applicable): _____

I understand that I will be required to sign a physical activity liability waiver. (check box)