



NAESB CONTRACT WITH TENASKA MARKETING VENTURES

Riverside Public Utilities

Board of Public Utilities
January 27, 2020

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BACKGROUND

1. Requesting approval of the North American Energy Standards Board ("NAESB") Base Contract between Tenaska Marketing Ventures and City of Riverside for the sale and purchase of natural gas
2. Adds Tenaska Marketing Ventures to RPU's counterparty list for the sale and purchase of natural gas

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NAESB BASE CONTRACT BACKGROUND

1. NAESB Base Contract for Sale and Purchase of Natural Gas has been in use as a standard industry contract since 2002
2. NAESB Contract does not require any specific sale or purchase of natural gas but constitutes terms and conditions that would apply to any potential natural gas sale or purchase

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DISCUSSION

1. Currently, RPU has NAESB Base Contracts with Shell, Occidental, Macquaire, BP Energy, and Conoco Phillips
2. NAESB Contract is a standardized set of business practices and standards that most buyers and sellers have adopted for their natural gas transactions
3. Approval of the NAESB Contract with Tenaska Marketing Ventures will expand Riverside's counterparty options to take advantage of favorable pricing trends and opportunities

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RECOMMENDATIONS

That the Board of Public Utilities recommend that the City Council:

1. Approve the North American Energy Standards Board Base Contract for Sale and Purchase of Natural Gas between Tenaska Marketing Ventures and the City of Riverside for use in procuring natural gas sales and purchases under the terms and conditions stated therein; and
2. Authorize the City Manager, or designee, to execute subsequent transaction confirmation agreements with Tenaska Marketing Ventures, for sales and purchases of natural gas, subject to the terms and conditions of individual North American Energy Standards Board enabling agreements and consistent with the City Council approved Energy Risk Management Policy.