

RESOLUTION
NO. 18-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PENSACOLA, FLORIDA, (i) AUTHORIZING THE EXECUTION OF A GAS SUPPLY CONTRACT WITH THE PUBLIC ENERGY AUTHORITY OF KENTUCKY (“PEAK”) FOR THE PURCHASE OF NATURAL GAS FROM PEAK; (ii) ACKNOWLEDGING THAT PEAK WILL ISSUE ITS GAS SUPPLY REVENUE BONDS TO FUND THE PURCHASE OF A SUPPLY OF NATURAL GAS FROM BP ENERGY COMPANY (“BPEC”), WHICH GAS WILL BE USED TO MAKE DELIVERIES UNDER THE CONTRACT; AND (iii) FOR OTHER PURPOSES.

WHEREAS, the City Council of the City of Pensacola owns and operates a municipal gas distribution utility known as Pensacola Energy and is authorized to acquire, purchase, transport, store and manage supplies of gas necessary to meet the requirements of the residential, commercial and industrial customers served by such utility; and

WHEREAS, the acquisition of secure, reliable and economic supplies of natural gas is necessary for the prudent and businesslike operation of the utility owned by the City of Pensacola, the continued economic development of its community and the promotion of the public health, safety and welfare; and

WHEREAS, the Public Energy Authority of Kentucky which was formed pursuant to the Natural Gas Acquisition Authority Act, KRS 353.400 to 353.410, has offered to sell to the City of Pensacola, pursuant to the contract, a supply of natural gas in the quantities on the dates set forth in the Contract, on the condition that PEAK issues its Gas Supply Revenue Bonds, 2018 Series A (the “Bonds”) the proceeds of which will be used to acquire a supply of natural gas (the “Gas Supply”) pursuant to a Prepaid Agreement with BPEC (the “Prepaid Agreement”); and

WHEREAS, the City of Pensacola is a Government Agency, as such term is defined in the Gas Supply Contract, and desires to enter into the Contract with PEAK.

NOW, THEREFORE, BE IT RESOLVED BY CITY COUNCIL OF THE CITY OF PENSACOLA, FLORIDA as follows:

1. The City of Pensacola hereby approves the execution and delivery of the Gas Supply Contract, in substantially the form previously submitted to the City of Pensacola and attached hereto as Exhibit A, pursuant to which the City of Pensacola will agree to purchase specified quantities of natural gas from PEAK, such deliveries to be made on the dates, at the volumes and for the prices set forth in such Gas Supply Contract.

2. The Mayor of the City of Pensacola is hereby authorized to execute the gas supply contract and any such other closing documents or certifications which may be required or contemplated in connection with the execution and delivery of the Contract or carrying out the intent and purpose of this resolution.

3. This Resolution shall become effective the fifth business day after adoption, unless otherwise provided pursuant to Section 4.03(d) of the City Charter of the City of Pensacola.

Adopted: _____

Approved: _____
President of City Council

Attest: _____
City Clerk