

Introduced by Councilmember _____

ORDINANCE NO. _____

AMENDMENT TO THE LIGHT AND POWER RATE ORDINANCE, CHAPTERS 13.04.095(C), 13.04.096, AND 13.04.170 OF THE PASADENA MUNICIPAL CODE, TO REPLACE THE ENERGY COST ADJUSTMENT CHARGE (ECAC) AND DIRECT ACCESS ENERGY CREDIT (DAEC) WITH THE FOLLOWING CHARGES: ENERGY CHARGE; TRANSMISSION ACCESS CHARGE (TAC); AND DIRECT ACCESS TRANSITION CHARGE (DATC).

The People of the City of Pasadena ordain as follows:

SECTION 1. Subsection C of Section 13.04.095 of the Pasadena Municipal Code is hereby amended to read as follows:

“13.04.095(C) Direct access service.

- C. Direct Access customers shall pay all currently established Pasadena electric rates set forth in Municipal Code Section 13.04, except for the Energy Charge set forth in Municipal Code Section 13.04.170(E).”

SECTION 2. Section 13.04.096 of the Pasadena Municipal Code is hereby amended to read as follows:

“13.04.096 Direct Access Transition Charge

- A. In lieu of the Energy Charge, Direct Access customers shall be charged a Direct Access Transition Charge (DATC).
- B. The DATC shall be the Energy Charge in effect for the month less the Direct Access Energy Credit (DAEC) for the month, and shall be calculated monthly and in arrears.
- C. The DAEC shall be computed each month by the Department and based upon the customer’s actual hourly energy usage in KWh (adjusted by the appropriate Distribution Loss Factor) multiplied by the local hourly market clearing price of electricity, as established by a regional pool approved by the Federal Energy Regulatory Commission, including ancillary service charges. The monthly DAEC for any customer shall not exceed the corresponding monthly Energy Charge”

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SECTION 3. Section 13.04.170 of the Pasadena Municipal Code is hereby amended to read as follows:

“13.04.170 Periodic service schedule adjustment.

- A. In addition to rates set forth in the service schedules of this chapter, each customer shall pay a Transmission Access Charge (TAC), and Full Service Customers shall pay an Energy Charge, for each kWh delivered to the customer. For Full Service Customers, the TAC and Energy charge may be summed and billed under the ‘Energy Cost Adjustment Charge (ECAC)’ line item. Any references to ECAC found in City of Pasadena policy, procedure, memoranda, or other documents shall be construed to mean the sum of the Energy Charge and TAC as defined herein.
- B. The Energy Charge and TAC shall be based on actual data obtained from the city's accounting system, forecast data obtained from the annual operational plan approved by the City Council, and updated forecast data prepared monthly by the Department.
- C. The Department shall recalculate the Energy Charge and TAC each month, and the resulting values for these charges shall be automatically implemented on the first day of the following month.
- D. For purposes of this section, the following definitions apply:
 - 1. ‘Direct Access Customers’ shall mean customers who choose an energy supplier other than The Department, taking service under Section 13.04.095.
 - 2. ‘Energy Costs’ means the sum of all costs related to the procurement and generation of energy for delivery to Full Service Customers, including, but not limited to, Power Production Costs and Purchased Power Costs, and the general fund transfer associated with these costs.
 - 3. ‘Energy Cost Forecast’ means the forecast of projected Energy Costs for the twelve months immediately following the last actual billing period. This forecast shall be updated monthly by the Department.

4. 'Energy Revenue Credit' is a percentage of the Wholesale Net Income used to reduce the Energy Charge. The Energy Revenue Credit shall be applied when the Wholesale Net Income is greater than zero and shall be determined at least quarterly based on the actual accounting data as follows: (i) 75% of the Wholesale Net Income shall be applied as a credit; (ii) additional amounts may be authorized by Council Resolution.
5. 'Energy Revenue Forecast' means the forecast of projected Energy Revenue Credits for the twelve months immediately following the last actual billing period. This forecast shall be updated monthly by the Department.
6. 'Fuel Costs' means the sum of the cost of fuel gas consumed, the cost of fuel oil consumed, and the cost of procuring, scheduling, testing and in-plant handling of that fuel gas and fuel oil. Fuel oil includes both residual fuel oil and distillate fuel oil.
7. 'Full Service Customers' shall mean customers who choose the Department as their energy supplier.
8. 'Full Service Energy Sales Forecast' means the forecast of projected energy sales (in kilowatt-hours) to Full Service Customers for the twelve months immediately following the last actual billing period. This forecast shall be updated monthly by the Department.
9. 'Power Production Costs' means the sum of all costs for the generation of electric energy at facilities owned and operated by the Department, including, but not limited to, Fuel Costs, labor, operating and maintenance expenses, materials, and emissions credits.
10. 'Purchased Power Costs' means the cost of energy and ancillary services, including, but not limited to, capacity and energy charges from third parties and all non-transmission charges charged by the California Independent System Operator (ISO).
11. 'System Energy Sales' means the estimated total energy sales delivered to all customers, including Direct Access Customers.

12. 'Transmission Revenue Requirement' (TRR) means the sum of all costs related to the high-voltage transmission of energy, including, but not limited to, all transmission contracts, wheeling fees, associated general fund transfer, and ISO access fees, less the sum of all wholesale revenues received in connection with the sale of any transmission entitlements.
13. 'Wholesale Net Income' means the sum of revenues collected from wholesale energy and ancillary service sales, less the associated Production Cost and Purchased Power Cost attributable to the wholesale sales.

E. The Energy Charge shall be charged to Full Service Customers only, and shall be calculated monthly as follows:

1. Commencing April 1, 2001, a separate Energy Charge Fund (ECF) account shall be maintained for balancing costs, revenues, and credits associated with energy delivered to Full Service Customers. Any ECAC overcollection or undercollection existing on April 1, 2001 shall be deposited in the ECF balance.
2. The ECF account balance shall be calculated as the sum of actual revenues from the Energy Charge, the Energy Revenue Credit, and any other credits authorized by the City Council, less the actual Energy Costs incurred.
3. The Energy Charge shall be calculated based on the Energy Cost Forecast, Energy Revenue Credit Forecast, Full Service Energy Sales Forecast, and the ECF balance as follows:

$$\frac{[\text{Energy Cost Forecast} - \text{Energy Revenue Credit Forecast} - \text{Fund Balance}]}{[\text{Full Service Energy Sales Forecast}]}$$

4. The result of the formula shall be rounded to the nearest mill per kilowatt-hour. This shall be the Energy Charge to be implemented.

F. The Transmission Access Charge (TAC) shall be calculated monthly as follows:

1. Commencing February 1, 2001, a separate Transmission Access Charge Fund (TACF) account shall be maintained for balancing costs and revenues associated with high-voltage transmission service.

2. The TACF account balance shall be calculated as the sum of actual revenues from the TAC less the actual TRR.
3. The TAC shall be calculated based on the Forecasts for TRR, System Energy Sales, and the TACF balance as follows:

$$\frac{[\text{TRR Forecast} - \text{TACF Fund Balance}]}{[\text{System Energy Sales Forecast}]}$$

4. The result of the formula shall be rounded to the nearest mill per kilowatt-hour. This shall be the Transmission Access Charge to be implemented.

SECTION 4. The City Clerk shall certify the adoption of this Ordinance and shall cause this ordinance to be published in full text.

SECTION 5. This ordinance shall take effect upon its publication.

Signed and approved this ____ day of April, 2001.

Bill Bogaard
Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council at its meeting held _____, 2001, by the following vote:

AYES:

NOES:

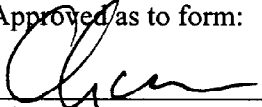
ABSENT:

ABSTAIN:

Published:

JANE L. RODRIGUEZ, CMC
CITY CLERK

Approved/as to form:



Nicholas George Rodriguez
Assistant City Attorney