

Agenda Report

DATE: July 1, 2002

TO: City Council
Through: Municipal Services Committee

FROM: City Manager

SUBJECT: Adopt a resolution amending the Water and Power Department Electric Service Requirements, Regulation 21 to reflect the proposed revisions.

RECOMMENDATION:

It is recommended that the City Council adopt a resolution amending Electric Service Requirements, Regulation 21, to update and revise the guideline, standards, terms and conditions by which customers connect to the power distribution system.

EXECUTIVE SUMMARY:

Regulation 21 sets the guidelines, standards, terms and conditions by which customers connect to the power distribution system. Detailed descriptions of various service connection types, meter installation and construction standards are included. The purpose of the regulation is to provide the electrical customer, property owner, contractor, developer, and engineer with a resource that will aid in the completion of electric service connections that meet all Department and industry standard practices and safety requirements.

Regulation 21 has been revised by the Department to: (1) reflect a variety of updated utility technical standards; (2) clarify existing information through editorial wording changes; (3) end subsidies for certain types of connections and related equipment; (4) require all new construction to provide automatic meter reading (AMR) capability. The revisions are compatible with the types of submissions that the Pasadena Municipal Code allows the Department.

BACKGROUND:

The Pasadena Municipal Code provides that the General Manager of the Water and Power Department shall, from time to time, submit service regulations relating to conditions of service, including rates, charges, and various special services not otherwise provided for. Such Regulations and Schedule of Charges become effective

upon adoption by Resolution of the City Council. (Pasadena Municipal Code Section 13.04.100).

Regulation 21 was last revised by Board Resolution 6308 on February 27, 1990. Regulation 21 has been revised to include the Department's updated service guidelines, and provisions that more clearly define the respective responsibilities of the property owner and the Department.

Revisions also address needed technical details of service requirements such as, updated materials and construction requirements for conduit installations, single-phase detection and tripping capabilities in motor protection schemes and meter type and height changes. Other items have been revised to clarify intent and expand on areas where problems have occurred in the past.

In other revisions, the Department will charge the customer making a service installation for all labor and materials directly attributable to the installation of an upgraded service in an underground district. The current Regulation 21 results in the majority of ratepayers, who do not benefit from this customer specific work, sharing the cost for these installations. For example, per the existing Regulation 21, the Department is limited to recovering a maximum of \$800.00 for materials and labor associated with single-family residence underground service connections. The Department made approximately 43 connections of this type during FY2000, FY2001 and FY2002, with an average cost per connection of approximately \$1720. The total cost for these connections was \$73,964, of which the customers actually making the installations paid \$34,400 and the remaining \$39,564 was absorbed by all ratepayers. Similarly, another revision provides that the cost of transformers directly attributable to developments will be the responsibility of the developer. Under the current Regulation 21 the ratepayers have absorbed the costs for all transformers. During FY 2000 and FY 2001 for example, PWP installed 72 transformers in major projects with a cost of \$354,253. Staff estimates that the costs for FY2002 transformers will be \$175,000.

The AMR provisions are a new addition to Section V of the existing regulations and will allow for more accurate collection of customer energy usage data. The provisions will require all new construction to provide an AMR termination within three feet of the electric meter. By requiring the AMR capability in advance and at the construction stage, there will be minimal cost and inconvenience to the customer. By having a customer who is already AMR ready, the Department will only need to change the meter and connect to the available AMR connection site, to begin reading the meter remotely. This provision is similar to that of many other utilities.

The following provides a brief bulleted outline of the principle revisions to Regulation 21:

- Technical adjustments to meet with current standards and preferences (such as revised “meter socket clip requirements” and “PVC pipe schedules”)
- Non-substantive wording changes, edits and insertions for clarity
- Inclusion of a new AMR provision
- Implementation of full cost recovery for certain types of installations. Specific dollar amounts cannot be referenced here, as the cost of labor and materials will reflect current conditions and be charged to the customer as incurred by the Department. New cost recovery items will include the following.
 1. For underground service installations, the cost of labor and materials associated with:
 - (a) installations of conduits in the street
 - (b) installations of conduits on the utility pole
 - (c) installations of service conductors in the customer's supplied conduit
 2. For service connections from a transformer vault or enclosure on a customer's property (conduits and vault/enclosure furnished and installed by customer), the estimated cost of labor and materials associated with:
 - (a) installations of transformers and associated protective equipment
 - (b) installations of conduits in the street between the Department's manhole and the nearest property line
 - (c) installations of necessary conduits on the utility pole, where services terminate at the utility pole
 - (d) installations of high voltage cable between the Department's street vault and the customer's vault

- (e) installations of all high voltage connectors and supporting vault materials installations of all low voltage cable between the customer's vault and the service entrance equipment
3. For new construction sites where Department facilities interfere with construction, the cost of
- (a) moving, removing or relocating Department facilities, which interfere with a customer's construction

FISCAL IMPACT:

An exact fiscal impact cannot be provided, as the projects are customer generated. However, based on historical activity, savings to the Power Fund are estimated at \$27,000 per year for residential connections and \$186,000 per year for transformers, for a total of \$213,000.

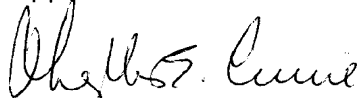
Respectfully submitted,


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Attachments:

1. Regulation 21
2. Resolution