

Ordinance Fact Sheet

TO: CITY COUNCIL

DATE: June 18, 2012

FROM: CITY ATTORNEY

SUBJECT: AN ORDINANCE OF THE CITY OF PASADENA AMENDING THE LIGHT AND POWER RATE ORDINANCE, CHAPTER 13.04 OF THE PASADENA MUNICIPAL CODE

TITLE OF PROPOSED ORDINANCE:

AN ORDINANCE OF THE CITY OF PASADENA AMENDING THE LIGHT AND POWER RATE ORDINANCE, CHAPTER 13.04 OF THE PASADENA MUNICIPAL CODE

PURPOSES OF THE ORDINANCE:

The Light and Power Rate Ordinance, Chapter 13.04 of the Pasadena Municipal Code, sets the rates and charges for electric system customers. The purpose of this ordinance is to amend the Light and Power Rate Ordinance as directed by the City Council on June 11, 2012. The amendments will increase the Power Distribution and Customer ("D&C") Charge for all customer groups equally. The D&C Charge is one of four components that make up the total electric charge. Increases in the D&C component of the electric rate structure require City Council approval.

The D&C rates have not been changed since October 2007. PWP is in the process of conducting an electric cost-of-service study to ensure recovery of revenue requirements and to address ongoing changes taking place in the electric utility industry. The recommended fiscal year 2013 Power Fund Budget includes an increase of \$3.75 million in distribution related costs due to increases in personnel costs, materials and supplies, internal service charges, projected funding requirements for capital investment, and the Electric utility's obligation to fund operating expenses. To offset the increased operating costs, PWP proposes to increase the power distribution rates for all customer groups to generate an additional \$3.75 million annually.

MEETING OF 06/18/2012

AGENDA ITEM NO. 22

A description of how the ordinance will accomplish these purposes is contained in the City Council Agenda Report dated June 4, 2012 (approved on June 11, 2012), and on the City's website.

REASONS WHY LEGISLATION IS NEEDED:

Section 1403 of the City Charter requires electrical energy rates to be prescribed by ordinance.

PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED:

Light and Power customers of the Water and Power Department will pay the rates set forth in this ordinance. The Water and Power Department will be responsible for the administrative implementation of the new rates.

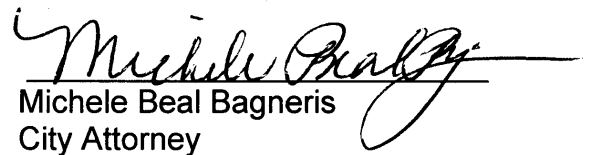
FISCAL IMPACT:

It is anticipated that this action will result in approximately \$3.75 million in additional annual power distribution revenues and will be used to offset the electric system's operating costs.


POLICY CHANGES:

This ordinance does not result in any policy changes.

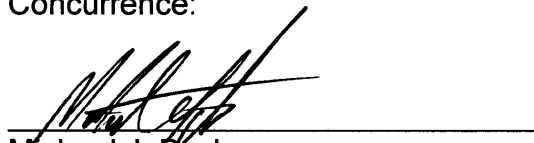
Respectfully submitted,


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Concurrence:


Michael J. Beck
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