

Ordinance Fact Sheet

TO: CITY COUNCIL

DATE: June 16, 2014

FROM: CITY ATTORNEY

SUBJECT: AN ORDINANCE OF THE CITY OF PASADENA AMENDING THE LIGHT AND POWER RATE ORDINANCE, TITLE 13, 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, TITLE 13, 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 2, 2014. The amendments will increase the Distribution and Customer charges for all electric customers for the next three years beginning July 1, 2014; adjust the Distribution and Customer Charge rate structure; and adjust the residential time-of-use ("TOU") price and pricing periods.

The Water and Power Department is recommending changes to the electrical rate structure to ensure equitable cost recovery from all customer classifications and address changes within the electric service industry and the way in which PWP customers consume energy. The revenues from the Distribution and Customer charges account for about 32 percent of the operating revenues from electric rates.

Additionally, increases are proposed during fiscal year 2015 for the Energy Services Charge and Public Benefits Charge components of the electric rate. The projected increase to the Energy Services Charge will increase the average system electric rate by 4.9 percent and will be used to cover new debt service and anticipated

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increases in the cost of renewable and non-renewable energy and natural gas. The projected increase to the Public Benefits Charge will increase the average system electric rate by 0.7 percent and will be used to fund City Council approved energy efficiency, solar initiative and low income programs.

Detailed descriptions of how the ordinance will accomplish these purposes are contained in the Agenda Report dated June 2, 2014.

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.

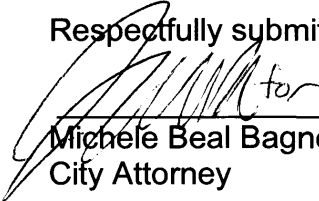
FISCAL IMPACT:

The recommended changes to the Distribution and Customer Charge rates are expected to generate additional annual net revenues as follows: \$4,451,032 for fiscal year 2015; \$4,393,271 for fiscal year 2016; and \$4,384,593 for fiscal year 2017. The revised TOU rate structure will be implemented as part of an incentive program to encourage residential customers to shift energy use to off-peak periods.

POLICY CHANGES:


This ordinance does not result in any policy changes.

Respectfully submitted,

 for

Michele Beal Bagneris
City Attorney

Prepared by:



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