

Agenda Report

June 6, 2005

To: CITY COUNCIL
Through: FINANCE COMMITTEE

From: CITY MANAGER

Subject: BUDGET AMENDMENT FOR CAPITAL EXPENDITURES
ASSOCIATED WITH PASADENA'S SHARE OF LOS ANGELES
DEPARTMENT OF WATER AND POWER ("LADWP") OPERATED
AND MAINTAINED HIGH VOLTAGE TRANSMISSION LINES

RECOMMENDATION:

It is recommended that the City Council:

1. Amend the Light and Power Fund Fiscal Year 2005 Capital Improvement Project (CIP) budget to include a new project entitled Power Transmission Program with an estimated cost of \$315,000 and
2. Appropriate \$315,000 from the unappropriated Light and Power Fund balance to the new project.

PLANNING COMMISSION RECOMMENDATION:

This project was reviewed by the Planning Commission at their meeting on May 11, 2005 and they have recommended that the City Council find that the "Power Transmission Project" proposed for inclusion in the FY2005-2009 CIP is consistent with the City of Pasadena's General Plan.

BACKGROUND:

A new capital improvement project needs to be created and funded to properly account for expenditures for transmission projects in which Pasadena has an ownership interest, the Pacific DC Intertie and the McCullough-Victorville Line 2. The City, as a part owner, has contractual obligations to fund upgrades determined to be necessary and appropriate by the participating owners.

In 1967, Pasadena Water and Power (PWP) acquired an 30/1300 (2.3%) equity interest in the Pacific DC Intertie, a 500 kV transmission line spanning 850 miles

from Celilo in northern Oregon to Sylmar, California. This line conveys energy from Bonneville Power Authority and other Pacific Northwest utilities to the Sylmar converter station. The Pacific DC Intertie and related facilities were constructed and are maintained by LADWP. Under the Pacific Intertie D-C Transmission Facilities Agreement (Pasadena number 7367), the City of Pasadena is responsible for its share of ongoing operating, maintenance, and capital expenses.

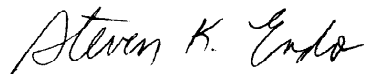
In 1980, PWP acquired a 2.476% (equal to 26MW) equity interest in the McCullough-Victorville Line 2 transmission line. This line conveys energy from electricity generators in the Southwest. The McCullough-Victorville Line 2 and related facilities were constructed and are maintained by the Los Angeles Department of Water and Power (LADWP). Similarly, the McCullough-Victorville Line 2 Transmission Agreement (Pasadena number 10,805), obligates the City of Pasadena for its share of ongoing operating, maintenance, and capital expenses.

In March 2005, LADWP presented its Capital Expenditures program budgets for the balance of FY 2005 and FY 2006 for the transmission line projects. Establishment of the recommended capital project will permit Pasadena to fund its share of the transmission project expenses as a capital expense.

FISCAL IMPACT:

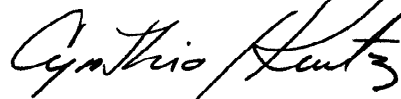
Funds will come from the unappropriated balance of the Light and Power Fund. The costs related to this new CIP project will be recovered through the Transmission Access Charge component of the electric bill.

Prepared by:



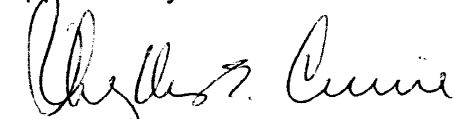
Steven K. Endo
Power Resources Manager

Respectfully submitted,



CYNTHIA J. KURTZ
City Manager

Approved by:



Phyllis E. Currie
General Manager