

Ordinance Fact Sheet

TO: CITY COUNCIL

DATE: June 12, 2006

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, TO REVISE ELECTRIC RATES

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, to revise electric rates.

PURPOSE OF THE ORDINANCE:

The City Council directed the preparation of this Ordinance on May 8, 2006.

The purpose of this ordinance is to provide the additional revenues needed to meet the annual operating and capital requirements of the first six years of the Power Distribution System Master Plan adopted by City Council in March 2005.

The Ordinance also revises the formula for determining the retail transmission rate to reflect Pasadena's transactions with the California Independent System Operator as a participating transmission owner, including related credits and charges.

REASONS WHY LEGISLATION IS NEEDED:

Charges for electric service must be prescribed by ordinance pursuant to City Charter Section 1403.

PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED:

The annual financial impact of the proposed ordinance for typical customer types and consumption levels is shown in Table 1 below.

MEETING OF 06/12/2006

AGENDA ITEM NO. 9.A.4.

Table 1

Customer Type and Usage		July 2006 Rates			October 2007 Rates	
		Current Monthly Bill	Proposed Monthly Bill	Change (\$)	Proposed Monthly Bill	Change (\$)
Residential Customer	500 kWh per month	\$72.78	\$78.74	\$5.96	\$82.52	\$3.79
	1,000 kWh per month	\$142.40	\$153.32	\$10.92	\$160.43	\$7.11
Small Commercial & Industrial Customer	2,000 kWh per month	\$267.69	\$282.88	\$15.19	\$294.14	\$11.26
	4,000 kWh per month	\$532.40	\$559.67	\$27.27	\$580.87	\$21.20
Medium Commercial & Industrial Customer	100 KW; 35,000kWh / month	\$4,417.65	\$4,531.85	\$114.20	\$4,660.03	\$128.18
	250 KW; 35,000 kWh / month	\$5,534.49	\$6,028.09	\$493.60	\$6,328.70	\$300.61
Large Commercial & Industrial Customer	500 KW; 200,000 kWh / month	\$24,010.94	\$24,427.84	\$416.90	\$25,046.31	\$618.47
	1,000 KW; 450,000 kWh / month	\$51,574.01	\$52,112.86	\$538.85	\$53,274.17	\$1,161.32

FISCAL IMPACT:

This ordinance provides for an increase of approximately 32% in power distribution rates and a decrease of approximately 32% in transmission rates for all customer groups, effective July 2006. This ordinance provides for an additional increase of approximately 11% in power distribution rates for all customer groups, effective October 2007.

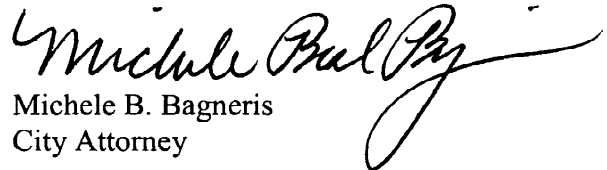
Overall electric utility operating revenues will increase by 5% in July 2006 and by an additional 4% in October 2007: \$6.3 million in fiscal year (FY) 2007 after the proposed rate adjustments in July 2006 and 5.1 million in FY 2008 after the rate adjustments in October 2007. The two rate adjustments will result in an annual increase of \$11.4 million in operating revenues beginning FY 2009.

This ordinance will increase the Power Division's general fund transfer by approximately \$526,050 and \$757,500 in FY 2007 and FY 2008, respectively. Effective FY 2009 and thereafter, this ordinance will increase the general fund transfer by approximately \$855,000 annually.


This ordinance will increase the City's revenues under the utility's users tax by approximately \$483,210 and \$774,670 in FY 2007 and FY 2008, respectively, and by \$874,380 annually beginning FY 2009.

This ordinance will increase revenues to the Underground Surtax Fund by approximately \$119,700 and \$191,900 in FY 2007 and FY 2008, respectively, and by \$216,600 annually beginning FY 2009.

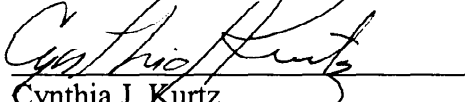
Respectfully submitted,


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Concurrence:


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