

**Attachment A-1: Proposed FY 2015 Rates
Residential and Small Commercial Customers**

RESIDENTIAL - Single Family and Multi-Family

Current Rates			Proposed FY2015 Rates		
Combined Distribution & Customer Charge			Customer Charge:		
Usage	\$/month/meter		Distribution Charge		
0 to 250	\$6.02		\$7.76	Usage	\$/kWh
251 to 350	\$12.32		per month	First 350 kWh per month	\$0.01500
351 to 450	\$24.94		per meter	Next 400 kWh per month	\$0.11650
451 to 550	\$35.97		for all	All additional kWh per month	\$0.08500
551 to 650	\$45.43		usage		
651 to 750	\$56.47				
751 to 1000	\$67.50				
> 1,000	\$89.57				
Energy Services Charge - \$/kWh	Flat	TOU	Energy Services Charge - \$/kWh	Flat	TOU
Winter - On-peak		\$0.06642	Winter - On-peak		\$0.11150
Winter - Off-peak	\$0.06147	\$0.05641	Winter - Off-peak	\$0.06147	\$0.05100
Summer - On-peak	\$0.07073	\$0.10204	Summer - On-peak	\$0.07073	\$0.14750
Summer - Off-peak		\$0.05882	Summer - Off-peak		\$0.04750
PCA*:	\$0.02250	\$0.02250	PCA:	\$0.02930	\$0.02930
Transmission Services Charge		\$0.00821	Transmission Services Charge		\$0.00821
Public Benefits Charge		\$0.00573	Public Benefits Charge		\$0.00685

SMALL COMMERCIAL CUSTOMER

Current Rates			Proposed FY2015 Rates		
Customer Charge - \$/month/meter			Customer Charge - \$/month/meter		
Single - Phase	\$14.16		Single - Phase	\$8.16	
Three - Phase	\$19.07		Three - Phase		
Distribution Charge - \$/kWh	\$0.04475		Distribution Charge - \$/kWh	\$0.05178	
Energy Services Charge - \$/kWh	Flat	TOU	Energy Services Charge - \$/kWh	Flat	TOU
Winter - On-peak		\$0.06431	Winter - On-peak		\$0.06431
Winter - Off-peak	\$0.06030	\$0.05611	Winter - Off-peak	\$0.06030	\$0.05611
Summer - On-peak	\$0.06901	\$0.10463	Summer - On-peak	\$0.06901	\$0.10463
Summer - Off-peak		\$0.05706	Summer - Off-peak		\$0.05706
PCA*:	\$0.02250	\$0.02250	PCA:	\$0.02930	\$0.02930
Transmission Services Charge		\$0.00821	Transmission Services Charge		\$0.00821
Public Benefits Charge		\$0.00573	Public Benefits Charge		\$0.00685

*The Power Cost Adjustment (PCA) is added to the Energy Services Charge for all customer classes and rate options.

**Attachment A-2: Proposed FY 2015 Rates
Medium Commercial Customer (Secondary and Primary Service)**

MEDIUM COMMERCIAL CUSTOMER - Secondary

Current Rates			Proposed FY2015 Rates		
Customer Charge - \$/month		\$60.22	Customer Charge - \$/month		\$20.27
Distribution Charge - \$/KW		\$10.89	Distribution Charge - \$/KW		\$13.54
Energy Services Charge - \$/kWh	Flat	TOU	Energy Services Charge - \$/kWh	Flat	TOU
Winter - On-peak		\$0.06578	Winter - On-peak		\$0.06578
Winter - Off-peak	\$0.06213	\$0.05785	Winter - Off-peak	\$0.06213	\$0.05785
Summer - On-peak		\$0.10218	Summer - On-peak		\$0.10218
Summer - Off-peak	\$0.07338	\$0.06063	Summer - Off-peak	\$0.07338	\$0.06063
PCA*:	\$0.02250	\$0.02250	PCA:	\$0.02930	\$0.02930
Transmission Services Charge		\$0.00821	Transmission Services Charge		\$0.00821
Public Benefits Charge		\$0.00573	Public Benefits Charge		\$0.00685

MEDIUM COMMERCIAL CUSTOMER - Primary

Current Rates			Proposed FY2015 Rates		
Customer Charge - \$/month		\$83.92	Customer Charge - \$/month		\$25.77
Distribution Charge - \$/KW		\$10.54	Distribution Charge - \$/KW		\$9.48
Energy Services Charge - \$/kWh	Flat	TOU	Energy Services Charge - \$/kWh	Flat	TOU
Winter - On-peak		\$0.06481	Winter - On-peak		\$0.06481
Winter - Off-peak	\$0.06121	\$0.05713	Winter - Off-peak	\$0.06121	\$0.05713
Summer - On-peak		\$0.10128	Summer - On-peak		\$0.10128
Summer - Off-peak	\$0.07154	\$0.05970	Summer - Off-peak	\$0.07154	\$0.05970
PCA*:	\$0.02250	\$0.02250	PCA:	\$0.02930	\$0.02930
Transmission Services Charge		\$0.00802	Transmission Services Charge		\$0.00821
Public Benefits Charge		\$0.00573	Public Benefits Charge		\$0.00685

*The Power Cost Adjustment (PCA) is added to the Energy Services Charge for all customer classes and rate options.

**Attachment A-3: Proposed FY 2015 Rates
Large Commercial Customer (Secondary and Primary Service)**

LARGE COMMERCIAL CUSTOMER - Secondary

Current Rates		Proposed FY2015 Rates	
Customer Charge - \$/month	\$160.21	Customer Charge - \$/month	\$41.18
Distribution Charge - \$/KW	\$10.86	Distribution Charge - \$/KW	\$13.46
Energy ServicesCharge - \$/kWh	TOU	Energy ServicesCharge - \$/kWh	TOU
Winter - On-peak	\$0.06579	Winter - On-peak	\$0.06579
Winter - Off-peak	\$0.05659	Winter - Off-peak	\$0.05659
Summer - On-peak	\$0.10394	Summer - On-peak	\$0.10394
Summer - Off-peak	\$0.05843	Summer - Off-peak	\$0.05843
PCA*:	\$0.02250	PCA:	\$0.02930
Transmission Services Charge	\$0.00821	Transmission Services Charge	\$0.00821
Public Benefits Charge	\$0.00573	Public Benefits Charge	\$0.00685

LARGE COMMERCIAL CUSTOMER - Primary

Current Rates		Proposed FY2015 Rates	
Customer Charge - \$/month	\$183.93	Customer Charge - \$/month	\$46.69
Distribution Charge - \$/KW	\$10.51	Distribution Charge - \$/KW	\$9.42
Energy ServicesCharge - \$/kWh	TOU	Energy ServicesCharge - \$/kWh	TOU
Winter - On-peak	\$0.06617	Winter - On-peak	\$0.06617
Winter - Off-peak	\$0.05629	Winter - Off-peak	\$0.05629
Summer - On-peak	\$0.09852	Summer - On-peak	\$0.09852
Summer - Off-peak	\$0.05580	Summer - Off-peak	\$0.05580
PCA*:	\$0.02250	PCA:	\$0.02930
Transmission Services Charge	\$0.00802	Transmission Services Charge	\$0.00802
Public Benefits Charge	\$0.00573	Public Benefits Charge	\$0.00685

**The Power Cost Adjustment (PCA) is added to the Energy Services Charge for all customer classes and rate options.*

Attachment B – Customer Impact of Proposed Changes to the Customer and Distribution Charges and Rate Structure

System Average Distribution and Customer Rate Increases

Pasadena Water and Power (“PWP”) is recommending increases to the System Average Distribution and Customer charges on July 1 of each fiscal year (“FY”) beginning in FY 2015 by 2.7%, 2.4%, and 2.2% respectively. Table B-1 contains the actual percentage increase for each customer classification for the Distribution and Customer charges. There are slight variations to the rate increases across customer classifications based on the results of the recent Cost of Service Study. The impacts on each customer classification are not materially different since PWP’s rate structure is based on cost of service principles. As a result, there is no subsidy of one customer classification by another.

**Table B-1
D&C Rate Increases by Customer Class**

Customer Class	FY2015 D&C	FY2015 w/EC & PBC Increase*	FY2016 D&C	FY2017 D&C
Residential	3.2%	8.8%	2.7%	2.6%
Small Commercial	2.9%	8.5%	2.6%	2.5%
Medium Commercial	2.7%	8.3%	2.6%	2.4%
Large Commercial	2.4%	8.0%	2.2%	2.1%
System Average	2.7%	8.3%	2.4%	2.2%

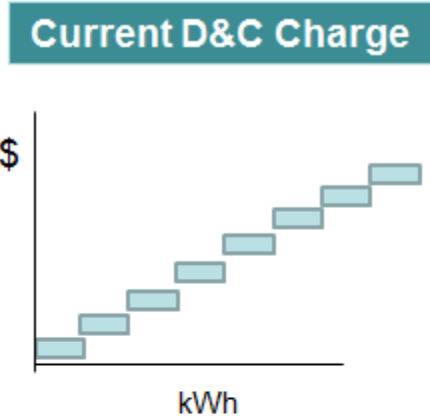
** FY2015 rate increase showing combined impact of proposed D&C and projected Energy Charge (EC) and Public Benefit Charge (PBC) rate increases for illustrative purposes.*

Residential Distribution and Customer Rate Restructuring

PWP is recommending separating the charges for residential Distribution and Customer Charge into a fixed Customer Charge and a volumetric Distribution Charge. Separating the charges will ensure that each customer pays a proportionate share of the cost to maintain the electric system based on usage.

The existing combined Distribution and Customer charge does not adequately recover costs among residential customer classifications. The current Distribution and Customer charge is a step structure for residential customers and is capped at \$89.57 per month when a customer uses over 1,001 kWh as shown in Table B-2.

Table B-2



Existing change in D&C by Tier			
Usage	Charge	Δ	%Δ
0-250	\$6.02		
251-350	\$12.32	\$6.30	105%
351-450	\$24.94	\$12.61	102%
451-550	\$35.97	\$11.03	44%
551-650	\$45.43	\$9.46	26%
651-750	\$56.47	\$11.03	24%
751-1000	\$67.50	\$11.03	20%
1001>	\$89.57	\$22.07	33%

The recommended separate fixed Customer Charge is a minimum charge for each residential customer that will recover the costs for customer service functions, including the call center, meter reading, bill preparation and payment and collection services. The recommended rate will have a more significant impact on consumers of smaller energy volumes in the first year due to the necessary cost-of-service adjustment, indicating that at the lower levels of energy use, customers are not currently paying the actual costs to serve them.

The recommended Distribution Charge is a volumetric rate based on how much energy each customer consumes, which better reflects the variable costs of building and maintaining the electricity distribution system to meet increased customer demand. The recommended Distribution rate structure is composed of three “tiers” at varying rates, as shown in Table B-3.

Table B-3

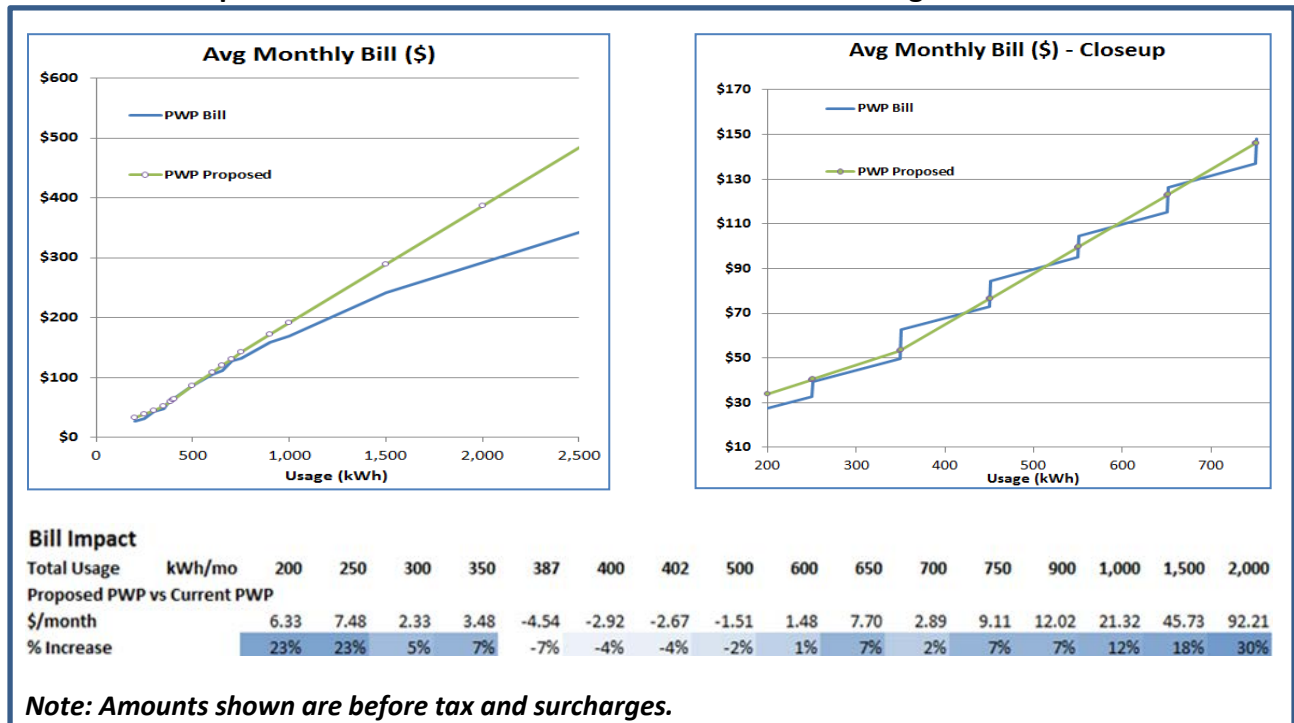
Proposed Residential Distribution Charge Rate Tiers

Monthly Consumption	Distribution Rate
Up to 350 kilowatt hours (“kWh”)	1.5¢ / kWh
351 to 750 kWh	11.6¢ / kWh
Greater than 750 kWh	8.5¢ /kWh

The variable rates represent the incremental costs to build and maintain the distribution system at each level of consumption based on a number of factors, including the number of customers within each tier and the related demand on the system.

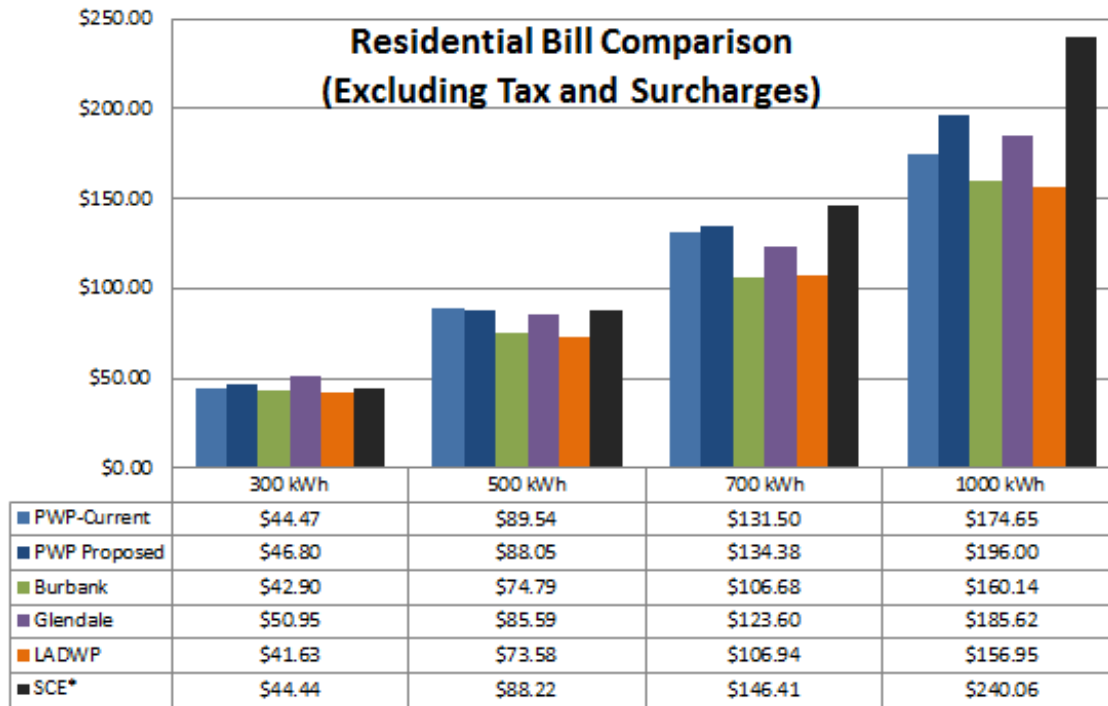
Table B-4 illustrates the combined impact of the recommended Distribution and Customer Charge increases and projected Energy Charge and Public Benefit Charge rate increases on residential customers at various consumption levels. The results of the cost-of-service adjustments indicate that there may be varied impact on customer bills based on consumption.

Table B-4
Comparison of Residential Customer & Distribution Charge Rate Structure



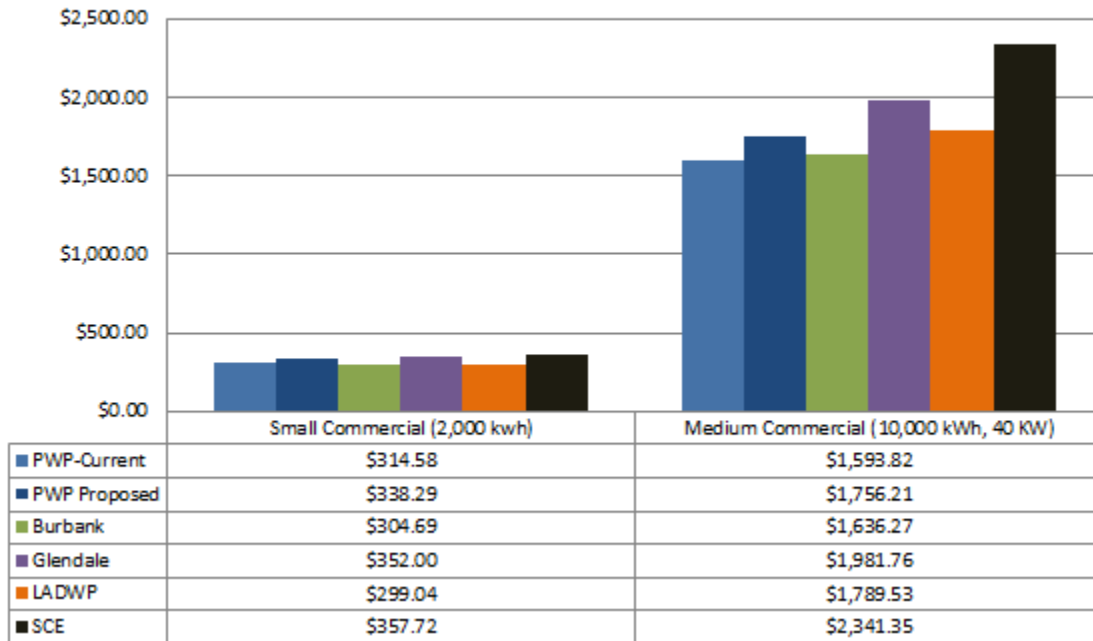
Attachment C

Rate Comparison with Neighboring Utilities

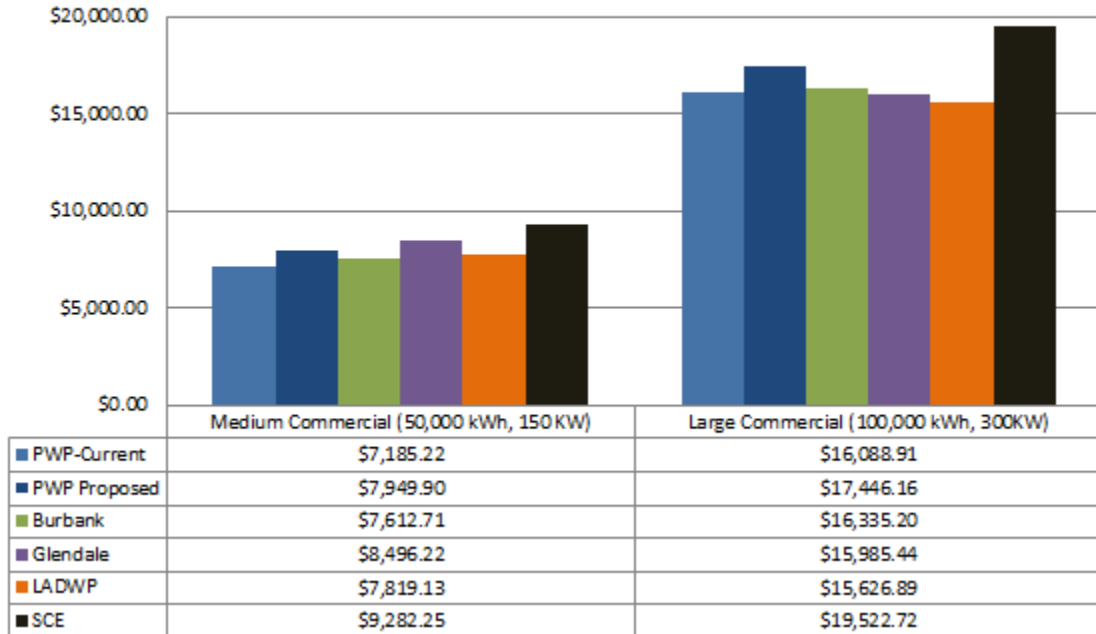


* Includes SCE's proposed \$5 increase to its Basic Charge

Commercial Bill Comparison (Excluding Tax and Surcharges)



Commercial Bill Comparison (Excluding Tax and Surcharges)



Pasadena’s electric rates are designed to recover the actual costs to provide services to all customer classifications. The rates do not provide for a subsidy between residential and commercial customers. As a result, the electric bills for some of Pasadena’s residential customer classifications may be higher than those of neighboring utilities who may still provide a subsidy to residential customers from commercial accounts.