



Ordinance Fact Sheet

TO: CITY COUNCIL DATE: June 12, 2017
FROM: CITY ATTORNEY
SUBJECT: ELECTRIC RATE INCREASES TO THE DISTRIBUTION AND CUSTOMER CHARGES

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 12, 2017. The amendments will increase the Distribution and Customer charges for all electric customers beginning July 1, 2017.

The Water and Power Department is recommending increasing the electric Distribution and Customer Charges to recover the increased costs to operate and maintain the electric distribution system, the portion of new debt service from the Electric Revenue Refunding Bond Issue of 2016 that is attributable to the distribution system, and to meet the requirement to provide necessary "pay-go" funding for capital investment in Electric System Projects. The revenues from the Distribution and Customer charges account for approximately 39 percent of the operating revenues from electric rates.

Detailed descriptions of how the ordinance will accomplish these purposes are contained in the Agenda Report dated June 12, 2017.

REASONS WHY LEGISLATION IS NEEDED:

Article XIV, Section 1403 of the City Charter requires electrical service rates to be prescribed by ordinance.

MEETING OF 06/13/2017
AGENDA ITEM NO. 16

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 charges for all customer groups is expected to generate an additional \$5.34 million annually (\$4.8 million from the Distribution charge and \$0.54 million from the Customer charge), thereby increasing the overall Power operating revenues by 2.6%. The system-wide average rate adjustment resulting from this proposed rate action is 3.0%.

POLICY CHANGES:

This ordinance does not result in any policy changes.

Respectfully submitted,


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