

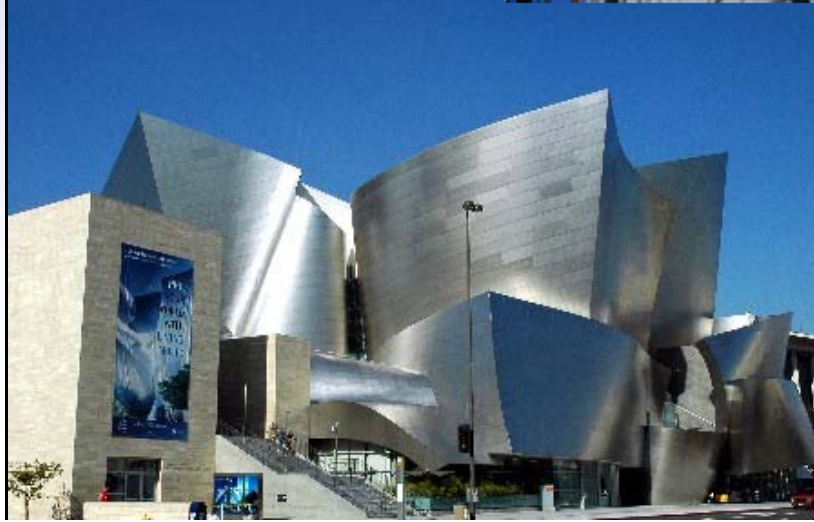
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**Comments on DWP  
1<sup>st</sup> Power System  
Rates Report Back to  
City Council's  
Energy &  
Environment  
Committee**



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## ***Progress on Quantitative Report Back Items is Necessary Before Major Rate, Contract, and Policy Actions***

- Each item should help to show how selected factors may impact power rates for all or some classes of customers.

#	Cost Related	Rate Impact	Description
2a	Yes	To be determined	Conduct negotiations with labor to find common ground that allows for greater flexibility to contract out effectively and bring salaries and benefits closer to other power utility providers.
2b	No	None / Revenue Neutral	Reevaluate and consider replacing the surcharge-based restructuring approach with fully restructured permanent rates once legal considerations allow.
2c	No	None / Revenue Neutral	Conduct a new formal cost of service study in order to prepare for future power rate restructuring.
2d	Yes	Minor/ Moderate	Conduct a benchmarking assessment to review the cost per project for the repowering program and the Power Reliability Program to ensure cost reasonableness.
2e	Yes	Moderate	Identify opportunities to contract out and explore the potential savings, including the benchmarking of staffing and outsourcing levels against utility peers.
2f	Yes	Minor	Review overtime expenses allocation, as well as the Department's contractual requirements that have an impact on overtime.
2g	Yes	Minor / Moderate as to reducing rate volatility	Complete a rigorous review of the Department's hedging plan to lock in low fuel prices.
2h	Yes	Minor	Establish a plan for energy efficiency that maintains expenditure levels at an achievable and cost effective level.
2i	Yes	Moderate	Seek greater Departmental efficiencies by pursuing process improvement efforts across a range of areas and practices.
2j	Yes	Status report only	Submit a semi-annual report to the Mayor and Council regarding the status of the renewable portfolio Standards program and its impact on rates

