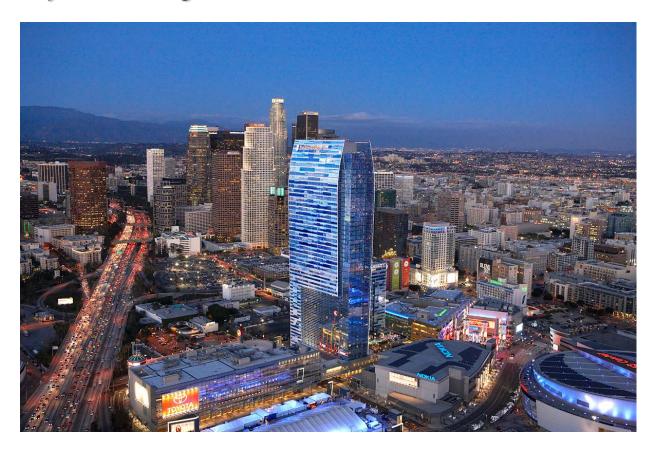


Department of Water and Power City of Los Angeles



Business Promotion Program

Prior Discounted Utility Rates

- State Enterprise Zone Program
 - Created a set of benefits for businesses that located in designated zones
 - Tax credits
 - Employee trainee benefits
 - Local governments allowed add on
 - Los Angeles added:
 - » Technical assistance
 - » DWP discounted rate program
 - A declining discount over a 5 year period
- Law signed in July 2013 to end program
 - Effective January 1, 2014, DWP no longer able to provide discount to newly eligible customers.

Continuing Need: Discounted Rates Support the Economy

- An important element in the economic development toolbox.
- Standard industry practice nationwide
- Can be a game-changer for attraction of new businesses
- Supports retention and growth of local jobs

Business Promotion Program

Goal:

 Attract <u>new</u> businesses, especially those with medium or large usage coming to the City of Los Angeles.

• Who benefits:

- The City –more jobs for residents, business friendly, supports local economy and the local tax base
- LADWP opportunities to use underutilized infrastructure and capacity to recover costs
- Business can help new businesses successfully enter, grow and stay within the Los Angeles marketplace

Business Promotion Program

In the new rate case, there is a marginal cost based Business Promotion option:

- Qualifying new commercial businesses under General service Schedule A2, A3, or A4 will be eligible to receive bill discount amounts that will be phased out over three years
- Business Promotion Service Rider is limited to a total of 80MW of customer load and available in October 2016

Business Promotion Program Bill Discount by Year

Year	Discount Amount
1 st Year	7.6%
2 nd Year	5.0%
3 rd Year	2.5%