

14-1152
Related Council Files:
11-2098; 11-0267; 12-1504

MOTION

ENERGY & ENVIRONMENT

On September 25, 2012, the Council adopted the Department of Water and Power's (DWP) proposed incremental electric rate ordinance which consisted of a two-year rate increase. The rate increase represented a 5.5% per year average increase in power revenues for the subsequent fiscal years.

In addition to the rate increase, the incremental electric rate ordinance included a variety of new surcharges distinct from the charges in the existing electric rate ordinance. The new surcharges included the Variable Energy Adjustment (VEA), the Capped Renewable Portfolio Standard Energy Adjustment (CRPSEA), the Variable Renewable Portfolio Standard Energy Adjustment (VRPSEA) and the Incremental Reliability Cost Adjustment (IRCA).

The Department proposed these surcharges to fund revenue requirements unmet in the existing electric rate ordinance.

The existing electric rate ordinance is composed of traditional base rate charges and associated surcharges such as the Energy Cost Adjustment (ECA) and the Reliability Cost Adjustment (RCA).

The water rate ordinance also includes a variety of surcharges and pass-through adjustments in addition to traditional base rate charges. These surcharges include the Water Procurement Adjustment (WPA), Water Quality Improvement Adjustment (WQIA), Water Revenue Adjustment (WRA) and Shortage Year rates which are applicable when drought conditions persist.

The double ordinance electric rate structure and the water rate structure are very complex and can be difficult to decipher for the average ratepayer. Given this, it would be appropriate to have the DWP provide the Council a thorough overview of its rate structures, their composition and the purpose of each surcharge and pass-through adjustment.


In this manner the residents/ratepayers can be better informed about the DWP's complex rate structure and how the funds are used to support Department operations and the delivery of water and power to the City.

I THEREFORE MOVE that the Department of Water and Power be requested to provide the Council an overview, in 30 days, of its standard electric rate structure, incremental electric rate structure and the water rate structure; the overview should include the following:


- The composition of each rate structure, both residential and commercial; and
- The purpose of each surcharge and pass-through adjustment associated with each rate structure.

AUG 19 2014

PRESENTED BY:


FELIPE FUENTES
Councilmember, 7th District

SECONDED BY:


Jose Huizar

ORIGINAL