MOTION

In September 2012, the City Council requested the Department of Water and Power (DWP) to conduct a benchmarking assessment of its operations and services to compare with other utilities and ensure cost reasonableness (CF# 12-1504). The request stemmed from a Ratepayer Advocate and independent third party review associated with a proposed rate matter.

On March 17, 2015, the DWP responded to the City Council's request by presenting the benchmarking assessment to the Board of Water and Power Commissioners. The assessment consisted of Phase I findings which stated that the DWP offers low rates compared to its peers and ranks favorably on system reliability and operational costs.

The assessment also showed that the DWP needs significant improvement in customer service. JD Power and Associates ranked the DWP last in customer service satisfaction amongst its peers.

The DWP reports that it plans to use the initial benchmarking assessment to identify areas for more in-depth analysis and pursue system-wide improvements. It will employ this approach as it conducts the next phases of its benchmarking assessment.

In the Department's effort to promote transparency and ensure it is focused on the needs of the ratepayers, the DWP should report its benchmarking assessment to the City Council. In this manner it can meet this objective; and fulfill the City Council's request of comparing the DWP's operations with other utilities and determining cost reasonableness.

I THEREFORE MOVE that the Department of Water and Power (DWP) be requested to report to the City Council in 30 days relative to its benchmarking assessment Phase I findings.

I FURTHER MOVE that the DWP report to the City Council as to its approach and scope of review for the Phase II and III component of the benchmarking assessment; and how it will use this information to implement system-wide improvements, including the area of customer service.

PRESENTED BY: _____

FELIPE FUENTES
Councilmember, 7th District

SECONDED BY: _____

MAR 2 0 2015