

MOTION

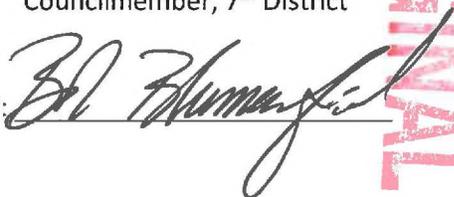
The City Council last approved a rate increase for the Los Angeles Department of Water and Power (DWP) in October 2012. At that time, the Council adopted CF 12-1504 which included the following 10 recommendations from the Independent Third Party Review:

- a) 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.
- b) Reevaluate and consider replacing the surcharge-based restructuring approach with fully restructured permanent rates once legal considerations allow.
- c) Conduct a new formal cost of service study in order to prepare for future power rate restructuring.
- d) Conduct a benchmarking assessment to review the cost per project for the repowering program and the Power Reliability Program to ensure cost reasonableness.
- e) Identify opportunities to contract out and explore the potential savings, including the benchmarking of staffing and outsourcing levels against utility peers.
- f) Review overtime expenses allocation, as well as the Department's contractual requirements that have an impact on overtime.
- g) Complete a rigorous review of the Department's hedging plan to lock in low fuel prices.
- h) Establish a plan for energy efficiency that maintains expenditure levels at an achievable and cost effective level.
- i) Seek greater Departmental efficiencies by pursuing process improvement efforts across a range of areas and practices.
- j) Submit a semi-annual report to the Mayor and Council regarding the status of the Renewable Portfolio Standards program and its impact on rates.

DWP recently announced that it would be seeking a new rate increase. It would be appropriate for the department to update Council on the progress it has made on implementing the recommendations that came out of the last rate review process.

I THEREFORE MOVE that Council REQUEST the Department of Water and Power and the Office of the Ratepayer Advocate, in conjunction with the Chief Legislative Analyst and City Administrative Officer, to report in 30 days on the status of each of the 10 recommendations.

PRESENTED BY: 
FELIPE FUENTES
Councilmember, 7th District

SECONDED BY: 

JUL 31 2015



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