MEMORANDUM TO FILE

PLACE IN FILES

JUL 03 2006

DEPUTY

DATE: July 3, 2006

COUNCIL FILE NO.: 96-1802

RE: EXPIRED COUNCIL FILE

This memorandum notes the expiration of the accompanying Council file/contents; the file is deemed terminated (received and filed) and the subject matter contained herein is closed. No other action is forthcoming.

Pursuant to Council action of September 13, 2005, all Council files pending before the City Council, which have not been placed on a Council or Committee agenda for consideration for a period of two years or more, are deemed received and filed (CF 05-0553). City Clerk, Council File Index Section: 213.978.1044

Brian Walters
Legislative Assistant

cc: Index Section

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FILE NO.	SUBJECT

(9)

98-0740 Board of Water and Power Commissioners communication requesting approval to execute an agreement with the U.S. Department of Interior, Bureau of Reclamation and the Nevada Power Company for the 230 kV Switchyard incorporating changes made to the McCullough Switching Station and specifying the terms and conditions under which the McCullough 230 KV Switchyard was constructed and will be owned, operated and maintained. [CAO to report]

Fiscal impact statement submitted: No

DISPOSITION _____

(10)

(Continued from 1/13/98 meeting)

97-2274 Communication from the Board of Water and Power Commissioners and ordinance relative to Grant of Nonexclusive Easement to the City of Vernon for public street and highway widening purposes across Transmission Line Right-of-Way No. 2B.

Fiscal impact statement submitted: Yes, by CAO

DISPOSITION _____

(11)

96-1802 Communication from the Board of Water and Power Commissioners and ordinance relative to modification of electric rate provisions applicable to customers with the City of Los Angeles and the Counties of Inyo and Mono.

Fiscal impact statement submitted: Yes, by CAO JCB

(CLA ADVISES 6/98 THIS ITEM NOT TO BE SCHEDULED UNTIL REQUESTED)

DISPOSITION _____

(12)

98-0927 Communication from the Board of Water and Power Commissioners and ordinance relative to delegation of authority to the Board and DWP General Manager to enter into Power Exchange Participation Agreements and Software Licensing Agreements. [CAO to report]

Fiscal impact statement submitted: No

DISPOSITION _____

REPORT FROM

CITY ADMINISTRATIVE OFFICER

TO	DATE	CAO FILE No.
The Commerce, Energy and Natural Resources Committee	9-19-96	0160-00070-0008
REFERENCE		COUNCIL FILE No.
Committee Chair Request for Report		
SUBJECT		COUNCIL DISTRICT
Proposed 1996 Electric Rate Ordinance - Followup Report		

SUMMARY

The Board of Water and Power Commissioners (Board) has adopted a proposal to modify power rates and has prepared a proposed rate ordinance for Mayor and Council approval. Prior to the Board's action, the City Administrative officer (CAO) reviewed the rate proposal and submitted a report and analysis to the Mayor. The CAO report dated July 16, 1996 recommended the adoption of the proposed rate ordinance with certain modifications. The CAO's recommendations were transmitted to the Board by the Mayor. The Board has substantially incorporated the CAO's recommendations into the draft ordinance.

On the last day of its legislative session, the California State Legislature passed Assembly Bill 1890. The bill provides the legislative foundation for restructuring the electric utility industry in California. This bill will impact the Department of Water and Power (DWP) and the City. Implementation of AB 1890 is expected to be legally and technically complex. Certain provisions of AB 1890 may conflict with provisions of the City Charter. The DWP and the City Attorney should submit to the Mayor and Council as soon as possible a detailed analysis of the impacts of AB 1890.

RECOMMENDATIONS

1. That the Council adopt the proposed power rate ordinance;

2. That the Board of Water and Power Commissioners be requested to provide written notice and a status report to the Mayor and Council thirty days prior to acting to approve an Energy Cost Adjustment (ECA) which includes debt reduction;

3. That the Department of Water and Power (DWP) be requested to report back to the Mayor and Council as soon as practical to describe its financial strategies and plans for coping with deregulation and that periodic status reports on this subject be submitted to the Mayor and Council by the DWP;

(Recommendations continued)

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CITY ADMINISTRATIVE OFFICER

CAO 649

4. That the DWP be requested to prepare and submit to the Mayor and Council a detailed analysis of AB 1890 and its impact on the City;

5. That the City Attorney be requested to review AB 1890, identify potential conflicts with the City Charter and report to the Mayor and Council possible Charter Amendments and other steps necessary to resolve the conflicts and implement the provisions of AB 1890 should the City so desire;

6. That the DWP be requested to report back to the Mayor and Council by January 1, 1997 with more detailed program and functional item information on the 1996-97 Budget, including discussion of the predicted impacts on service levels and a detailed multi-year plan for usage of the ongoing savings from the Focused Separation Plan.

FISCAL IMPACT STATEMENT

Implementation of the new power rate ordinance at mid year could result in an estimated General Fund revenue reduction of $1.5 million from Utility Users Tax in 1996-97. Because the very hot summer of 1996 has resulted in higher power sales to DWP customers than forecasted and power outages in July and August 1996 resulted in higher power sales to other utilities, the loss in Power Revenue Fund receipts and General Fund Utility User's Tax receipts may be less than estimated.

Assuming no change in forecasted sales and operating assumptions, full year implementation of the proposed power rate ordinance could reduce General Fund revenue from the Utility Users' Tax by $3.1 million annually and from the Power Revenue Transfer by $1.3 million annually. The annual reduction in revenue to the Power Revenue Fund would be $25 million and is approximately 1.3 percent of total billable revenue.

(Statement of Findings Attached)

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FINDINGS

1. Background

As stated in our 7-16-96 report, the proposed rate restructuring is an important step in the Department of Water and Power's preparation for deregulation and competition in the electric utility industry. Historically, electric utilities in the United States have been regulated monopolies providing three major elements of service to their customers: power generation, transmission and distribution. Deregulation is creating a market where customers will be allowed to choose among competing power generation suppliers. New rules adopted by the California Public Utilities Commission (CPUC) in December 1995 provide for a phased-in schedule allowing all customers of Investor-Owned Utilities (IOUs) such as Southern California Edison to choose their generation provider by the year 2003. The first phase of this transition is scheduled to begin January 1, 1998.

Although Publicly-Owned Utilities such as the DWP are not regulated by the CPUC or the State, pressure from their customers for access to the competitive power market is expected to be significant. Therefore, participation in the deregulation process by California's Publicly-Owned Utilities appears to be inevitable.

2. New State Legislation

Since our last report, the California State Legislature adopted AB 1890. This bill provides the legislative foundation for deregulation of California's electric industry and includes provisions to expedite the process. Implementation of AB 1890 will be complex. Considerable legal and financial analysis is necessary but has not yet been completed. The DWP and City Attorney should prepare and present to the Mayor and Council a detailed analysis and report as soon as possible on the impacts of AB 1890 on the City.

3. Board of Water and Power Commissioners' Action on CAO Recommendations

Following is a brief summary of our 7-16-96 recommendations and the Board's action.

CAO Recommendation 1A: Exercising the option to use the Energy Cost Adjustment (ECA) accumulated funds at year-end for reduction of the Department's debt should be approved by the Board of Water and Power Commissioners **or** by the Chief Accounting Employee **only after** an informational report is submitted to the City Council and the Mayor at least 30 days prior to the approval of the next Energy Cost Adjustment.

The Department is proposing a change in use of the Energy Cost Adjustment (ECA). The ECA is recalculated four times per year and is designed to cover the variable costs of fuel and purchased energy. The proposed ordinance provides that the DWP would have the option to use any fiscal year-end accumulated ECA funds to offset changes in the ECA for the following four quarters **or to reduce the Department's debt**.

(Findings continued)

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The Board did not change the ordinance language to allow for Mayor and Council review, but the DWP informs us that the Board can include this administrative step in their rules before taking any action on the use of accumulated ECA funds at year end. Thirty days advance notice should be sufficient for the City Council and the Mayor to review the proposal for appropriate action and prevent unnecessary and potentially adverse disruptions of the routine billing and revenue collection process.

Since we first made this recommendation we have reviewed the past performance of the ECA Balance Account to determine if the ECA mechanism has performed over the years as approved by the Mayor and Council. We have concluded that the ECA has performed as approved:

1. The ECA forecasting process introduced approximately 15 years ago has stabilized customer bills and the financial structure of the Power Revenue Fund. Stabilized bills permit accurate customer and Department budget and financial planning, and reliable forecasts of General Fund receipts from the utility users tax and Power Revenue Fund discretionary transfers.

2. On a reasonably consistent basis, approximately three percent of annual billable revenue has remained in the ECA Balance Account at year-end. This provides adequate working capital during any single quarter to handle unexpected cost increases.

3. The working capital balance in the ECA Balance Account is not permitted to drop to zero or less because this would force the use of bond funds to improperly subsidize operations and maintenance costs and customer bills.

   In terms of the 1994-95 billable revenue ($1,884.2 million) the target range of the year-end ECA balance was $0 - $56 million (0% - 3% of annual billable revenue). The ECA Balance Account year-end amounts for the last two completed fiscal years were as follows:

   June 30, 1995 - $36.8 million.

   June 30, 1996 - $71.7 million. This exceeded the target range because during 1995-96, the system operators were successful in negotiating unanticipated price reductions on natural gas and produced additional savings by purchasing large amounts of unexpected hydro-power caused by the wet weather in the Pacific Northwest.

   June 30, 1997 - The forecast is $30.9 million. This would return the ECA Balance Account to its target range. It is too early in 1996-97 to more accurately forecast the Balance Account at year-end.

The Council may wish to request that the Board provide a brief status report on the ECA at the end of each fiscal year.

(Findings continued)

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Recommendation 1B: The rates for Street Lighting should be adjusted to include an "energy only" rate and a "maintenance only" rate.

The ordinance has been revised to include a new Schedule LS-4 which is an "energy only" rate and a new Schedule LS-5 which is a "maintenance only" rate. Use of these rates will allow the Bureau of Street Lighting (BSL) to purchase energy separately from maintenance. The Bureau will be able to assess the cost effectiveness of obtaining services from the DWP, consider alternative service levels or consider alternative service providers.

The LS-2 Schedule (combined energy and maintenance) in the ordinance will still be available for the BSL if this combined rate for energy and maintenance is ultimately considered to be preferable. The LS-2 Schedule includes a previously undisclosed subsidy for the Street Lighting Assessment Fund of approximately $2.7 million by providing energy to the BSL at the less expensive high voltage rate without including the additional costs to convert the energy to the lower voltage required by the Street Lighting system. If the BSL decides to purchase both energy and maintenance service from the DWP, the combination of LS-4 (energy) and LS-5 (maintenance) Schedules will cost the Assessment Fund $2.7 million more than the LS-2 Schedule (energy and maintenance).

Recommendation 1C: If the Mayor and Council intend for the DWP to continue absorbing the costs of General Benefit Lighting, the Board of Water and Power Commissioners should be requested to add this item to the list of approved subsidies in the ordinance.

In the 1993-94 adopted City budget, the Mayor and City Council made a decision that the DWP should absorb the costs of General Benefit Lighting (lights located in tunnels, on bridges and at intersections). Costs for these lights in 1996-97 are estimated to be $1.2 million. The language in the proposed rate ordinance includes the ability to collect the costs of General Benefit Lighting through the Energy Subsidy Adjustment. The DWP informs us that they will bill for these costs within the provisions of this section.

Recommendation 1D: That the alternative wording for the Competition Transition Charge submitted by the CAO be substituted for the original wording in the proposed ordinance.

The proposed ordinance included a provision that would allow the DWP to implement a Competition Transition Charge (CTC), subject to future approval by the Board of Water and Power Commissioners and adoption by the City Council and Mayor by ordinance. This charge would allow the DWP to recover from its customers certain costs which exceed revenues ("stranded costs") if the market price for energy under competition is too low to cover the Department's costs. The logic that argues for a CTC is that customers should bear their fair share of the historical costs incurred by the utility to guarantee availability and reliability of service.

The ordinance adopted by the Board of Water and Power Commissioners includes revised language as recommended by the CAO. The revised language allows the City the flexibility to structure its own CTC if and when needed and does not tie the charge to the State's action

(Findings continued)

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prematurely. The provisions of AB 1890 may affect any CTC to be developed and implemented by the City. The Department's report on the impacts of AB 1890 including the analysis of the City Attorney should include a discussion of this issue.

Recommendation 2: That the DWP be requested to report back to the Mayor and Council as soon as possible to describe its financial strategies and plans for coping with deregulation and competition for energy sales.

In August 1996, the Council approved a CAO report recommending an immediate review of DWP related General Fund revenue. The goal is to provide options to revise and restructure these revenue sources to find a reasonable balance between the needs of the General Fund and the needs of the Water and Power Revenue Funds, while minimizing financial disruptions to the City, DWP, and DWP customers. The CAO, CLA and the DWP are currently conducting such a review with a report expected in November 1996. As part of this review, the DWP should describe its financial options and plans for coping with deregulation.

Recommendation 3: That the DWP be requested to report back to the Mayor and Council with more detailed information on the 1996-97 budget by January 1, 1997, including discussion of the estimated impact on service levels and a detailed multi-year plan for usage of the ongoing savings from the Focused Separation Plan.

The DWP has not submitted a report on the 1996-97 budget and it is unknown at this time when such a report will be available.

Olivia Aceves-Vallelunga

Olivia Aceves-Vallelunga
Principal Administrative Analyst

APPROVED:

Assistant City Administrative Officer

OAV:dbu

Enclosure

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TRANSMITTAL

0160-00070-0008

TO	DATE	COUNCIL FILE No.
The Board of Water and Power Commissioners		
FROM		COUNCIL DISTRICT
The Mayor		

Proposed 1996 Electric Rate Ordinance

I am returning approved for further processing the proposed rate ordinance. Please see the attached report of the City Administrative Officer. I concur with the recommendations included on the attached City Administrative Officer report.

MAYOR

CAO 649-d

REPORT FROM

CITY ADMINISTRATIVE OFFICER

TO	DATE	CAO FILE No.
The Mayor	7-16-96	0160-00070-0008
REFERENCE		COUNCIL FILE No.
Mayor's referral for report dated May 16, 1996 under Executive Directive No. 39		
SUBJECT		COUNCIL DISTRICT
Proposed 1996 Electric Rate Ordinance		

SUMMARY

The General Manager of the Department of Water and Power (DWP) has submitted a proposal to modify electric rates and has prepared a proposed ordinance for Mayor and Council approval.

Reasons for the DWP Proposal

The proposed rate restructuring is an important step in the DWP's preparation for deregulation of the electric utility industry. Historically, electric utilities in the United States have been regulated monopolies obligated to provide the three major elements of service to their customers, power generation, transmission and distribution, with near-perfect reliability. Deregulation is creating a market where customers will be allowed to choose among competing power generation suppliers. Obligation to serve and high reliability rules applicable to traditional electric utilities do not apply to the independent nonregulated power producers and the co-generators who will gain access to retail power customers under deregulation. New rules adopted by the California Public Utilities Commission (CPUC) in December 1995 provide for a phased-in schedule allowing all customers of Investor-Owned Utilities such as Southern California Edison to choose their generation provider by the year 2003. The first phase of this transition is scheduled to begin January 1, 1998.

Although Publicly-Owned Utilities such as the DWP are not regulated by the CPUC, pressure from their customers for access to the competitive power market is expected to be significant. Participation in the process by California's Publicly-Owned Utilities appears to be inevitable.

In a deregulated environment, large commercial and industrial customers who produce a significant percentage of electric utilities' revenues are expected to be vigorously pursued by competing power generators. Approximately 2,800 large commercial and industrial customers of the DWP are responsible for nearly $600 million or 32% of the Department's $1.9 billion annual Power Revenue Fund rate revenue. Loss of business from many of these customers could cause substantial financial hardship for the DWP, its remaining customers and the City.

(Summary continued)

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To effectively compete under deregulation, electric utilities must be able to identify their costs to serve customers and should be able to charge prices that match or "recover" those costs. The DWP has recently completed a cost of service analysis that indicates its electric rates for the largest commercial and industrial customers exceed the costs to deliver the service. Comparisons with Investor-Owned Utilities in California show that the DWP's rates are competitive for residential and small commercial/industrial customers but are not competitive for the large business customers.

Highlights of the Proposed Rate Ordinance

Significant proposed changes to DWP's existing Electric Rate Ordinance include: (1) a restructuring of customer classes, by shifting 389 medium-size business customers to the large industrial/commercial class to better align the cost of service with price; (2) a $25 million price reduction for the large industrial/commercial class to more closely match price with the cost to serve these customers; and (3) separate identification ("unbundling") of the DWP's costs for generation, transmission and distribution for all customers, with the large industrial/commercial customers seeing separate charges on their bills for each of the three components of service.

The proposed ordinance also introduces a provision that would allow the DWP to implement a Competition Transition Charge (CTC), subject to future approval by the Board of Water and Power Commissioners (Board) and adoption by the City Council and Mayor by ordinance. This type of charge could be used by the DWP to recover from its customers certain costs which exceed revenues ("stranded costs") if the market price for energy under deregulation is too low to cover the Department's costs. The CTC concept is being studied by Investor-Owned Utilities and the CPUC and will be approved in some form by January 1998. Among the CTC structures that could be allowed are a surcharge on all customer bills for a fixed period of time or a charge to just those customers who choose to leave the DWP system and purchase power from a third party. The logic that argues for a CTC is that customers should bear their fair share of the historical costs incurred on their behalf by the utility to guarantee availability and reliability of service.

The DWP's original version of the CTC provision linked the City's implementation of the charge to some action by the CPUC. Because the DWP is not regulated by the CPUC, we are recommending revision of this provision to eliminate reference to the State's action. The City should have the flexibility to structure its own CTC if and when it is needed. The precise language we are recommending for the CTC provision is included in Finding #6 of this report. This language has been reviewed and approved by the City Attorney.

In addition, the Department is proposing a change in the Energy Cost Adjustment (ECA). The ECA is recalculated four times per year and is designed to cover the variable costs of purchased fuel and purchased energy. The proposed ordinance provides that the DWP may have the option, exercised by the Chief Accounting Employee, to use any fiscal year-end accumulated ECA funds to offset changes in the ECA for the following quarters **or to reduce the Department's debt**. We believe including this **option** in the new rate ordinance is prudent. However, we also believe the Mayor and City Council should remain involved in this process. Therefore, we are recommending a revision to the proposed ordinance that would preserve the Mayor and Council's prerogative to review the matter when a decision is made to exercise the option.

(Summary continued)

Impact on Customers

Only 2,800 of the DWP's 1.3 million customers are affected by the proposed rate restructuring. Bills for residential and small and medium-size commercial/industrial customers will not change. Of the 2,800 large commercial and industrial customers affected by the rate restructuring, 1,960 will receive bill decreases. Increases of less than 10% will be experienced by 700 customers and 140 customers will see increases of 10% or more.

Based on the Department's cost analysis, the new rates are designed to more closely align the price with the cost of providing service. As a result, these customers should receive more accurate price signals to help them make appropriate business decisions regarding their usage of energy services. According to the DWP, many of the customers who will receive bill increases have irregular and inefficient usage of energy. In preparation for implementation of the new rates, DWP staff have been meeting with these customers to inform them of their options for improving the efficiency of their power usage. After an initial period of experience with the new rates, many of these customers should be able to improve their situation. Unusual problems may take some time to identify and resolve. The Department has made a commitment to providing customer service and has indicated that staff will be available to assist in resolving difficulties that may arise.

Bills paid by the Bureau of Street Lighting (primarily for the Los Angeles City Lighting Districts) will increase 24% over a two-year period. This increase must be passed along via the assessment of the properties included in the Lighting Districts. Because the increase is significant, the Bureau has requested and the DWP has agreed informally that new, separate rates for "energy only" and "maintenance only" will be prepared for street lighting. We are recommending that: the rate ordinance be adopted as originally proposed by the DWP; the DWP proceed to develop an "energy only" and a "maintenance only" rate for street lighting; and the DWP return at a later date with a proposed rate ordinance amendment to implement the new "energy only" and "maintenance only" rates for street lighting.

As approved by the Mayor and Council in the 1993 Power Rate Ordinance, the DWP continues to absorb the costs for City Utilitarian Lighting (safety lights mounted on DWP power poles but considered to be part of the City's street lighting system). These costs for 1996-97 are estimated to be approximately $2.9 million.

In the 1993-94 City Budget, the Mayor and City Council made a decision that the DWP should absorb the costs of General Benefit Lighting (lights located in tunnels, on bridges and at intersections). The Rate Ordinance was not amended. The DWP continues to bill the Bureau of Street Lighting for General Benefit Lighting even though no funds have been budgeted for this purpose. Costs for these lights in 1996-97 are estimated to be $1.6 million. We are recommending that the proposed rate ordinance be amended to add this item to the approved list of subsidies.

Impact on the General Fund

The power rate restructuring could reduce General Fund revenues from the Utility Users' Tax and the Power Revenue Transfer. The proposed $25 million rate reduction, if implemented for a full year, could result in an annual loss of $3.1 million in Utility Users' Tax on power. Assuming the Power Revenue

(Summary continued)

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Transfer continues after 1996-97, full-year implementation of the $25 million rate reduction could reduce the annual Power Revenue Transfer by $1.3 million. In a separate report dated July 1, 1996 we have recommended that the DWP, CAO, CLA, City Attorney and City Clerk be instructed to undertake an immediate review of DWP-related General Fund revenue. The goal should be to find a reasonable balance between the needs of the General Fund and the needs of the Water and Power Revenue Funds.

Financial Impact on the DWP

The DWP has adopted a 1996-97 Power Revenue Fund budget which assumes approval of the proposed power rate restructuring effective 10-01-96. The Department has pledged a portion of its savings from its Focused Separation Plan to finance the $25 million rate reduction for the large industrial/commercial customer class (a summary of Focused Separation Plan results is included as Attachment B to this report). In order to fund this permanent rate reduction, the Department is challenged to maintain permanent, ongoing cost reductions which will offset the foregone revenue.

The Department's 1996-97 budget was in the process of development and was adopted as this report was being written. Detailed information was not available in time for our staff to complete an analysis of the budget. It would be useful for the Mayor and City Council to have more information on this budget, including the Department's estimates of the impacts on service levels.

DWP Financial Preparations for Deregulation

The DWP is now developing various financial plans to further prepare the Power Revenue Fund for competition under deregulation. To be competitive in the new environment, it appears that the Department may need to continue reducing its costs. Some of the DWP's options and strategies for cost reduction include elimination of all new borrowing and restructuring and/or accelerating retirement of existing long-term debt. The total Power Revenue Fund debt obligation is $7.9 billion. In the past, regulated utilities were guaranteed rates sufficient to cover their costs, including debt. In a deregulated market, it appears that traditional utilities will lose their guaranteed customer bases and their guarantee of rate revenue sufficient to cover all costs.

A summary discussion of options available to the DWP is included in the Findings section of this report. It is possible that these, as well as other options not yet identified, could be used in combination. Many uncertainties exist and it is not possible to identify the "right answer" at this time. The decisions made by the DWP as it attempts to cope with deregulation will have important implications for the City. Therefore, we are recommending that the DWP report back to the Mayor and City Council with descriptions and status reports on its financial strategies being developed to cope with the new deregulated environment.

RECOMMENDATIONS

1. That the Mayor approve the proposed power rate ordinance and return it to the DWP for consideration by the Board of Water and Power Commissioners and forwarding to the City Council, except that the following changes be incorporated:

(Recommendations continued)

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A) That the Board of Water and Power Commissioners shall notify the Mayor and Council at least 30 days in advance when the option to use the Energy Cost Adjustment accumulated funds for reduction of the Department's debt is to be part of an Energy Cost Adjustment approved by the Board;

B) That the Board of Water and Power Commissioners proceed to implement the new rates for Street Lighting as included in the proposed ordinance and direct DWP staff to return at a later date with a proposed rate ordinance amendment to implement an "energy only" and a "maintenance only" rate for Street Lighting;

C) That the Board of Water and Power Commissioners add General Benefit Lighting to the list of approved subsidies in the ordinance;

D) That the wording for the Competition Transition Charge provision be amended substantially as described in Finding #6 of this report;

2. That the DWP be requested to report back to the Mayor and Council as soon as practical to describe its financial strategies and plans for coping with deregulation and that periodic status reports on this subject be submitted to the Mayor and Council by the DWP;

3. That the DWP be requested to report back to the Mayor and Council by January 1, 1997 with more detailed program and functional item information on the 1996-97 Budget, including discussion of the predicted impacts on service levels and a detailed multi-year plan for usage of the ongoing savings from the Focused Separation Plan.

FISCAL IMPACT STATEMENT

Full year implementation of the proposed power rate ordinance could reduce annual General Fund revenue from Utility Users' Tax by $3.1 million and from the Power Revenue Transfer by $1.3 million.

(Statement of Findings attached)

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FINDINGS

1. Basis for this Report

In accordance with Executive Directive No. 39, the General Manager of the Department of Water and Power (DWP) has submitted to the Mayor a proposal to modify electric rates. The Mayor has requested the City Administrative Officer to review the proposal and report back.

2. Reasons for the DWP Proposal

A) The 1978 Public Utility Regulatory Policy Act (PURPA) made it possible for improved technologies and nonregulated independent power producers to generate electricity at much lower cost than is possible by large regulated power plants. The availability of inexpensive natural gas fuel has also made it possible to generate power at lower costs. Large commercial and industrial customers, under constant pressure to reduce their expenses in order to remain competitive, have been lobbying for access to a deregulated power market where lower cost electric power could be obtained. In a deregulated environment these large commercial and industrial customers, who produce a large percentage of regulated electric utilities' revenues, are expected to be vigorously pursued by competing power generators. In response to these pressures the Federal Energy Regulatory Commission (FERC) and California Public Utilities Commission (CPUC) are introducing **deregulation** into the electric utility industry. This is creating a market environment where customers may choose among competing electric generation suppliers. Transmission and distribution are expected to remain regulated, although changed in some ways.

Under the 1992 Federal Power Act, federal rules require that wholesale generation providers be granted access to existing utilities' transmission systems to deliver power to their retail customers. In order to comply with federal rules, the DWP must develop transmission billing rates which can be charged to generation suppliers (including DWP generators) for use of the DWP transmission facilities. New rules adopted by the CPUC in December 1995 provide for a phased-in schedule allowing all customers of Investor-Owned Utilities in the state of California to choose their generation provider by the year 2003. The first phase, beginning January 1, 1998, will allow for a representative number of retail customers to have the option of choosing among competing power generation providers. Because Publicly-Owned Utilities (i.e., the municipals) such as the DWP are not regulated by the CPUC, local City Councils and Utility District Boards of Directors will eventually determine how and when their customers may have access to the competitive power market. However, the pressure for access will be great and participation by Publicly-Owned Utilities in this new market appears to be inevitable.

The problem for the City is that approximately 2,800 large commercial and industrial customers of the DWP are responsible for nearly $600 million or 32% of the department's $1.9 billion annual Power Revenue Fund revenue. Should many of these large customers decide to purchase power from generators other than the DWP or to "self-generate" (produce their own power), the DWP could lose substantial sums of revenue. Fixed costs,

(Findings continued)

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such as debt service, lifeline, low-income and other subsidies, would then most likely be recovered from the remaining customers who would probably experience significant rate increases.

B) Deregulation decisions made to date at the federal and state level are resulting in a need for existing electric utilities to separately identify or "unbundle" their costs and develop separate rates for the three distinct elements of the business: generation, transmission and distribution. The DWP has recently completed a study to determine the costs attributable to each element and, within each element, to customer classes. After the costs are attributed to business elements and customer classes, appropriate prices (rates) can be developed to recover costs. The goal is to match ("align") cost with price.

According to the cost of service analysis completed by the DWP, the **price** for electric power supplied by the DWP to its largest commercial and industrial customers **does not match the cost to provide it.** The following table shows the imbalances between price and cost for the various customer classes. If this imbalance were corrected to more closely align price with cost, then the DWP would be able to provide more accurate and useful cost information to its customers and better prepare itself for competition under deregulation.

	Current Price (Millions) % of Total Revenue	**Current Cost of Service (Millions) % of Total Cost**	**Difference (Millions)**
Large Commercial/Industrial	$485.4 25.76%	$340.4 18.07%	($145.0)
Medium/Large Commercial Industrial (High Voltage)	$137.1 7.28%	$111.7 5.93%	($25.4)
Medium/Large Commercial Industrial (Low Voltage)	$371.1 19.70%	$276.4 14.67%	($94.7)
Small Commercial and Industrial	$343.3 18.22%	$504.5 26.78%	$161.2
Residential	$547.3 29.04%	$651.2 34.55%	$103.9
Total	$1,884.2	$1,884.2	$0

(Findings continued)

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C) As the preceding chart shows, the DWP's large and medium-size industrial and commercial customers are paying prices which exceed the DWP's costs to provide power services. In effect, these **customers are "subsidizing" other customers.** This provides an additional incentive to the large customers to obtain their power elsewhere. Investor owned electric utilities (IOUs) such as Pacific Gas and Electric (PG&E), Southern California Edison (SCE) and San Diego Gas and Electric (SDG&E) are also confronted with cost/price problems as they prepare for the deregulated market scheduled to begin in 1998. Capping off a multi-year effort to match cost and price as part of its deregulation efforts, the CPUC is now emphasizing an even closer correlation between prices and costs and gradual elimination of all cross-class subsidies. Because the dividend returns to the investors can be changed, Investor-Owned Utilities have more financial flexibility in adjusting rates to match cost with price.

The tables in **Attachment A** show monthly bill comparisons for current DWP rates and proposed rates with current Edison and PG and E rates for comparable customers. DWP rates are currently competitive with Edison and PG and E, except for the very largest commercial and industrial customers, the source of large amounts of Power Revenue Fund revenues. Recognizing the general view that IOU's in California are noncompetitive on a national basis, Edison has already announced the goal of a 25 percent reduction in its pricing. Table A-3 shows that by the end of the decade if Edison is successful, that only DWP's residential and small commercial and industrial customers prices would remain competitive even in the local area. Medium and large commercial customers, the **source for more than half of the revenue to the Power Revenue Fund**, would be subject to capture by either Edison or PG and E or any independent power producer, as well as almost any generator outside of California.

3. **1996 Electric Rate Ordinance Proposal**

The DWP's rate package proposes the following modifications to the current Electric Rate Ordinance:

A) The DWP has separately identified ("unbundled") its costs for generation, transmission and distribution for all customer classes. For large commercial and industrial customers the billing rates are separated for each of the three components of electrical service (generation, transmission, and distribution) and charges for each of these components are displayed on the customer's bill.

B) Prices for each component are partially adjusted for the large commercial and industrial customers to more closely match the cost to serve those customers. Some of the DWP's savings from the Focused Separation Plan (FSP) will be used to accomplish an overall price reduction for this customer class (**see Attachment B**).

C) The Energy Cost Adjustment (ECA) has been redefined to more accurately describe the true cost of energy only. Whereas the current Energy Cost Adjustment includes both fixed and variable costs of purchased energy and purchased fuel, the proposed ECA includes

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only the variable portions of this cost. The fixed costs of purchased energy and purchased fuel (primarily the debt service for the Intermountain and Palo Verde Generating Stations) are shifted to "base rates", thus increasing the base portion of the customer's bill and decreasing the ECA portion. **Customers will see no change in the total dollar amount of their bills as a result of the redefinition of the ECA.**

D) The Energy Cost Adjustment will continue to be recalculated four times per year at the start of each quarter. Revenues generated by the ECA in excess of the costs actually incurred by the DWP ("overcollections") are used to reduce the ECA in the following quarters. Conversely, if the ECA generates insufficient revenues to cover the actual costs incurred ("undercollections") the additional amount needed is added to the ECA in the following quarters.

The proposed ordinance provides that any portion of the fiscal year-end ECA account balance resulting from overcollections caused by the differences between the budgets and the actual costs may be accumulated in an ECA Stabilization Account. These amounts may be transferred at the discretion of the DWP Chief Accounting Employee to offset changes in the ECA ("stabilize" the ECA) **or to reduce the Department's debt**. The option to use these funds to reduce the Department's debt is a **new feature** in this proposed ordinance. The DWP is projecting that the maximum overcollection amount that might accumulate in a fiscal year would be $15 million, which is 8/10 of one percent of estimated Power Revenue Fund rate revenue in 1996-97. An overcollection amount of $15 million in fiscal year 1996-97 would, if used to stabilize the ECA, provide for an ECA reduction of approximately 1/10 cent per kilowatt hour.

DWP staff believe there is greater benefit to its customers in having the **option** to either use this money **to accelerate payment of debt** (thus reducing long-term costs) or use it for ECA stabilization in any fiscal year.

E) The concept of a Competition Transition Charge (CTC), subject to future Board of Water and Power Commission approval and adoption by the Mayor and Council by ordinance, is introduced. This charge could allow the DWP to recover certain costs which exceed revenues ("stranded costs") if the market price for energy under deregulation is too low to recover the Department's costs.

The CTC concept is under study by Investor-Owned Utilities and the CPUC. The current concept focuses on the recovery of unrecovered capital investments. Among the CTC structures that might be allowed are a surcharge on all customer bills for a fixed period of time or a charge to just the customers who choose to purchase power from a third party.

F) The discounts for the Enterprise Zone and Disaster Recovery rate schedules are redesigned. The resulting discount (applied over a five year period) will be the same dollar amount for the customer.

4. **Impact on Customer Bills (See Attachment C for Summary)**

(Findings continued)

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4. **Impact on Customer Bills (See Attachment C for Summary)**

A) **Residential customer bills will not change**. The difference will appear in the method of calculation of the Energy Cost Adjustment **(Attachments D through F).**

B) **Small commercial and industrial customer bills will not change**. The difference will appear in the method of calculation of the Energy Cost Adjustment. Examples of typical customers in this category are video rental stores, travel agencies or small medical offices **(Attachments G and H).**

C) **Medium to large commercial and industrial customers,** which may include government buildings, have been classified into three sub classes by DWP: A-2-A which are typically small stores, hardware stores, and two-story office buildings; A-2-B which are typically supermarkets, medium-size manufacturers, and large stores; and A-2-C which typically include most of the businesses in the previous two categories but are part of a larger complex such as a mall and therefore are served at a higher voltage level, the same as the A-3 class. **There will be no change to the A-2-A and A-2-B customer bills,** other than the definition of the Energy Cost Adjustment **(see Attachments I and J). The A-2-C group of customers will be transferred to the large commercial and industrial rate structure (see Attachment K).** Bill adjustments for the A-2-C group are discussed in the rate structure section below.

D) **The large commercial and industrial customers (A-3 class) will be impacted the most by the proposed rate ordinance.** These customers include operations such as large television stations, hospitals, and large office buildings and industrial operations such as pumping plants and manufacturing plants. In addition to seeing rates and charges listed separately by service element (generation, transmission and distribution), customers will see either increases or decreases in the bill for each meter - an individual corporation could have several meters with differing results - depending on the size of their individual electric "services" (the wires and related facilities necessary to supply electric energy to the customer) or usage of those services in certain facilities.

Number of Customers in A-3 Class	% of A-3 Class
1,960 large business meters receive **bill decreases**	70%
700 large business meters have **increases less than 10%**	25%
140 large business meters have **increases greater than 10%**	5%

The DWP has been working with the A-3 customers to assist them in understanding its rate proposal and to provide options under the ordinance for the future. According to the Department, those customers who will experience 5 to 10% increases typically have low or irregular usage of energy. This group could include a pumping station which only pumps at certain hours of the day or only certain days of the week, but the DWP's capacity to serve this customer must be available at 100% of the customer's maximum demand at any given time. Another example of a customer in this group would be a building which is not

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fully utilized and is only "on line" for electric power service to maintain lighting or security services.

Many of the customers who will experience greater than 10% increases are businesses that operate under special or unusual conditions. In some cases, the percent change for the customer may be 10% or more but the actual dollar increases are low. Some customers will experience cost increases because their business operations require them to use power at the most expensive periods of the day but this may be the only choice available to the customer given the customer's operations.. For example, a crane operator at the L.A. harbor must use power to operate when ships are in dock. This could be at peak price periods of the day for power usage, but it is the only practical choice given the nature of ship arrival and departure schedules. Some of these customers, when contacted by the DWP, indicated that the increased rates would be acceptable as long as their competitors were being charged the same rates.

See **Attachments L through N** for samples of proposed bills for a brewery, a major office building and a pumping facility.

E) **The Parallel/co-generators** (PG) are those that self-generate part or all of their own energy requirements. **Most of the Parallel/co-generators will see increases in their bills because DWP's rates do not now reflect the full cost to serve these customers.** These customers are typically connected to the DWP distribution system for back up or standby power or so that self-generated excess can be passed through the DWP system to other facilities owned by the co-generator. The DWP is negotiating individual agreements with co-generators to 1) guarantee long term relationships in a deregulated environment and 2) make their power available to the DWP in case of emergencies or power outages.

Independent, nonregulated power production such as that pursued by the PGs was prompted by PURPA and has been protected by government as an incentive to develop new technologies and provide market choices. Over the years the DWP has incurred costs to build facilities to handle the demand co-generators place on the City's power system. DWP facilities of considerable size and cost are needed to provide the backup service necessary in the case of a co-generators's power failure. If the co-generator operates efficiently (as shown by a high load factor), typically the customer does not cause unusually large unrecovered costs for the DWP. On the other hand, an inefficient co-generator can cause substantial costs which must be recovered from other DWP customers.

The co-generation industry has become sufficiently mature that subsidies for inefficient operation in the face of deregulation can no longer be supported. There are currently 20-30 co-generators in the City of which 10 to 12 are major customers with generating capability of approximately 300 megawatts. With the exception of the County of Los Angeles, all of these co-generators have run inefficiently in the past because appropriate price signals were not made to them from DWP's prices. The DWP is working with the co-generators to help them manage their energy needs and their costs.

(Findings continued)

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The proposed rate ordinance would revise "standby" and other charges to encourage more efficient operations by a co-generator and to recover the full cost experienced by the DWP. Bill increases would be limited to no more than 20 percent of the prior year's bill until DWP's full cost is recovered.

Attachments O through R are sample monthly bills for two co-generators: one bill for a relatively small co-generator currently operating with reasonably high efficiency (detailed on the bill as a good load factor) and three bills for a large co-generator with poor efficiency (detailed on the bill as a load factor of zero).

The proposed rate ordinance increases the bill for the small co-generator over a two-year period until DWP's costs are recovered, as follows:

	CURRENT (11-22-95)	PROPOSED YEAR 1	PROPOSED YEAR 2
	$85,775	$85,775	$88,084
% Change		0%	2.7%

The large co-generator who continues operating inefficiently experiences significant bill increases over the next four years until full cost recovery is realized. An example of this type of operation would be a customer who routinely takes its own power generators "off line" during the day. When this happens, DWP must provide back-up power at the most expensive time of day. If the customer were to change its schedule to perform maintenance in the evening when power rates are low, the DWP's charges for back-up power would be lower. If the large co-generator changes its behavior to operate more efficiently, the bill increases will not be as great:

	CURRENT (11-22-95)	PROPOSED YEAR 1	PROPOSED YEAR 2	PROPOSED YEAR 3	FINAL YEAR
	$113,421	$113,421	$131,034	$148,646	$243,045
% Change		0%	20%	40%	114%

F) **Overall, the bill increases for Street Lighting will average 24% over two years.** Three rate schedules apply to Street Lighting. When added together, the changes in these three schedules average 24% by the end of the second year:

LS-1: This schedule includes Utilitarian Safety Street Lights owned by DWP and mounted on DWP wooden power poles. These lights are considered to be part of the City's street lighting system. DWP provides installation, energy and maintenance. Some Los Angeles City Lighting Districts (LACLD) which benefit special groups of businesses and residences are also included in this rate schedule. Prior to 1993 costs for the Utilitarian Lighting were paid by the City. Since 1993 Utilitarian Lighting costs have been absorbed by the DWP, as requested by the Mayor and City Council and included in the 1993 Rate Ordinance.

(Findings continued)

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LS-1	Utilitarian Lighting	Street Lighting Districts
Current Annual Bill	$1,731,179	$24,399
Proposed Increase First Year	$1,174,421	$3,555
Proposed Increase Second Year	$131,318	$2,459
Proposed New Total	$3,036,918	$30,413
Paid By	DWP	LACLD

LS-2: This rate schedule applies to electroliers on City streets. Electroliers are street lights owned by the Bureau of Street Lighting (BSL) and mounted on free-standing metal or concrete poles owned by the BSL. DWP provides energy and maintenance. Included in this rate schedule are General Benefit Lighting (lights located in tunnels, on bridges and at intersections) and certain LACLD lights. Proposed assessment increases for the LACLDs in 1996-97 will be 10.8%, 5.3 % of which is attributable to the DWP rate restructuring.

LS-2	General Benefit Lighting	Street Lighting Districts	Other Districts
Current Annual Bill	$1,161,972	$13,915,147	$162,738
Proposed Increase First Year	$292,782	$2,187,389	$13,338
Proposed Increase Second Year	$182,713	$1,089,389	$13,337
Proposed New Total	$1,637,467	$17,189,925	$189,413
Paid By	DWP	LACLD	Private Districts

LS-3: This rate schedule includes Electrolier Street Lights owned by the BSL and mounted on BSL lighting poles. DWP provides energy only. This rate schedule covers approximately 100 BSL lights. Approximately 90 to 95 percent of the lights covered by this rate schedule belong to Cal Trans and the remainder belong to private districts.

LS-3	Bureau of Street Lighting	Cal Trans
Current Annual Bill	$24,666	$1,170,816
Proposed Increase First Year	$1,068	$43,067
Proposed Increase Second Year	$1,069	$43,066
Proposed New Total	$26,403	$1,256,949
Paid By	LACLD	Cal Trans

(Findings continued)

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Note:

(1) For all the rate schedules, the BSL prefers that the street lighting prices be separated into components. The Bureau believes that this will provide better information and will help to explain and justify the increase in the assessments for LACLD. The two major billing components, energy and maintenance, are currently charged as one bulk amount per lamp by DWP.

In recent meetings the DWP has informally agreed to amend the proposed rate ordinance to include a new category (LS-4) which would be an "energy only" rate for the BSL. The DWP has also agreed to prepare a separate rate for normal maintenance service which the DWP provides to the Bureau. Once the DWP provides a separate rate for maintenance and a separate rate for energy, the BSL will be in a position to assess the cost effectiveness of maintenance services and consider alternative service levels or alternate service providers. We are recommending that the proposed ordinance be adopted as proposed and the Board be requested to develop an appropriate amendment to implement these new rates.

(2) In the 1993-94 Budget the Mayor and City Council made a decision to have General Benefit Lighting costs absorbed by the DWP. However, the Rate Ordinance was not changed and the DWP continues to bill the BSL, even though no funds have been budgeted to pay DWP. The Board of Water and Power Commissioners should be asked to amend the proposed ordinance to include General Benefit Lighting in the approved table of subsidies (discussed below). It should be noted that the Bureau of Street Lighting has recently informed us that they intend to prepare a report to the Mayor and Council which will identify alternative sources of funding for General Benefit and Utilitarian Lighting. These funding sources could be used to eliminate the payments that are now absorbed by the DWP. These payments are considered by the Department to be "subsidies" which make the DWP's prices more noncompetitive under deregulation.

G) **Subsidies** for low-income, lifeline and various other customers **remain unchanged**. The existing Rate Ordinance provides subsidies to various customers and the costs are recovered from surcharges applied to all other customers. In 1994-95 the annual subsidies financed by the rate payers totalled approximately $30.5 million. The discounts for customers qualifying for Enterprise Zone and Disaster Recovery rates have been slightly redesigned. As previously mentioned in this report, the resulting discount (which is be applied over a five year period) will be the same dollar amount for the customer.

(Findings continued)

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SUBSIDIES GIVEN FOR THE PERIOD JULY 1994 TO JUNE 1995

	Dollars	Percentage	Customers
Lifeline Credits	$17,006,790	55.8%	104,780
Low-Income Credits	$5,387,252	17.7%	106,147
Enterprise Zones	$1,527,575	5.0%	450
Disaster Recovery Zones	$116,646	0.4%	70
Street Lights, LS-1 (Utilitarian Lighting)	$1,697,075	5.6%	1
Traffic Signals	$4,718,915	15.5%	1
Administrative Costs	$1,467	0.0%	N/A
Total Energy Subsidy Adjustment	**$30,455,720**	**100.0%**	**211,450**

H) **The City's annual bill for electricity is estimated to decrease** as follows:

	Annual Bill Current Ordinance	Annual Bill Proposed Ordinance	Decrease Under Proposed Ordinance	% Decrease
General City Facilities	$7,943,438	$7,533,456	$ (409,982)	5.2%
Sewer Constr. & Mtce	$5,104,064	$ 4,769,470	$ (334,594)	6.6%
Total	$13,047,502	$12,302,926	$ (744,576)	5.7%

I) **Government buildings in the City** occupied by the Federal, State and County Governments will not experience an adverse impact. Only a small bill increase (2.7 percent) will be reflected in the co-generation functions of Los Angeles County.

5. **DWP Budget Impact**

The rate restructuring included in the proposed ordinance is an important step in DWP's preparation for deregulation of the electric utility industry. The DWP is recommending a $25 million rate reduction for its large industrial and commercial customers for two major reasons: (1) the current prices charged are higher than the costs incurred to serve these customers and (2) if the DWP's rates for this customer class remain higher than rates charged by competing utilities for comparable customers, the incentive to get power elsewhere could cause DWP to lose customers and substantial sums of revenue. **See Attachment S for a Revenue Comparison of DWP Current Rates Vs. Proposed Rates for Major Customer Classes.** Loss of revenue from the large business customers easily could lead to significant rate increases for remaining customers.

In order to finance the rate reduction for large business customers, the Department is challenged to maintain permanent, ongoing budget and cost reductions which will offset revenue losses. For fiscal year 1996-97, the DWP has adopted a Power Revenue Fund budget which assumes implementation of the proposed rate ordinance (effective 10-1-96), including the $25 million revenue reduction. **See Attachment T for an overview of the Power System's 1996-97**

(Findings continued)

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budget. It should be noted that the Department's budget was in the process of development and was adopted as this report was being written. Therefore, the budget figures in this report are based upon cost caps set by the Board and do not include the details, which are not yet available. It is not possible for us to comment on whether or not the adopted budget will result in service level changes for customers.

Reductions in the Power Revenue Fund's Capital Program (Capital) and Operations and Maintenance (O&M) budgets over the last few years have made it possible for the DWP to absorb the proposed revenue reduction, at least for 1996-97, without additional borrowing. Many of the budget reductions yet to be finalized have been made possible through implementation of the Focused Separation Plan (FSP). **Refer to Attachment B for a summary of the FSP results.** The combined savings in the Capital and O&M budgets between 1994-95 and 1996-97 total $110 million.

Budgeted Expenditures (in Millions)

	1994-95	1995-96	1996-97	Difference:'96-97 vs. '94-95
O&M	$595.6	$494.1	$503.2	$ (92.4)
Capital	$249.4	$240.1	$231.1	$ (18.3)
Combined Total Reduction				$(110.7)

In addition to supporting a $25 million revenue reduction, these savings have made it possible for the Department to eliminate borrowing and finance the annual Capital Program from current revenues for 1996-97. Management of the Department has adopted a goal of no new borrowing through the end of the decade. If successful, this strategy should help to reduce the Power Revenue Fund's overall debt, thus avoiding additional financing costs that would make it even more difficult for the Department to implement and maintain competitive prices.

The Department has prepared a financial forecast that includes projections for nine years, from 1996-97 through 2004-2005. The forecast shows Power Revenue Fund annual sales estimates and projected revenue based on the proposed restructured rates. The forecast includes predicted expenditures for Capital and O&M and estimated Net Income for each year. Because the annual transfer to the General Fund may not exceed the previous year's Net Income, this figure is significant to the DWP and to the City. **See Attachment U for a comparison of Estimated Net Income, with and without customer rate reductions, for fiscal years 1996-97, 1997-98, and 1998-99.** Notwithstanding the stated goal of no new borrowing, the current financial forecast shows new borrowing in future years. We have been advised by DWP staff that projections contained in the financial forecast, including estimated new borrowing and estimated Net Income, are not complete for years beyond 1996-97 and must be considered to be only preliminary data at this time. The traditional multi-year budget process has not been completed.

(Findings continued)

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6. DWP Financial Preparations for Deregulation

The Department is now developing various financial options and strategies to further prepare the Power Revenue Fund for competition under deregulation. Some of these options and strategies include cost reductions based on accelerated retirement of existing debt and elimination of new borrowing in the foreseeable future. Existing debt in the Power Revenue Fund is high. Direct debt issued by the Department totals $2.9 billion. In addition, indirect or "off-balance sheet" debt, resulting from the City's investments in projects owned by the Intermountain Power Agency (IPA) and the Southern California Public Power Authority (SCPPA), totals $5 billion. The total Power Revenue Fund debt obligation is approximately $7.9 billion. The following chart illustrates the Fund's debt profile:

Power Revenue Fund
DEBT PROFILE ($Billions)

	Direct Debt	IPA	SCPPA	TOTAL
Fixed Rate	$2.80	$3.10	$1.57	$7.47
Variable Rate	.09	.34	.04	.47
Total	$2.89	$3.44	$1.61	$7.94
Average Life (years)	18.2	16.1	15.5	

Total annual debt service payments (principal and interest) amount to approximately $630 million. Payments for the Department's direct debt total $240 million per year. Debt service payments for the Department's share of IPA and SCPPA projects amount to $390 million per year.

As regulated monopolies, both the Investor-Owned Utilities and the Publicly-Owned Utilities in California have traditionally been **required to invest** in the development of new power supplies to support growth in the State and to ensure a stable, secure supply of energy. All regulated electric utilities have also been **obligated to serve all customers** within their service territories and to **provide near-perfect reliability of service**. As a result of these obligations, the DWP invested in the development of new power generation facilities in the 1970's and early 1980's. It should be noted that Investor-Owned Utilities in California also have significant investments in high-cost power generation facilities such as nuclear power plants and alternative power sources such as geothermal, solar and wind generation facilities which could become subject to out-of-State competition. In return for meeting their obligations to customers, all regulated utilities were historically guaranteed exclusive service territories and rates sufficient to cover their costs.

Improved technologies and the availability of inexpensive natural gas have now made it possible for nonregulated independent power producers to build modern power plants to produce electricity at lower cost than is possible with the older plants of the regulated utilities. Under deregulation, these independent operators will have access to the customers of the traditional utilities. All low-cost providers in the deregulated market will have the potential for posing a significant threat to

(Findings continued)

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their competitors. If deregulation proceeds according to plans discussed at the federal level, out-of-state power producers could eventually have access to customers in California. According to information published by the Energy Information Administration, U.S. Department of Energy, the U.S. average price for electric power in 1994 was $6.91 per kilowatt hour. California's Publicly-Owned Utilities had prices which were 24% higher than the U.S. average at $8.56 per kilowatt hour and the prices of California's Investor-Owned Utilities were 50% higher at $10.38 per kilowatt hour.

In a deregulated market, the traditional utilities will lose their guaranteed customer base (absent special legislation) and, it appears, will also lose their guarantee of rate revenues sufficient to cover all their costs or provide dividends to the investors. A key issue for existing utilities, including the DWP, is the recovery of "stranded costs". As previously described in this report, stranded costs are those costs which have been previously incurred but have not been recovered and may not be recovered if the market price for power is too low. Recent articles in the Wall Street Journal and the Los Angeles Times have quoted a study by Moody's Investor's Service which estimates that the amount of stranded cost for 114 U.S. Investor-Owned Utilities is $135 billion. Moody's estimates that Southern California Edison's potential maximum exposure is $12.4 billion and PG&E's is $9.5 billion. A comparable value for the DWP's potential maximum exposure could be its total $7.9 billion debt.

In December 1995 the CPUC issued an Order (to become effective January 1, 1998) for the development of a mechanism that would be used by Investor-Owned Utilities to recover stranded costs. This would be allowed during a transition period commencing in 1998 and ending in 2003. As previously described in this report, this charge is referred to as a Competition Transition Charge (CTC) and could take various forms as the CPUC holds workshops and legislation is considered. We believe the DWP should have the flexibility, subject to approval by the Board and the Mayor and City Council by ordinance, to implement a similar mechanism.

The DWP's original version of the CTC provision linked the City's implementation of the charge to some action by the CPUC. Because the DWP is not regulated by the CPUC, we are recommending that the provision be revised to read substantially as follows:

> In the event that the Board of Water and Power Commissioners determines that a cost recovery mechanism for collecting costs attributable to generating or other facilities which are deemed to be uncompetitive under competitive (deregulated) energy market conditions, the Board may develop and apply an appropriate mechanism to the bills of its retail customers, as determined by the Board of Water and Power Commissioners and approved by an Ordinance of the City.

To remain competitive in the deregulated environment, the DWP will need to continue reducing its costs. Although further reductions in Capital and O&M could be difficult and could at some point jeopardize the system's reliability, it does appear that opportunities for cost cutting can be found in restructuring debt or accelerating debt retirement. The DWP is analyzing its options and is developing plans for coping with the changing market environment. Following is a summary of some of the options.

(Findings continued)

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1) Implementation of a Competition Transition Charge (CTC). As described earlier in this report, a CTC would allow utilities to recoup their potential "stranded investments". The logic which argues for a CTC is that customers should bear their fair share of the historical costs that were incurred by the utility on their behalf to guarantee availability and reliability of service.

2) As described earlier in this report, the DWP could at year-end use "overcollection" surplus in the Energy Cost Adjustment account to accelerate the payment of debt rather than to offset changes in the ECA for the following quarters. We believe including this **option** in the new rate ordinance is prudent. However, we believe the Mayor and City Council should be advised by the Board of Water and Power Commissioners when the Board approves a new ECA that includes using this option to reduce debt. As part of a Board action to approve the ECA, the use of the option would become subject to Charter Section 32.3 ("Prop. 5") for possible Council review.

3) Rate increases for customers could become necessary in the future. Other utilities in the State have been making decisions to increase rates for customers whose rate revenue does not match or "cover" the costs to serve them. Increasing rates could become necessary in order to prevent bond defaults or forced consolidations with other utilities.

It is possible that these as well as other options could be used alone or in combination. At this time, it is impossible to identify the "right answer". Many uncertainties exist, but it will be especially important to understand the Department's unique circumstances compared with potential competitors. Some of the Department's considerations are introduced in the proposed ordinance:

All of these options have important implications for the City and for DWP. Therefore, we are recommending that the DWP report back to the Mayor and Council with descriptions and status reports on the financial strategies and options being developed to cope with the effects of deregulation.

7. Financial Impact on the City's General Fund

The power rate restructuring included in the proposed ordinance could impact the City's General Fund. On its face, reducing the price of power will reduce City receipts from the Utility Users' Tax. A $25 million rate reduction, if effective for the entire year, would result in reducing Utility Users' Tax receipts by $3.1 million. Assuming an effective date at mid-year, the estimated tax loss would be $1.5 million in 1996-97. Because the $25 million reduction is intended to be a permanent change, the corresponding reduction in Utility Users' Tax would also be a permanent change. Assuming the Power Revenue Transfer to the General Fund continues after 1996-97, full-year implementation of the $25 million rate reduction would result in a $1.3 million reduction in the traditional Power Revenue Transfer.

In addition, one DWP analysis suggests that loss of business from the 2,800 large business customers due to deregulation could result in as much as a $600 million revenue decrease in the revenue to the Power Revenue Fund. Such a decrease would reduce the Power Revenue Transfer to the General Fund by $30 million and the Utility User's Tax on electricity by $75 million.

(Findings continued)

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During 1996-97 budget hearings, the DWP General Manager stated that the annual Power Revenue Fund transfer to the General Fund could be "in jeopardy" after fiscal year 1996-97. We know that a surcharge of 5% on the price of electric transmission (to partially fund the DWP's annual transfer to the City) will not be allowed under FERC rules. It is possible that additional FERC and CPUC decisions could jeopardize the 5% surcharge on the price of generation and distribution. It is also possible that the DWP may want to make use of these funds to prepare for competition under deregulation by avoiding new borrowing or paying down existing debt with the money.

In a separate report dated July 1, 1996, we have recommended that an immediate review of DWP-related General Fund revenue be undertaken. The goal should be to revise and restructure these revenue sources to find a reasonable balance between the needs of the General Fund and the needs of the Water and Power Revenue Funds. Any recommended changes should be phased in as necessary to minimize financial disruptions to the City, DWP and DWP customers.

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Attachments

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TABLE A-1
COMPARISON OF 12 MONTHS TYPICAL ELECTRICAL BILLS
ENDING JUNE 1996
CURRENT RATES

Customer Type and Load	DWP $	DWP (% less)	SCE $	DWP (% less)	PG&E $
Residential Service					
400 KWH	40.45	28.68	56.72	21.18	51.32
1,000 KWH	100.67	31.50	146.96	25.32	134.80
Small Commercial & Industrial					
1,000 KWH	108.32	27.39	149.19	27.82	150.08
5,000 KWH	481.76	28.52	674.00	32.75	716.36
Medium Commercial & Industrial					
10,000 KWH/40KW	1,131.87	16.74	1,359.47	4.90	1,190.23
50,000 KWH/150 KW	4,749.11	20.20	5,950.96	12.33	5,416.95
100,000 KWH/300 KW	9,473.22	20.45	11,908.90	11.92	10,755.15
Large Commercial and Industrial					
Supermarket 250,000 KWH/350 KW	16,479.58	22.19	21,178.65	24.94	21,956.21
Office Building 300,000 KWH/1,000 KW	28,098.90	13.64	32,537.31	15.15	33,115.12
Manufacturer 2,000,000 KWH/5,000 KW	163,180.10	16.99	196,586.86	2.94	168,119.39
Refinery 7,000,000 KWH/10,000 KW	454,350.50	(15.13)	394,636.40	(33.39)	340,609.20

SCE is Southern California Edison.
PG&E is Pacific Gas and Electric.

TABLE A-2
COMPARISON OF 12 MONTHS TYPICAL ELECTRICAL BILLS
ENDING JUNE 1996
PROPOSED RATES

Customer Type and Load	DWP $	DWP (% less)	SCE $	DWP (% less)	PG&E $
Residential Service					
400 KWH	40.45	28.68	56.72	21.18	51.32
1,000 KWH	100.67	31.50	146.96	25.32	134.80
Small Commercial & Industrial					
1,000 KWH	108.32	27.39	149.19	27.82	150.08
5,000 KWH	481.76	28.52	674.00	32.75	716.36
Medium Commercial & Industrial					
10,000 KWH/40KW	1,131.87	16.74	1,359.47	4.90	1,190.23
50,000 KWH/150 KW	4,749.11	20.20	5,950.96	12.33	5,416.95
100,000 KWH/300 KW	9,473.22	20.45	11,908.90	11.92	10,755.15
Large Commercial &Industrial					
Supermarket 250,000 KWH/350 KW	11,926.42	43.69	21,178.65	45.68	21,956.21
Office Building 300,000 KWH/1,000 KW	28,806.90	11.47	32,537.31	13.01	33,115.12
Manufacturer 2,000,000 KWH/5,000 KW	158,687.00	19.28	196,586.66	5.61	168,119.39
Refinery 7,000,000 KWH/10,000 KW	408,641.70	(3.55)	394,636.40	(19.97)	340,609.20

SCE is Southern California Edison.
PG&E is Pacific Gas and Electric.

TABLE A-3
COMPARISON OF DWP CURRENT PRICES WITH EDISON'S 25% GOAL REDUCTION

Customer Type	DWP (Current)	DWP % less	SCE (25% Reduction Goal)
Residential			
400 KWH	40.45	4.9	42.54
1,000 KWH	100.67	8.7	110.22
Small Commercial and Industrial			
1,000 KWH	108.3	3.2	111.89
5,000 KWH	481.76	4.7	505.50
Medium Commercial and Industrial			
10,000 KWH/40 KW	1,131.87	(11.0)	1,019.60
50,000 KWH/150 KW	4,749.11	(6.4)	4,463.22
100,000 KWH/300 KW	9,473.22	(6.1)	8,931.68
Large Commercial & Industrial			
Supermarket 250,000 KWH/350 KW	16,479.58	(3.7)	15,883.99
Office Building 300,000 KWH/1,000 KW	28,098.90	(15.1)	24,402.98
Manufacturer 2,000,000 KWH/5,000 KW	163,180.10	(10.7)	147,440.00
Refinery 7,000,000 KWH/10,000 KW	454,350.50	(53.5)	295,977.30

SCE is Southern California Edison.

ATTACHMENT B

DWP
Focused Separation Plan (FSP) Results

The Focused Separation Plan (FSP) was developed to encourage 650 voluntary separations in classes that were identified by an outside auditing firm as having excess personnel. To prepare for impending deregulation in the electric utility industry, the DWP set a goal to reduce the workforce by 1,000 employees with a resulting $69 million reduction in labor costs. The open enrollment period for FSP was May 15 through June 30, 1995. Including normal attrition throughout the year, the final number of employees leaving the Department reached 1,519. The Department plans to backfill some positions that were not targeted in the FSP or that were vacated in excess of the FSP goals. There are also plans to add employees in Sales and Marketing.

The FSP program cost was approximately $44 million, with a first year (1995-96) net savings of approximately $42 million. Total ongoing savings is estimated to be $86 million. About $64 million is attributable to the Energy Services Business, with the remaining $22 million attributable to the Water Services Business.

The following table details the distribution of the entire $86 million savings in 1996-97:

		Millions
Energy Services Share		
Rate reduction for large customers (A-3)		$ 25
Salary increases and price increases for supplies/materials (offset inflation)		22
Marketing & Customer Service additions:		
Filling 70 customer service positions	3.0	
Increase in electric transportation program	2.5	
Customer Information System (Improved Bills)	5.0	
Advertising Program	5.0	
Customer surveys, marketing, public relations, consulting	2.0	
		17
		$ 64
Water Services Share		
Salary increases and price increases for supplies/materials		$ 10
Finance part of the Capital Program		12
		$ 22
Grand Total		**$ 86**

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ATTACHMENT C

CUSTOMER IMPACTS
FROM PROPOSED 1996 ELECTRIC RATE ORDINANCE

- 1,157,000 Residential meters are unaffected by this ordinance — 86.0%
- 170,000 Small Business (A-1) meters are unaffected by this ordinance — 12.6%
- 15,500 Medium Business (A-2) meters are unaffected by this ordinance — 1.2%
- 2,800 Large Business (A-3) meters are affected by this ordinance — 0.2%
    - 1,960 Large Business meters receive bill decreases — 70.0%
    - 700 Large Business meters have increases less than 10% — 25.0%
    - 140 Large business meters have increases greater than 10% — 5.0%

Of these 1,345,300 electric services, 99.94% will be unaffected or receive bill decreases as a result of this proposed rate ordinance.

Bill Comparison
R-1a - Residential Customer

Old Bill

		Price	Average Usage		Total
Service Charge ($/Month)	$	0.30	1	$	0.30
Energy Charge ($/kWh)	$	0.07288	430	$	31.34
ECA* ($/kWh)	$	0.02542	430	$	10.93
ESA* ($/kWh)	$	0.00207	430	$	0.89
TOTAL BILL				**$**	**43.46**

New Bill

		Price	Average Usage		Total
Service Charge ($/Month)	$	0.30	1	$	0.30
Energy Charge ($/kWh)	$	0.09580	430	$	41.19
ECA* ($/kWh)	$	0.00250	430	$	1.08
ESA* ($/kWh)	$	0.00207	430	$	0.89
TOTAL BILL				**$**	**43.46**

*ECA is Energy Cost Adjustment and ESA is Energy Subsidy Adjustment.

Bill Comparison
R-1d - Low Income Customer

Old Bill

		Price	Average Usage		Total
Service Charge ($/Month)	$	0.30	1	$	0.30
Energy Charge ($/kWh)	$	0.07288	315	$	22.96
ECA* ($/kWh)	$	0.02542	315	$	8.01
ESA* ($/kWh)	$	0.00000	315	$	-
Less *Low Income Subsidy*				$	(4.16)
TOTAL BILL				**$**	**27.11**

New Bill

		Price	Average Usage		Total
Service Charge ($/Month)	$	0.30	1	$	0.30
Energy Charge ($/kWh)	$	0.09580	315	$	30.18
ECA* ($/kWh)	$	0.00250	315	$	0.79
ESA* ($/kWh)	$	0.00000	315	$	-
Less *Low Income Subsidy*				$	(4.16)
TOTAL BILL				**$**	**27.11**

*ECA is Energy Cost Adjustment and ESA is Energy Subsidy Adjustment.

Bill Comparison
R-1e - Lifeline Customer

Old Bill

	Price	Average Usage	Total
Service Charge ($/Month)	$ 0.30	1	$ 0.30
Energy Charge ($/kWh)	$ 0.07288	355	$ 25.87
ECA*($/kWh)	$ 0.02542	355	$ 9.02
ESA*($/kWh)	$ 0.00000	355	$ -
Less *Lifeline Subsidy*			$ (14.11)
TOTAL BILL			**$ 21.08**

New Bill

	Price	Average Usage	Total
Service Charge ($/Month)	$ 0.30	1	$ 0.30
Energy Charge ($/kWh)	$ 0.09580	355	$ 34.01
ECA*($/kWh)	$ 0.00250	355	$ 0.88
ESA*($/kWh)	$ 0.00000	355	$ -
Less *Lifeline Subsidy*			$ (14.11)
TOTAL BILL			**$ 21.08**

*ECA is Energy Cost Adjustment and ESA is Energy Subsidy Adjustment.

Bill Comparison - Travel Agency
A-1a - Small General Service

Old Bill

	Price	Usage	Total
Service Charge ($/Month)	$ 4.00	1	$ 4.00
Facilities Charge ($/kW)	$ 2.25	4	$ 9.00
Energy Charge ($/kWh)	$ 0.06794	500	$ 33.97
ECA*($/kWh)	$ 0.02542	500	$ 12.71
ESA*($/kW)	$ 0.49	4	$ 1.96
TOTAL BILL			**$ 61.64**

New Bill

	Price	Usage	Total
Service Charge ($/Month)	$ 4.00	1	$ 4.00
Facilities Charge ($/kW)	$ 2.25	4	$ 9.00
Energy Charge ($/kWh)	$ 0.09086	500	$ 45.43
ECA*($/kWh)	$ 0.00250	500	$ 1.25
ESA*($/kW)	$ 0.49	4	$ 1.96
TOTAL BILL			**$ 61.64**

*ECA is Energy Cost Adjustment and ESA is Energy Subsidy Adjustment.

Bill Comparison - Video Rental Store
A-1a - Small General Service

Old Bill

		Price	Usage		Total
Service Charge ($/Month)	$	4.00	1	$	4.00
Facilities Charge ($/kW)	$	2.25	15	$	33.75
Energy Charge ($/kWh)	$	0.06794	3000	$	203.82
ECA*($/kWh)	$	0.02542	3000	$	76.26
ESA*($/kW)	$	0.49	15	$	7.35
TOTAL BILL				**$**	**325.18**

New Bill

		Price	Usage		Total
Service Charge ($/Month)	$	4.00	1	$	4.00
Facilities Charge ($/kW)	$	2.25	15	$	33.75
Energy Charge ($/kWh)	$	0.09086	3000	$	272.58
ECA*($/kWh)	$	0.00250	3000	$	7.50
ESA*($/kW)	$	0.49	15	$	7.35
TOTAL BILL					**$325.18**

*ECA is Energy Cost Adjustment and ESA is Energy Subsidy Adjustment.

ATTACHMENT I

Bill Comparison
Typical A-2-A General Service Customer

Old Bill

	Price	Average Usage	Total
Service Charge ($/Month)	$ 25.00	1	$ 25.00
Facilities Charge ($/Month)	$ 2.25	60	$ 135.00
Demand Charge ($/Month)	$ 12.62	60	$ 757.20
Service Charge ($/Month)	$ 0.02181	18,000	$ 392.58
Energy Cost Adjustment ($/kWh)	$ 0.02542	18,000	$ 457.56
Energy Subsidy Adjustment ($/kWh)	$ 0.49	60	$ 29.40
TOTAL BILL			$ **1,796.74**

New Bill

	Price	Average Usage	Total
Service Charge ($/Month)	$ 25.00	1	$ 25.00
Facilities Charge ($/Month)	$ 2.25	60	$ 135.00
Demand Charge ($/Month)	$ 12.62	60	$ 757.20
Service Charge ($/Month)	$ 0.04473	18,000	$ 805.14
Energy Cost Adjustment ($/kWh)	$ 0.00250	18,000	$ 45.00
Energy Subsidy Adjustment ($/kWh)	$ 0.49	60	$ 29.40
TOTAL BILL			**$ 1,796.74**

ATTACHMENT J

Bill Comparison
Typical A-2-B General Service Customer
60,000 KWH, 150 KW

Usage	Billing Component	Current Price	Proposed Price	Current Value	Proposed Value
		$	$	$	$
1 Month	Service Charge	25.00	25.00	25.00	25.00
150 KW	Facility Charge	2.25	2.25	337.50	337.50
	Demand Charge				
150 KW	High Peak	7.90	7.90	1,185.00	1,185.00
141 KW	Low Peak	3.85	3.85	542.85	542.85
135 KW	Base	1.40	1.40	189.00	189.00
	Energy Charge				
10,200 KWH	High Peak	0.02949	0.05241	300.80	534.58
15,000 KW	Low Peak	0.02907	0.05199	436.05	779.85
34,800 KW	Base	0.01658	0.03950	576.98	1,374.60
60,000 KW	ECA*	0.02542	0.00250	1,525.20	150.00
150 KW	ESA*	0.49	0.49	73.50	73.50
TOTAL BILL				**$5,191.88**	**$5,191.88**

*ECA is Energy Cost Adjustment and ESA is Energy Subsidy Adjustment.

DWP PROPOSAL: REALLIGNMENT OF CUSTOMER CLASSES

The following table shows the realignment of classes and the shift in number of customers per class

	No. of Customers				Customer Reclass				
	Commercial	Industrial	Residential	Total	Commercial	Industrial	Residential	Total	Difference
Large A-3	1,276	189	--	1,465	1,335	519	--	1,854	389
Medium/ Large A-2	20,120	2,582	--	22,702	20,061	2,252	--	22,313	(389)
Small A-1	148,366	13,617	--	161,983	148,366	13,617	--	161,983	--
Residential	--	--	1,154,176	1,154,176	--	--	1,154,176	1,154,176	--
Total	169,762	16,388	1,154,176	1,340,326	169,762	131,564	1,154,176	1,340,326	--

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MONTHLY BILL COMPARISON

PROPOSED LARGE GENERAL SERVICE (A-3-A)

BREWERY

BILLING PERIOD:		3/29/96 to 4/29/96							Power Factor = 90.12% Load Factor = 75.83%		
			CURRENT		Generation		Transmission		Distribution		PROPOSED
DWP ENERGY PRICE PER KWH			6.6232¢		4.2979¢		0.3640¢		1.3415¢		6.0034¢
DWP ENERGY PRICE PER KW			$37.37		$24.25		$2.05		$7.57		$33.87
	HVD	Usage	Rate	Bill	Rate	Amount	Rate	Amount	Rate	Amount	
SERVICE CHARGE:				50.00	–	–	–	–		350.00	350.00
FACILITIES CHARGE:	(0.32)	21,024.0	1.33	27,961.92	–	–	–	–	1.33	27,961.92	27,961.92
DEMAND CHARGES											
FIXED GENERATION:	0.99	20,232.0	0.00	0.00	5.94	120,178.08	–	–	–	–	120,178.28
HIGH PEAK:	0.99	20,232.0	7.72	156,231.50	0.92	18,627.60	1.43	28,842.74	3.96	80,118.72	127,589.06
LOW PEAK:	0.99	21,024.0	3.72	78,259.74	0.22	4,579.03	0.59	12,488.26	1.79	37,672.91	54,740.19
BASE:	0.99	20,736.0	0.79	16,422.91	0.19	3,900.44	0.09	1,847.58	0.46	9,443.17	15,191.19
ENERGY CHARGE											
HIGH PEAK:	0.99	1,422,000	0.02772	39,417.84	0.03886	55,258.92	–	–	–	–	55,258.92
LOW PEAK:	0.99	2,124,000	0.02744	58,282.56	0.02989	63,486.36	–	–	–	–	63,486.36
BASE:	0.99	8,316,000	0.01569	130,478.04	0.02575	214,137.00	–	–	–	–	214,137.00
REACTIVE ENERGY CHARGE											
HIGH PEAK:		684,000	0.00107	731.88	–	–	–	–	0.00107	731.88	731.88
LOW PEAK:		1,008,000	0.00085	856.80	–	–	–	–	0.00085	856.80	856.80
BASE:		3,690,000	0.00054	1,992.60	–	–	–	–	0.00054	1,992.60	1,992.60
ECA		11,862,000	0.02318	274,961.16	0.00250	29,655.00					$ 29,655.00
BUSINESS UNIT SUBTOTAL:				$ 785,646.95		$ 509,822.43		$ 43,178.57		$ 159,128.00	
										Business Unit Subtotal	$712,129.00
ENERGY SUBSIDY ADJ.:			0.54000	$ 11,352.96							$ 11,352.96
CITY TAX:			12.50%	$ 99,624.99							$ 90,435.25
STATE ENERGY SURCHARGE:			0.00020	$ 2,372.40							$ 2,372.40
TAX AND SUBSIDY SUBTOTAL				$113,350.35							$104,160.61
NET BILL:				$898,997.30							$816,289.61
Version 29- JAN		prepared 6/11/96	per kWh	0.0758¢						Per kWh	0.0688¢

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MONTHLY BILL COMPARISON

PROPOSED LARGE GENERAL SERVICE (A-3-A)

MAJOR OFFICE BUILDING

BILLING PERIOD:	4/16/96 to 5/15/96							Power Factor = 77.49% Load Factor = 69.06%		
		CURRENT		Generation		Transmission		Distribution		PROPOSED
DWP ENERGY PRICE PER KWH		7.4491¢		4.5968¢		0.4323¢		2.0123¢		7.0414¢
DWP ENERGY PRICE PER KW		$35.80		$22.09		$2.08		$9.67		$33.84
HVD	Usage	Rate	Bill	Rate	Amount	Rate	Amount	Rate	Amount	
SERVICE CHARGE:			50.00	–	–	–	–		350.00	350.00
FACILITIES CHARGE:	1,136.0	1.65	1,874.40	–	–	–	–	1.65	1,874.40	1,874.40
DEMAND CHARGES										
FIXED GENERATION:	976.0	0.00	0.00	6.00	5,586.00	–	–	–	–	5,856.00
HIGH PEAK:	976.0	7.80	7,612.80	0.93	907.68	1.44	1,405.44	4.00	3,904.00	6,217.12
LOW PEAK:	944.0	3.76	3,549.44	0.22	207.68	0.60	566.40	1.81	1,708.64	2,482.72
BASE:	992.0	0.80	793.60	0.19	188.48	0.09	89.28	0.46	456.32	734.08
ENERGY CHARGE										
HIGH PEAK:	60,800	0.02800	1,702.40	0.03926	2,387.01	–	–	–	–	2,387.01
LOW PEAK:	84,800	0.02772	2,350.66	0.03020	2,560.96	–	–	–	–	2,560.96
BASE:	331,200	0.01585	5,249.52	0.02602	8,617.82	–	–	–	–	8,617.82
REACTIVE ENERGY CHARGE										
HIGH PEAK:	49,600	0.00545	270.32	–	–	–	–	0.00545	270.32	270.32
LOW PEAK:	78,400	0.00428	335.55	–	–	–	–	0.00428	335.55	335.55
BASE:	296,000	0.00235	695.60	–	–	–	–	0.00235	695.60	695.60
ECA	476,800	0.02314	11,033.15	0.00250	1,192.00					$ 1,192.00
BUSINESS UNIT SUBTOTAL:			$ 35,517.44		$ 21,917.63		$ 2,061.12		$ 9,594.83	
									Business Unit Subtotal	$33,573.58
ENERGY SUBSIDY ADJ.:		0.54000	$ 613.44							$ 613.44
CITY TAX:		12.50%	$ 4,516.36							$ 4,273.38
STATE ENERGY SURCHARGE:		0.00020	$ 95.36							$ 95.36
TAX AND SUBSIDY SUBTOTAL			$ 5,225.16							$ 4,982.18
NET BILL:			$ 40,742.60							$ 38,555.76
Version 29- JAN	prepared 6/11/96	per kWh	0.0855¢						Per kWh	0.0809¢

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MONTHLY BILL COMPARISON

PROPOSED LARGE GENERAL SERVICE (A-3-A)

PUMPING FACILITY

BILLING PERIOD:	2/14/96 to 3/15/96							Power Factor = 78.09% Load Factor = 23.37%		
		CURRENT		Generation		Transmission		Distribution		PROPOSED
DWP ENERGY PRICE PER KWH		12.5208¢		7.1197¢		1.2073¢		4.9931¢		13.3201¢
DWP ENERGY PRICE PER KW		$19.64		$11.17		$1.89		$7.83		$20.90
HVD	Usage	Rate	Bill	Rate	Amount	Rate	Amount	Rate	Amount	
SERVICE CHARGE:			50.00	–	–	–	–		350.00	350.00
FACILITIES CHARGE:	1,464.0	1.66	2,415.60	–	–	–	–	1.65	2,415.60	2,415.60
DEMAND CHARGES										
FIXED GENERATION:	1,224.0	0.00	0.00	6.00	7,344.00	–	–	–	–	7,344.00
HIGH PEAK:	1,224.0	7.80	9,547.20	0.93	1,138.32	1.44	1,762.56	4.00	4,896.00	7,796.88
LOW PEAK:	1,248.0	3.76	4,692.48	0.22	274.56	0.60	748.80	1.81	2,258.88	3,282.24
BASE:	1,392.0	0.80	1,113.60	0.19	264.48	0.09	125.28	0.46	640.32	1,030.08
ENERGY CHARGE										
HIGH PEAK:	12,000	0.02800	336.00	0.03926	471.12	–	–	–	–	471.12
LOW PEAK:	33,600	0.02772	931.39	0.03020	1,014.72	–	–	–	–	1,014.72
BASE:	172,800	0.01585	2,738.88	0.02602	4,496.26	–	–	–	–	4,496.26
REACTIVE ENERGY CHARGE										
HIGH PEAK:	9,600	0.00545	52.32	–	–	–	–	0.00545	52.32	52.32
LOW PEAK:	16,800	0.00428	71.90	–	–	–	–	0.00428	71.90	71.90
BASE:	93,600	0.00235	219.96	–	–	–	–	0.00235	219.96	219.96
ECA	218,400	0.02370	5,176.08	0.00250	546.00					$ 546.00
BUSINESS UNIT SUBTOTAL:			$ 27,345.41		$ 15,549.46		$ 2,636.64		$ 10,904.98	
									Business Unit Subtotal	$ 29,091.08
ENERGY SUBSIDY ADJ.:		0.54000	$ 790.56							$ 790.56
CITY TAX:		12.50%	$ 3,517.00							$ 3,735.21
STATE ENERGY SURCHARGE:		0.00020	$ 43.68							$ 43.68
TAX AND SUBSIDY SUBTOTAL			$ 4,351.24							$ 4,569.45
NET BILL:			$31,696.65							$ 33,660.53
Version 29- JAN	prepared 6/11/96	per kWh	0.1451¢						Per kWh	0.1541¢

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SMALL PARALLEL GENERATOR
GOOD LOAD FACTOR

BILLING PERIOD:	10/3/95 to 11/2/95	Rated Generation Capacity 360 kW		Actual Demand	Period	Distribution Ratchet	Hours In Period	Hours Use of Demand	Load Factor
STATE TAX EXEMPT:	NO			2,342.4	Hi Peak	2,342.4	85	74	86.79%
CITY TAX EXEMPT:	NO	Number of Wheeled-to-Locations		2,291.2	Lo Peak	2,291.2	128	98	76.38%
HIGH VOLTAGE DISCOUNT:	YES	receiving power:	15	1,894.4	Base	1,894.4	506	265	52.41%

		CURRENT		Generation		Transmission		Distribution		PROPOSED
DWP ENERGY PRICE PER KWH		8.31¢		5.12¢		0.66¢		2.76¢		8.31¢
DWP ENERGY PRICE PER KW		$31.91		$19.66		$2.54		$10.58		$31.91
RATE PG-3	Usage	Rate	Bill	Rate	Amount	Rate	Amount	Rate	Amount	
SERVICE CHARGE:			71.00	–	–	–	–		350.00	350.00
FACILITIES CHARGE:	2,726.4	1.33	3,626.11	–	–	–	–	1.33	3,626.11	3,626.11
GENERATION DISPATCH FEE:									0.00	0.00
DEMAND CHARGES	Sum of Daily									
Back Up										
FIXED GENERATION: 0.0	44,582.4			0.30000	13,374.72					13,374.72
HIGH PEAK: 0.0	44,582.4	0.38733	17,095.42	0.07450	3,288.17	0.09113	4,022.31	–	–	7,310.49
LOW PEAK: 0.0	44,044.8	0.18867	8,226.83	0.01147	500.00	0.04120	1,796.50	–	–	2,296.50
BASE: 0.0	47,001.6	0.04000	1,861.26	0.00633	294.70	0.00300	139.59	–	–	434.29
DEMAND CHARGES-MONTHLY										
A3A kW	Max kW			A3A kW		A3A kW		Max KW		
FIXED GENERATION: 2,342.4				6.00	0.00					0.00
HIGH PEAK: 2,342.4	2,342.4	–	–	1.49	0.00	1.82	0.00	5.05	11,700.01	11,700.01
LOW PEAK: 2,291.2	2,291.2	–	–	0.23	0.00	0.82	0.00	2.38	5,397.01	5,397.01
BASE: 1,894.4	1,894.4	–	–	0.19	0.00	0.09	0.00	0.46	862.71	862.71
ENERGY CHARGE										
HIGH PEAK:	172,800	0.02800	4,790.02	0.03926	6,716.29	–	–	–	–	6,716.29
LOW PEAK:	224,000	0.02772	6,147.19	0.03020	6,697.15	–	–	–	–	6,697.15
BASE:	502,400	0.01585	7,883.41	0.02602	12,941.72	–	–	–	–	12,941.72
REACTIVE ENERGY CHARGE										
HIGH PEAK: pf = 0.7752	140,800	0.00545	767.36	–	–	–	–	0.00545	767.36	767.36
LOW PEAK:	188,800	0.00428	808.06	–	–	–	–	0.00428	808.06	808.06
BASE:	540,800	0.00235	1,270.88	–	–	–	–	0.00235	1,270.88	1,270.88
FUEL ADJ. (ECA)–FIXED:	899,200	0.02219	19,953.25							
BUSINESS UNIT SUBTOTAL:			$ 72,500.79		$ 43,812.75		$ 5,958.41		$ 24,782.15	
									Business Unit Total	$ 72,500.79
FUEL ADJ. (ECA)–VARIABLE:	899.200	0.00250	$ 2,248.00	0.00250	$ 2,248.00	–	–	–	–	$ 2,248.00
ENERGY SUBSIDY ADJ.:		0.4900	$ 1,335.94	–	–	–	–	–	–	$ 1,335.94
CITY TAX:		0.1250	$ 9,510.59	–	–	–	–	–	–	$ 9,510.59
STATE ENERGY SURCHARGE:		0.0002	$ 179.84	–	–	–	–	–	–	$ 179.84
								ACTUAL TARIFF CALCULATION:	$ 88,084.24	
TOTAL CO-GEN CHARGES:			$ 85,775.16							$ 85,775.16
LESS Purchased Energy Credit:										
LESS Net Wheeling Credit:										
NET BILL:										

Version 3/21/96

UNBUNDLED ONLY

RATE LIMITER OF: 0%

28833a98

LARGE PARALLEL GENERATOR
ZERO LOAD FACTOR
FIRST YEAR

BILLING PERIOD:	4/27/95 to 5/26/95	Rated Generation Capacity 54000 kW		Actual Demand	Period	Distribution Ratchet	Hours in Period	Hours Use of Demand	Load Factor
STATE TAX EXEMPT:	NO			0.0	HI Peak	36,768.0	83	0	0.00%
CITY TAX EXEMPT:	NO	Number of Wheeled-to-Locations		672.0	Lo Peak	37,056.0	124	0	0.00%
HIGH VOLTAGE DISCOUNT:	YES	receiving power:	15	0.0	Base	39,648.0	489	0	0.00%

	CURRENT	Generation	Transmission	Distribution	PROPOSED
DWP ENERGY PRICE PER KWH	0.00¢	0.00¢	0.00¢	0.00¢	0.00¢
DWP ENERGY PRICE PER KW	$3.95	$0.00	$0.00	$9.76	$3.95

RATE PG-3	Usage	Rate	Bill	Rate	Amount	Rate	Amount	Rate	Amount	
SERVICE CHARGE:			71.00	–	–	–	–		350.00	350.00
FACILITIES CHARGE:	46,000.0	1.33	61,180.00	–	–	–	–	1.33	61,180.00	61,180.00
GENERATION DISPATCH FEE:									0.00	0.00
DEMAND CHARGES	Sum of Daily									
Back Up										
FIXED GENERATION: 0.0	0.0			0.30000	0.00					0.00
HIGH PEAK: 0.0	0.0	0.35000	0.00	0.04650	0.00	0.07200	0.00	–	–	0.00
LOW PEAK: 672.0	672.0	0.17000	113.10	0.01100	7.32	0.03000	19.96	–	–	27.28
BASE: 0.0	0.0	0.04000	0.00	0.00633	0.00	0.00300	0.00	–	–	0.00
DEMAND CHARGES-MONTHLY				A3A kW		A3A kW		Max KW		
A3A kW	Max kW									
FIXED GENERATION: 0.0				6.00	0.00					0.00
HIGH PEAK: 0.0	18,384.0	–	–	0.93	0.00	1.44	0.00	4.00	72,800.64	72,800.64
LOW PEAK: 0.0	18,528.0	–	–	0.22	0.00	0.60	0.00	1.81	33,200.32	33,200.32
BASE: 0.0	19,824.0	–	–	0.19	0.00	0.09	0.00	0.46	9,027.85	9,027.85
ENERGY CHARGE										
HIGH PEAK:	0	0.02800	0.00	0.03926	0.00	–	–	–	–	0.00
LOW PEAK:	0	0.02772	0.00	0.03020	0.00	–	–	–	–	0.00
BASE:	0	0.01585	0.00	0.02602	0.00	–	–	–	–	0.00
REACTIVE ENERGY CHARGE										
HIGH PEAK: pf = 0.0000	528,000	0.00826	4,361.28	–	–	–	–	0.00826	4,361.28	4,361.28
LOW PEAK:	696,000	0.00644	4,482.24	–	–	–	–	0.00644	4,482.24	4,482.24
BASE:	2,280,000	0.00354	8,071.20	–	–	–	–	0.00354	8,071.20	8,071.20
FUEL ADJ. (ECA)–FIXED:	0	0.02204	0.00							
BUSINESS UNIT SUBTOTAL:			$ 78,278.82		$ 7.32		$ 19.96		$ 193,473.53	
						Business Unit Total (Rate Limiter in Place)				$ 78,278.82
FUEL ADJ. (ECA)–VARIABLE:	0	0.00250	$ 0.00	0.00250	$ 0.00	–	–	–	–	$ 0.00
ENERGY SUBSIDY ADJ.:		0.4900	$ 22,540.00	–	–	–	–	–	–	$ 22,540.00
CITY TAX:		0.1250	$ 12,602.35	–	–	–	–	–	–	$ 12,602.35
STATE ENERGY SURCHARGE:		0.0002	$ 0.00	–	–	–	–	–	–	$ 0.00
						ACTUAL TARIFF CALCULATION:			$ 243,045.91	
TOTAL CO-GEN CHARGES:			$113,421.17							$113,421.17
LESS Purchased Energy Credit:										
LESS Net Wheeling Credit:										
NET BILL:										

Version 3/21/96

UNBUNDLED ONLY

RATE LIMITER OF: 0%

28833a98

LARGE PARALLEL GENERATOR
ZERO LOAD FACTOR
SECOND YEAR

BILLING PERIOD:	4/27/95 to 5/28/95	Rated Generation Capacity 54000 kW		Actual Demand	Period	Distribution Ratchet	Hours in Period	Hours Use of Demand	Load Factor
STATE TAX EXEMPT:	NO			0.0	Hi Peak	36,768.0	83	0	0.00%
CITY TAX EXEMPT:	NO	Number of Wheeled-to-Locations		672.0	Lo Peak	37,056.0	124	0	0.00%
HIGH VOLTAGE DISCOUNT:	YES	receiving power:	15	0.0	Base	39,648.0	489	0	0.00%

		CURRENT		Generation		Transmission		Distribution		PROPOSED
DWP ENERGY PRICE PER KWH		0.00¢		0.00¢		0.00¢		0.00¢		0.00¢
DWP ENERGY PRICE PER KW		$3.95		$0.00		$0.00		$9.76		$4.74
RATE PG-3	Usage	Rate	Bill	Rate	Amount	Rate	Amount	Rate	Amount	
SERVICE CHARGE:			71.00	–	–	–	–		350.00	350.00
FACILITIES CHARGE:	46,000.0	1.33	61,180.00	–	–	–	–	1.33	61,180.00	61,180.00
GENERATION DISPATCH FEE:									0.00	0.00
DEMAND CHARGES	Sum of Daily									
Back Up										
FIXED GENERATION: 0.0	0.0			0.30000	0.00					0.00
HIGH PEAK: 0.0	0.0	0.35000	0.00	0.04650	0.00	0.07200	0.00	–	–	0.00
LOW PEAK: 672.0	672.0	0.17000	113.10	0.01100	7.32	0.03000	19.96	–	–	27.28
BASE: 0.0	0.0	0.04000	0.00	0.00633	0.00	0.00300	0.00	–	–	0.00
DEMAND CHARGES-MONTHLY										
A3A kW	Max kW			A3A kW		A3A kW		Max KW		
FIXED GENERATION: 0.0				6.00	0.00					0.00
HIGH PEAK: 0.0	18,384.0	–	–	0.93	0.00	1.44	0.00	4.00	72,800.64	72,800.64
LOW PEAK: 0.0	18,528.0	–	–	0.22	0.00	0.60	0.00	1.81	33,200.32	33,200.32
BASE: 0.0	19,824.0	–	–	0.19	0.00	0.09	0.00	0.46	9,027.85	9,027.85
ENERGY CHARGE										
HIGH PEAK:	0	0.02800	0.00	0.03926	0.00	–	–	–	–	0.00
LOW PEAK:	0	0.02772	0.00	0.03020	0.00	–	–	–	–	0.00
BASE:	0	0.01585	0.00	0.02602	0.00	–	–	–	–	0.00
REACTIVE ENERGY CHARGE										
HIGH PEAK: pf = 0.0000	528,000	0.00826	4,361.28	–	–	–	–	0.00826	4,361.28	4,361.28
LOW PEAK:	696,000	0.00644	4,482.24	–	–	–	–	0.00644	4,482.24	4,482.24
BASE:	2,280,000	0.00354	8,071.20	–	–	–	–	0.00354	8,071.20	8,071.20
FUEL ADJ. (ECA)–FIXED:	0	0.02204	0.00							
BUSINESS UNIT SUBTOTAL:			$ 78,278.82		$ 7.32		$ 19.96		$ 193,473.53	
								Business Unit Total (Rate Limiter in place)		$ 93,954.58
FUEL ADJ. (ECA)–VARIABLE:	0	0.00250	$ 0.00	0.00250	$ 0.00	–	–	–	–	$ 0.00
ENERGY SUBSIDY ADJ.:		0.4900	$ 22,540.00	–	–	–	–	–	–	$ 22,540.00
CITY TAX:		0.1250	$ 12,602.35	–	–	–	–	–	–	$ 14,559.32
STATE ENERGY SURCHARGE:		0.0002	$ 0.00	–	–	–	–	–	–	$ 0.00
							ACTUAL TARIFF CALCULATION:		$ 243,045.91	
TOTAL CO-GEN CHARGES:			$113,421.17							$ 131,033.91
LESS Purchased Energy Credit:										
LESS Net Wheeling Credit:										
NET BILL:										

Version 3/21/96

UNBUNDLED ONLY

RATE LIMITER OF: 20%

28833a98

LARGE PARALLEL GENERATOR
ZERO LOAD FACTOR
THIRD YEAR

BILLING PERIOD:	4/27/95 to 5/28/95	Rated Generation Capacity 54000 kW		Actual Demand	Period	Distribution Ratchet	Hours in Period	Hours Use of Demand	Load Factor
STATE TAX EXEMPT:	NO			0.0	Hi Peak	36,768.0	83	0	0.00%
CITY TAX EXEMPT:	NO	Number of Wheeled-to-Locations		672.0	Lo Peak	37,056.0	124	0	0.00%
HIGH VOLTAGE DISCOUNT:	YES	receiving power:	15	0.0	Base	39,648.0	489	0	0.00%

		CURRENT		Generation		Transmission		Distribution		PROPOSED
DWP ENERGY PRICE PER KWH		0.00¢		0.00¢		0.00¢		0.00¢		0.00¢
DWP ENERGY PRICE PER KW		$3.95		$0.00		$0.00		$9.76		$5.53
RATE PG-3	Usage	Rate	Bill	Rate	Amount	Rate	Amount	Rate	Amount	
SERVICE CHARGE:			71.00	–	–	–	–		350.00	350.00
FACILITIES CHARGE:	46,000.0	1.33	61,180.00	–	–	–	–	1.33	61,180.00	61,180.00
GENERATION DISPATCH FEE:									0.00	0.00
DEMAND CHARGES	Sum of Daily									
Back Up										
FIXED GENERATION: 0.0	0.0			0.30000	0.00					0.00
HIGH PEAK: 0.0	0.0	0.35000	0.00	0.04652	0.00	0.07200	0.00	–	–	0.00
LOW PEAK: 672.0	672.0	0.17000	113.10	0.01100	7.32	0.03000	19.96	–	–	27.28
BASE: 0.0	0.0	0.04000	0.00	0.00633	0.00	0.00300	0.00	–	–	0.00
DEMAND CHARGES-MONTHLY										
A3A kW	Max kW			A3A kW		A3A kW		Max KW		
FIXED GENERATION: 0.0				6.00	0.00					0.00
HIGH PEAK: 0.0	18,384.0	–	–	0.93	0.00	1.44	0.00	4.00	72,800.64	72,800.64
LOW PEAK: 0.0	18,528.0	–	–	0.22	0.00	0.60	0.00	1.81	33,200.32	33,200.32
BASE: 0.0	19,824.0	–	–	0.19	0.00	0.09	0.00	0.46	9,027.85	9,027.85
ENERGY CHARGE										
HIGH PEAK:	0	0.02800	0.00	0.03926	0.00	–	–	–	–	0.00
LOW PEAK:	0	0.02772	0.00	0.03020	0.00	–	–	–	–	0.00
BASE:	0	0.01585	0.00	0.02602	0.00	–	–	–	–	0.00
REACTIVE ENERGY CHARGE										
HIGH PEAK: pf = 0.0000	528,000	0.00826	4,361.28	–	–	–	–	0.00826	4,361.28	4,361.28
LOW PEAK:	696,000	0.00644	4,482.24	–	–	–	–	0.00644	4,482.24	4,482.24
BASE:	2,280,000	0.00354	8,071.20	–	–	–	–	0.00354	8,071.20	8,071.20
FUEL ADJ. (ECA)–FIXED:	0	0.02204	0.00							
BUSINESS UNIT SUBTOTAL:			$ 78,278.82		$ 7.32		$ 19.96		$ 193,473.53	
								Business Unit Total (Rate Limiter in place)		$ 109,590.35
FUEL ADJ. (ECA)–VARIABLE:	0	0.00250	$ 0.00	0.00250	$ 0.00	–	–	–	–	$ 0.00
ENERGY SUBSIDY ADJ.:		0.4900	$ 22,540.00	–	–	–	–	–	–	$ 22,540.00
CITY TAX:		0.1250	$ 12,602.35	–	–	–	–	–	–	$ 16,516.29
STATE ENERGY SURCHARGE:		0.0002	$ 0.00	–	–	–	–	–	–	$ 0.00
								ACTUAL TARIFF CALCULATION:	$ 243,045.91	
TOTAL CO-GEN CHARGES:			$113,421.17							$148,646.64
LESS Purchased Energy Credit:										
LESS Net Wheeling Credit:										
NET BILL:										

Version 3/21/96

UNBUNDLED ONLY

RATE LIMITER OF: 40%

28833a98

ATTACHMENT S

REVENUE COMPARISON OF CURRENT RATES WITH PROPOSED RATES FOR MAJOR CUSTOMER CLASSES

Classes	1994-95 Rates (in millions)	Proposed Rates (in millions)	Decrease
Large Commercial and Industrial	$ 485.4	Prior Classes No Longer Apply	
Medium/Large Commercial and Industrial (A-2-C)	137.1		
Combined Large and Medium/Large Commercial and Industrial	$ 622.5	$ 597.7	$ 24.8
Medium Commercial and Industrial	371.1	371.1	--
Small Commercial and Industrial	343.3	343.3	--
Residential	547.3	547.3	--
TOTAL REVENUE	$1,884.2	$1,859.4	$ 24.8

28964d94

ATTACHMENT T

OVERVIEW: 1996-97 POWER SYSTEM BUDGET

Uses of Funds (Millions)		
Operations and Maintenance		
Generation	$ 148	
Transmission	36	
Distribution	179	
Marketing & Customer Service	23	
Total		$ 503.0
Capital		
Generation	$ 46	
Distribution - New Business	47	
Distribution - Reliability Improvement	41	
Distribution - Other Improvement	62	
Information Technology Improvement	25	
Other	10	
Total		$ 231.0
Purchased Energy and Fuel (Inc contracts for Purchases from IPA & SCPPA)		$ 926.0
Bond Redemption & Interest		244.0
Transfer to City		98.9
Working Capital		142.3
TOTAL		$ 2,145.4

Sources of Funds (Millions)	
Beginning Cash	$ 153.3
Base Rate Revenue	1,370.4
Energy Cost Adjustment	527.3
Total	$ 2,145.4

28964d94

ATTACHMENT U

DWP - POWER REVENUE FUND
THREE YEAR FINANCIAL FORECAST
OF THE NET OPERATING INCOME

In Millions

	1996-97	1997-98	1998-99
• With Rate Relief	$ 124	$ 105	$ 88
• Without Rate Relief	$ 142	$ 130	$ 113

J. MICHAEL CAREY
CITY CLERK

CITY OF LOS ANGELES
CALIFORNIA

OFFICE OF THE
CITY CLERK
ROOM 395, CITY HALL
LOS ANGELES, CA 90012
(213) 485-5708
FAX (213) 237-0636

RICHARD J. RIORDAN
MAYOR

96-1802

September 17, 1996

COMMERCE, ENERGY AND NATURAL RESOURCES COMMITTEE

In accordance with Council Rules, communication from the Board of Water and Power Commissioners relative to Resolution No. 97-400 modifying the electric rate provisions applicable to customers with the City of Los Angeles and Counties of Inyo and Mono, was referred on September 16, 1996, to the COMMERCE, ENERGY AND NATURAL RESOURCES COMMITTEE.

J. Michael Carey
City Clerk
amm

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Department of Water and Power the City of Los Angeles

RICHARD J. RIORDAN
Mayor

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MARCIA F. VOLPERT
IRENE N. KISHI, *Assistant Secretary*

WILLIAM R. McCARLEY, *General Manager*
KENNETH S. MIYOSHI, *Assistant General Manager and Chief Engineer*
ELDON A. COTTON, *Assistant General Manager—Energy Services*
JAMES F. WICKSER, *Assistant General Manager—Water*
THOMAS M. McCLOSKEY, *Assistant General Manager—Business Planning, Marketing and Customer Service*
M. FAYE WASHINGTON, *Assistant General Manager/Chief Administrative Officer —Central Support Services*
PHYLLIS E. CURRIE, *Chief Financial Officer*

September 9, 1996

The Honorable Richard J. Riordan, Mayor
City of Los Angeles
Room 305, City Hall
Los Angeles, California 90012

Attention: June Lagmay, Legislative Coordinator

Dear Mayor Riordan:

Enclosed is a certified copy of Resolution No. 97-040, adopted by the Board of Water and Power Commissioners on September 3, 1996. This resolution modifies the electric rate provisions applicable to customers with the City of Los Angeles and Counties of Inyo and Mono. Supporting documents are also enclosed.

A copy of the City Administrative Officer's report of July 16, 1996, is provided as well as other supporting documents.

Fiscal Impact Statement

The Department of Water and Power could see a full year reduction in revenue by $25 million. This reduction is absorbed by permanent reductions in the Power Revenue Fund's Capital Program. The Department will not incur additional borrowing.

COMMITTEE ENGY & NAT RES

SEP 16 1996

111 North Hope Street, Los Angeles, California ☐ *Mailing address:* Box 111, Los Angeles 90051-0100
Telephone: (213) 367-4211 *Cable address:* DEWAPOLA *FAX:* (213) 367-3287

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CITY CLERK

'96 SEP 13 P1:31

CITY CLERK

BY. _____ DEPT.

Full year implementation of the proposed power rate ordinance could reduce annual General Fund from the Utility Users' Tax by $3.1 million and from the Power Revenue transfer by $1.3 million.

Council approval by ordinance is required.

Sincerely,

Irene N. Kishi

IRENE N. KISHI
Board Secretary

Enclosures

cc: Los Angeles City Council

RESOLUTION NO. 97 040

BE IT RESOLVED by the Board of Water and Power Commissioners of the City of Los Angeles.

Section 1

The rates to be charged and collected and the terms, provisions, and conditions to be effective respecting such rates for electrical energy distributed and for service supplied by the Department of Water and Power (hereinafter referred to as the "Department") of the City of Los Angeles (hereinafter referred to as the "City") to its customers are hereby fixed as set forth in the following sections:

Section 2

Electric service supplied to customers within the incorporated limits of the City of Los Angeles and to customers within the counties of Inyo and Mono, California, shall be in accordance with rate schedules prescribed in this section.

A. SCHEDULE R-1 - RESIDENTIAL SERVICE

1. Applicability

Applicable to service to single-family, individually metered accommodations (including separately metered common areas of condominiums and cooperatives, not including apartment house common areas) devoted primarily to residential uses and whose energy and capacity requirements do not exceed those for Small General Service Schedule A-1. Battery chargers and motors and appliances which conform in capacities to applicable electrical codes, and meet requirements of the Department's Rules, may be served under this schedule.

2. Monthly Rates

		High Season June-Oct.	Low Season Nov.-May
a.	**Rate A - Standard Service**		
(1)	Service Charge	$ 0.30	$ 0.30
(2)	Energy Charge - per kWh	$ 0.09580	$ 0.09580
(3)	ECA - per kWh	See General Provisions	
(4)	ESA - per kWh	See General Provisions	
	Minimum Charge - $7.00 plus ECA and ESA		
b.	**Rate B - Time-of-Use Service (Optional)**		
(1)	Service Charge	$ 6.00	$ 6.00
(2)	Energy Charge - per kWh		
	High-Peak Period	$ 0.16669	$ 0.16669
	Low-Peak Period	$ 0.11085	$ 0.11085
	Base Period	$ 0.06072	$ 0.06072
(3)	ECA - per kWh	See General Provisions	
(4)	ESA - per kWh	See General Provisions	
(5)	Electric Vehicle Discount	See Part 4.b	
c.	**Rate C - Low-Income Service**	Rate A less $4.16 less ESA	
	Minimum Charge: $7.00 plus ECA		
d.	**Rate D - Lifeline Service**	Rate A less $14.11 less ESA	
	Minimum Charge: $2.00		

3. Billing

The bill under Rate A shall be the sum of parts (1) through (4), but not less than the Minimum Charge. The bill under Rate B shall be the sum of parts (1) through (5). The bill under Rate C shall be Rate A less the residential low-income credit of $4.16 less ESA. The bill under Rate D shall be Rate A less the Lifeline Credit(s) less ESA.

4. General Conditions

a. Selection of Rates

A customer may choose to receive service under either Rate A or B; however, when a customer served under Rate B requests a change to Rate A, that customer may not revert to Rate B before 12 months have elapsed. To receive the Electric Vehicle Discount, any service from which an electric vehicle is charged must be taken at Rate B.

To receive service under Rate C, a customer must meet eligibility requirements as set forth by the Board of Water and Power Commissioners.

To receive service under Rate D, a customer must meet eligibility requirements as set forth under Special Conditions below.

b. Electric Vehicle Discount

Customers charging licensed electric vehicles shall receive a discount of $0.02500 per kWh based on the lesser of 500 kWh per month or the actual monthly Base Period kWh. Only California DMV registered road-worthy vehicles are eligible, with proof of vehicle registration and charging location required.

5. Special Conditions

a. Lifeline Service Eligibility

(1) Senior Citizen/Disabled Individual

Extended to any residential customer who is eligible for exemption from the City Utility User's Tax under provisions of the Los Angeles Municipal Code or the Revenue and Taxation Code of the State of California because of senior citizen or disability status.

(2) Life-Support Device

Extended to any residential customer who provides satisfactory proof to the Department that a full time resident, on the premises served, regularly requires the use of an essential life-support device, such as a respirator, iron lung or kidney dialysis machine.

(3) Paraplegics, Quadriplegics and Multiple Sclerosis Patients

Extended to any residential customer who provides proof satisfactory to the Department that an individual who is a paraplegic, quadriplegic or a multiple sclerosis patient is a full-time resident on the premises served.

(4) General

Any customer eligible for two Lifeline categories above shall receive 150 percent of the Lifeline Credit, and, if eligible for all three categories, 175 percent of the Lifeline Credit.

The customer shall notify the Department when eligibility for Lifeline Service no longer exists. For failure to so notify, the Department may back-bill the customer from such time as the customer was no longer eligible for Lifeline Service at Rate R-1(A), plus the legal rate of interest.

b. Apartment House Common Areas

Services to Apartment House Common Areas are subject to General Service rates.

B. RESIDENTIAL SERVICE RIDER GS - SOLAR GENERATION

1. Applicability

Applicable to individually metered residential service under Rate Schedule R-1(A) for customers who meet these requirements:

a. Customer owns and maintains a solar electrical generating facility with capacity of not more than 10 kW located on customer premises and which is intended to offset part or all of the customer's electrical requirements.

b. The solar generating facility is operated in parallel with the Department's distribution facilities.

c. Customer pays the costs of Department's interconnection of customer generation.

d. Customer signs a Parallel Generation Interconnection Agreement in a form satisfactory to the Department.

2. Special Conditions

a. Customer is billed for energy at the R-1(A) rate for all energy provided and measured through the service meter during a billing period.

b. Customer is credited for any energy exported from the premises to the Department system as follows:

(1) At Rate R-1(A) for all self-generated kWh up to Department-supplied kWh.

(2) At the Standard Energy Credit (as defined in Schedule PG-3) for self-generated kWh exceeding (1) above.

c. An additional service surcharge of $3.00 per month is applied to each bill to pay for the added billing and meter reading expenses.

d. This rider shall be closed to all new customers once the aggregate capacity of all residential solar generation facilities reaches 6100 kW.

C. SCHEDULE R-3 - SUBMETERED RESIDENTIAL MULTIFAMILY SERVICE

1. Applicability

Applicable to master-metered residential facilities and mobile home parks where the individual single-family accommodations are privately submetered. Not applicable to service which parallels and connects to customer's own generating facilities, except as such facilities are intended and used solely for emergency standby.

2. Monthly Rates

The Monthly Rates and the billing applicable to this service are those set forth in Schedule A-2, Primary Voltage General Service. The rates charged individual submetered units shall not be more than those set forth under said schedule, including any applicable credits as set forth herein.

3. General Conditions

a. Demand Charge

The Demand Charge shall be based on the Maximum Demand recorded during the billing period.

b. Facilities Charge

The Facilities Charge shall be based on the highest demand recorded in the last 12 months, but not less than 30 kW.

c. Lifeline Service Credit Provision

A credit of $14.11 shall be provided for each submetered unit qualified for Lifeline Service under Rate R-1(D), and so credited by the facility operator.

d. Low-Income Credit Provision

A credit of $4.16 shall be provided for each submetered unit qualified for Low-Income Service Rate R-1(C), and so credited by the facility operator.

e. Posting Rates

The owner/customer shall post, in a conspicuous place, the prevailing residential electric rate schedule published by the Department, which is used to bill the facility and which shall be applicable to the tenants as if they were individually served by the Department.

f. Tenant Billing

The owner/customer shall provide separate written electricity bills for each tenant, including the opening and closing meter readings for each billing period, the date the meters were read, the total electricity metered for the billing period, and the amount of the bill. (See General Provisions, Part I, for provision on Resale of Energy).

D. SCHEDULE A-1 - SECONDARY VOLTAGE GENERAL SERVICE

1. Applicability

Applicable to Secondary Voltage General Service, including lighting and power and charging of batteries of commercial electric vehicles, which may be delivered through the same service in compliance with the Department's Rules. Applicable to service under 30 kW demand. Not applicable to service which parallels, and connects to, customer's own generating facilities, except as such facilities are intended solely for emergency standby.

2. Monthly Rates		High Season June-Oct.	Low Season Nov.-May
a. **Rate A - Standard**			
(1)	Service Charge	$ 4.00	$ 4.00
(2)	Facilities Charge - per kW	$ 2.25	$ 2.25
(3)	Energy Charge - per kWh	$ 0.09086	$ 0.09086
(4)	ECA - per kWh	See General Provisions	
(5)	ESA - per kW	See General Provisions	
b. **Rate B - Time-of-Use (Optional)**			
(1)	Service Charge	$ 7.00	$ 7.00
(2)	Facilities Charge - per kW	$ 2.25	$ 2.25
(3)	Energy Charge - per kWh		
	High-Peak Period	$ 0.17486	$ 0.17486
	Low-Peak Period	$ 0.10779	$ 0.10779
	Base Period	$ 0.05685	$ 0.05685
(4)	ECA - per kWh	See General Provisions	
(5)	ESA - per kW	See General Provisions	
c. **Rate C - Demand Time-of-Use (Optional)**			
(1)	Service Charge	$ 4.00	$ 4.00
(2)	Facilities Charge - per kW	$ 2.25	$ 2.25
(3)	Demand Charge - per kW		
	High-Peak Period	$ 8.12	$ 8.12
	Low-Peak Period	$ 4.80	$ 4.80
	Base Period	$ 1.00	$ 1.00

2. Monthly Rates.. cont.	High Season June-Oct.	Low Season Nov.-May
(4) Energy Charge - per kWh		
High-Peak Period	$ 0.05830	$ 0.05830
Low-Peak Period	$ 0.05720	$ 0.05720
Base Period	$ 0.04400	$ 0.04400
(5) ECA - per kWh	See General Provisions	
(6) ESA - per kW	See General Provisions	

d. **Rate D- Apartment Common Areas** Same as Rate A above subject to provisions of Part 4.b.

3. Billing

The bill under Rate A shall be the sum of parts (1) through (5).
The bill under Rate B shall be the sum of parts (1) through (5).
The bill under Rate C shall be the sum of parts (1) through (6)

4. General Conditions

a. Demand Charge

The Demand Charge under Rate C shall be determined by using the Maximum Demand recorded within the applicable rating periods.

b. Facilities Charge

The Facilities Charge for Rates A, B and C shall be determined by using the highest demand recorded in the last 12 months, but not less than 4 kW.

The Facilities Charge for Rate D shall be determined by using the highest demand recorded in the last 12 months, but not less than 1 kW . If there is no recorded demand, the Facilities Charge shall be based on the demand imputed from the ratio of the greatest monthly kWh in the last 12 months to 500 hours, but not less than 1 kW, or more than 4 kW.

c. Selection of Rates

Customers may choose to receive service under Rate A, B or C. Customers receiving time-of-use service Rate B or C may return to Rate A at any time, but may not thereafter revert to the former before 12 months have elapsed. Service may be switched between Rate B and C no more than once in any 12-month period. Customers shall be placed on Schedule A-2 upon attainment of 30 kW demand, or more, in at least three out of the last twelve months.

E. SCHEDULE A-2 - PRIMARY VOLTAGE GENERAL SERVICE

1. Applicability

Applicable to General Service provided from the Primary Voltage System and non time-of-use service provided from the 34.5 kV system, including lighting and power, and charging of batteries of commercial electric vehicles, which may be delivered through the same service in compliance with the Department's Rules. Applicable to service initially expected to attain a 30 kW demand, or to service in which a demand of at least 30 kW is attained in at least three out of the last twelve months. Not applicable to service which parallels, and connects to, customer's own generating facilities, except as such facilities are intended solely for emergency standby.

2. Monthly Rates

		High Season June-Oct.	Low Season Nov.-May
a.	**Rate A - Primary Voltage Service (under 100 kW)**		
(1)	Service Charge	$25.00	$25.00
(2)	Facilities Charge - per kW	$ 2.25	$ 2.25
(3)	Demand Charge - per kW	$13.78	$12.62
(4)	Energy Charge - per kWh	$ 0.04473	$ 0.04473
(5)	ECA - per kWh	See General Provisions	
(6)	ESA - per kW	See General Provisions	
b.	**Rate B - Primary Voltage Time-of-Use Service (Optional if Under 100 kW)**		
(1)	Service Charge	$25.00	$25.00
(2)	Facilities Charge - per kW	$ 2.25	$ 2.25
(3)	Demand Charge - per kW		
	High-Peak Period	$ 8.63	$ 7.90
	Low-Peak Period	$ 4.21	$ 3.85
	Base Period	$ 1.40	$ 1.40
(4)	Energy Charge - per kWh		
	High-Peak Period	$ 0.05241	$ 0.05241
	Low-Peak Period	$ 0.05199	$ 0.05199
	Base Period	$ 0.03950	$ 0.03950
(5)	ECA - per kWh	See General Provisions	

2. Monthly Rates...cont.		High Season June-Oct.	Low Season Nov.-May
(6)	ESA - per kW	See General Provisions	

c. **Rate C - Primary Voltage Service over 500 kW**
Same as Rate A-3(A)

d. **Rate D - Rolled-In Demand Service (Optional)**

(1)	Service Charge	$25.00	$25.00
(2)	Facilities Charge - per kW	$ 2.25	$ 2.25
(3)	Energy Charge - per kWh		
	High-Peak Period	$ 0.27590	$ 0.27590
	Low-Peak Period	$ 0.16524	$ 0.16524
	Base Period	$ 0.08120	$ 0.08120
(4)	ECA - per kWh	See General Provisions	
(5)	ESA - per kW	See General Provisions	

3. Billing

The bill under Rate A and B shall be the sum of parts (1) through (6). The bill under Rate D shall be the sum of parts (1) through (5). The bill under Rate C shall be the sum of all parts of Rate A-3(A).

4. General Conditions

a. Demand Charges

The Demand Charge under Rate A shall be determined by using the Maximum Demand recorded at any time during the month. The Demand Charges under Rates B and C shall be determined by using the Maximum Demands recorded within the applicable rating periods.

b. Facilities Charge

The Facilities Charge for Rates A, B and C shall be determined by using the highest demand recorded in the last 12 months, but not less than 30 kW.

The Facilities Charge for Rate D shall be determined by using the greater of actual demand or 50 percent of the highest demand recorded in the last 12 months, but not less than 30 kW.

c. Selection of Rates

Customers may choose to receive service under Rate A, B or D, however, those changing to Rate A from Rate B may not revert to Rate B before 12 months have elapsed. Upon attaining a demand level of 100 kW customers must be placed on Rate B (or Rate D at the customers' option) when appropriate metering is available. Once established on Rate A-2, a customer may not return to Rate A-1 unless demand stays below 30 kW for twelve consecutive months. A customer choosing Rate D may change to Rate B at any time, or to Rate A if under 100 kW demand, but may not thereafter return to Rate D for two years.

F. SCHEDULE A-3 - 34.5 KV GENERAL SERVICE

1. Applicability

Applicable to standard and interruptible General Service, provided from the 34.5 kV system for loads exceeding 30 kW, including lighting and power which may be delivered through the same service in compliance with the Department's Rules. Not applicable to service which parallels, and connects to, customer's own generating facilities, except as such facilities are intended solely for emergency standby.

2. Monthly Rates

RATE A

UNIT BILLING FACTORS ($)
(High Season/Low Season)*

GENERATION COMPONENTS	High Peak	Low Peak	Base
Energy - per kWh	0.03926	0.03020	0.02602
Demand - per kW	1.53/0.93	0.23/0.22	0.19/0.19
Fixed Generation - per kW	6.00	0.00	0.00
ECA - per kWh	-------- See General Provisions ---------		
TRANSMISSION COMPONENTS			
Demand - per kW	1.85/1.44	0.84/0.60	0.09/0.09
DISTRIBUTION COMPONENTS			
Service - per Month			
Billing kW under 500	----------	65.00	----------
Billing kW at or over 500	----------	350.00	----------
Facilities - per kW	----------	1.65	----------
Demand - per kW	5.12/4.00	2.42/1.81	0.46/0.46
Reactive Energy - per kvarh			
Power Factor 0.995 - 1.000	0.00000	0.00000	0.00000
0.950 - 0.994	0.00056	0.00044	0.00033
0.900 - 0.949	0.00107	0.00085	0.00054
0.800 - 0.899	0.00325	0.00254	0.00141
0.700 - 0.799	0.00545	0.00428	0.00235
0.600 - 0.699	0.00757	0.00590	0.00324
0.000 - 0.599	0.00826	0.00644	0.00354
(If kvarh unmetered per kWh)	0.00017	0.00013	0.00010
OTHER COMPONENTS			
ESA - per kW	-------- See General Provisions ---------		

*High Season: June-Oct./Low Season: Nov.-May

RATE B - Interruptible Service (closed to new customers)

UNIT BILLING FACTORS ($)
(High Season/Low Season)*

GENERATION COMPONENTS	High Peak	Low Peak	Base
Energy - per kWh	0.03926	0.03020	0.02602
ECA - per kWh	---------- See General Provisions ----------		
Fixed Generation - per kW	6.00	0.00	0.00
Firm Demand - per kW	1.53/0.93	0.23/0.22	0.19/0.19
Non-Firm Demand - per kW			
Option I	1.02/0.56	0.23/0.22	0.19/0.19
Option II	1.53/0.93	0.23/0.22	0.19/0.19
Interruptible Demand Credit- per kW----------		4.30/1.43	----------
Excess Demand - per kW			
1st Occurrence	----------	10.80/5.40	----------
2nd Occurrence	----------	16.20/8.10	----------

TRANSMISSION COMPONENTS Same as Rate A
DISTRIBUTION COMPONENTS Same as Rate A
OTHER COMPONENTS Same as Rate A

*High Season: June-Oct./Low Season: Nov.-May

RATE X - Real Time Energy Generation Pricing Service
Generation Components

Fixed Generation - $6.00 per kW (High-Peak Period only).

Hourly Incremental Charges - Determined daily for applicability during each hour of the next day (12:00 a.m. to 11:59 p.m.). Hourly Incremental Charges are calculated by multiplying the current System Standard Line Loss Factors by System Incremental Costs. Such charges shall be communicated to customers reasonably in advance of their imposition to enable customers to adjust their operating conditions if they so desire. Billing under this component shall be the sum of the products of each hour's energy consumption and the hour's Incremental Charge.

System Incremental Costs are either the sum of the Department's variable costs for power as determined by its standard business practices or the cost of power purchased in the spot market, whichever is applicable on any given day. Because this rate is experimental, the applicable variable cost elements shall be set forth in each contract for service under this schedule. Such List of Variable Cost Elements shall be adjusted every six months as experience under this rate schedule warrants.

Transmission Components - Same as Rate A.

Distribution Components - Same as Rate A, but Service Charge = $1000 per month.

This service is experimental and the Department reserves the right to limit the number of customers and their duration of service hereunder.

3. Billing

The bill under Rate A, B and X shall be the sum of all components set forth herein.

4. General Conditions

a. Reactive Energy Charges

The Reactive Energy Charges shall be determined by using the lagging kilovar-hours (kvarh) recorded during each rating period, referenced to the High-Peak Period power factor. If reactive energy is unknown or unmetered, additional kWh charges shall be substituted, as set forth in the Rate Schedule.

b. Separation of Services

Service may be taken under Rate B, with or without service under Rate A, through a separate service and considered as a separate account for billing purposes. If a customer receives service under Rate B, there shall be no interconnection to other services beyond the Department's point of delivery.

c. Demand Charges

The Demand Charges for Generation and Transmission service shall be determined by using the maximum demands recorded within the applicable rating periods. The demand charges for Distribution service shall be determined by using the maximum demands recorded within such rating periods, but not less than 50 percent of the highest demands established within the last 12 months.

d. Fixed Generation Charge

The Fixed Generation Charge shall be determined by using the maximum demand recorded in the High-Peak period, but not less than 30 kW.

e. Facilities Charge

The Facilities Charge shall be determined by using the maximum demand recorded at any time within the last 12 months, but not less than 30 kW.

f. Firm Demand Charge

The Firm Demand Charge shall be determined by using the maximum demand which the Department will be expected to supply during a Period of Interruption, or actually supplied during the most recent Period of Interruption, if greater.

g. Non-Firm Demand Charge

The Non-Firm Demand Charge shall be determined by using the levels of demand exceeding the Firm Demand during non-interruption periods.

h. Interruptible Demand

The Interruptible Demand shall be that demand created by the load which the customer agrees to disconnect from the system during a Period of Interruption.

i. Excess Demand

The Excess Demand shall be the demand placed on the Department's system which exceeds the Firm Demand during each Period of Interruption.

j. Interruptible Service Contract

To receive service under Rate B, a customer shall sign a contract for a specified term and for a Firm Demand to be placed on the Department's system. The Interruptible Demand will not normally be less than 5,000 kW.

k. Period of Interruption

A Period of Interruption shall be an interval during which the customer served under Rate B will be required to disconnect sufficient load to reduce the demand on the Department's system to the contracted Firm Demand. A Period of Interruption will occur when, in the Department's sole judgment, the required operating reserves are inadequate to maintain system reliability, or to test the operating integrity of the interruption equipment.

l. Notice of Interruption

The Department will give the customer a minimum 10-minute (Service Option 1), or a one-hour (Service Option 2) Notice of A Period of Interruption to enable the customer to disconnect the necessary load to prevent Excess Demand. Actual control of the load interruption, however, shall be at the hands of the Department's load dispatchers.

m. Frequency and Duration of Interruption

The Periods of Interruption will not exceed ten per year nor last longer than eight hours each.

n. Verification of Ability to Interrupt

Interruptible Service customers shall periodically be required to demonstrate ability and willingness to disconnect all load except the contracted Firm Demand within the contracted Notice of

Interruption Period. Testing procedures for such verification shall be specified in the contract terms.

o. Excess Demand Charge

Excess Demand Charges shall apply upon the occurrence of an Excess Demand during a Period of Interruption. Such charges shall be increased upon a second occurrence of an Excess Demand within 12 months of the first occurrence.

Upon the third occurrence of an Excess Demand during a Period of Interruption within the same 12-month period, the customer will be disqualified from further Interruptible Rate Service.

p. Interruptible Demand Credit

The Interruptible Demand Credit shall be based upon the difference between the demand at the moment of notification of an impending interruption and the maximum demand measured during the interruption period, but only if the former exceeds the latter, else there is no credit.

q. Selection of Rates

Service under Rate A is available to all customers served from the 34.5 kV system. Rate B is available under the terms described in part j. Rate X is experimental and subject to discretionary application.

Customers whose Billing Demand is less than 500 kW but more than 100 kW may choose to receive service under Rates A-2(B) or A-2(D). Customers whose Billing Demand is less than 100 kW but more than 30 kW may choose to receive service under Rates A-2(A), A-2(B) or A-2(D). Any selected Schedule A-2 option must be retained for 12 months before changing to another option or reversion to Rate A-3(A), except that there may be no reversion to Rate A-2(D) for a period of 24 months.

r. High-Voltage Service Discount

(1) Applicability - A discount shall be applicable to the bill under this schedule when service is delivered and metered at 34.5 kV or higher voltage.

(2) Discount - One percent of all Charges derived on the basis of metered electrical values, except that the Distribution Facilities Charge shall be reduced by $0.32.

(3) Substation Equipment on Customer's Side of Service Point All equipment or structures necessary for the utilization of service delivered by the Department at high voltages shall be located on the customer's side of the point of delivery and shall be owned and maintained by the customer.

(4) Metering - Metering of energy and demand shall be provided by the Department at the primary side of transformers or, at the Department's option, on the secondary side of transformers and compensated by instruments or loss calculations to the delivery voltage, as provided in the Department's Rules.

s. Service Charge
The Distribution Service Charges shall be based on the highest demands recorded in the last 12 months.

t. ECA (Energy Cost Adjustment)
See General Provisions.

u. ESA (Electric Subsidy Adjustment)
See General Provisions

v. Rating Periods
See General Provisions

G. SCHEDULE PG-2 - SELF-GENERATION SERVICE

1. Applicability

a. Applicable to any service where a part or all of the electrical energy requirements of the customer can be supplied from sources other than the Department's system, and in compliance with the Department's Rules. Applicable to loads which would normally be served under General Service Schedule A-1 or A-2, except for self-generating capability.

b. In order to provide a transitional period for self generation customers to adjust to the difference between the rates set forth herein and the rates applicable to such customers under the superseded ordinance, all customers with self generation facilities established on Rate Schedule PG-2 for the billing period prior to the effective date of this ordinance shall be billed as follows:

(1) During the first year following the effective date of this ordinance, only the monthly based components below shall apply (with the monthly Generation and Transmission demand charges converted to daily charges and applied to each day's maximum Department-supplied demand). Such derived billing, however, may not exceed that derived under the superseded ordinance.

(2) In succeeding years, billing shall be determined by full implementation of the rates established herein. For the first five years, however, any dollar amount increase over a previous year's same load billing shall be limited to 20 percent of the billing under the superseded ordinance.

2. Monthly Rates

		High Season June-Oct.	Low Season Nov.-May
(1)	Service Charge	$ 50.00	$ 50.00
(2)	Facilities Charge - per kW	$ 2.25	$ 2.25
(3)	Monthly Demand Charge - per kW		
	Generation Components		
	High-Peak Period	$ 4.08	$ 3.65
	Low-Peak Period	$ 0.20	$ 0.10
	Base Period	$ 0.10	$ 0.00
	Transmission Components		
	High-Peak Period	$ 1.46	$ 1.13
	Low-Peak Period	$ 1.35	$ 1.05
	Base Period	$ 0.10	$ 0.10

2. **Monthly Rates...cont.**		**High Season June-Oct.**	**Low Season Nov.-May**
	Distribution Components		
	High-Peak Period	$ 3.65	$ 2.68
	Low-Peak Period	$ 3.28	$ 2.54
	Base Period	$ 1.10	$ 1.10
(4)	Daily Demand Charge - per kW per Day		
	Generation Components		
	High-Peak Period	$ 0.2040	$ 0.1825
	Low-Peak Period	$ 0.0100	$ 0.0050
	Base Period	$ 0.0050	$ 0.0000
	Transmission Components		
	High-Peak Period	$ 0.0730	$ 0.0565
	Low-Peak Period	$ 0.0675	$ 0.0525
	Base Period	$ 0.0050	$ 0.0050
(5)	Energy Charge - per kWh		
	High-Peak Period	$ 0.05241	$ 0.05241
	Low-Peak Period	$ 0.05199	$ 0.05199
	Base Period	$ 0.03950	$ 0.03950
(6)	ECA - per kWh	See General Provisions	
(7)	ESA - per kW	See General Provisions	
(8)	Wheeling Charge - per location	$25.00	$25.00
(9)	Energy Credit - per kWh	See PG-3	
(10)	Wheeling Energy and Demand Credit	See PG-3	

3. Billing

The bill shall be the sum of all Parts (1) through (10).

4. Special Conditions

Facilities Charge

The Facilities Charge shall be determined by using the maximum Department-supplied demand recorded in the last 12 months, or the Rated Generation Capacity (RGC) of the largest unit, whichever is greater.

5. General Conditions

General Conditions set forth in Rate PG-3 are incorporated herein by reference.

H. SCHEDULE PG-3 - LARGE SELF-GENERATION SERVICE

1. Applicability

a. Applicable to any service where a part or all of the electrical energy requirements of the customer can be supplied from sources other than the Department's system, and in compliance with the Department's Rules. Applicable to loads which would normally be served under General Service Schedule A-3, except for self-generating capability.

b. In order to provide a transitional period for large self generation customers to adjust to the difference between the rates set forth herein and the rates applicable to such customers under the superseded ordinance, all customers with large self generation facilities established on Rate Schedule PG-3 for the billing period prior to the effective date of this ordinance shall be billed as follows:

(1) During the first year following the effective date of this ordinance, only the monthly based components below shall apply (with the monthly Generation and Transmission demand charges converted to daily charges and applied to each day's maximum Department-supplied demand). Such derived billing, however, may not exceed that derived under the superseded ordinance.

(2) In succeeding years, billing shall be determined by full implementation of the rates established herein. For the first five years, however, any dollar amount increase over a previous year's same load billing shall be limited to 20 percent of the billing under the superseded ordinance.

2. Rates

a. MONTHLY BASIS

	UNIT BILLING FACTORS ($) (High Season/Low Season)*		
GENERATION COMPONENTS	**High Peak**	**Low Peak**	**Base**
Energy - per kWh	0.03926	0.03020	0.02602
Demand - per kW	1.53/0.93	0.23/0.22	0.19/0.19
Fixed Generation - per kW	6.00	0.00	0.00
ECA - per kWh	--------- See General Provisions ---------		
TRANSMISSION COMPONENTS			
Demand - per kW	1.85/1.44	0.84/0.60	0.09/0.09
DISTRIBUTION COMPONENTS			
Service - per Month			
Billing kW under 500	----------	65.00	----------
Billing kW at or over 500	----------	350.00	----------
Facilities - per kW	----------	1.65	----------
Demand - per kW	5.12/4.00	2.42/1.81	0.46/0.46

*High Season: June-Oct./Low Season: Nov.-May

a. MONTHLY BASIS **UNIT BILLING FACTORS ($)**

	High Peak	Low Peak	Base
Reactive Energy - per kvarh			
Power Factor 0.995 - 1.000	0.00000	0.00000	0.00000
0.950 - 0.994	0.00056	0.00044	0.00033
0.900 - 0.949	0.00107	0.00085	0.00054
0.800 - 0.899	0.00325	0.00254	0.00141
0.700 - 0.799	0.00545	0.00428	0.00235
0.600 - 0.699	0.00757	0.00590	0.00324
0.000 - 0.599	0.00826	0.00644	0.00354
(If kvarh unmetered-per kWh)	0.00017	0.00013	0.00010

OTHER COMPONENTS

ESA - per kW	---------	See General Provisions	----------
Wheeling - per location	----------	25.00	----------
Wheeling Credits	----------	(See 4.i.)	----------
Energy Credits	----------	(See 4.f)	----------

b. DAILY BASIS **UNIT BILLING FACTORS ($)**
(High Season/Low Season)*

GENERATION COMPONENTS	High Peak	Low Peak	Base
Demand - per kW per day	0.0765/0.0465	0.0115/0.0115	0.0063/0.0063
Fixed Generation - per kW per day	0.3000	0.0000	0.0000
TRANSMISSION COMPONENTS			
Demand - per kW per day	0.0920/0.0720	0.0420/0.0300	0.0030/0.0030

*High Season: June-Oct./Low Season: Nov.-May

3. Billing

The bill shall be the sum of all components set forth herein.

4. General Conditions

a. Facilities Charge

The Facilities Charge shall be determined by using the maximum monthly Department-supplied demand recorded in the last 12 months, or the Rated Generation Capacity (RGC) of the largest unit, whichever is greater.

b. Monthly Fixed Generation Charge

The Monthly Fixed Generation Charge shall be determined by using the maximum Department-supplied demand in the High-Peak Period which exceeds the customer's Rated Generation Capacity (RGC).

c. Daily Fixed Generation Charge

The Daily Fixed Generation Charge shall be determined by the difference between the RGC and actual self-generated kW during each day's High-Peak Period's highest coincident total of Department-supplied and self-generated demand.

d. Energy Charge

The Energy Charge shall apply to the total number of kilowatt-hours supplied to the customer by the Department during each rating period. A device shall be installed on the meter recording energy supplied by the Department to prevent its reverse operation.

e. Wheeling Charge

The Wheeling Charge shall be based upon the number of locations specified by contract as "wheeled to" facilities.

f. Energy Credit

The Energy Credit shall apply to the total number of kilowatt-hours of Excess Energy supplied to the Department's system by the customer during each rating period. A device shall be installed on the meter recording energy supplied to the Department to prevent its reverse operation.

(1) Standard Energy Credit - The Standard Energy Credit shall be revised four times each year on January 1, April 1, July 1, and October 1, and shall be in effect for three calendar months. It shall be equal to the average incremental energy cost, as recorded by the Department's load dispatcher, for the three-month period ending at least 28 days prior to the revision date. The energy cost shall be averaged separately for each rating period. Prior to such averaging, the incremental cost of energy supplied by coal-fueled plants shall be multiplied by 1.08 to adjust for losses. If the Excess Energy is metered at 34.5 kV, the Energy Credit for each rating period shall be multiplied by 1.014 to adjust for reduced losses on the Power System.

(2) Contracted Energy Credit - The Contracted Energy Credit, provided under contracts of 15 years or longer, is equal to the Standard Energy Credit plus a capacity credit, on a per kilowatt-hour basis, based on the Department's least-cost capacity resource.

g. Monthly Demand Charges

The Monthly Demand Charges for Distribution service shall be determined by using the highest Department-supplied demand within each rating period in the month, but not less than 50 percent of the highest such demands established within the last 12 months. The Monthly Demand Charges for Generation and Transmission service shall be determined by using the highest Department-supplied demands exceeding the customer's Rated Generation Capacity (RGC).

h. Daily Demand Charges

The Daily Demand Charges for Generation and Transmission service shall be determined by the difference between the Rated Generation Capacity and actual self-generated kW at the time of the highest daily coincident total of Department-supplied and self-generated demand within each rating period.

i. Wheeling Credits

Parallel generation customers may receive credit for energy wheeled to specific qualifying facilities connected to the Department's distribution system. Such energy shall not exceed the metered kilowatt-hours for each pricing period at each "wheeled to" location, and shall be adjusted for distribution losses for conditions specified by contract. The credits shall be calculated at the energy rates applicable to the "wheeled to" facility, including the ECA.. Any demand credits shall be derived by application of the Monthly Generation Demand charges (excluding Fixed Generation) to demands imputed from the ratio of kWh in each period to the actual hours in each period.

j. Excess Energy

Excess Energy is the energy generated by the customer beyond the customer's requirements and supplied to the Department's system.

k. Reactive Energy Charge

The Reactive Energy Charge shall be based on the lagging kilovar-hours (kvarh) recorded during each rating period, referenced to the High-Peak Period power factor.

l. Character of Service

Service will be supplied at one standard voltage. A customer will normally receive three-phase service from the Department and must have three-phase generation equipment. Any customer receiving single-phase service, however, must have single-phase generation equipment.

The customer's generation equipment and interconnection facilities must be in compliance with the Department's Electric Service Requirements.

m. Metering

The Department shall supply, own, and maintain all necessary meters and associated equipment utilized for billing and for measurement of Excess Energy. The Department shall install telemetering equipment at the customer's expense to monitor the energy produced by the customer, as well as any other electrical characteristics deemed appropriate by the Department.

Installations shall include recorders at the output of all generating units, to be used in conjunction with existing metering and recorders, at the point of interconnection to determine actual load served by the Department at all times. When the RGC is 100 kW or less, the customer may avoid the cost of generation metering by agreeing to accept the Department's System Average Availability rating, as determined by the Department for cogenerators, as the basis for establishing daily demand charges and energy credits.

The Department may install, at its expense, demand recorders, for which the customer shall provide, at no expense to the Department, a suitable location for such meters, telephone line and associated equipment.

n. Temporary Discontinuance of Service

No adjustments will be made for a Temporary Discontinuance of Service. If a customer requests resumption of service within 12 months after such service was discontinued, the customer will be required, prior to resumption of service, to pay all charges which would have been billed if service had not been discontinued.

o. Terms of Service

A customer receiving service under this schedule may elect to change to another applicable rate schedule at any time, but may not, thereafter, receive service under this schedule before three years have elapsed.

p. Agreement

To receive service under this schedule, the customer shall sign a Parallel Generation Interconnection Agreement with the Department.

q. High-Voltage Service Discount

High-Voltage Service Discount provisions set forth in Rate A-3(A) are incorporated herein by reference.

r. Rated Generation Capacity (RGC)

The Rated Generation Capacity shall be as defined in the Parallel Generation Agreement. In the absence of such definition, the RGC shall be based on the nameplate rating(s) of any generation equipment on the premises not used exclusively for emergency generation.

I. SCHEDULE XRT - EXPERIMENTAL REAL-TIME PRICING SERVICE

1. Applicability

Applicable to standard 34.5 kV system General Service, including lighting and power which may be delivered through the same service in compliance with the Department's Rules. Applicable to service at 500 kW demand or greater. Not applicable to service which parallels, and connects to, customer's own generating facilities, except as such facilities are intended solely for emergency standby.

This service is experimental and the Department reserves the right to limit the number of customers receiving service hereunder to those deemed capable of shedding load when alerted to do so.

2. Monthly Rates

		High Season*	Low Season*
a.	**Rate A - Single-Stage Alert Service** All components of Rate A-3(A) shall apply with the following additions and modifications:		
1.	Service Charge	$1000.00	$1000.00
2.	Generation Demand Charge - per kW		
	High-Peak Period	$ 0.65	$ 0.39
3.	Stage I Alert Period		
	Energy Charge - per kWh		
	High-Peak Period	$ 0.37912	$ 0.37912
	Low-Peak Period	$ 0.03020	$ 0.03020
	Base Period	$ 0.02602	$ 0.02602
b.	**Rate B - Dual-Stage Alert Service** All components of Rate A-3(A) shall apply with the following additions and modifications:		
1.	Service Charge	$1000.00	$1000.00
2.	Generation Demand Charge - per kW		
	High-Peak Period	$ 0.48	$ 0.29
3.	Stage I Alert Period		
	Energy Charges - per kWh		
	High-Peak Period	$ 0.37912	$ 0.37912
	Low-Peak Period	$ 0.03020	$ 0.03020
	Base Period	$ 0.02602	$ 0.02602
4.	Stage II Alert Period		
	Energy Charges - per kWh		
	High-Peak Period	$ 0.10415	$ 0.10415
	Low-Peak Period	$ 0.03020	$ 0.03020
	Base Period	$ 0.02602	$ 0.02602

*High Season: June-Oct./Low Season: Nov.-May

c. **Rate C - Hourly Pricing Service**

1. Access Charge — See 4.f.
2. Incremental Usage Charge — See 4.g.

3. Billing

Customers may select Rates A, B or C. The bill under Rate A and B shall be the sum of all functional components of Rate A-3(A) applicable to the customer except as modified in this schedule. The bill under Rate C is the sum of Parts 1 and 2. Unless otherwise specified by contract terms, a customer may not revert to Rate A-3(A) until a full summer's (June-October) billing under Rate A or B has been rendered.

4. General Conditions

a. Alert Stages

(1) Stage I Alert (applies to Rates A and B)

Whenever the Power System, in its sole judgment, anticipates at least a 95-degree Fahrenheit day following a day in which the temperature, as measured at the Civic Center, reached at least 90-degrees Fahrenheit, it shall give customers at least a 12-hour notification of a Stage I Alert day. During such day(s), limited to seven within any calendar year, the customer may limit the Alert Period Energy Charges by curtailing load.

(2) Stage II Alert (applies to Rate B only)

Whenever the Power System, in its sole judgment, anticipates at least a 90-degree Fahrenheit day following a day in which the temperature, as measured at the Civic Center, reached at least 90-degrees Fahrenheit, it shall give customers at least a 12-hour notification of a Stage II Alert day. During such day(s), limited to nine within any calendar year, the customer may limit the Alert Period Energy Charges by curtailing load.

b. Facilities Charge

The Facilities Charge shall be based on the highest demand recorded in the last 12 months, but not less than 500 kW. Service provided below customary reliability standards may be compensated by reduced Facilities Charges, as specified by contract.

c. Contracts

To receive service under this rate schedule, the customer shall sign a contract with the Department.

d. High-Voltage Service Discount

High-Voltage Service Discount provisions set forth in Rate A-3(A) are incorporated herein by reference.

e. Base Load Determinants

Base Load Determinants (BLD) are established from one complete year (8760 hours) of hourly consumption data chosen as the customer's most representative (benchmark) 12 consecutive months' consumption out of the past 24 months. It is used in calculating the monthly Access Charge and Incremental Usage Charge (IUC) for Rate XRT-C. Once established, BLD may only be modified for significant changes in customer operating patterns or equipment.

f. Access Charge

The access charge for the billing month is determined by applying Rate A-3(A) to the BLD of the corresponding billing period.

g. Incremental Usage Charge

The Incremental Usage Charge (IUC) for a billing period is the summation of the products of the Hourly Incremental Charges (as defined in Schedule A-3(X)) and each hour's differential from BLD. The IUC can be positive or negative because each hour's differential from BLD can be positive or negative.

h. Telephone Line Requirement

To receive service under Rate XRT-C, the customer shall provide, at no cost to the Department, a dedicated telephone line to access daily metering data.

i. Notifications

The Department may employ various customer notification methods for impending State I and Stage II alerts, including verbal telephone contact with customer-designated agents. However, automated procedures may be established at any time to effect such notifications, including, but not limited to, customer dial-up of pre-recorded messages and Department notification by FAX.

J. SCHEDULE XCD - EXPERIMENTAL CONTRACT DEMAND SERVICE

1. Applicability

Applicable to 34.5 kV system General Service, including lighting and power which may be delivered through the same service in compliance with the Department's Rules. Generally applicable to service with an average consumption exceeding 1,000,000 kilowatt-hours per month. Not applicable to service which parallels, and connects to, customer's own generating facilities, except as such facilities are intended solely for emergency standby.

This service is experimental and the Department reserves the right to limit the number of customers receiving service hereunder. It is available only to existing customers who have previously signed a contract for service under this rate schedule.

2. Monthly Rates

All components of Rate A-3(A) shall apply except that Demand and Energy charges shall be set by contract. Unit prices may vary to reflect variation in customer load factor by terms of the contract, but shall not be less than marginal demand and marginal energy costs as determined from time to time by marginal cost studies for the specified contract period.

3. General Conditions

a. Contracts

To receive service under this rate schedule, a customer shall sign a contract for a specified term of at least two years and not exceeding five years.

b. High-Voltage Service Discount

High-Voltage Service Discount provisions set forth in Rate A-3(A) are incorporated herein by reference.

K. GENERAL SERVICE RIDER EZ - ENTERPRISE ZONE

1. Applicability

Applicable to new permanent Commercial and Industrial service under General Service Schedules set forth in this ordinance to customers newly located in City-designated Enterprise Zones and to existing customers within such zones who increase energy consumption in accordance with the criteria in Part 4 below. Any business already receiving the EZ discount when acquired by a new owner, or when moved to another location within any Enterprise Zone, shall retain the discount to the original applicant's expiration date.

Not applicable to any business within an enterprise zone which: (1) has been operating more than one year before applying for this rider; (2) changes ownership; (3) changes names; (4) goes into, or emerges from, receivership or bankruptcy.

Not applicable to temporary or occasional enterprises with known or expected tenures of less than two years. Not applicable to permanent or temporary residential facilities, nor to their common areas. Not applicable to any service established on experimental rates, to any service exempted from the City Utility Users Tax, nor to any service receiving Rider DR. Not applicable to service which parallels, and connects to, customer's own generating facilities, except as such facilities are intended solely for emergency standby.

2. Rate Duration and Billing

The applicable General Service Schedules will be reduced during the first 60 months of continuous service after verification of Enterprise Zone eligibility as follows:

General Service Billing Components	1st Year %	2nd Year %	3rd Year %	4th Year %	5th Year %
Service Charges	30	25	20	15	10
Demand Charges	30	25	20	15	10
Energy Charges	30	25	20	15	10
Facilities Charges	30	25	20	15	10
Reactive Energy Charges	30	25	20	15	10
Energy Cost Adjustment	-0-	-0-	-0-	-0-	-0-
Electric Subsidy Adjustment	100	100	100	100	100

Customers established on Enterprise Zone rates prior to the effective date of this Ordinance shall receive a 20-percent reduction for their remaining time on EZ rates, which is commensurate with the effective reduction under the superseded rate ordinance.

3. Qualification and Application for General Service Rider

Preliminary qualification shall be determined and application for service under this rider arranged, by the Los Angeles Community Development Department (CDD), which shall transmit such application to the Department for final determination. Requisite to application of this rider is that the new customer had established service under a standard rate schedule no earlier than 12 months before the application date. The rate reductions set forth herein shall become effective no earlier than one billing period after receipt of the application by the DWP, provided however, that any existing billing arrearages are first cleared.

4. Increased Energy Usage by Existing Customers

This rider is applicable to existing services at any given facility in which aggregate energy consumption of all active services during the six months prior to CDD's submittal was at least 75 percent of the aggregate consumption in the prior 12 months. If such criterion is not initially met, the application will be reviewed six months later, at which time the latest six-month average usage will become the basis of comparison to the same 12 months.

L. GENERAL SERVICE RIDER DR - DISASTER RECOVERY

1. Applicability

Applicable to any commercial or industrial customer occupying premises that received service under General Service Rate Schedules during the occurrence of a major disaster, either natural or man-caused, resulting in widespread destruction to property and is declared by the Mayor and confirmed by the City Council to be a local emergency. This service is not applicable to temporary or occasional enterprises with known or expected tenures of less than two years, to permanent or temporary residential facilities, to services established on experimental rates, to services exempt from the City Utility Users Tax, nor to any service receiving Rider EZ.

Service may be reestablished with this rider for those premises completely destroyed as a result of the disaster and upon which actual rebuilding begins within twenty-four (24) months of the date of Declaration of a Local Emergency by the Mayor. The rebuilding must occur pursuant to a Department of Building and Safety Permit No. 1, or Permit No. 3 to replace structures which had been razed to their foundations.

This service rider is subject to periodic assessment of conditions prevailing in the City and to the objectives of the Department, and the Department reserves the right to limit the number of customers receiving service hereunder.

2. Rate Duration and Billing

The applicable General Service Schedules will be reduced during the first 60 months of continuous service in the reconstructed original facilities as follows:

General Service Billing Components	1st Year %	2nd Year %	3rd Year %	4th Year %	5th Year %
Service Charges	30	25	20	15	10
Demand Charges	30	25	20	15	10
Energy Charges	30	25	20	15	10
Facilities Charges	30	25	20	15	10
Reactive Energy Charges	30	25	20	15	10
Energy Cost Adjustment	-0-	-0-	-0-	-0-	-0-
Electric Subsidy Adjustment	100	100	100	100	100

Customers established on Disaster Recovery rates prior to the effective date of this Ordinance shall receive a 20-percent reduction for their remaining time on DR rates, which is commensurate with the effective reduction under the superseded rate ordinance.

Customers forced by the total destruction of their premises to establish new services in unaffected premises within the immediate surrounding community are eligible to receive the benefits above for a duration of twenty-four (24) months, providing said customers are otherwise qualified and apply for the Rider within six months following declaration of the disaster. Upon return to the newly rebuilt original premises as first occupants, such customers may extend the Rider to the full 60 months.

3. Qualification and Application for General Service Rider

Preliminary qualification shall be determined, and application for service under this rider arranged, by the Los Angeles Community Development Department (CDD) which shall transmit such application to the Department for final determination. The CDD shall determine the bounds of the "immediate surrounding community" per Mayor's Declaration. The rate reductions set forth herein shall become effective no earlier than one billing period after receipt of the application by the DWP, provided, however, that any existing billing arrearages are first cleared.

M. SCHEDULE LS-1 - STREET AND HIGHWAY LIGHTING SERVICE TO UTILITY-OWNED SYSTEMS

1. Applicability

Applicable to electric service for street and highway lighting in utility-owned systems, where the Department provides maintenance service.

2. Monthly Rates - Multiple Service

Light Type and Size	Nominal kilowatts Per Light*	Charge Per Light* First Year	Second Year
Incandescent #			
75-watt or less	0.093	$ 7.80	$ 9.58
100-watt or 1,000-lumen	0.102	8.02	9.73
200-watt or 2,500-lumen	0.189	9.65	11.13
300-watt or 4,000-lumen	0.263	11.01	12.31
500-watt or 6,000-lumen	0.371	13.01	14.05
10,000-lumen	0.599	17.45	17.71
15,000-lumen	0.844	22.42	21.65
Mercury Vapor #			
100-watt	0.136	5.34	5.97
175-watt	0.226	6.97	7.42
250-watt	0.315	8.64	8.85
400-watt	0.501	12.04	11.84
Metal Halide			
175-watt	0.231	9.42	9.33
250-watt	0.317	11.27	10.71
High-Pressure Sodium			
50-watt	0.099	4.79	5.38
70-watt	0.113	5.03	5.60
100-watt	0.155	5.79	6.28
150-watt	0.220	6.99	7.32
200-watt	0.277	8.05	8.24
250-watt	0.343	9.27	9.30

Series Service Adjustment

$0.78 per month shall be added to the Charges Per Light above for Series Service.

* For lights operated in accordance with the "Standard All-Night Schedule of Operation" or "Photoelectric Controller Operation".

\# Closed to new installations.

3. **Billing for Design and Construction**

Applicants for new or expanded service under this schedule shall pay in advance the design and construction charges for such service based on the Department's actual costs plus established indirect costs. For service to the Bureau of Street Lighting (BSL), the Department will accept an Inter-Departmental order as advance payment.

4. **Billing for Maintenance**

Beginning with the second year of this Ordinance, the Department will apply a Maintenance Cost Adjustment Factor (MCAF) to each light. The MCAF will align the previous quarter's total maintenance charges billed under this schedule with its total actual maintenance costs, and will be applied in the ensuing quarter. The algebraic difference between the previous quarter's total actual and total billed maintenance costs will be allocated to the various lamp types (weighted by a relative lamp type maintenance scale) and added to the rate per lamp type. The MCAF will be updated quarterly and maintenance charges and adjustments will appear as separate line items on customer's bills.

5. **Energy Cost Adjustment (ECA)**

The Charges Per Light set forth above are subject to adjustment on a kilowatt-hour basis for variation of energy costs, as described in the General Provisions.

Kilowatt-hours shall be determined by multiplying nominal kilowatts per light described above by 340 and rounding to the nearest kilowatt-hour.

6. **General Conditions**

a. Service Supply Points

Service will be supplied at points mutually agreed upon between customers and the Department.

b. Character of Service

The Department will supply the energy and will own, operate, and maintain the entire system.

c. Lamp Substitution

For incandescent-light systems, the Department reserves the right to use lumen-rated (group replacement) lamps.

d. Temporary Turn-Ons

For Temporary Turn-Ons of streetlights at times other than regularly scheduled hours of operation, the rate shall be $138.01 per turn-on as a service charge, plus $0.17486 per kilowatt-hour, plus the ECA. In such cases, the kilowatt-hours shall be determined by the Department.

e. Bills to Board of Public Works

Bills for lighting service rendered to the Board of Public Works of the City of Los Angeles shall be paid monthly for the service so furnished in the preceding month from funds provided by the City Council for such purposes. Bills for non-continuous utilitarian lights shall be zero for the duration of this Ordinance. Lighting services separately funded, including, but not limited to, lighting assessment districts, shall continue being billed, and shall pay, for all lighting service.

f. Operation Schedules

After acceptance of customer's written application, lights will be controlled in accordance with one of the schedules of operation hereunder:

(1) Standard All-Night Schedule of Operation

Lights shall be turned on daily at 15 minutes after sunset and turned off 25 minutes before sunrise.

(2) Special Schedule of Operation

Earlier or later turn-off of lights, other than provided for under "Standard All-Night Schedule of Operation," may be provided under a suitable schedule of operation as mutually agreed upon by the Department and the customer, but only if the customer agrees to pay for any extra costs involved in furnishing special switching and other service in connection therewith.

(3) Photoelectric Controller Operation

In lieu of controlling any lighting system with reference to "sunset" and "sunrise" in schedules of operation, the Department may, at its option, control lamps by means of photoelectric controllers so that the lamps will be lighted daily from dusk to dawn, approximately 340 hours monthly.

N. SCHEDULE LS-2 - STREET AND HIGHWAY LIGHTING SERVICE TO CUSTOMER-OWNED SYSTEMS

1. Applicability

Applicable to electric service for street and highway lighting (including tunnels, bridges, and parks) in customer-owned systems where the Department provides maintenance service. Not applicable to City General Benefit Lighting or for any other City service.

Note: This schedule is closed to new service.

2. Monthly Rates - Multiple Service

Light Type & Size	Nominal Kilowatts Per Light	Charge Per Light: All Night* 340 hr	1:00 a.m. 210 hr	All Day 390 hr	Continuous 730 hr
a. First Year of Ordinance					
Incandescent					
75-watt or less	0.093	$ 6.98	$ 6.41	$ 8.23	$ 9.90
100-watt or 1,000-lumen	0.102	7.19	6.57	8.57	10.40
200-watt or 2,500-lumen	0.189	8.79	7.63	11.34	14.73
300-watt or 4,000-lumen	0.263	10.11	8.50	13.66	18.38
500-watt or 6,000-lumen	0.371	12.07	9.80	17.08	23.73
10,000-lumen	0.599	16.41	12.74	24.51	35.25
15,000-lumen	0.844	21.28	16.11	32.68	47.81
Mercury Vapor					
50-watt	0.064	4.07	3.72	4.88	5.90
75-watt	0.094	3.88	3.31	5.51	7.20
100-watt	0.136	4.61	3.77	6.97	9.40
175-watt	0.226	6.20	4.81	10.12	14.17
250-watt	0.315	7.83	5.90	13.30	18.95
400-watt	0.501	11.15	8.08	19.84	28.82
700-watt	0.845	17.47	12.29	32.13	47.28
1,000-watt	1.191	23.62	16.32	44.28	65.64
Fluorescent					
40-watt	0.061	3.49	3.12	4.55	5.64
100-watt	0.121	4.60	3.85	6.69	8.87
Metal Halide					
175-watt	0.231	7.52	6.10	11.53	15.67
250-watt	0.317	9.12	7.17	14.61	20.30
400-watt	0.497	11.53	8.48	20.15	29.07
1000-watt	1.178	24.04	16.82	44.48	65.61

* Includes lights controlled by a photoelectric controller.

Light Type & Size	Nominal Kilowatts Per Light	Charge Per Light: All Night* 340 hr	1:00 a.m. 210 hr	All Day 390 hr	Continuous 730 hr
a. First Year of Ordinance...cont.					
High-Pressure Sodium					
50-watt	0.099	$ 4.00	$ 3.39	$ 5.72	$ 7.49
70-watt	0.113	4.23	3.53	6.19	8.21
100-watt	0.155	4.98	4.03	7.67	10.45
150-watt	0.220	6.15	4.80	9.96	13.91
200-watt	0.277	7.19	5.49	12.00	16.96
250-watt	0.343	8.38	6.28	14.33	20.48
310-watt	0.411	9.61	7.09	16.74	24.11
400-watt	0.526	11.66	8.44	20.79	30.22
High-Pressure Sodium - Mercury Ballasted					
150-watt	0.216	6.27	4.94	10.02	13.88
215-watt	0.283	7.49	5.75	12.40	17.48
360-watt	0.438	10.27	7.59	17.87	25.73
Low-Pressure Sodium					
35-watt	0.062	4.77	4.39	5.84	6.95
55-watt	0.085	5.33	4.81	6.80	8.33
90-watt	0.139	6.52	5.67	8.93	11.43
135-watt	0.200	8.06	6.84	11.53	15.12
180-watt	0.262	9.38	7.77	13.93	18.62
b. Second Year of Ordinance					
Incandescent					
75-watt or less	0.093	8.51	8.00	9.69	11.18
100-watt or 1,000-lumen	0.102	8.66	8.10	9.95	11.58
200-watt or 2,500-lumen	0.189	10.06	9.02	12.44	15.48
300-watt or 4,000-lumen	0.263	11.24	9.80	14.56	18.79
500-watt or 6,000-lumen	0.371	12.98	10.94	17.66	23.62
10,000-lumen	0.599	16.64	13.35	24.20	33.82
15,000-lumen	0.844	20.58	15.94	31.23	44.78
Mercury Vapor					
50-watt	0.064	4.07	3.72	4.88	5.90
75-watt	0.094	4.55	4.03	6.46	7.97
100-watt	0.136	5.22	4.48	7.99	10.17
175-watt	0.226	6.67	5.43	11.26	14.89
250-watt	0.315	8.10	6.37	14.49	19.55
400-watt	0.501	11.09	8.34	21.26	29.30
700-watt	0.845	16.61	11.97	33.77	47.34
1,000-watt	1.191	22.17	15.63	46.35	65.48

* Includes lights controlled by a photoelectric controller.

Light Type & Size	Nominal Kilowatts Per Light	Charge Per Light: All Night* 340 hr	1:00 a.m. 210 hr	All Day 390 hr	Continuous 730 hr
b. Second Year of Ordinance...cont.					
Fluorescent					
40-watt	0.061	$ 4.59	$4.25	$ 5.83	$6.81
100-watt	0.121	5.55	4.89	8.01	9.95
Metal Halide					
175-watt	0.231	8.46	7.19	13.15	16.86
250-watt	0.317	9.84	8.10	16.28	21.37
400-watt	0.497	11.59	8.86	21.68	29.66
1,000-watt	1.178	22.53	16.06	46.45	65.37
High-Pressure Sodium					
50-watt	0.099	4.63	4.09	6.64	8.23
70-watt	0.113	4.85	4.23	7.15	8.96
100-watt	0.155	5.53	4.68	8.68	11.17
150-watt	0.220	6.57	5.37	11.04	14.57
200-watt	0.277	7.49	5.97	13.11	17.56
250-watt	0.343	8.55	6.67	15.51	21.02
310-watt	0.411	9.64	7.38	17.99	24.59
400-watt	0.526	11.49	8.60	22.17	30.61
High-Pressure Sodium - Mercury Ballasted					
150-watt	0.216	6.51	5.32	10.89	14.36
215-watt	0.283	7.59	6.03	13.33	17.88
360-watt	0.438	10.07	7.67	18.97	26.00
Low-Pressure Sodium					
35-watt	0.062	4.61	4.27	5.86	6.86
55-watt	0.085	4.98	4.51	6.70	8.07
90-watt	0.139	5.84	5.08	8.66	10.90
135-watt	0.200	6.82	5.72	10.88	14.09
180-watt	0.262	7.82	6.38	13.14	17.35

* Includes lights controlled by a photoelectric controller.

Series Service Adjustment

$0.78 per month shall be added to the Charges Per Light above for Series Service.

3. Maintenance Service to Bureau of Street Lighting (BSL)

Maintenance service for Bureau of Street Lighting (BSL)-owned systems shall be provided entirely by the Department or provided entirely by others, unless the Department and BSL mutually agree that such service to parts of such systems may be provided by others.

4. Billing for Maintenance

Beginning with the second year of this Ordinance, the Department will apply a Maintenance Cost Adjustment Factor (MCAF) to each light. The MCAF will align the previous quarter's total maintenance charges billed under this schedule with its total actual maintenance costs, and will be applied in the ensuing quarter. The algebraic difference between the previous quarter's total actual and total billed maintenance costs will be allocated to the various lamp types (weighted by a relative lamp-type maintenance scale) and added to the rate per lamp type. The MCAF will be updated quarterly and maintenance charges and adjustments will appear as separate line items on customer's bills.

5. Energy Cost Adjustment (ECA)

The Charges Per Light set forth above are subject to adjustment on a kilowatt-hour basis for variation of energy costs, as described in the General Provisions. Kilowatt-hours shall be determined by multiplying nominal kilowatts by nominal operating hours as described above and rounding to the nearest kilowatt-hour.

6. General Conditions

a. Character of Service

(1) The necessary posts or fixtures, brackets, luminaries, and underground interconnecting conduits and circuits must be provided by the customer at the customer's expense. Systems with overhead interconnecting circuits between posts may be served hereunder, with the customer providing posts, fixtures, brackets, and luminaries, and the Department providing, installing, and maintaining such overhead interconnecting circuits at extra cost.

(2) Energy will be supplied at service points mutually agreed upon between the customer and the Department for multiple systems at 120 or 120/240 volts, or for series systems at 6.6 amperes. The Department reserves the right to provide multiple service at voltage ratings other than specified herein.

(3) For incandescent-light systems, the Department reserves the right to use lumen-rated (group replacement) lamps.

(4) All plans and specifications for the installation of, and the construction of, or changes to lighting systems shall be subject to approval of the Department, which shall have the right to inspect and to test the installations before acceptance for service. Testing of original system installations will be made without charge provided that such testing may be done without involving unreasonable time or expense due to faulty construction. Where it is contemplated that the Department will provide, install, and maintain overhead interconnecting circuits, the posts shall be located so that no extra supports for such overhead wiring will be required except as may be determined by the Department to be reasonably necessary.

(5) Where Series Service is furnished from Department overhead lines, the customer may mount cutout boxes on the Department's poles, and service connections will be run by the Department to such boxes. The Department will furnish vaults and all necessary appurtenances therein for lighting service in locations established by the Department as underground areas. Where Series Service from a vault is furnished, the customer shall install all ducts and conductors between the posts or fixtures and the vault.

(6) Maintenance of customer's equipment will be furnished by the Department as specified under "Normal Maintenance."

(7) The Department will provide, install, and maintain overhead interconnecting circuits between posts accepted for such service subject to conditions and charges specified under "Maintenance Other Than Normal."

b. Normal Maintenance

(1) The Department will furnish normal maintenance which shall include:

(a) Periodic inspection, renewal of lamps and cleaning of glassware according to established schedules.

(b) Replacement of glassware and inoperative lamps.

(c) Maintenance of controlling devices according to established schedules.

(d) Cleaning and painting of posts.

(e) Minor repairs to wiring and electrical appurtenances on or within the posts.

(2) Normal Maintenance shall not include maintenance with respect to equipment developing defects in test or in service due to faults in design, manufacture, or installation until such defects have been satisfactorily corrected; nor

replacement of damaged glassware or lamps when such damage is coincident with or is a result of partial or total demolition of post or when caused by vandalism, riots, fires, explosions, earthquakes, or Acts of Nature.

c. Maintenance Other Than Normal

The rates established in this schedule do not provide for maintenance or replacement of customer's equipment other than as specified under "Normal Maintenance." Consequently, the Department may not be required to furnish at its expense any other maintenance work, nor replacement of posts or post parts, nor of underground cables or conduits beyond the Department's service feed points. Where the Department has approved the plans for an overhead-wired system, and has agreed to provide and install the overhead interconnecting circuits between the posts, it will provide such installation and maintenance service at an additional annual charge of $21.78 per post.

d. Temporary Turn-Ons

For Temporary Turn-Ons of streetlighting at times other than regularly scheduled hours of operation, the rate shall be $138.01 per turn-on as a service charge, plus $0.17486 per kilowatt-hour, plus the ECA. In such cases, the kilowatt-hours shall be as determined by the Department.

e. Bills to Board of Public Works

Bills for lighting service rendered to the Board of Public Works of the City of Los Angeles shall be paid monthly by said Board on or before the tenth day of the month for the service so furnished in the preceding month from funds provided by the City Council for such purposes. Bills for general benefit lighting (lighting which is not included in the Los Angeles City Lighting District) shall be zero for the duration of this ordinance.

f. Operation Schedules

Upon acceptance of the customer's system, lights will be controlled in accordance with one of the schedules of operation hereunder:

(1) All-Night Schedule of Operation

Lights shall be turned on daily at 15 minutes after sunset and turned off 25 minutes before sunrise.

(2) 1:00 a.m. Schedule of Operation

Lights shall be turned on daily at 15 minutes after sunset and turned off at 1:00 a.m. Pacific Standard Time.

(3) All-Day Schedule of Operation

Lights will operate at all hours other than those specified under All-Night Schedule of Operation.

(4) Continuous Schedule of Operation

Lights will operate 24 hours per day.

(5) Special Schedule of Operation

Earlier or later turn-off of lights than is provided under "Standard All-Night Schedule of Operation" may be provided under a suitable schedule of operation as mutually agreed upon by the Department and the customer, but only if the customer agrees to pay for any extra costs involved in furnishing special switching and other service required for such schedule.

(6) Photoelectric Controller Operation

In lieu of controlling any lighting system with reference to "sunset" and "sunrise" in schedules of operation, the Department may, at its option, control lamps by means of photoelectric controllers so that the lamps will be lighted daily from dusk to dawn, approximately 340 hours monthly.

O. SCHEDULE LS-3 - STREET AND HIGHWAY LIGHTING SERVICE TO CUSTOMER-OWNED SYSTEMS

1. Applicability

Applicable to electric service to public street, highway, and freeway lighting systems, including circuit control facilities, where the customer provides maintenance service; applicable to freeway warning facilities and guide signs which are connected to series lighting systems.

Note: This schedule is closed to new customers and services. Existing customers must notify the DWP of any streetlight modifications, at which time the DWP may convert the unmetered service to a metered service under an applicable General Service Schedule.

2. Monthly Rates - Multiple Service

a. Street and Highway and Freeway Lighting Facilities

Light Type & Size	Nominal Kilowatts Per Light	Charge Per Light: All Night* 340 hr	All Day 390 hr	Continuous 730 hr
a. First Year of Ordinance				
Incandescent #				
Less than 1,000-lumen	0.093	$ 1.92	$ 3.28	$ 5.20
1,000-lumen	0.102	2.10	3.60	5.70
2,500-lumen	0.189	3.90	6.67	10.57
4,000-lumen	0.263	5.43	9.28	14.70
6,000-lumen	0.371	7.65	13.09	20.74
10,000-lumen	0.599	12.36	21.14	33.50
15,000-lumen	0.844	17.42	29.78	47.20
Mercury Vapor #				
75-watt	0.094	1.94	3.32	5.26
100-watt	0.136	2.81	4.80	7.61
175-watt	0.226	4.66	7.98	12.64
250-watt	0.315	6.50	11.11	17.61
400-watt	0.501	10.34	17.68	28.01
700-watt	0.845	17.44	29.81	47.25
1,000-watt	1.191	24.58	42.02	66.60
Fluorescent				
40-watt	0.061	1.26	2.15	3.41
100-watt	0.121	2.50	4.27	6.77

* Includes lights controlled by a photoelectric controller.
\# Closed to new installations.

Light Type & Size	Nominal Kilowatts Per Light	Charge Per Light: All Night* 340 hr	All Day 390 hr	Continuous 730 hr
a. First Year of Ordinance...cont.				
Metal Halide				
175-watt	0.231	$ 4.77	$ 8.15	$ 12.92
250-watt	0.317	6.54	11.18	17.72
400-watt	0.497	10.26	17.53	27.79
1,000-watt	1.178	24.27	41.56	65.83
High-Pressure Sodium				
50-watt	0.099	2.04	3.49	5.54
70-watt	0.113	2.33	3.99	6.32
100-watt	0.155	3.20	5.47	8.67
150-watt	0.220	4.54	7.76	12.30
200-watt	0.277	5.72	9.77	15.49
250-watt	0.343	7.08	12.10	19.18
310-watt	0.411	8.48	14.50	22.98
400-watt	0.526	10.86	18.56	29.41
High-Pressure Sodium - Mercury Ballasted				
150-watt	0.216	4.46	7.62	12.08
215-watt	0.283	5.84	9.99	15.83
360-watt	0.438	9.04	15.45	24.49
Low-Pressure Sodium				
35-watt	0.062	1.28	2.19	3.47
55-watt	0.085	1.75	3.00	4.75
90-watt	0.139	2.87	4.90	7.77
135-watt	0.200	4.13	7.06	11.18
180-watt	0.262	5.41	9.25	14.65
b. Second Year of Ordinance				
Incandescent #				
Less than 1,000-lumen	0.093	2.00	3.38	5.38
1,000-lumen	0.102	2.19	3.71	5.90
2,500-lumen	0.189	4.06	6.87	10.93
4,000-lumen	0.263	5.65	9.56	15.21
6,000-lumen	0.371	7.96	13.49	21.46
10,000-lumen	0.599	12.86	21.78	34.64
15,000-lumen	0.844	18.12	30.69	48.81

* Includes lights under photoelectric controller operation.
# Closed to new installations

Light Type & Size	Nominal Kilowatts Per Light	Charge Per Light: All Night* 340 hr	All Day 390 hr	Continuous 730 hr
b. Second Year of Ordinance...cont.				
Mercury Vapor #				
75-watt	0.094	$ 2.02	$ 3.42	$ 5.44
100-watt	0.136	2.92	4.95	7.87
175-watt	0.226	4.85	8.22	13.07
250-watt	0.315	6.76	11.45	18.22
400-watt	0.501	10.76	18.22	28.97
700-watt	0.845	18.14	30.73	48.87
1,000-watt	1.191	25.57	43.31	68.88
Fluorescent				
40-watt	0.061	1.31	2.22	3.53
100-watt	0.121	2.60	4.40	7.00
Metal Halide				
175-watt	0.231	4.96	8.40	13.36
250-watt	0.317	6.81	11.53	18.33
400-watt	0.497	10.67	18.07	28.74
1,000-watt	1.178	25.29	42.84	68.13
High-Pressure Sodium				
50-watt	0.099	2.13	3.60	5.73
70-watt	0.113	2.43	4.11	6.53
100-watt	0.155	3.33	5.64	8.96
150-watt	0.220	4.72	8.00	12.72
200-watt	0.277	5.95	10.07	16.02
250-watt	0.343	7.36	12.47	19.84
310-watt	0.411	8.82	14.95	23.77
400-watt	0.526	11.29	19.13	30.42
High-Pressure Sodium - Mercury Ballasted				
150-watt	0.216	4.64	7.85	12.49
215-watt	0.283	6.08	10.29	16.37
360-watt	0.438	9.40	15.93	25.33
Low-Pressure Sodium				
35-watt	0.062	1.33	2.25	3.59
55-watt	0.085	1.82	3.09	4.92
90-watt	0.139	2.98	5.05	8.04
135-watt	0.200	4.29	7.27	11.57
180-watt	0.262	5.62	9.53	15.15

* Includes lights under photoelectric controller operation.
# Closed to new installations.

b. Freeway Warning Facilities and Guide Signs Connected to Series Lighting Systems

(1) Energy Charge
$0.09086 per kWh for all energy use.

(2) Minimum Charge
$13.00 per service point per month.

3. Series Service Adjustment

$0.78 per month shall be added to the Charges Per Light above for Series Service.

4. Energy Cost Adjustment (ECA)

The Charge Per Light under Paragraph 2.a. and 2.b. are subject to adjustment on a kilowatt-hour basis for variation of energy costs, as described in the General Provisions. The kilowatt-hours shall be determined by multiplying Nominal Kilowatts by operating hours as prescribed above and rounded to the nearest kilowatt-hour.

Bills for service under Paragraph 2.c. are subject to adjustment on a kilowatt-hour basis for variation of energy costs, as described in the General Provisions.

5. Billing

The bill under Paragraph 2.a. and 2.b. shall be the sum of the Charge Per Light in the inventory, plus the ECA.

The bill under Paragraph 2.c. shall be the Energy Charge or the Minimum Charge, whichever is greater, plus the ECA..

6. General Conditions

a. Character of Service

(1) The necessary posts or fixtures, brackets, luminaries, ducts, and interconnecting circuits for lighting systems must be provided by the customer at the customer's expense.

(2) Energy will be supplied at service points mutually agreed upon between customers and the Department for multiple systems at 120 or 120/240 volts, or for series systems at 6.6 amperes. The Department reserves the right to provide multiple service at voltage ratings other than specified herein.

(3) All plans and specifications for the installation of, and the construction of, or changes to lighting systems shall be subject to approval of the Department, which shall have the right to inspect and to test the installations before

acceptance for service. Testing of original system installations will be made without charge providing such testing may be done without excessive expense due to faulty construction.

(4) Where Series Service is furnished from Department overhead lines, the customer may mount cutout boxes on the Department's poles, and service connections will be run by the Department to such boxes. The Department will furnish vaults and all necessary appurtenances therein for lighting service in locations established by the Department as underground areas. Where Series Service from a vault is furnished, the customer shall install all ducts and conductors between the posts or fixtures and the vault.

b. Determination of Billing

(1) Energy use for billing purposes under this schedule shall be calculated from Department records of customer's equipment. Kilowatt-hours for guide signs and other facilities shall be calculated from the connected load.

(2) It shall be the responsibility of the customer to promptly notify the Department of any change in equipment or hours of operation affecting energy use.

(3) The Department may, as it deems necessary, request an inventory of all of the customer's electrical equipment served under this schedule. Such requests shall not normally be made at intervals of less than six months.

(4) If the customer does not provide the requested inventory, the Department may initiate other means of determining the customer's energy use and bill the customer under the appropriate General Service Schedule.

c. Temporary Turn-Ons

For Temporary Turn-Ons of streetlighting at times other than regularly scheduled hours of operation, the rate shall be $138.01 per turn-on as a service charge, plus $0.17486 per kilowatt-hour, plus the ECA. In such cases, the kilowatt-hours shall be as determined by the Department.

d. Operation Schedules

Operation Schedules shall be as provided in the LS-2 Rate Schedule herein.

e. Documentation of Lamp Number, Type and Size

The Department may, at any time, require documentation as to the number, type, and size of lamps connected to a service. Failure to so provide documentation acceptable to the Department may result in service conversion to a metered basis under an applicable General Service Schedule. All costs, including indirects, from such conversion shall be paid by the customer.

P. SCHEDULE LS-4 - STREET LIGHTING SERVICE TO LOS ANGELES BUREAU OF STREET LIGHTING-OWNED SYSTEM

1. Applicability

Applicable to electric service to public street and highway lighting systems owned by the Los Angeles Bureau of Street Lighting (BSL), including circuit control facilities, where the Bureau provides maintenance service.

Note: This schedule is available for lighting systems being transferred from Schedule LS-2. New BSL-maintained lighting installations shall be served under General Service Schedules unless otherwise mutually agreed to between the Department and BSL.

2. Monthly Rates - Multiple Service

Light Type & Size	Nominal Kilowatts Per Light	Charge Per Light: All Night* 340 hr	1:00 a.m. 210 hr	All Day 390 hr	Continuous 730 hr
Incandescent					
75-watt or less	0.093	$ 2.00	$ 1.31	$ 3.38	$ 5.38
100-watt or 1,000-lumen	0.102	2.19	1.44	3.71	5.90
200-watt or 2,500-lumen	0.189	4.06	2.66	6.87	10.93
300-watt or 4,000-lumen	0.263	5.65	3.70	9.56	15.21
500-watt or 6,000-lumen	0.371	7.96	5.22	13.49	21.46
10,000-lumen	0.599	12.86	8.43	21.78	34.64
15,000-lumen	0.844	18.12	11.88	30.69	48.81
Mercury Vapor					
50-watt	0.064	1.37	0.90	2.33	3.70
75-watt	0.094	2.02	1.32	3.42	5.44
100-watt	0.136	2.92	1.91	4.95	7.87
175-watt	0.226	4.85	3.18	8.22	13.07
250-watt	0.315	6.76	4.43	11.45	18.22
400-watt	0.501	10.76	7.05	18.22	28.97
700-watt	0.845	18.14	11.90	30.73	48.87
1,000-watt	1.191	25.57	16.77	43.31	68.88
Fluorescent					
40-watt	0.061	1.31	0.86	2.22	3.53
100-watt	0.121	2.60	1.70	4.40	7.00

* Includes lights controlled by a photoelectric controller.

Light Type & Size	Nominal Kilowatts Per Light	Charge Per Light: All Night* 340 hr	1:00 a.m. 210 hr	All Day 390 hr	Continuous 730 hr
Metal Halide					
175-watt	0.231	$ 4.96	$ 3.25	$ 8.40	$13.36
250-watt	0.317	6.81	4.46	11.53	18.33
400-watt	0.497	10.87	7.00	18.07	28.74
1000-watt	1.178	25.29	16.58	42.84	68.13
High-Pressure Sodium					
50-watt	0.099	2.13	1.39	3.60	5.73
70-watt	0.113	2.43	1.59	4.11	6.53
100-watt	0.155	3.33	2.18	5.64	8.96
150-watt	0.220	4.72	3.10	8.00	12.72
200-watt	0.277	5.95	3.90	10.07	16.02
250-watt	0.343	7.36	4.83	12.47	19.84
310-watt	0.411	8.82	5.79	14.95	23.77
400-watt	0.526	11.29	7.41	19.11	30.42
High-Pressure Sodium - Mercury Ballasted					
150-watt	0.216	4.64	3.04	7.85	12.49
215-watt	0.283	6.08	3.98	10.29	16.37
360-watt	0.438	9.40	6.17	15.93	25.33
Low-Pressure Sodium					
35-watt	0.062	1.33	0.87	2.25	3.59
55-watt	0.085	1.82	1.20	3.09	4.92
90-watt	0.139	2.98	1.96	5.05	8.04
135-watt	0.200	4.29	2.82	7.27	11.57
180-watt	0.262	5.62	3.69	9.53	15.15

* Includes lights controlled by a photoelectric controller.

3. Series Service Adjustment

$0.78 per month shall be added to the Charges Per Light above for Series Service.

4. Energy Cost Adjustment (ECA)

The Charges Per Light herein are subject to adjustment on a kilowatt-hour basis for variation of energy costs, as described in the General Provisions. The kilowatt-hours shall be determined by multiplying Nominal Kilowatts by operating hours as prescribed above and rounded to the nearest kilowatt-hour.

5. Billing

Bills for lighting service herein shall be the sum of the Charge Per Light in the inventory, plus the ECA and shall be paid on or before the tenth day of the month for service so furnished in the preceding month. Any installation, maintenance and replacement of control equipment by the Department shall be at its actual cost, including indirects.

New or expanded services under this schedule shall be billed in advance for design and construction costs based on the Department's actual costs plus established indirect costs. The Department will accept an Inter-Departmental order as advance payment.

Bills for general benefit lighting (not included in the Los Angeles City Lighting District) shall be zero for the duration of this ordinance.

6. General Conditions

a. Character of Service

(1) The necessary posts or fixtures, brackets, luminaries, ducts, and interconnecting circuits for lighting systems must be provided by the Bureau of Street Lighting at its expense.

(2) Energy will be supplied at service points mutually agreed upon between customers and the Department for multiple systems at 120 or 120/240 volts, or for series systems at 6.6 amperes. The Department reserves the right to provide multiple service at voltage ratings other than specified herein.

(3) All plans and specifications for the installation of, and the construction of, or changes to lighting systems shall be subject to approval of the Department, which shall have the right to inspect and to test the installations before acceptance for service. Testing of original system installations will be made without charge providing such testing may be done without excessive expense due to faulty construction.

(4) Where Series Service is furnished from Department overhead lines, the Bureau may mount cutout boxes on the Department's poles, and service connections will be run by the Department to such boxes. The Department will furnish vaults and all necessary appurtenances therein for lighting service in locations established by the Department as underground areas. Where Series Service from a vault is furnished, the customer shall install all ducts and conductors between the posts or fixtures and the vault.

b. Determination of Billing

(1) Energy use for billing purposes under this schedule shall be calculated from Department records of the Bureau's equipment.

(2) It shall be the responsibility of the Bureau to promptly notify the Department of any change in equipment or hours of operation affecting energy use.

(3) The Department may, as it deems necessary, request an inventory of all of the Bureau's electrical equipment served under this schedule. Such requests shall not normally be made at intervals of less than six months.

(4) For failure to provide an acceptable equipment inventory, documented as to number, type and size of lamps connected to a service, the Department may establish its own inventory and/or convert the service to a metered service under a standard General Service Schedule. All costs, including indirects, from such conversion shall be paid by the Bureau.

c. Temporary Turn-Ons

For Temporary Turn-Ons of streetlighting at times other than regularly scheduled hours of operation, the rate shall be $138.01 per turn-on as a service charge, plus $0.17486 per kilowatt-hour, plus the ECA. In such cases, the kilowatt-hours shall be as determined by the Department.

d. Operation Schedules

Operation Schedules shall be as provided in the LS-2 Rate Schedule herein.

Q. SCHEDULE LS-5 - STREET AND HIGHWAY LIGHTING MAINTENANCE SERVICE TO BUREAU OF STREET LIGHTING-OWNED SYSTEMS

1. Applicability

Applicable to maintenance service for street and highway lighting (including tunnels and bridges) in Bureau of Street Lighting-owned systems where the Department supplies metered electric service. May be applied without electric service only if mutually agreed to by the Department and BSL.

2. Monthly Rates - Multiple Service

Light Type & Size	Charge Per Light
Incandescent	
75-watt or less	$6.95
100-watt or 1,000-lumen	6.95
200-watt or 2,500-lumen	6.95
300-watt or 4,000-lumen	6.95
500-watt or 6,000-lumen	6.95
10,000-lumen	6.95
15,000-lumen	6.95
Mercury Vapor	
50-watt	$2.97
75-watt	2.97
100-watt	2.97
175-watt	2.97
250-watt	2.97
400-watt	2.97
700-watt	2.97
1,000-watt	2.97
Fluorescent	
40-watt	$3.54
100-watt	3.54
Metal Halide	
175-watt	$4.68
250-watt	4.68
400-watt	3.54
1000-watt	3.54
High-Pressure Sodium	
50-watt	$2.97
70-watt	2.97
100-watt	2.97
150-watt	2.97
200-watt	2.97
250-watt	2.97
310-watt	2.97
400-watt	2.97

Light Type & Size	Charge Per Light
High-Pressure Sodium - Mercury Ballasted	
150-watt	$2.97
215-watt	2.97
360-watt	2.97
Low-Pressure Sodium	
35-watt	$3.54
55-watt	3.54
90-watt	3.54
135-watt	3.54
180-watt	3.54

3. Maintenance Service to BSL

Maintenance service for BSL-owned systems shall be provided entirely by the Department or provided entirely by others, unless the Department and BSL mutually agree that such service to parts of such systems may be provided by others.

4. Billing for Maintenance

Beginning with the second year of this Ordinance, the Department will apply a Maintenance Cost Adjustment Factor (MCAF) to each light. The MCAF will align the previous quarter's total maintenance charges billed under this schedule with its total actual maintenance costs, and will be applied in the ensuing quarter. The algebraic difference between the previous quarter's total actual and total billed maintenance costs will be allocated to the various lamp types (weighted by a relative lamp-type maintenance scale) and added to the rate per lamp type. The MCAF will be updated quarterly and maintenance charges and adjustments will appear as separate line items on customer's bills.

5. General Conditions

a. Character of Service

(1) The necessary posts or fixtures, brackets, luminaries, control equipment, and underground interconnecting conduits and circuits must be provided by the customer at the customer's expense. Systems with overhead interconnecting circuits between posts may be served hereunder, with the customer providing posts, fixtures, brackets, luminaries, and control equipment, and the Department providing, installing, and maintaining such overhead interconnecting circuits at extra cost.

(2) For incandescent-light systems, the Department reserves the right to use lumen-rated (group replacement) lamps.

(3) All plans and specifications for the installation of, and the construction of, or changes to lighting systems shall be subject to approval of the Department, which shall have the right to inspect and to test the installations before acceptance for service. Testing of original system installations will be made without charge provided that such testing may be done without involving unreasonable time or expense due to faulty construction.

(4) Maintenance of customer's equipment will be furnished by the Department as specified under "Normal Maintenance."

b. Normal Maintenance

(1) The Department will furnish normal maintenance which shall include:

(a) Periodic inspection, renewal of lamps and cleaning of glassware according to established schedules.

(b) Replacement of glassware and inoperative lamps.

(c) Maintenance of controlling devices according to established schedules.

(d) Cleaning and painting of posts.

(e) Minor repairs to wiring and electrical appurtenances on or within the posts.

(2) Normal Maintenance shall not include maintenance with respect to equipment developing defects in test or in service due to faults in design, manufacture, or installation until such defects have been satisfactorily corrected; nor replacement of damaged glassware or lamps when such damage is coincident with or is a result of partial or total demolition of post or when caused by vandalism, riots, fires, explosions, earthquakes, or Acts of Nature.

c. Maintenance Other Than Normal

The rates established in this schedule do not provide for maintenance or replacement of customer's equipment other than as specified under "Normal Maintenance." Consequently, the Department may not be required to furnish at its expense any other maintenance work, nor replacement of posts or post parts, nor of underground cables or conduits beyond the Department's service feed points.

d. Temporary Turn-Ons

For Temporary Turn-Ons of streetlighting at times other than regularly scheduled hours of operation, the rate shall be $138.01 per turn-on as a service charge.

R. SCHEDULE OAL - OUTDOOR AREA LIGHTING SERVICE

1. Applicability

Applicable to Outdoor Area Lighting Service supplied from the Department's existing secondary overhead facilities of suitable phase and voltage. Not applicable if new transformer and/or primary capacity is required to meet load and service needs. Not applicable for purposes of street and highway lighting.

2. Monthly Rates

Light Type and Size	Nominal kW Per Lamp	Charge Per Light: Street Light Luminaire	Charge Per Light: Directional Luminaire
Mercury Vapor*			
175-watt	0.226	$11.20	$ N/A
400-watt	0.501	16.64	N/A
Metal Halide			
100-watt	0.132	11.81	12.67
175-watt	0.231	13.64	14.34
250-watt	0.317	15.35	15.88
400-watt	0.497	17.28	17.78
1000-watt	1.178	N/A	30.50
High Pressure Sodium			
100-watt	0.155	10.13	11.14
150-watt	0.220	11.29	12.23
200-watt	0.277	12.45	13.28
250-watt	0.343	13.72	14.39
400-watt	0.526	16.98	17.63
1000-watt	1.096	N/A	28.73

* Closed to new installations.

3. Energy Cost Adjustment (ECA): See General Provisions

4. Electric Subsidy Adjustment (ESA): See General Provisions

5. Billing

The bill shall be the Monthly Rate plus the ECA and ESA..

6. General Conditions

a. Character of Service

Unmetered photoelectrically controlled lighting service will be provided using the Department's standard luminaries, control equipment, and appurtenances mounted only on existing wooden

poles of the Department's distribution system. Service will be provided hereunder only where the Department deems that the installation will be of a permanent and established character.

b. Installation and Removal of Facilities

The Department will install standard lighting equipment and will operate and maintain all necessary facilities, which shall remain its sole property at all times. Standard lighting equipment includes a street light or directional luminaire, automatic control, and a standard 30-inch support arm.

The Department shall not be required to reconstruct any of its existing facilities to provide service hereunder. However, if it agrees to such customer's request the DWP shall have sole discretion in reconstructing existing facilities, installing new poles, installing longer support arms, or rewiring secondary circuits, provided the customer pays in advance the cost of such additional work.

The Department shall not be required to install lighting equipment at locations where, in its judgment, the service may be objectionable to others or where there is unreasonable exposure to accidental or malicious damage. Furthermore, should any lighting equipment, once installed, prove to be so objectionable or vulnerable, the Department shall have the right at any time to discontinue service.

Installations under this lighting service will not be relocated or modified unless all costs of such relocation are paid in advance. Installations ordered removed or modified, and subsequently ordered restored within 36 months shall be subject to advance and nonrefundable billing for all such removal and restoration costs.

Service furnished under this schedule will be discontinued at any location where overhead distribution lines supplying the service are subsequently converted to underground distribution.

c. Operation Schedule

Lamps will be lighted daily from dusk to dawn, based on an annual average of 340 hours monthly. The Department does not guarantee continuous lighting during such periods, and shall not be liable to the customer or anyone else for damage, loss or injury resulting from any interruption in such lighting due to any cause.

d. Maintenance

The Department will make any necessary repairs or lamp replacement within a reasonable time after being notified of a lighting outage by the customer, but only during regularly scheduled weekday working hours. Monthly bills will not be adjusted for outages.

Section 3

GENERAL PROVISIONS

That the General Provisions relating to electrical service supplied under schedules prescribed herein are as follows:

A. RATE APPLICABILITY AND RULES

The application, interpretation, and administration of the provisions herein are subject to such rules as may from time to time be promulgated by the Board of Water and Power Commissioners under its power and duty to administer the affairs of the Department of Water and Power. The application, interpretation, and administration of these provisions and rules by the Board of Water and Power Commissioners shall be final.

B. SURPLUS ELECTRICAL ENERGY - PARAMOUNT RIGHT OF THE CITY OF LOS ANGELES

Only surplus electrical energy, owned or controlled by the City of Los Angeles and not required for use of customers served by the City within its limits, may be supplied or distributed outside said City; provided that the supplying or distribution of such surplus electrical energy shall, in all cases, be subject to the paramount right of the City at any time to discontinue the same, in whole or in part, and to take and hold, or to distribute such surplus electrical energy for the use of the City and its inhabitants.

C. METERING

For the purpose of computing charges, each meter on the customer's premises will be considered separately, and readings of two or more meters will not be combined as equivalent to measurement through one meter, except when such combination is for the convenience of the Department.

No application shall be accepted for service through a master meter, under any schedule herein, to any multifamily dwelling consisting of two or more separate family accommodations unless the applicant submeters the individual units and charges tenants no more than if they were direct customers of the Department. If a master-metered multifamily dwelling facility is converted to individual metering, it shall not be reconverted to master metering.

The Department may alter or replace customers' meters at any time to meet current technical standards or to enable it to measure the electrical values prescribed for the class by Ordinance. Customers refusing such metering changes shall be subject to 20-percent billing surcharges on base rate components and/or to service disconnection.

D. RATING PERIODS

Unless otherwise specified under individual Rate Schedules, the Rating Periods shall be as follows:

High Season (Summer)	The period from June 1 to October 31
Low Season (Winter)	The period from November 1 to May 31
High-Peak Period	1:00 p.m. - 4:59 p.m. Monday through Friday (20 hours/week)
Low-Peak Period	10:00 a.m. - 12:59 p.m. Monday through Friday 5:00 p.m. - 7:59 p.m. Monday through Friday (30 hours/week)
Base Period	8:00 p.m. - 9:59 a.m. Monday through Friday, All Day Saturday and Sunday (118 hours/week)

E. TIME AND MANNER OF PAYMENT OF BILLS

All bills for electric service hereunder, except as provided otherwise in the schedules, are due and payable upon presentation; bills shall become delinquent nineteen (19) days after date of presentation. If bills are not paid upon becoming delinquent, the Department may impose a late payment charge and/or discontinue the electric service in accordance with applicable law or the Department's Rules. The Department shall not be liable to the customer or anyone else for damage, loss or injury resulting from such discontinuance of service. Payment shall be made in person or by mail at offices of the Department, or at the option of the Department, to its authorized collectors.

F. ENERGY COST ADJUSTMENT (ECA)

1. An ECA shall be added to bills under each service schedule herein, and any contracts wherein it is specified, on the basis of total energy use. The ECA recovers the costs of fuel and purchased power through application of the Energy Cost Adjustment Factor (ECAF).

2. The ECAF shall be calculated four times each year, shall become effective January 1, April 1, July 1, and October 1, and shall remain in effect for three months.

   The ECAF shall be determined by the following relationship, and expressed to the nearest $0.00001 per kilowatt-hour:

$$ECAF = \frac{(a) + (b) + (c) + (d)}{(e)} - \$0.04064/kWh$$

Where:

(a) Is the estimated fuel expense for 12 months commencing with the effective date of the ECAF, plus a percentage of such expense for transfer to the City Reserve Fund as derived in (f) below. This expense shall be the total cost of fuel and its transportation, estimated for the production of electrical energy for the Department, including any funding requirements associated with nuclear power plant decommissioning.

(b) Is the estimated purchased power expense for 12 months commencing with the effective date of the ECAF, plus a percentage of such expense for transfer to the City Reserve Fund as derived in (f) below. This expense shall include all charges associated with capacity, transmission service, and energy purchased by the Department from all sources except charges for electricity purchased at established retail tariffs from other utilities for use in Department offices, stations, and other facilities.

(c) Is the estimated Demand-Side Management costs for 12 months commencing with the effective date of the ECAF, provided, however, that such costs may not exceed ten percent of the sum of (a) and (b) above, plus a percentage of such expense for transfer to the City Reserve Fund as derived in (f) below. Demand-Side Management costs are those incurred for the acquisition and installation of devices and systems, including incentive payments and administrative costs, which are part of those programs or projects designed to lower and control Power System Demand, and for which expenditures had been approved in advance by the Board of Water and Power Commissioners for inclusion in the Demand-Side Management component of the ECA.

(d) Is the balance in the ECA Account as described in 3. below.

(e) Is the estimated retail energy sales for the 12 months commencing with the effective date of the ECAF, less sales to other City departments under Schedules LS-1 and LS-2, less sales to customers exempted from ECAF provisions under retail contract terms.

(f) The percentage of the prior year's Total Operating Revenue approved by the Board for transfer to the City Reserve Fund as surplus.

3. An ECA Account shall be maintained by the Department. Entries to this account at the end of each month shall include:

(a) An amount equal to the fuel expense, including any funding requirements based on nuclear plant decommissioning costs and emissions fees, as recorded during the month, exclusive of previously entered prepayments.

(b) An amount equal to the purchased power expense (including costs of Demand-Side Management programs) as recorded during the month, exclusive of previously entered prepayments.

(c) An amount equal to the net cost or credit for the disposal of residues.

(d) An amount equal to prepayments of any expenses that would flow through the ECA account, as deemed appropriate by the Chief Accounting Employee.

(e) Less: Refunds (including interest) received by the Department from any of its fuel suppliers.

(f) An amount equal to a percentage of (a) through (e) immediately above based on 2(f) above.

(g) Less: An amount equal to the revenue billed during the month under the ECA..

(h) Less: An amount equal to the lesser of actual revenue from energy sales to other electric utilities and to the Department of Water Resources, or equivalent revenue as derived by the product of the current ECAF and the energy sold to such entities.

(i) Less: An amount equal to the product of energy sales exempted from ECAF provisions under retail contracts and the Department's average system production cost.

(j) Less: An amount equal to the product of retail energy sales for the month (excluding retail contract sales exempt from ECAF provisions) and $0.04064 per kilowatt-hour.

(k) An amount transferred to or from the ECA Stabilization Account.

4. An ECA Stabilization Account shall be maintained by the Department. Any billing reductions from IPA or SCPPA resulting from credits returned, and any portion of the fiscal year-end ECA Account balance resulting from over or under-billing the ECA, may be accumulated in this account. At the discretion of the Chief Accounting Employee: (1) Funds may be transferred to or from this account to stabilize the ECAF or to reduce debt; (2) Funds from this account may be used to prepay any expense chargeable to the ECAF. In no case may the funds remain in the ECA Stabilization Account longer than seven years.

G. ELECTRIC SUBSIDY ADJUSTMENT (ESA)

1. An ESA shall be added to bills under each service schedule herein, and any contracts wherein it is specified. The ESA recovers the cost of credits given to Lifeline and Low-Income Residential customers, credits to General Service customers subsidized under Enterprise Zone and Disaster Recovery rates, as well as credits to City Agencies resulting from zero billing of lighting service under Schedules LS-1 and LS-2, or

any other General Service Rate Schedule through application of the Electric Subsidy Adjustment Factor (ESAF). The ESAF shall be calculated once each year and shall become effective on January 1.

2. Residential Service ESAF: The Residential Service ESAF shall be determined by the following relationship and expressed to nearest $0.00001 per kilowatt-hour.

$$ESAF = \frac{(a) + (b)}{(c)}$$

Where:

(a) Is the annual estimated cost of all credits and subsidies described in (1) above including administrative costs allocated to the Residential class in proportion to its annual energy use.

(b) Is the Residential class allocation of the balance in the ESA account as described in 4. below.

(c) Is the estimated annual Residential retail energy sales, excluding Lifeline and Low-Income Residential sales.

3. General Service ESAF: The General Service ESAF shall be determined by the following relationship and expressed to the nearest $0.01 per kilowatt of Billing Demand.

$$ESAF = \frac{(d) + (e)}{(f)}$$

Where:

(d) Is the annual estimated cost of all credits and subsidies described in (1) above, including administrative costs, allocated to the General Service classes in proportion to their annual energy use.

(e) Is the General Service class' allocation of the balance in the ESA Account as described in 4. below.

(f) Is the annual estimated General Service class' non-coincident demands.

4. An ESA Account shall be maintained by the Department. Entries to this account at the end of each fiscal year shall include:

(a) The sum of all Lifeline and Low-Income Subsidy Credits for the year.

(b) The sum of all Enterprise Zone and Disaster Recovery subsidies for the year.

(c) The sum of all Lighting and Traffic Control billing subsidies for the year.

(d) The costs of administering the Lifeline, Low Income, Enterprise Zone and Disaster Recovery services.

(e) Less: an amount equal to the revenue billed during the year under ESA.

H. RESALE OF ENERGY

The resale of electrical energy by Department customers is prohibited. However, it will not be deemed a resale if energy supplied by the Department is passed through a privately owned distribution system and the end-user of the electrical energy pays no more than if the Department provided the energy directly. Also, charging batteries for electric-powered vehicles, or other purposes, shall not be deemed resale of electrical energy.

I. EMERGENCY ENERGY AND CAPACITY CURTAILMENT PLANS OF THE CITY OF LOS ANGELES

1. The Department shall administer the Emergency Energy and Capacity Curtailment Plans, hereinafter referred to as the "Plans," as established by ordinance of the Council of the City of Los Angeles, in accordance with the provisions thereof.

2. All customers of the Department, upon request, shall provide the Department with information whereby their services can be classified in order to establish the appropriate class of service rendered to such customers pursuant to the provisions of said Plans.

3. The Department shall classify each customer in accordance with the information submitted by such customer or, in the absence thereof, by the Department's determination of such customer's classification. In the event the customer disagrees with the Department's classification, the customer may request a hearing in accordance with the procedure for application of relief set forth in the Plans.

4. The Department is authorized and directed to impose a surcharge on the electric bill of any customer as provided in said Plans and, in addition, shall have the right and duty to discontinue such services as further provided in said Plans. The proceeds of such surcharge shall be deposited in the Power Revenue Fund.

5. The right of the Department to impose the surcharge and the discontinuance of electric service as set forth in said Plans shall be considered separate and distinct from any additional or separate right the Department has to impose any charge or to discontinue electric service.

J. EXPERIMENTAL RATES

Experimental rates are established to study the applicability or utility of new and innovative rate structures to customer classes. The Power System will establish availability and eligibility criteria for Experimental rates. Any service subject to such rates shall be ineligible for any General Service Riders or other time-limited rate adjustments.

K. NOTIFICATION AND RATE ASSIGNMENT

The publication of an adopted Rate Ordinance in a daily newspaper within the City constitutes the Department's entire responsibility for notifying customers of changes to the superseded Rate Ordinance. The Department shall not be required to notify customers of available rate schedules or provisions which may be utilized as a result of changes in the customers' equipment or operations; however, the Department may track customers' changing load conditions for the purpose of assigning rate schedules, consistent with energy and demand conditions contained therein. Except for optional rates, any misapplied rate may be retroactively corrected and rebilled for a period not to exceed three years from date of discovery.

L. COMPETITION TRANSITION CHARGE

In the event that the Board of Water and Power Commissioners determines that a cost recovery mechanism for collecting costs attributable to generating or other facilities which are deemed to be uncompetitive in competitive (deregulated) energy market conditions should be implemented, the Board may develop and apply an appropriate mechanism as a modification of the rates set forth herein, subject to approval by the City Council by Ordinance.

L. DEFINITIONS

For the purposes of each service schedule herein, the following definitions shall apply:

Base Period: An interval during the day in which costs and rates are lowest. (8:00 p.m. - 9:59 a.m., Monday through Friday, all day Saturday and Sunday).

Billing Demand: The highest demand (kW) recorded in the last 12-month period, or the minimum demand, whichever is greater.

City Electricity User's Tax: A tax imposed directly on the electricity user by the City as a percentage of the total electric bill.

Commercial: Activities devoted primarily to business or professional purposes.

Common-Area Service (Residential): Service to shared facilities in multifamily dwellings which are separately metered.

Connected Load: The sum of the rated capacities of all of the customer's equipment that can be connected to the Department's system at any one time.

Customer: Any person, public or private association or corporation, partnership, unincorporated association, or governmental agency supplied or entitled to be supplied by the Department.

Date of Presentation: The date on which a bill or notice is mailed or delivered by the Department to the customer.

Demand: The rate at which electric energy is delivered to a customer to serve the momentary power needs, expressed in kilowatts (kW) and measured instantaneously or averaged over a given time period.

Demand Charge: A charge related to maximum power measured in kilowatts.

Demand Attachment: A device attached to a kilowatt-hour meter to indicate demand in watts or kilowatts.

Distribution System: That portion of utility plant used to transform and deliver energy to customers after it has been delivered by the Transmission (bulk power) System.

Economic Development Zone: See Enterprise Zone.

Electric Subsidy Adjustment (ESA): An addition to the amount of the bill on a per kilowatt or per kilowatt-hour basis reflecting system costs incurred to support special customer credits.

Energy Charge: That portion of the billed charge for electric service based upon the electric energy (kilowatt-hours) consumed.

Energy Cost Adjustment (ECA): An adjustment to the amount of the bill on a per kilowatt-hour basis reflecting unforeseen variation in the total cost of fuel and purchased energy, which, in combination with the Energy Charge above reflects total energy cost.

Energy Credit: An amount credited to the customer based upon the electric energy (kilowatt-hours) supplied by the customer to the Department's system.

Enterprise Zone: An Area of the City designated by the City Council as eligible to grant incentives to private business enterprises locating there.

Facilities Charge: A monthly charge to recover investment in local distribution equipment, such as transformers, which are sized for, and dedicated to customer maximum anticipated power demand.

General Service: Service to any lighting or power installation except to those eligible for service under special schedules such as residential, streetlighting, and traffic control.

Generation System: That portion of utility plant at which are located prime movers, generators and auxiliary equipment used to convert mechanical, chemical or nuclear energy into electrical energy.

Governmental Agency: The United States and its departments, agencies and bureaus, the State or any local government or any agency thereof, or public districts.

High-Peak Period: An interval during which costs and rates are highest. (1:00 p.m. - 4:59 p.m., Monday through Friday).

High Season: The period from June 1 to October 31.

Industrial: Activities devoted primarily to manufacturing or processing.

Interconnecting Facilities: Any electrical or mechanical devices required to connect the customer's electric system to the Department's system.

Interruptible Service: Service made available under agreements which permit curtailment of delivery of power to the customer under conditions established by the Department.

Kilovar-hour (kvarh): A unit of reactive electric energy equal to one kilovar of reactive power supplied from an electric circuit for one hour.

Kilowatt (kW): A unit of electric load or power or demand (1000 watts).

Kilowatt-hour (kWh): The basic unit of electric energy equal to one kilowatt of power supplied from an electric circuit for one hour.

Lifeline Service: Service provided at a discount for qualifying Residential customers.

Load Factor: The ratio of the average load (kW) during a designated period to the peak load (kW) occurring in that period (maximum value = 1.0).

Low Income: Total household income meeting eligibility guidelines established by the Board for the Low-Income Subsidy.

Low-Peak Period: An interval during which costs and rates are neither highest or lowest. (10:00 a.m. - 12:59 p.m., Monday through Friday; and 5:00 p.m. - 7:59 p.m., Monday through Friday).

Low Season: The period from November 1 to May 31.

Master Meter: A meter used for billing purposes serving a group of otherwise unmetered services or a group of subordinate meters.

Maximum Demand: The Maximum Demand is the average kilowatt load to the nearest one-tenth kilowatt during the 15-minute period of greatest use at any time during a rating interval, as recorded by the Department's meter. In cases where demand is intermittent or subject to severe fluctuations, the Department may establish the Maximum Demand on the basis of measurement over a shorter interval of time or the kilowatt-amperes of installed transformer capacity required to meet the customer's load.

Meter: A device used for the measurement of electric service provided, including energy (kilowatt-hours), demand (kilowatts), reactive energy (kvarh), and power factor.

Minimum Charge: The smallest charge a customer may receive under a rate schedule.

Nominal Kilowatts: The wattage necessary to be supplied by the Department's system to the lamp and its auxiliaries.

Photoelectric Controller: A device that turns an electric circuit on or off based on ambient light levels.

Power:

(a) Real - the work producing part of "apparent power" or rate of supply of energy - usually expressed in kilowatts (kW).

(b) Reactive - the portion of "apparent power" which does no work but must be supplied to magnetic equipment, such as motors - usually expressed in kilovars (kvarh).

Power Factor: The ratio of real power (kilowatts) to apparent power (kilovolt-amperes) for any given load and time (maximum value = 1.0). Its derivation on the basis metered energy components is expressed by:

$$\text{Kwh} \Big/ \sqrt{\text{kWh}^2 + \text{kvarh}^2}$$, where kvarh is in kilovar-hours.

Primary Distribution Voltage: A voltage greater than secondary voltage, but less than subtransmission voltage. (nominally at 4.8 kilovolts).

Rate: An amount fixed by the Board of Water and Power Commissioners by resolution and approved by the City Council by ordinance to be charged for electric service supplied by the Department to its customers.

Rating Period: See High-Peak Period, Low-Peak Period, or Base Period.

Residential: Activities devoted primarily to residential or household purposes in family dwelling units.

Service:

1. The supplying of electric energy to the customer.

2. The wires and related facilities necessary to supply electric energy to the customer.

Service Charge: A monthly charge related to administering to active customers such as meter reading and billing.

Service Point: The point where the conductors of the Department are connected to the conductors of the customer.

Single-Family Accommodation: An individually metered living unit designed for one family, whether freestanding or part of a structure containing other such units.

Special Metering Charge: A charge included in a rate schedule to recover additional costs of specialized higher cost meters required to provide service under the schedule.

Spinning Reserve: Generating units, spinning at synchronous speed and ready to take load.

Submeter: A meter within a customer's internal circuit, other than the Department's billing meter.

System Reliability: A measure of the ability of the system to sustain the loss of a major generating unit or transmission line and continue to meet the customer's demand for energy.

Transmission System: That portion of utility plant used for the purpose of delivery of electric energy (in bulk) from the generating source to distribution centers or to other utilities.

Voltage: Difference of potential or "electrical pressure" in an electrical circuit measured in volts.

Watt: The electrical unit of power or rate of consuming energy. The rate of energy transfer equivalent to one ampere flowing under a pressure of one volt at unity power factor.

Section 4

This Board finds that the foregoing electric rates, which are established herein by the adoption of this Resolution, are for the following purposes:

A. Meeting operating expenses, including employee wage rates and fringe benefits;

B. Purchasing or leasing supplies, equipment, or materials;

C. Meeting financial reserve needs and requirements;

D. Obtaining funds for capital projects that are necessary to maintain service within the existing service areas; and

E. Maintaining intra-City transfers of funds authorized by the Charter of the City of Los Angeles.

The establishment of these electric rates is exempt from the requirements of the California Environmental Quality Act under the provisions of Section 21080 (b) (8), and the Board makes this claim of exemption pursuant to said section.

Section 5

The City Council is hereby requested to adopt an ordinance which shall approve the electric rate schedules inclusive of terms, conditions, and provisions as set forth herein and which shall become effective on August 15, 1996, or upon the expiration of thirty (30) days from the publication thereof, whichever is later.

Section 6

The Secretary of this Board is hereby authorized and directed to submit forthwith to the City Council a certified copy of this resolution.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held on SEP 03 1996

Irene N. Kerke
Secretary

TO: BOARD OF WATER AND P /ER COMMISSIONERS 39 D : August 20, 1996

SUBMITTED BY:	SUBJECT:
THOMAS M. McCLOSKEY Assistant General Manager Marketing & Customer Service ORIGINAL SIGNED WILLIAM R. McCARLEY WILLIAM R. McCARLEY General Manager	Proposed Ordinance to Modify Electric Rate Provisions
	FOR COMMISSION OFFICE USE:
FOR: APPROVAL ☒ INFORMATION ☐	
AGENDA: CONSENT ☐ REGULAR ☑	COMMITTEE APPROVAL:

Submitted herewith is a resolution, approved as to form and legality by the City Attorney, which, if adopted, would modify electric rate provisions applicable to customers within the City of Los Angeles and to customers within the counties of Inyo and Mono.

Highlights of the modifications are as follows:

- Power System revenues during 1996-97 will be reduced by $25 million in reflection of realized savings in operating expenses, and manifested in bill reductions to about 70 percent of large commercial and industrial customers.

- Simplification of the Energy Cost Adjustment Factor (ECAF) to reflect only the variable component costs of fuel, economy energy purchases, and energy purchased because of long-term outages.

- Unbundling of cost components by service function (generation, transmission and distribution) to assist our customers to evaluate their electric service and identify such costs in preparation for anticipated competition in such service components.

- Alignment of co-generation rates to reflect the unbundling and restructuring of Large General Service Rates, with a proposed one-year delayed implementation followed by annual increases of 20 percent thereafter for existing co-generation customers to allow such customers, and the Department, to explore contractual arrangements which may mitigate the impact of the changes.

- Revision of power demand criteria for greater stability in assignment of applicable rate schedules and customer billing.
- Revision of the Enterprise Zone (EZ) and Disaster Recovery (DR) rates to reflect changes in the ECAF and to clarify conditions of customer eligibility.
- Inclusion of a new street lighting schedule to the Bureau of Street Lighting to serve the Bureau's own and self-maintained lighting systems.

Concurrence of the City Council and Mayor by ordinance is required to make this action effective.

Adoption of this resolution is recommended.

Attachments

bc: Commerce, Energy & Natural Resources Committee

RECEIVED
JUL 3 0 1996
Board of Water & Power C
CITY OF LOS ANGELE

City of Los Angeles

CITY HALL
LOS ANGELES, CALIFORNIA 90012
(213) 847-2489

OFFICE OF THE MAYOR

RICHARD J. RIORDAN
MAYOR

DATE: July 25, 1996

TO: Board of Water and Power Commissioners

FROM: Richard J. Riordan
Mayor

SUBJECT: **PROPOSED 1996 ELECTRIC RATE ORDINANCE**

I am hereby returning the proposed rate ordinance for further consideration. Attached is a report of the City Administrative Officer on this matter. I concur with the report's recommendations. In addition, I request the Board to address the following issues:

- *Parallel Generators*. This class of customers faces significant rate increases over several years. I concur with the Department's analysis that many parallel generators impose costs on the Power System beyond that recovered through the existing rate structure. Unfortunately, these customers made significant investments in generation capacity based on the existing rate structure. These customers should have an opportunity to negotiate a service agreement that would establish performance standards and thereby lower their costs to the Department. The Department has already successfully negotiated one such agreement with UCLA. The Department should prepare a schedule to negotiate with all interested parallel generators over the next twelve months or so. Upon completion of the good faith negotiation with these customers, the Department should pursue implementation of the new rate structure based on the cost of service analysis.

- *At-Risk Industries*. While most large industries will benefit from a rate reduction under the proposed ordinance, several industry groups will face rate increases. Several of the affected industry groups are major employers who have been the focus on our business retention and attraction efforts. In particular, I am concerned about potential bill increases for some of the companies in the furniture manufacturing, stone/glass/concrete products, primary metal, leather products, apparel, lumber, and fabricated metal industries (SIC Codes 23, 24, 25, 31, 32, 33 and 34). Many of these employers operate in economically depressed areas of South and East Los Angeles. The Board needs to reevaluate the justification and merit of rate restructuring and the potential impacts.

Recyclable and made from recycled waste

- *Fiscal Impact on the City's General Fund.* The CAO report identifies that the rate proposal will reduce the City's utility user tax collections by $3 million per year. This revenue reduction was not anticipated during adoption of the City's 1996-97 Budget. As a result, the Board should consider means to phase-in the rate changes over the course of the fiscal year, to minimize creation of General Fund deficit.

Please direct any further questions about my views of the rate proposal to either Chris O'Donnell or Lorenzo Tyner of my staff.

Attachment

REPORT FROM

CITY ADMINISTRATIVE OFFICER

TO	DATE	CAO FILE No.
The Mayor	7-16-96	0160-00070-0008
REFERENCE		COUNCIL FILE No.
Mayor's referral for report dated May 16, 1996 under Executive Directive No. 39		
SUBJECT		COUNCIL DISTRICT
Proposed 1996 Electric Rate Ordinance		

SUMMARY

The General Manager of the Department of Water and Power (DWP) has submitted a proposal to modify electric rates and has prepared a proposed ordinance for Mayor and Council approval.

Reasons for the DWP Proposal

The proposed rate restructuring is an important step in the DWP's preparation for deregulation of the electric utility industry. Historically, electric utilities in the United States have been regulated monopolies obligated to provide the three major elements of service to their customers, power generation, transmission and distribution, with near-perfect reliability. Deregulation is creating a market where customers will be allowed to choose among competing power generation suppliers. Obligation to serve and high reliability rules applicable to traditional electric utilities do not apply to the independent nonregulated power producers and the co-generators who will gain access to retail power customers under deregulation. New rules adopted by the California Public Utilities Commission (CPUC) in December 1995 provide for a phased-in schedule allowing all customers of Investor-Owned Utilities such as Southern California Edison to choose their generation provider by the year 2003. The first phase of this transition is scheduled to begin January 1, 1998.

Although Publicly-Owned Utilities such as the DWP are not regulated by the CPUC, pressure from their customers for access to the competitive power market is expected to be significant. Participation in the process by California's Publicly-Owned Utilities appears to be inevitable.

In a deregulated environment, large commercial and industrial customers who produce a significant percentage of electric utilities' revenues are expected to be vigorously pursued by competing power generators. Approximately 2,800 large commercial and industrial customers of the DWP are responsible for nearly $600 million or 32% of the Department's $1.9 billion annual Power Revenue Fund rate revenue. Loss of business from many of these customers could cause substantial financial hardship for the DWP, its remaining customers and the City.

(Summary continued)

CITY ADMINISTRATIVE OFFICER

To effectively compete under deregulation, electric utilities must be able to identify their costs to serve customers and should be able to charge prices that match or "recover" those costs. The DWP has recently completed a cost of service analysis that indicates its electric rates for the largest commercial and industrial customers exceed the costs to deliver the service. Comparisons with Investor-Owned Utilities in California show that the DWP's rates are competitive for residential and small commercial/industrial customers but are not competitive for the large business customers.

Highlights of the Proposed Rate Ordinance

Significant proposed changes to DWP's existing Electric Rate Ordinance include: (1) a restructuring of customer classes, by shifting 389 medium-size business customers to the large industrial/commercial class to better align the cost of service with price; (2) a $25 million price reduction for the large industrial/commercial class to more closely match price with the cost to serve these customers; and (3) separate identification ("unbundling") of the DWP's costs for generation, transmission and distribution for all customers, with the large industrial/commercial customers seeing separate charges on their bills for each of the three components of service.

The proposed ordinance also introduces a provision that would allow the DWP to implement a Competition Transition Charge (CTC), subject to future approval by the Board of Water and Power Commissioners (Board) and adoption by the City Council and Mayor by ordinance. This type of charge could be used by the DWP to recover from its customers certain costs which exceed revenues ("stranded costs") if the market price for energy under deregulation is too low to cover the Department's costs. The CTC concept is being studied by Investor-Owned Utilities and the CPUC and will be approved in some form by January 1998. Among the CTC structures that could be allowed are a surcharge on all customer bills for a fixed period of time or a charge to just those customers who choose to leave the DWP system and purchase power from a third party. The logic that argues for a CTC is that customers should bear their fair share of the historical costs incurred on their behalf by the utility to guarantee availability and reliability of service.

The DWP's original version of the CTC provision linked the City's implementation of the charge to some action by the CPUC. Because the DWP is not regulated by the CPUC, we are recommending revision of this provision to eliminate reference to the State's action. The City should have the flexibility to structure its own CTC if and when it is needed. The precise language we are recommending for the CTC provision is included in Finding #6 of this report. This language has been reviewed and approved by the City Attorney.

In addition, the Department is proposing a change in the Energy Cost Adjustment (ECA). The ECA is recalculated four times per year and is designed to cover the variable costs of purchased fuel and purchased energy. The proposed ordinance provides that the DWP may have the option, exercised by the Chief Accounting Employee, to use any fiscal year-end accumulated ECA funds to offset changes in the ECA for the following quarters **or to reduce the Department's debt**. We believe including this **option** in the new rate ordinance is prudent. However, we also believe the Mayor and City Council should remain involved in this process. Therefore, we are recommending a revision to the proposed ordinance that would preserve the Mayor and Council's prerogative to review the matter when a decision is made to exercise the option.

(Summary continued)

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Impact on Customers

Only 2,800 of the DWP's 1.3 million customers are affected by the proposed rate restructuring. Bills for residential and small and medium-size commercial/industrial customers will not change. Of the 2,800 large commercial and industrial customers affected by the rate restructuring, 1,960 will receive bill decreases. Increases of less than 10% will be experienced by 700 customers and 140 customers will see increases of 10% or more.

Based on the Department's cost analysis, the new rates are designed to more closely align the price with the cost of providing service. As a result, these customers should receive more accurate price signals to help them make appropriate business decisions regarding their usage of energy services. According to the DWP, many of the customers who will receive bill increases have irregular and inefficient usage of energy. In preparation for implementation of the new rates, DWP staff have been meeting with these customers to inform them of their options for improving the efficiency of their power usage. After an initial period of experience with the new rates, many of these customers should be able to improve their situation. Unusual problems may take some time to identify and resolve. The Department has made a commitment to providing customer service and has indicated that staff will be available to assist in resolving difficulties that may arise.

Bills paid by the Bureau of Street Lighting (primarily for the Los Angeles City Lighting Districts) will increase 24% over a two-year period. This increase must be passed along via the assessment of the properties included in the Lighting Districts. Because the increase is significant, the Bureau has requested and the DWP has agreed informally that new, separate rates for "energy only" and "maintenance only" will be prepared for street lighting. We are recommending that: the rate ordinance be adopted as originally proposed by the DWP; the DWP proceed to develop an "energy only" and a "maintenance only" rate for street lighting; and the DWP return at a later date with a proposed rate ordinance amendment to implement the new "energy only" and "maintenance only" rates for street lighting.

As approved by the Mayor and Council in the 1993 Power Rate Ordinance, the DWP continues to absorb the costs for City Utilitarian Lighting (safety lights mounted on DWP power poles but considered to be part of the City's street lighting system). These costs for 1996-97 are estimated to be approximately $2.9 million.

In the 1993-94 City Budget, the Mayor and City Council made a decision that the DWP should absorb the costs of General Benefit Lighting (lights located in tunnels, on bridges and at intersections). The Rate Ordinance was not amended. The DWP continues to bill the Bureau of Street Lighting for General Benefit Lighting even though no funds have been budgeted for this purpose. Costs for these lights in 1996-97 are estimated to be $1.6 million. We are recommending that the proposed rate ordinance be amended to add this item to the approved list of subsidies.

Impact on the General Fund

The power rate restructuring could reduce General Fund revenues from the Utility Users' Tax and the Power Revenue Transfer. The proposed $25 million rate reduction, if implemented for a full year, could result in an annual loss of $3.1 million in Utility Users' Tax on power. Assuming the Power Revenue

(Summary continued)

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Transfer continues after 1996-97, full-year implementation of the $25 million rate reduction could reduce the annual Power Revenue Transfer by $1.3 million. In a separate report dated July 1, 1996 we have recommended that the DWP, CAO, CLA, City Attorney and City Clerk be instructed to undertake an immediate review of DWP-related General Fund revenue. The goal should be to find a reasonable balance between the needs of the General Fund and the needs of the Water and Power Revenue Funds.

Financial Impact on the DWP

The DWP has adopted a 1996-97 Power Revenue Fund budget which assumes approval of the proposed power rate restructuring effective 10-01-96. The Department has pledged a portion of its savings from its Focused Separation Plan to finance the $25 million rate reduction for the large industrial/commercial customer class (a summary of Focused Separation Plan results is included as Attachment B to this report). In order to fund this permanent rate reduction, the Department is challenged to maintain permanent, ongoing cost reductions which will offset the foregone revenue.

The Department's 1996-97 budget was in the process of development and was adopted as this report was being written. Detailed information was not available in time for our staff to complete an analysis of the budget. It would be useful for the Mayor and City Council to have more information on this budget, including the Department's estimates of the impacts on service levels.

DWP Financial Preparations for Deregulation

The DWP is now developing various financial plans to further prepare the Power Revenue Fund for competition under deregulation. To be competitive in the new environment, it appears that the Department may need to continue reducing its costs. Some of the DWP's options and strategies for cost reduction include elimination of all new borrowing and restructuring and/or accelerating retirement of existing long-term debt. The total Power Revenue Fund debt obligation is $7.9 billion. In the past, regulated utilities were guaranteed rates sufficient to cover their costs, including debt. In a deregulated market, it appears that traditional utilities will lose their guaranteed customer bases and their guarantee of rate revenue sufficient to cover all costs.

A summary discussion of options available to the DWP is included in the Findings section of this report. It is possible that these, as well as other options not yet identified, could be used in combination. Many uncertainties exist and it is not possible to identify the "right answer" at this time. The decisions made by the DWP as it attempts to cope with deregulation will have important implications for the City. Therefore, we are recommending that the DWP report back to the Mayor and City Council with descriptions and status reports on its financial strategies being developed to cope with the new deregulated environment.

RECOMMENDATIONS

1. That the Mayor approve the proposed power rate ordinance and return it to the DWP for consideration by the Board of Water and Power Commissioners and forwarding to the City Council, except that the following changes be incorporated:

(Recommendations continued)

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A) That the Board of Water and Power Commissioners shall notify the Mayor and Council at least 30 days in advance when the option to use the Energy Cost Adjustment accumulated funds for reduction of the Department's debt is to be part of an Energy Cost Adjustment approved by the Board;

B) That the Board of Water and Power Commissioners proceed to implement the new rates for Street Lighting as included in the proposed ordinance and direct DWP staff to return at a later date with a proposed rate ordinance amendment to implement an "energy only" and a "maintenance only" rate for Street Lighting;

C) That the Board of Water and Power Commissioners add General Benefit Lighting to the list of approved subsidies in the ordinance;

D) That the wording for the Competition Transition Charge provision be amended substantially as described in Finding #6 of this report;

2. That the DWP be requested to report back to the Mayor and Council as soon as practical to describe its financial strategies and plans for coping with deregulation and that periodic status reports on this subject be submitted to the Mayor and Council by the DWP;

3. That the DWP be requested to report back to the Mayor and Council by January 1, 1997 with more detailed program and functional item information on the 1996-97 Budget, including discussion of the predicted impacts on service levels and a detailed multi-year plan for usage of the ongoing savings from the Focused Separation Plan.

FISCAL IMPACT STATEMENT

Full year implementation of the proposed power rate ordinance could reduce annual General Fund revenue from Utility Users' Tax by $3.1 million and from the Power Revenue Transfer by $1.3 million.

(Statement of Findings attached)

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FINDINGS

1. Basis for this Report

In accordance with Executive Directive No. 39, the General Manager of the Department of Water and Power (DWP) has submitted to the Mayor a proposal to modify electric rates. The Mayor has requested the City Administrative Officer to review the proposal and report back.

2. Reasons for the DWP Proposal

A) The 1978 Public Utility Regulatory Policy Act (PURPA) made it possible for improved technologies and nonregulated independent power producers to generate electricity at much lower cost than is possible by large regulated power plants. The availability of inexpensive natural gas fuel has also made it possible to generate power at lower costs. Large commercial and industrial customers, under constant pressure to reduce their expenses in order to remain competitive, have been lobbying for access to a deregulated power market where lower cost electric power could be obtained. In a deregulated environment these large commercial and industrial customers, who produce a large percentage of regulated electric utilities' revenues, are expected to be vigorously pursued by competing power generators. In response to these pressures the Federal Energy Regulatory Commission (FERC) and California Public Utilities Commission (CPUC) are introducing **deregulation** into the electric utility industry. This is creating a market environment where customers may choose among competing electric generation suppliers. Transmission and distribution are expected to remain regulated, although changed in some ways.

Under the 1992 Federal Power Act, federal rules require that wholesale generation providers be granted access to existing utilities' transmission systems to deliver power to their retail customers. In order to comply with federal rules, the DWP must develop transmission billing rates which can be charged to generation suppliers (including DWP generators) for use of the DWP transmission facilities. New rules adopted by the CPUC in December 1995 provide for a phased-in schedule allowing all customers of Investor-Owned Utilities in the state of California to choose their generation provider by the year 2003. The first phase, beginning January 1, 1998, will allow for a representative number of retail customers to have the option of choosing among competing power generation providers. Because Publicly-Owned Utilities (i.e., the municipals) such as the DWP are not regulated by the CPUC, local City Councils and Utility District Boards of Directors will eventually determine how and when their customers may have access to the competitive power market. However, the pressure for access will be great and participation by Publicly-Owned Utilities in this new market appears to be inevitable.

The problem for the City is that approximately 2,800 large commercial and industrial customers of the DWP are responsible for nearly $600 million or 32% of the department's $1.9 billion annual Power Revenue Fund revenue. Should many of these large customers decide to purchase power from generators other than the DWP or to "self-generate" (produce their own power), the DWP could lose substantial sums of revenue. Fixed costs,

(Findings continued)

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such as debt service, lifeline, low-income and other subsidies, would then most likely be recovered from the remaining customers who would probably experience significant rate increases.

B) Deregulation decisions made to date at the federal and state level are resulting in a need for existing electric utilities to separately identify or "unbundle" their costs and develop separate rates for the three distinct elements of the business: generation, transmission and distribution. The DWP has recently completed a study to determine the costs attributable to each element and, within each element, to customer classes. After the costs are attributed to business elements and customer classes, appropriate prices (rates) can be developed to recover costs. The goal is to match ("align") cost with price.

According to the cost of service analysis completed by the DWP, the **price** for electric power supplied by the DWP to its largest commercial and industrial customers **does not match the cost to provide it.** The following table shows the imbalances between price and cost for the various customer classes. If this imbalance were corrected to more closely align price with cost, then the DWP would be able to provide more accurate and useful cost information to its customers and better prepare itself for competition under deregulation.

	Current Price (Millions) % of Total Revenue	**Current Cost of Service (Millions) % of Total Cost**	**Difference (Millions)**
Large Commercial/Industrial	$485.4 25.76%	$340.4 18.07%	($145.0)
Medium/Large Commercial Industrial (High Voltage)	$137.1 7.28%	$111.7 5.93%	($25.4)
Medium/Large Commercial Industrial (Low Voltage)	$371.1 19.70%	$276.4 14.67%	($94.7)
Small Commercial and Industrial	$343.3 18.22%	$504.5 26.78%	$161.2
Residential	$547.3 29.04%	$651.2 34.55%	$103.9
Total	$1,884.2	$1,884.2	$0

(Findings continued)

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C) As the preceding chart shows, the DWP's large and medium-size industrial and commercial customers are paying prices which exceed the DWP's costs to provide power services. In effect, these **customers are "subsidizing" other customers.** This provides an additional incentive to the large customers to obtain their power elsewhere. Investor owned electric utilities (IOUs) such as Pacific Gas and Electric (PG&E), Southern California Edison (SCE) and San Diego Gas and Electric (SDG&E) are also confronted with cost/price problems as they prepare for the deregulated market scheduled to begin in 1998. Capping off a multi-year effort to match cost and price as part of its deregulation efforts, the CPUC is now emphasizing an even closer correlation between prices and costs and gradual elimination of all cross-class subsidies. Because the dividend returns to the investors can be changed, Investor-Owned Utilities have more financial flexibility in adjusting rates to match cost with price.

The tables in **Attachment A** show monthly bill comparisons for current DWP rates and proposed rates with current Edison and PG and E rates for comparable customers. DWP rates are currently competitive with Edison and PG and E, except for the very largest commercial and industrial customers, the source of large amounts of Power Revenue Fund revenues. Recognizing the general view that IOU's in California are noncompetitive on a national basis, Edison has already announced the goal of a 25 percent reduction in its pricing. Table A-3 shows that by the end of the decade if Edison is successful, that only DWP's residential and small commercial and industrial customers prices would remain competitive even in the local area. Medium and large commercial customers, the **source for more than half of the revenue to the Power Revenue Fund**, would be subject to capture by either Edison or PG and E or any independent power producer, as well as almost any generator outside of California.

3. 1996 Electric Rate Ordinance Proposal

The DWP's rate package proposes the following modifications to the current Electric Rate Ordinance:

A) The DWP has separately identified ("unbundled") its costs for generation, transmission and distribution for all customer classes. For large commercial and industrial customers the billing rates are separated for each of the three components of electrical service (generation, transmission, and distribution) and charges for each of these components are displayed on the customer's bill.

B) Prices for each component are partially adjusted for the large commercial and industrial customers to more closely match the cost to serve those customers. Some of the DWP's savings from the Focused Separation Plan (FSP) will be used to accomplish an overall price reduction for this customer class (**see Attachment B**).

C) The Energy Cost Adjustment (ECA) has been redefined to more accurately describe the true cost of energy only. Whereas the current Energy Cost Adjustment includes both fixed and variable costs of purchased energy and purchased fuel, the proposed ECA includes

(Findings continued)

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only the variable portions of this cost. The fixed costs of purchased energy and purchased fuel (primarily the debt service for the Intermountain and Palo Verde Generating Stations) are shifted to "base rates", thus increasing the base portion of the customer's bill and decreasing the ECA portion. **Customers will see no change in the total dollar amount of their bills as a result of the redefinition of the ECA.**

D) The Energy Cost Adjustment will continue to be recalculated four times per year at the start of each quarter. Revenues generated by the ECA in excess of the costs actually incurred by the DWP ("overcollections") are used to reduce the ECA in the following quarters. Conversely, if the ECA generates insufficient revenues to cover the actual costs incurred ("undercollections") the additional amount needed is added to the ECA in the following quarters.

The proposed ordinance provides that any portion of the fiscal year-end ECA account balance resulting from overcollections caused by the differences between the budgets and the actual costs may be accumulated in an ECA Stabilization Account. These amounts may be transferred at the discretion of the DWP Chief Accounting Employee to offset changes in the ECA ("stabilize" the ECA) **or to reduce the Department's debt**. The option to use these funds to reduce the Department's debt is a **new feature** in this proposed ordinance. The DWP is projecting that the maximum overcollection amount that might accumulate in a fiscal year would be $15 million, which is 8/10 of one percent of estimated Power Revenue Fund rate revenue in 1996-97. An overcollection amount of $15 million in fiscal year 1996-97 would, if used to stabilize the ECA, provide for an ECA reduction of approximately 1/10 cent per kilowatt hour.

DWP staff believe there is greater benefit to its customers in having the **option** to either use this money **to accelerate payment of debt** (thus reducing long-term costs) or use it for ECA stabilization in any fiscal year.

E) The concept of a Competition Transition Charge (CTC), subject to future Board of Water and Power Commission approval and adoption by the Mayor and Council by ordinance, is introduced. This charge could allow the DWP to recover certain costs which exceed revenues ("stranded costs") if the market price for energy under deregulation is too low to recover the Department's costs.

The CTC concept is under study by Investor-Owned Utilities and the CPUC. The current concept focuses on the recovery of unrecovered capital investments. Among the CTC structures that might be allowed are a surcharge on all customer bills for a fixed period of time or a charge to just the customers who choose to purchase power from a third party.

F) The discounts for the Enterprise Zone and Disaster Recovery rate schedules are redesigned. The resulting discount (applied over a five year period) will be the same dollar amount for the customer.

4. **Impact on Customer Bills (See Attachment C for Summary)**

(Findings continued)

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4. **Impact on Customer Bills (See Attachment C for Summary)**

A) **Residential customer bills will not change**. The difference will appear in the method of calculation of the Energy Cost Adjustment **(Attachments D through F).**

B) **Small commercial and industrial customer bills will not change**. The difference will appear in the method of calculation of the Energy Cost Adjustment. Examples of typical customers in this category are video rental stores, travel agencies or small medical offices **(Attachments G and H).**

C) **Medium to large commercial and industrial customers,** which may include government buildings, have been classified into three sub classes by DWP: A-2-A which are typically small stores, hardware stores, and two-story office buildings; A-2-B which are typically supermarkets, medium-size manufacturers, and large stores; and A-2-C which typically include most of the businesses in the previous two categories but are part of a larger complex such as a mall and therefore are served at a higher voltage level, the same as the A-3 class. **There will be no change to the A-2-A and A-2-B customer bills,** other than the definition of the Energy Cost Adjustment **(see Attachments I and J). The A-2-C group of customers will be transferred to the large commercial and industrial rate structure (see Attachment K).** Bill adjustments for the A-2-C group are discussed in the rate structure section below.

D) **The large commercial and industrial customers (A-3 class) will be impacted the most by the proposed rate ordinance.** These customers include operations such as large television stations, hospitals, and large office buildings and industrial operations such as pumping plants and manufacturing plants. In addition to seeing rates and charges listed separately by service element (generation, transmission and distribution), customers will see either increases or decreases in the bill for each meter - an individual corporation could have several meters with differing results - depending on the size of their individual electric "services" (the wires and related facilities necessary to supply electric energy to the customer) or usage of those services in certain facilities.

Number of Customers in A-3 Class	% of A-3 Class
1,960 large business meters receive **bill decreases**	70%
700 large business meters have **increases less than 10%**	25%
140 large business meters have **increases greater than 10%**	5%

The DWP has been working with the A-3 customers to assist them in understanding its rate proposal and to provide options under the ordinance for the future. According to the Department, those customers who will experience 5 to 10% increases typically have low or irregular usage of energy. This group could include a pumping station which only pumps at certain hours of the day or only certain days of the week, but the DWP's capacity to serve this customer must be available at 100% of the customer's maximum demand at any given time. Another example of a customer in this group would be a building which is not

(Findings continued)

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fully utilized and is only "on line" for electric power service to maintain lighting or security services.

Many of the customers who will experience greater than 10% increases are businesses that operate under special or unusual conditions. In some cases, the percent change for the customer may be 10% or more but the actual dollar increases are low. Some customers will experience cost increases because their business operations require them to use power at the most expensive periods of the day but this may be the only choice available to the customer given the customer's operations.. For example, a crane operator at the L.A. harbor must use power to operate when ships are in dock. This could be at peak price periods of the day for power usage, but it is the only practical choice given the nature of ship arrival and departure schedules. Some of these customers, when contacted by the DWP, indicated that the increased rates would be acceptable as long as their competitors were being charged the same rates.

See **Attachments L through N** for samples of proposed bills for a brewery, a major office building and a pumping facility.

E) **The Parallel/co-generators** (PG) are those that self-generate part or all of their own energy requirements. **Most of the Parallel/co-generators will see increases in their bills because DWP's rates do not now reflect the full cost to serve these customers.** These customers are typically connected to the DWP distribution system for back up or standby power or so that self-generated excess can be passed through the DWP system to other facilities owned by the co-generator. The DWP is negotiating individual agreements with co-generators to 1) guarantee long term relationships in a deregulated environment and 2) make their power available to the DWP in case of emergencies or power outages.

Independent, nonregulated power production such as that pursued by the PGs was prompted by PURPA and has been protected by government as an incentive to develop new technologies and provide market choices. Over the years the DWP has incurred costs to build facilities to handle the demand co-generators place on the City's power system. DWP facilities of considerable size and cost are needed to provide the backup service necessary in the case of a co-generators's power failure. If the co-generator operates efficiently (as shown by a high load factor), typically the customer does not cause unusually large unrecovered costs for the DWP. On the other hand, an inefficient co-generator can cause substantial costs which must be recovered from other DWP customers.

The co-generation industry has become sufficiently mature that subsidies for inefficient operation in the face of deregulation can no longer be supported. There are currently 20-30 co-generators in the City of which 10 to 12 are major customers with generating capability of approximately 300 megawatts. With the exception of the County of Los Angeles, all of these co-generators have run inefficiently in the past because appropriate price signals were not made to them from DWP's prices. The DWP is working with the co-generators to help them manage their energy needs and their costs.

(Findings continued)

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The proposed rate ordinance would revise "standby" and other charges to encourage more efficient operations by a co-generator and to recover the full cost experienced by the DWP. Bill increases would be limited to no more than 20 percent of the prior year's bill until DWP's full cost is recovered.

Attachments O through R are sample monthly bills for two co-generators: one bill for a relatively small co-generator currently operating with reasonably high efficiency (detailed on the bill as a good load factor) and three bills for a large co-generator with poor efficiency (detailed on the bill as a load factor of zero).

The proposed rate ordinance increases the bill for the small co-generator over a two-year period until DWP's costs are recovered, as follows:

	CURRENT (11-22-95)	PROPOSED YEAR 1	PROPOSED YEAR 2
	$85,775	$85,775	$88,084
% Change		0%	2.7%

The large co-generator who continues operating inefficiently experiences significant bill increases over the next four years until full cost recovery is realized. An example of this type of operation would be a customer who routinely takes its own power generators "off line" during the day. When this happens, DWP must provide back-up power at the most expensive time of day. If the customer were to change its schedule to perform maintenance in the evening when power rates are low, the DWP's charges for back-up power would be lower. If the large co-generator changes its behavior to operate more efficiently, the bill increases will not be as great:

	CURRENT (11-22-95)	PROPOSED YEAR 1	PROPOSED YEAR 2	PROPOSED YEAR 3	FINAL YEAR
	$113,421	$113,421	$131,034	$148,646	$243,045
% Change		0%	20%	40%	114%

F) **Overall, the bill increases for Street Lighting will average 24% over two years.** Three rate schedules apply to Street Lighting. When added together, the changes in these three schedules average 24% by the end of the second year:

LS-1: This schedule includes Utilitarian Safety Street Lights owned by DWP and mounted on DWP wooden power poles. These lights are considered to be part of the City's street lighting system. DWP provides installation, energy and maintenance. Some Los Angeles City Lighting Districts (LACLD) which benefit special groups of businesses and residences are also included in this rate schedule. Prior to 1993 costs for the Utilitarian Lighting were paid by the City. Since 1993 Utilitarian Lighting costs have been absorbed by the DWP, as requested by the Mayor and City Council and included in the 1993 Rate Ordinance.

(Findings continued)

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LS-1	Utilitarian Lighting	Street Lighting Districts
Current Annual Bill	$1,731,179	$24,399
Proposed Increase First Year	$1,174,421	$3,555
Proposed Increase Second Year	$131,318	$2,459
Proposed New Total	$3,036,918	$30,413
Paid By	DWP	LACLD

LS-2: This rate schedule applies to electroliers on City streets. Electroliers are street lights owned by the Bureau of Street Lighting (BSL) and mounted on free-standing metal or concrete poles owned by the BSL. DWP provides energy and maintenance. Included in this rate schedule are General Benefit Lighting (lights located in tunnels, on bridges and at intersections) and certain LACLD lights. Proposed assessment increases for the LACLDs in 1996-97 will be 10.8%, 5.3 % of which is attributable to the DWP rate restructuring.

LS-2	General Benefit Lighting	Street Lighting Districts	Other Districts
Current Annual Bill	$1,161,972	$13,915,147	$162,738
Proposed Increase First Year	$292,782	$2,187,389	$13,338
Proposed Increase Second Year	$182,713	$1,089,389	$13,337
Proposed New Total	$1,637,467	$17,189,925	$189,413
Paid By	DWP	LACLD	Private Districts

LS-3: This rate schedule includes Electrolier Street Lights owned by the BSL and mounted on BSL lighting poles. DWP provides energy only. This rate schedule covers approximately 100 BSL lights. Approximately 90 to 95 percent of the lights covered by this rate schedule belong to Cal Trans and the remainder belong to private districts.

LS-3	Bureau of Street Lighting	Cal Trans
Current Annual Bill	$24,666	$1,170,816
Proposed Increase First Year	$1,068	$43,067
Proposed Increase Second Year	$1,069	$43,066
Proposed New Total	$26,403	$1,256,949
Paid By	LACLD	Cal Trans

(Findings continued)

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Note:

(1) For all the rate schedules, the BSL prefers that the street lighting prices be separated into components. The Bureau believes that this will provide better information and will help to explain and justify the increase in the assessments for LACLD. The two major billing components, energy and maintenance, are currently charged as one bulk amount per lamp by DWP.

In recent meetings the DWP has informally agreed to amend the proposed rate ordinance to include a new category (LS-4) which would be an "energy only" rate for the BSL. The DWP has also agreed to prepare a separate rate for normal maintenance service which the DWP provides to the Bureau. Once the DWP provides a separate rate for maintenance and a separate rate for energy, the BSL will be in a position to assess the cost effectiveness of maintenance services and consider alternative service levels or alternate service providers. We are recommending that the proposed ordinance be adopted as proposed and the Board be requested to develop an appropriate amendment to implement these new rates.

(2) In the 1993-94 Budget the Mayor and City Council made a decision to have General Benefit Lighting costs absorbed by the DWP. However, the Rate Ordinance was not changed and the DWP continues to bill the BSL, even though no funds have been budgeted to pay DWP. The Board of Water and Power Commissioners should be asked to amend the proposed ordinance to include General Benefit Lighting in the approved table of subsidies (discussed below). It should be noted that the Bureau of Street Lighting has recently informed us that they intend to prepare a report to the Mayor and Council which will identify alternative sources of funding for General Benefit and Utilitarian Lighting. These funding sources could be used to eliminate the payments that are now absorbed by the DWP. These payments are considered by the Department to be "subsidies" which make the DWP's prices more noncompetitive under deregulation.

G) **Subsidies** for low-income, lifeline and various other customers **remain unchanged**. The existing Rate Ordinance provides subsidies to various customers and the costs are recovered from surcharges applied to all other customers. In 1994-95 the annual subsidies financed by the rate payers totalled approximately $30.5 million. The discounts for customers qualifying for Enterprise Zone and Disaster Recovery rates have been slightly redesigned. As previously mentioned in this report, the resulting discount (which is be applied over a five year period) will be the same dollar amount for the customer.

(Findings continued)

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SUBSIDIES GIVEN FOR THE PERIOD JULY 1994 TO JUNE 1995

	Dollars	Percentage	Customers
Lifeline Credits	$17,006,790	55.8%	104,780
Low-Income Credits	$5,387,252	17.7%	106,147
Enterprise Zones	$1,527,575	5.0%	450
Disaster Recovery Zones	$116,646	0.4%	70
Street Lights, LS-1 (Utilitarian Lighting)	$1,697,075	5.6%	1
Traffic Signals	$4,718,915	15.5%	1
Administrative Costs	$1,467	0.0%	N/A
Total Energy Subsidy Adjustment	**$30,455,720**	**100.0%**	**211,450**

H) **The City's annual bill for electricity is estimated to decrease** as follows:

	Annual Bill Current Ordinance	Annual Bill Proposed Ordinance	Decrease Under Proposed Ordinance	% Decrease
General City Facilities	$7,943,438	$7,533,456	$ (409,982)	5.2%
Sewer Constr. & Mtce	$5,104,064	$ 4,769,470	$ (334,594)	6.6%
Total	$13,047,502	$12,302,926	$ (744,576)	5.7%

I) **Government buildings in the City** occupied by the Federal, State and County Governments will not experience an adverse impact. Only a small bill increase (2.7 percent) will be reflected in the co-generation functions of Los Angeles County.

5. **DWP Budget Impact**

The rate restructuring included in the proposed ordinance is an important step in DWP's preparation for deregulation of the electric utility industry. The DWP is recommending a $25 million rate reduction for its large industrial and commercial customers for two major reasons: (1) the current prices charged are higher than the costs incurred to serve these customers and (2) if the DWP's rates for this customer class remain higher than rates charged by competing utilities for comparable customers, the incentive to get power elsewhere could cause DWP to lose customers and substantial sums of revenue. **See Attachment S for a Revenue Comparison of DWP Current Rates Vs. Proposed Rates for Major Customer Classes.** Loss of revenue from the large business customers easily could lead to significant rate increases for remaining customers.

In order to finance the rate reduction for large business customers, the Department is challenged to maintain permanent, ongoing budget and cost reductions which will offset revenue losses. For fiscal year 1996-97, the DWP has adopted a Power Revenue Fund budget which assumes implementation of the proposed rate ordinance (effective 10-1-96), including the $25 million revenue reduction. **See Attachment T for an overview of the Power System's 1996-97**

(Findings continued)

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budget. It should be noted that the Department's budget was in the process of development and was adopted as this report was being written. Therefore, the budget figures in this report are based upon cost caps set by the Board and do not include the details, which are not yet available. It is not possible for us to comment on whether or not the adopted budget will result in service level changes for customers.

Reductions in the Power Revenue Fund's Capital Program (Capital) and Operations and Maintenance (O&M) budgets over the last few years have made it possible for the DWP to absorb the proposed revenue reduction, at least for 1996-97, without additional borrowing. Many of the budget reductions yet to be finalized have been made possible through implementation of the Focused Separation Plan (FSP). **Refer to Attachment B for a summary of the FSP results.** The combined savings in the Capital and O&M budgets between 1994-95 and 1996-97 total $110 million.

Budgeted Expenditures (in Millions)

	1994-95	1995-96	1996-97	Difference:'96-97 vs. '94-95
O&M	$595.6	$494.1	$503.2	$ (92.4)
Capital	$249.4	$240.1	$231.1	$ (18.3)
Combined Total Reduction				$(110.7)

In addition to supporting a $25 million revenue reduction, these savings have made it possible for the Department to eliminate borrowing and finance the annual Capital Program from current revenues for 1996-97. Management of the Department has adopted a goal of no new borrowing through the end of the decade. If successful, this strategy should help to reduce the Power Revenue Fund's overall debt, thus avoiding additional financing costs that would make it even more difficult for the Department to implement and maintain competitive prices.

The Department has prepared a financial forecast that includes projections for nine years, from 1996-97 through 2004-2005. The forecast shows Power Revenue Fund annual sales estimates and projected revenue based on the proposed restructured rates. The forecast includes predicted expenditures for Capital and O&M and estimated Net Income for each year. Because the annual transfer to the General Fund may not exceed the previous year's Net Income, this figure is significant to the DWP and to the City. **See Attachment U for a comparison of Estimated Net Income, with and without customer rate reductions, for fiscal years 1996-97, 1997-98, and 1998-99.** Notwithstanding the stated goal of no new borrowing, the current financial forecast shows new borrowing in future years. We have been advised by DWP staff that projections contained in the financial forecast, including estimated new borrowing and estimated Net Income, are not complete for years beyond 1996-97 and must be considered to be only preliminary data at this time. The traditional multi-year budget process has not been completed.

(Findings continued)

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6. DWP Financial Preparations for Deregulation

The Department is now developing various financial options and strategies to further prepare the Power Revenue Fund for competition under deregulation. Some of these options and strategies include cost reductions based on accelerated retirement of existing debt and elimination of new borrowing in the foreseeable future. Existing debt in the Power Revenue Fund is high. Direct debt issued by the Department totals $2.9 billion. In addition, indirect or "off-balance sheet" debt, resulting from the City's investments in projects owned by the Intermountain Power Agency (IPA) and the Southern California Public Power Authority (SCPPA), totals $5 billion. The total Power Revenue Fund debt obligation is approximately $7.9 billion. The following chart illustrates the Fund's debt profile:

Power Revenue Fund
DEBT PROFILE ($Billions)

	Direct Debt	IPA	SCPPA	TOTAL
Fixed Rate	$2.80	$3.10	$1.57	$7.47
Variable Rate	.09	.34	.04	.47
Total	$2.89	$3.44	$1.61	$7.94
Average Life (years)	18.2	16.1	15.5	

Total annual debt service payments (principal and interest) amount to approximately $630 million. Payments for the Department's direct debt total $240 million per year. Debt service payments for the Department's share of IPA and SCPPA projects amount to $390 million per year.

As regulated monopolies, both the Investor-Owned Utilities and the Publicly-Owned Utilities in California have traditionally been **required to invest** in the development of new power supplies to support growth in the State and to ensure a stable, secure supply of energy. All regulated electric utilities have also been **obligated to serve all customers** within their service territories and to **provide near-perfect reliability of service**. As a result of these obligations, the DWP invested in the development of new power generation facilities in the 1970's and early 1980's. It should be noted that Investor-Owned Utilities in California also have significant investments in high-cost power generation facilities such as nuclear power plants and alternative power sources such as geothermal, solar and wind generation facilities which could become subject to out-of-State competition. In return for meeting their obligations to customers, all regulated utilities were historically guaranteed exclusive service territories and rates sufficient to cover their costs.

Improved technologies and the availability of inexpensive natural gas have now made it possible for nonregulated independent power producers to build modern power plants to produce electricity at lower cost than is possible with the older plants of the regulated utilities. Under deregulation, these independent operators will have access to the customers of the traditional utilities. All low-cost providers in the deregulated market will have the potential for posing a significant threat to

(Findings continued)

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their competitors. If deregulation proceeds according to plans discussed at the federal level, out-of-state power producers could eventually have access to customers in California. According to information published by the Energy Information Administration, U.S. Department of Energy, the U.S. average price for electric power in 1994 was $6.91 per kilowatt hour. California's Publicly-Owned Utilities had prices which were 24% higher than the U.S. average at $8.56 per kilowatt hour and the prices of California's Investor-Owned Utilities were 50% higher at $10.38 per kilowatt hour.

In a deregulated market, the traditional utilities will lose their guaranteed customer base (absent special legislation) and, it appears, will also lose their guarantee of rate revenues sufficient to cover all their costs or provide dividends to the investors. A key issue for existing utilities, including the DWP, is the recovery of "stranded costs". As previously described in this report, stranded costs are those costs which have been previously incurred but have not been recovered and may not be recovered if the market price for power is too low. Recent articles in the Wall Street Journal and the Los Angeles Times have quoted a study by Moody's Investor's Service which estimates that the amount of stranded cost for 114 U.S. Investor-Owned Utilities is $135 billion. Moody's estimates that Southern California Edison's potential maximum exposure is $12.4 billion and PG&E's is $9.5 billion. A comparable value for the DWP's potential maximum exposure could be its total $7.9 billion debt.

In December 1995 the CPUC issued an Order (to become effective January 1, 1998) for the development of a mechanism that would be used by Investor-Owned Utilities to recover stranded costs. This would be allowed during a transition period commencing in 1998 and ending in 2003. As previously described in this report, this charge is referred to as a Competition Transition Charge (CTC) and could take various forms as the CPUC holds workshops and legislation is considered. We believe the DWP should have the flexibility, subject to approval by the Board and the Mayor and City Council by ordinance, to implement a similar mechanism.

The DWP's original version of the CTC provision linked the City's implementation of the charge to some action by the CPUC. Because the DWP is not regulated by the CPUC, we are recommending that the provision be revised to read substantially as follows:

> In the event that the Board of Water and Power Commissioners determines that a cost recovery mechanism for collecting costs attributable to generating or other facilities which are deemed to be uncompetitive under competitive (deregulated) energy market conditions, the Board may develop and apply an appropriate mechanism to the bills of its retail customers, as determined by the Board of Water and Power Commissioners and approved by an Ordinance of the City.

To remain competitive in the deregulated environment, the DWP will need to continue reducing its costs. Although further reductions in Capital and O&M could be difficult and could at some point jeopardize the system's reliability, it does appear that opportunities for cost cutting can be found in restructuring debt or accelerating debt retirement. The DWP is analyzing its options and is developing plans for coping with the changing market environment. Following is a summary of some of the options.

(Findings continued)

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1) Implementation of a Competition Transition Charge (CTC). As described earlier in this report, a CTC would allow utilities to recoup their potential "stranded investments". The logic which argues for a CTC is that customers should bear their fair share of the historical costs that were incurred by the utility on their behalf to guarantee availability and reliability of service.

2) As described earlier in this report, the DWP could at year-end use "overcollection" surplus in the Energy Cost Adjustment account to accelerate the payment of debt rather than to offset changes in the ECA for the following quarters. We believe including this **option** in the new rate ordinance is prudent. However, we believe the Mayor and City Council should be advised by the Board of Water and Power Commissioners when the Board approves a new ECA that includes using this option to reduce debt. As part of a Board action to approve the ECA, the use of the option would become subject to Charter Section 32.3 ("Prop. 5") for possible Council review.

3) Rate increases for customers could become necessary in the future. Other utilities in the State have been making decisions to increase rates for customers whose rate revenue does not match or "cover" the costs to serve them. Increasing rates could become necessary in order to prevent bond defaults or forced consolidations with other utilities.

It is possible that these as well as other options could be used alone or in combination. At this time, it is impossible to identify the "right answer". Many uncertainties exist, but it will be especially important to understand the Department's unique circumstances compared with potential competitors. Some of the Department's considerations are introduced in the proposed ordinance:

All of these options have important implications for the City and for DWP. Therefore, we are recommending that the DWP report back to the Mayor and Council with descriptions and status reports on the financial strategies and options being developed to cope with the effects of deregulation.

7. Financial Impact on the City's General Fund

The power rate restructuring included in the proposed ordinance could impact the City's General Fund. On its face, reducing the price of power will reduce City receipts from the Utility Users' Tax. A $25 million rate reduction, if effective for the entire year, would result in reducing Utility Users' Tax receipts by $3.1 million. Assuming an effective date at mid-year, the estimated tax loss would be $1.5 million in 1996-97. Because the $25 million reduction is intended to be a permanent change, the corresponding reduction in Utility Users' Tax would also be a permanent change. Assuming the Power Revenue Transfer to the General Fund continues after 1996-97, full-year implementation of the $25 million rate reduction would result in a $1.3 million reduction in the traditional Power Revenue Transfer.

In addition, one DWP analysis suggests that loss of business from the 2,800 large business customers due to deregulation could result in as much as a $600 million revenue decrease in the revenue to the Power Revenue Fund. Such a decrease would reduce the Power Revenue Transfer to the General Fund by $30 million and the Utility User's Tax on electricity by $75 million.

(Findings continued)

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During 1996-97 budget hearings, the DWP General Manager stated that the annual Power Revenue Fund transfer to the General Fund could be "in jeopardy" after fiscal year 1996-97. We know that a surcharge of 5% on the price of electric transmission (to partially fund the DWP's annual transfer to the City) will not be allowed under FERC rules. It is possible that additional FERC and CPUC decisions could jeopardize the 5% surcharge on the price of generation and distribution. It is also possible that the DWP may want to make use of these funds to prepare for competition under deregulation by avoiding new borrowing or paying down existing debt with the money.

In a separate report dated July 1, 1996, we have recommended that an immediate review of DWP-related General Fund revenue be undertaken. The goal should be to revise and restructure these revenue sources to find a reasonable balance between the needs of the General Fund and the needs of the Water and Power Revenue Funds. Any recommended changes should be phased in as necessary to minimize financial disruptions to the City, DWP and DWP customers.

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Attachments

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ATTACHMENT A

TABLE A-1
COMPARISON OF 12 MONTHS TYPICAL ELECTRICAL BILLS
ENDING JUNE 1996
CURRENT RATES

Customer Type and Load	DWP $	DWP (% less)	SCE $	DWP (% less)	PG&E $
Residential Service					
400 KWH	40.45	28.68	56.72	21.18	51.32
1,000 KWH	100.67	31.50	146.96	25.32	134.80
Small Commercial & Industrial					
1,000 KWH	108.32	27.39	149.19	27.82	150.08
5,000 KWH	481.76	28.52	674.00	32.75	716.36
Medium Commercial & Industrial					
10,000 KWH/40KW	1,131.87	16.74	1,359.47	4.90	1,190.23
50,000 KWH/150 KW	4,749.11	20.20	5,950.96	12.33	5,416.95
100,000 KWH/300 KW	9,473.22	20.45	11,908.90	11.92	10,755.15
Large Commercial and Industrial					
Supermarket 250,000 KWH/350 KW	16,479.58	22.19	21,178.65	24.94	21,956.21
Office Building 300,000 KWH/1,000 KW	28,098.90	13.64	32,537.31	15.15	33,115.12
Manufacturer 2,000,000 KWH/5,000 KW	163,180.10	16.99	196,586.86	2.94	168,119.39
Refinery 7,000,000 KWH/10,000 KW	454,350.50	(15.13)	394,636.40	(33.39)	340,609.20

SCE is Southern California Edison.
PG&E is Pacific Gas and Electric.

TABLE A-2
COMPARISON OF 12 MONTHS TYPICAL ELECTRICAL BILLS
ENDING JUNE 1996
PROPOSED RATES

Customer Type and Load	DWP $	DWP (% less)	SCE $	DWP (% less)	PG&E $
Residential Service					
400 KWH	40.45	28.68	56.72	21.18	51.32
1,000 KWH	100.67	31.50	146.96	25.32	134.80
Small Commercial & Industrial					
1,000 KWH	108.32	27.39	149.19	27.82	150.08
5,000 KWH	481.76	28.52	674.00	32.75	716.36
Medium Commercial & Industrial					
10,000 KWH/40KW	1,131.87	16.74	1,359.47	4.90	1,190.23
50,000 KWH/150 KW	4,749.11	20.20	5,950.96	12.33	5,416.95
100,000 KWH/300 KW	9,473.22	20.45	11,908.90	11.92	10,755.15
Large Commercial &Industrial					
Supermarket 250,000 KWH/350 KW	11,926.42	43.69	21,178.65	45.68	21,956.21
Office Building 300,000 KWH/1,000 KW	28,806.90	11.47	32,537.31	13.01	33,115.12
Manufacturer 2,000,000 KWH/5,000 KW	158,687.00	19.28	196,586.66	5.61	168,119.39
Refinery 7,000,000 KWH/10,000 KW	408,641.70	(3.55)	394,636.40	(19.97)	340,609.20

SCE is Southern California Edison.
PG&E is Pacific Gas and Electric.

TABLE A-3
COMPARISON OF DWP CURRENT PRICES
WITH EDISON'S 25% GOAL REDUCTION

Customer Type	DWP (Current)	DWP % less	SCE (25% Reduction Goal)
Residential			
400 KWH	40.45	4.9	42.54
1,000 KWH	100.67	8.7	110.22
Small Commercial and Industrial			
1,000 KWH	108.3	3.2	111.89
5,000 KWH	481.76	4.7	505.50
Medium Commercial and Industrial			
10,000 KWH/40 KW	1,131.87	(11.0)	1,019.60
50,000 KWH/150 KW	4,749.11	(6.4)	4,463.22
100,000 KWH/300 KW	9,473.22	(6.1)	8,931.68
Large Commercial & Industrial			
Supermarket			
250,000 KWH/350 KW	16,479.58	(3.7)	15,883.99
Office Building			
300,000 KWH/1,000 KW	28,098.90	(15.1)	24,402.98
Manufacturer			
2,000,000 KWH/5,000 KW	163,180.10	(10.7)	147,440.00
Refinery			
7,000,000 KWH/10,000 KW	454,350.50	(53.5)	295,977.30

SCE is Southern California Edison.

ATTACHMENT B

DWP
Focused Separation Plan (FSP) Results

The Focused Separation Plan (FSP) was developed to encourage 650 voluntary separations in classes that were identified by an outside auditing firm as having excess personnel. To prepare for impending deregulation in the electric utility industry, the DWP set a goal to reduce the workforce by 1,000 employees with a resulting $69 million reduction in labor costs. The open enrollment period for FSP was May 15 through June 30, 1995. Including normal attrition throughout the year, the final number of employees leaving the Department reached 1,519. The Department plans to backfill some positions that were not targeted in the FSP or that were vacated in excess of the FSP goals. There are also plans to add employees in Sales and Marketing.

The FSP program cost was approximately $44 million, with a first year (1995-96) net savings of approximately $42 million. Total ongoing savings is estimated to be $86 million. About $64 million is attributable to the Energy Services Business, with the remaining $22 million attributable to the Water Services Business.

The following table details the distribution of the entire $86 million savings in 1996-97:

		Millions
Energy Services Share		
Rate reduction for large customers (A-3)		$ 25
Salary increases and price increases for supplies/materials (offset inflation)		22
Marketing & Customer Service additions:		
Filling 70 customer service positions	3.0	
Increase in electric transportation program	2.5	
Customer Information System (Improved Bills)	5.0	
Advertising Program	5.0	
Customer surveys, marketing, public relations, consulting	2.0	
		17
		$ 64
Water Services Share		
Salary increases and price increases for supplies/materials		$ 10
Finance part of the Capital Program		12
		$ 22
Grand Total		**$ 86**

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ATTACHMENT C

CUSTOMER IMPACTS
FROM PROPOSED 1996 ELECTRIC RATE ORDINANCE

- 1,157,000 Residential meters are unaffected by this ordinance — 86.0%
- 170,000 Small Business (A-1) meters are unaffected by this ordinance — 12.6%
- 15,500 Medium Business (A-2) meters are unaffected by this ordinance — 1.2%
- 2,800 Large Business (A-3) meters are affected by this ordinance — 0.2%
    - 1,960 Large Business meters receive bill decreases — 70.0%
    - 700 Large Business meters have increases less than 10% — 25.0%
    - 140 Large business meters have increases greater than 10% — 5.0%

Of these 1,345,300 electric services, 99.94% will be unaffected or receive bill decreases as a result of this proposed rate ordinance.

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Bill Comparison
R-1a - Residential Customer

Old Bill

		Price	Average Usage		Total
Service Charge ($/Month)	$	0.30	1	$	0.30
Energy Charge ($/kWh)	$	0.07288	430	$	31.34
ECA* ($/kWh)	$	0.02542	430	$	10.93
ESA* ($/kWh)	$	0.00207	430	$	0.89
TOTAL BILL				**$**	**43.46**

New Bill

		Price	Average Usage		Total
Service Charge ($/Month)	$	0.30	1	$	0.30
Energy Charge ($/kWh)	$	0.09580	430	$	41.19
ECA* ($/kWh)	$	0.00250	430	$	1.08
ESA* ($/kWh)	$	0.00207	430	$	0.89
TOTAL BILL				**$**	**43.46**

*ECA is Energy Cost Adjustment and ESA is Energy Subsidy Adjustment.

Bill Comparison
R-1d - Low Income Customer

Old Bill

		Price	Average Usage		Total
Service Charge ($/Month)	$	0.30	1	$	0.30
Energy Charge ($/kWh)	$	0.07288	315	$	22.96
ECA* ($/kWh)	$	0.02542	315	$	8.01
ESA* ($/kWh)	$	0.00000	315	$	-
Less *Low Income Subsidy*				$	(4.16)
TOTAL BILL				**$**	**27.11**

New Bill

		Price	Average Usage		Total
Service Charge ($/Month)	$	0.30	1	$	0.30
Energy Charge ($/kWh)	$	0.09580	315	$	30.18
ECA* ($/kWh)	$	0.00250	315	$	0.79
ESA* ($/kWh)	$	0.00000	315	$	-
Less *Low Income Subsidy*				$	(4.16)
TOTAL BILL				**$**	**27.11**

*ECA is Energy Cost Adjustment and ESA is Energy Subsidy Adjustment.

Bill Comparison
R-1e - Lifeline Customer

Old Bill

		Price	Average Usage		Total
Service Charge ($/Month)	$	0.30	1	$	0.30
Energy Charge ($/kWh)	$	0.07288	355	$	25.87
ECA*($/kWh)	$	0.02542	355	$	9.02
ESA*($/kWh)	$	0.00000	355	$	-
Less *Lifeline Subsidy*				$	(14.11)
TOTAL BILL				**$**	**21.08**

New Bill

		Price	Average Usage		Total
Service Charge ($/Month)	$	0.30	1	$	0.30
Energy Charge ($/kWh)	$	0.09580	355	$	34.01
ECA*($/kWh)	$	0.00250	355	$	0.88
ESA*($/kWh)	$	0.00000	355	$	-
Less *Lifeline Subsidy*				$	(14.11)
TOTAL BILL				**$**	**21.08**

*ECA is Energy Cost Adjustment and ESA is Energy Subsidy Adjustment.

Bill Comparison - Travel Agency
A-1a - Small General Service

Old Bill

		Price	Usage		Total
Service Charge ($/Month)	$	4.00	1	$	4.00
Facilities Charge ($/kW)	$	2.25	4	$	9.00
Energy Charge ($/kWh)	$	0.06794	500	$	33.97
ECA*($/kWh)	$	0.02542	500	$	12.71
ESA*($/kW)	$	0.49	4	$	1.96
TOTAL BILL				**$**	**61.64**

New Bill

		Price	Usage		Total
Service Charge ($/Month)	$	4.00	1	$	4.00
Facilities Charge ($/kW)	$	2.25	4	$	9.00
Energy Charge ($/kWh)	$	0.09086	500	$	45.43
ECA*($/kWh)	$	0.00250	500	$	1.25
ESA*($/kW)	$	0.49	4	$	1.96
TOTAL BILL				**$**	**61.64**

*ECA is Energy Cost Adjustment and ESA is Energy Subsidy Adjustment.

Bill Comparison - Video Rental Store
A-1a - Small General Service

Old Bill

		Price	Usage		Total
Service Charge ($/Month)	$	4.00	1	$	4.00
Facilities Charge ($/kW)	$	2.25	15	$	33.75
Energy Charge ($/kWh)	$	0.06794	3000	$	203.82
ECA*($/kWh)	$	0.02542	3000	$	76.26
ESA*($/kW)	$	0.49	15	$	7.35
TOTAL BILL				**$**	**325.18**

New Bill

		Price	Usage		Total
Service Charge ($/Month)	$	4.00	1	$	4.00
Facilities Charge ($/kW)	$	2.25	15	$	33.75
Energy Charge ($/kWh)	$	0.09086	3000	$	272.58
ECA*($/kWh)	$	0.00250	3000	$	7.50
ESA*($/kW)	$	0.49	15	$	7.35
TOTAL BILL					**$325.18**

*ECA is Energy Cost Adjustment and ESA is Energy Subsidy Adjustment.

ATTACHMENT I

Bill Comparison
Typical A-2-A General Service Customer

Old Bill

	Price	Average Usage	Total
Service Charge ($/Month)	$ 25.00	1	$ 25.00
Facilities Charge ($/Month)	$ 2.25	60	$ 135.00
Demand Charge ($/Month)	$ 12.62	60	$ 757.20
Service Charge ($/Month)	$ 0.02181	18,000	$ 392.58
Energy Cost Adjustment ($/kWh)	$ 0.02542	18,000	$ 457.56
Energy Subsidy Adjustment ($/kWh)	$ 0.49	60	$ 29.40
TOTAL BILL			$ **1,796.74**

New Bill

	Price	Average Usage	Total
Service Charge ($/Month)	$ 25.00	1	$ 25.00
Facilities Charge ($/Month)	$ 2.25	60	$ 135.00
Demand Charge ($/Month)	$ 12.62	60	$ 757.20
Service Charge ($/Month)	$ 0.04473	18,000	$ 805.14
Energy Cost Adjustment ($/kWh)	$ 0.00250	18,000	$ 45.00
Energy Subsidy Adjustment ($/kWh)	$ 0.49	60	$ 29.40
TOTAL BILL			**$ 1,796.74**

ATTACHMENT J

Bill Comparison
Typical A-2-B General Service Customer
60,000 KWH, 150 KW

Usage	Billing Component	Current Price	Proposed Price	Current Value	Proposed Value
		$	$	$	$
1 Month	Service Charge	25.00	25.00	25.00	25.00
150 KW	Facility Charge	2.25	2.25	337.50	337.50
	Demand Charge				
150 KW	High Peak	7.90	7.90	1,185.00	1,185.00
141 KW	Low Peak	3.85	3.85	542.85	542.85
135 KW	Base	1.40	1.40	189.00	189.00
	Energy Charge				
10,200 KWH	High Peak	0.02949	0.05241	300.80	534.58
15,000 KW	Low Peak	0.02907	0.05199	436.05	779.85
34,800 KW	Base	0.01658	0.03950	576.98	1,374.60
60,000 KW	ECA*	0.02542	0.00250	1,525.20	150.00
150 KW	ESA*	0.49	0.49	73.50	73.50
TOTAL BILL				**$5,191.88**	**$5,191.88**

*ECA is Energy Cost Adjustment and ESA is Energy Subsidy Adjustment.

DWP PROPOSAL: REALLIGNMENT OF CUSTOMER CLASSES

The following table shows the realignment of classes and the shift in number of customers per class

	No. of Customers				Customer Reclass				
	Commercial	Industrial	Residential	Total	Commercial	Industrial	Residential	Total	Difference
Large A-3	1,276	189	--	1,465	1,335	519	--	1,854	389
Medium/ Large A-2	20,120	2,582	--	22,702	20,061	2,252	--	22,313	(389)
Small A-1	148,366	13,617	--	161,983	148,366	13,617	--	161,983	--
Residential	--	--	1,154,176	1,154,176	--	--	1,154,176	1,154,176	--
Total	169,762	16,388	1,154,176	1,340,326	169,762	131,564	1,154,176	1,340,326	--

MONTHLY BILL COMPARISON

PROPOSED LARGE GENERAL SERVICE (A-3-A)

BREWERY

BILLING PERIOD: 3/29/96 to 4/29/96

Power Factor = 90.12%
Load Factor = 75.83%

			CURRENT		Generation		Transmission		Distribution		PROPOSED
DWP ENERGY PRICE PER KWH			6.6232¢		4.2979¢		0.3640¢		1.3415¢		6.0034¢
DWP ENERGY PRICE PER KW			$37.37		$24.25		$2.05		$7.57		$33.87
	HVD	Usage	Rate	Bill	Rate	Amount	Rate	Amount	Rate	Amount	
SERVICE CHARGE:				50.00	–	–	–	–		350.00	350.00
FACILITIES CHARGE:	(0.32)	21,024.0	1.33	27,961.92	–	–	–	–	1.33	27,961.92	27,961.92
DEMAND CHARGES											
FIXED GENERATION:	0.99	20,232.0	0.00	0.00	5.94	120,178.08	–	–	–	–	120,178.28
HIGH PEAK:	0.99	20,232.0	7.72	156,231.50	0.92	18,627.60	1.43	28,842.74	3.96	80,118.72	127,589.06
LOW PEAK:	0.99	21,024.0	3.72	78,259.74	0.22	4,579.03	0.59	12,488.26	1.79	37,672.91	54,740.19
BASE:	0.99	20,736.0	0.79	16,422.91	0.19	3,900.44	0.09	1,847.58	0.46	9,443.17	15,191.19
ENERGY CHARGE											
HIGH PEAK:	0.99	1,422,000	0.02772	39,417.84	0.03886	55,258.92	–	–	–	–	55,258.92
LOW PEAK:	0.99	2,124,000	0.02744	58,282.56	0.02989	63,486.36	–	–	–	–	63,486.36
BASE:	0.99	8,316,000	0.01569	130,478.04	0.02575	214,137.00	–	–	–	–	214,137.00
REACTIVE ENERGY CHARGE											
HIGH PEAK:		684,000	0.00107	731.88	–	–	–	–	0.00107	731.88	731.88
LOW PEAK:		1,008,000	0.00085	856.80	–	–	–	–	0.00085	856.80	856.80
BASE:		3,690,000	0.00054	1,992.60	–	–	–	–	0.00054	1,992.60	1,992.60
ECA		11,862,000	0.02318	274,961.16	0.00250	29,655.00					$ 29,655.00
BUSINESS UNIT SUBTOTAL:				$ 785,646.95		$ 509,822.43		$ 43,178.57		$ 159,128.00	
										Business Unit Subtotal	$712,129.00
ENERGY SUBSIDY ADJ.:			0.54000	$ 11,352.96							$ 11,352.96
CITY TAX:			12.50%	$ 99,624.99							$ 90,435.25
STATE ENERGY SURCHARGE:			0.00020	$ 2,372.40							$ 2,372.40
TAX AND SUBSIDY SUBTOTAL				$113,350.35							$104,160.61
NET BILL:				$898,997.30							$816,289.61
Version 29- JAN		prepared 6/11/96	per kWh	0.0758¢						Per kWh	0.0688¢

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MONTHLY BILL COMPARISON

PROPOSED LARGE GENERAL SERVICE (A-3-A)

MAJOR OFFICE BUILDING

BILLING PERIOD:	4/16/96 to 5/15/96							Power Factor = 77.49% Load Factor = 69.06%		
		CURRENT		Generation		Transmission		Distribution		PROPOSED
DWP ENERGY PRICE PER KWH		7.4491¢		4.5968¢		0.4323¢		2.0123¢		7.0414¢
DWP ENERGY PRICE PER KW		$35.80		$22.09		$2.08		$9.67		$33.84
HVD	Usage	Rate	Bill	Rate	Amount	Rate	Amount	Rate	Amount	
SERVICE CHARGE:			50.00	--	--	--	--		350.00	350.00
FACILITIES CHARGE:	1,136.0	1.65	1,874.40	--	--	--	--	1.65	1,874.40	1,874.40
DEMAND CHARGES										
FIXED GENERATION:	976.0	0.00	0.00	6.00	5,586.00	--	--	--	--	5,856.00
HIGH PEAK:	976.0	7.80	7,612.80	0.93	907.68	1.44	1,405.44	4.00	3,904.00	6,217.12
LOW PEAK:	944.0	3.76	3,549.44	0.22	207.68	0.60	566.40	1.81	1,708.64	2,482.72
BASE:	992.0	0.80	793.60	0.19	188.48	0.09	89.28	0.46	456.32	734.08
ENERGY CHARGE										
HIGH PEAK:	60,800	0.02800	1,702.40	0.03926	2,387.01	--	--	--	--	2,387.01
LOW PEAK:	84,800	0.02772	2,350.66	0.03020	2,560.96	--	--	--	--	2,560.96
BASE:	331,200	0.01585	5,249.52	0.02602	8,617.82	--	--	--	--	8,617.82
REACTIVE ENERGY CHARGE										
HIGH PEAK:	49,600	0.00545	270.32	--	--	--	--	0.00545	270.32	270.32
LOW PEAK:	78,400	0.00428	335.55	--	--	--	--	0.00428	335.55	335.55
BASE:	296,000	0.00235	695.60	--	--	--	--	0.00235	695.60	695.60
ECA	476,800	0.02314	11,033.15	0.00250	1,192.00					$ 1,192.00
BUSINESS UNIT SUBTOTAL:			$ 35,517.44		$ 21,917.63		$ 2,061.12		$ 9,584.83	
									Business Unit Subtotal	$33,573.58
ENERGY SUBSIDY ADJ.:		0.54000	$ 613.44							$ 613.44
CITY TAX:		12.50%	$ 4,516.36							$ 4,273.38
STATE ENERGY SURCHARGE:		0.00020	$ 95.36							$ 95.36
TAX AND SUBSIDY SUBTOTAL			$ 5,225.16							$ 4,982.18
NET BILL:			$ 40,742.60							$ 38,555.76
Version 29- JAN	prepared 6/11/96	per kWh	0.0855¢						Per kWh	0.0809¢

28833a98

MONTHLY BILL COMPARISON

PROPOSED LARGE GENERAL SERVICE (A-3-A)

PUMPING FACILITY

BILLING PERIOD:	2/14/96 to 3/15/96							Power Factor = 78.09% Load Factor = 23.37%	
		CURRENT		Generation		Transmission		Distribution	PROPOSED
DWP ENERGY PRICE PER KWH		12.5208¢		7.1197¢		1.2073¢		4.9931¢	13.3201¢
DWP ENERGY PRICE PER KW		$19.64		$11.17		$1.89		$7.83	$20.90
HVD	Usage	Rate	Bill	Rate	Amount	Rate	Amount	Rate / Amount	
SERVICE CHARGE:			50.00	–	–	–	–	350.00	350.00
FACILITIES CHARGE:	1,464.0	1.66	2,415.60	–	–	–	–	1.65 / 2,415.60	2,415.60
DEMAND CHARGES									
FIXED GENERATION:	1,224.0	0.00	0.00	6.00	7,344.00	–	–	–	7,344.00
HIGH PEAK:	1,224.0	7.80	9,547.20	0.93	1,138.32	1.44	1,762.56	4.00 / 4,896.00	7,796.88
LOW PEAK:	1,248.0	3.76	4,692.48	0.22	274.56	0.60	748.80	1.81 / 2,258.88	3,282.24
BASE:	1,392.0	0.80	1,113.60	0.19	264.48	0.09	125.28	0.46 / 640.32	1,030.08
ENERGY CHARGE									
HIGH PEAK:	12,000	0.02800	336.00	0.03926	471.12	–	–	–	471.12
LOW PEAK:	33,600	0.02772	931.39	0.03020	1,014.72	–	–	–	1,014.72
BASE:	172,800	0.01585	2,738.88	0.02602	4,496.26	–	–	–	4,496.26
REACTIVE ENERGY CHARGE									
HIGH PEAK:	9,600	0.00545	52.32	–	–	–	–	0.00545 / 52.32	52.32
LOW PEAK:	16,800	0.00428	71.90	–	–	–	–	0.00428 / 71.90	71.90
BASE:	93,600	0.00235	219.96	–	–	–	–	0.00235 / 219.96	219.96
ECA	218,400	0.02370	5,176.08	0.00250	546.00				$ 546.00
BUSINESS UNIT SUBTOTAL:			$ 27,345.41		$ 15,549.46		$ 2,636.64	$ 10,904.98	
								Business Unit Subtotal	$ 29,091.08
ENERGY SUBSIDY ADJ.:		0.54000	$ 790.56						$ 790.56
CITY TAX:		12.50%	$ 3,517.00						$ 3,735.21
STATE ENERGY SURCHARGE:		0.00020	$ 43.68						$ 43.68
TAX AND SUBSIDY SUBTOTAL			$ 4,351.24						$ 4,569.45
NET BILL:			$31,696.65						$ 33,660.53
Version 29- JAN	prepared 6/11/96	per kWh	0.1451¢					Per kWh	0.1541¢

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SMALL PARALLEL GENERATOR
GOOD LOAD FACTOR

BILLING PERIOD:	10/3/95 to 11/2/95	Rated Generation Capacity 360 kW		Actual Demand	Period	Distribution Ratchet	Hours in Period	Hours Use of Demand	Load Factor
STATE TAX EXEMPT:	NO			2,342.4	HI Peak	2,342.4	85	74	86.79%
CITY TAX EXEMPT:	NO	Number of Wheeled-to-Locations		2.291.2	Lo Peak	2,291.2	128	98	76.38%
HIGH VOLTAGE DISCOUNT:	YES	receiving power:	15	1,894.4	Base	1,894.4	506	265	52.41%

	CURRENT	Generation	Transmission	Distribution	PROPOSED
DWP ENERGY PRICE PER KWH	8.31¢	5.12¢	0.66¢	2.76¢	8.31¢
DWP ENERGY PRICE PER KW	$31.91	$19.66	$2.54	$10.58	$31.91

RATE PG-3	Usage	Rate	Bill	Rate	Amount	Rate	Amount	Rate	Amount	
SERVICE CHARGE:			71.00	–	–	–	–		350.00	350.00
FACILITIES CHARGE:	2,726.4	1.33	3,626.11	–	–	–	–	1.33	3,626.11	3,626.11
GENERATION DISPATCH FEE:									0.00	0.00
DEMAND CHARGES	Sum of Daily									
Back Up										
FIXED GENERATION: 0.0	44,582.4			0.30000	13,374.72					13,374.72
HIGH PEAK: 0.0	44,582.4	0.38733	17,095.42	0.07450	3,288.17	0.09113	4,022.31	–	–	7,310.49
LOW PEAK: 0.0	44,044.8	0.18867	8,226.83	0.01147	500.00	0.04120	1,796.50	–	–	2,296.50
BASE: 0.0	47,001.6	0.04000	1,861.26	0.00633	294.70	0.00300	139.59	–	–	434.29
DEMAND CHARGES-MONTHLY										
A3A kW	Max kW			A3A kW		A3A kW		Max KW		
FIXED GENERATION: 2,342.4				6.00	0.00					0.00
HIGH PEAK: 2,342.4	2,342.4	–	–	1.49	0.00	1.82	0.00	5.05	11,700.01	11,700.01
LOW PEAK: 2,291.2	2,291.2	–	–	0.23	0.00	0.82	0.00	2.38	5,397.01	5,397.01
BASE: 1,894.4	1,894.4	–	–	0.19	0.00	0.09	0.00	0.46	862.71	862.71
ENERGY CHARGE										
HIGH PEAK:	172,800	0.02800	4,790.02	0.03926	6,716.29	–	–	–	–	6,716.29
LOW PEAK:	224,000	0.02772	6,147.19	0.03020	6,697.15	–	–	–	–	6,697.15
BASE:	502,400	0.01585	7,883.41	0.02602	12,941.72	–	–	–	–	12,941.72
REACTIVE ENERGY CHARGE										
HIGH PEAK: pf = 0.7752	140,800	0.00545	767.36	–	–	–	–	0.00545	767.36	767.36
LOW PEAK:	188,800	0.00428	808.06	–	–	–	–	0.00428	808.06	808.06
BASE:	540,800	0.00235	1,270.88	–	–	–	–	0.00235	1,270.88	1,270.88
FUEL ADJ. (ECA)--FIXED:	899,200	0.02219	19,953.25							
BUSINESS UNIT SUBTOTAL:			$ 72,500.79		$ 43,812.75		$ 5,958.41		$ 24,782.15	
									Business Unit Total	$ 72,500.79
FUEL ADJ. (ECA)--VARIABLE:	899.200	0.00250	$ 2,248.00	0.00250	$ 2,248.00	–	–	–	–	$ 2,248.00
ENERGY SUBSIDY ADJ.:		0.4900	$ 1,335.94	–	–	–	–	–	–	$ 1,335.94
CITY TAX:		0.1250	$ 9,510.59	–	–	–	–	–	–	$ 9,510.59
STATE ENERGY SURCHARGE:		0.0002	$ 179.84	–	–	–	–	–	–	$ 179.84
								ACTUAL TARIFF CALCULATION:	$ 88,084.24	
TOTAL CO-GEN CHARGES:			$ 85,775.16							$ 85,775.16
LESS Purchased Energy Credit:										
LESS Net Wheeling Credit:										
NET BILL:										

Version 3/21/96 *UNBUNDLED ONLY* RATE LIMITER OF: 0% 28833a98

LARGE PARALLEL GENERATOR
ZERO LOAD FACTOR
FIRST YEAR

BILLING PERIOD:	4/27/95 to 5/26/95	Rated Generation Capacity 54000 kW		Actual Demand	Period	Distribution Ratchet	Hours in Period	Hours Use of Demand	Load Factor
STATE TAX EXEMPT:	NO			0.0	Hi Peak	36,768.0	83	0	0.00%
CITY TAX EXEMPT:	NO	Number of Wheeled-to-Locations		672.0	Lo Peak	37,056.0	124	0	0.00%
HIGH VOLTAGE DISCOUNT:	YES	receiving power:	15	0.0	Base	39,648.0	489	0	0.00%

		CURRENT		Generation		Transmission		Distribution		PROPOSED
DWP ENERGY PRICE PER KWH		0.00¢		0.00¢		0.00¢		0.00¢		0.00¢
DWP ENERGY PRICE PER KW		$3.95		$0.00		$0.00		$9.76		$3.95
RATE PG-3	Usage	Rate	Bill	Rate	Amount	Rate	Amount	Rate	Amount	
SERVICE CHARGE:			71.00	–	–	–	–		350.00	350.00
FACILITIES CHARGE:	46,000.0	1.33	61,180.00	–	–	–	–	1.33	61,180.00	61,180.00
GENERATION DISPATCH FEE:									0.00	0.00
DEMAND CHARGES	Sum of Daily									
Back Up										
FIXED GENERATION: 0.0	0.0			0.30000	0.00					0.00
HIGH PEAK: 0.0	0.0	0.35000	0.00	0.04650	0.00	0.07200	0.00	–	–	0.00
LOW PEAK: 672.0	672.0	0.17000	113.10	0.01100	7.32	0.03000	19.96	–	–	27.28
BASE: 0.0	0.0	0.04000	0.00	0.00633	0.00	0.00300	0.00	–	–	0.00
DEMAND CHARGES-MONTHLY										
A3A kW	Max kW			A3A kW		A3A kW		Max KW		
FIXED GENERATION: 0.0				6.00	0.00					0.00
HIGH PEAK: 0.0	18,384.0	–	–	0.93	0.00	1.44	0.00	4.00	72,800.64	72,800.64
LOW PEAK: 0.0	18,528.0	–	–	0.22	0.00	0.60	0.00	1.81	33,200.32	33,200.32
BASE: 0.0	19,824.0	–	–	0.19	0.00	0.09	0.00	0.46	9,027.85	9,027.85
ENERGY CHARGE										
HIGH PEAK:	0	0.02800	0.00	0.03926	0.00	–	–	–	–	0.00
LOW PEAK:	0	0.02772	0.00	0.03020	0.00	–	–	–	–	0.00
BASE:	0	0.01585	0.00	0.02602	0.00	–	–	–	–	0.00
REACTIVE ENERGY CHARGE										
HIGH PEAK: pf = 0.0000	528,000	0.00826	4,361.28	–	–	–	–	0.00826	4,361.28	4,361.28
LOW PEAK:	696,000	0.00644	4,482.24	–	–	–	–	0.00644	4,482.24	4,482.24
BASE:	2,280,000	0.00354	8,071.20	–	–	–	–	0.00354	8,071.20	8,071.20
FUEL ADJ. (ECA)–FIXED:	0	0.02204	0.00							
BUSINESS UNIT SUBTOTAL:			$ 78,278.82		$ 7.32		$ 19.96		$ 193,473.53	
								Business Unit Total (Rate Limiter in Place)		$ 78,278.82
FUEL ADJ. (ECA)–VARIABLE:	0	0.00250	$ 0.00	0.00250	$ 0.00	–	–	–	–	$ 0.00
ENERGY SUBSIDY ADJ.:		0.4900	$ 22,540.00	–	–	–	–	–	–	$ 22,540.00
CITY TAX:		0.1250	$ 12,602.35	–	–	–	–	–	–	$ 12,602.35
STATE ENERGY SURCHARGE:		0.0002	$ 0.00	–	–	–	–	–	–	$ 0.00
								ACTUAL TARIFF CALCULATION:	$ 243,045.91	
TOTAL CO-GEN CHARGES:			$113,421.17							$113,421.17
LESS Purchased Energy Credit:										
LESS Net Wheeling Credit:										
NET BILL:										

Version 3/21/96 *UNBUNDLED ONLY* RATE LIMITER OF: 0% 28833a98

LARGE PARALLEL GENERATOR
ZERO LOAD FACTOR
SECOND YEAR

BILLING PERIOD:	4/27/95 to 5/26/95	Rated Generation Capacity 54000 kW		Actual Demand	Period	Distribution Ratchet	Hours in Period	Hours Use of Demand	Load Factor
STATE TAX EXEMPT:	NO			0.0	Hi Peak	36,768.0	83	0	0.00%
CITY TAX EXEMPT:	NO	Number of Wheeled-to-Locations		672.0	Lo Peak	37,056.0	124	0	0.00%
HIGH VOLTAGE DISCOUNT:	YES	receiving power:	15	0.0	Base	39,648.0	489	0	0.00%

		CURRENT		Generation		Transmission		Distribution		PROPOSED
DWP ENERGY PRICE PER KWH		0.00¢		0.00¢		0.00¢		0.00¢		0.00¢
DWP ENERGY PRICE PER KW		$3.95		$0.00		$0.00		$9.76		$4.74
RATE PG-3	Usage	Rate	Bill	Rate	Amount	Rate	Amount	Rate	Amount	
SERVICE CHARGE:			71.00	–	–	–	–		350.00	350.00
FACILITIES CHARGE:	46,000.0	1.33	61,180.00	–	–	–	–	1.33	61,180.00	61,180.00
GENERATION DISPATCH FEE:									0.00	0.00
DEMAND CHARGES	Sum of Daily									
Back Up										
FIXED GENERATION: 0.0	0.0			0.30000	0.00					0.00
HIGH PEAK: 0.0	0.0	0.35000	0.00	0.04650	0.00	0.07200	0.00	–	–	0.00
LOW PEAK: 672.0	672.0	0.17000	113.10	0.01100	7.32	0.03000	19.96	–	–	27.28
BASE: 0.0	0.0	0.04000	0.00	0.00633	0.00	0.00300	0.00	–	–	0.00
DEMAND CHARGES-MONTHLY										
A3A kW	Max kW			A3A kW		A3A kW		Max KW		
FIXED GENERATION: 0.0				6.00	0.00					0.00
HIGH PEAK: 0.0	18,384.0	–	–	0.93	0.00	1.44	0.00	4.00	72,800.64	72,800.64
LOW PEAK: 0.0	18,528.0	–	–	0.22	0.00	0.60	0.00	1.81	33,200.32	33,200.32
BASE: 0.0	19,824.0	–	–	0.19	0.00	0.09	0.00	0.46	9,027.85	9,027.85
ENERGY CHARGE										
HIGH PEAK:	0	0.02800	0.00	0.03926	0.00	–	–	–	–	0.00
LOW PEAK:	0	0.02772	0.00	0.03020	0.00	–	–	–	–	0.00
BASE:	0	0.01585	0.00	0.02602	0.00	–	–	–	–	0.00
REACTIVE ENERGY CHARGE										
HIGH PEAK: pf = 0.0000	528,000	0.00826	4,361.28	–	–	–	–	0.00826	4,361.28	4,361.28
LOW PEAK:	696,000	0.00644	4,482.24	–	–	–	–	0.00644	4,482.24	4,482.24
BASE:	2,280,000	0.00354	8,071.20	–	–	–	–	0.00354	8,071.20	8,071.20
FUEL ADJ. (ECA)–FIXED:	0	0.02204	0.00							
BUSINESS UNIT SUBTOTAL:			$ 78,278.82		$ 7.32		$ 19.96		$ 193,473.53	
								Business Unit Total (Rate Limiter in place)		$ 93,954.58
FUEL ADJ. (ECA)–VARIABLE:	0	0.00250	$ 0.00	0.00250	$ 0.00	–	–	–	–	$ 0.00
ENERGY SUBSIDY ADJ.:		0.4900	$ 22,540.00	–	–	–	–	–	–	$ 22,540.00
CITY TAX:		0.1250	$ 12,602.35	–	–	–	–	–	–	$ 14,559.32
STATE ENERGY SURCHARGE:		0.0002	$ 0.00	–	–	–	–	–	–	$ 0.00
								ACTUAL TARIFF CALCULATION:	$ 243,045.91	
TOTAL CO-GEN CHARGES:			$113,421.17							
LESS Purchased Energy Credit:										$ 131,033.91
LESS Net Wheeling Credit:										
NET BILL:										

Version 3/21/96 *UNBUNDLED ONLY* RATE LIMITER OF: 20% 28833a98

LARGE PARALLEL GENERATOR
ZERO LOAD FACTOR
THIRD YEAR

BILLING PERIOD:	4/27/95 to 5/26/95	Rated Generation Capacity 54000 kW		Actual Demand	Period	Distribution Ratchet	Hours in Period	Hours Use of Demand	Load Factor
STATE TAX EXEMPT:	NO			0.0	Hi Peak	36,768.0	83	0	0.00%
CITY TAX EXEMPT:	NO	Number of Wheeled-to-Locations		672.0	Lo Peak	37,056.0	124	0	0.00%
HIGH VOLTAGE DISCOUNT:	YES	receiving power:	15	0.0	Base	39,648.0	489	0	0.00%

		CURRENT		Generation		Transmission		Distribution		PROPOSED
DWP ENERGY PRICE PER KWH		0.00¢		0.00¢		0.00¢		0.00¢		0.00¢
DWP ENERGY PRICE PER KW		$3.95		$0.00		$0.00		$9.76		$5.53
RATE PG-3	Usage	Rate	Bill	Rate	Amount	Rate	Amount	Rate	Amount	
SERVICE CHARGE:			71.00	–	–	–	–		350.00	350.00
FACILITIES CHARGE:	46,000.0	1.33	61,180.00	–	–	–	–	1.33	61,180.00	61,180.00
GENERATION DISPATCH FEE:									0.00	0.00
DEMAND CHARGES	Sum of Daily									
Back Up										
FIXED GENERATION: 0.0	0.0			0.30000	0.00					0.00
HIGH PEAK: 0.0	0.0	0.35000	0.00	0.04652	0.00	0.07200	0.00	–	–	0.00
LOW PEAK: 672.0	672.0	0.17000	113.10	0.01100	7.32	0.03000	19.96	–	–	27.28
BASE: 0.0	0.0	0.04000	0.00	0.00633	0.00	0.00300	0.00	–	–	0.00
DEMAND CHARGES-MONTHLY										
A3A kW	Max kW			A3A kW		A3A kW		Max KW		
FIXED GENERATION: 0.0				6.00	0.00					0.00
HIGH PEAK: 0.0	18,384.0	–	–	0.93	0.00	1.44	0.00	4.00	72,800.64	72,800.64
LOW PEAK: 0.0	18,528.0	–	–	0.22	0.00	0.60	0.00	1.81	33,200.32	33,200.32
BASE: 0.0	19,824.0	–	–	0.19	0.00	0.09	0.00	0.46	9,027.85	9,027.85
ENERGY CHARGE										
HIGH PEAK:	0	0.02800	0.00	0.03926	0.00	–	–	–	–	0.00
LOW PEAK:	0	0.02772	0.00	0.03020	0.00	–	–	–	–	0.00
BASE:	0	0.01585	0.00	0.02602	0.00	–	–	–	–	0.00
REACTIVE ENERGY CHARGE										
HIGH PEAK: pf = 0.0000	528,000	0.00826	4,361.28	–	–	–	–	0.00826	4,361.28	4,361.28
LOW PEAK:	696,000	0.00644	4,482.24	–	–	–	–	0.00644	4,482.24	4,482.24
BASE:	2,280,000	0.00354	8,071.20	–	–	–	–	0.00354	8,071.20	8,071.20
FUEL ADJ. (ECA)–FIXED:	0	0.02204	0.00							
BUSINESS UNIT SUBTOTAL:			$ 78,278.82		$ 7.32		$ 19.96		$ 193,473.53	
								Business Unit Total (Rate Limiter in place)		$ 109,590.35
FUEL ADJ. (ECA)–VARIABLE:	0	0.00250	$ 0.00	0.00250	$ 0.00	–	–	–	–	$ 0.00
ENERGY SUBSIDY ADJ.:		0.4900	$ 22,540.00	–	–	–	–	–	–	$ 22,540.00
CITY TAX:		0.1250	$ 12,602.35	–	–	–	–	–	–	$ 16,516.29
STATE ENERGY SURCHARGE:		0.0002	$ 0.00	–	–	–	–	–	–	$ 0.00
								ACTUAL TARIFF CALCULATION:	$ 243,045.91	
TOTAL CO-GEN CHARGES:			$113,421.17							$148,646.64
LESS Purchased Energy Credit:										
LESS Net Wheeling Credit:										
NET BILL:										

Version 3/21/96 *UNBUNDLED ONLY* RATE LIMITER OF: 40% 28833a98

ATTACHMENT S

REVENUE COMPARISON OF CURRENT RATES WITH PROPOSED RATES FOR MAJOR CUSTOMER CLASSES

Classes	1994-95 Rates (in millions)	Proposed Rates (in millions)	Decrease
Large Commercial and Industrial	$ 485.4	Prior Classes No Longer Apply	
Medium/Large Commercial and Industrial (A-2-C)	137.1		
Combined Large and Medium/Large Commercial and Industrial	$ 622.5	$ 597.7	$ 24.8
Medium Commercial and Industrial	371.1	371.1	--
Small Commercial and Industrial	343.3	343.3	--
Residential	547.3	547.3	--
TOTAL REVENUE	$1,884.2	$1,859.4	$ 24.8

28964d94

ATTACHMENT T

OVERVIEW: 1996-97 POWER SYSTEM BUDGET

Uses of Funds (Millions)			**Sources of Funds (Millions)**	
Operations and Maintenance				
Generation	$ 148			
Transmission	36			
Distribution	179			
Marketing & Customer Service	23			
Total		$ 503.0		
Capital				
Generation	$ 46		Beginning Cash	$ 153.3
Distribution - New Business	47		Base Rate Revenue	1,370.4
Distribution - Reliability Improvement	41		Energy Cost Adjustment	527.3
Distribution - Other Improvement	62		Total	$ 2,145.4
Information Technology Improvement	25			
Other	10			
Total		$ 231.0		
Purchased Energy and Fuel (Inc contracts for Purchases from IPA & SCPPA)		$ 926.0		
Bond Redemption & Interest		244.0		
Transfer to City		98.9		
Working Capital		142.3		
TOTAL		$ 2,145.4		

28964d94

ATTACHMENT U

DWP - POWER REVENUE FUND
THREE YEAR FINANCIAL FORECAST
OF THE NET OPERATING INCOME

In Millions

	1996-97	1997-98	1998-99
• With Rate Relief	$ 124	$ 105	$ 88
• Without Rate Relief	$ 142	$ 130	$ 113

ORDINANCE NO. _____

AN ORDINANCE APPROVING THE RATES FIXED BY THE DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES AND TO BE CHARGED FOR ELECTRICAL ENERGY DISTRIBUTED AND FOR SERVICE SUPPLIED BY SAID DEPARTMENT TO ITS CUSTOMERS, AND APPROVING THE TIME AND MANNER OF PAYMENT OF THE SAME, AS PRESCRIBED BY SAID DEPARTMENT.

The People of the City of Los Angeles do ordain as follows:

Section 1

The rates to be charged and collected and the terms, provisions and conditions to be effective respecting such rates for electrical energy distributed and for service supplied by the Department of Water and Power (hereinafter referred to as the "Department") of the City of Los Angeles (hereinafter referred to as the "City") to its customers, heretofore fixed by resolution adopted by the Board of Water and Power Commissioners on SEP 03 1996 are hereby approved. Such rates and conditions so fixed are as set forth in the following sections:

Section 2

Electric service supplied to customers within the incorporated limits of the City of Los Angeles and to customers within the Counties of Inyo and Mono, California, shall be in accordance with rate schedules prescribed in this section.

A. SCHEDULE R-1 - RESIDENTIAL SERVICE

1. Applicability

Applicable to service to single-family, individually metered accommodations (including separately metered common areas of condominiums and cooperatives, not including apartment house common areas) devoted primarily to residential uses and whose energy and capacity requirements do not exceed those for Small General Service Schedule A-1. Battery chargers and motors and appliances which conform in capacities to applicable electrical codes, and meet requirements of the Department's Rules, may be served under this schedule.

2. Monthly Rates

		High Season June-Oct.	Low Season Nov.-May
a.	**Rate A - Standard Service**		
(1)	Service Charge	$ 0.30	$ 0.30
(2)	Energy Charge - per kWh	$ 0.09580	$ 0.09580
(3)	ECA - per kWh	See General Provisions	
(4)	ESA - per kWh	See General Provisions	
	Minimum Charge - $7.00 plus ECA and ESA		
b.	**Rate B - Time-of-Use Service (Optional)**		
(1)	Service Charge	$ 6.00	$ 6.00
(2)	Energy Charge - per kWh		
	High-Peak Period	$ 0.16669	$ 0.16669
	Low-Peak Period	$ 0.11085	$ 0.11085
	Base Period	$ 0.06072	$ 0.06072
(3)	ECA - per kWh	See General Provisions	
(4)	ESA - per kWh	See General Provisions	
(5)	Electric Vehicle Discount	See Part 4.b	
c.	**Rate C - Low-Income Service**	Rate A less $4.16 less ESA	
	Minimum Charge: $7.00 plus ECA		
d.	**Rate D - Lifeline Service**	Rate A less $14.11 less ESA	
	Minimum Charge: $2.00		

3. Billing

The bill under Rate A shall be the sum of parts (1) through (4), but not less than the Minimum Charge. The bill under Rate B shall be the sum of parts (1) through (5). The bill under Rate C shall be Rate A less the residential low-income credit of $4.16 less ESA. The bill under Rate D shall be Rate A less the Lifeline Credit(s) less ESA.

4. General Conditions

a. Selection of Rates

A customer may choose to receive service under either Rate A or B; however, when a customer served under Rate B requests a change to Rate A, that customer may not revert to Rate B before 12 months have elapsed. To receive the Electric Vehicle Discount, any service from which an electric vehicle is charged must be taken at Rate B.

To receive service under Rate C, a customer must meet eligibility requirements as set forth by the Board of Water and Power Commissioners.

To receive service under Rate D, a customer must meet eligibility requirements as set forth under Special Conditions below.

b. Electric Vehicle Discount

Customers charging licensed electric vehicles shall receive a discount of $0.02500 per kWh based on the lesser of 500 kWh per month or the actual monthly Base Period kWh. Only California DMV registered road-worthy vehicles are eligible, with proof of vehicle registration and charging location required.

5. Special Conditions

a. Lifeline Service Eligibility

(1) Senior Citizen/Disabled Individual

Extended to any residential customer who is eligible for exemption from the City Utility User's Tax under provisions of the Los Angeles Municipal Code or the Revenue and Taxation Code of the State of California because of senior citizen or disability status.

(2) Life-Support Device

Extended to any residential customer who provides satisfactory proof to the Department that a full time resident, on the premises served, regularly requires the use of an essential life-support device, such as a respirator, iron lung or kidney dialysis machine.

(3) Paraplegics, Quadriplegics and Multiple Sclerosis Patients

Extended to any residential customer who provides proof satisfactory to the Department that an individual who is a paraplegic, quadriplegic or a multiple sclerosis patient is a full-time resident on the premises served.

(4) General

Any customer eligible for two Lifeline categories above shall receive 150 percent of the Lifeline Credit, and, if eligible for all three categories, 175 percent of the Lifeline Credit.

The customer shall notify the Department when eligibility for Lifeline Service no longer exists. For failure to so notify, the Department may back-bill the customer from such time as the customer was no longer eligible for Lifeline Service at Rate R-1(A), plus the legal rate of interest.

b. Apartment House Common Areas

Services to Apartment House Common Areas are subject to General Service rates.

B. RESIDENTIAL SERVICE RIDER GS - SOLAR GENERATION

1. Applicability

Applicable to individually metered residential service under Rate Schedule R-1(A) for customers who meet these requirements:

a. Customer owns and maintains a solar electrical generating facility with capacity of not more than 10 kW located on customer premises and which is intended to offset part or all of the customer's electrical requirements.

b. The solar generating facility is operated in parallel with the Department's distribution facilities.

c. Customer pays the costs of Department's interconnection of customer generation.

d. Customer signs a Parallel Generation Interconnection Agreement in a form satisfactory to the Department.

2. Special Conditions

a. Customer is billed for energy at the R-1(A) rate for all energy provided and measured through the service meter during a billing period.

b. Customer is credited for any energy exported from the premises to the Department system as follows:

(1) At Rate R-1(A) for all self-generated kWh up to Department-supplied kWh.

(2) At the Standard Energy Credit (as defined in Schedule PG-3) for self-generated kWh exceeding (1) above.

c. An additional service surcharge of $3.00 per month is applied to each bill to pay for the added billing and meter reading expenses.

d. This rider shall be closed to all new customers once the aggregate capacity of all residential solar generation facilities reaches 6100 kW.

C. SCHEDULE R-3 - SUBMETERED RESIDENTIAL MULTIFAMILY SERVICE

1. Applicability

Applicable to master-metered residential facilities and mobile home parks where the individual single-family accommodations are privately submetered. Not applicable to service which parallels and connects to customer's own generating facilities, except as such facilities are intended and used solely for emergency standby.

2. Monthly Rates

The Monthly Rates and the billing applicable to this service are those set forth in Schedule A-2, Primary Voltage General Service. The rates charged individual submetered units shall not be more than those set forth under said schedule, including any applicable credits as set forth herein.

3. General Conditions

a. Demand Charge

The Demand Charge shall be based on the Maximum Demand recorded during the billing period.

b. Facilities Charge

The Facilities Charge shall be based on the highest demand recorded in the last 12 months, but not less than 30 kW.

c. Lifeline Service Credit Provision

A credit of $14.11 shall be provided for each submetered unit qualified for Lifeline Service under Rate R-1(D), and so credited by the facility operator.

d. Low-Income Credit Provision

A credit of $4.16 shall be provided for each submetered unit qualified for Low-Income Service Rate R-1(C), and so credited by the facility operator.

e. Posting Rates

The owner/customer shall post, in a conspicuous place, the prevailing residential electric rate schedule published by the Department, which is used to bill the facility and which shall be applicable to the tenants as if they were individually served by the Department.

f. Tenant Billing

The owner/customer shall provide separate written electricity bills for each tenant, including the opening and closing meter readings for each billing period, the date the meters were read, the total electricity metered for the billing period, and the amount of the bill. (See General Provisions, Part I, for provision on Resale of Energy).

D. SCHEDULE A-1 - SECONDARY VOLTAGE GENERAL SERVICE

1. Applicability

Applicable to Secondary Voltage General Service, including lighting and power and charging of batteries of commercial electric vehicles, which may be delivered through the same service in compliance with the Department's Rules. Applicable to service under 30 kW demand. Not applicable to service which parallels, and connects to, customer's own generating facilities, except as such facilities are intended solely for emergency standby.

2. Monthly Rates		High Season June-Oct.	Low Season Nov.-May
a. **Rate A - Standard**			
(1)	Service Charge	$ 4.00	$ 4.00
(2)	Facilities Charge - per kW	$ 2.25	$ 2.25
(3)	Energy Charge - per kWh	$ 0.09086	$ 0.09086
(4)	ECA - per kWh	See General Provisions	
(5)	ESA - per kW	See General Provisions	
b. **Rate B - Time-of-Use (Optional)**			
(1)	Service Charge	$ 7.00	$ 7.00
(2)	Facilities Charge - per kW	$ 2.25	$ 2.25
(3)	Energy Charge - per kWh		
	High-Peak Period	$ 0.17486	$ 0.17486
	Low-Peak Period	$ 0.10779	$ 0.10779
	Base Period	$ 0.05685	$ 0.05685
(4)	ECA - per kWh	See General Provisions	
(5)	ESA - per kW	See General Provisions	
c. **Rate C - Demand Time-of-Use (Optional)**			
(1)	Service Charge	$ 4.00	$ 4.00
(2)	Facilities Charge - per kW	$ 2.25	$ 2.25
(3)	Demand Charge - per kW		
	High-Peak Period	$ 8.12	$ 8.12
	Low-Peak Period	$ 4.80	$ 4.80
	Base Period	$ 1.00	$ 1.00

2. **Monthly Rates.. cont.**		**High Season June-Oct.**	**Low Season Nov.-May**
(4)	Energy Charge - per kWh		
	High-Peak Period	$ 0.05830	$ 0.05830
	Low-Peak Period	$ 0.05720	$ 0.05720
	Base Period	$ 0.04400	$ 0.04400
(5)	ECA - per kWh	See General Provisions	
(6)	ESA - per kW	See General Provisions	

d. **Rate D- Apartment Common Areas** Same as Rate A above subject to provisions of Part 4.b.

3. Billing

The bill under Rate A shall be the sum of parts (1) through (5).
The bill under Rate B shall be the sum of parts (1) through (5).
The bill under Rate C shall be the sum of parts (1) through (6)

4. General Conditions

a. Demand Charge

The Demand Charge under Rate C shall be determined by using the Maximum Demand recorded within the applicable rating periods.

b. Facilities Charge

The Facilities Charge for Rates A, B and C shall be determined by using the highest demand recorded in the last 12 months, but not less than 4 kW.

The Facilities Charge for Rate D shall be determined by using the highest demand recorded in the last 12 months, but not less than 1 kW . If there is no recorded demand, the Facilities Charge shall be based on the demand imputed from the ratio of the greatest monthly kWh in the last 12 months to 500 hours, but not less than 1 kW, or more than 4 kW.

c. Selection of Rates

Customers may choose to receive service under Rate A, B or C. Customers receiving time-of-use service Rate B or C may return to Rate A at any time, but may not thereafter revert to the former before 12 months have elapsed. Service may be switched between Rate B and C no more than once in any 12-month period. Customers shall be placed on Schedule A-2 upon attainment of 30 kW demand, or more, in at least three out of the last twelve months.

E. SCHEDULE A-2 - PRIMARY VOLTAGE GENERAL SERVICE

1. Applicability

Applicable to General Service provided from the Primary Voltage System and non time-of-use service provided from the 34.5 kV system, including lighting and power, and charging of batteries of commercial electric vehicles, which may be delivered through the same service in compliance with the Department's Rules. Applicable to service initially expected to attain a 30 kW demand, or to service in which a demand of at least 30 kW is attained in at least three out of the last twelve months. Not applicable to service which parallels, and connects to, customer's own generating facilities, except as such facilities are intended solely for emergency standby.

2. Monthly Rates

		High Season June-Oct.	Low Season Nov.-May
a.	**Rate A - Primary Voltage Service (under 100 kW)**		
(1)	Service Charge	$25.00	$25.00
(2)	Facilities Charge - per kW	$ 2.25	$ 2.25
(3)	Demand Charge - per kW	$13.78	$12.62
(4)	Energy Charge - per kWh	$ 0.04473	$ 0.04473
(5)	ECA - per kWh	See General Provisions	
(6)	ESA - per kW	See General Provisions	
b.	**Rate B - Primary Voltage Time-of-Use Service (Optional if Under 100 kW)**		
(1)	Service Charge	$25.00	$25.00
(2)	Facilities Charge - per kW	$ 2.25	$ 2.25
(3)	Demand Charge - per kW		
	High-Peak Period	$ 8.63	$ 7.90
	Low-Peak Period	$ 4.21	$ 3.85
	Base Period	$ 1.40	$ 1.40
(4)	Energy Charge - per kWh		
	High-Peak Period	$ 0.05241	$ 0.05241
	Low-Peak Period	$ 0.05199	$ 0.05199
	Base Period	$ 0.03950	$ 0.03950
(5)	ECA - per kWh	See General Provisions	

2. Monthly Rates...cont.		High Season June-Oct.	Low Season Nov.-May
(6)	ESA - per kW	See General Provisions	

c. **Rate C - Primary Voltage Service over 500 kW**
Same as Rate A-3(A)

d. **Rate D - Rolled-In Demand Service (Optional)**

(1)	Service Charge	$25.00	$25.00
(2)	Facilities Charge - per kW	$ 2.25	$ 2.25
(3)	Energy Charge - per kWh		
	High-Peak Period	$ 0.27590	$ 0.27590
	Low-Peak Period	$ 0.16524	$ 0.16524
	Base Period	$ 0.08120	$ 0.08120
(4)	ECA - per kWh	See General Provisions	
(5)	ESA - per kW	See General Provisions	

3. Billing

The bill under Rate A and B shall be the sum of parts (1) through (6). The bill under Rate D shall be the sum of parts (1) through (5). The bill under Rate C shall be the sum of all parts of Rate A-3(A).

4. General Conditions

a. Demand Charges

The Demand Charge under Rate A shall be determined by using the Maximum Demand recorded at any time during the month. The Demand Charges under Rates B and C shall be determined by using the Maximum Demands recorded within the applicable rating periods.

b. Facilities Charge

The Facilities Charge for Rates A, B and C shall be determined by using the highest demand recorded in the last 12 months, but not less than 30 kW.

The Facilities Charge for Rate D shall be determined by using the greater of actual demand or 50 percent of the highest demand recorded in the last 12 months, but not less than 30 kW.

c. Selection of Rates

Customers may choose to receive service under Rate A, B or D, however, those changing to Rate A from Rate B may not revert to Rate B before 12 months have elapsed. Upon attaining a demand level of 100 kW customers must be placed on Rate B (or Rate D at the customers' option) when appropriate metering is available. Once established on Rate A-2, a customer may not return to Rate A-1 unless demand stays below 30 kW for twelve consecutive months. A customer choosing Rate D may change to Rate B at any time, or to Rate A if under 100 kW demand, but may not thereafter return to Rate D for two years.

F. SCHEDULE A-3 - 34.5 KV GENERAL SERVICE

1. Applicability

Applicable to standard and interruptible General Service, provided from the 34.5 kV system for loads exceeding 30 kW, including lighting and power which may be delivered through the same service in compliance with the Department's Rules. Not applicable to service which parallels, and connects to, customer's own generating facilities, except as such facilities are intended solely for emergency standby.

2. Monthly Rates

RATE A

UNIT BILLING FACTORS ($)
(High Season/Low Season)*

GENERATION COMPONENTS	High Peak	Low Peak	Base
Energy - per kWh	0.03926	0.03020	0.02602
Demand - per kW	1.53/0.93	0.23/0.22	0.19/0.19
Fixed Generation - per kW	6.00	0.00	0.00
ECA - per kWh	-------- See General Provisions ---------		
TRANSMISSION COMPONENTS			
Demand - per kW	1.85/1.44	0.84/0.60	0.09/0.09
DISTRIBUTION COMPONENTS			
Service - per Month			
Billing kW under 500	----------	65.00	----------
Billing kW at or over 500	----------	350.00	----------
Facilities - per kW	----------	1.65	----------
Demand - per kW	5.12/4.00	2.42/1.81	0.46/0.46
Reactive Energy - per kvarh			
Power Factor 0.995 - 1.000	0.00000	0.00000	0.00000
0.950 - 0.994	0.00056	0.00044	0.00033
0.900 - 0.949	0.00107	0.00085	0.00054
0.800 - 0.899	0.00325	0.00254	0.00141
0.700 - 0.799	0.00545	0.00428	0.00235
0.600 - 0.699	0.00757	0.00590	0.00324
0.000 - 0.599	0.00826	0.00644	0.00354
(If kvarh unmetered per kWh)	0.00017	0.00013	0.00010
OTHER COMPONENTS			
ESA - per kW	-------- See General Provisions ---------		

*High Season: June-Oct./Low Season: Nov.-May

RATE B - **Interruptible Service** (closed to new customers)

	UNIT BILLING FACTORS ($) (High Season/Low Season)*		
GENERATION COMPONENTS	**High Peak**	**Low Peak**	**Base**
Energy - per kWh	0.03926	0.03020	0.02602
ECA - per kWh	---------- See General Provisions ----------		
Fixed Generation - per kW	6.00	0.00	0.00
Firm Demand - per kW	1.53/0.93	0.23/0.22	0.19/0.19
Non-Firm Demand - per kW			
Option I	1.02/0.56	0.23/0.22	0.19/0.19
Option II	1.53/0.93	0.23/0.22	0.19/0.19
Interruptible Demand Credit- per kW----------		4.30/1.43	----------
Excess Demand - per kW			
1st Occurrence	----------	10.80/5.40	----------
2nd Occurrence	----------	16.20/8.10	----------

TRANSMISSION COMPONENTS	Same as Rate A
DISTRIBUTION COMPONENTS	Same as Rate A
OTHER COMPONENTS	Same as Rate A

*High Season: June-Oct./Low Season: Nov.-May

RATE X - Real Time Energy Generation Pricing Service

Generation Components

Fixed Generation - $6.00 per kW (High-Peak Period only).

Hourly Incremental Charges - Determined daily for applicability during each hour of the next day (12:00 a.m. to 11:59 p.m.). Hourly Incremental Charges are calculated by multiplying the current System Standard Line Loss Factors by System Incremental Costs. Such charges shall be communicated to customers reasonably in advance of their imposition to enable customers to adjust their operating conditions if they so desire. Billing under this component shall be the sum of the products of each hour's energy consumption and the hour's Incremental Charge.

System Incremental Costs are either the sum of the Department's variable costs for power as determined by its standard business practices or the cost of power purchased in the spot market, whichever is applicable on any given day. Because this rate is experimental, the applicable variable cost elements shall be set forth in each contract for service under this schedule. Such List of Variable Cost Elements shall be adjusted every six months as experience under this rate schedule warrants.

Transmission Components - Same as Rate A.

Distribution Components - Same as Rate A, but Service Charge = $1000 per month.

This service is experimental and the Department reserves the right to limit the number of customers and their duration of service hereunder.

3. Billing

The bill under Rate A, B and X shall be the sum of all components set forth herein.

4. General Conditions

a. Reactive Energy Charges

The Reactive Energy Charges shall be determined by using the lagging kilovar-hours (kvarh) recorded during each rating period, referenced to the High-Peak Period power factor. If reactive energy is unknown or unmetered, additional kWh charges shall be substituted, as set forth in the Rate Schedule.

b. Separation of Services

Service may be taken under Rate B, with or without service under Rate A, through a separate service and considered as a separate account for billing purposes. If a customer receives service under Rate B, there shall be no interconnection to other services beyond the Department's point of delivery.

c. Demand Charges

The Demand Charges for Generation and Transmission service shall be determined by using the maximum demands recorded within the applicable rating periods. The demand charges for Distribution service shall be determined by using the maximum demands recorded within such rating periods, but not less than 50 percent of the highest demands established within the last 12 months.

d. Fixed Generation Charge

The Fixed Generation Charge shall be determined by using the maximum demand recorded in the High-Peak period, but not less than 30 kW.

e. Facilities Charge

The Facilities Charge shall be determined by using the maximum demand recorded at any time within the last 12 months, but not less than 30 kW.

f. Firm Demand Charge

The Firm Demand Charge shall be determined by using the maximum demand which the Department will be expected to supply during a Period of Interruption, or actually supplied during the most recent Period of Interruption, if greater.

g. Non-Firm Demand Charge

The Non-Firm Demand Charge shall be determined by using the levels of demand exceeding the Firm Demand during non-interruption periods.

h. Interruptible Demand

The Interruptible Demand shall be that demand created by the load which the customer agrees to disconnect from the system during a Period of Interruption.

i. Excess Demand

The Excess Demand shall be the demand placed on the Department's system which exceeds the Firm Demand during each Period of Interruption.

j. Interruptible Service Contract

To receive service under Rate B, a customer shall sign a contract for a specified term and for a Firm Demand to be placed on the Department's system. The Interruptible Demand will not normally be less than 5,000 kW.

k. Period of Interruption

A Period of Interruption shall be an interval during which the customer served under Rate B will be required to disconnect sufficient load to reduce the demand on the Department's system to the contracted Firm Demand. A Period of Interruption will occur when, in the Department's sole judgment, the required operating reserves are inadequate to maintain system reliability, or to test the operating integrity of the interruption equipment.

l. Notice of Interruption

The Department will give the customer a minimum 10-minute (Service Option 1), or a one-hour (Service Option 2) Notice of A Period of Interruption to enable the customer to disconnect the necessary load to prevent Excess Demand. Actual control of the load interruption, however, shall be at the hands of the Department's load dispatchers.

m. Frequency and Duration of Interruption

The Periods of Interruption will not exceed ten per year nor last longer than eight hours each.

n. Verification of Ability to Interrupt

Interruptible Service customers shall periodically be required to demonstrate ability and willingness to disconnect all load except the contracted Firm Demand within the contracted Notice of

Interruption Period. Testing procedures for such verification shall be specified in the contract terms.

o. Excess Demand Charge

Excess Demand Charges shall apply upon the occurrence of an Excess Demand during a Period of Interruption. Such charges shall be increased upon a second occurrence of an Excess Demand within 12 months of the first occurrence.

Upon the third occurrence of an Excess Demand during a Period of Interruption within the same 12-month period, the customer will be disqualified from further Interruptible Rate Service.

p. Interruptible Demand Credit

The Interruptible Demand Credit shall be based upon the difference between the demand at the moment of notification of an impending interruption and the maximum demand measured during the interruption period, but only if the former exceeds the latter, else there is no credit.

q. Selection of Rates

Service under Rate A is available to all customers served from the 34.5 kV system. Rate B is available under the terms described in part j. Rate X is experimental and subject to discretionary application.

Customers whose Billing Demand is less than 500 kW but more than 100 kW may choose to receive service under Rates A-2(B) or A-2(D). Customers whose Billing Demand is less than 100 kW but more than 30 kW may choose to receive service under Rates A-2(A), A-2(B) or A-2(D). Any selected Schedule A-2 option must be retained for 12 months before changing to another option or reversion to Rate A-3(A), except that there may be no reversion to Rate A-2(D) for a period of 24 months.

r. High-Voltage Service Discount

(1) Applicability - A discount shall be applicable to the bill under this schedule when service is delivered and metered at 34.5 kV or higher voltage.

(2) Discount - One percent of all Charges derived on the basis of metered electrical values, except that the Distribution Facilities Charge shall be reduced by $0.32.

(3) Substation Equipment on Customer's Side of Service Point
All equipment or structures necessary for the utilization of service delivered by the Department at high voltages shall be located on the customer's side of the point of delivery and shall be owned and maintained by the customer.

(4) Metering - Metering of energy and demand shall be provided by the Department at the primary side of transformers or, at the Department's option, on the secondary side of transformers and compensated by instruments or loss calculations to the delivery voltage, as provided in the Department's Rules.

s. Service Charge
The Distribution Service Charges shall be based on the highest demands recorded in the last 12 months.

t. ECA (Energy Cost Adjustment)
See General Provisions.

u. ESA (Electric Subsidy Adjustment)
See General Provisions

v. Rating Periods
See General Provisions

G. SCHEDULE PG-2 - SELF-GENERATION SERVICE

1. Applicability

a. Applicable to any service where a part or all of the electrical energy requirements of the customer can be supplied from sources other than the Department's system, and in compliance with the Department's Rules. Applicable to loads which would normally be served under General Service Schedule A-1 or A-2, except for self-generating capability.

b. In order to provide a transitional period for self generation customers to adjust to the difference between the rates set forth herein and the rates applicable to such customers under the superseded ordinance, all customers with self generation facilities established on Rate Schedule PG-2 for the billing period prior to the effective date of this ordinance shall be billed as follows:

(1) During the first year following the effective date of this ordinance, only the monthly based components below shall apply (with the monthly Generation and Transmission demand charges converted to daily charges and applied to each day's maximum Department-supplied demand). Such derived billing, however, may not exceed that derived under the superseded ordinance.

(2) In succeeding years, billing shall be determined by full implementation of the rates established herein. For the first five years, however, any dollar amount increase over a previous year's same load billing shall be limited to 20 percent of the billing under the superseded ordinance.

2. Monthly Rates

		High Season June-Oct.	Low Season Nov.-May
(1)	Service Charge	$ 50.00	$ 50.00
(2)	Facilities Charge - per kW	$ 2.25	$ 2.25
(3)	Monthly Demand Charge - per kW		
	Generation Components		
	High-Peak Period	$ 4.08	$ 3.65
	Low-Peak Period	$ 0.20	$ 0.10
	Base Period	$ 0.10	$ 0.00
	Transmission Components		
	High-Peak Period	$ 1.46	$ 1.13
	Low-Peak Period	$ 1.35	$ 1.05
	Base Period	$ 0.10	$ 0.10

2. **Monthly Rates...cont.**		High Season June-Oct.	Low Season Nov.-May
	Distribution Components		
	High-Peak Period	$ 3.65	$ 2.68
	Low-Peak Period	$ 3.28	$ 2.54
	Base Period	$ 1.10	$ 1.10
(4)	Daily Demand Charge - per kW per Day		
	Generation Components		
	High-Peak Period	$ 0.2040	$ 0.1825
	Low-Peak Period	$ 0.0100	$ 0.0050
	Base Period	$ 0.0050	$ 0.0000
	Transmission Components		
	High-Peak Period	$ 0.0730	$ 0.0565
	Low-Peak Period	$ 0.0675	$ 0.0525
	Base Period	$ 0.0050	$ 0.0050
(5)	Energy Charge - per kWh		
	High-Peak Period	$ 0.05241	$ 0.05241
	Low-Peak Period	$ 0.05199	$ 0.05199
	Base Period	$ 0.03950	$ 0.03950
(6)	ECA - per kWh	See General Provisions	
(7)	ESA - per kW	See General Provisions	
(8)	Wheeling Charge - per location	$25.00	$25.00
(9)	Energy Credit - per kWh	See PG-3	
(10)	Wheeling Energy and Demand Credit	See PG-3	

3. Billing

The bill shall be the sum of all Parts (1) through (10).

4. Special Conditions

Facilities Charge

The Facilities Charge shall be determined by using the maximum Department-supplied demand recorded in the last 12 months, or the Rated Generation Capacity (RGC) of the largest unit, whichever is greater.

5. General Conditions

General Conditions set forth in Rate PG-3 are incorporated herein by reference.

H. SCHEDULE PG-3 - LARGE SELF-GENERATION SERVICE

1. Applicability

a. Applicable to any service where a part or all of the electrical energy requirements of the customer can be supplied from sources other than the Department's system, and in compliance with the Department's Rules. Applicable to loads which would normally be served under General Service Schedule A-3, except for self-generating capability.

b. In order to provide a transitional period for large self generation customers to adjust to the difference between the rates set forth herein and the rates applicable to such customers under the superseded ordinance, all customers with large self generation facilities established on Rate Schedule PG-3 for the billing period prior to the effective date of this ordinance shall be billed as follows:

(1) During the first year following the effective date of this ordinance, only the monthly based components below shall apply (with the monthly Generation and Transmission demand charges converted to daily charges and applied to each day's maximum Department-supplied demand). Such derived billing, however, may not exceed that derived under the superseded ordinance.

(2) In succeeding years, billing shall be determined by full implementation of the rates established herein. For the first five years, however, any dollar amount increase over a previous year's same load billing shall be limited to 20 percent of the billing under the superseded ordinance.

2. Rates

a. MONTHLY BASIS

	UNIT BILLING FACTORS ($) (High Season/Low Season)*		
GENERATION COMPONENTS	**High Peak**	**Low Peak**	**Base**
Energy - per kWh	0.03926	0.03020	0.02602
Demand - per kW	1.53/0.93	0.23/0.22	0.19/0.19
Fixed Generation - per kW	6.00	0.00	0.00
ECA - per kWh	--------- See General Provisions ---------		
TRANSMISSION COMPONENTS			
Demand - per kW	1.85/1.44	0.84/0.60	0.09/0.09
DISTRIBUTION COMPONENTS			
Service - per Month			
Billing kW under 500	----------	65.00	----------
Billing kW at or over 500	----------	350.00	----------
Facilities - per kW	----------	1.65	----------
Demand - per kW	5.12/4.00	2.42/1.81	0.46/0.46

*High Season: June-Oct./Low Season: Nov.-May

a. MONTHLY BASIS **UNIT BILLING FACTORS ($)**

	High Peak	Low Peak	Base
Reactive Energy - per kvarh			
Power Factor 0.995 - 1.000	0.00000	0.00000	0.00000
0.950 - 0.994	0.00056	0.00044	0.00033
0.900 - 0.949	0.00107	0.00085	0.00054
0.800 - 0.899	0.00325	0.00254	0.00141
0.700 - 0.799	0.00545	0.00428	0.00235
0.600 - 0.699	0.00757	0.00590	0.00324
0.000 - 0.599	0.00826	0.00644	0.00354
(If kvarh unmetered-per kWh)	0.00017	0.00013	0.00010

OTHER COMPONENTS

ESA - per kW	---------	See General Provisions	----------
Wheeling - per location	----------	25.00	----------
Wheeling Credits	----------	(See 4.i.)	----------
Energy Credits	----------	(See 4.f)	----------

b. DAILY BASIS **UNIT BILLING FACTORS ($)**
(High Season/Low Season)*

GENERATION COMPONENTS	High Peak	Low Peak	Base
Demand - per kW per day	0.0765/0.0465	0.0115/0.0115	0.0063/0.0063
Fixed Generation - per kW per day	0.3000	0.0000	0.0000
TRANSMISSION COMPONENTS			
Demand - per kW per day	0.0920/0.0720	0.0420/0.0300	0.0030/0.0030

*High Season: June-Oct./Low Season: Nov.-May

3. Billing

The bill shall be the sum of all components set forth herein.

4. General Conditions

a. Facilities Charge

The Facilities Charge shall be determined by using the maximum monthly Department-supplied demand recorded in the last 12 months, or the Rated Generation Capacity (RGC) of the largest unit, whichever is greater.

b. Monthly Fixed Generation Charge

The Monthly Fixed Generation Charge shall be determined by using the maximum Department-supplied demand in the High-Peak Period which exceeds the customer's Rated Generation Capacity (RGC).

c. Daily Fixed Generation Charge

The Daily Fixed Generation Charge shall be determined by the difference between the RGC and actual self-generated kW during each day's High-Peak Period's highest coincident total of Department-supplied and self-generated demand.

d. Energy Charge

The Energy Charge shall apply to the total number of kilowatt-hours supplied to the customer by the Department during each rating period. A device shall be installed on the meter recording energy supplied by the Department to prevent its reverse operation.

e. Wheeling Charge

The Wheeling Charge shall be based upon the number of locations specified by contract as "wheeled to" facilities.

f. Energy Credit

The Energy Credit shall apply to the total number of kilowatt-hours of Excess Energy supplied to the Department's system by the customer during each rating period. A device shall be installed on the meter recording energy supplied to the Department to prevent its reverse operation.

(1) Standard Energy Credit - The Standard Energy Credit shall be revised four times each year on January 1, April 1, July 1, and October 1, and shall be in effect for three calendar months. It shall be equal to the average incremental energy cost, as recorded by the Department's load dispatcher, for the three-month period ending at least 28 days prior to the revision date. The energy cost shall be averaged separately for each rating period. Prior to such averaging, the incremental cost of energy supplied by coal-fueled plants shall be multiplied by 1.08 to adjust for losses. If the Excess Energy is metered at 34.5 kV, the Energy Credit for each rating period shall be multiplied by 1.014 to adjust for reduced losses on the Power System.

(2) Contracted Energy Credit - The Contracted Energy Credit, provided under contracts of 15 years or longer, is equal to the Standard Energy Credit plus a capacity credit, on a per kilowatt-hour basis, based on the Department's least-cost capacity resource.

g. Monthly Demand Charges

The Monthly Demand Charges for Distribution service shall be determined by using the highest Department-supplied demand within each rating period in the month, but not less than 50 percent of the highest such demands established within the last 12 months. The Monthly Demand Charges for Generation and Transmission service shall be determined by using the highest Department-supplied demands exceeding the customer's Rated Generation Capacity (RGC).

h. Daily Demand Charges

The Daily Demand Charges for Generation and Transmission service shall be determined by the difference between the Rated Generation Capacity and actual self-generated kW at the time of the highest daily coincident total of Department-supplied and self-generated demand within each rating period.

i. Wheeling Credits

Parallel generation customers may receive credit for energy wheeled to specific qualifying facilities connected to the Department's distribution system. Such energy shall not exceed the metered kilowatt-hours for each pricing period at each "wheeled to" location, and shall be adjusted for distribution losses for conditions specified by contract. The credits shall be calculated at the energy rates applicable to the "wheeled to" facility, including the ECA.. Any demand credits shall be derived by application of the Monthly Generation Demand charges (excluding Fixed Generation) to demands imputed from the ratio of kWh in each period to the actual hours in each period.

j. Excess Energy

Excess Energy is the energy generated by the customer beyond the customer's requirements and supplied to the Department's system.

k. Reactive Energy Charge

The Reactive Energy Charge shall be based on the lagging kilovar-hours (kvarh) recorded during each rating period, referenced to the High-Peak Period power factor.

l. Character of Service

Service will be supplied at one standard voltage. A customer will normally receive three-phase service from the Department and must have three-phase generation equipment. Any customer receiving single-phase service, however, must have single-phase generation equipment.

The customer's generation equipment and interconnection facilities must be in compliance with the Department's Electric Service Requirements.

m. Metering

The Department shall supply, own, and maintain all necessary meters and associated equipment utilized for billing and for measurement of Excess Energy. The Department shall install telemetering equipment at the customer's expense to monitor the energy produced by the customer, as well as any other electrical characteristics deemed appropriate by the Department.

Installations shall include recorders at the output of all generating units, to be used in conjunction with existing metering and recorders, at the point of interconnection to determine actual load served by the Department at all times. When the RGC is 100 kW or less, the customer may avoid the cost of generation metering by agreeing to accept the Department's System Average Availability rating, as determined by the Department for cogenerators, as the basis for establishing daily demand charges and energy credits.

The Department may install, at its expense, demand recorders, for which the customer shall provide, at no expense to the Department, a suitable location for such meters, telephone line and associated equipment.

n. Temporary Discontinuance of Service

No adjustments will be made for a Temporary Discontinuance of Service. If a customer requests resumption of service within 12 months after such service was discontinued, the customer will be required, prior to resumption of service, to pay all charges which would have been billed if service had not been discontinued.

o. Terms of Service

A customer receiving service under this schedule may elect to change to another applicable rate schedule at any time, but may not, thereafter, receive service under this schedule before three years have elapsed.

p. Agreement

To receive service under this schedule, the customer shall sign a Parallel Generation Interconnection Agreement with the Department.

q. High-Voltage Service Discount

High-Voltage Service Discount provisions set forth in Rate A-3(A) are incorporated herein by reference.

r. Rated Generation Capacity (RGC)

The Rated Generation Capacity shall be as defined in the Parallel Generation Agreement. In the absence of such definition, the RGC shall be based on the nameplate rating(s) of any generation equipment on the premises not used exclusively for emergency generation.

I. SCHEDULE XRT - EXPERIMENTAL REAL-TIME PRICING SERVICE

1. Applicability

Applicable to standard 34.5 kV system General Service, including lighting and power which may be delivered through the same service in compliance with the Department's Rules. Applicable to service at 500 kW demand or greater. Not applicable to service which parallels, and connects to, customer's own generating facilities, except as such facilities are intended solely for emergency standby.

This service is experimental and the Department reserves the right to limit the number of customers receiving service hereunder to those deemed capable of shedding load when alerted to do so.

2. Monthly Rates

		High Season*	Low Season*
a.	**Rate A - Single-Stage Alert Service** All components of Rate A-3(A) shall apply with the following additions and modifications:		
1.	Service Charge	$1000.00	$1000.00
2.	Generation Demand Charge - per kW		
	High-Peak Period	$ 0.65	$ 0.39
3.	Stage I Alert Period		
	Energy Charge - per kWh		
	High-Peak Period	$ 0.37912	$ 0.37912
	Low-Peak Period	$ 0.03020	$ 0.03020
	Base Period	$ 0.02602	$ 0.02602
b.	**Rate B - Dual-Stage Alert Service** All components of Rate A-3(A) shall apply with the following additions and modifications:		
1.	Service Charge	$1000.00	$1000.00
2.	Generation Demand Charge - per kW		
	High-Peak Period	$ 0.48	$ 0.29
3.	Stage I Alert Period		
	Energy Charges - per kWh		
	High-Peak Period	$ 0.37912	$ 0.37912
	Low-Peak Period	$ 0.03020	$ 0.03020
	Base Period	$ 0.02602	$ 0.02602
4.	Stage II Alert Period		
	Energy Charges - per kWh		
	High-Peak Period	$ 0.10415	$ 0.10415
	Low-Peak Period	$ 0.03020	$ 0.03020
	Base Period	$ 0.02602	$ 0.02602

*High Season: June-Oct./Low Season: Nov.-May

c. **Rate C - Hourly Pricing Service**

1. Access Charge — See 4.f.
2. Incremental Usage Charge — See 4.g.

3. Billing

Customers may select Rates A, B or C. The bill under Rate A and B shall be the sum of all functional components of Rate A-3(A) applicable to the customer except as modified in this schedule. The bill under Rate C is the sum of Parts 1 and 2. Unless otherwise specified by contract terms, a customer may not revert to Rate A-3(A) until a full summer's (June-October) billing under Rate A or B has been rendered.

4. General Conditions

a. Alert Stages

(1) Stage I Alert (applies to Rates A and B)

Whenever the Power System, in its sole judgment, anticipates at least a 95-degree Fahrenheit day following a day in which the temperature, as measured at the Civic Center, reached at least 90-degrees Fahrenheit, it shall give customers at least a 12-hour notification of a Stage I Alert day. During such day(s), limited to seven within any calendar year, the customer may limit the Alert Period Energy Charges by curtailing load.

(2) Stage II Alert (applies to Rate B only)

Whenever the Power System, in its sole judgment, anticipates at least a 90-degree Fahrenheit day following a day in which the temperature, as measured at the Civic Center, reached at least 90-degrees Fahrenheit, it shall give customers at least a 12-hour notification of a Stage II Alert day. During such day(s), limited to nine within any calendar year, the customer may limit the Alert Period Energy Charges by curtailing load.

b. Facilities Charge

The Facilities Charge shall be based on the highest demand recorded in the last 12 months, but not less than 500 kW. Service provided below customary reliability standards may be compensated by reduced Facilities Charges, as specified by contract.

c. Contracts

To receive service under this rate schedule, the customer shall sign a contract with the Department.

d. High-Voltage Service Discount

High-Voltage Service Discount provisions set forth in Rate A-3(A) are incorporated herein by reference.

e. Base Load Determinants

Base Load Determinants (BLD) are established from one complete year (8760 hours) of hourly consumption data chosen as the customer's most representative (benchmark) 12 consecutive months' consumption out of the past 24 months. It is used in calculating the monthly Access Charge and Incremental Usage Charge (IUC) for Rate XRT-C. Once established, BLD may only be modified for significant changes in customer operating patterns or equipment.

f. Access Charge

The access charge for the billing month is determined by applying Rate A-3(A) to the BLD of the corresponding billing period.

g. Incremental Usage Charge

The Incremental Usage Charge (IUC) for a billing period is the summation of the products of the Hourly Incremental Charges (as defined in Schedule A-3(X)) and each hour's differential from BLD. The IUC can be positive or negative because each hour's differential from BLD can be positive or negative.

h. Telephone Line Requirement

To receive service under Rate XRT-C, the customer shall provide, at no cost to the Department, a dedicated telephone line to access daily metering data.

i. Notifications

The Department may employ various customer notification methods for impending State I and Stage II alerts, including verbal telephone contact with customer-designated agents. However, automated procedures may be established at any time to effect such notifications, including, but not limited to, customer dial-up of pre-recorded messages and Department notification by FAX.

J. SCHEDULE XCD - EXPERIMENTAL CONTRACT DEMAND SERVICE

1. Applicability

Applicable to 34.5 kV system General Service, including lighting and power which may be delivered through the same service in compliance with the Department's Rules. Generally applicable to service with an average consumption exceeding 1,000,000 kilowatt-hours per month. Not applicable to service which parallels, and connects to, customer's own generating facilities, except as such facilities are intended solely for emergency standby.

This service is experimental and the Department reserves the right to limit the number of customers receiving service hereunder. It is available only to existing customers who have previously signed a contract for service under this rate schedule.

2. Monthly Rates

All components of Rate A-3(A) shall apply except that Demand and Energy charges shall be set by contract. Unit prices may vary to reflect variation in customer load factor by terms of the contract, but shall not be less than marginal demand and marginal energy costs as determined from time to time by marginal cost studies for the specified contract period.

3. General Conditions

a. Contracts

To receive service under this rate schedule, a customer shall sign a contract for a specified term of at least two years and not exceeding five years.

b. High-Voltage Service Discount

High-Voltage Service Discount provisions set forth in Rate A-3(A) are incorporated herein by reference.

K. GENERAL SERVICE RIDER EZ - ENTERPRISE ZONE

1. Applicability

Applicable to new permanent Commercial and Industrial service under General Service Schedules set forth in this ordinance to customers newly located in City-designated Enterprise Zones and to existing customers within such zones who increase energy consumption in accordance with the criteria in Part 4 below. Any business already receiving the EZ discount when acquired by a new owner, or when moved to another location within any Enterprise Zone, shall retain the discount to the original applicant's expiration date.

Not applicable to any business within an enterprise zone which: (1) has been operating more than one year before applying for this rider; (2) changes ownership; (3) changes names; (4) goes into, or emerges from, receivership or bankruptcy.

Not applicable to temporary or occasional enterprises with known or expected tenures of less than two years. Not applicable to permanent or temporary residential facilities, nor to their common areas. Not applicable to any service established on experimental rates, to any service exempted from the City Utility Users Tax, nor to any service receiving Rider DR. Not applicable to service which parallels, and connects to, customer's own generating facilities, except as such facilities are intended solely for emergency standby.

2. Rate Duration and Billing

The applicable General Service Schedules will be reduced during the first 60 months of continuous service after verification of Enterprise Zone eligibility as follows:

General Service Billing Components	1st Year %	2nd Year %	3rd Year %	4th Year %	5th Year %
Service Charges	30	25	20	15	10
Demand Charges	30	25	20	15	10
Energy Charges	30	25	20	15	10
Facilities Charges	30	25	20	15	10
Reactive Energy Charges	30	25	20	15	10
Energy Cost Adjustment	-0-	-0-	-0-	-0-	-0-
Electric Subsidy Adjustment	100	100	100	100	100

Customers established on Enterprise Zone rates prior to the effective date of this Ordinance shall receive a 20-percent reduction for their remaining time on EZ rates, which is commensurate with the effective reduction under the superseded rate ordinance.

3. Qualification and Application for General Service Rider

Preliminary qualification shall be determined and application for service under this rider arranged, by the Los Angeles Community Development Department (CDD), which shall transmit such application to the Department for final determination. Requisite to application of this rider is that the new customer had established service under a standard rate schedule no earlier than 12 months before the application date. The rate reductions set forth herein shall become effective no earlier than one billing period after receipt of the application by the DWP, provided however, that any existing billing arrearages are first cleared.

4. Increased Energy Usage by Existing Customers

This rider is applicable to existing services at any given facility in which aggregate energy consumption of all active services during the six months prior to CDD's submittal was at least 75 percent of the aggregate consumption in the prior 12 months. If such criterion is not initially met, the application will be reviewed six months later, at which time the latest six-month average usage will become the basis of comparison to the same 12 months.

L. GENERAL SERVICE RIDER DR - DISASTER RECOVERY

1. Applicability

Applicable to any commercial or industrial customer occupying premises that received service under General Service Rate Schedules during the occurrence of a major disaster, either natural or man-caused, resulting in widespread destruction to property and is declared by the Mayor and confirmed by the City Council to be a local emergency. This service is not applicable to temporary or occasional enterprises with known or expected tenures of less than two years, to permanent or temporary residential facilities, to services established on experimental rates, to services exempt from the City Utility Users Tax, nor to any service receiving Rider EZ.

Service may be reestablished with this rider for those premises completely destroyed as a result of the disaster and upon which actual rebuilding begins within twenty-four (24) months of the date of Declaration of a Local Emergency by the Mayor. The rebuilding must occur pursuant to a Department of Building and Safety Permit No. 1, or Permit No. 3 to replace structures which had been razed to their foundations.

This service rider is subject to periodic assessment of conditions prevailing in the City and to the objectives of the Department, and the Department reserves the right to limit the number of customers receiving service hereunder.

2. Rate Duration and Billing

The applicable General Service Schedules will be reduced during the first 60 months of continuous service in the reconstructed original facilities as follows:

General Service Billing Components	1st Year %	2nd Year %	3rd Year %	4th Year %	5th Year %
Service Charges	30	25	20	15	10
Demand Charges	30	25	20	15	10
Energy Charges	30	25	20	15	10
Facilities Charges	30	25	20	15	10
Reactive Energy Charges	30	25	20	15	10
Energy Cost Adjustment	-0-	-0-	-0-	-0-	-0-
Electric Subsidy Adjustment	100	100	100	100	100

Customers established on Disaster Recovery rates prior to the effective date of this Ordinance shall receive a 20-percent reduction for their remaining time on DR rates, which is commensurate with the effective reduction under the superseded rate ordinance.

Customers forced by the total destruction of their premises to establish new services in unaffected premises within the immediate surrounding community are eligible to receive the benefits above for a duration of twenty-four (24) months, providing said customers are otherwise qualified and apply for the Rider within six months following declaration of the disaster. Upon return to the newly rebuilt original premises as first occupants, such customers may extend the Rider to the full 60 months.

3. Qualification and Application for General Service Rider

Preliminary qualification shall be determined, and application for service under this rider arranged, by the Los Angeles Community Development Department (CDD) which shall transmit such application to the Department for final determination. The CDD shall determine the bounds of the "immediate surrounding community" per Mayor's Declaration. The rate reductions set forth herein shall become effective no earlier than one billing period after receipt of the application by the DWP, provided, however, that any existing billing arrearages are first cleared.

M. SCHEDULE LS-1 - STREET AND HIGHWAY LIGHTING SERVICE TO UTILITY-OWNED SYSTEMS

1. Applicability

Applicable to electric service for street and highway lighting in utility-owned systems, where the Department provides maintenance service.

2. Monthly Rates - Multiple Service

Light Type and Size	Nominal kilowatts Per Light*	Charge Per Light* First Year	Second Year
Incandescent #			
75-watt or less	0.093	$ 7.80	$ 9.58
100-watt or 1,000-lumen	0.102	8.02	9.73
200-watt or 2,500-lumen	0.189	9.65	11.13
300-watt or 4,000-lumen	0.263	11.01	12.31
500-watt or 6,000-lumen	0.371	13.01	14.05
10,000-lumen	0.599	17.45	17.71
15,000-lumen	0.844	22.42	21.65
Mercury Vapor #			
100-watt	0.136	5.34	5.97
175-watt	0.226	6.97	7.42
250-watt	0.315	8.64	8.85
400-watt	0.501	12.04	11.84
Metal Halide			
175-watt	0.231	9.42	9.33
250-watt	0.317	11.27	10.71
High-Pressure Sodium			
50-watt	0.099	4.79	5.38
70-watt	0.113	5.03	5.60
100-watt	0.155	5.79	6.28
150-watt	0.220	6.99	7.32
200-watt	0.277	8.05	8.24
250-watt	0.343	9.27	9.30

Series Service Adjustment

$0.78 per month shall be added to the Charges Per Light above for Series Service.

* For lights operated in accordance with the "Standard All-Night Schedule of Operation" or "Photoelectric Controller Operation".

\# Closed to new installations.

3. Billing for Design and Construction

Applicants for new or expanded service under this schedule shall pay in advance the design and construction charges for such service based on the Department's actual costs plus established indirect costs. For service to the Bureau of Street Lighting (BSL), the Department will accept an Inter-Departmental order as advance payment.

4. Billing for Maintenance

Beginning with the second year of this Ordinance, the Department will apply a Maintenance Cost Adjustment Factor (MCAF) to each light. The MCAF will align the previous quarter's total maintenance charges billed under this schedule with its total actual maintenance costs, and will be applied in the ensuing quarter. The algebraic difference between the previous quarter's total actual and total billed maintenance costs will be allocated to the various lamp types (weighted by a relative lamp type maintenance scale) and added to the rate per lamp type. The MCAF will be updated quarterly and maintenance charges and adjustments will appear as separate line items on customer's bills.

5. Energy Cost Adjustment (ECA)

The Charges Per Light set forth above are subject to adjustment on a kilowatt-hour basis for variation of energy costs, as described in the General Provisions.

Kilowatt-hours shall be determined by multiplying nominal kilowatts per light described above by 340 and rounding to the nearest kilowatt-hour.

6. General Conditions

a. Service Supply Points

Service will be supplied at points mutually agreed upon between customers and the Department.

b. Character of Service

The Department will supply the energy and will own, operate, and maintain the entire system.

c. Lamp Substitution

For incandescent-light systems, the Department reserves the right to use lumen-rated (group replacement) lamps.

d. Temporary Turn-Ons

For Temporary Turn-Ons of streetlights at times other than regularly scheduled hours of operation, the rate shall be $138.01 per turn-on as a service charge, plus $0.17486 per kilowatt-hour, plus the ECA. In such cases, the kilowatt-hours shall be determined by the Department.

e. Bills to Board of Public Works

Bills for lighting service rendered to the Board of Public Works of the City of Los Angeles shall be paid monthly for the service so furnished in the preceding month from funds provided by the City Council for such purposes. Bills for non-continuous utilitarian lights shall be zero for the duration of this Ordinance. Lighting services separately funded, including, but not limited to, lighting assessment districts, shall continue being billed, and shall pay, for all lighting service.

f. Operation Schedules

After acceptance of customer's written application, lights will be controlled in accordance with one of the schedules of operation hereunder:

(1) Standard All-Night Schedule of Operation

Lights shall be turned on daily at 15 minutes after sunset and turned off 25 minutes before sunrise.

(2) Special Schedule of Operation

Earlier or later turn-off of lights, other than provided for under "Standard All-Night Schedule of Operation," may be provided under a suitable schedule of operation as mutually agreed upon by the Department and the customer, but only if the customer agrees to pay for any extra costs involved in furnishing special switching and other service in connection therewith.

(3) Photoelectric Controller Operation

In lieu of controlling any lighting system with reference to "sunset" and "sunrise" in schedules of operation, the Department may, at its option, control lamps by means of photoelectric controllers so that the lamps will be lighted daily from dusk to dawn, approximately 340 hours monthly.

N. SCHEDULE LS-2 - STREET AND HIGHWAY LIGHTING SERVICE TO CUSTOMER-OWNED SYSTEMS

1. Applicability

Applicable to electric service for street and highway lighting (including tunnels, bridges, and parks) in customer-owned systems where the Department provides maintenance service. Not applicable to City General Benefit Lighting or for any other City service.

Note: This schedule is closed to new service.

2. Monthly Rates - Multiple Service

Light Type & Size	Nominal Kilowatts Per Light	Charge Per Light: All Night* 340 hr	1:00 a.m. 210 hr	All Day 390 hr	Continuous 730 hr
a. First Year of Ordinance					
Incandescent					
75-watt or less	0.093	$ 6.98	$ 6.41	$ 8.23	$ 9.90
100-watt or 1,000-lumen	0.102	7.19	6.57	8.57	10.40
200-watt or 2,500-lumen	0.189	8.79	7.63	11.34	14.73
300-watt or 4,000-lumen	0.263	10.11	8.50	13.66	18.38
500-watt or 6,000-lumen	0.371	12.07	9.80	17.08	23.73
10,000-lumen	0.599	16.41	12.74	24.51	35.25
15,000-lumen	0.844	21.28	16.11	32.68	47.81
Mercury Vapor					
50-watt	0.064	4.07	3.72	4.88	5.90
75-watt	0.094	3.88	3.31	5.51	7.20
100-watt	0.136	4.61	3.77	6.97	9.40
175-watt	0.226	6.20	4.81	10.12	14.17
250-watt	0.315	7.83	5.90	13.30	18.95
400-watt	0.501	11.15	8.08	19.84	28.82
700-watt	0.845	17.47	12.29	32.13	47.28
1,000-watt	1.191	23.62	16.32	44.28	65.64
Fluorescent					
40-watt	0.061	3.49	3.12	4.55	5.64
100-watt	0.121	4.60	3.85	6.69	8.87
Metal Halide					
175-watt	0.231	7.52	6.10	11.53	15.67
250-watt	0.317	9.12	7.17	14.61	20.30
400-watt	0.497	11.53	8.48	20.15	29.07
1000-watt	1.178	24.04	16.82	44.48	65.61

* Includes lights controlled by a photoelectric controller.

Light Type & Size	Nominal Kilowatts Per Light	Charge Per Light: All Night* 340 hr	1:00 a.m. 210 hr	All Day 390 hr	Continuous 730 hr
a. First Year of Ordinance...cont.					
High-Pressure Sodium					
50-watt	0.099	$ 4.00	$ 3.39	$ 5.72	$ 7.49
70-watt	0.113	4.23	3.53	6.19	8.21
100-watt	0.155	4.98	4.03	7.67	10.45
150-watt	0.220	6.15	4.80	9.96	13.91
200-watt	0.277	7.19	5.49	12.00	16.96
250-watt	0.343	8.38	6.28	14.33	20.48
310-watt	0.411	9.61	7.09	16.74	24.11
400-watt	0.526	11.66	8.44	20.79	30.22
High-Pressure Sodium - Mercury Ballasted					
150-watt	0.216	6.27	4.94	10.02	13.88
215-watt	0.283	7.49	5.75	12.40	17.48
360-watt	0.438	10.27	7.59	17.87	25.73
Low-Pressure Sodium					
35-watt	0.062	4.77	4.39	5.84	6.95
55-watt	0.085	5.33	4.81	6.80	8.33
90-watt	0.139	6.52	5.67	8.93	11.43
135-watt	0.200	8.06	6.84	11.53	15.12
180-watt	0.262	9.38	7.77	13.93	18.62
b. Second Year of Ordinance					
Incandescent					
75-watt or less	0.093	8.51	8.00	9.69	11.18
100-watt or 1,000-lumen	0.102	8.66	8.10	9.95	11.58
200-watt or 2,500-lumen	0.189	10.06	9.02	12.44	15.48
300-watt or 4,000-lumen	0.263	11.24	9.80	14.56	18.79
500-watt or 6,000-lumen	0.371	12.98	10.94	17.66	23.62
10,000-lumen	0.599	16.64	13.35	24.20	33.82
15,000-lumen	0.844	20.58	15.94	31.23	44.78
Mercury Vapor					
50-watt	0.064	4.07	3.72	4.88	5.90
75-watt	0.094	4.55	4.03	6.46	7.97
100-watt	0.136	5.22	4.48	7.99	10.17
175-watt	0.226	6.67	5.43	11.26	14.89
250-watt	0.315	8.10	6.37	14.49	19.55
400-watt	0.501	11.09	8.34	21.26	29.30
700-watt	0.845	16.61	11.97	33.77	47.34
1,000-watt	1.191	22.17	15.63	46.35	65.48

* Includes lights controlled by a photoelectric controller.

Light Type & Size	Nominal Kilowatts Per Light	Charge Per Light: All Night* 340 hr	1:00 a.m. 210 hr	All Day 390 hr	Continuous 730 hr
b. Second Year of Ordinance...cont.					
Fluorescent					
40-watt	0.061	$ 4.59	$4.25	$ 5.83	$6.81
100-watt	0.121	5.55	4.89	8.01	9.95
Metal Halide					
175-watt	0.231	8.46	7.19	13.15	16.86
250-watt	0.317	9.84	8.10	16.28	21.37
400-watt	0.497	11.59	8.86	21.68	29.66
1,000-watt	1.178	22.53	16.06	46.45	65.37
High-Pressure Sodium					
50-watt	0.099	4.63	4.09	6.64	8.23
70-watt	0.113	4.85	4.23	7.15	8.96
100-watt	0.155	5.53	4.68	8.68	11.17
150-watt	0.220	6.57	5.37	11.04	14.57
200-watt	0.277	7.49	5.97	13.11	17.56
250-watt	0.343	8.55	6.67	15.51	21.02
310-watt	0.411	9.64	7.38	17.99	24.59
400-watt	0.526	11.49	8.60	22.17	30.61
High-Pressure Sodium - Mercury Ballasted					
150-watt	0.216	6.51	5.32	10.89	14.36
215-watt	0.283	7.59	6.03	13.33	17.88
360-watt	0.438	10.07	7.67	18.97	26.00
Low-Pressure Sodium					
35-watt	0.062	4.61	4.27	5.86	6.86
55-watt	0.085	4.98	4.51	6.70	8.07
90-watt	0.139	5.84	5.08	8.66	10.90
135-watt	0.200	6.82	5.72	10.88	14.09
180-watt	0.262	7.82	6.38	13.14	17.35

* Includes lights controlled by a photoelectric controller.

Series Service Adjustment

$0.78 per month shall be added to the Charges Per Light above for Series Service.

3. Maintenance Service to Bureau of Street Lighting (BSL)

Maintenance service for Bureau of Street Lighting (BSL)-owned systems shall be provided entirely by the Department or provided entirely by others, unless the Department and BSL mutually agree that such service to parts of such systems may be provided by others.

4. Billing for Maintenance

Beginning with the second year of this Ordinance, the Department will apply a Maintenance Cost Adjustment Factor (MCAF) to each light. The MCAF will align the previous quarter's total maintenance charges billed under this schedule with its total actual maintenance costs, and will be applied in the ensuing quarter. The algebraic difference between the previous quarter's total actual and total billed maintenance costs will be allocated to the various lamp types (weighted by a relative lamp-type maintenance scale) and added to the rate per lamp type. The MCAF will be updated quarterly and maintenance charges and adjustments will appear as separate line items on customer's bills.

5. Energy Cost Adjustment (ECA)

The Charges Per Light set forth above are subject to adjustment on a kilowatt-hour basis for variation of energy costs, as described in the General Provisions. Kilowatt-hours shall be determined by multiplying nominal kilowatts by nominal operating hours as described above and rounding to the nearest kilowatt-hour.

6. General Conditions

a. Character of Service

(1) The necessary posts or fixtures, brackets, luminaries, and underground interconnecting conduits and circuits must be provided by the customer at the customer's expense. Systems with overhead interconnecting circuits between posts may be served hereunder, with the customer providing posts, fixtures, brackets, and luminaries, and the Department providing, installing, and maintaining such overhead interconnecting circuits at extra cost.

(2) Energy will be supplied at service points mutually agreed upon between the customer and the Department for multiple systems at 120 or 120/240 volts, or for series systems at 6.6 amperes. The Department reserves the right to provide multiple service at voltage ratings other than specified herein.

(3) For incandescent-light systems, the Department reserves the right to use lumen-rated (group replacement) lamps.

(4) All plans and specifications for the installation of, and the construction of, or changes to lighting systems shall be subject to approval of the Department, which shall have the right to inspect and to test the installations before acceptance for service. Testing of original system installations will be made without charge provided that such testing may be done without involving unreasonable time or expense due to faulty construction. Where it is contemplated that the Department will provide, install, and maintain overhead interconnecting circuits, the posts shall be located so that no extra supports for such overhead wiring will be required except as may be determined by the Department to be reasonably necessary.

(5) Where Series Service is furnished from Department overhead lines, the customer may mount cutout boxes on the Department's poles, and service connections will be run by the Department to such boxes. The Department will furnish vaults and all necessary appurtenances therein for lighting service in locations established by the Department as underground areas. Where Series Service from a vault is furnished, the customer shall install all ducts and conductors between the posts or fixtures and the vault.

(6) Maintenance of customer's equipment will be furnished by the Department as specified under "Normal Maintenance."

(7) The Department will provide, install, and maintain overhead interconnecting circuits between posts accepted for such service subject to conditions and charges specified under "Maintenance Other Than Normal."

b. Normal Maintenance

(1) The Department will furnish normal maintenance which shall include:

(a) Periodic inspection, renewal of lamps and cleaning of glassware according to established schedules.

(b) Replacement of glassware and inoperative lamps.

(c) Maintenance of controlling devices according to established schedules.

(d) Cleaning and painting of posts.

(e) Minor repairs to wiring and electrical appurtenances on or within the posts.

(2) Normal Maintenance shall not include maintenance with respect to equipment developing defects in test or in service due to faults in design, manufacture, or installation until such defects have been satisfactorily corrected; nor

replacement of damaged glassware or lamps when such damage is coincident with or is a result of partial or total demolition of post or when caused by vandalism, riots, fires, explosions, earthquakes, or Acts of Nature.

c. Maintenance Other Than Normal

The rates established in this schedule do not provide for maintenance or replacement of customer's equipment other than as specified under "Normal Maintenance." Consequently, the Department may not be required to furnish at its expense any other maintenance work, nor replacement of posts or post parts, nor of underground cables or conduits beyond the Department's service feed points. Where the Department has approved the plans for an overhead-wired system, and has agreed to provide and install the overhead interconnecting circuits between the posts, it will provide such installation and maintenance service at an additional annual charge of $21.78 per post.

d. Temporary Turn-Ons

For Temporary Turn-Ons of streetlighting at times other than regularly scheduled hours of operation, the rate shall be $138.01 per turn-on as a service charge, plus $0.17486 per kilowatt-hour, plus the ECA. In such cases, the kilowatt-hours shall be as determined by the Department.

e. Bills to Board of Public Works

Bills for lighting service rendered to the Board of Public Works of the City of Los Angeles shall be paid monthly by said Board on or before the tenth day of the month for the service so furnished in the preceding month from funds provided by the City Council for such purposes. Bills for general benefit lighting (lighting which is not included in the Los Angeles City Lighting District) shall be zero for the duration of this ordinance.

f. Operation Schedules

Upon acceptance of the customer's system, lights will be controlled in accordance with one of the schedules of operation hereunder:

(1) All-Night Schedule of Operation

Lights shall be turned on daily at 15 minutes after sunset and turned off 25 minutes before sunrise.

(2) 1:00 a.m. Schedule of Operation

Lights shall be turned on daily at 15 minutes after sunset and turned off at 1:00 a.m. Pacific Standard Time.

(3) All-Day Schedule of Operation

Lights will operate at all hours other than those specified under All-Night Schedule of Operation.

(4) Continuous Schedule of Operation

Lights will operate 24 hours per day.

(5) Special Schedule of Operation

Earlier or later turn-off of lights than is provided under "Standard All-Night Schedule of Operation" may be provided under a suitable schedule of operation as mutually agreed upon by the Department and the customer, but only if the customer agrees to pay for any extra costs involved in furnishing special switching and other service required for such schedule.

(6) Photoelectric Controller Operation

In lieu of controlling any lighting system with reference to "sunset" and "sunrise" in schedules of operation, the Department may, at its option, control lamps by means of photoelectric controllers so that the lamps will be lighted daily from dusk to dawn, approximately 340 hours monthly.

O. SCHEDULE LS-3 - STREET AND HIGHWAY LIGHTING SERVICE TO CUSTOMER-OWNED SYSTEMS

1. Applicability

Applicable to electric service to public street, highway, and freeway lighting systems, including circuit control facilities, where the customer provides maintenance service; applicable to freeway warning facilities and guide signs which are connected to series lighting systems.

Note: This schedule is closed to new customers and services. Existing customers must notify the DWP of any streetlight modifications, at which time the DWP may convert the unmetered service to a metered service under an applicable General Service Schedule.

2. Monthly Rates - Multiple Service

a. Street and Highway and Freeway Lighting Facilities

Light Type & Size	Nominal Kilowatts Per Light	Charge Per Light: All Night* 340 hr	All Day 390 hr	Continuous 730 hr
a. First Year of Ordinance				
Incandescent #				
Less than 1,000-lumen	0.093	$ 1.92	$ 3.28	$ 5.20
1,000-lumen	0.102	2.10	3.60	5.70
2,500-lumen	0.189	3.90	6.67	10.57
4,000-lumen	0.263	5.43	9.28	14.70
6,000-lumen	0.371	7.65	13.09	20.74
10,000-lumen	0.599	12.36	21.14	33.50
15,000-lumen	0.844	17.42	29.78	47.20
Mercury Vapor #				
75-watt	0.094	1.94	3.32	5.26
100-watt	0.136	2.81	4.80	7.61
175-watt	0.226	4.66	7.98	12.64
250-watt	0.315	6.50	11.11	17.61
400-watt	0.501	10.34	17.68	28.01
700-watt	0.845	17.44	29.81	47.25
1,000-watt	1.191	24.58	42.02	66.60
Fluorescent				
40-watt	0.061	1.26	2.15	3.41
100-watt	0.121	2.50	4.27	6.77

* Includes lights controlled by a photoelectric controller.
\# Closed to new installations.

Light Type & Size	Nominal Kilowatts Per Light	Charge Per Light: All Night* 340 hr	All Day 390 hr	Continuous 730 hr
a. First Year of Ordinance...cont.				
Metal Halide				
175-watt	0.231	$ 4.77	$ 8.15	$ 12.92
250-watt	0.317	6.54	11.18	17.72
400-watt	0.497	10.26	17.53	27.79
1,000-watt	1.178	24.27	41.56	65.83
High-Pressure Sodium				
50-watt	0.099	2.04	3.49	5.54
70-watt	0.113	2.33	3.99	6.32
100-watt	0.155	3.20	5.47	8.67
150-watt	0.220	4.54	7.76	12.30
200-watt	0.277	5.72	9.77	15.49
250-watt	0.343	7.08	12.10	19.18
310-watt	0.411	8.48	14.50	22.98
400-watt	0.526	10.86	18.56	29.41
High-Pressure Sodium - Mercury Ballasted				
150-watt	0.216	4.46	7.62	12.08
215-watt	0.283	5.84	9.99	15.83
360-watt	0.438	9.04	15.45	24.49
Low-Pressure Sodium				
35-watt	0.062	1.28	2.19	3.47
55-watt	0.085	1.75	3.00	4.75
90-watt	0.139	2.87	4.90	7.77
135-watt	0.200	4.13	7.06	11.18
180-watt	0.262	5.41	9.25	14.65
b. Second Year of Ordinance				
Incandescent #				
Less than 1,000-lumen	0.093	2.00	3.38	5.38
1,000-lumen	0.102	2.19	3.71	5.90
2,500-lumen	0.189	4.06	6.87	10.93
4,000-lumen	0.263	5.65	9.56	15.21
6,000-lumen	0.371	7.96	13.49	21.46
10,000-lumen	0.599	12.86	21.78	34.64
15,000-lumen	0.844	18.12	30.69	48.81

* Includes lights under photoelectric controller operation.
# Closed to new installations

Light Type & Size	Nominal Kilowatts Per Light	Charge Per Light: All Night* 340 hr	All Day 390 hr	Continuous 730 hr
b. Second Year of Ordinance...cont.				
Mercury Vapor #				
75-watt	0.094	$ 2.02	$ 3.42	$ 5.44
100-watt	0.136	2.92	4.95	7.87
175-watt	0.226	4.85	8.22	13.07
250-watt	0.315	6.76	11.45	18.22
400-watt	0.501	10.76	18.22	28.97
700-watt	0.845	18.14	30.73	48.87
1,000-watt	1.191	25.57	43.31	68.88
Fluorescent				
40-watt	0.061	1.31	2.22	3.53
100-watt	0.121	2.60	4.40	7.00
Metal Halide				
175-watt	0.231	4.96	8.40	13.36
250-watt	0.317	6.81	11.53	18.33
400-watt	0.497	10.67	18.07	28.74
1,000-watt	1.178	25.29	42.84	68.13
High-Pressure Sodium				
50-watt	0.099	2.13	3.60	5.73
70-watt	0.113	2.43	4.11	6.53
100-watt	0.155	3.33	5.64	8.96
150-watt	0.220	4.72	8.00	12.72
200-watt	0.277	5.95	10.07	16.02
250-watt	0.343	7.36	12.47	19.84
310-watt	0.411	8.82	14.95	23.77
400-watt	0.526	11.29	19.13	30.42
High-Pressure Sodium - Mercury Ballasted				
150-watt	0.216	4.64	7.85	12.49
215-watt	0.283	6.08	10.29	16.37
360-watt	0.438	9.40	15.93	25.33
Low-Pressure Sodium				
35-watt	0.062	1.33	2.25	3.59
55-watt	0.085	1.82	3.09	4.92
90-watt	0.139	2.98	5.05	8.04
135-watt	0.200	4.29	7.27	11.57
180-watt	0.262	5.62	9.53	15.15

* Includes lights under photoelectric controller operation.
# Closed to new installations.

b. Freeway Warning Facilities and Guide Signs Connected to Series Lighting Systems

(1) Energy Charge
$0.09086 per kWh for all energy use.

(2) Minimum Charge
$13.00 per service point per month.

3. Series Service Adjustment

$0.78 per month shall be added to the Charges Per Light above for Series Service.

4. Energy Cost Adjustment (ECA)

The Charge Per Light under Paragraph 2.a. and 2.b. are subject to adjustment on a kilowatt-hour basis for variation of energy costs, as described in the General Provisions. The kilowatt-hours shall be determined by multiplying Nominal Kilowatts by operating hours as prescribed above and rounded to the nearest kilowatt-hour.

Bills for service under Paragraph 2.c. are subject to adjustment on a kilowatt-hour basis for variation of energy costs, as described in the General Provisions.

5. Billing

The bill under Paragraph 2.a. and 2.b. shall be the sum of the Charge Per Light in the inventory, plus the ECA.

The bill under Paragraph 2.c. shall be the Energy Charge or the Minimum Charge, whichever is greater, plus the ECA..

6. General Conditions

a. Character of Service

(1) The necessary posts or fixtures, brackets, luminaries, ducts, and interconnecting circuits for lighting systems must be provided by the customer at the customer's expense.

(2) Energy will be supplied at service points mutually agreed upon between customers and the Department for multiple systems at 120 or 120/240 volts, or for series systems at 6.6 amperes. The Department reserves the right to provide multiple service at voltage ratings other than specified herein.

(3) All plans and specifications for the installation of, and the construction of, or changes to lighting systems shall be subject to approval of the Department, which shall have the right to inspect and to test the installations before

acceptance for service. Testing of original system installations will be made without charge providing such testing may be done without excessive expense due to faulty construction.

(4) Where Series Service is furnished from Department overhead lines, the customer may mount cutout boxes on the Department's poles, and service connections will be run by the Department to such boxes. The Department will furnish vaults and all necessary appurtenances therein for lighting service in locations established by the Department as underground areas. Where Series Service from a vault is furnished, the customer shall install all ducts and conductors between the posts or fixtures and the vault.

b. Determination of Billing

(1) Energy use for billing purposes under this schedule shall be calculated from Department records of customer's equipment. Kilowatt-hours for guide signs and other facilities shall be calculated from the connected load.

(2) It shall be the responsibility of the customer to promptly notify the Department of any change in equipment or hours of operation affecting energy use.

(3) The Department may, as it deems necessary, request an inventory of all of the customer's electrical equipment served under this schedule. Such requests shall not normally be made at intervals of less than six months.

(4) If the customer does not provide the requested inventory, the Department may initiate other means of determining the customer's energy use and bill the customer under the appropriate General Service Schedule.

c. Temporary Turn-Ons

For Temporary Turn-Ons of streetlighting at times other than regularly scheduled hours of operation, the rate shall be $138.01 per turn-on as a service charge, plus $0.17486 per kilowatt-hour, plus the ECA. In such cases, the kilowatt-hours shall be as determined by the Department.

d. Operation Schedules

Operation Schedules shall be as provided in the LS-2 Rate Schedule herein.

e. Documentation of Lamp Number, Type and Size

The Department may, at any time, require documentation as to the number, type, and size of lamps connected to a service. Failure to so provide documentation acceptable to the Department may result in service conversion to a metered basis under an applicable General Service Schedule. All costs, including indirects, from such conversion shall be paid by the customer.

P. SCHEDULE LS-4 - STREET LIGHTING SERVICE TO LOS ANGELES BUREAU OF STREET LIGHTING-OWNED SYSTEM

1. Applicability

Applicable to electric service to public street and highway lighting systems owned by the Los Angeles Bureau of Street Lighting (BSL), including circuit control facilities, where the Bureau provides maintenance service.

Note: This schedule is available for lighting systems being transferred from Schedule LS-2. New BSL-maintained lighting installations shall be served under General Service Schedules unless otherwise mutually agreed to between the Department and BSL.

2. Monthly Rates - Multiple Service

Light Type & Size	Nominal Kilowatts Per Light	Charge Per Light: All Night* 340 hr	1:00 a.m. 210 hr	All Day 390 hr	Continuous 730 hr
Incandescent					
75-watt or less	0.093	$ 2.00	$ 1.31	$ 3.38	$ 5.38
100-watt or 1,000-lumen	0.102	2.19	1.44	3.71	5.90
200-watt or 2,500-lumen	0.189	4.06	2.66	6.87	10.93
300-watt or 4,000-lumen	0.263	5.65	3.70	9.56	15.21
500-watt or 6,000-lumen	0.371	7.96	5.22	13.49	21.46
10,000-lumen	0.599	12.86	8.43	21.78	34.64
15,000-lumen	0.844	18.12	11.88	30.69	48.81
Mercury Vapor					
50-watt	0.064	1.37	0.90	2.33	3.70
75-watt	0.094	2.02	1.32	3.42	5.44
100-watt	0.136	2.92	1.91	4.95	7.87
175-watt	0.226	4.85	3.18	8.22	13.07
250-watt	0.315	6.76	4.43	11.45	18.22
400-watt	0.501	10.76	7.05	18.22	28.97
700-watt	0.845	18.14	11.90	30.73	48.87
1,000-watt	1.191	25.57	16.77	43.31	68.88
Fluorescent					
40-watt	0.061	1.31	0.86	2.22	3.53
100-watt	0.121	2.60	1.70	4.40	7.00

* Includes lights controlled by a photoelectric controller.

Light Type & Size	Nominal Kilowatts Per Light	Charge Per Light: All Night* 340 hr	1:00 a.m. 210 hr	All Day 390 hr	Continuous 730 hr
Metal Halide					
175-watt	0.231	$ 4.96	$ 3.25	$ 8.40	$13.36
250-watt	0.317	6.81	4.46	11.53	18.33
400-watt	0.497	10.87	7.00	18.07	28.74
1000-watt	1.178	25.29	16.58	42.84	68.13
High-Pressure Sodium					
50-watt	0.099	2.13	1.39	3.60	5.73
70-watt	0.113	2.43	1.59	4.11	6.53
100-watt	0.155	3.33	2.18	5.64	8.96
150-watt	0.220	4.72	3.10	8.00	12.72
200-watt	0.277	5.95	3.90	10.07	16.02
250-watt	0.343	7.36	4.83	12.47	19.84
310-watt	0.411	8.82	5.79	14.95	23.77
400-watt	0.526	11.29	7.41	19.11	30.42
High-Pressure Sodium - Mercury Ballasted					
150-watt	0.216	4.64	3.04	7.85	12.49
215-watt	0.283	6.08	3.98	10.29	16.37
360-watt	0.438	9.40	6.17	15.93	25.33
Low-Pressure Sodium					
35-watt	0.062	1.33	0.87	2.25	3.59
55-watt	0.085	1.82	1.20	3.09	4.92
90-watt	0.139	2.98	1.96	5.05	8.04
135-watt	0.200	4.29	2.82	7.27	11.57
180-watt	0.262	5.62	3.69	9.53	15.15

* Includes lights controlled by a photoelectric controller.

3. Series Service Adjustment

$0.78 per month shall be added to the Charges Per Light above for Series Service.

4. Energy Cost Adjustment (ECA)

The Charges Per Light herein are subject to adjustment on a kilowatt-hour basis for variation of energy costs, as described in the General Provisions. The kilowatt-hours shall be determined by multiplying Nominal Kilowatts by operating hours as prescribed above and rounded to the nearest kilowatt-hour.

5. Billing

Bills for lighting service herein shall be the sum of the Charge Per Light in the inventory, plus the ECA and shall be paid on or before the tenth day of the month for service so furnished in the preceding month. Any installation, maintenance and replacement of control equipment by the Department shall be at its actual cost, including indirects.

New or expanded services under this schedule shall be billed in advance for design and construction costs based on the Department's actual costs plus established indirect costs. The Department will accept an Inter-Departmental order as advance payment.

Bills for general benefit lighting (not included in the Los Angeles City Lighting District) shall be zero for the duration of this ordinance.

6. General Conditions

a. Character of Service

(1) The necessary posts or fixtures, brackets, luminaries, ducts, and interconnecting circuits for lighting systems must be provided by the Bureau of Street Lighting at its expense.

(2) Energy will be supplied at service points mutually agreed upon between customers and the Department for multiple systems at 120 or 120/240 volts, or for series systems at 6.6 amperes. The Department reserves the right to provide multiple service at voltage ratings other than specified herein.

(3) All plans and specifications for the installation of, and the construction of, or changes to lighting systems shall be subject to approval of the Department, which shall have the right to inspect and to test the installations before acceptance for service. Testing of original system installations will be made without charge providing such testing may be done without excessive expense due to faulty construction.

(4) Where Series Service is furnished from Department overhead lines, the Bureau may mount cutout boxes on the Department's poles, and service connections will be run by the Department to such boxes. The Department will furnish vaults and all necessary appurtenances therein for lighting service in locations established by the Department as underground areas. Where Series Service from a vault is furnished, the customer shall install all ducts and conductors between the posts or fixtures and the vault.

b. Determination of Billing

(1) Energy use for billing purposes under this schedule shall be calculated from Department records of the Bureau's equipment.

(2) It shall be the responsibility of the Bureau to promptly notify the Department of any change in equipment or hours of operation affecting energy use.

(3) The Department may, as it deems necessary, request an inventory of all of the Bureau's electrical equipment served under this schedule. Such requests shall not normally be made at intervals of less than six months.

(4) For failure to provide an acceptable equipment inventory, documented as to number, type and size of lamps connected to a service, the Department may establish its own inventory and/or convert the service to a metered service under a standard General Service Schedule. All costs, including indirects, from such conversion shall be paid by the Bureau.

c. Temporary Turn-Ons

For Temporary Turn-Ons of streetlighting at times other than regularly scheduled hours of operation, the rate shall be $138.01 per turn-on as a service charge, plus $0.17486 per kilowatt-hour, plus the ECA. In such cases, the kilowatt-hours shall be as determined by the Department.

d. Operation Schedules

Operation Schedules shall be as provided in the LS-2 Rate Schedule herein.

9. SCHEDULE LS-5 - STREET AND HIGHWAY LIGHTING MAINTENANCE SERVICE TO BUREAU OF STREET LIGHTING-OWNED SYSTEMS

1. Applicability

Applicable to maintenance service for street and highway lighting (including tunnels and bridges) in Bureau of Street Lighting-owned systems where the Department supplies metered electric service. May be applied without electric service only if mutually agreed to by the Department and BSL.

2. Monthly Rates - Multiple Service

Light Type & Size	Charge Per Light
Incandescent	
75-watt or less	$6.95
100-watt or 1,000-lumen	6.95
200-watt or 2,500-lumen	6.95
300-watt or 4,000-lumen	6.95
500-watt or 6,000-lumen	6.95
10,000-lumen	6.95
15,000-lumen	6.95
Mercury Vapor	
50-watt	$2.97
75-watt	2.97
100-watt	2.97
175-watt	2.97
250-watt	2.97
400-watt	2.97
700-watt	2.97
1,000-watt	2.97
Fluorescent	
40-watt	$3.54
100-watt	3.54
Metal Halide	
175-watt	$4.68
250-watt	4.68
400-watt	3.54
1000-watt	3.54
High-Pressure Sodium	
50-watt	$2.97
70-watt	2.97
100-watt	2.97
150-watt	2.97
200-watt	2.97
250-watt	2.97
310-watt	2.97
400-watt	2.97

Light Type & Size	Charge Per Light
High-Pressure Sodium - Mercury Ballasted	
150-watt	$2.97
215-watt	2.97
360-watt	2.97
Low-Pressure Sodium	
35-watt	$3.54
55-watt	3.54
90-watt	3.54
135-watt	3.54
180-watt	3.54

3. Maintenance Service to BSL

Maintenance service for BSL-owned systems shall be provided entirely by the Department or provided entirely by others, unless the Department and BSL mutually agree that such service to parts of such systems may be provided by others.

4. Billing for Maintenance

Beginning with the second year of this Ordinance, the Department will apply a Maintenance Cost Adjustment Factor (MCAF) to each light. The MCAF will align the previous quarter's total maintenance charges billed under this schedule with its total actual maintenance costs, and will be applied in the ensuing quarter. The algebraic difference between the previous quarter's total actual and total billed maintenance costs will be allocated to the various lamp types (weighted by a relative lamp-type maintenance scale) and added to the rate per lamp type. The MCAF will be updated quarterly and maintenance charges and adjustments will appear as separate line items on customer's bills.

5. General Conditions

a. Character of Service

(1) The necessary posts or fixtures, brackets, luminaries, control equipment, and underground interconnecting conduits and circuits must be provided by the customer at the customer's expense. Systems with overhead interconnecting circuits between posts may be served hereunder, with the customer providing posts, fixtures, brackets, luminaries, and control equipment, and the Department providing, installing, and maintaining such overhead interconnecting circuits at extra cost.

(2) For incandescent-light systems, the Department reserves the right to use lumen-rated (group replacement) lamps.

(3) All plans and specifications for the installation of, and the construction of, or changes to lighting systems shall be subject to approval of the Department, which shall have the right to inspect and to test the installations before acceptance for service. Testing of original system installations will be made without charge provided that such testing may be done without involving unreasonable time or expense due to faulty construction.

(4) Maintenance of customer's equipment will be furnished by the Department as specified under "Normal Maintenance."

b. Normal Maintenance

(1) The Department will furnish normal maintenance which shall include:

(a) Periodic inspection, renewal of lamps and cleaning of glassware according to established schedules.

(b) Replacement of glassware and inoperative lamps.

(c) Maintenance of controlling devices according to established schedules.

(d) Cleaning and painting of posts.

(e) Minor repairs to wiring and electrical appurtenances on or within the posts.

(2) Normal Maintenance shall not include maintenance with respect to equipment developing defects in test or in service due to faults in design, manufacture, or installation until such defects have been satisfactorily corrected; nor replacement of damaged glassware or lamps when such damage is coincident with or is a result of partial or total demolition of post or when caused by vandalism, riots, fires, explosions, earthquakes, or Acts of Nature.

c. Maintenance Other Than Normal

The rates established in this schedule do not provide for maintenance or replacement of customer's equipment other than as specified under "Normal Maintenance." Consequently, the Department may not be required to furnish at its expense any other maintenance work, nor replacement of posts or post parts, nor of underground cables or conduits beyond the Department's service feed points.

d. Temporary Turn-Ons

For Temporary Turn-Ons of streetlighting at times other than regularly scheduled hours of operation, the rate shall be $138.01 per turn-on as a service charge.

R. SCHEDULE OAL - OUTDOOR AREA LIGHTING SERVICE

1. Applicability

Applicable to Outdoor Area Lighting Service supplied from the Department's existing secondary overhead facilities of suitable phase and voltage. Not applicable if new transformer and/or primary capacity is required to meet load and service needs. Not applicable for purposes of street and highway lighting.

2. Monthly Rates

Light Type and Size	Nominal kW Per Lamp	Charge Per Light: Street Light Luminaire	Charge Per Light: Directional Luminaire
Mercury Vapor*			
175-watt	0.226	$11.20	$ N/A
400-watt	0.501	16.64	N/A
Metal Halide			
100-watt	0.132	11.81	12.67
175-watt	0.231	13.64	14.34
250-watt	0.317	15.35	15.88
400-watt	0.497	17.28	17.78
1000-watt	1.178	N/A	30.50
High Pressure Sodium			
100-watt	0.155	10.13	11.14
150-watt	0.220	11.29	12.23
200-watt	0.277	12.45	13.28
250-watt	0.343	13.72	14.39
400-watt	0.526	16.98	17.63
1000-watt	1.096	N/A	28.73

* Closed to new installations.

3. Energy Cost Adjustment (ECA): See General Provisions

4. Electric Subsidy Adjustment (ESA): See General Provisions

5. Billing

The bill shall be the Monthly Rate plus the ECA and ESA..

6. General Conditions

a. Character of Service

Unmetered photoelectrically controlled lighting service will be provided using the Department's standard luminaries, control equipment, and appurtenances mounted only on existing wooden

poles of the Department's distribution system. Service will be provided hereunder only where the Department deems that the installation will be of a permanent and established character.

b. Installation and Removal of Facilities

The Department will install standard lighting equipment and will operate and maintain all necessary facilities, which shall remain its sole property at all times. Standard lighting equipment includes a street light or directional luminaire, automatic control, and a standard 30-inch support arm.

The Department shall not be required to reconstruct any of its existing facilities to provide service hereunder. However, if it agrees to such customer's request the DWP shall have sole discretion in reconstructing existing facilities, installing new poles, installing longer support arms, or rewiring secondary circuits, provided the customer pays in advance the cost of such additional work.

The Department shall not be required to install lighting equipment at locations where, in its judgment, the service may be objectionable to others or where there is unreasonable exposure to accidental or malicious damage. Furthermore, should any lighting equipment, once installed, prove to be so objectionable or vulnerable, the Department shall have the right at any time to discontinue service.

Installations under this lighting service will not be relocated or modified unless all costs of such relocation are paid in advance. Installations ordered removed or modified, and subsequently ordered restored within 36 months shall be subject to advance and nonrefundable billing for all such removal and restoration costs.

Service furnished under this schedule will be discontinued at any location where overhead distribution lines supplying the service are subsequently converted to underground distribution.

c. Operation Schedule

Lamps will be lighted daily from dusk to dawn, based on an annual average of 340 hours monthly. The Department does not guarantee continuous lighting during such periods, and shall not be liable to the customer or anyone else for damage, loss or injury resulting from any interruption in such lighting due to any cause.

d. Maintenance

The Department will make any necessary repairs or lamp replacement within a reasonable time after being notified of a lighting outage by the customer, but only during regularly scheduled weekday working hours. Monthly bills will not be adjusted for outages.

Section 3

GENERAL PROVISIONS

That the General Provisions relating to electrical service supplied under schedules prescribed herein are as follows:

A. RATE APPLICABILITY AND RULES

The application, interpretation, and administration of the provisions herein are subject to such rules as may from time to time be promulgated by the Board of Water and Power Commissioners under its power and duty to administer the affairs of the Department of Water and Power. The application, interpretation, and administration of these provisions and rules by the Board of Water and Power Commissioners shall be final.

B. SURPLUS ELECTRICAL ENERGY - PARAMOUNT RIGHT OF THE CITY OF LOS ANGELES

Only surplus electrical energy, owned or controlled by the City of Los Angeles and not required for use of customers served by the City within its limits, may be supplied or distributed outside said City; provided that the supplying or distribution of such surplus electrical energy shall, in all cases, be subject to the paramount right of the City at any time to discontinue the same, in whole or in part, and to take and hold, or to distribute such surplus electrical energy for the use of the City and its inhabitants.

C. METERING

For the purpose of computing charges, each meter on the customer's premises will be considered separately, and readings of two or more meters will not be combined as equivalent to measurement through one meter, except when such combination is for the convenience of the Department.

No application shall be accepted for service through a master meter, under any schedule herein, to any multifamily dwelling consisting of two or more separate family accommodations unless the applicant submeters the individual units and charges tenants no more than if they were direct customers of the Department. If a master-metered multifamily dwelling facility is converted to individual metering, it shall not be reconverted to master metering.

The Department may alter or replace customers' meters at any time to meet current technical standards or to enable it to measure the electrical values prescribed for the class by Ordinance. Customers refusing such metering changes shall be subject to 20-percent billing surcharges on base rate components and/or to service disconnection.

D. RATING PERIODS

Unless otherwise specified under individual Rate Schedules, the Rating Periods shall be as follows:

High Season (Summer)	The period from June 1 to October 31
Low Season (Winter)	The period from November 1 to May 31
High-Peak Period	1:00 p.m. - 4:59 p.m. Monday through Friday (20 hours/week)
Low-Peak Period	10:00 a.m. - 12:59 p.m. Monday through Friday 5:00 p.m. - 7:59 p.m. Monday through Friday (30 hours/week)
Base Period	8:00 p.m. - 9:59 a.m. Monday through Friday, All Day Saturday and Sunday (118 hours/week)

E. TIME AND MANNER OF PAYMENT OF BILLS

All bills for electric service hereunder, except as provided otherwise in the schedules, are due and payable upon presentation; bills shall become delinquent nineteen (19) days after date of presentation. If bills are not paid upon becoming delinquent, the Department may impose a late payment charge and/or discontinue the electric service in accordance with applicable law or the Department's Rules. The Department shall not be liable to the customer or anyone else for damage, loss or injury resulting from such discontinuance of service. Payment shall be made in person or by mail at offices of the Department, or at the option of the Department, to its authorized collectors.

F. ENERGY COST ADJUSTMENT (ECA)

1. An ECA shall be added to bills under each service schedule herein, and any contracts wherein it is specified, on the basis of total energy use. The ECA recovers the costs of fuel and purchased power through application of the Energy Cost Adjustment Factor (ECAF).

2. The ECAF shall be calculated four times each year, shall become effective January 1, April 1, July 1, and October 1, and shall remain in effect for three months.

   The ECAF shall be determined by the following relationship, and expressed to the nearest $0.00001 per kilowatt-hour:

$$ECAF = \frac{(a) + (b) + (c) + (d)}{(e)} - \$0.04064/kWh$$

Where:

(a) Is the estimated fuel expense for 12 months commencing with the effective date of the ECAF, plus a percentage of such expense for transfer to the City Reserve Fund as derived in (f) below. This expense shall be the total cost of fuel and its transportation, estimated for the production of electrical energy for the Department, including any funding requirements associated with nuclear power plant decommissioning.

(b) Is the estimated purchased power expense for 12 months commencing with the effective date of the ECAF, plus a percentage of such expense for transfer to the City Reserve Fund as derived in (f) below. This expense shall include all charges associated with capacity, transmission service, and energy purchased by the Department from all sources except charges for electricity purchased at established retail tariffs from other utilities for use in Department offices, stations, and other facilities.

(c) Is the estimated Demand-Side Management costs for 12 months commencing with the effective date of the ECAF, provided, however, that such costs may not exceed ten percent of the sum of (a) and (b) above, plus a percentage of such expense for transfer to the City Reserve Fund as derived in (f) below. Demand-Side Management costs are those incurred for the acquisition and installation of devices and systems, including incentive payments and administrative costs, which are part of those programs or projects designed to lower and control Power System Demand, and for which expenditures had been approved in advance by the Board of Water and Power Commissioners for inclusion in the Demand-Side Management component of the ECA.

(d) Is the balance in the ECA Account as described in 3. below.

(e) Is the estimated retail energy sales for the 12 months commencing with the effective date of the ECAF, less sales to other City departments under Schedules LS-1 and LS-2, less sales to customers exempted from ECAF provisions under retail contract terms.

(f) The percentage of the prior year's Total Operating Revenue approved by the Board for transfer to the City Reserve Fund as surplus.

3. An ECA Account shall be maintained by the Department. Entries to this account at the end of each month shall include:

(a) An amount equal to the fuel expense, including any funding requirements based on nuclear plant decommissioning costs and emissions fees, as recorded during the month, exclusive of previously entered prepayments.

(b) An amount equal to the purchased power expense (including costs of Demand-Side Management programs) as recorded during the month, exclusive of previously entered prepayments.

(c) An amount equal to the net cost or credit for the disposal of residues.

(d) An amount equal to prepayments of any expenses that would flow through the ECA account, as deemed appropriate by the Chief Accounting Employee.

(e) Less: Refunds (including interest) received by the Department from any of its fuel suppliers.

(f) An amount equal to a percentage of (a) through (e) immediately above based on 2(f) above.

(g) Less: An amount equal to the revenue billed during the month under the ECA..

(h) Less: An amount equal to the lesser of actual revenue from energy sales to other electric utilities and to the Department of Water Resources, or equivalent revenue as derived by the product of the current ECAF and the energy sold to such entities.

(i) Less: An amount equal to the product of energy sales exempted from ECAF provisions under retail contracts and the Department's average system production cost.

(j) Less: An amount equal to the product of retail energy sales for the month (excluding retail contract sales exempt from ECAF provisions) and $0.04064 per kilowatt-hour.

(k) An amount transferred to or from the ECA Stabilization Account.

4. An ECA Stabilization Account shall be maintained by the Department. Any billing reductions from IPA or SCPPA resulting from credits returned, and any portion of the fiscal year-end ECA Account balance resulting from over or under-billing the ECA, may be accumulated in this account. At the discretion of the Chief Accounting Employee: (1) Funds may be transferred to or from this account to stabilize the ECAF or to reduce debt; (2) Funds from this account may be used to prepay any expense chargeable to the ECAF. In no case may the funds remain in the ECA Stabilization Account longer than seven years.

G. ELECTRIC SUBSIDY ADJUSTMENT (ESA)

1. An ESA shall be added to bills under each service schedule herein, and any contracts wherein it is specified. The ESA recovers the cost of credits given to Lifeline and Low-Income Residential customers, credits to General Service customers subsidized under Enterprise Zone and Disaster Recovery rates, as well as credits to City Agencies resulting from zero billing of lighting service under Schedules LS-1 and LS-2, or

any other General Service Rate Schedule through application of the Electric Subsidy Adjustment Factor (ESAF). The ESAF shall be calculated once each year and shall become effective on January 1.

2. Residential Service ESAF: The Residential Service ESAF shall be determined by the following relationship and expressed to nearest $0.00001 per kilowatt-hour.

$$ESAF = \frac{(a) + (b)}{(c)}$$

Where:

(a) Is the annual estimated cost of all credits and subsidies described in (1) above including administrative costs allocated to the Residential class in proportion to its annual energy use.

(b) Is the Residential class allocation of the balance in the ESA account as described in 4. below.

(c) Is the estimated annual Residential retail energy sales, excluding Lifeline and Low-Income Residential sales.

3. General Service ESAF: The General Service ESAF shall be determined by the following relationship and expressed to the nearest $0.01 per kilowatt of Billing Demand.

$$ESAF = \frac{(d) + (e)}{(f)}$$

Where:

(d) Is the annual estimated cost of all credits and subsidies described in (1) above, including administrative costs, allocated to the General Service classes in proportion to their annual energy use.

(e) Is the General Service class' allocation of the balance in the ESA Account as described in 4. below.

(f) Is the annual estimated General Service class' non-coincident demands.

4. An ESA Account shall be maintained by the Department. Entries to this account at the end of each fiscal year shall include:

(a) The sum of all Lifeline and Low-Income Subsidy Credits for the year.

(b) The sum of all Enterprise Zone and Disaster Recovery subsidies for the year.

(c) The sum of all Lighting and Traffic Control billing subsidies for the year.

(d) The costs of administering the Lifeline, Low Income, Enterprise Zone and Disaster Recovery services.

(e) Less: an amount equal to the revenue billed during the year under ESA.

H. RESALE OF ENERGY

The resale of electrical energy by Department customers is prohibited. However, it will not be deemed a resale if energy supplied by the Department is passed through a privately owned distribution system and the end-user of the electrical energy pays no more than if the Department provided the energy directly. Also, charging batteries for electric-powered vehicles, or other purposes, shall not be deemed resale of electrical energy.

I. EMERGENCY ENERGY AND CAPACITY CURTAILMENT PLANS OF THE CITY OF LOS ANGELES

1. The Department shall administer the Emergency Energy and Capacity Curtailment Plans, hereinafter referred to as the "Plans," as established by ordinance of the Council of the City of Los Angeles, in accordance with the provisions thereof.

2. All customers of the Department, upon request, shall provide the Department with information whereby their services can be classified in order to establish the appropriate class of service rendered to such customers pursuant to the provisions of said Plans.

3. The Department shall classify each customer in accordance with the information submitted by such customer or, in the absence thereof, by the Department's determination of such customer's classification. In the event the customer disagrees with the Department's classification, the customer may request a hearing in accordance with the procedure for application of relief set forth in the Plans.

4. The Department is authorized and directed to impose a surcharge on the electric bill of any customer as provided in said Plans and, in addition, shall have the right and duty to discontinue such services as further provided in said Plans. The proceeds of such surcharge shall be deposited in the Power Revenue Fund.

5. The right of the Department to impose the surcharge and the discontinuance of electric service as set forth in said Plans shall be considered separate and distinct from any additional or separate right the Department has to impose any charge or to discontinue electric service.

J. EXPERIMENTAL RATES

Experimental rates are established to study the applicability or utility of new and innovative rate structures to customer classes. The Power System will establish availability and eligibility criteria for Experimental rates. Any service subject to such rates shall be ineligible for any General Service Riders or other time-limited rate adjustments.

K. NOTIFICATION AND RATE ASSIGNMENT

The publication of an adopted Rate Ordinance in a daily newspaper within the City constitutes the Department's entire responsibility for notifying customers of changes to the superseded Rate Ordinance. The Department shall not be required to notify customers of available rate schedules or provisions which may be utilized as a result of changes in the customers' equipment or operations; however, the Department may track customers' changing load conditions for the purpose of assigning rate schedules, consistent with energy and demand conditions contained therein. Except for optional rates, any misapplied rate may be retroactively corrected and rebilled for a period not to exceed three years from date of discovery.

L. COMPETITION TRANSITION CHARGE

In the event that the Board of Water and Power Commissioners determines that a cost recovery mechanism for collecting costs attributable to generating or other facilities which are deemed to be uncompetitive in competitive (deregulated) energy market conditions should be implemented, the Board may develop and apply an appropriate mechanism as a modification of the rates set forth herein, subject to approval by the City Council by Ordinance.

L. DEFINITIONS

For the purposes of each service schedule herein, the following definitions shall apply:

Base Period: An interval during the day in which costs and rates are lowest. (8:00 p.m. - 9:59 a.m., Monday through Friday, all day Saturday and Sunday).

Billing Demand: The highest demand (kW) recorded in the last 12-month period, or the minimum demand, whichever is greater.

City Electricity User's Tax: A tax imposed directly on the electricity user by the City as a percentage of the total electric bill.

Commercial: Activities devoted primarily to business or professional purposes.

Common-Area Service (Residential): Service to shared facilities in multifamily dwellings which are separately metered.

Connected Load: The sum of the rated capacities of all of the customer's equipment that can be connected to the Department's system at any one time.

Customer: Any person, public or private association or corporation, partnership, unincorporated association, or governmental agency supplied or entitled to be supplied by the Department.

Date of Presentation: The date on which a bill or notice is mailed or delivered by the Department to the customer.

Demand: The rate at which electric energy is delivered to a customer to serve the momentary power needs, expressed in kilowatts (kW) and measured instantaneously or averaged over a given time period.

Demand Charge: A charge related to maximum power measured in kilowatts.

Demand Attachment: A device attached to a kilowatt-hour meter to indicate demand in watts or kilowatts.

Distribution System: That portion of utility plant used to transform and deliver energy to customers after it has been delivered by the Transmission (bulk power) System.

Economic Development Zone: See Enterprise Zone.

Electric Subsidy Adjustment (ESA): An addition to the amount of the bill on a per kilowatt or per kilowatt-hour basis reflecting system costs incurred to support special customer credits.

Energy Charge: That portion of the billed charge for electric service based upon the electric energy (kilowatt-hours) consumed.

Energy Cost Adjustment (ECA): An adjustment to the amount of the bill on a per kilowatt-hour basis reflecting unforeseen variation in the total cost of fuel and purchased energy, which, in combination with the Energy Charge above reflects total energy cost.

Energy Credit: An amount credited to the customer based upon the electric energy (kilowatt-hours) supplied by the customer to the Department's system.

Enterprise Zone: An Area of the City designated by the City Council as eligible to grant incentives to private business enterprises locating there.

Facilities Charge: A monthly charge to recover investment in local distribution equipment, such as transformers, which are sized for, and dedicated to customer maximum anticipated power demand.

General Service: Service to any lighting or power installation except to those eligible for service under special schedules such as residential, streetlighting, and traffic control.

Generation System: That portion of utility plant at which are located prime movers, generators and auxiliary equipment used to convert mechanical, chemical or nuclear energy into electrical energy.

Governmental Agency: The United States and its departments, agencies and bureaus, the State or any local government or any agency thereof, or public districts.

High-Peak Period: An interval during which costs and rates are highest. (1:00 p.m. - 4:59 p.m., Monday through Friday).

High Season: The period from June 1 to October 31.

Industrial: Activities devoted primarily to manufacturing or processing.

Interconnecting Facilities: Any electrical or mechanical devices required to connect the customer's electric system to the Department's system.

Interruptible Service: Service made available under agreements which permit curtailment of delivery of power to the customer under conditions established by the Department.

Kilovar-hour (kvarh): A unit of reactive electric energy equal to one kilovar of reactive power supplied from an electric circuit for one hour.

Kilowatt (kW): A unit of electric load or power or demand (1000 watts).

Kilowatt-hour (kWh): The basic unit of electric energy equal to one kilowatt of power supplied from an electric circuit for one hour.

Lifeline Service: Service provided at a discount for qualifying Residential customers.

Load Factor: The ratio of the average load (kW) during a designated period to the peak load (kW) occurring in that period (maximum value = 1.0).

Low Income: Total household income meeting eligibility guidelines established by the Board for the Low-Income Subsidy.

Low-Peak Period: An interval during which costs and rates are neither highest or lowest. (10:00 a.m. - 12:59 p.m., Monday through Friday; and 5:00 p.m. - 7:59 p.m., Monday through Friday).

Low Season: The period from November 1 to May 31.

Master Meter: A meter used for billing purposes serving a group of otherwise unmetered services or a group of subordinate meters.

Maximum Demand: The Maximum Demand is the average kilowatt load to the nearest one-tenth kilowatt during the 15-minute period of greatest use at any time during a rating interval, as recorded by the Department's meter. In cases where demand is intermittent or subject to severe fluctuations, the Department may establish the Maximum Demand on the basis of measurement over a shorter interval of time or the kilowatt-amperes of installed transformer capacity required to meet the customer's load.

Meter: A device used for the measurement of electric service provided, including energy (kilowatt-hours), demand (kilowatts), reactive energy (kvarh), and power factor.

Minimum Charge: The smallest charge a customer may receive under a rate schedule.

Nominal Kilowatts: The wattage necessary to be supplied by the Department's system to the lamp and its auxiliaries.

Photoelectric Controller: A device that turns an electric circuit on or off based on ambient light levels.

Power:

(a) Real - the work producing part of "apparent power" or rate of supply of energy - usually expressed in kilowatts (kW).

(b) Reactive - the portion of "apparent power" which does no work but must be supplied to magnetic equipment, such as motors - usually expressed in kilovars (kvarh).

Power Factor: The ratio of real power (kilowatts) to apparent power (kilovolt-amperes) for any given load and time (maximum value = 1.0). Its derivation on the basis metered energy components is expressed by:

$$\text{Kwh} \Big/ \sqrt{\text{kWh}^2 + \text{kvarh}^2}$$, where kvarh is in kilovar-hours.

Primary Distribution Voltage: A voltage greater than secondary voltage, but less than subtransmission voltage. (nominally at 4.8 kilovolts).

Rate: An amount fixed by the Board of Water and Power Commissioners by resolution and approved by the City Council by ordinance to be charged for electric service supplied by the Department to its customers.

Rating Period: See High-Peak Period, Low-Peak Period, or Base Period.

Residential: Activities devoted primarily to residential or household purposes in family dwelling units.

Service:

1. The supplying of electric energy to the customer.

2. The wires and related facilities necessary to supply electric energy to the customer.

Service Charge: A monthly charge related to administering to active customers such as meter reading and billing.

Service Point: The point where the conductors of the Department are connected to the conductors of the customer.

Single-Family Accommodation: An individually metered living unit designed for one family, whether freestanding or part of a structure containing other such units.

Special Metering Charge: A charge included in a rate schedule to recover additional costs of specialized higher cost meters required to provide service under the schedule.

Spinning Reserve: Generating units, spinning at synchronous speed and ready to take load.

Submeter: A meter within a customer's internal circuit, other than the Department's billing meter.

System Reliability: A measure of the ability of the system to sustain the loss of a major generating unit or transmission line and continue to meet the customer's demand for energy.

Transmission System: That portion of utility plant used for the purpose of delivery of electric energy (in bulk) from the generating source to distribution centers or to other utilities.

Voltage: Difference of potential or "electrical pressure" in an electrical circuit measured in volts.

Watt: The electrical unit of power or rate of consuming energy. The rate of energy transfer equivalent to one ampere flowing under a pressure of one volt at unity power factor.

Section 4

All electric rate schedules, inclusive of terms, provisions, and conditions, as set forth herein shall become effective upon the expiration of thirty (30) days from the publication of this ordinance, or on August 15, 1996, whichever is later.

Section 5

Subject to the provisions of Section 4 hereof, Ordinance No. 168,436 as amended, and all other ordinances or portions thereof which may be in conflict herewith are hereby repealed, provided that the rate schedules, conditions, and provisions which were approved by said ordinances shall remain in effect until the rate schedules, conditions, and provisions as provided for herein shall have become effective.

Section 6

This Council finds that the foregoing electric rates heretofore fixed by the Department of Water and Power are for the following purposes:

A. Meeting operating expenses, including employee wage rates and fringe benefits;

B. Purchasing or leasing supplies, equipment, or materials;

C. Meeting financial reserve needs and requirements;

D. Obtaining funds for capital projects that are necessary to maintain service within the existing service areas; and

E. Maintaining intra-City transfers of funds authorized by the Charter of the City of Los Angeles.

The approval of said electric rates by this Council is exempt from the requirements of the California Environmental Quality Act under the provisions of Section 21080 (b) (8), and this Council makes this claim of exemption pursuant to said section.

Section 7

If any section, subsection, sentence, clause, or phrase in this ordinance or the application thereof to any person or circumstance is for any reason held invalid, the validity of the remainder of the ordinance or the application of such provision to other persons or circumstances shall not be affected thereby. The City Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases or the application thereof to any person or circumstance be held invalid.

Section 8

The City Clerk shall certify to the passage of this ordinance and cause the same to be published in some daily newspaper printed and published in the City of Los Angeles.

I hereby certify that the foregoing ordinance was introduced at the meeting of the Council of the City of Los Angeles of _____ and was passed at its meeting of _____.

ELIAS MARTINEZ, City Clerk,

By _____

Deputy

Approved _____

_____

Mayor

Approved as to Form and Legality

_____

JAMES K. HAHN, City Attorney

By _____

Assistant City Attorney

File No. _____

Department of Water and Power

CITY OF LOS ANGELES

Box 111 • Los Angeles, California 90051, U.S.A.

RETURN REQUESTED

SENT BY COMMISSION OFFICE

DIVISION ROOM 1555

1 of 2

Mr. Elias Martinez
City Clerk, City of Los Angeles
Room 395, City Hall
Los Angeles, CA 90012

CODE 87-01-284 REV. 5-91