

ORDINANCE NO. _____

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, CALIFORNIA
AMENDING ORDINANCE NO. 6016 ESTABLISHING THE ELECTRIC RATES FOR
GLENDALE WATER & POWER FOR FISCAL YEARS 2024 TO 2027 TO ADD THE
STANDBY SERVICE RIDER FOR MEDIUM BUSINESS DISPATCHABLE AND THE
STANDBY SERVICE RIDER FOR LARGE BUSINESS DISPATCHABLE RATES**

WHEREAS, the City of Glendale, through the Glendale Water & Power Department (“GWP”), operates a municipal utility for the distribution of electrical energy to the residents of the City of Glendale; and

WHEREAS, the last increase to the electric rates was implemented by GWP in 2018; and

WHEREAS, on November 14, 2023, GWP presented the City Council with proposed electric rates for Fiscal Years 2024 through 2027; and

WHEREAS, on November 28, 2023 the Glendale City Council adopted Ordinance No. 6016 implementing electric rates which took effect on January 1, 2024; and

WHEREAS, although the Cost Of Service Analysis (COSA) included, and considered as part of the proposed rates, four specific rates providing a unique Standby Service Rider option for standard Medium LD-2 and Large Business PC-1 including Time-of-Use (TOU) customers, during the implementation of the new electric rates it was noted that new rates for the Standby Service – Medium Business Dispatchable and Standby Service – Large Business Dispatchable were not included in the rate tables attached to Ordinance No. 6016; and

WHEREAS, historically GWP has not had any customers on the standard Standby Service Medium Business dispatchable LD-2 and the Standby Service Large Business Dispatchable PC-1 rates; however, there are expected to be a small group of such customers utilizing the unique rates and services beginning in 2024 as explained in the Report dated March 26, 2024 to the City Council, and as such these rates were considered and included in the COSA; and

WHEREAS, GWP is also proposing some additional edits to the Standby Service Rider which would provide needed benefits and cost savings to the customer through a monthly peak demand instead of a ratcheted 12 month peak demand and proposing extending the standby service rider to the Medium Business Dispatchable and Large Business Dispatchable TOU LD2B and PC1B rates, which were not included in the adopted COSA and omitted from Ordinance No. 6016, to allow the co-generation customers the option to be on a standard or

TOU standby service rider and benefit from the monthly peak demand and the annual saving it may provide; and

WHEREAS, the City Council has considered the reports and testimony of staff and the comments of the public regarding the same; and

WHEREAS, the COSA and proposed rate plan reflect previously approved law and legislative direction of the present and former City Councils including: (i) the requirements of Article XI, Section 22 of the Glendale City Charter, which was approved by the voters in 1949 and has remained in the City Charter since that date; and (ii) the Public Benefits Charge set forth in Section 13.44.425 of the Glendale Municipal Code, which was first approved in 1997 as required by state law and subsequently amended in 1998, 1999, 2001, 2006 and 2008 and has remained in the Glendale Municipal Code, 1995 ("GMC") without change since 2008; and

WHEREAS, the proposed electric service rates and charges, as set forth in Ordinance 6106 and as amended by this Ordinance, have been calculated on the basis of the reasonable costs incurred by GWP to provide electric service to GWP's customers; and

WHEREAS, the proposed electric service rates and charges constitute charges imposed for one or more of the following reasons: (1) a specific City benefit conferred or privilege granted (California Constitution, Article XIII C, §1(e)(1)) and/or (2) a City service or product (California Constitution, Article XIII C, §1 (e)(2)).

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLENDALE:

SECTION 1. Notice of public meetings at which this Ordinance was considered was properly given, and all oral and written presentations made to and heard by the City Council were properly considered.

SECTION 2. There is a reasonable relationship between the rates to be charged for the provision of various City services and the City's costs in providing those services.

SECTION 3. The amended Electric Rates attached hereto as Exhibit "1":

- a) Do not exceed the actual or estimated reasonable costs to the City for providing the services to which the fees related;
- b) Are reasonable and necessary to enable the City to provide the benefit or privilege, service or product to which they related; and

- c) Have been allocated in a manner such that the costs to the payor bear a fair and reasonable relationship to the payor's burden on, or benefits received, from the City.

SECTION 4. Since 2006, the City's electric rates have included a lawful tax equal to 9.42 percent of the electric utility's costs of service. The electric rates approved through this Ordinance temporarily decrease that tax to 7.60 percent. This temporary decrease shall expire on June 30, 2028.

SECTION 5. Compliance with California Environmental Quality Act. The City Council finds and determines that this Ordinance is not subject to the California Environmental Quality Act ("CEQA"). Pursuant to CEQA Guidelines Section 15273, CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by public agency which the public agency finds are for the purpose of (1) meeting operating expenses including employee wage rates and fringe benefits, (2) purchasing or leasing supplies equipment or materials, (4) meeting financial reserve needs and requirements, for obtaining funds for capital projects necessary to maintain service within existing service areas, or (5) obtaining funds necessary to maintain such intra-city transfers are authorized by City Charter. As set forth in the Report Dated March 26, 2024 by the General Manager of GWP the electric rate increases which were approved via Ordinance No. 6106 and those which are being recommended for approval are for the express purposes of meeting existing operating expenses of GWP, purchasing supplies, equipment or materials necessary to operate the utility, funding certain capital improvements necessary to supply electricity to the residents and businesses within Glendale's service area, and to ensure the Glendale City Charter authorized intra-city transfer can be maintained.

SECTION 6. The City Council hereby adopts the amendments proposed herein and the electric rate schedule as set forth in Exhibit "1", attached hereto and incorporated herein by reference.

SECTION 7. Severability. This Ordinance is adopted under the authority of the Charter of the city of Glendale and State law. If any section, subsection, clause or phrase is declared invalid or otherwise void by a court of competent jurisdiction, it shall not affect any remaining provision hereof. In this regard the City Council finds and declares that it would have adopted this measure notwithstanding any partial invalidity hereof.

SECTION 8. Effective Date. This Ordinance shall take effect and be in force thirty (30) days after the date of its passage.

Passed by the Council of the City of Glendale on the _____ day of _____, 2024.

Mayor

ATTEST:

City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS.
CITY OF GLENDALE)

I, Suzie Abajian Ph.D., City Clerk of the city of Glendale, certify that the foregoing Ordinance No. _____ was passed by a majority vote of the Council of the city of Glendale, California, at a regular meeting held on the _____ day of _____, 2024, and that the same was passed by the followed vote.

Ayes:

Noes:

Absent:

Abstain:

City Clerk