

Glendale Water & Power Rate Restructure Frequently Asked Questions 2018

1. Why is Glendale Water & Power (GWP) proposing both an electric and water rate adjustment?

Every five years GWP conducts a Cost of Service Analysis (COSA) to ensure that electric and water rates are adequate to fund our costs, and are being fairly charged to customers. The proposed rate adjustments will ensure that we have sufficient revenue to cover operating costs. GWP uses the COSA to determine the proposed rate restructure. The goal of each COSA is to evaluate and identify the optimal mix of debt and rate (i.e. cash) funded portions of the capital program while maintaining competitive rates and financial stability.

2. When will the rates take effect? When is the Public Hearing?

If the proposed five year rate adjustments for electric and water are approved by the City Council on June 5, 2018, the rates will take effect in July 1, 2018, and every July 1st for the subsequent years until 2023. A public hearing is scheduled for **Tuesday, May 22, 2018 at 6:00 p.m. in the Glendale Council Chambers.**

3. Where can I learn more about the proposed rate restructure for electric and water?

Please [click here](#) to access the Executive Summary for the electric rate restructure. [Click here](#) to access the Executive Summary for the water rate restructure. You can also attend the three community meetings we have scheduled to ask questions and obtain more information.

Community Meetings in Glendale:

Wednesday 5/2/18 6:00 – 7:30 p.m. Adult Recreation Center 201 E. Colorado St., 91205

Thursday 5/3/18 6:00 – 7:30 p.m. Sparr Heights Community Center 1613 Glencoe Way, 91208

GWP Commission Meeting

Monday 5/7/18 4:00 p.m. City of Glendale Council Chambers 613 E. Broadway, 91206

4. Why did I receive two different Proposition 218 notices in one envelope? Also, why did I receive duplicate envelopes with notices?

Proposition 218 (Prop. 218), also known as the “Right to Vote on Taxes Act,” requires notices be mailed to customers and property owner(s) to inform them of proposed increases to certain fees and charges. Prop. 218 requires public notice and a public hearing prior to the imposition of the proposed rates. GWP customers and property owners were mailed two Prop. 218 notices. One was sent from GWP for the proposed water utility rate restructure and the other notice was sent by the Public Works department for the proposed wastewater rate increase for the city’s wastewater utility. Prop. 218 does not apply to electric rates.

Some customers received multiple mailings of the Prop. 218 notices because the notices were sent to the list compiled and kept by the Los Angeles County Assessor's database of property owners in the City of Glendale, as well as individuals who are sewer and/or water customer account holders. For any questions on the wastewater rates please contact the Public Works Dept. – Engineering Division - 818-548-3945

5. Where can I find the presentations that were made at the community meetings on the proposed rate adjustments?

The Power Point Presentations can be viewed [here](#). Or by visiting www.GlendaleWaterAndPower.com and clicking on “Rates” link on the left side menu, then clicking on the “Rates PPT Presentation” on the main page.

Water Rate Restructure Frequently Asked Questions

1. Who conducted the water COSA?

Raftelis Financial Consultants, Inc., an independent financial consulting firm.

2. Why are you proposing a new rate restructure for water?

The costs incurred by GWP to operate, maintain, repair and replace infrastructure such as pipes, pumps and other essentials continue to increase. The proposed rate restructure will ensure that GWP has sufficient revenue to cover the costs necessary to maintain and operate the City's water system.

3. What costs have increased?

- Cost of Purchased Water
- Regulatory Compliance Costs
- Energy Costs for Pumping

4. What's different in this COSA than from the previous water COSA?

- The tier structure for single family customers was reduced from four tiers to three (multi-family continues to have two tiers and the commercial/irrigation class continues to have one tier).
- The total average rate for Recycled and Fire Line rates are reduced.
- The Drought Charge has been reduced.

5. What total annual base rate revenue adjustments are being requested over the next five years?

GWP is proposing the following 5 year revenue structure: total annual base rate revenue adjustments over the next five fiscal years (July 1 to June 30):

2018/19	+1.0%
2019/20	+1.0%
2020/21	+1.5%
2021/22	+2.0%
2022/23	+2.0%

In addition, there are changes to the rate structure.

Tier Allotment Change

- **Tier 1** – For single family customers increased from 6 to 8 hundred cubic feet (hcf) to provide adequate indoor water requirements.
- **Tier 1** – For multi-family customers increased from 5 to 6 hcf to better accommodate efficient water users.

6. How could this affect my bill?

Average **single family** residential consumption in Glendale is approximately 15 hcf monthly. The average single family residential current bill is \$74.60. The proposed revenue adjustment will result in a \$1.51 decrease in their monthly bill in Fiscal Year (FY) 2018 - 2019. The bill for the same usage would be \$73.86 in FY19-20, \$74.99 in FY 20-21, \$76.55 in FY 21-22 and \$78.19 in 22-23.

Refer to [Prop 218 Notice](#) for detailed proposed rate increase information and refer to your customer class and individual average consumption

7. Will drought surcharges be affected?

The proposed drought surcharges represent a significant reduction compared to current drought charges. The proposed drought surcharges correspond with the City’s Water Conservation ordinance and apply to Phases II, III, IV or IV should either of those phases be declared.

8. How do I protest the proposed water and wastewater rate adjustments?

The property owner, or a tenant, may submit a **written** protest, which must:

- Identify the property by including either the Assessor's Parcel Number (APN) or mailing address;

- Include the signature of the person submitting the protest. Due to the signature requirement, emailed or faxed protests cannot be counted;
- Include a statement that the person submitting the protest objects to the proposed rate increase;
- Indicate whether the protest applies to the proposed water rates, wastewater rates, or both;
- Be received **by the City Clerk prior to the close of the public hearing before the City Council on May 22, 2018.**

While both property owners and tenants may submit protests, only one protest will be counted for each parcel. Written protests may be mailed or delivered in person to:

City of Glendale City Clerk

613 E. Broadway Ave. RM 110

Glendale, CA 91206-4393.

Electric Rate Restructure Frequently Asked Questions

1. Who conducted the electric rate COSA?

New Gen Strategies and Solutions, LLC, an independent financial consulting firm.

2. What's different in this COSA than from the previous electric COSA?

- Based upon the automated metering system information that GWP now has available, the COSA was able to make a more refined determination of cost of service levels per customer class.
- The current revenues collected from the Residential class are less than the cost of service; as such the electric COSA proposes new rates designed to move this customer class closer to funding the cost of service.
- Time of Use rates have been redesigned to better incentivize off peak usage and to promote use of electric vehicles.
- Starting in year two, commercial rates will remain steady or experience continued reductions, while residential customers will experience increases to move them closer to funding the cost of service.
- To reduce the impact on residential customers GWP proposes to phase in these required rate adjustments over several years starting in 2020.

3. Why are you proposing new rates for the electric utility?

The costs incurred by GWP to operate, maintain, repair and replace infrastructure continue to increase. The proposed rate restructure will ensure that GWP has sufficient revenue to cover operational and capital improvement costs.

4. Is this electric rate adjustment necessary to possibly fund the \$500 million Grayson Repowering costs?

The financial analysis conducted as part of the COSA process did evaluate the potential rate impact of the proposed Grayson Power Plant Repowering project and it was determined that the project would have no impact on current or proposed rates.

5. What total annual base rate revenue adjustments are being requested over the next five years?

GWP is proposing the following total annual base rate revenue adjustments over the next five fiscal years:

2018/19	0.0%
2019/20	+0.5%
2020/21	+1.0%
2021/22	+1.0%
2022/23	+1.0%

All customer classes will see a bill reduction the first year as the Regulatory Adjustment Charge of \$0.0076/kwh is reduced to zero. After the first year, residential rates will increase by approximately 3% each year, in order to bring this customer class closer to funding their cost of service as required by Proposition 26.

6. How could this affect my bill?

Average L-1-A Class residential electric usage in Glendale is approximately 404 KWh per month which equates to monthly bill of \$75.89. The proposed revenue adjustment will result in a \$3.07 decrease in the average residential monthly bill in Fiscal Year (FY) 18-19. In FY 19-20 the bill for the same usage would be \$75.17, \$77.65 in FY 20-21, \$80.23 in FY 21-22, and \$82.88 in FY 22-23.

7. How does this affect a low-income customer's bill?

The average **low-income family's** electric usage in Glendale is approximately 280 KWh per month which equates to \$53.67. The proposed revenue adjustment will result in a \$2.12 decrease in their monthly bill in FY 2018-2019. In FY 19-20 the bill for the same usage would be \$53.82, \$56.07 in FY 20-21, \$58.50 in FY 21-22 and \$60.97 in FY 22-23.

GWP is proposing an increase to the Glendale Care low-income discount and recommending the discount increase from \$13 to \$15 a month. The low income discount is funded by Public Benefit Charge revenues. The net bill for the above usage after the proposed increase in the Glendale Care discount is applied is the following:

Current - \$40.67 (with a \$13 Glendale Care monthly discount)

2018/19 - \$36.55

2019/20 - \$38.82

2020/21 - \$41.07

2021/22 - \$43.50

2022/23 - \$45.79