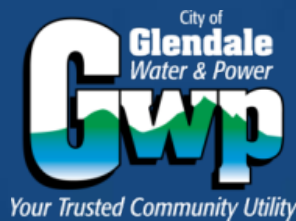


Community Meeting Proposed Electric Rate Presentation



Welcome

Steve Lins, Chief Assistant General Manager

Our History GWP Today Video

<http://youtu.be/-ZhPSsGk07M>

Reliability

Steve Lins, Chief Assistant General Manager

Past Challenges

- 1994 – Northridge Earthquake
 - GWP had lights back on in hours, while others were without power for several days
- 2000 and 2001 – Western Energy Crisis
 - CA experienced rolling blackouts due to significant shortages of electricity
 - Glendale capital investments shielded our customers from this experience
- 2006 – North American Heat Wave
 - Heat wave severely stressed power systems across the state resulting in reductions in energy usage by customers
- 2011 – Wind Storm
 - Minor problems in Glendale, SCE and other Cities with long outages

Current Challenges

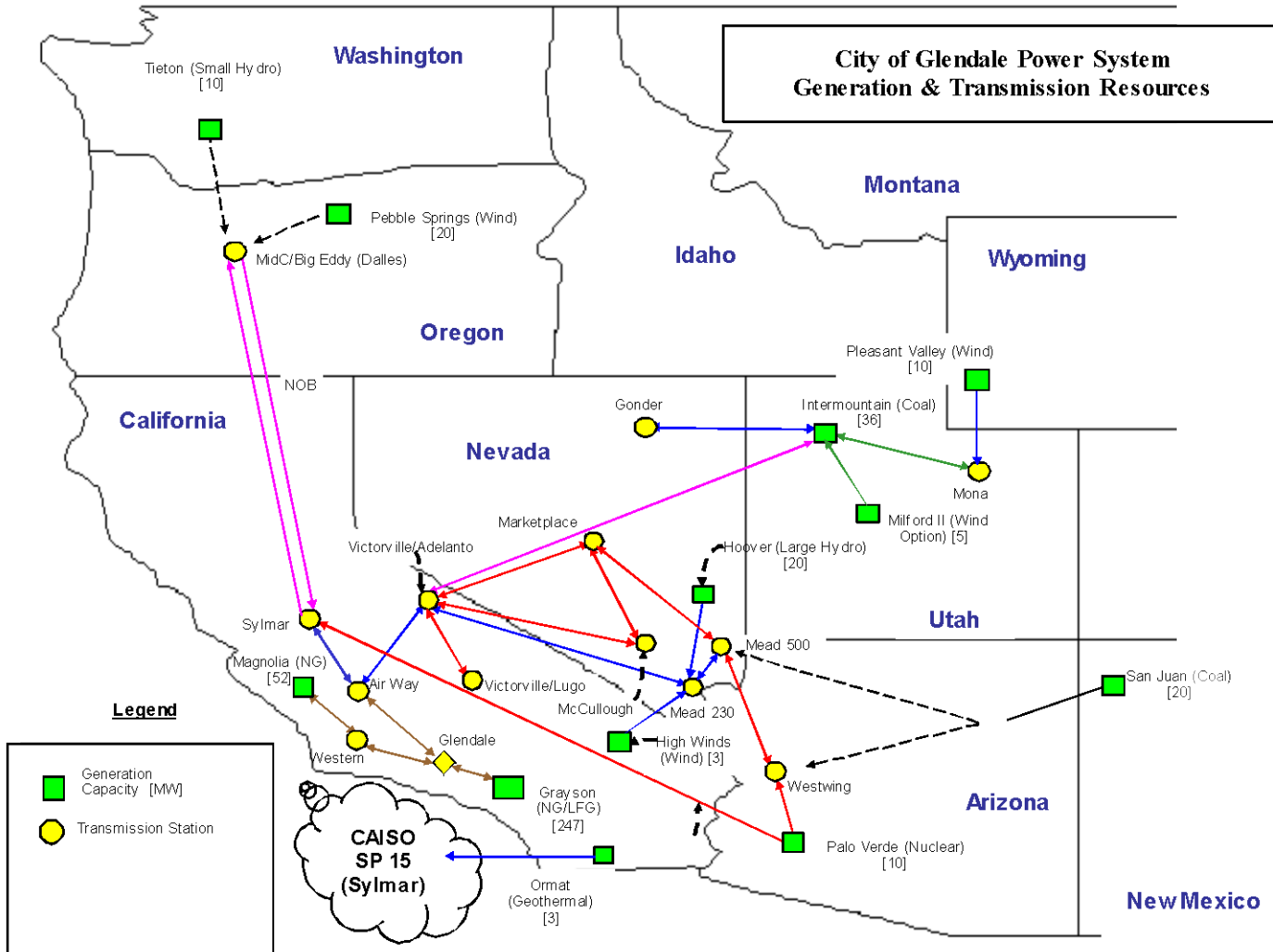
- Continue to identify and implement cost cutting measures started last year
- Funding our capital improvement budget that was essentially zeroed out
- Continue to modernize our system so we can maintain reliability as we add more and more renewable energy resources into our system
- Continue to find cost effective ways to meet the ever increasing new regulations and mandates

Electric System

Steve Lins, Chief Assistant General Manager

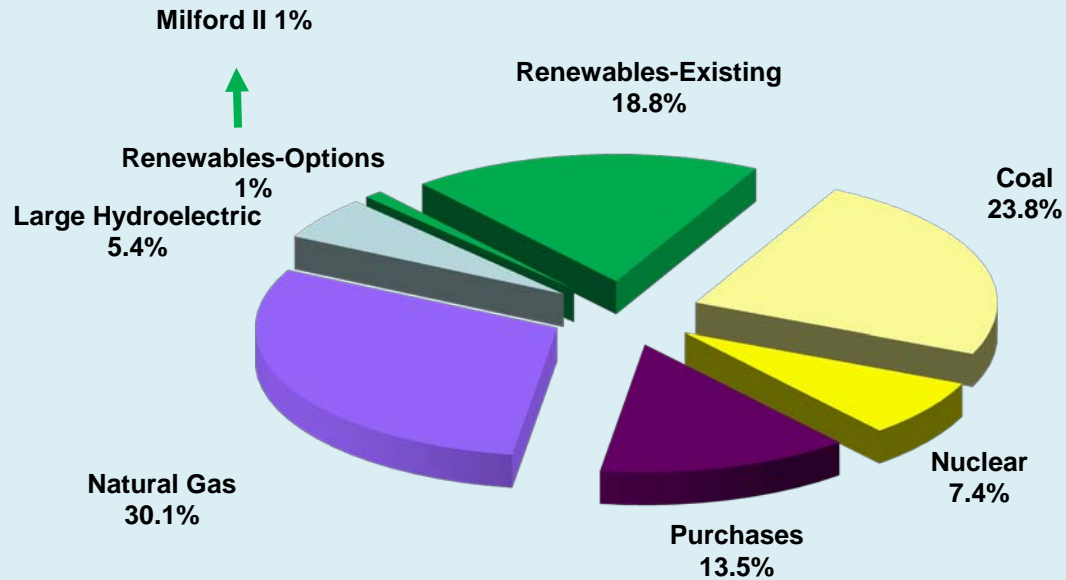
Ramon Abueg, Chief Assistant General Manager

Our System



Our Power Mix

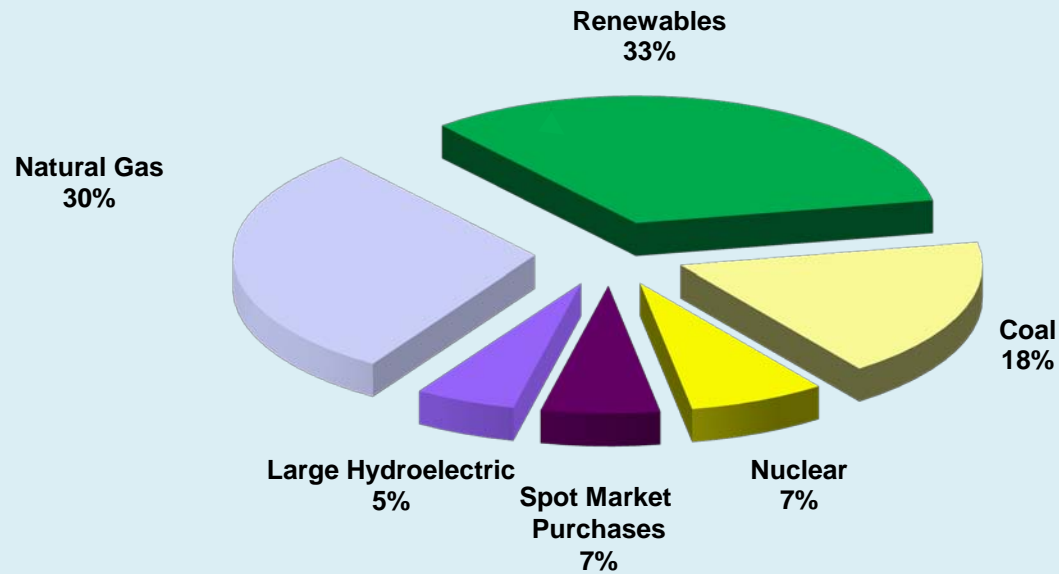
GLENDALE WATER & POWER CY 2012 ENERGY RESOURCE MIX



Existing Renewables excludes Large Hydro: Hoover

2020 Power Mix

GLENDALE WATER & POWER ESTIMATED CY 2020 ENERGY RESOURCE MIX



Existing Renewables excludes Large Hydro: Hoover

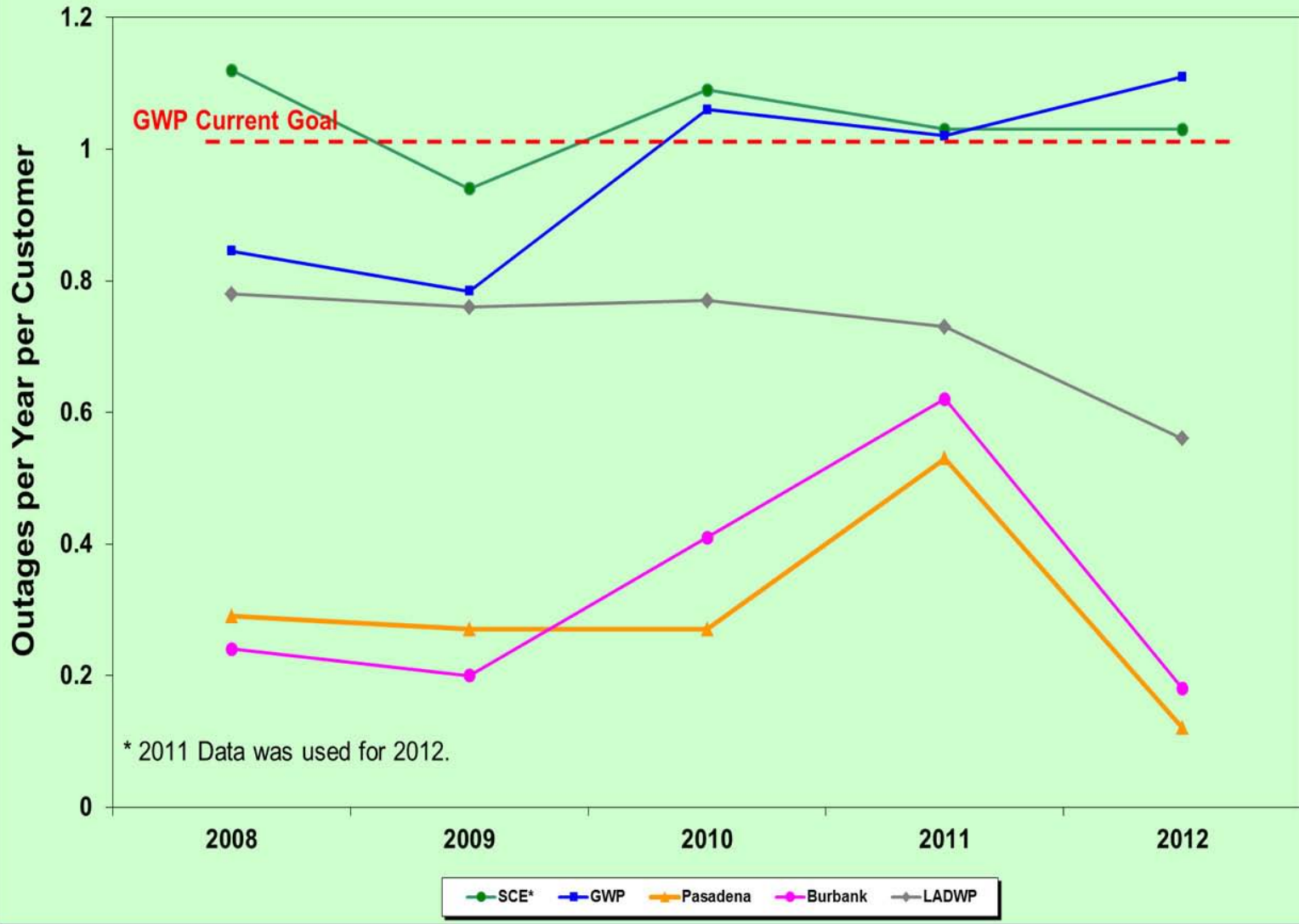
Our System

- 84,500 meters
 - 72,623 residential
 - 10,831 small commercial
 - 1929 medium commercial
 - 218 large commercial
- 12 Substations
- 108 distribution feeders
- 550 miles of lines
- Resources across 8 states

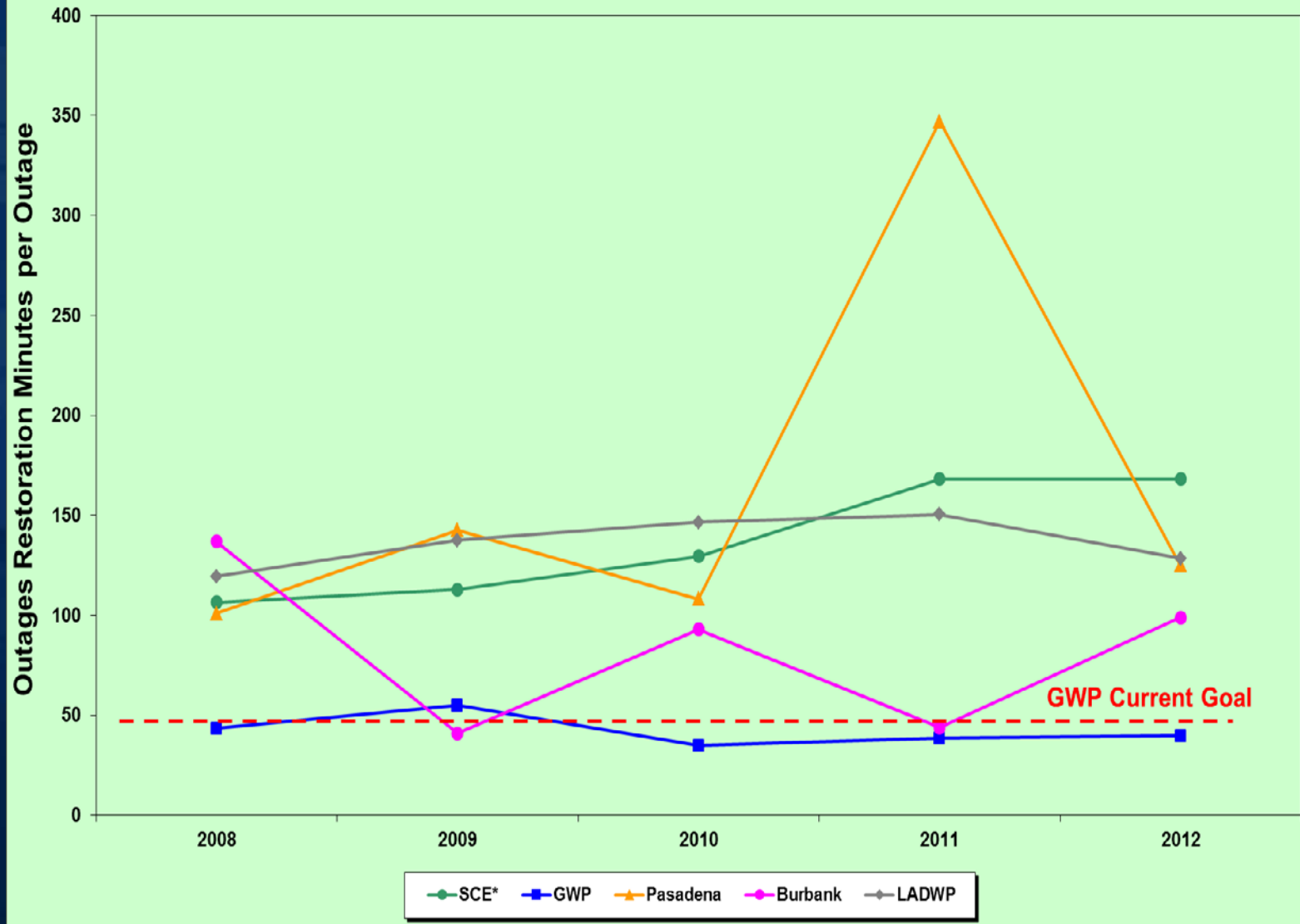
Recent Capital Investments

■ Total	\$108.2 Million
■ Electric Services	\$ 59.2 million
■ Power Management	\$ 22.0 million
■ Utility Modernization (net)	\$ 26.0 million
■ Allocated General Plant	\$ 1.0 million

Number of Outages Comparison



Restoration Time Comparison



Utility Modernization

- Digital Meter Conversion successful
- Billing using the new system
- Opening doors to new programs to help customers conserve and manage their energy and water usage such as:
 - Smart Phone Applications
 - In-home display program
 - Demand Response programs for all customers
 - Thermostat program
 - Electric Vehicles

Five Year Capital Plan

Steve Lins, Chief Assistant General Manager

Electric Utility CIP Summary - Five Year Plan

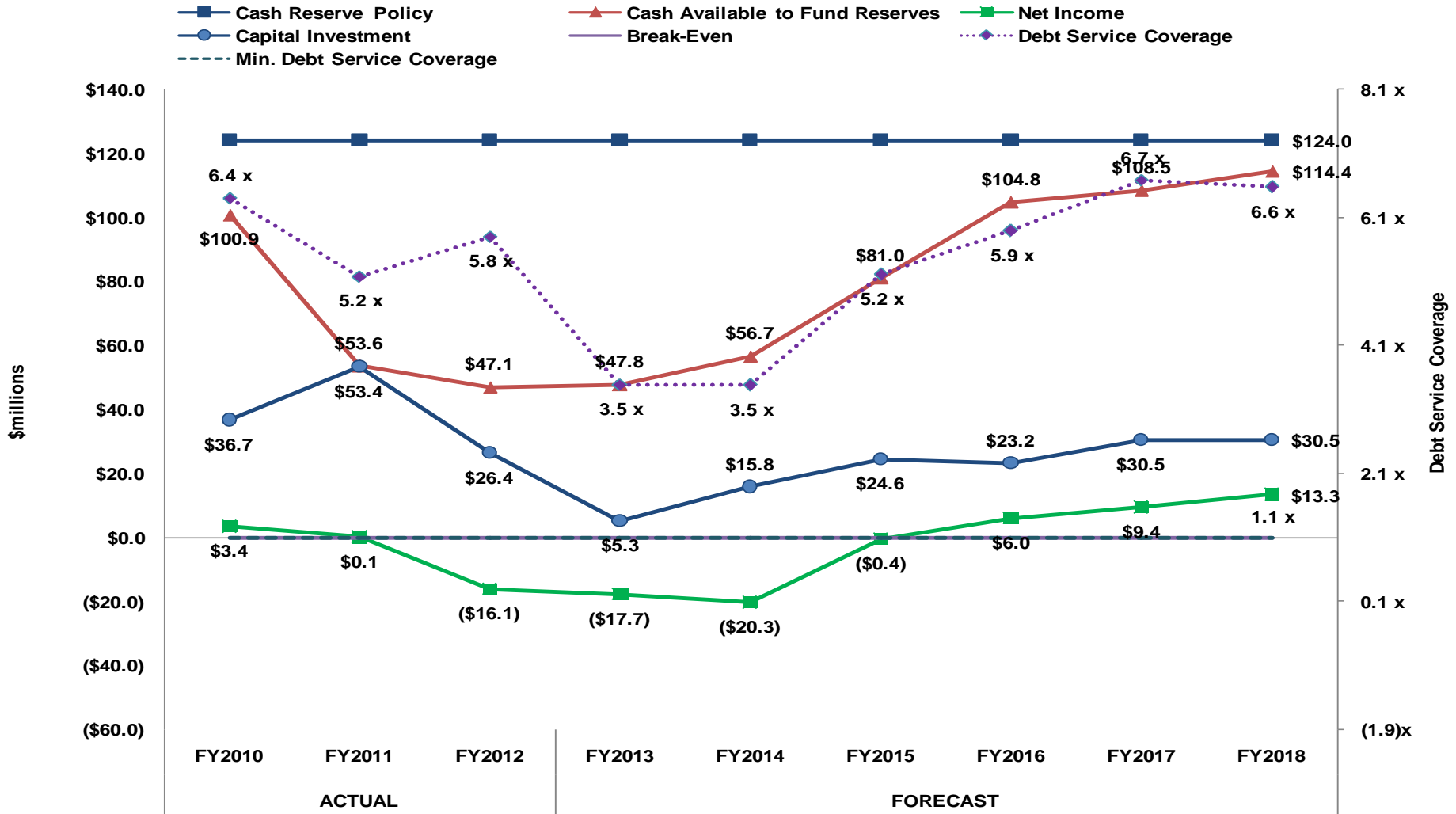
	<u>2013-14 Budget</u>	<u>2014-15 Plan</u>	<u>2015-16 Plan</u>	<u>2016-17 Plan</u>	<u>2017-18 Plan</u>	<u>FY14-18 Plan Totals</u>
Distribution Capital	\$ 4,974	\$ 13,790	\$ 10,476	\$ 14,462	\$ 15,472	\$ 59,173
Power Management						
Grayson Power Plant	600	4,300	6,901	4,396	2,445	18,642
Transmission	2,818	-	-	-	-	2,818
Scholl Canyon Modernization	-	-	-	230	-	230
Other	4,108	3,164	2,466	1,010	1,041	11,789
	304	-	-	-	-	304
Power Management Capital	7,830	7,463	9,368	5,636	3,486	33,783
Allocated Capital	1,088	-	-	-	-	1,088
Total Electric Utility Capital	\$ 13,892	\$ 21,253	\$ 19,844	\$ 20,098	\$ 18,958	\$ 94,044

Financial Position

Eric Campbell, Finance Administrator

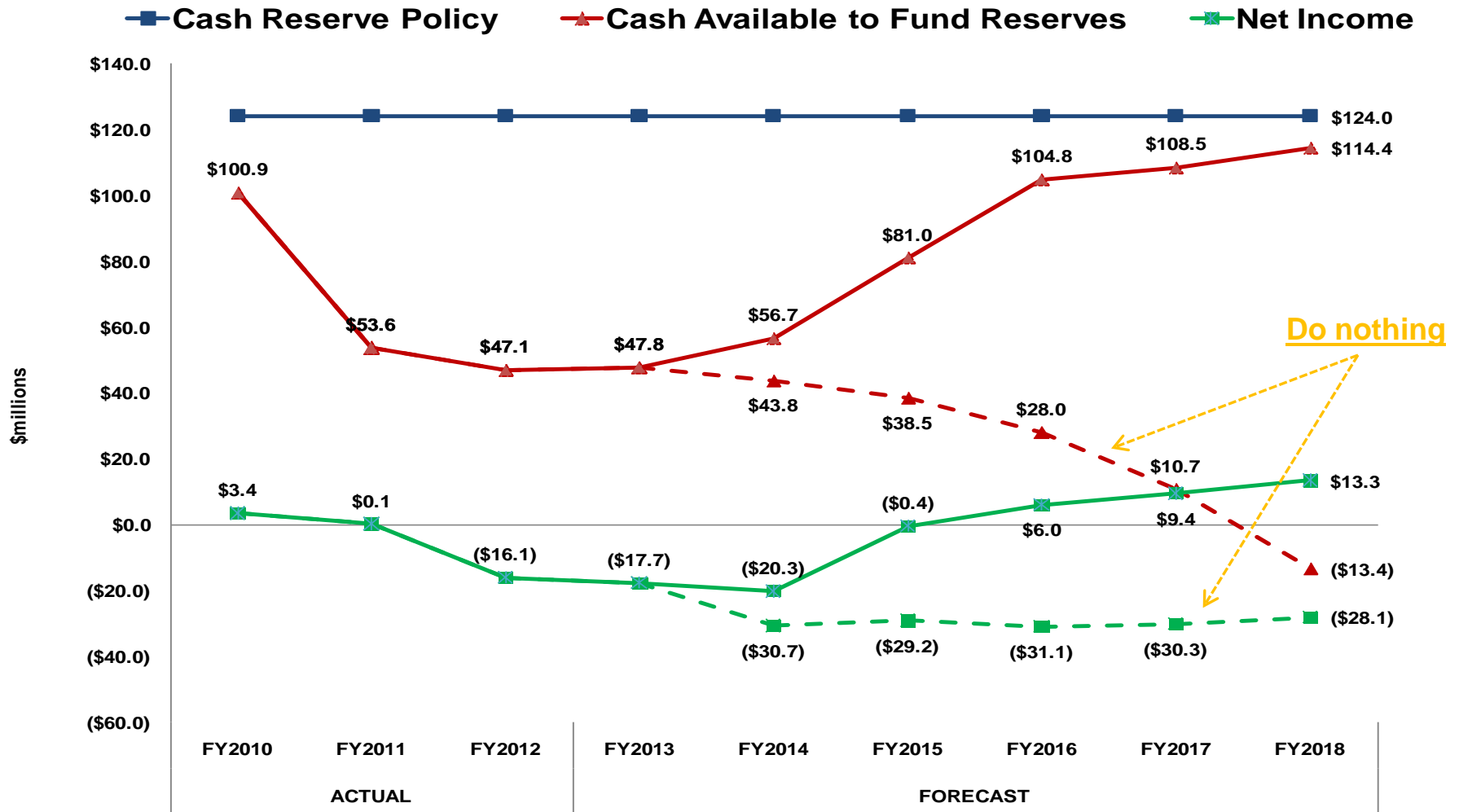
Financial Plan

8%, 7%, 5%, 2%, 2%



Do Nothing & Financial Plan

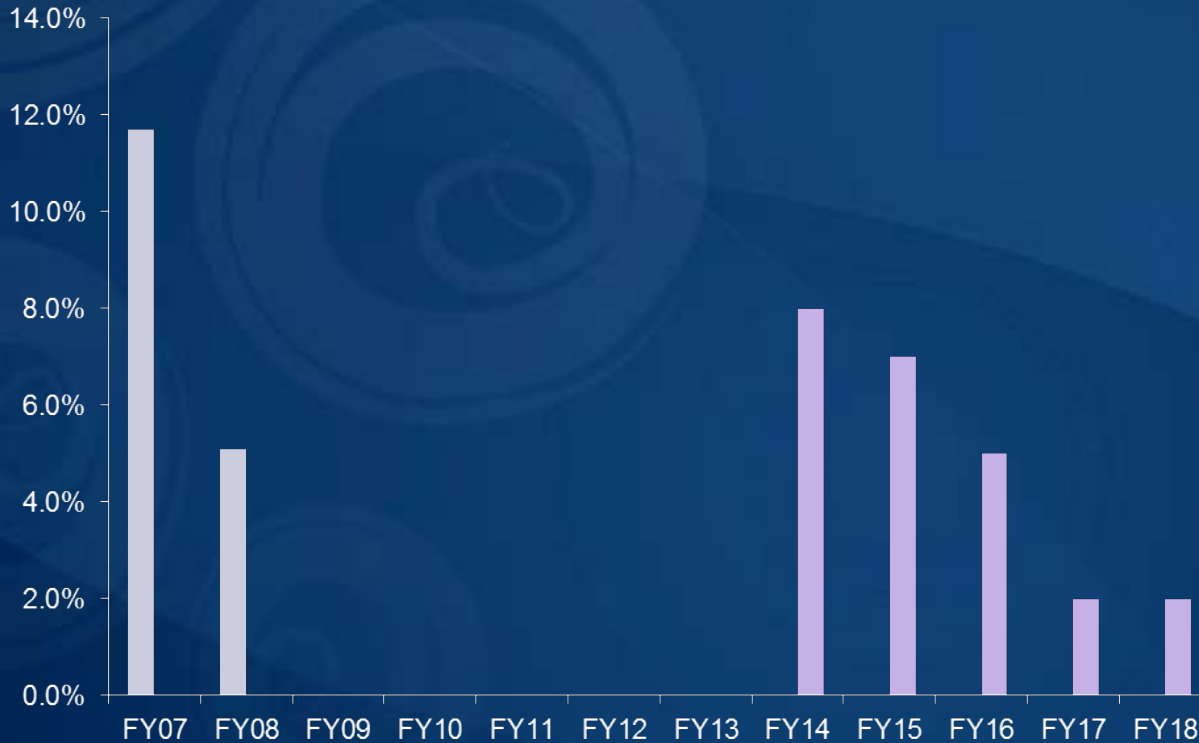
8%, 7%, 5%, 2%, 2%



Electric Rates

Eric Campbell, Finance Administrator

Recent & Proposed GWP Electric Rate Increases



2006-2007	11.7%
2007-2008	5.1%
2008-2009	----
2009-2010	----
2010-2011	----
2011-2012	----
2012-2013	----
2013-2014	8% Proposed
2014-2015	7% Proposed
2015-2016	5% Proposed
2016-2017	2% Proposed
2017-2018	2% Proposed

Recent Rate Actions

■ LADWP

- Approved for July 1, 2012 – 4.8% rate increase
- **Approved for July 1, 2013 – 6.0% rate increase**

■ PWP

- Just wrapped up a 5 year rate increase plan
- Approved for July 15, 2012 – 2.3% rate increase
- **Pending 7/1/2013 – 1.0% rate increase**

■ BWP

- **Pending 7/1/2013 – 1.75% rate increase**

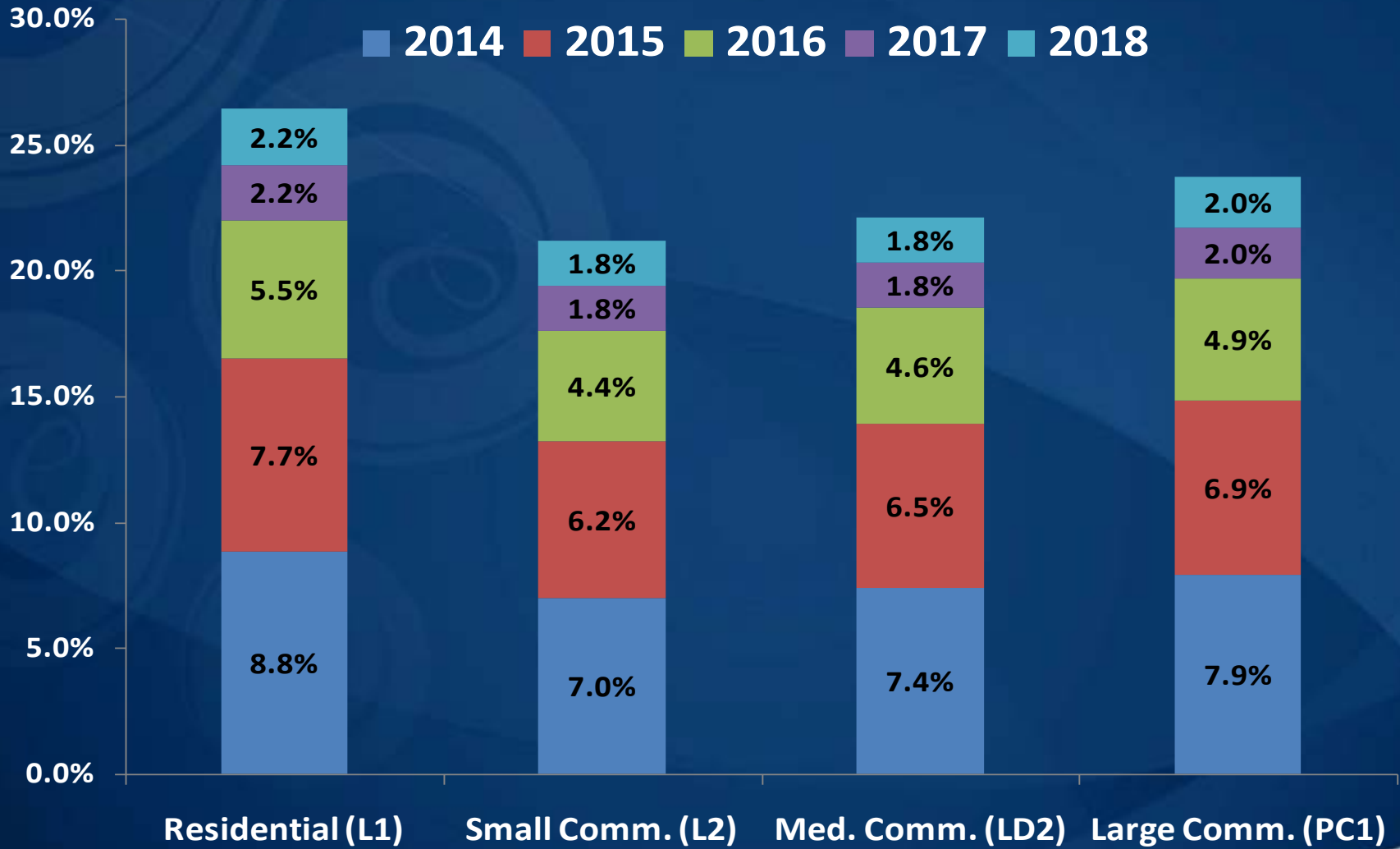
■ SCE

- Approved for January 1, 2013 – 7.7% rate increase

Proposed Rate Plan

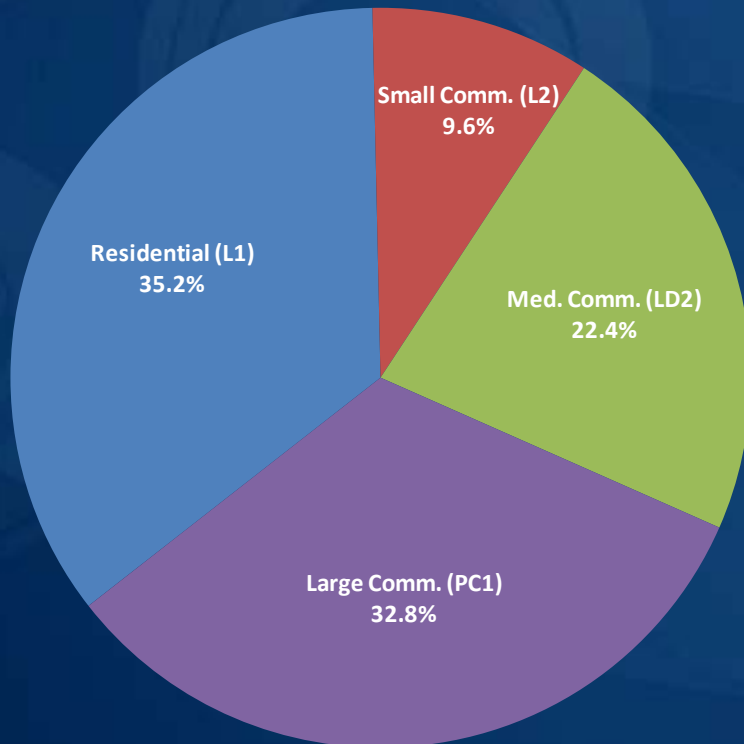
Fiscal Year	Residential (L1)	Small Commercial (L2)	Small Commercial Demand (LD2)	Commercial (PC1)	System Average
2014	8.8%	7.0%	7.4%	7.9%	8.0%
2015	7.7%	6.2%	6.5%	6.9%	7.0%
2016	5.5%	4.4%	4.6%	4.9%	5.0%
2017	2.2%	1.8%	1.8%	2.0%	2.0%
2018	2.2%	1.8%	1.8%	2.0%	2.0%

Proposed Rate Plan

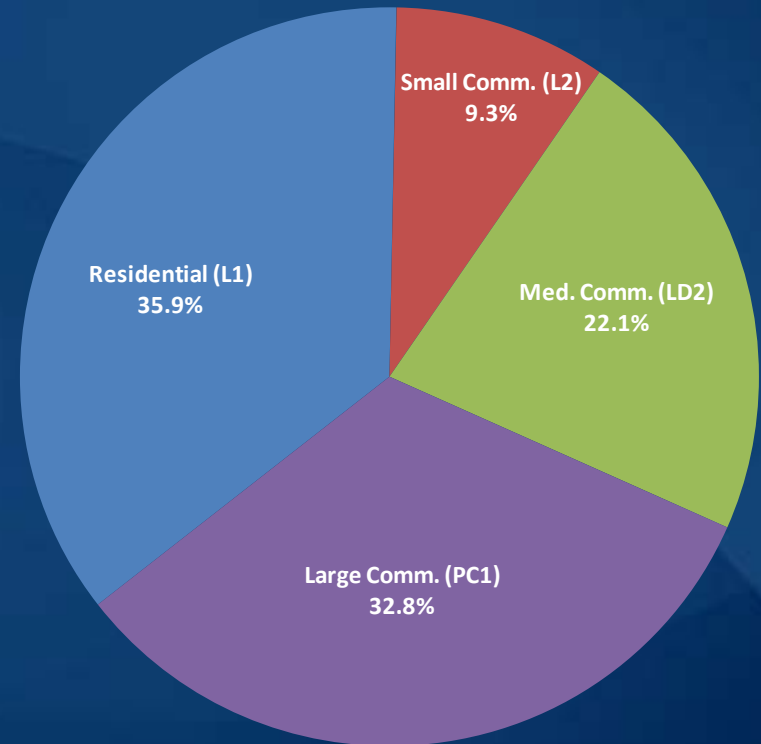


Prop 26: Rates and Cost Causation

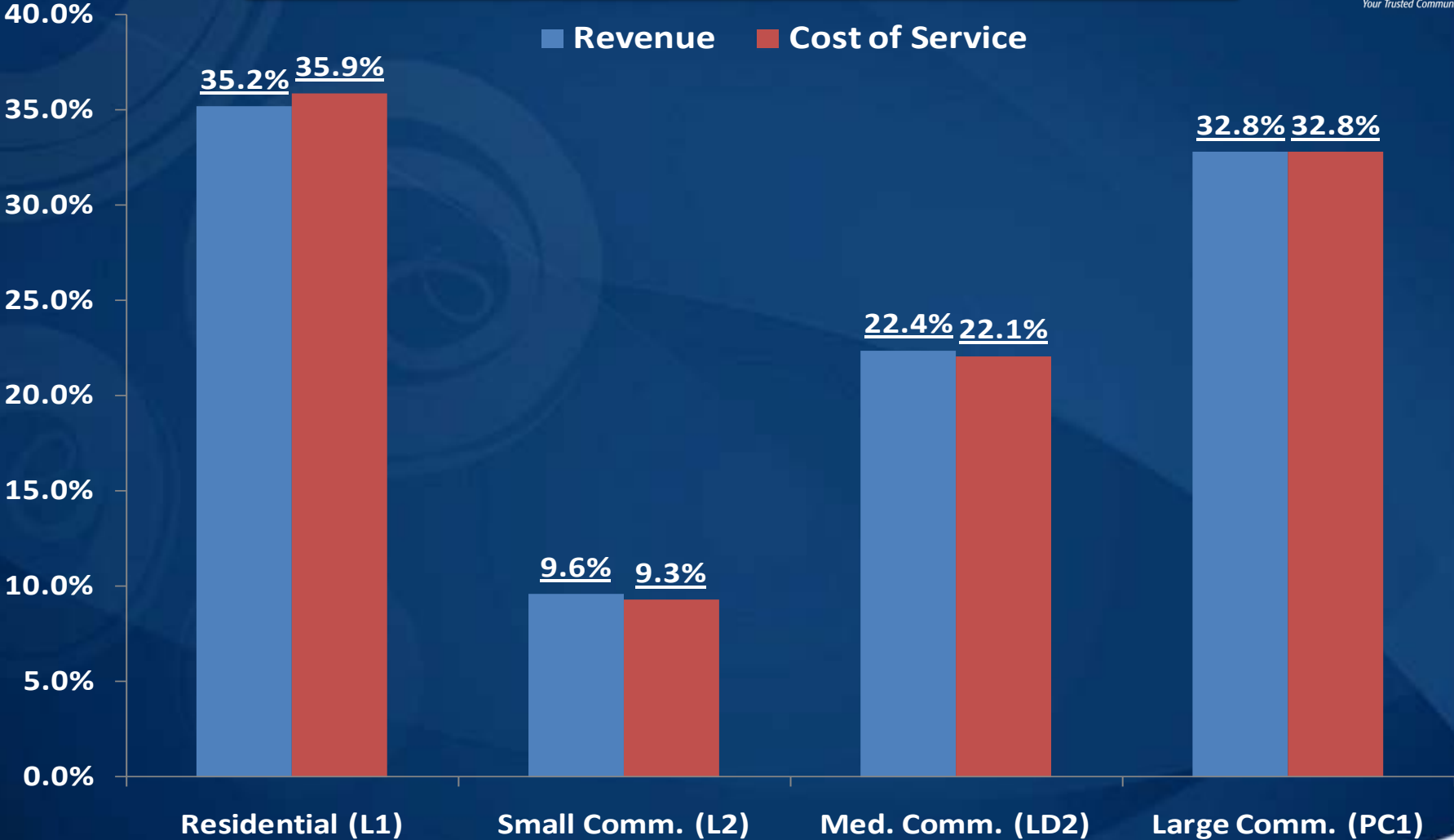
- Revenue at Current Rates



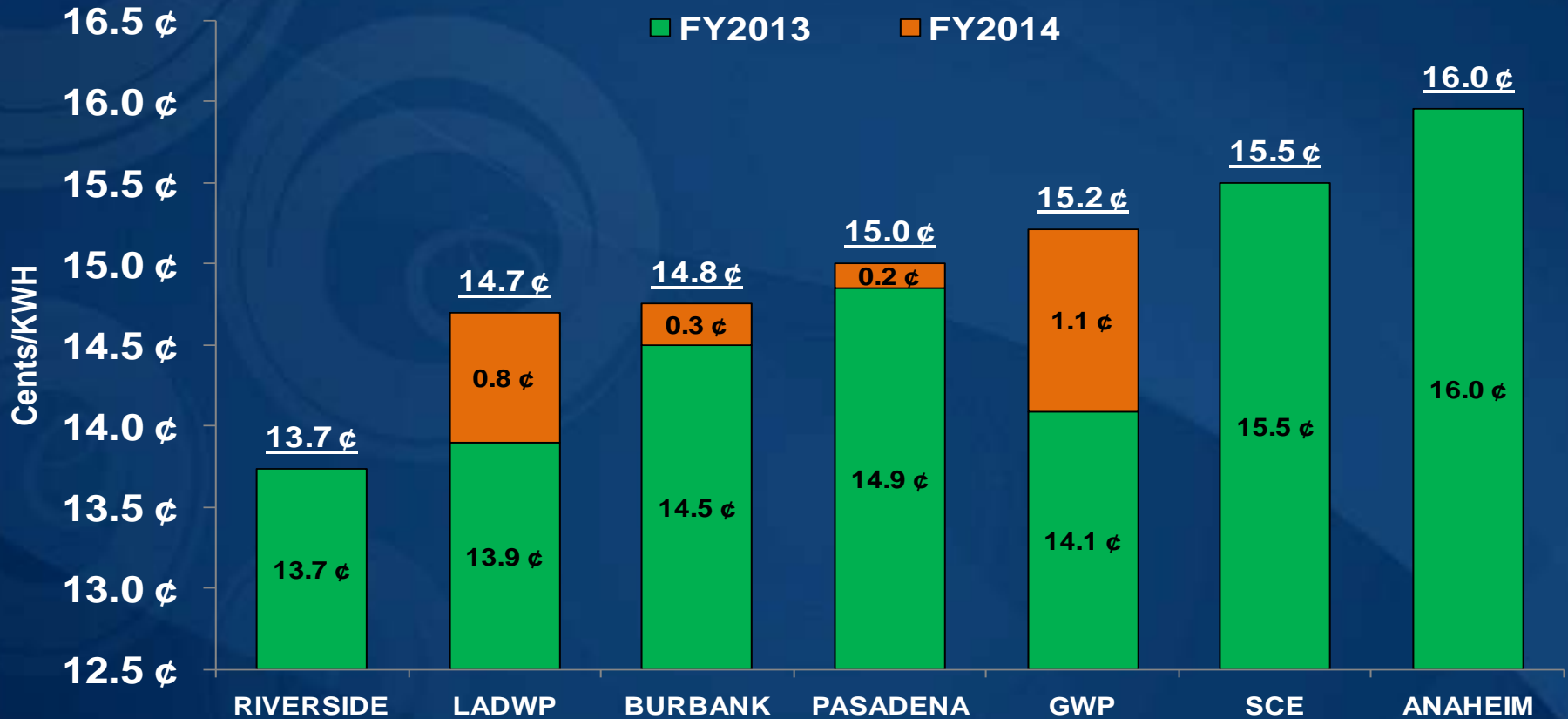
- Cost to Provide Service



Comparison: Revenues & Costs



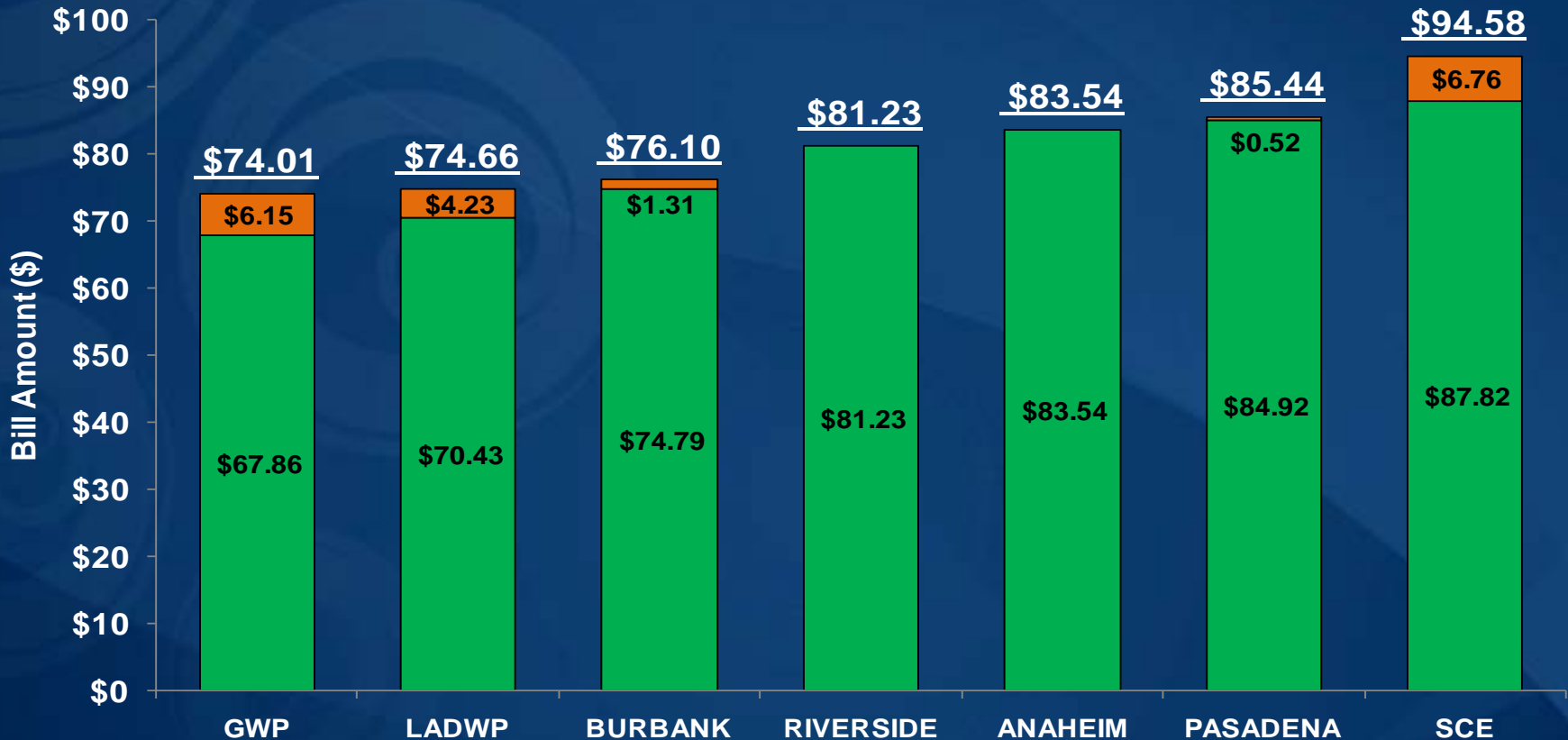
System Average Rates



Additional Utility	0.9 ¢	1.4 ¢	1.0 ¢	1.1 ¢	1.0 ¢	0.9 ¢	N/A
User's Tax	6.5%	10.0%	7.0%	7.67%	7.0%	6.0%	N/A

Source: California Municipal Rates Group Rate Publication May 2014

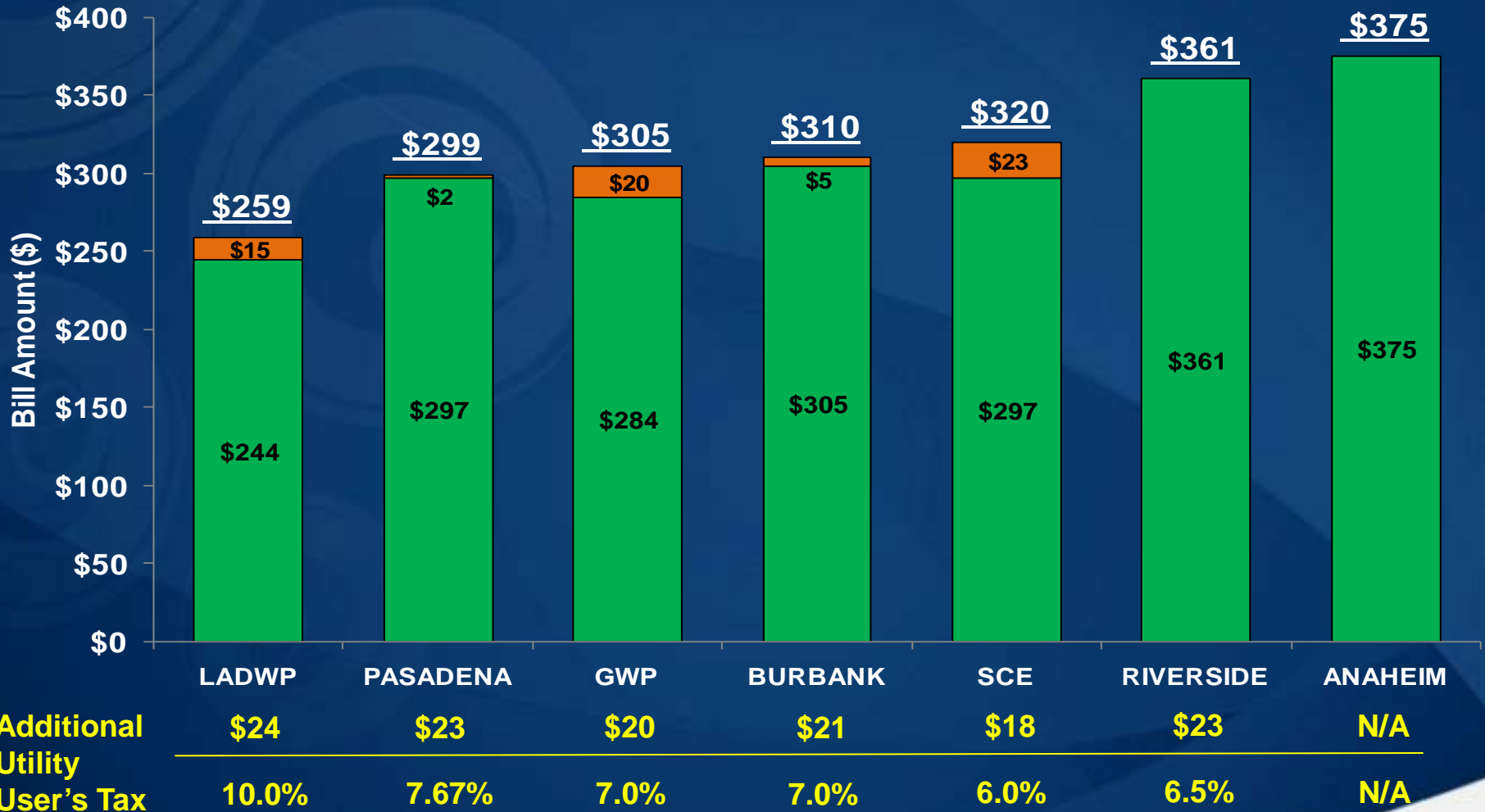
Monthly Residential Bill - 500 kWh



	GWP	LADWP	BURBANK	RIVERSIDE	ANAHEIM	PASADENA	SCE
Additional Utility	\$4.75	\$7.04	\$5.24	\$5.28	N/A	\$6.51	\$5.27
User's Tax	7.0%	10.0%	7.0%	6.5%	N/A	7.67%	6.0%

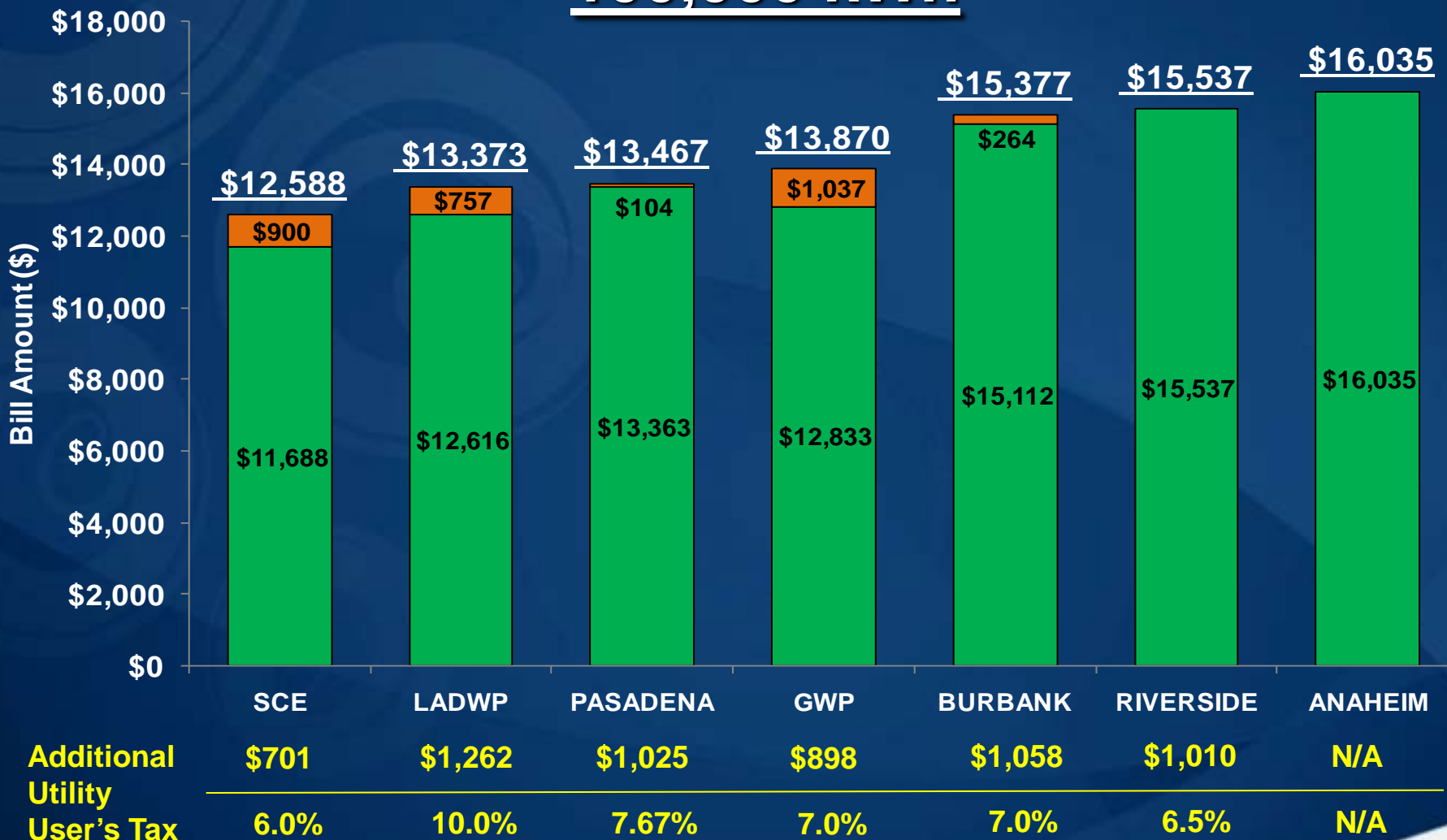
Source: LADWP April 2013 Rate Publication

Monthly Small Commercial Bill 2000 kWh



Source: LADWP April 2013 Rate Publication

Monthly Commercial Bill 100,000 kWh



Source: LADWP April 2013 Rate Publication

Monthly Residential Bill Impact

Average Monthly Bill	Current	Proposed				
		FY2014	FY2015	FY2016	FY2017	FY2018
Low Income (250 kWh per Month)	\$39.94	\$43.59	\$47.17	\$49.82	\$50.98	\$52.17
Incremental Change	\$0.00	\$3.65	\$3.58	\$2.65	\$1.16	\$1.19
Multi-Family (335 kWh per Month)	\$51.50	\$56.14	\$60.70	\$64.08	\$65.56	\$67.06
Incremental Change	\$0.00	\$4.64	\$4.56	\$3.38	\$1.48	\$1.50
Single Family (659 kWh per Month)	\$103.15	\$112.31	\$121.16	\$127.87	\$130.74	\$133.69
Incremental Change	\$0.00	\$9.16	\$8.85	\$6.71	\$2.87	\$2.95

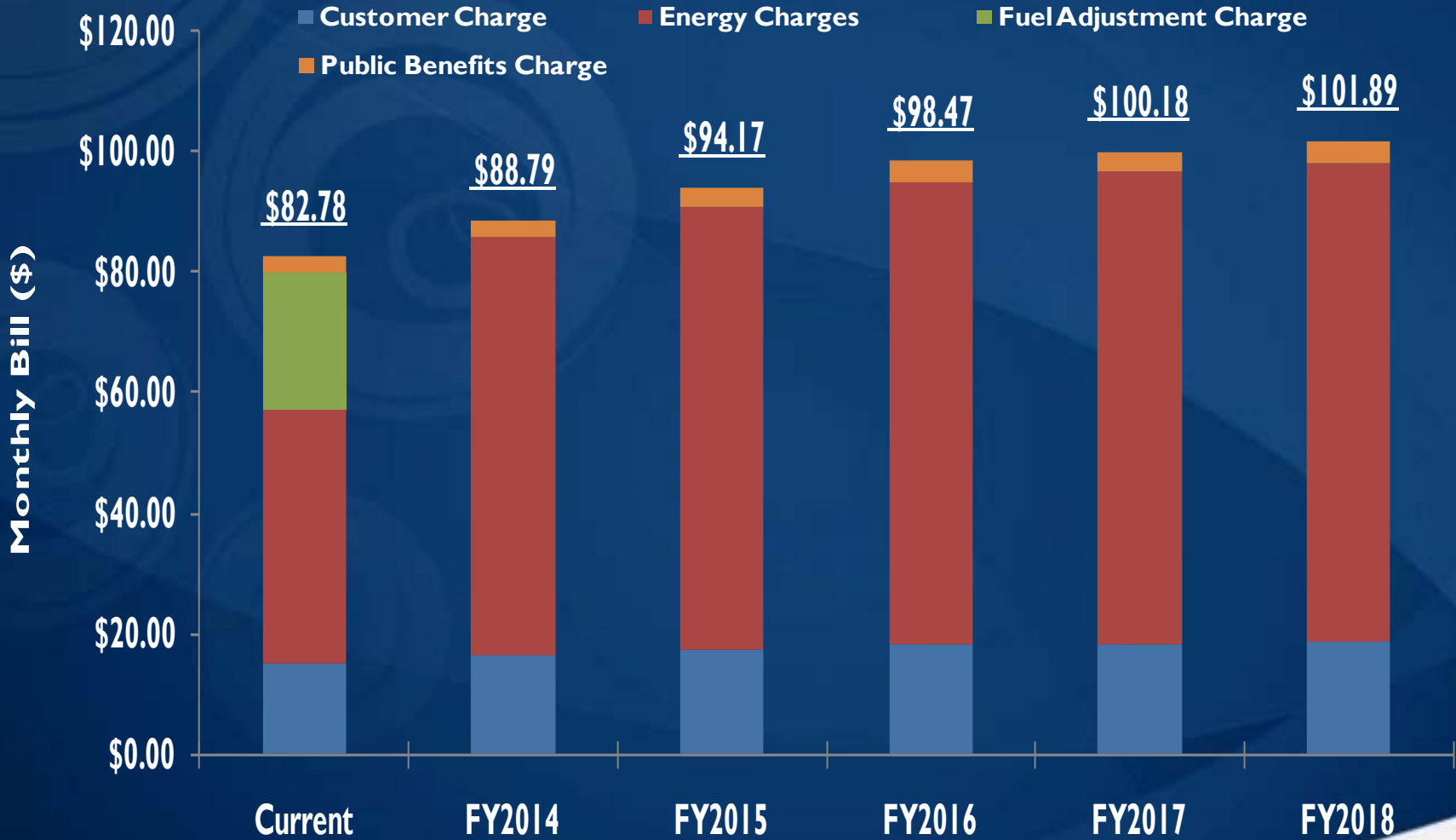
Low Income Discount Program

- Glendale Care offers eligible low-income customers a monthly \$10.00 discount off their utility bill

Average Monthly Bill	Current	Proposed				
		FY2014	FY2015	FY2016	FY2017	FY2018
Low Income (250 kWh per Month)	\$39.94	\$43.59	\$47.17	\$49.82	\$50.98	\$52.17
Low Income Discount	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Low Income Bill After Discount	\$29.94	\$33.59	\$37.17	\$39.82	\$40.98	\$42.17

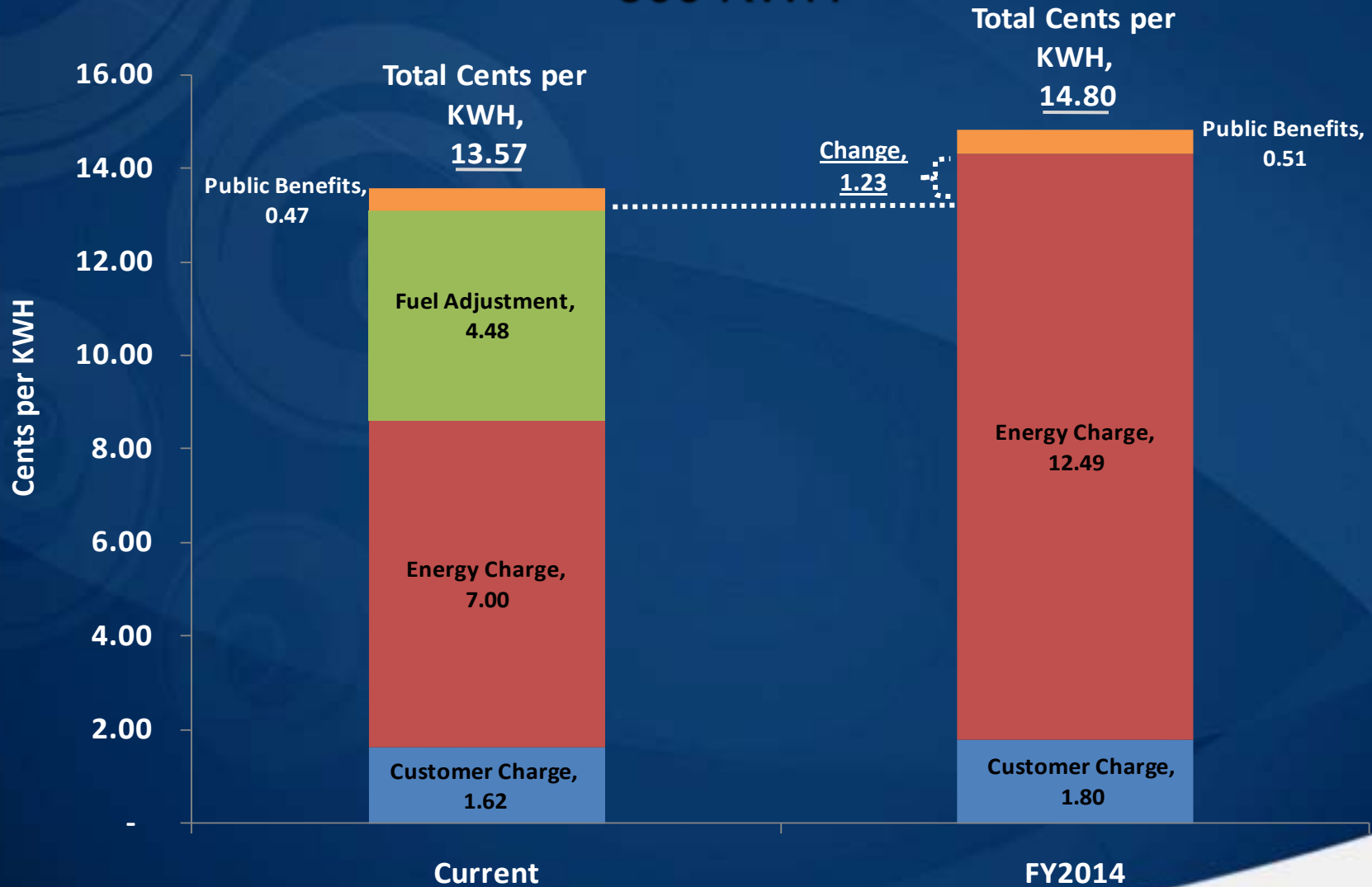
Residential Electric Rate (500KWH)

Current & Proposed Rate Changes



Components of Residential Electric Rate

500 KWH



BREAKOUT DISCUSSIONS