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**AGENDA  
MUNICIPAL SERVICES COMMITTEE  
March 11, 2014**

**MEMBERS**

Margaret McAustin, Chair, District 2  
Bill Bogaard, Mayor  
Terry Tornek, District 7

**STAFF**

Phyllis Currie, General Manager  
Sandra Robles, Recording Secretary

**MISSION STATEMENT**

The City of Pasadena is dedicated to delivering exemplary municipal services, responsive to our entire community and consistent with our history, culture and unique character.

*Public meeting begins at 4:00 p.m.*

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*Materials related to an item on this Agenda submitted to the Municipal Services Committee **after** distribution of the agenda packet are available for public inspection in the City Clerk's Office at 100 N. Garfield Avenue, Room S-228, Pasadena, during normal business hours.*



REGULAR MEETING OF THE  
MUNICIPAL SERVICES COMMITTEE  
Tuesday, March 11, 2014, 4:00 P.M.  
100 North Garfield Avenue, Pasadena, Council Chambers

**AGENDA**

**1. CALL TO ORDER/ROLL CALL**

**2. PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA**

- 3. APPROVAL OF MINUTES** – January 28, 2104 – Regular Meeting\*  
February 11, 2014 – Regular Meeting\*  
February 25, 2015 – Regular Meeting\*

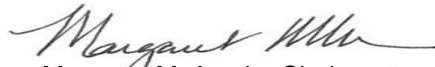
**4. NEW BUSINESS**

- A. Authorize the City Manager to Amend the Power Sales Agreements with Southern California Public Power Authority for the Purchase of Solar Energy from the Silverado Projects\*

**5. ADJOURNMENT**

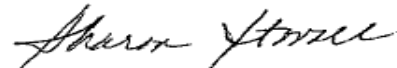
\* Attachment

**NEXT REGULAR MEETING**  
**March 25, 2014**

  
Margaret McAustin, Chair  
Municipal Service Committee

**POSTING STATEMENT:**

I HEREBY CERTIFY that this Agenda, in its entirety, was posted on the Council Chamber Bulletin Board S249, the bulletin board in the rotunda area at City Hall, 100 North Garfield Avenue, the City Clerk's Office, and a copy was distributed to the Central Library for posting on the 6th day of March, 2014 by 4:00 p.m.

  
Sharon Stovall

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**CITY OF PASADENA  
REGULAR MEETING OF THE CITY COUNCIL  
MUNICIPAL SERVICES COMMITTEE  
JANUARY 28, 2014  
COUNCIL CHAMBERS  
100 N. GARFIELD AVENUE (2<sup>ND</sup> FLOOR)**

**OPENING** The Chair called the regular meeting of the Municipal Services Committee to order 4:02 p.m.

**ROLL CALL:** Councilmember Margaret McAustin, Chair  
Mayor Bill Bogaard  
Councilmember Terry Tornek

Staff: Michael Beck, City Manager  
Julie Gutierrez, Assistant City Manager  
Lisa Hosey, Deputy City Attorney  
Vince Bertoni, Director of Planning and Community Development  
Scott Reimers, Senior Planner  
Mark Yamarone, Transportation Administrator  
Phyllis Currie, General Manager Water and Power  
Shari Thomas, Assistant General Manager, Water and Power  
Gurcharan Bawa, Assistant General Manager, Water and Power  
Leesa Nayudo, Resource Planning Manager  
Valerie Flores, Recording Secretary

**PUBLIC COMMENT** No one appeared for public comment.

**APPROVAL OF MINUTE** It was moved by Mayor Bogaard, seconded by Councilmember McAustin, to approve the minutes of December 10, 2013 (regular meeting) as submitted. (Motion unanimously carried) (Absent: None)

**NEW BUSINESS** **REVISING THRESHOLDS OF SIGNIFICANCE FOR TRAFFIC IMPACTS – IMPACT OF TIMING ON PROJECTS**

Vince Bertoni, Director of Planning and Community Development, introduced the agenda item and responded to questions.

Scott Reimers, Senior Planner, summarized the agenda report as part of a PowerPoint presentation, and responded to questions.

Following discussion, it was the consensus of the Committee to approve the staff recommendation, and forward the item to the full City Council for consideration, with the understanding that when determining which projects in the development review pipeline would be required to use the new traffic thresholds, it is recommended by the Committee to adopt Option Five (Application Deemed Complete and Memorandum of Understanding to Prepare a Traffic Study Executed), which entitles an applicant to utilize the existing thresholds if an application is deemed complete and a memorandum of understanding to prepare a traffic study is execute. Furthermore the Committee included an allowance for an applicant to use the new metrics voluntarily as long as an environmental impact report had not yet been circulated.

**INFORMATION ITEMS** **ELECTRIC COST OF SERVICES (ECOS) UPDATE**

Phyllis Currie, General Manager Water and Power introduced the agenda item and responded to questions.

Shari Thomas, Assistant General Manager, Water and Power, provided a PowerPoint presentation summarizing the electric cost of service study and rate design recommendations, and responded to questions.

Councilmember Tornek expressed concerns regarding the complicated nature of this item and asked staff to improve the tables and graphs shown during the PowerPoint presentation by illustrating the information in years and/or adding additional components to those illustrations.

The Chair requested that this item be presented to City Council in the form of a workshop discussion, and encouraged the Committee members to meet with staff to further review this item.

Following discussion, on the order of the Chair, and by consensus of the Committee, the information was received and filed.

### **GT-5 REPOWERING PROJECT UPDATE**

Gurcharan Bawa, Assistant General Manager, Water and Power, provided a PowerPoint presentation on Glenarm GT-5 Repowering Project, and responded to questions.

Antonio Watson, Project Manager, gave a brief overview of the efforts underway to ensure the use of local hiring for the GT-5 Repowering Project, and provided additional detail on the Pasadena's First-Buy Local program including the City's efforts to match primary contractors for the project with sub-contractors and businesses in Pasadena that can supply the necessary services, goods, materials, and/or equipment.

Following discussion, on the order of the Chair, and by consensus of the Committee, the information was received and filed.

### **POWER IRP 2014 UPDATE**

Phyllis Currie, General Manager, Water and Power, introduced the agenda item and responded to questions.

Leesa Nayudo, Resource Planning Manager, provided a PowerPoint presentation on the Power Integrated Resources Plan (IRP) Update, the request for proposals for consulting services, the proposed scope of work, and responded to questions.

Following a brief discussion, on the order of the Chair, and by consensus of the Committee, the information was received and filed.

On the order of the Chair, the regular meeting of the Municipal Services Committee was adjourned at 6:03 p.m.

\_\_\_\_\_  
MARGARET McAUSTIN, Chair  
Municipal Services Committee

Mayor Bogaard was excused at 5:57 p.m.

### **ADJOURNMENT**

ATTEST:

\_\_\_\_\_  
Valerie Flores  
Recording Secretary

**CITY OF PASADENA  
REGULAR MEETING OF THE CITY COUNCIL  
MUNICIPAL SERVICES COMMITTEE  
FEBRUARY 11, 2014  
COUNCIL CHAMBERS  
100 N. GARFIELD AVENUE (2<sup>ND</sup> FLOOR)**

**OPENING** The Chair called the regular meeting of the Municipal Services Committee to order 4:00 p.m.

**ROLL CALL:** Councilmember Margaret McAustin, Chair  
Mayor Bill Bogaard  
Councilmember Terry Tornek

Staff: Julie Gutierrez, Assistant City Manager  
Javan Rad, Assistant City Manager  
Siobhan Foster, Director of Public Works  
Mark Yamarone, Transportation Administrator  
Phyllis Currie, General Manager of Water and Power  
Eric Klinker, Assistant General Manager of Water and Power  
Valerie Flores, Recording Secretary

**PUBLIC COMMENT** No one appeared for public comment.

**APPROVAL OF MINUTES** It was moved by Mayor Bogaard, seconded by Councilmember Tornek, to approve the minutes of January 14, 2014, as submitted. (Motion unanimously carried) (Absent: None)

**INFORMATION ITEMS      OVERVIEW OF KEY PUBLIC WORKS INITIATIVES (PUBLIC WORKS)**

Siobhan Foster, Director of Public Works, provided a PowerPoint presentation on upcoming projects and initiatives for the Public Works Department, including a proposed schedule, and responded to questions.

Councilmember Tornek requested that staff agendaize an interim update to the Storm Water National Pollutant Discharge Elimination System (NPDES) as an informational item prior to the item scheduled for the May 27, 2014 Committee meeting.

Following discussion, on the order of the Chair, and by consensus of the Committee, the information was received and filed.

**FORECAST OF UPCOMING AGENDA ITEM (TRANSPORTATION)**

Mark Yamarone, Transportation Administrator, provided an oral update on the Department's upcoming agenda items, including: Pasadena Street Types Plan, New Mobility Metrics and Impact Thresholds, Bicycle Transportation Plan Corridor Analysis Update, Bicycle Transportation Plan, and Complete Streets Plan, and responded to questions.

Following discussion, on the order of the Chair, and by consensus of the Committee, the information was received and filed.

**WATER SUPPLY/DEMAND/CONSERVATION UPDATE**

Eric Klinker, Assistant General Manager of Water and Power, provided a PowerPoint presentation summarizing Pasadena's water supply, including regional investments in storage, supply allocation cut backs, and long term supply issues, and responded to questions.

The Chair and Councilmember Tornek asked that staff convey a stronger conservation campaign to PWP customers, continue to enforce Pasadena's current water waste prohibitions and use restrictions, and remind the community of the severe drought issues that are occurring currently Statewide.

Phyllis Currier, General Manager, Water and Power, responded to questions regarding ground water cleaning in Environmental Protection Agency (EPA) Region 9, proposals for the conservation water rate structure, and the Department's action plan and conservation programs.

David Czamanske, Pasadena Group of Sierra Club, spoke on drought issues, California's climate and native vegetation, turf removal, and utilizing local resources, and provided information on a water conservation event being held in the City of Claremont.

The Chair suggested that a pilot program for turf removal be created as an initiative to promote water conservation in the community, with staff to also utilize local businesses and local hiring for the program.

Following discussion, on the order of the Chair, and by consensus of the Committee, the information was received and filed.

## **ADJOURNMENT**

On the order of the Chair, the regular meeting of the Municipal Services Committee was adjourned at 5:06 p.m.

ATTEST:

\_\_\_\_\_  
MARGARET McAUSTIN, Chair  
Municipal Services Committee

\_\_\_\_\_  
Valerie Flores  
Recording Secretary

**CITY OF PASADENA  
REGULAR MEETING OF THE CITY COUNCIL  
MUNICIPAL SERVICES COMMITTEE  
FEBRUARY 25, 2014  
COUNCIL CHAMBERS  
100 N. GARFIELD AVENUE (2<sup>ND</sup> FLOOR)**

**OPENING**

The Chair called the regular meeting of the Municipal Services Committee to order 4:05 p.m.

**ROLL CALL:**

Councilmember Margaret McAustin, Chair  
Mayor Bill Bogaard  
Councilmember Terry Tornek

Staff:

Julie Gutierrez, Assistant City Manager  
Lisa Hosey, Deputy City Attorney  
Fred Dock, Director of Transportation  
Mark Yamarone, Transportation Administrator  
Phyllis Currie, General Manager, Water and Power  
Gurcharan Bawa, Assistant General Manager, Water and Power  
Valerie Flores, Recording Secretary

**PUBLIC COMMENT**

No one appeared for public comment.

**NEW BUSINESS**

**PASADENA STREETS TYPE PLAN (TRANSPORTATION)**

Mark Yamarone, Transportation Administrator, summarized the proposed Streets Type Plan as part of PowerPoint presentation, and responded to questions.

Fred Dock, Director of Transportation, responded to questions regarding pedestrian overlay, de-emphasized streets, and street design guidelines.

Councilmember Tornek expressed concerns regarding the Street Types Plan's functionality and understanding the methodology used to create a coherent network of streets. He suggested that staff consider how certain streets change through different parts of the City (e.g. from commercial to residential) and provide visual examples of how the proposed changes in designations will work in the future design of the street.

The following individuals provided public comment on the proposed Plan:

Wes Reutimann, Day One, stated his concerns regarding the need to improve safety for pedestrians and bicyclist, and submitted a letter in support of a "Street Plan that facilitates a network of comfortable, safe streets for active transportation"

Chris Cunningham, Pasadena resident, stated his concerns and comments in regards to the removal of the pedestrian overlay

Mark Yamarone, Transportation Administrator, responded to issues and concerns with information on how the land-use designations for the corresponding area will be used to determine the street and pedestrian design, and stated that as part of future outreach on the Street Types Plan, staff will develop a map illustrating this information.

Following discussion, it was moved by Mayor Bogaard and seconded by Councilmember Tornek, to approve staff's recommendation, and forward the item to the City Council for consideration. (Motion unanimously carried) (Absent: None)

**INFORMATION ITEMS**

**GT-5 REPOWERING PROJECT UPDATE**

Gurcharan Bawa, Assistant General Manager of Water and Power, provided a PowerPoint presentation on the current activities and status of the Glenarm (GT-5) Repowering Project and responded to questions.

Antonio Watson, Project Manager, provided an update, with regard to the Repowering Project, on the coordination and facilitation underway with Los Angeles and Orange County Building Trades, the proposed Advisory Group, local organizations involved in Pasadena First Buy Local - Local Participation Plan, feedback received from local businesses that attended the Opportunity Fair, and responded to questions.

Following discussion, on the order of the Chair, and by consensus of the Committee, the information was received and filed.

**ADJOURNMENT**

On the order of the Chair, the regular meeting of the Municipal Services Committee was adjourned at 5:11 p.m.

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MARGARET McAUSTIN, Chair  
Municipal Services Committee

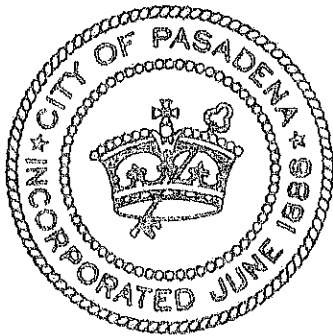
ATTEST:

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Valerie Flores  
Recording Secretary



**4.A**



# Agenda Report

March 17, 2014

**TO:** Honorable Mayor and City Council

**THROUGH:** Municipal Service Committee (March 11, 2014)

**FROM:** Water and Power Department

**SUBJECT: AUTHORIZE THE CITY MANAGER TO AMEND THE POWER SALES AGREEMENTS WITH THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY FOR THE PURCHASE OF SOLAR ENERGY FROM THE SILVERADO PROJECTS**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the recommended contract amendment authorization is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3) (General Rule); and
2. Authorize the City Manager to amend the Power Sales Agreements with the Southern California Public Power Authority ("SCPPA") for the purchase of renewable energy and capacity from a 32.5% share of the Antelope Big Sky Ranch Solar Project and the Summer Solar Project ("Silverado Projects") in Lancaster, California, for a total of up to 13 MW for a term of 25 years after the commercial operation date. Neither competitive bidding nor competitive selection is required pursuant to City Charter Section 1002(h), and Pasadena Municipal Code Section 4.08.049.A3, contracts with other governmental entities.

## **EXECUTIVE SUMMARY:**

On December 17, 2012, the City Council authorized the City Manager to enter into Power Sales Agreements with SCPPA for the purchase of renewable energy and capacity from a 32.5 percent share (up to 13 MW of the 40 MW combined total) of solar energy from the Silverado Antelope Big Sky Ranch and Summer Solar projects in Lancaster, California.

Due to changes in electrical infrastructure and equipment costs affecting the Silverado Projects, SCPPA and the project developer have negotiated new terms for the contract including an average 25% levelized price reduction (from \$94.34/MWh to \$71.25/MWh) as consideration for relocating the project sites, a new point of delivery for the energy, and the associated 18-24 month delay in project completion. The price reduction is expected to reduce energy costs by approximately \$19.5 million over the 25 year contract term.

Under the proposed contract amendment, PWP expects to procure approximately 32,000 MWh per year, or approximately 2.7% of retail sales, of category 1 renewable energy from the Silverado Projects at a cost of approximately \$2.3 million per year.

### **BACKGROUND:**

The City of Pasadena has adopted a number of environmental goals applicable to the Pasadena Water and Power Department ("PWP"), including a Renewable Portfolio Standard ("RPS") goal to supply 40 percent of its retail energy sales with renewable resources by 2020. Meeting the RPS goal is a key component of PWP's plan to reduce greenhouse gas emissions 40 percent by 2020. These goals were adopted by the City Council as part of PWP's Integrated Resource Plan ("IRP") in 2009.

A reconfiguration of the project interconnection is required because a number of new wind and solar renewable energy projects are being developed that could cause overloads on the local 66kV sub-transmission system, where the Silverado Projects were originally intended to deliver power. Furthermore, the California Independent System Operator ("CAISO") and Southern California Edison ("SCE") have proposed to reclassify these 66kV lines from "transmission" to "distribution," which would remove these facilities from CAISO control and eliminate cost reimbursement for a portion of the interconnection facilities. These issues and cost impacts were highly uncertain when the original contract was signed.

To avoid potentially incurring the substantial cost associated with necessary upgrades, Silverado proposed to amend the original power purchase agreements with SCPPA. The amendments would allow Silverado to relocate the projects to other nearby sites in order to interconnect at the 220kV Antelope substation, also in Lancaster, where reimbursement of the network upgrade portion of the interconnection costs would be assured.

While the original contract price for the Silverado Projects was competitive at the time the agreements were executed, recent solar photovoltaic ("PV") proposals received by SCPPA and solar PV contracts executed by PWP have been priced significantly lower. The request by Silverado to amend the original agreements provided an opportunity to renegotiate the pricing to levels substantially lower and more reflective of current market conditions.

Table I summarizes the changes that are proposed to be incorporated into the proposed amendments.

**Table I  
 Summary of Proposed Amendments**

	<b>CURRENT CONTRACTS</b>	<b>AMENDED CONTRACTS</b>
All-in Levelized Price:	\$94.34/MWh	\$71.25/MWh
Detailed Price:	Energy: \$77.34/MWh (year 1) Local Resource Adequacy Capacity: \$5.10/MWh (year 1) Escalation: 1.5% Scheduling Coordinator Credit: \$1.30/MWh (paid by Silverado to SCPPA)	Energy: \$66.15/MWh Local Resource Adequacy Capacity: \$5.10/MWh No Escalation No Scheduling Coordinator Credit
Estimated Life of Contract Savings (PWP Share):		\$19,489,342
CAISO Fee Reimbursement Cap:	\$150,000/year per project (Excess repaid at end of term)	\$125,000/year per project \$500,000/lifetime per project (Excess repaid at end of term)
Expected Commercial Operation Date <sup>(1)</sup> :	12/1/2014	6/1/2016
Outside Commercial Operation Date <sup>(2)</sup> :	12/31/2014	12/31/2016
Point of Interconnection:	Antelope Substation 66kV Del Sur Substation 66kV	Antelope Substation 230kV

<sup>(1)</sup> Contractor subject to liquidated damages if project is not operational by the Expected Commercial Operation Date

<sup>(2)</sup> Purchasers may terminate contract if project is not operational by the Outside Commercial Operation Date

Due the intermittent generation output from solar resources, the CAISO imposes various charges when these resources are scheduled. The CAISO charges these fees, which can vary substantially over time, to the "scheduling coordinator" that submits the schedule to the CAISO. Silverado has agreed to reimburse SCPPA for such fees in the form of a cash credit up to an annual and lifetime limit for each project as shown in Table I. Once the caps are exceeded, Silverado will reimburse such fees in the form of additional energy deliveries after the 25 year contract delivery term is completed.

Table II summarizes the contract price for various renewable resources authorized by the City Council, as well as the price for the Silverado Projects under the proposed contract amendment. Forecast market prices for non-renewable "brown power" are also for comparison.

**Table II**  
**Renewable Energy Contract Price Comparison**

Resource Name/Type	Contract Execution Year	Contract Energy Price <sup>(1)</sup> by Calendar Year (\$/MWh)				
		2015	2016	2017	2020	2025
Amended Silverado Solar <sup>(2) (3)</sup>	2014		\$71.25	\$71.25	\$71.25	\$71.25
Original Silverado Solar <sup>(2) (3)</sup>	2012	\$81.14	\$82.38	\$83.63	\$87.51	\$94.37
Recurrent Energy Projects <sup>(2) (3)</sup>	2013	\$69.98	\$69.98	\$69.98	\$69.98	\$69.98
Kingbird Solar	2013	-	\$68.50	\$68.50	\$68.50	\$68.50
WM Biomethane <sup>(2)</sup>	2011	\$94.92	\$94.92	\$94.92	\$94.92	-
Sequent Biomethane <sup>(2)</sup>	2011	\$94.92	\$94.92	\$94.92	\$94.92	-
EDF Biomethane <sup>(2)</sup>	2011	\$98.00	\$98.00	\$98.00	\$98.00	-
Milford Wind <sup>(3)</sup>	2009	\$72.19	\$73.45	\$74.74	\$78.73	\$85.86
Ormat Geothermal Phase 2 <sup>(3)</sup>	2008	\$83.24	\$84.49	\$85.76	\$89.67	\$96.60
Minnesota Methane	2006	\$81.07	\$83.58	-	-	-
Chiquita Canyon LFG <sup>(2) (3)</sup>	2006	\$65.25	\$65.25	\$65.25	\$65.25	\$65.25
Ormat Geothermal Phase 1 <sup>(3)</sup>	2005	\$65.74	\$66.73	\$67.73	\$70.83	\$76.30
Iberdrola Renewables	2003	\$53.50	\$53.50	\$53.50	\$53.50	-
2013 Market Forecast <sup>(4)</sup> (brown power)		\$46.19	\$48.50	\$50.92	\$58.95	\$75.23

<sup>(1)</sup> Contract prices exclude costs of transmission, losses, and integration fees. All contract prices include applicable cost of System Resource Adequacy and Local Resource Adequacy capacity, if provided

<sup>(2)</sup> These contracts provide, or are expected to provide, Local Resource Adequacy capacity

<sup>(3)</sup> Contract is through the Southern California Public Power Authority ("SCPPA")

<sup>(4)</sup> The Market Forecast is for energy only and does not include the value of Resource Adequacy capacity

**COUNCIL POLICY CONSIDERATION**

The proposed agreement amendments are consistent with the City's Urban Accords Goals with respect to renewable energy and greenhouse gas emission reduction goals, the General Plan Energy Element, the City Council's Strategic Planning Goals, the 2012 Power Integrated Resource Plan and PWP's RPS Procurement Plan. The Projects will help PWP achieve regulatory compliance as well as City Council goals in a cost-effective manner.

**ENVIRONMENTAL ANALYSIS:**

The proposed agreement amendments are determined to be exempt from the CEQA process pursuant to State CEQA Guidelines Section 15061(b)(3), the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The proposed action is for the City to enter into amendments of agreements with SCPPA to purchase power from the Silverado Projects, which are proposed for construction and operation in the County of Los Angeles. The City of Pasadena does not have the authority to approve/entitle the Silverado Projects. Such authority rests with the County of Los Angeles, and the County is responsible for preparing the CEQA documents to consider the environmental impacts of the projects. The City's proposed Power Sales Agreements do not commit the County to approving the Silverado Projects and, thus, no physical construction is contemplated or would be authorized, by the actions proposed in this staff report.

**FISCAL IMPACT:**

With this proposed amendment, PWP expects to procure approximately 32,000 MWh of category 1 renewable energy from the Silverado Projects each year commencing mid-FY 2017 at a cost of approximately \$2.3 million. The annual production and cost is anticipated to decline by approximately 0.5% annually after the first year.

Due to the delay in project completion PWP may need to procure additional renewable resources from FY2015 to FY2017 to meet RPS goals; however, such replacement procurement is expected to have a lower premium than that associated with the original contract price, therefore reducing or deferring any electric rate impacts associated with the Silverado Projects.

Table III summarizes the estimated average net cost premium and rate impacts associated with PWP's existing portfolio of City Council authorized renewable energy supply contracts resource portfolio over the next five fiscal years. Due to the elimination of price escalation under the proposed amendment, annual savings compared to the current contract terms will increase each year and reach approximately \$1.3 million in the final year of the contract

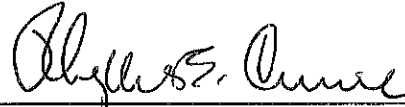
**Table III  
 Renewable Energy Contracts Price Comparison**

<b>Expected Cost or Rate Impact</b>	<b>Current Contract Terms</b>	<b>With Proposed Amendments</b>	<b>Increase/ (Decrease)</b>
<b>Renewable Premium (\$/year)</b>	\$8,900,000/year	\$8,600,000/year	\$(300,000)/year
<b>Average Rate Impact of Renewable Premium (\$/kWh)</b>	\$0.00783/kWh	\$0.00756/kWh	\$(0.00027)/kWh
<b>Average Monthly Bill for 500 kWh/month customer (\$/mo)*</b>	\$87.89/mo	\$87.75/mo	\$(0.14)/mo
<b>Renewable Premium Portion 500 kWh/month customer (\$/mo)</b>	\$3.92/mo	\$3.78/mo	\$(0.14)/mo

*\*The monthly bills do not include any potential changes in electric rates that have been proposed or may occur in the future.*

All costs associated with this agreement will be recovered in the Energy Charge component of Pasadena's electric energy rates.

Respectfully submitted,



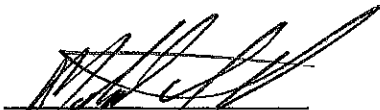
PHYLLIS E. CURRIE  
 General Manager  
 Water and Power Department

Prepared by:



Leesa Nayudu  
 Resource Planning Manager

Approved by:



MICHAEL J. BECK  
 City Manager