



CITY COUNCIL

CITY OF LOS ANGELES

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LOS ANGELES, CALIFORNIA 90012

FOR IMMEDIATE RELEASE

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COUNCIL HALTS DWP RATE HIKE

Sends Controversial DWP Plan Back To Department For Further Review and Public Comment

LOS ANGELES: On December 11, 2007, the Los Angeles City Council voted to halt the Water and Power Rate actions due to a lack of explanation from DWP on the viability of the proposals. The vote was in response to an October DWP request to increase electric rates by 9% over three years and raise water rates by 6% over two years. DWP officials unanimously approved the proposals in June, citing that the rate increases were necessary to fix the city's aging infrastructure, improve reliability, and stabilize the department's financial composition.

After several reviews of the proposals throughout November, the Committees on Energy and Environment and Budget and Finance instructed DWP to report back on how the rate increases will affect DWP's Low Income Program, hiring practices, training, power reliability program projects, real estate strategy, and its initiatives to increase revenues. The Council also ordered the creation of an oversight committee to track expenditures and the progress of infrastructure upgrades and staffing, in order to reign in wasteful spending and keep the department running as efficiently as possible. After hearing testimony from members of Neighborhood Councils that the timeline of the DWP public comment period was too brief, the Council further ordered DWP to work with the Neighborhood Councils and provide them with additional time to review and comment on the proposals.

Due to DWP's inadequate responses to the Committee inquiries and the lack of sufficient public comment, the Council voted to remand the DWP Rate Actions back to the department for 60 days, to allow DWP to further explain and report on the practicality and necessity of the rate increases.

Councilwoman Jan Perry, chair of the Committee on Energy and Environment, said she has asked questions of DWP and has not been content with the answers. “There are still outstanding issues with the current rate increase and restructuring,” Perry said. “By sending both of these issues back to the department, we are allowing them the time to fully respond to our questions and re-evaluate their current proposals.”

“What we want is a sense of transparency and to re-create trust in the Department of Water and Power” added Council President Eric Garcetti.

Councilmembers Garcetti, Perry, Parks, and Greuel signed the motion ordering the proposal’s return to DWP for further review. The motion was adopted unanimously.

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