



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Resolution in Opposition to the Public Auction of Federal Power Marketing Administrations (PMAs)
MEETING DATE: October 18, 1995
SUBMITTED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council adopt the attached resolution entitled "A Resolution of the Lodi City Council Expressing Opposition to the Public Auction of Federal Power Marketing Administrations and Related Facilities."

BACKGROUND INFORMATION: The Lodi Electric Utility Department, a community owned utility, has a long history of providing low-cost reliable electric service to Lodi business and residents. Since 1982 the Department has been assisted in its mission through the purchase of power and services from the Western Area Power Administration, a federal PMA.

The United States Congress is now considering the auction sale of the PMAs. This would mean that the PMAs would be sold, not to the customers who have been paying for these facilities through PMA rates, but instead to the highest bidder on the open market. In a competitive bidding process, municipal utilities would potentially be forced to pay once again for facilities which they have already partially paid for through their PMA rates. Such a sale could result in the further concentration of generation and transmission facilities in the hands of a few large companies, and in increased electric costs for all Californians at a time when the state is attempting to open up the electric market to increased competition and to lower overall rates.

Approval of the attached Resolution will put the City Council on record as having established an explicit policy opposing the auction sale of the Western Area Power Administration and other federal PMAs.

FUNDING: None Required.

Alan N. Vallow
Electric Utility Director

ANV/NB/sh

Prepared by, Nancy Bougher, Rates and Resources Analyst

cc: City Attorney
Assistant Electric Utility Director

APPROVED: _____

THOMAS A. PETERSON
City Manager

RESOLUTION NO. 95-133

A RESOLUTION OF THE LODI CITY COUNCIL
STATING OPPOSITION TO PUBLIC AUCTION OF THE
WESTERN AREA POWER ADMINISTRATION AND OTHER
FEDERAL POWER MARKETING ADMINISTRATORS

WHEREAS, the Lodi Electric Utility Department, a municipally owned utility, has a long history of providing low cost reliable electric service to Lodi businesses and residents; and

WHEREAS, the Electric Utility Department has been assisted in its mission through the purchase of power and services from the Western Area Power Administration, a federal Power Marketing Administration (PMA); and

WHEREAS, the United States Congress is now considering the auction sale of federal PMAs; and

WHEREAS, the sale of the PMAs through a public auction fails to recognize the substantial past investment made in federal facilities through the rates paid by existing customers.

WHEREAS, such a sale could result in the further concentration of generation and transmission facilities in the hands of a few large companies thereby increasing electric costs for all Californians at a time when the state is attempting to open up the electric market to increased competition and to lower overall electric rates.

NOW, THEREFORE, BE IT RESOLVED, that the Lodi City Council believes that the close relationship between PMAs and existing power customers must be preserved in some fashion; and

BE IT FURTHER RESOLVED, that the Lodi City Council supports efforts to increase the competitiveness of PMAs through implementation of generally accepted industry efficiency measures.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Lodi City Council does hereby state its opposition to the public sale by auction of the Western Area Power Administration and other federal Power Marketing Administrations (PMAs).

BE IT FURTHER RESOLVED, that the Lodi City Council believes that any public sale of PMA facilities or electrical output should be to existing customers recognizing the substantial investment made to date by existing customers.

Dated: October 18, 1995

I hereby certify that Resolution No. 95-133 was passed and adopted by the City Council of the City of Lodi in a regular meeting held October 18, 1995, by the following vote:

AYES:	COUNCIL MEMBERS -	Davenport, Sieglock, Warner and Mann (Mayor)
NOES:	COUNCIL MEMBERS -	Pennino
ABSENT:	COUNCIL MEMBERS -	None
ABSTAIN:	COUNCIL MEMBERS -	None


JENNIFER M. PERRIN
City Clerk