

FILE NO. 040837

RESOLUTION NO. 431-04

1 [Funding departmental energy use.]
2

3 **Resolution adopting policy setting annual appropriations for General Fund**
4 **Departments at levels sufficient to compensate Hetch Hetchy Water & Power for all**
5 **electricity sales to such departments at a rate that at a minimum reflects the same cost**
6 **of service principles outlined in the City Charter (Sec. 8B.125. Rates).**
7

8 WHEREAS, The San Francisco Public Utilities Commission (SFPUC) operates the
9 Hetch Hetchy Power Enterprise (HHWP or Enterprise); and

10 WHEREAS, The SFPUC is responsible for developing and implementing public policy
11 related to generation and provision of electricity, including the promotion of conservation, and
12 renewable energy sources; and

13 WHEREAS, Implementing electricity public policy goals requires that the Enterprise
14 operate as a fiscally sound public utility; and

15 WHEREAS, Electricity prices reflecting cost of service encourage efficient use and
16 conservation of electricity; and

17 WHEREAS, Annual revenues must pay for operations & maintenance expenses; debt
18 service; replacement and reconstruction of existing assets and any new capital additions to
19 the Enterprise; and

20 WHEREAS, It is desirable that annual revenues be regular, predictable and sufficient to
21 pay all expenses of the Enterprise; and

22 WHEREAS, City departments are customers of HHWP and revenues from City
23 Departments represent a substantial portion of the Enterprise's annual revenues; and

24 WHEREAS, for the setting of retail water and sewer rates the Charter provides that the
25 SFPUC shall establish rates, fees and charges at levels sufficient to improve or maintain

1 financial condition and bond ratings at or above levels equivalent to highly rated utilities of
2 each enterprise under its jurisdiction, meet requirements and covenants under all bond
3 resolutions and indentures and provide sufficient resources for the continued financial health
4 (including appropriate reserves) operation, maintenance and repair of each enterprise
5 consistent with good utility practice; now, therefore be it,

6 RESOLVED, That it is the policy of the Board of Supervisors ~~that it shall~~ to make a
7 transition to annually appropriate funds for each General Fund Department in an amount that
8 is sufficient to compensate HHWP for all electricity sales to such departments at a rate that
9 reflects the same cost of service principles outlined in the City Charter (Sec. 8B.125. Rates).

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City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Resolution

File Number: 040837

Date Passed:

Resolution adopting policy setting annual appropriations for General Fund Departments at levels sufficient to compensate Hetch Hetchy Water & Power for all electricity sales to such departments at a rate that at a minimum reflects the same cost of service principles outlined in the City Charter. (Sec.8B.125. Rates).

July 13, 2004 Board of Supervisors — ADOPTED

Ayes: 10 - Alioto-Pier, Daly, Dufty, Gonzalez, Hall, Ma, Maxwell, McGoldrick,
Peskin, Sandoval


Absent: 1 - Ammiano

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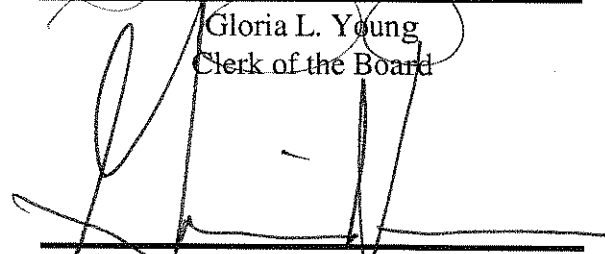
I hereby certify that the foregoing Resolution was ADOPTED on July 13, 2004 by the Board of Supervisors of the City and County of San Francisco.

JUL 22 2004

Date Approved



Gloria L. Young
Clerk of the Board



Mayor Gavin Newsom