



NEWS – OFFICE OF THE CITY COUNCIL PRESIDENT
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7TH DISTRICT



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FOR IMMEDIATE RELEASE

May 26, 2004

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**PAY UP FOR THE POWER: PADILLA DEMANDS STATE AGENCIES PAY CITY FOR
SURPLUS ELECTRICITY**

\$170 million plus accrued interest sought

LOS ANGELES – City Council President Alex Padilla won unanimous approval today for his motion mandating that two State agencies, the California Power Exchange (Cal-PX) and the California Independent System Operators (Cal-ISO), reimburse the Los Angeles Department of Water and Power (LADWP) in the amount of \$170 million for providing reserve electricity during the State's power crisis of 2000-01.

"The State of California needs to come clean and pay up for the resources provided by the Los Angeles Department of Water and Power during the energy crisis," said Council President Alex Padilla. "The LADWP, in a measure of good faith, helped California to get through the worst energy shortage in the state's history, and we single-handedly made sure that the state avoided unnecessary blackouts during that time. The Power Exchange and Cal-ISO have the bill in their hands – and now it's past due."

Padilla's motion calls for immediate disbursement of the money owed to the Department of Water and Power from the Cal-PX and Cal-ISO.

The State of California has previously cited a now-completed Federal Energy Regulatory Commission (FERC) inquiry into billing practices of the Department of Water and Power during this time period as a reason not to make payments to Los Angeles. On May 12, FERC terminated such inquiries and rejected the erroneous allegations made by the State of California that the LADWP was utilizing "market manipulation" to charge higher rates to energy providers throughout California.

Upon signature of the Mayor, the framework for the repayment will be in place pending a legal settlement between the City of Los Angeles and both Cal-PX and Cal-ISO.

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*The 7th Council District serves the communities of Lake View Terrace, Mission Hills,
North Hills, Pacoima, Panorama City, and Sylmar.*