

SUBJECT: JOINT PARTICIPATION – SOUTHERN CALIFORNIA EDISON (SCE)
STREET LIGHT PURCHASE FEASIBILITY ANALYSIS

SOURCE: Public Works Department - Engineering Division

COMMENT: SCE recently changed its long-standing policy and is currently willing to amicably sell utility owned street lights (LS-1 tariff) to local governments under Section 851 of the Public Utilities Code. The sale of street lights will be on a “replacement cost new less depreciation” basis including an allowance for the developer’s original capital contribution.

The City of Visalia has taken the lead in developing a “Request for Proposals” to evaluate the feasibility of purchasing the street lights currently owned by Southern California Edison in the cities of Visalia, Tulare and Porterville. The basic scope includes:

- assisting each of the participating Cities with reviewing SCE’s offer,
- providing an independent appraisal of the street light system in each of the participating Cities,
- conducting financial analysis and 20-year cash flow projections of the various purchase/retrofit options, and
- providing an analysis of the anticipated ongoing maintenance and operational expenses.

The purpose of this project is to obtain the analysis necessary for the participating Cities to make an informed decision regarding the opportunity to purchase street lights currently owned and maintained by SCE in the participating Cities. The overarching goal is to provide safe and comfortable lighting at night on public streets and sidewalks at the lowest practical operational cost.

The question before Council is whether the City wishes to participate in the Feasibility Analysis along with the Cities of Tulare and Visalia. If the answer is in the affirmative, then the City of Porterville must pay Edison \$10,000 for Edison to perform the initial street light inventory appraisal. This appraisal will be the basis for negotiations between SCE and the participating Cities. The City’s proportional share of the cost to participate in the analysis is unknown at this time.

RECOMMENDATION: That the City Council decide whether it wants to participate in the Street Light Purchase Feasibility Analysis and if so, direct the City Manager to propose the proper funding source to pay the \$10,000 appraisal fee to SCE.

Dir BE Appropriated/Funded MP CM J

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