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FOR IMMEDIATE RELEASE

Metro to Recover Nearly \$40 Million From DWP in Overcharges for Utility Services

Metro along with several other governmental agencies has won a joint lawsuit against the Los Angeles Department of Water and Power (DWP) charging the DWP with over billing the agency for utility services over an eight year period.

The tentative ruling, handed down by San Bernardino County Superior Court Judge John P. Wade, calls for the DWP to reimburse Metro \$39,404,362 in utility costs that the court found was overcharged to Metro.

“We have a fiduciary obligation to protect taxpayer dollars that we administer and this judgment solidifies our commitment in making sure we are not overcharged,” said Metro CEO Roger Snoble. “This ruling is great news for our customers in a time when funding to provide essential services to the public is in short supply.”

Metro’s judgment of nearly \$40 million is out of a total tentative ruling that calls for the DWP to pay back approximately \$225 million in overcharges to several government agencies that included the Los Angeles Unified School District, the University of California at Los Angeles, the Los Angeles Community College District, the County of Los Angeles and California State Agencies.

California Law (Government Code Sec. 54999) established limits on the rates that municipal utilities can charge school districts, community colleges and other public agencies. Specifically, it requires that municipal utilities charge school districts and other public agency customers “nondiscriminatory” capital charges on facilities that “actually serve” the customer. The judge ruled that DWP charged rates in excess of those allowed by the statute.

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