



AGENDA ITEM

PUBLIC HEARING

CITY COUNCIL / BOARD OF DIRECTORS

MEETING OF: 06/21/2016

SUBMITTED BY: KEITH C. METZLER
ASSISTANT CITY MANAGER

DATE: 6/2/2016

ATTACHMENT: RESOLUTION NO. 16-039; PROPOSED REVISED ELECTRIC SERVICE RATE SCHEDULES (APPENDIX A THERETO)

SUBJECT: RESOLUTION NO. 16-039 ENTITLED, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VICTORVILLE, CALIFORNIA, AMENDING AND REVISING THE ELECTRIC RATE SCHEDULES FOR ELECTRIC SERVICES PROVIDED BY VICTORVILLE MUNICIPAL UTILITY SERVICES PURSUANT TO CHAPTER 10.10 OF THE VICTORVILLE MUNICIPAL CODE

RECOMMENDATION:
That the Honorable City Council: 1) conduct a public hearing for Resolution No. 16-039; and 2) adopt Resolution No. 16-069 to revise the Victorville Municipal Utility Services (VMUS) Electric Service Rate Schedules (Appendix A thereto).

FISCAL IMPACT: \$ 284,527 (FY 2016/2017)

Fund 420: Reduced Revenue: \$ 277,051
Additional Expenses: 135,188
Subtotal: \$ 412,239

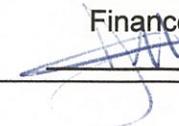
Fund 421: Reduced Revenue: \$ 7,476

Fund 422: Reduced Expenses: \$ 135,188

BUDGET ACCT NO:

<u>Reduced Revenue</u>	<u>Additional Expenses</u>
4202070-44820: \$ 4,876	4202070-53010: \$ 3,546
4202076-44820: \$ 272,175	4202076-53010: \$ 131,642
4210200-44820: \$ 7,476	

Reduced Expenses
4220010-52335: \$ 135,188

<p>— Finance Use Only —</p> <p>Additional Expense: <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes / Amount</p> <p>Additional Revenue: <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes / Amount</p> <p>Finance Review </p>

DISCUSSION:

On February 19, 2010, the City Council adopted Ordinance No. 2240 which amended, revised and codified the VMUS Electric Service Rules, Regulations and Rate Schedules, and established a mechanism under Chapter 10.10 of the Victorville Municipal Code to make future revisions by way of City Council resolution. The VMUS Electric Service Rules and Regulations were last amended on June 18, 2013, following City Council adoption of Resolution No. 13-014 and Attachment 1 thereto. The VMUS Electric Service Rate Schedules (“Rate Schedules”) were last amended on June 17, 2014, following City Council adoption of Resolution No. 14-035 and Appendix A thereto.

With the assistance of its energy consultant, ASTRUM Utility Services, City Staff annually reviews VMUS electric utility operating costs to determine revenue requirements and ensure that electric rates, fees and charges adequately reflect the reasonable and prudent costs to acquire and deliver electric power to its retail customers. In assessing operating costs, the establishment of sufficient reserves to meet both current and future obligations must also be considered, including but not limited to, capital expenditures, associated debt service schedules, legislative mandates, and volatility in energy market prices. To provide competitive rates, the rate design of specific customer classifications are reflective of surrounding electric utilities applicable tariff schedules that have been approved in a public hearing process.

The proposed revisions to the Rate Schedules are set forth in Appendix A of Resolution No. 16-039, and reflect the City’s reasonable costs of providing electricity services to the customers of its electricity enterprise. If Resolution No. 16-039 is adopted, the system average rate will decrease by 3.8 percent. Table 1 below illustrates the average monthly change a customer may expect based on existing VMUS electric rate classifications:

Table 1: Average Monthly Increase by Rate Classification

Rate Classification	Average Monthly Bill		Average Monthly Increase	
	Current	Proposed	Amount	Percentage
Smaller Commercial & Industrial	\$ 45.12	\$ 51.00	\$ 5.88	13.0%
Pumping	\$ 63.17	\$ 82.82	\$ 19.65	31.1%
Traffic Control	\$ 67.43	\$ 70.84	\$ 3.41	5.1%
Street Lighting	\$ 146.31	\$ 157.59	\$ 11.28	7.7%
Small Commercial & Industrial	\$ 384.16	\$ 357.71	\$ (26.46)	-6.9%
Small Com. & Ind. (Non-TOU/Demand)	\$ 852.48	\$ 768.72	\$ (83.75)	-9.8%
Medium Commercial & Industrial	\$ 1,913.10	\$ 1,943.69	\$ 30.59	1.6%
Large Commercial & Industrial	\$ 14,294.10	\$ 14,048.09	\$ (246.01)	-1.7%
Larger Commercial & Industrial	\$ 48,998.82	\$ 46,935.47	\$ (2,063.35)	-4.2%

On October 16, 2012, the City Council adopted Resolution No. 12-062 which authorized the City to participate in the California Cap-and-Trade Program and use the allowance revenue solely to benefit VMUS customers. The proposed rate change includes a decrease to the volumetric Greenhouse Gas (GHG) rebate under each of the existing Rate Schedules based on the actual and projected revenues received from the GHG Allowance auctions and the forecasted retail sales.

Resolution No. 16-039 also amends the electric service rate schedule for Small Commercial and Industrial customers to separate the Energy Charge into three components: 1) Energy Charge; 2) Facilities Demand Charge; and 3) Time Related Demand Charge. These three components enhance consistency with the other applicable electric service rate schedules, recover

infrastructure related costs and align the rate schedule with the VMUS energy efficiency program by encouraging customers to reduce their peak demand. Additionally, the Special Conditions language for Maximum Demand and Billing Demand was slightly modified for clarity under the Medium, Large and Larger Commercial and Industrial rate schedules, and added to the Small Commercial and Industrial rate schedule based on the changes described herein.

Lastly, annual review of operating costs and revenues is used to forecast the Net Fund Position for VMUS to evaluate the Renewable Portfolio Standard (RPS) cost limitation pursuant to Section 9.A.4 of the Renewable Energy Resources Procurement Plan (Procurement Plan), as amended by Resolution No. 15-065 on October 6, 2015, in accordance with the requirements of the California RPS. The Procurement Plan provides for cost limitations on expenditures for renewable energy resources as an optional compliance measure based on RPS rules intended to prevent disproportionate impacts on customer electric rates. Based upon the most recent review of the cost for procuring eligible renewable energy resources, the current and proposed electric rates for VMUS customers are insufficient to recover the outstanding indebtedness associated with the City's prior investment in eligible renewable energy projects that have since been abandoned. In addition to meeting the applicable debt service obligations, VMUS electric rates would need to be increased by an additional 2.8 percent to meet the forecasted incremental RPS compliance obligation for fiscal year 2016/2017, making rates higher than those of surrounding electric utilities. For these reasons, the cost limitation optional compliance measure has been determined to be zero.

Despite the determination that VMUS will have no obligation to expend funds on RPS procurement pursuant to the cost limitation established for fiscal year 2016/2017, the Procurement Plan provides flexibility for VMUS to utilize Public Benefits funding to cover the incremental cost of compliance obligations (subject to funding availability), and the City Council approved an appropriation of \$450,000 in Public Benefits funds for this purpose in October 2015. This appropriation has been carried over and increased by \$50,000 (for a total of \$500,000) in the fiscal year 2016/2017 proposed budget. However, in the interest of assessing the best use of these limited funds toward meeting the escalating RPS procurement targets and addressing the long-term contract requirements under Senate Bill 350, staff has not moved forward with market purchases for Compliance Period 2 as previously planned, and may elect not to do so should a better option for meeting the State's overall RPS goals be ascertained.

The proposed revisions to electric rates reflect VMUS' reasonable and prudent costs and do not establish unfair, unreasonable or excessive rates that exceed VMUS' reasonable costs of providing electricity services to its customers. If the proposed Rate Schedules are approved by the City Council, the electric service rates will become effective on July 1, 2016, and continue to offer competitively priced energy charges with the system average rate for VMUS retail customers remaining 2.0 percent lower than Southern California Edison (SCE) comparable tariff schedules. It should be noted that SCE recently filed an application with the California Public Utilities Commission requesting review and approval to increase generation and overall system rates by 3.5 percent. The cities of Rancho Cucamonga and Moreno Valley established electric utilities similar to VMUS and represent other relevant points of comparison. The proposed system average rate for VMUS retail customers will be 1.3 percent lower than the comparable tariff schedule for the City of Moreno Valley and 0.3 percent lower than the comparable tariff schedules for the City of Rancho Cucamonga.

The City has provided the required notification to the public by publishing notice of this hearing on June 3, 2016, and June 10, 2016, in the County Legal Reporter, a newspaper of general circulation adjudicated to publish Legal Advertisements in the entire County of San Bernardino and City of Victorville, and by posting notice in at least two separate locations within the City.

Furthermore, the public hearing notice was sent to applicable VMUS electric customers on June 2, 2016, and the proposed documents have been available for public review in the City Clerk's office and on the VMUS webpage since June 6, 2016.

KCM:jd

RESOLUTION NO. 16-039

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VICTORVILLE, CALIFORNIA, AMENDING AND REVISING THE ELECTRIC RATE SCHEDULES FOR ELECTRIC SERVICES PROVIDED BY VICTORVILLE MUNICIPAL UTILITY SERVICES PURSUANT TO CHAPTER 10.10 OF THE VICTORVILLE MUNICIPAL CODE

WHEREAS, on January 19, 2010, the City Council of the City of Victorville (“City”) adopted Ordinance No. 2240, which, among other things, amended, revised and codified the Electric Rules, Regulations and Rate Schedules of Victorville Municipal Utility Services (“VMUS”) in Chapter 10.10 of the Victorville Municipal Code (“VMC”); and

WHEREAS, the Electric Rules, Regulations and Rate Schedules of VMUS were set forth in Attachment 1 of Ordinance No. 2240 and incorporated by reference into VMC Section 10.10.010(a); and

WHEREAS, Ordinance No. 2240 further provided that the Electric Service Rules, Regulations and Rates could be amended by resolution of the City Council under the procedures set forth therein; and

WHEREAS, VMC sections 10.10.010(b) and 10.10.020(a), respectively, authorize the City Council to amend the Rules and Regulations in Attachment 1 and the Rate Schedules set forth in Appendix A of Attachment 1, following publication of advance notice and the holding of a public hearing; and

WHEREAS, the VMUS Electric Service Rules and Regulations were last amended on June 18, 2013, following a duly noticed public hearing concerning the adoption of Resolution 13-014 and Attachment 1 thereto; and

WHEREAS, the VMUS Electric Service Rate Schedules were last amended on June 17, 2014, following a duly noticed public hearing concerning the adoption of Resolution 14-035 and Appendix A thereto; and

WHEREAS, it is the desire of the City Council for City Staff to regularly review VMUS electric utility operations to ensure that electric rates cover all prudent business costs, as well as current and future obligations, but do not exceed the amount necessary for the same; and

WHEREAS, the City Council finds and determines that, based upon the data, information, analysis and documentation presented, the charges and rates set forth in Appendix A of this Resolution reflect the City’s reasonable and prudent costs associated with the operating expenses of the municipal utility enterprise and do not establish unfair, unreasonable, discriminatory or excessive rates that exceed the City’s reasonable costs of providing electricity services; and

WHEREAS, the City Council has reviewed the adoption of this Resolution pursuant to the requirements of the California Environmental Quality Act of 1970, as amended (“CEQA”), and has determined that the adoption of the revised Electric Service Rate Schedules has no foreseeable potential to result in a significant impact upon the environment and is exempt from CEQA review pursuant to State CEQA Guidelines Section 15061(b)(3). Further, the City Council has determined that the approval of the fees and rates is exempt from substantive environmental review under Section 15273(a)(1) of the State CEQA Guidelines as such fees and rates are for the purposes of meeting the operating expenses of the municipal electricity enterprise; and

WHEREAS, in order to ensure the continued orderly operation of VMUS and recovery of reasonable and prudent costs associated with providing electric service to its customers, the City Council desires to adopt this Resolution making the modified Rate Schedules (new Appendix A to Attachment 1 of the VMUS Electric Service Rules, Regulations and Rate Schedules and Appendix A of this Resolution) effective as of July 1, 2016; and

WHEREAS, copies of this Resolution and Appendix A thereto, were made available for public review in City Clerk’s office beginning June 6, 2016; and

WHEREAS, on June 21, 2016, the City Council conducted a duly noticed public hearing concerning the adoption of this Resolution and Appendix A thereto, and all legal prerequisites to the adoption hereof have occurred.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF VICTORVILLE DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The recitals and findings set forth above are true and correct and are hereby incorporated in their entirety by this reference.

Section 2. The VMUS Electric Service Rules and Regulations set forth in Attachment 1 of Resolution 13-014 shall remain in full force and effect.

Section 3. The revised VMUS Electric Service Rate Schedules set forth in Appendix A to this Resolution, incorporated and made part of this Resolution by this reference, are hereby adopted and shall replace and supersede Appendix A to Attachment 1 of Resolution 14-035 in its entirety as of July 1, 2016.

Section 4. The revised VMUS Electric Service Rate Schedules contained in Appendix A of this Resolution shall become effective as of July 1, 2016.

Section 5. As of July 1, 2016, an updated copy of the VMUS Electric Service Rate Schedules (Appendix A of this Resolution and new Appendix A to Attachment 1 of the VMUS Electric Service Rules, Regulations and Rate Schedules) shall be retained at City Hall by the City Clerk and/or VMUS customer service, together with the currently-existing version of the VMUS

Electric Service Rules and Regulations adopted by Resolution 13-014, and shall be available for public inspection upon request.

Section 6. The City Clerk shall certify to the adoption of this Resolution.

Appendix A to Resolution No. 16-039

APPENDIX A
to Attachment 1 of the

**Victorville Municipal Utility Services
Electric Service Rules, Regulations and Rate Schedules**

Electric Service Rate Schedules

**(Originally adopted by Ordinance 2240 on January 19, 2010)
(Revised on June 18, 2013 per City Council Resolution No. 13-014)
(Revised on June 17, 2014 per City Council Resolution No. 14-035)
(Revised on June 21, 2016 per City Council Resolution No. 16-039)**

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SMALLER COMMERCIAL and INDUSTRIAL

A. Applicability.

Applicable to single and three-phase General Service including lighting and Power Service. Exception: Any Customer whose monthly Maximum Demand, in the opinion of the Utility, is expected to exceed or has exceeded 20 kW or has average monthly consumption greater than 200 kWh in the preceding twelve (12) months is ineligible for service under this Rate Schedule. Effective with the date of ineligibility, the Customer's account shall be transferred to another applicable Rate Schedule.

B. Territory.

Within the entire territory served.

C. Rates.

\$/Meter/Month	\$ 51.60
Greenhouse Gas Rebate - \$/kWh/Meter/Month	(0.00328)

D. Special Conditions.

1. Voltage. Service will be supplied at one (1) standard voltage.
2. Temporary Discontinuance of Service.

Where the use of energy is seasonal or intermittent, no adjustments will be made for a temporary discontinuance of service. Any Customer, prior to resuming service within twelve (12) months after such service was discontinued, will be required to pay all charges which would have been billed if service had not been discontinued.

3. Customer-Owned Electrical Generating Facilities.

Upon written approval by the Utility, momentary parallel operation may be permitted to allow the Customer to test the auxiliary/emergency generating facilities.

4. Billing Calculation.

A Customer's bill is calculated according to the rates and conditions above.

5. Power Cost Adjustment Factor (PCAF).

The rates above are subject to an adjustment as provided in Rule 12, Section E.

6. Change of Law Adjustment Factor (CLAF).

The rates above are subject to an adjustment as provided in Rule 12, Section F.

7. State Mandated Public Purpose Programs Charge.

State law requires all California electric utilities to establish a public purpose programs charge of 2.85% of electric retail revenues to fund eligible energy efficiency, conservation, renewable energy resource, and research and demonstration projects/activities that provide a public benefit, such as those outlined in the VMUS Energy Efficiency Program. Such charge will be assessed as a component of the Customer's monthly bill.

8. Greenhouse Gas Rebate.

Electric Distribution Utilities receive a free allocation of allowances from the California Air Resources Board (ARB) on an annual basis to offset higher energy charges. These allowances are then sold through the ARB Cap-and-Trade Program. The rates above are subject to adjustments as provided in Rule 12, Section G.

SMALL COMMERCIAL and INDUSTRIAL

A. Applicability.

Applicable to single and three-phase General Service including lighting and Power Service. Exception: Any Customer whose monthly Maximum Demand, in the opinion of the Utility, is expected to exceed 20 kW or has exceeded 20 kW in any three (3) months during the preceding twelve (12) months is ineligible for service under this Rate Schedule. Effective with the date of ineligibility, the Customer's account shall be transferred to another applicable Rate Schedule.

B. Territory.

Within the entire territory served.

C. Rates.

Energy Charge - \$/kWh/Meter/Month		
Non TOU/Demand Pricing Option		
	Summer Season	\$ 0.16034
	Winter Season	0.13549
TOU Pricing Option		
	Summer Season – On-Peak	0.13086
	Mid-Peak	0.06719
	Off-Peak	0.05148
	Winter Season – Mid-Peak	0.10531
	Off-Peak	0.07715
Greenhouse Gas Rebate - \$/kWh/Meter/Month		(0.00328)
Customer Charge - \$/Meter/Day		0.84603
Demand Charge - \$/kW of Billing Demand/Meter/Month		
Facilities Related		8.70
Time Related – TOU Summer Season – On-Peak		5.83
Time Related – TOU Summer Season – Mid-Peak		2.22
Three Phase Service - \$/Day		0.06780

D. Special Conditions.

1. Time periods are defined as follows:

- On-Peak: Noon to 6:00 p.m. summer weekdays except holidays.
- Mid-Peak: 8:00 a.m. to noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays. 8:00 a.m. to 9:00 p.m. winter weekdays except holidays.
- Off-Peak: All other hours.

Holidays are New Year's Day (January 1), Washington's Birthday (third Monday in February), Memorial Day (last Monday in May), Independence Day (July 4), Labor Day (first Monday in September), Veteran's Day (November 11), Thanksgiving Day (fourth Thursday in November), and Christmas (December 25).

When any holiday listed above falls on Sunday, the following Monday will be recognized as an off-peak period. No change will be made for holidays falling on Saturday.

The Summer Season shall commence at 12:00 a.m. on June 1st and continue until 12:00 a.m. on October 1st of each year. The Winter Season shall commence at 12:00 a.m. on October 1st of each year and continue until 12:00 a.m. on June 1st of the following year.

2. Voltage. Service will be supplied at one (1) standard voltage.
3. Three-Phase Service. Where the Utility provides three-phase service, the billing will be increased by the amount shown in the Rates section above.
4. Maximum Demand.

The Maximum Demand in any month shall be the measured maximum average kilowatt input, indicated or recorded by instruments, during any 15-minute metered interval in the month.

5. Billing Demand.

The Billing Demand shall be the kilowatts of Maximum Demand, determined to the nearest kW. The Demand Charge shall include the following billing components:

The Facilities Related Component shall be for the kilowatts of Maximum Demand recorded during (or established for) the monthly billing period. However, when the Utility determines the customer's Meter will record little or no energy use for extended periods of time or when the customer's Meter has not recorded a Maximum Demand in the preceding eleven months, the Facilities Related Component of the Demand Charge may be established at 50 percent of the customer's connected load.

The Time Related Component shall be for the kilowatts of Maximum Demand recorded during (or established for) the relevant TOU period for each of the Summer Season On-Peak and Mid-Peak Time Periods.

6. Temporary Discontinuance of Service.

Where the use of energy is seasonal or intermittent, no adjustments will be made for a temporary discontinuance of service. Any Customer, prior to resuming

service within twelve (12) months after such service was discontinued, will be required to pay all charges which would have been billed if service had not been discontinued.

7. Customer-Owned Electrical Generating Facilities.

Upon written approval by the Utility, momentary parallel operation may be permitted to allow the Customer to test the auxiliary/emergency generating facilities.

8. Billing Calculation.

A Customer's bill is calculated according to the rates and conditions above. The charges are calculated by applying the Rate Charges when applicable to the actual billing determinants (kilowatt hours [kWh], etc.).

9. Power Cost Adjustment Factor (PCAF).

The rates above are subject to an adjustment as provided in Rule 12, Section E.

10. Change of Law Adjustment Factor (CLAF).

The rates above are subject to an adjustment as provided in Rule 12, Section F.

11. State Mandated Public Purpose Programs Charge.

State law requires all California electric utilities to establish a public purpose programs charge of 2.85% of electric retail revenues to fund eligible energy efficiency, conservation, renewable energy resource, and research and demonstration projects/activities that provide a public benefit, such as those outlined in the VMUS Energy Efficiency Program. Such charge will be assessed as a component of the Customer's monthly bill.

12. Greenhouse Gas Rebate.

Electric Distribution Utilities receive a free allocation of allowances from the California Air Resources Board (ARB) on an annual basis to offset higher energy charges. These allowances are then sold through the ARB Cap-and-Trade Program. The rates above are subject to adjustments as provided in Rule 12, Section G.

MEDIUM COMMERCIAL and INDUSTRIAL

A. Applicability.

Applicable to single and three-phase service including lighting and Power Service Customers whose monthly Maximum Demand registers, or in the opinion of the Utility is expected to register, above 20 kW and below 200 kW. Any Customer whose monthly Maximum Demand, in the opinion of the Utility, is expected to reach 200 kW or has reached 200 kW for any three (3) months during the preceding twelve (12) months is ineligible for service under this Rate Schedule. Effective with the date of ineligibility, such Customer's account shall be transferred to another applicable Rate Schedule. Further, any Customer served under this Rate Schedule whose monthly Maximum Demand has registered 20 kW or less for twelve (12) consecutive months is eligible for service under another applicable Rate Schedule.

B. Territory.

Within the entire territory served.

C. Rates.

Energy Charge - \$/kWh/Meter/Month	
Summer Season – On-Peak	0.10555
Mid-Peak	0.07140
Off-Peak	0.05464
Winter Season – Mid-Peak	0.07493
Off-Peak	0.05845
Greenhouse Gas Rebate - \$/kWh/Meter/Month	(0.00328)
Customer Charge - \$/Meter/Month	221.68
Demand Charge - \$/kW of Billing Demand/Meter/Month	
Facilities Related	15.09
Time Related - Summer Season – On-Peak	13.27
Time Related – Summer Season Mid-Peak	3.89

D. Special Conditions.

1. Time periods are defined as follows:

- On-Peak: Noon to 6:00 p.m. summer weekdays except holidays.
- Mid-Peak: 8:00 a.m. to noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays.
8:00 a.m. to 9:00 p.m. winter weekdays except holidays.
- Off-Peak: All other hours.

Holidays are New Year's Day (January 1), Washington's Birthday (third Monday in February), Memorial Day (last Monday in May), Independence Day (July 4),

Labor Day (first Monday in September), Veteran's Day (November 11), Thanksgiving Day (fourth Thursday in November), and Christmas (December 25).

When any holiday listed above falls on Sunday, the following Monday will be recognized as an off-peak period. No change will be made for holidays falling on Saturday.

The Summer Season shall commence at 12:00 a.m. on June 1st and continue until 12:00 a.m. on October 1st of each year. The Winter Season shall commence at 12:00 a.m. on October 1st of each year and continue until 12:00 a.m. on June 1st of the following year. A pro rata computation will be made for seasonal billing purposes.

2. Voltage.

Service will be supplied at one standard voltage.

3. Maximum Demand.

The Maximum Demand in any month shall be the measured maximum average kilowatt input, indicated or recorded by instruments, during any 15-minute metered interval in the month.

4. Billing Demand.

The Billing Demand shall be the kilowatts of Maximum Demand, determined to the nearest kW. The Demand Charge shall include the following billing components:

The Facilities Related Component shall be for the kilowatts of Maximum Demand recorded during (or established for) the monthly billing period. However, when the Utility determines the customer's Meter will record little or no energy use for extended periods of time or when the customer's Meter has not recorded a Maximum Demand in the preceding eleven months, the Facilities Related Component of the Demand Charge may be established at 50 percent of the customer's connected load.

The Time Related Component shall be for the kilowatts of Maximum Demand recorded during (or established for) the relevant TOU period for each of the Summer Season On-Peak and Mid-Peak Time Periods.

5. Temporary Discontinuance of Service.

Where the use of energy is seasonal or intermittent, no adjustments will be made for a temporary discontinuance of service. Any Customer resuming service within twelve (12) months after such service was discontinued will be required to

pay all charges which would have been billed if service had not been discontinued.

6. Customer-Owned Electrical Generating Facilities.

Upon written approval by the Utility, momentary parallel operation may be permitted to allow the Customer to test the auxiliary/emergency generating facilities.

7. Billing Calculation.

A Customer's bill is calculated according to the rates and conditions above. The charges are calculated by applying the Rate Charges when applicable to the actual billing determinants (kilowatt hours [kWh], demand [kW], etc.).

8. Power Cost Adjustment Factor (PCAF).

The rates above are subject to an adjustment as provided in Rule 12, Section E.

9. Change of Law Adjustment Factor (CLAF).

The rates above are subject to an adjustment as provided in Rule 12, Section F.

10. State Mandated Public Purpose Programs Charge.

State law requires all California electric utilities to establish a public purpose programs charge of 2.85% of electric retail revenues to fund eligible energy efficiency, conservation, renewable energy resource, and research and demonstration projects/activities that provide a public benefit, such as those outlined in the VMUS Energy Efficiency Program. Such charge will be assessed as a component of the Customer's monthly bill.

11. Greenhouse Gas Rebate.

Electric Distribution Utilities receive a free allocation of allowances from the California Air Resources Board (ARB) on an annual basis to offset higher energy charges. These allowances are then sold through the ARB Cap-and-Trade Program. The rates above are subject to adjustments as provided in Rule 12, Section G.

LARGE COMMERCIAL and INDUSTRIAL

A. Applicability.

Applicable to single and three-phase service including lighting and power customers whose monthly Maximum Demand registers, or in the opinion of the Utility is expected to register 200 kW through 500 kW. The customer whose monthly Maximum Demand, in the opinion of the Utility, is expected to exceed 500 kW or has exceeded 500 kW for any three (3) months during the preceding twelve (12) months is ineligible for service under this Rate Schedule and effective with the date of ineligibility, such Customer's account shall be transferred to the Larger Commercial Rate Schedule. Further, any Customer served under this Rate Schedule whose monthly Maximum Demand has registered below 200 kW for twelve (12) consecutive months is ineligible for service under this Rate Schedule, and shall be transferred to another applicable Rate Schedule.

B. Territory.

Within the entire territory served.

C. Rates.

Energy Charge - \$/kWh/Meter/Month	
Summer Season – On-Peak	\$ 0.10605
Mid-Peak	0.06908
Off-Peak	0.05149
Winter Season – Mid-Peak	0.07029
Off-Peak	0.05511
Greenhouse Gas Rebate - \$/kWh/Meter/Month	(0.00328)
Customer Charge - \$/Meter/Month	495.83
Demand Charge - \$/kW of Billing Demand/Meter/Month	
Facilities Related	18.54
Time Related - Summer Season – On-Peak	13.68
Time Related – Summer Season - Mid-Peak	4.01
Power Factor Adjustment - \$/kVAR	0.51255

D. Special Conditions.

1. Time periods are defined as follows:

- On-Peak: Noon to 6:00 p.m. summer weekdays except holidays.
- Mid-Peak: 8:00 a.m. to noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays.
8:00 a.m. to 9:00 p.m. winter weekdays except holidays.
- Off-Peak: All other hours.

Holidays are New Year's Day (January 1), Washington's Birthday (third Monday in February), Memorial Day (last Monday in May), Independence Day (July 4), Labor Day (first Monday in September), Veteran's Day (November 11), Thanksgiving Day (fourth Thursday in November), and Christmas (December 25).

When any holiday listed above falls on Sunday, the following Monday will be recognized as an off-peak period. No change will be made for holidays falling on Saturday.

The Summer Season shall commence at 12:00 a.m. on June 1st and continue until 12:00 a.m. on October 1st of each year. The Winter Season shall commence at 12:00 a.m. on October 1st of each year and continue until 12:00 a.m. on June 1st of the following year. A pro rata computation will be made for seasonal billing purposes.

2. Voltage.

Service will be supplied at one (1) standard voltage.

3. Maximum Demand.

Maximum Demand shall be established for the On-Peak, Mid-Peak, and Off-Peak periods. The Maximum Demand in any month shall be the measured maximum average kilowatt input, indicated or recorded by instruments, during any 15-minute metered interval in the month.

4. Billing Demand.

The Billing Demand shall be the kilowatts of Maximum Demand, determined to the nearest kW. The Demand Charge shall include the following billing components:

The Facilities Related Component shall be for the kilowatts of Maximum Demand recorded during (or established for) the monthly billing period. However, when the Utility determines the Customer's Meter will record little or no energy use for extended periods of time or when the Customer's Meter has not recorded a Maximum Demand in the preceding eleven (11) months, the Facilities Related Component of the Demand Charge may be established at fifty percent (50%) of the Customer's Connected Load.

The Time Related Component shall be for the kilowatts of Maximum Demand recorded during (or established for) the monthly billing period for each of the Summer Season On-Peak and Mid-Peak Time Periods.

5. Power Factor Adjustment.

The Customer's bill will be increased each month for power factor by the amount shown in the Rates section above for service metered and delivered at the applicable voltage level, based on the per kilovar of Maximum Reactive Demand imposed by the Utility.

The Maximum Reactive Demand shall be the highest measured maximum average kilovar demand indicated or recorded by metering during any 15 minute interval in the month. The kilovars shall be determined to the nearest unit. A device will be installed on each kilovar meter to prevent reverse operation of the meter.

6. Temporary Discontinuance of Service.

Where the use of energy is seasonal or intermittent, no adjustments will be made for a temporary discontinuance of service. Any Customer resuming service within twelve months after such service was discontinued will be required to pay all charges which would have been billed if service had not been discontinued.

7. Customer-Owned Electrical Generating Facilities.

Upon written approval by the Utility, momentary parallel operation may be permitted to allow the Customer to test the auxiliary/emergency generating facilities.

8. Billing Calculation.

A Customer's bill is calculated according to the rates and conditions above. The charges are calculated by applying the Rate Charges when applicable to the actual billing determinants (kilowatt hours [kWh], demand [kW], kilovar [kVAR], etc.).

9. Power Cost Adjustment Factor (PCAF).

The rates above are subject to an adjustment as provided in Rule 12, Section E.

10. Change of Law Adjustment Factor (CLAF).

The rates above are subject to an adjustment as provided in Rule 12, Section F.

11. State Mandated Public Purpose Programs Charge.

State law requires all California electric utilities to establish a public purpose programs charge of 2.85% of electric retail revenues to fund eligible energy efficiency, conservation, renewable energy resource, and research and demonstration projects/activities that provide a public benefit, such as those outlined in the VMUS Energy Efficiency Program. Such charge will be assessed as a component of the Customer's monthly bill.

12. Greenhouse Gas Rebate.

Electric Distribution Utilities receive a free allocation of allowances from the California Air Resources Board (ARB) on an annual basis to offset higher energy charges. These allowances are then sold through the ARB Cap-and-Trade Program. The rates above are subject to adjustments as provided in Rule 12, Section G.

LARGER COMMERCIAL and INDUSTRIAL

A. Applicability.

Applicable to General Service including lighting and Power Service customers. This Schedule is applicable to and mandatory for all customers whose monthly Maximum Demand, in the opinion of the Utility, is expected to exceed 500 kW or has exceeded 500 kW in any three (3) months during the preceding twelve (12) months. Any existing Customer on this Schedule whose monthly Maximum Demand has registered 500 kW or less for twelve (12) consecutive months is ineligible for service under this Schedule and shall be transferred to another applicable Rate Schedule. Service under this Schedule is subject to Meter availability.

B. Territory.

Within the entire territory served.

C. Rates.

Energy Charge - \$/kWh/Meter/Month	
Summer Season – On-Peak	\$ 0.11059
Mid-Peak	0.07014
Off-Peak	0.05189
Winter Season – Mid-Peak	0.07125
Off-Peak	0.05576
Greenhouse Gas Rebate - \$/kWh/Meter/Month	(0.00328)
Customer Charge - \$/Meter/Month	684.45
Demand Charge - \$/kW of Billing Demand/Meter/Month	
Facilities Related	17.69
Time Related - Summer Season – On-Peak	17.02
Time Related – Summer Season - Mid-Peak	4.82
Power Factor Adjustment - \$/KVA	0.51306

D. Special Conditions.

1. Time periods are defined as follows:

- On-Peak: Noon to 6:00 p.m. summer weekdays except holidays.
- Mid-Peak: 8:00 a.m. to noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays.
- 8:00 a.m. to 9:00 p.m. winter weekdays except holidays.
- Off-Peak: All other hours.

Holidays are New Year's Day (January 1), Washington's Birthday (third Monday in February), Memorial Day (last Monday in May), Independence Day (July 4), Labor Day (first Monday in September), Veteran's Day (November 11), Thanksgiving Day (fourth Thursday in November), and Christmas (December 25).

When any holiday listed above falls on Sunday, the following Monday will be recognized as an off-peak period. No change will be made for holidays falling on Saturday.

The Summer Season shall commence at 12:00 a.m. on June 1st and continue until 12:00 a.m. on October 1st of each year. The Winter Season shall commence at 12:00 a.m. on October 1st of each year and continue until 12:00 a.m. on June 1st of the following year. A pro rata computation will be made for seasonal billing purposes.

2. Voltage.

Service will be supplied at one standard voltage.

3. Maximum Demand.

Maximum Demands shall be established for the On-Peak, Mid-Peak, and Off-Peak periods. The Maximum Demand for each period shall be the measured maximum average kilowatt input indicated or recorded by instruments, during any 15-minute metered interval.

4. Billing Demand.

The Billing Demand shall be the kilowatts of Maximum Demand, determined to the nearest kW. The Demand Charge shall include the following billing components:

The Facilities Related Component shall be for the kilowatts of Maximum Demand recorded during (or established for) the monthly billing period. However, when the Utility determines the Customer's Meter will record little or no energy use for extended periods of time or when the Customer's Meter has not recorded a Maximum Demand in the preceding eleven (11) months, the Facilities Related Component of the Demand Charge may be established at fifty percent (50%) of the Customer's Connected Load.

The Time Related Component shall be for the kilowatts of Maximum Demand recorded during (or established for) the monthly billing period for each of the Summer Season On-Peak and Mid-Peak Time Periods.

5. Power Factor Adjustment.

The Customer's bill will be increased each month for power factor by the amount shown in the Rates section above for service metered and delivered at the applicable voltage level, based on the per kilovar of Maximum Reactive Demand imposed by the Utility.

The Maximum Reactive Demand shall be the highest measured maximum average kilovar demand indicated or recorded by metering during any 15 minute metered interval in the month. The kilovars shall be determined to the nearest unit. A device will be installed on each kilovar Meter to prevent reverse operation of the Meter.

6. Temporary Discontinuance of Service.

Where the use of energy is seasonal or intermittent, no adjustments will be made for a temporary discontinuance of service. Any Customer, prior to resuming service within twelve (12) months after such service was discontinued, will be required to pay all charges which would have been billed if service had not been discontinued.

7. Customer-Owned Electrical Generating Facilities.

Upon written approval by the Utility, momentary parallel operation may be permitted to allow the Customer to test the auxiliary/emergency generating facilities.

8. Contracts.

An initial three-year facilities contract may be required where Applicant requires new or added serving capacity exceeding 2,000 kVA.

9. Billing Calculation.

A Customer's bill is calculated according to the rates and conditions above. The charges are calculated by applying the Rate Charges when applicable to the actual billing determinants (kilowatt hours [kWh], demand [kW], kilovar [kVAR], etc.).

10. Power Cost Adjustment Factor (PCAF).

The rates above are subject to an adjustment as provided in Rule 12, Section E.

11. Change of Law Adjustment Factor (CLAF).

The rates above are subject to an adjustment as provided in Rule 12, Section F.

12. State Mandated Public Purpose Programs Charge.

State law requires all California electric utilities to establish a public purpose

programs charge of 2.85% of electric retail revenues to fund eligible energy efficiency, conservation, renewable energy resource, and research and demonstration projects/activities that provide a public benefit, such as those outlined in the VMUS Energy Efficiency Program. Such charge will be assessed as a component of the Customer's monthly bill.

13. Greenhouse Gas Rebate.

Electric Distribution Utilities receive a free allocation of allowances from the California Air Resources Board (ARB) on an annual basis to offset higher energy charges. These allowances are then sold through the ARB Cap-and-Trade Program. The rates above are subject to adjustments as provided in Rule 12, Section G.

STREET LIGHTING

A. Applicability.

Applicable to unmetered service for the lighting of streets, other public thoroughfares, and publicly-owned and publicly-operated automobile parking lots which are opened to the general public where the City owns and maintains the street lighting equipment and associated facilities included under this Schedule.

B. Territory.

Within the entire territory served.

C. Rates

High Pressure Sodium Vapor Lamps – All Night Service

Lamp Wattage	Initial Lumens	\$/Lamp/Month
150	16,000	\$ 13.79
200	22,000	15.49
250	27,500	16.98

Light Emitting Diode Lamps – All Night Service

Lamp Wattage	\$/Lamp/Month
52	\$ 10.51
67	11.05
92	11.79

Greenhouse Gas Rebate

Greenhouse Gas Rebate - \$/kWh/Meter/Month	(0.00328)
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D. Special Conditions

1. The Applicant shall install streetlights that will be served by the Utility. These streetlights must be installed in accordance with the Utility’s specifications and the developer will deed such facilities to the City.
2. Requirements and Restrictions.
 - a. The Applicant for street light service shall specify the type of service, lamp size, and location of street lights.

- b. Service shall not be furnished under this Schedule where location, mounting height, and/or other considerations are unacceptable to the Utility.
- c. The installation of street lighting equipment and facilities hereunder is contingent upon the utility obtaining easements, and rights of way, as may be required, satisfactory to the Utility for the required poles, lines, equipment, and facilities.
- d. Should the Applicant not commence using the street lighting in a bona fide manner within ninety (90) days after date of completion and installation of a street light or street lighting system requested by the Applicant, the Utility will bill, and the Applicant shall pay, the applicable lamp charges(s).

3. Hours of Service.

Under the Utility's standard all night operating schedule, approximately 4,140 hours of service per year will be furnished.

4. Maintenance.

The Utility shall exercise reasonable care and diligence in maintaining its street light facilities or Utility-owned attachments thereto. Where the Utility experiences, or expects to experience, maintenance costs exceeding its normal maintenance expense resulting from, but not limited to, vandalism, the Utility may require the customer to pay the excess maintenance expense.

5. Liability of the Utility.

The Utility shall not, by taking action pursuant to its tariffs, be liable for any loss, damage, or injury, established or alleged, which may result, or be claimed to result, there from.

6. Removal, Relocation or Modification of Facilities.

Where street lighting service and facilities are ordered removed by a Customer, the Customer shall pay to the Utility a nonrefundable amount equal to the total estimated cost installed less any Customer contribution, plus the estimated cost of removal less the estimated net salvage value of the facilities.

Where street lighting service and facilities were ordered removed by a Customer and such service and facilities, or their equivalent are ordered reinstalled within thirty-six (36) months from the date of the order to remove, the Customer shall pay to the Utility in advance of reinstallation a nonrefundable amount equal to the cost of removal of the prior facilities and the estimated cost of such reinstallation.

Where street lighting facilities are ordered modified and /or relocated by a Customer, the Customer shall pay to the Utility, in advance of such modification and/or relocation, a nonrefundable amount equal to the estimated cost of such modification and/or relocation. This includes facilities that now serve street light load only, but that may have been installed originally to serve other than street light load.

Utility-owned facilities removed or installed remain the sole property of the Utility.

7. Billing Calculation.

A Customer's bill is calculated according to the rates and conditions above.

8. Power Cost Adjustment Factor (PCAF).

The rates above are subject to an adjustment as provided in Rule 12, Section E.

9. Change of Law Adjustment Factor (CLAF).

The rates above are subject to an adjustment as provided in Rule 12, Section F.

10. State Mandated Public Purpose Programs Charge.

State law requires all California electric utilities to establish a public purpose programs charge of 2.85% of electric retail revenues to fund eligible energy efficiency, conservation, renewable energy resource, and research and demonstration projects/activities that provide a public benefit, such as those outlined in the VMUS Energy Efficiency Program. Such charge will be assessed as a component of the Customer's monthly bill.

11. Greenhouse Gas Rebate.

Electric Distribution Utilities receive a free allocation of allowances from the California Air Resources Board (ARB) on an annual basis to offset higher energy charges. These allowances are then sold through the ARB Cap-and-Trade Program. The rates above are subject to adjustments as provided in Rule 12, Section G.

TRAFFIC CONTROL

A. Applicability.

Applicable to single and three-phase service for traffic directional signs or traffic signal systems located on streets, highways and other public thoroughfares and to railway crossing and track signals; for public thoroughfare lighting that is utilized twenty-four (24) hours per day or is not controlled by switching equipment, such as tunnel or underpass lighting; and, to public authorities for the illumination of bus stop shelters located in the dedicated road right-of-way where such service is combined with other traffic control service as defined above.

B. Territory.

The entire territory served.

C. Rates.

\$/Traffic Signal/Month	\$ 72.19
Greenhouse Gas Rebate - \$/kWh/Meter/Month	(0.00328)

D. Special Conditions

1. Voltage.

Service will be supplied at one (1) standard voltage not in excess of 240 volts or, at the option of the Utility, at 240/480 volts, three wire, single-phase.

2. Billing Calculation.

A Customer's bill is calculated according to the rate and conditions above.

3. Power Cost Adjustment Factor (PCAF).

The rate above is subject to an adjustment as provided in Rule 12, Section E.

4. Change of Law Adjustment Factor (CLAF).

The rate above is subject to an adjustment as provided in Rule 12, Section F.

5. State Mandated Public Purpose Programs Charge.

State law requires all California electric utilities to establish a public purpose programs charge of 2.85% of electric retail revenues to fund eligible energy efficiency, conservation, renewable energy resource, and research and demonstration projects/activities that provide a public benefit, such as those outlined in the VMUS Energy Efficiency Program. Such charge will be assessed as a component of the Customer's monthly bill.

6. 6. Greenhouse Gas Rebate.

Electric Distribution Utilities receive a free allocation of allowances from the California Air Resources Board (ARB) on an annual basis to offset higher energy charges. These allowances are then sold through the ARB Cap-and-Trade Program. The rates above are subject to adjustments as provided in Rule 12, Section G.

PUMPING LOAD

A. Applicability.

Applicable to where the Utility determines that 70% of more of the customer's electrical usage is for intermittent general water or sewerage pumping and the motor rating is no greater than 6 horse power.

B. Territory.

Within the entire territory served.

C. Rates.

\$/Pump/Month Charge	\$ 82.93
Greenhouse Gas Rebate - \$/kWh/Meter/Month	(0.00328)

D. Special Conditions.

1. Voltage.

Service will be supplied at one standard voltage.

2. Temporary Discontinuance of Service.

Where the use of energy is seasonal or intermittent, no adjustments will be made for a temporary discontinuance of service. Any Customer resuming service within twelve (12) months after such service was discontinued will be required to pay all charges which would have been billed if service had not been discontinued.

3. Billing Calculation.

A Customer's bill is calculated according to the rates and conditions above.

4. Power Cost Adjustment Factor (PCAF).

The rates above are subject to an adjustment as provided in Rule 12, Section E.

5. Change of Law Adjustment Factor (CLAF).

The rates above are subject to an adjustment as provided in Rule 12, Section F.

6. State Mandated Public Purpose Programs Charge.

State law requires all California electric utilities to establish a public purpose programs charge of 2.85% of electric retail revenues to fund eligible energy efficiency, conservation, renewable energy resource, and research and

demonstration projects/activities that provide a public benefit, such as those outlined in the VMUS Energy Efficiency Program. Such charge will be assessed as a component of the Customer's monthly bill.

7. Greenhouse Gas Rebate.

Electric Distribution Utilities receive a free allocation of allowances from the California Air Resources Board (ARB) on an annual basis to offset higher energy charges. These allowances are then sold through the ARB Cap-and-Trade Program. The rates above are subject to adjustments as provided in Rule 12, Section G.