

RESOLUTION NO. 18-044

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VICTORVILLE AMENDING AND REVISING THE ELECTRIC RULES, REGULATIONS AND RATE SCHEDULES (TARIFFS) FOR ELECTRIC SERVICES PROVIDED TO CUSTOMERS OF VICTORVILLE MUNICIPAL UTILITY SERVICES (“VMUS”) 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 Service 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 Service 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 Electric Service 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, 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 currently-existing Electric Service Rate Schedules (a comprehensive schedule of electric rates, fees and charges reflecting the reasonable and prudent costs relating to the acquisition and distribution of electric power to VMUS retail customers) was last revised on August 1, 2017, following a duly noticed public hearing and adoption of Resolution No. 17-040 and Appendix A thereto; and

WHEREAS, to implement a three percent (3%) rate increase reflective of VMUS’s reasonable operating costs and to require the return of Greenhouse Gas auction proceeds to eligible customers in a non-volumetric manner pursuant to the State’s revised Cap-and-Trade regulations, City staff recommends modifications to the Electric Service Rate Schedules as set forth in Appendix A of Attachment 1 of this Resolution; and

WHEREAS, it is also the desire of the City Council for City staff to regularly review the Electric Service Rules and Regulations (a comprehensive set of rules, regulations and operating procedures for the utility and its customers) in accordance with good utility practices; and

WHEREAS, to reflect certain updated definitions, procedures, and operational changes that have occurred since they were last amended by Resolution No. 17-040, City Staff further recommends revisions to the Electric Service Rules as set forth in Attachment 1 of this Resolution; and

WHEREAS, on July 17, 2018, the City Council conducted a duly noticed public hearing concerning the adoption of this Resolution and Attachment 1 (including Appendix A) thereto; and

WHEREAS, copies of this Resolution and Attachment 1 (including Appendix A) thereto, were made available for public review in City Clerk's office and on the VMUS web page beginning June 29, 2018; and

WHEREAS, based upon the Staff Report, testimony and other evidence submitted at the public hearing held on July 17, 2018, the City Council hereby finds and determines that: (1) the proposed revised rules and regulations set forth in Attachment 1 to this Resolution are necessary to ensure the orderly and efficient operation of VMUS; and (2) the charges and rates set forth in Appendix A of Attachment 1 reflect the City's reasonable and prudent costs associated with operation of VMUS and do not establish unfair, unreasonable, discriminatory or excessive rates that exceed the City's reasonable costs of doing business; 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 Rules, Regulations and 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 revised Electric Service Rules and Regulations and the modified Electric Service Rate Schedules effective as of August 1, 2018.

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 revised VMUS Electric Service Rules, Regulations and Rates set forth Attachment 1 (including Appendix A thereto) to this Resolution, incorporated and made part of this Resolution by this reference, are hereby adopted and shall replace and supersede Attachment

1 (including Appendix A) of Ordinance No. 2240, as such has subsequently been amended by Resolution Nos. 13-014, 14-035, 16-039 and 17-040, in its entirety as of August 1, 2018.

Section 3. The revised Electric Service Rules and Regulations contained in Attachment 1 to this Resolution and the revised Electric Service Rate Schedules (Tariffs) contained in Appendix A of Attachment 1 shall become effective as of August 1, 2018.

Section 4. As of August 1, 2018, a copy of the Electric Service Rules, Regulations and Rates attached to this Resolution as Attachment 1 (including Appendix A thereto) shall be retained at City Hall by the City Clerk and/or VMUS customer service, and shall be available for public inspection upon request.

Section 5. The City Clerk shall certify to the adoption of this Resolution.