

RESOLUTION NO. 18-059

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VICTORVILLE AMENDING AND REVISING THE NATURAL GAS RULES, REGULATIONS, AND RATE SCHEDULES FOR NATURAL GAS SERVICES PROVIDED TO CUSTOMERS OF VICTORVILLE MUNICIPAL UTILITY SERVICES (“VMUS”) PURSUANT TO CHAPTER 10.11 OF THE VICTORVILLE MUNICIPAL CODE

WHEREAS, on June 19, 2014, the City Council of the City of Victorville (“City”) adopted Ordinance No. 2315, which, among other things, amended, revised and codified the Natural Gas Rules, Regulations and Rate Schedules of Victorville Municipal Utility Services (“VMUS”) in Chapter 10.11 of the Victorville Municipal Code (“VMC”); and

WHEREAS, the Natural Gas Rules, Regulations and Rate Schedules of VMUS were set forth in Attachment 1 of Ordinance No. 2315 and incorporated by reference into VMC Section 10.11.010(a); and

WHEREAS, Ordinance No. 2315 further provided that the Natural Gas Service Rules, Regulations and Rates could be amended by resolution of the City Council under the procedures set forth therein; and

WHEREAS, VMC sections 10.11.010(b) and 10.11.020(a) respectively, authorize the City Council to amend the Natural Gas Rules and Regulations in Attachment 1 and the Natural Gas 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 Natural Gas Rate Schedules were first amended on August 1, 2017 following a duly noticed hearing and adoption of City Council Resolution No. 17-041; and

WHEREAS, it is the desire of the City Council for City Staff to regularly review VMUS natural gas utility operations to ensure that natural gas 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 proposed modification to the Gas Service Rate Schedules, as reflected in Appendix A of Attachment 1 to this Resolution, would increase the current tiered rates by 2.95%, tiered rates are per Therm. Projecting needs to upgrade equipment as our demand for service is continuing to grow. We traditionally keep pace with Southwest Gas to ensure our capital needs our met; and

WHEREAS, the Natural Gas Rules and Regulations were also last amended on August 1, 2017 by Resolution No. 17-041; and

WHEREAS, it is also the desire of the City Council for City staff to regularly review the Natural Gas 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. 17-041, City Staff further recommends revisions to the Natural Gas Rules and Regulations 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 July 2, 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 Gas 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 gas enterprise; and

WHEREAS, in order to ensure the continued orderly operation of VMUS and recovery of reasonable and prudent costs associated with providing natural gas service to its customers, the City Council desires to adopt this Resolution to make the Natural Gas Rule and Regulation revisions and the modified Natural Gas 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 as part of this Resolution by this reference.

Section 2. The revised VMUS Natural Gas Service Rules, Regulations and Rates set forth in Attachment 1 (including Appendix A thereto) to this Resolution, which are incorporated and made part of this Resolution by this reference, are hereby adopted and shall replace and

supersede Attachment 1 (including Appendix A) to Ordinance No. 2315, as such has subsequently been amended by Resolution Nos. 14-036, 15-045, 16-040 and 17-041, in its entirety as of August 1, 2018.

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

Section 4. As of August 1, 2018, a copy of the VMUS Natural Gas Service Rules, Regulations and Rate Schedules 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.