



TO: Elizabeth Pauli, Interim City manager
FROM: Rebecca Boydston, Council Assistant, City Manager's Office
COPY: City Council and City Clerk
SUBJECT: Request for Consideration
DATE: March 15, 2017

SUMMARY:

A resolution from the City Council requests the Public Utility Board not include the entire rate increase in the customer charge, but split the increase between customer charge and variable energy and demand charges.

COUNCIL SPONSORS:

Councilmember Ryan Mello
Councilmember Anders Ibsen
Councilmember Marty Campbell

BACKGROUND:

Recently, the Department of Public Utilities, Power Division, proposed a rate increase that significantly raises the customer charge for residential customers, regardless of energy use.

The council has not been persuaded that rate increases exclusively to the customer charge is the most equitable, particularly in light of the impacts on low-income customers, as well as low-energy users. We feel such an increase discourages energy conservation, and that any rate increases should be split between increased customer charges and usage charges.

ALTERNATIVES:

The alternative is to accept the rate increase proposals as presented.

RECOMMENDATION:

We therefore respectfully request the Public Utility Board to initiate and approve proposed power rates with a more moderate increase to the customer charge, while also increasing rates based on usage.

FISCAL IMPACT:

There is no fiscal impact.