



AGENDA SUMMARY REPORT

SUBJECT: The Ukiah City Council Will Receive a Financial Report for the Electric Utility and Consider Adoption of the Proposed Electric Rate Adjustments by Resolution.

DEPARTMENT: Electric Utility

PREPARED BY: Cindy Sauers, Electric Utility Director

PRESENTER: Cindy Sauers, Electric Utility Director

ATTACHMENTS:

1. Attach 1 - City of Ukiah vs. PG&E
2. Attach 2 - 2016 Approved Electric Rates
3. Attach 3 - 2022 Approved Electric Rates
4. Attach 4 - Approved Power Cost Surcharge Rider
5. Attach 5 - 2023 Approved Electric Rates
6. Attach 6 - 2024 Proposed Electric Rates
7. Attach 7 - Resolution Adopting Rate Schedule 05152024

Summary: In accordance with Ukiah City Code Division 4, Chapter 6, Sections 3950 through 3957, the City Council will hold a public hearing on May 15, 2024, to receive the City Manager's Report on Electric Utility rates and consider the adoption, by resolution, of the proposed electric rate adjustments. Legal notices were published in accordance with City Code 3953. The Agenda Summary Report and the City Manager's Report are to be considered the same report.

Background: The City of Ukiah's Electric Utility is a publicly owned, nonprofit utility, governed by the Ukiah City Council. The City Council provides oversight and direction and approves rates. As a municipal utility, all costs related to electric service delivery to customers, including generation, labor, maintenance, and capital improvement funds are covered by the revenue collected through rates. Ukiah's rates are, on average, 48% less than other neighboring Mendocino County utilities (Attachment 1).

The Electric Utility has faced significant challenges in the past several years. The wildfires that ravaged parts of Northern California have resulted in increased legislation and costs as utilities fund projects to reduce the chances of additional fires. The financial burden these projects have placed on utilities in a short period of time is significant. As part of the City Utility's wildfire mitigation efforts, several capital improvement projects are in various stages of completion, including undergrounding high voltage lines and re-conducting aging overhead wire in high fire threat areas on the west side of Ukiah. Although grant funding is secured for some of these projects, matching funds are required. Additional maintenance funding has also been budgeted yearly for vegetation management.

Historically, due to the expensive nature of undergrounding, the Utility typically plans and constructs one underground project every 5–7 years. Since 2019, four projects have been developed. Three of these projects are completed and the undergrounding associated with phase two of the Streetscape project is scheduled to be completed in early summer. Two of the four undergrounding projects were unplanned. The acceleration of these projects has more than doubled the Utility's capital output for undergrounding, resulting in a decrease in available funding for other capital improvement projects.

The Utility continues to be impacted by inflation and supply chain delays. The cost of materials has increased

significantly. Electrical PVC conduit costs have risen 400% since 2019, transformer costs have increased over 60% and lead times have increased from 32 weeks to over 2 years. Other materials have increased between 10-80%.

Energy prices hugely impacted the Utility in 2022 and 2023 with a 28% increase in 2022 and an additional 12% in 2023. Previous years saw roughly 3-5% increases year over year. Although there is a recent downward trend and prices seem to have stabilized, they remain 30% higher than in 2020.

In 2016, Council approved the first electric rate increase in 20 years, implemented over a 5-year period (Attachment 2). Council approved an additional 5-year rate increase in January 2022 (Attachment 3). Unfortunately, only a portion of the cost pressures the industry was experiencing were entirely visible for rate development. Power costs accelerated at an unprecedented clip, increasing over 40% in two years. To mitigate this volatility, Council approved the Power Cost Surcharge (PCS) (Attachment 4), which has, and will continue to deal with the fluctuations in the energy market. The PCS provided the financial support the Utility needed and has been reduced for three consecutive quarters to account for the recent decrease in energy costs. In 2023, Council approved eliminating the last three installments of the 2022 rate increase and replacing them with two new increases (Attachment 5) with the understanding that the Utility would continue to perform cost of service analysis annually to ensure revenue keeps up with expenses.

Discussion: The Utility, once again, contracted with Borismetrics to perform the 2024 cost of service analysis. The analysis considers all costs associated with providing Ukiah customers; generation, transmission, distribution and capital projects. Additionally, the analysis includes a factor for anticipated projects that will help meet the electrification and renewable mandates set forth by the State. The proposed rate changes will provide adequate funding to meet these goals.

The proposed rate tables (Attachment 6) apply to residential, commercial and industrial customers. The CARES program that assists residential customers with paying for their electric bills is available and the Customer Service Department can assist customers needing to access this program. All other rates will remain in effect.

Staff recommends Council receive financial report for the Electric Utility and approve the proposed electric rate adjustments by resolution (Attachment 7).

Recommended Action: Receive financial report for the Electric Utility and approve the proposed electric rate adjustments by resolution.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

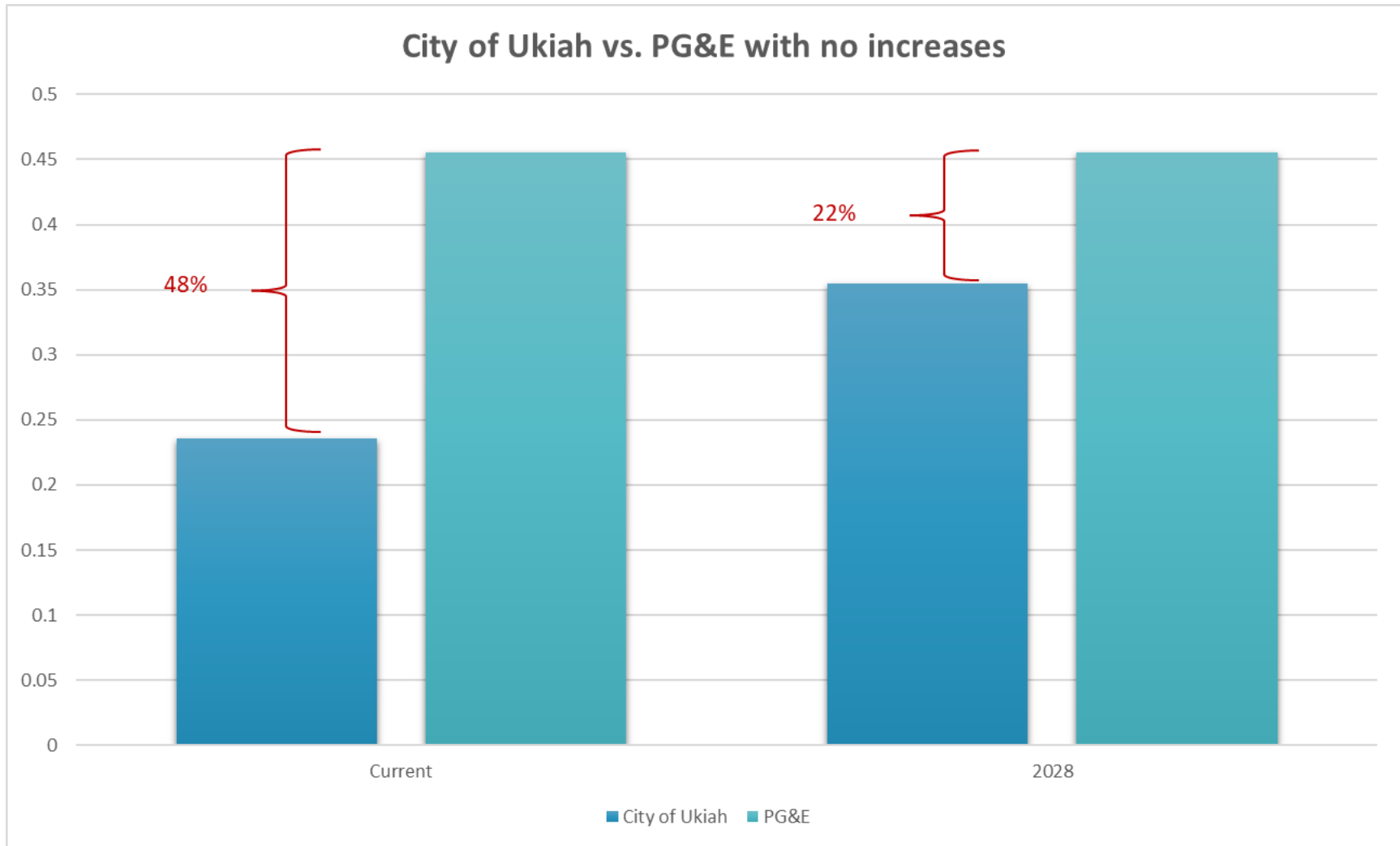
COORDINATED WITH: Sage Sangiacomo, City Manager

DIVERSITY-EQUITY INITIATIVES (DEI):

CLIMATE INITIATIVES (CI): 1b – Increase renewable power production and storage.

GENERAL PLAN ELEMENTS (GP): GP-A4 - Public Facilities, Services, and Infrastructure Element

Approved: 
Sage Sangiacomo, City Manager



Proposed City of Ukiah Electric Rates

Winter Rates effective November 1-April 30

Summer Rates effective May 1-October 31

(The amended rates will apply to the first full month's consumption following the rate's effective date)

Residential Single Phase: Electric Rate E1 (Basic Service), E2 (All Electric)

All Electric Rate (E2) will be closed to new customers effective 1/1/2017. Current customers will be allowed to stay on the rate no matter how they qualified. Other rate discounts and or adjustments to baseline quantities for various programs such as but not exclusive of senior and life support will remain the same. The minimum charge will be billed if the sum of the basic and the energy charges are less than the minimum charge amount.

<u>Rate by effective date</u>	1/1/2017	7/1/2017	7/1/2018	7/1/2019	7/1/2020
Base line Quantities, per kWh, \$/kWh	\$0.12040	\$0.12410	\$0.12790	\$0.13180	\$0.13580
Exceeding Base line Quantities, per kWh, \$/kWh	\$0.15800	\$0.16280	\$0.16770	\$0.17280	\$0.17800
Minimum Monthly Billing, \$/Month	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Basic Monthly Charge for Monthly KWh less than 200 kWh per month, \$/Month	\$0.50	\$0.52	\$0.54	\$0.56	\$0.58
Basic Monthly Charge for Monthly KWh greater than or equal to 200 kWh per month and less than 550 kWh per month, \$/Month	\$1.00	\$1.03	\$1.07	\$1.11	\$1.15
Basic Monthly Charge for Monthly KWh greater than or equal to 550 kWh per month, \$/Month	\$1.50	\$1.55	\$1.60	\$1.65	\$1.70

BASELINE QUANTITIES (kWh PER MONTH)

	WINTER	SUMMER
Basic Service	360	360
All Electric	660	360

General Service: Electric Rate E5, E6, C5, C6, E55, E51

This rate schedule is applicable to general commercial and non-commercial residential lighting, heating and all single phase and three phase alternating current loads in which energy use is less than 144,000 kWh per meter for 12 consecutive months. This schedule will not be applicable to commercial uses permitted by the City under a Home Occupation Permit.

Effective Date	1/1/2017	7/1/2017	7/1/2018	7/1/2019	7/1/2020
Energy Rates, \$/kWh					
Winter	\$0.17066	\$0.17578	\$0.18106	\$0.18650	\$0.19210
Summer	\$0.12663	\$0.13043	\$0.13435	\$0.13839	\$0.14255
Base Charge, \$/month					
Single Phase (E5)	\$8.66	\$8.92	\$9.19	\$9.47	\$9.76
Poly-phase (E6)	\$9.69	\$9.99	\$10.29	\$10.60	\$10.92
X-Ray (E51)	\$21.63	\$22.28	\$22.95	\$23.64	\$24.35
Minimum Charge, \$/Month					
2nd Meter (E55)	\$8.66	\$8.92	\$9.19	\$9.47	\$9.76

General Service with Demand: Electric Rate E7, C7

This rate is applicable to commercial and non-residential lighting, heating, and all single phase and three phase loads in which energy use is 144,000 kWh or greater per meter for 12 consecutive months. The customer bill will consist of a basic month charge, energy and demand charges.

DEMAND CHARGE

The customer will be billed for demand according to the customer's "maximum kilowatt demand" each month. The number of kilowatt (kW) used will be recorded over 15 minute intervals: the highest 15 minute average kW use in the month will be the customer's maximum demand.

Effective Date	1/1/2017	7/1/2017	7/1/2018	7/1/2019	7/1/2020
Energy Rates, \$/kWh					
Winter	\$0.09094	\$0.09367	\$0.09649	\$0.09939	\$0.10238
Summer	\$0.11295	\$0.11634	\$0.11984	\$0.12344	\$0.12715
Basic Charge, \$/Month	\$72.72	\$74.91	\$77.16	\$79.48	\$81.87
Demand Charge, \$/kW					
Winter	\$4.18	\$4.31	\$4.44	\$4.58	\$4.72
Summer	\$6.65	\$6.85	\$7.06	\$7.28	\$7.50

General Large Industrial Service with Demand: E-1

This schedule is applicable to large industrial production, lighting, heating and all single and three phase loads in which energy use is an average of 75,000 kWh monthly or greater with a demand of 200 kW monthly or greater for at least six consecutive months (multiple meters at a single location will be combined).

The Industrial rate is applicable to large manufacturing facilities, defined as businesses or corporations that produce products for either wholesale or retail sales or businesses that contract to fulfill obligations to produce specific components.

DEMAND CHARGE

The customer will be billed for demand according to the customer's "maximum kilowatt demand" each month. The number of kilowatt (kW) used will be recorded over 15 minute intervals: the highest 15 minute average kW use in the month will be the customer's maximum demand.

Effective Date	1/1/2017	7/1/2017	7/1/2018	7/1/2019	7/1/2020
Energy Rates \$/kWh					
Winter	\$0.07034	\$0.07246	\$0.07464	\$0.07688	\$0.07919
Summer	\$0.09235	\$0.09513	\$0.09799	\$0.10093	\$0.10396
Base Charge					
\$/Month	\$72.72	\$74.91	\$77.16	\$79.48	\$81.87
Demand Charge \$/kW					
Winter	\$4.18	\$4.31	\$4.44	\$4.58	\$4.72
Summer	\$6.65	\$6.85	\$7.06	\$7.28	\$7.50

City of Ukiah Electric Rates

Residential Service Electric Rate E1, E2*

Residential Service Electric Rate E1, E2*							
Rate Year	Rate effective date	Energy kWh Charge		Monthly Fixed Charge - per KWH level			Mimimun monthly charge
		Kwh less than Baseline (\$/kWh)	kWh equal to or Greater than Baseline (\$/kWh)	Less than 200 kWh per month	201-550 kWh per month	Greater than 550 kWh per month	
1	April 1,2022	\$0.14797	\$0.19395	\$1.00	\$1.75	\$2.75	\$5.00
2	April 1, 2023	\$0.16009	\$0.20983	\$2.00	\$3.19	\$4.56	\$5.00
3	April 1, 2024	\$0.17344	\$0.22733	\$3.00	\$4.63	\$6.38	\$5.00
4	April 1, 2025	\$0.18837	\$0.24691	\$4.00	\$6.06	\$8.19	\$5.00
5	April 1, 2026	\$0.20493	\$0.26861	\$5.00	\$7.50	\$10.00	\$5.00

(The amended rates will apply to the first full month's consumption following the rate's effective date)

BASELINE QUANTITIES (kWh PER MONTH)

	WINTER (Nov 1-Apr 30)	SUMMER (May 1 -Oct 31)
Basic Service (E1)	360	360
All Electric E2*	660	360

***All Electric Rate E2 was closed to new customers effective 1/1/2017.** Current customers will be allowed to stay on the rate no matter how they qualified. Other rate discounts and or adjustments to baseline quantities for various programs such as but not exclusive of senior and life support will remain the same. The minimum charge will be billed if the sum of the basic and the energy charges are less than the minimum charge amount.

City of Ukiah Electric Rates

Small Commercial Service Electric Rate E5, E6, C5, C6

This rate schedule is applicable to general commercial and non-commercial residential lighting, heating and all single phase and three phase alternating current loads in which energy use is less than 144,000 kWh per meter for 12 consecutive months. This schedule will not be applicable to commercial uses permitted by the City under a Home Occupation Permit.

Small Commercial Service Electric Rate E5, E6, C5, C6					
Rate Year	Rate effective date	Energy Charge (\$/kWh)		Monthly fixed charge (\$)	
		Winter	Summer	E5/C5	E6/C6
1	April 1, 2022	\$0.16090	\$0.20010	\$15.50	\$16.50
2	April 1, 2023	\$0.17619	\$0.21911	\$17.21	\$18.32
3	April 1, 2024	\$0.19292	\$0.23992	\$19.10	\$20.33
4	April 1, 2025	\$0.21125	\$0.26272	\$20.91	\$22.26
5	April 1, 2026	\$0.23132	\$0.28768	\$22.90	\$24.38

WINTER (Nov 1 – Apr 30)
SUMMER (May 1 – Oct 31)

***New electric accounts with intermittent loads (used infrequently) and disconnected within the last 12 months shall be charged \$50 in addition to all other new account fees**

City of Ukiah Electric Rates

Medium/Large Commercial Service with Demand Electric Rate E7, C7

This rate is applicable to commercial and non-residential lighting, heating, and all single phase and three phase loads in which energy use is 144,000 kWh or greater per meter for 12 consecutive months. The customer bill will consist of a basic month charge, energy and demand charges.

Demand Charge

The customer will be billed for demand according to the customer's "maximum kilowatt demand" each month. The number of kilowatt (kW) used will be recorded over 15-minute intervals: the highest 15-minute average kW use in the month will be the customer's maximum demand.

Medium/Large Commercial Service with Demand Electric Rate E7, C7						
Rate Year	Rate effective date	Energy Charge (\$/kWh)		Demand Charge (\$/kW)		Monthly Fixed Charge (\$)
		Winter	Summer	Winter	Summer	
1	April 1, 2022	\$0.11139	\$0.13834	\$5.48	\$8.10	\$114.62
2	April 1, 2023	\$0.12108	\$0.15037	\$6.42	\$8.85	\$137.54
3	April 1, 2024	\$0.13260	\$0.16470	\$7.03	\$9.69	\$150.61
4	April 1, 2025	\$0.14520	\$0.18030	\$7.70	\$10.61	\$164.92
5	April 1, 2026	\$0.15900	\$0.19740	\$8.43	\$11.62	\$180.59

WINTER (Nov 1 – Apr 30)

SUMMER (May 1 – Oct 31)

City of Ukiah Electric Rates

Industrial Service with Demand Electric Rate I1

This schedule is applicable to large industrial production, lighting, heating and all single and three phase loads in which energy use is an average of 75,000 kWh monthly or greater with a demand of 200 kW monthly or greater for at least six consecutive months (multiple meters at a single location will be combined).

The Industrial rate is applicable to large manufacturing facilities, defined as businesses or corporations that produce products for either wholesale or retail sales or businesses that contract to fulfill obligations to produce specific components.

Demand Charge

The customer will be billed for demand according to the customer's "maximum kilowatt demand" each month. The number of kilowatt (kW) used will be recorded over 15-minute intervals: the highest 15-minute average kW use in the month will be the customer's maximum demand.

Industrial Service with Demand Electric Rate I1 (Replaces EI Rate)						
Rate Year	Rate effective date	Energy Charge (\$/kWh)		Demand Charge (\$/kW)		Monthly Fixed Charge (\$)
		Winter	Summer	Winter	Summer	
1	April 1, 2022	\$0.08608	\$0.11300	\$5.29	\$8.10	\$143.27
2	April 1, 2023	\$0.09426	\$0.12374	\$5.92	\$8.83	\$179.09
3	April 1, 2024	\$0.10320	\$0.13550	\$6.48	\$9.67	\$196.10
4	April 1, 2025	\$0.11300	\$0.14840	\$7.10	\$10.59	\$214.73
5	April 1, 2026	\$0.12370	\$0.16250	\$7.77	\$11.60	\$235.13

WINTER (Nov 1 – Apr 30)

SUMMER (May 1 – Oct 31)

City of Ukiah Electric Rates

Ukiah Green Energy Program

For customers wishing to promote the development and use of renewable energy; the City of Ukiah offers a 100 % Green electric rate. This rate is available to all Ukiah electric customers.

The City will procure, on the customer’s behalf, Renewable Energy to match the customer’s monthly energy consumption. Customers choosing the Green Rate will incur an additional 2.021 cents per kWh for every kWh consumed during the billing period. The 100% Green Rate will be updated yearly and will be based on renewable energy cost, delivery costs and imposed fees. Customers may opt into the program anytime and may opt out any time after the second complete billing cycle on the program.

100% Green Energy Rate		
Program:	Ukiah Green Energy Rate:	Billing Period:
Ukiah Green Energy	0.02021 per kWh	Monthly

City of Ukiah Amended Power Cost Surcharge Rider

This amends the City of Ukiah Power Cost Surcharge Rider as per Resolution No. 2023- The Power Cost Surcharge (Surcharge) is a per kilowatt-hour (kWh) charge that is used to ensure an adequate revenue stream to cover all power costs incurred by Ukiah Electric's system: including generation, management of Utility owned facilities, and transmission costs through Northern California Power Agency (NCPA). The Surcharge will be assessed to all customers as an additional charge per kWh to their standard rate.

Calculation:

A 12-month running sum of actual metered dollars invoiced and metered kWh of load for the previous 12 months of the NCPA Net All Resources Bill (ARB) will be maintained. The Surcharge Factor for a particular month will be calculated as the previous 12-month sum of actual metered NCPA net ARB invoiced amounts divided by the previous 12-month sum of the NCPA ARB metered kWh monthly loads adjusted for distribution losses and for bill timing adjustments. The Surcharge is set as the difference between Surcharge Factor of quarterly and the January 2022 Surcharge Factor. The Surcharge can be negative or positive.

The Surcharge is implemented quarterly on March 1st, June 1st, September 1st, and December 1st, with the first Power Cost Surcharge to begin on March 1, 2023.

City of Ukiah Electric Rates

Residential Service Electric Rate E1, E2*

Residential Service Electric Rate E1, E2*						
Rate Effective Date	Energy kWh Charge		Monthly Fixed Charge - per kWh level			Mimimun monthly charge
	kWh less than Baseline (\$/kWh)	kWh equal to or Greater than Baseline (\$/kWh)	Less than 200 kWh per month	201-550 kWh per month	Greater than 550 kWh per month	
July 1, 2023	\$0.17930	\$0.23501	\$3.36	\$5.19	\$7.15	\$5.00
January 1, 2024	\$0.19633	\$0.25734	\$4.48	\$6.79	\$9.17	\$5.00

BASELINE QUANTITIES (kWh PER MONTH)

	WINTER (Nov 1-Apr 30)	SUMMER (May 1 -Oct 31)
Basic Service (E1)	360	360
All Electric E2*	660	360

This rate schedule is applicable to residential electric service. Other rate discounts and or adjustments to baseline quantities for various programs such as but not exclusive of senior and life support will remain the same. The minimum charge will be billed if the sum of the basic and the energy charges are less than the minimum charge amount.

*All Electric Rate E2 was closed to new customers effective 1/1/2017. Current customers will be allowed to stay on the rate no matter how they qualified.

City of Ukiah Electric Rates

Small Commercial Service Electric Rate E5, E6, C5, C6

This rate schedule is applicable to general commercial and non-commercial residential lighting, heating and all single phase and three phase alternating current loads in which energy use is less than 144,000 kWh per meter for 12 consecutive months. This schedule will not be applicable to commercial uses permitted by the City under a Home Occupation Permit.

Small Commercial Service Electric Rate E5, E6, C5, C6				
Rate Effective Date	Energy Charge (\$/kWh)		Monthly fixed charge(\$)	
	Winter	Summer	E5/C5	E6/C6
July 1, 2023	\$0.19733	\$0.24540	\$19.28	\$20.52
January 1, 2024	\$0.21608	\$0.26872	\$21.11	\$22.47

WINTER (Nov 1 – Apr 30)

SUMMER (May 1 – Oct 31)

Note: New electric accounts with intermittent loads (used infrequently) and disconnected within the last 12 months shall be charged \$50 in addition to all other new account fees

City of Ukiah Electric Rates

Medium/Large Commercial Service with Demand Electric Rate E7, C7

This rate is applicable to commercial and non-residential lighting, heating, and all single phase and three phase loads in which energy use is 144,000 kWh or greater per meter for 12 consecutive months. The customer bill will consist of a basic month charge, energy and demand charges.

Demand Charge

The customer will be billed for demand according to the customer's "maximum kilowatt demand" each month. The number of kilowatt (kW) used will be recorded over 15-minute intervals: the highest 15-minute average kW use in the month will be the customer's maximum demand.

Medium/Large Commercial Service with Demand Electric Rate E7, C7					
Rate Effective Date	<i>Energy Charge (\$/kWh)</i>		<i>Demand Charge (\$/kW)</i>		Monthly Fixed Charge
	Winter	Summer	Winter	Summer	
July 1, 2023	\$0.13561	\$0.16841	\$7.19	\$9.91	\$154.04
January 1, 2024	\$0.14849	\$0.18441	\$7.87	\$10.85	\$168.68

WINTER (Nov 1 – Apr 30)
SUMMER (May 1 – Oct 31)

City of Ukiah Electric Rates

Industrial Service with Demand Electric Rate I1

This schedule is applicable to large industrial production, lighting, heating and all single and three phase loads in which energy use is an average of 75,000 kWh monthly or greater with a demand of 200 kW monthly or greater for at least six consecutive months (multiple meters at a single location will be combined).

The Industrial rate is applicable to large manufacturing facilities, defined as businesses or corporations that produce products for either wholesale or retail sales or businesses that contract to fulfill obligations to produce specific components.

Demand Charge

The customer will be billed for demand according to the customer's "maximum kilowatt demand" each month. The number of kilowatt (kW) used will be recorded over 15-minute intervals: the highest 15-minute average kW use in the month will be the customer's maximum demand.

Industrial Service with Demand Electric Rate I1					
Rate Effective Date	Energy Charge (\$/kWh)		Demand Charge (\$/kW)		Monthly Fixed Charge (\$)
	Winter	Summer	Winter	Summer	
July 1, 2023	\$0.10557	\$0.13859	\$6.63	\$9.89	\$200.58
January 1, 2024	\$0.11560	\$0.15175	\$7.26	\$10.83	\$219.64

WINTER (Nov 1 – Apr 30)

SUMMER (May 1 – Oct 31)

City of Ukiah Electric Rates

Residential Service Electric Rate E1, E2*

Residential Electric Service E1, E2*						
Rate Effective Date	Energy Charge \$/kWh		Monthly Fixed Charge by kWh level			Minimum
	kWh less than Baseline \$/kWh	kWh equal to or greater than Baseline \$/kWh	Less than 200kWh per month	201-550 kWh per month	Greater than 550 kWh per month	Minimum Monthly Charge
July 1, 2024	\$0.21070	\$0.27618	\$4.88	\$7.57	\$11.11	\$5.00
January 1, 2025	\$0.22610	\$0.29636	\$5.32	\$8.43	\$13.46	\$5.00
July 1, 2025	\$0.24150	\$0.31655	\$5.80	\$9.40	\$16.31	\$5.00
January 1, 2026	\$0.25790	\$0.33804	\$6.32	\$10.47	\$19.76	\$5.00
January 1, 2027	\$0.27380	\$0.35888	\$6.88	\$11.67	\$23.94	\$5.00
January 1, 2028	\$0.29100	\$0.38143	\$7.50	\$13.00	\$29.00	\$5.00

BASELINE QUANTITIES (kWh PER MONTH)

	WINTER (Nov 1-Apr 30)	SUMMER (May 1 -Oct 31)
Basic Service (E1)	360	360
All Electric E2*	660	360

This rate schedule is applicable to residential electric service. Other rate discounts and or adjustments to baseline quantities for various programs, such as but not exclusive of senior and life support will remain the same. The minimum charge will be billed if the sum of the basic and the energy charges are less than the minimum charge amount.

*All Electric Rate E2 was closed to new customers effective 1/1/2017. Current customers will be allowed to stay on the rate no matter how they qualified.

City of Ukiah Electric Rates

Small Commercial Service Electric Rate E5, E6, C5, C6, E55

This rate schedule is applicable to general commercial and non-commercial residential lighting, heating and all single phase (E5) and three phase (E6) alternating current loads in which energy use is less than 144,000 kWh per meter for 12 consecutive months. This schedule will not be applicable to commercial uses permitted by the City under a Home Occupation Permit.

Small Commercial Electric Service Rate E5, E6, C5, C6, E55					
<i>Effective Date</i>	<i>Energy Charge \$/kWh</i>		<i>Monthly Fixed Charge \$</i>		
	<i>Winter</i>	<i>Summer</i>	<i>E5/C5 Single Phase</i>	<i>E6/C6 Poly Phase</i>	<i>E55 Extra Meter</i>
July 1, 2024	\$0.23010	\$0.28616	\$26.39	\$28.09	\$26.39
January 1, 2025	\$0.24736	\$0.30762	\$28.37	\$30.19	\$28.37
July 1, 2025	\$0.26467	\$0.32915	\$30.35	\$32.31	\$30.35
January 1, 2026	\$0.28320	\$0.35219	\$32.48	\$34.57	\$32.48
January 1, 2027	\$0.30161	\$0.37508	\$34.59	\$36.82	\$34.59
January 1, 2028	\$0.32121	\$0.39946	\$36.84	\$39.21	\$36.84

WINTER (Nov 1 – Apr 30)

SUMMER (May 1 – Oct 31)

City of Ukiah Electric Rates

Medium/Large Commercial Service with Demand Electric Rate E7, C7

This rate is applicable to commercial and non-residential lighting, heating, and all single phase and three phase loads in which energy use is 144,000 kWh or greater per meter for 12 consecutive months. The customer bill will consist of a basic month charge, energy and demand charges.

Demand Charge

The customer will be billed for demand according to the customer's "maximum kilowatt demand" each month. The number of kilowatt (kW) used will be recorded over 15-minute intervals: the highest 15-minute average kW use in the month will be the customer's maximum demand.

Medium/Large Commercial Electric Service with Demand Rate E7, C7					
<i>Effective Date</i>	<i>Energy Charge \$/kWh</i>		<i>Demand Charge \$/kW</i>		<i>Monthly Fixed Charge</i>
	<i>Winter</i>	<i>Summer</i>	<i>Winter</i>	<i>Summer</i>	
July 1, 2024	\$0.16055	\$0.19266	\$9.05	\$11.94	\$210.73
January 1, 2025	\$0.17259	\$0.20711	\$9.73	\$12.83	\$226.53
July 1, 2025	\$0.18467	\$0.22161	\$10.41	\$13.73	\$242.39
January 1, 2026	\$0.19760	\$0.23712	\$11.14	\$14.69	\$259.35
January 1, 2027	\$0.21044	\$0.25253	\$11.86	\$15.64	\$276.21
January 1, 2028	\$0.22412	\$0.26895	\$12.63	\$16.66	\$294.17

WINTER (Nov 1 – Apr 30)

SUMMER (May 1 – Oct 31)

City of Ukiah Electric Rates

Industrial Service with Demand Electric Rate I1

This schedule is applicable to large industrial production, lighting, heating and all single and three phase loads in which energy use is an average of 75,000 kWh monthly or greater with a demand of 200 kW monthly or greater for at least six consecutive months (multiple meters at a single location will be combined).

The Industrial rate is applicable to large manufacturing facilities, defined as businesses or corporations that produce products for either wholesale or retail sales or businesses that contract to fulfill obligations to produce specific components.

Demand Charge

The customer will be billed for demand according to the customer's "maximum kilowatt demand" each month. The number of kilowatt (kW) used will be recorded over 15- m i n u t e intervals: the highest 15-minute average kW use in the month will be the customer's maximum demand.

Industrial Electric Service with Demand I1					
<i>Effective Date</i>	<i>Energy Charge \$/kWh</i>		<i>Demand Charge \$/kW</i>		<i>Monthly Fixed Charge</i>
	<i>Winter</i>	<i>Summer</i>	<i>Winter</i>	<i>Summer</i>	
July 1, 2024	\$0.12380	\$0.16251	\$8.35	\$11.59	\$236.11
January 1, 2025	\$0.13309	\$0.17470	\$8.98	\$12.46	\$253.82
July 1, 2025	\$0.14240	\$0.18693	\$9.60	\$13.33	\$271.59
January 1, 2026	\$0.15237	\$0.20002	\$10.28	\$14.26	\$290.60
January 1, 2027	\$0.16227	\$0.21302	\$10.94	\$15.19	\$309.49
January 1, 2028	\$0.17282	\$0.22686	\$11.65	\$16.18	\$329.61

WINTER (Nov 1 – Apr 30)
SUMMER (May 1 – Oct 31)

RESOLUTION NO. 2024-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH ADOPTING ELECTRIC UTILITY RATE SCHEDULE ADJUSTMENTS COMMENCING JULY 1, 2024.

WHEREAS: The City of Ukiah (“City”) provides electric utility service to residents and businesses in the City, and Ukiah Electric Utility is the City’s publicly owned electric utility with the City Council providing local governance and oversight; and

WHEREAS: The City has operated the municipal electric utility for more than 110 years and the electric rates are based on the cost to provide service; and

WHEREAS: Cost-of-service rates are established to provide Ukiah customers with power that includes generation, transmission, and distribution components; and

WHEREAS: Borismetrics Consulting developed a proforma detailing the revenue requirements for Fiscal Years 2024-25, 2025-26, 2026-27, and 2027-28 with input from Staff; and

WHEREAS: The revenue requirements detailed in the proforma show increases in the cost to provide the City with electric service; and

WHEREAS: The fair and reasonable allocation of costs to provide electric service is required by California’s Proposition 26, Article XIII-C, Section 1 of the California Constitution and the proforma ensures that the proposed electric rates comply with California’s Proposition 26; and

WHEREAS: In accordance with the Ukiah City Code Division 4, Chapter 6, Sections 3950 through 3957, the City Council will hold a public hearing on June 7, 2023, to receive the City Manager’s Report on electric utility energy rates and consider adoption by resolution of proposed electric rate increases. Legal notices were published successfully in accordance with City Code section 3953; and

WHEREAS: The City Manager and Staff recommend implementing the proposed increases, starting in July 2024 as shown in Exhibit A.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Ukiah determines that each of the findings set forth above is true and correct.

BE IT FURTHER RESOLVED that the City Council of the City of Ukiah hereby adopts the Proposed Electric Rates, as set forth in Exhibit A and that these rates shall be effective the first billing cycle of July 2024, unless otherwise ordered by the City Council on May 15, 2024. All prior rate schedules in conflict herewith are repealed upon the effective date of the new schedule. All other contract conditions for service remain unaltered and in full effect and the City Clerk shall cause the publication of this resolution in the Ukiah Daily Journal within 10 days following City Council action on May 15, 2024, pursuant to the provisions of Section 3957 of the Ukiah City Code.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Ukiah on the 15th day of May 2024, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Josefina Duenas, Mayor

ATTEST:

Kristine Lawler, City Clerk

Exhibit A

City of Ukiah Electric Rates

Residential Service Electric Rate E1, E2*

Residential Electric Service E1, E2*						
Rate Effective Date	Energy Charge \$/kWh		Monthly Fixed Charge by kWh level			Minimum
	<i>kWh less than Baseline \$/kWh</i>	<i>kWh equal to or greater than Baseline \$/kWh</i>	<i>Less than 200kWh per month</i>	<i>201-550 kWh per month</i>	<i>Greater than 550 kWh per month</i>	<i>Minimum Monthly Charge</i>
July 1, 2024	\$0.21070	\$0.27618	\$4.88	\$7.57	\$11.11	\$5.00
January 1, 2025	\$0.22610	\$0.29636	\$5.32	\$8.43	\$13.46	\$5.00
July 1, 2025	\$0.24150	\$0.31655	\$5.80	\$9.40	\$16.31	\$5.00
January 1, 2026	\$0.25790	\$0.33804	\$6.32	\$10.47	\$19.76	\$5.00
January 1, 2027	\$0.27380	\$0.35888	\$6.88	\$11.67	\$23.94	\$5.00
January 1, 2028	\$0.29100	\$0.38143	\$7.50	\$13.00	\$29.00	\$5.00

BASELINE QUANTITIES (kWh PER MONTH)

	WINTER (Nov 1-Apr 30)	SUMMER (May 1 -Oct 31)
Basic Service (E1)	360	360
All Electric E2*	660	360

This rate schedule is applicable to residential electric service. Other rate discounts and or adjustments to baseline quantities for various programs, such as but not exclusive of senior and life support will remain the same. The minimum charge will be billed if the sum of the basic and the energy charges are less than the minimum charge amount.

*All Electric Rate E2 was closed to new customers effective 1/1/2017. Current customers will be allowed to stay on the rate no matter how they qualified.

Small Commercial Service Electric Rate E5, E6, C5, C6, E55

This rate schedule is applicable to general commercial and non-commercial residential lighting, heating and all single phase (E5) and three phase (E6) alternating current loads in which energy use is less than 144,000 kWh per meter for 12 consecutive months. This schedule will not be applicable to commercial uses permitted by the City under a Home Occupation Permit.

Small Commercial Electric Service Rate E5, E6, C5, C6, E55					
<i>Effective Date</i>	<i>Energy Charge \$/kWh</i>		<i>Monthly Fixed Charge \$</i>		
	<i>Winter</i>	<i>Summer</i>	<i>E5/C5 Single Phase</i>	<i>E6/C6 Poly Phase</i>	<i>E55 Extra Meter</i>
July 1, 2024	\$0.23010	\$0.28616	\$26.39	\$28.09	\$26.39
January 1, 2025	\$0.24736	\$0.30762	\$28.37	\$30.19	\$28.37
July 1, 2025	\$0.26467	\$0.32915	\$30.35	\$32.31	\$30.35
January 1, 2026	\$0.28320	\$0.35219	\$32.48	\$34.57	\$32.48
January 1, 2027	\$0.30161	\$0.37508	\$34.59	\$36.82	\$34.59
January 1, 2028	\$0.32121	\$0.39946	\$36.84	\$39.21	\$36.84

**WINTER (Nov 1 – Apr 30)
SUMMER (May 1 – Oct 31)**

Medium/Large Commercial Service with Demand Electric Rate E7, C7

This rate is applicable to commercial and non-residential lighting, heating, and all single phase and three phase loads in which energy use is 144,000 kWh or greater per meter for 12 consecutive months. The customer bill will consist of a basic month charge, energy and demand charges.

Demand Charge

The customer will be billed for demand according to the customer's "maximum kilowatt demand" each month. The number of kilowatt (kW) used will be recorded over 15-minute intervals: the highest 15-minute average kW use in the month will be the customer's maximum demand.

Medium/Large Commercial Electric Service with Demand Rate E7, C7					
<i>Effective Date</i>	<i>Energy Charge \$/kWh</i>		<i>Demand Charge \$/kW</i>		<i>Monthly Fixed Charge</i>
	<i>Winter</i>	<i>Summer</i>	<i>Winter</i>	<i>Summer</i>	
July 1, 2024	\$0.16055	\$0.19266	\$9.05	\$11.94	\$210.73
January 1, 2025	\$0.17259	\$0.20711	\$9.73	\$12.83	\$226.53
July 1, 2025	\$0.18467	\$0.22161	\$10.41	\$13.73	\$242.39
January 1, 2026	\$0.19760	\$0.23712	\$11.14	\$14.69	\$259.35
January 1, 2027	\$0.21044	\$0.25253	\$11.86	\$15.64	\$276.21
January 1, 2028	\$0.22412	\$0.26895	\$12.63	\$16.66	\$294.17

WINTER (Nov 1 – Apr 30)
SUMMER (May 1 – Oct 31)

Industrial Service with Demand Electric Rate I1

This schedule is applicable to large industrial production, lighting, heating and all single and three phase loads in which energy use is an average of 75,000 kWh monthly or greater with a demand of 200 kW monthly or greater for at least six consecutive months (multiple meters at a single location will be combined).

The Industrial rate is applicable to large manufacturing facilities, defined as businesses or corporations that produce products for either wholesale or retail sales or businesses that contract to fulfill obligations to produce specific components.

Demand Charge

The customer will be billed for demand according to the customer's "maximum kilowatt demand" each month. The number of kilowatt (kW) used will be recorded over 15-minute intervals: the highest 15-minute average kW use in the month will be the customer's maximum demand.

Industrial Electric Service with Demand I1					
<i>Effective Date</i>	<i>Energy Charge \$/kWh</i>		<i>Demand Charge \$/kW</i>		<i>Monthly Fixed Charge</i>
	<i>Winter</i>	<i>Summer</i>	<i>Winter</i>	<i>Summer</i>	
July 1, 2024	\$0.12380	\$0.16251	\$8.35	\$11.59	\$236.11
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