



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES - ELECTRIC COMMITTEE

DATE: SEPTEMBER 4, 2015

ITEM NO:

SUBJECT: ELECTRIC SERVICE CONNECTION FEES FOR THE GRANDVILLAS SENIOR HOUSING PROJECT NEAR GRAND AVENUE AND CARLINGTON FORD AVENUE -- APPEAL

ISSUE:

The issue for Electric Committee consideration is an appeal by Dom Betro on behalf of Family Service Association and Aspire Community Housing Development Organization to reduce the electric service connection fees for the Grandvillas Senior Housing Apartments Project located at 5938 Grand Avenue.

RECOMMENDATIONS:

That the Electric Committee:

1. Conduct a hearing for the appeal by Dom Betro, Family Service Association and Aspire Community Housing Development Organization, to the denial of a reduction to the electric service connection fees for the Grandvillas Senior Housing Apartments Project located at 5938 Grand Avenue; and
2. Deny the appeal; and
3. Recommend that the Board of Public Utilities take no further action on the appeal.

BACKGROUND:

The Riverside Public Utilities (RPU) Customer Engineering section is responsible for processing requests for new or upgraded electrical services. The goal of the Energy Delivery Customer Engineering section is to ensure that new or upgraded electrical service installations adhere to applicable laws and electric utility rules while providing excellent customer service.

In collaboration with the City of Riverside's Community Development, Building and Safety (B&S) Division, Customer Engineering staff works with developers, contractors, and business owners to optimize requests for new or upgraded electrical services. The Building and Safety Division issues permits for all new and upgraded electrical services. The applicant is required to submit plans for review and obtain approval from city departments prior to the Building and Safety division issuing a permit for construction.

Riverside Public Utilities reviews and approves the plans for new or upgraded electrical service installations. The plan review process is the first step to ensure that customers install electric facilities consistent with standard electric utility requirements.

The following is the process to apply for new or upgraded electrical service at RPU:

1. Customer initiates the permit and plan review process with the Building and Safety Division. The Building and Safety Division routes the plans to the appropriate City departments for review and approval.
2. Customer submits application for electric service design, design deposit, AutoCAD file and any additional information required prior to RPU initiating work on the electric utility design for the new or upgraded electric service.
3. RPU completes the electrical design, calculates electric fees, reviews and approves electrical panel cut-sheets, and issues electric utility plans and fees to the customer.
4. Customer starts construction and coordinates with RPU's inspector for underground facility installations, inspections and approvals.
5. RPU electric crews install electrical facilities and Building and Safety inspects and releases the new or upgraded electrical panel. RPU verifies the electric account and that electric service fees have been paid by the customer.
6. RPU sets the electric meter and electric field crews coordinate with the customer to energize the new or upgraded electrical service on a mutually agreed upon date.

RPU staff processed the application for a new electrical service installation for the Grandvillas Senior Apartment Complex, located at 5938 Grand Avenue. RPU staff performed the design and calculated the electric service connection fees in accordance with Electric Rules 10 and 11, approved by City Council on December 14, 2010.

Dom Betro, on behalf of Family Service Association and Aspire Community Housing Development Organization as the customer, requested that RPU consider reducing the electric service fees for the Grandvillas Senior Apartment Project. Prior to December 2010, under Rules 10 and 11, RPU provided a partial credit to new customers for cost related to the construction of new facilities to serve that particular customer. However, on December 14, 2010, the City Council discontinued such credit by amending Rules 10 and 11. The calculated fees for this project are those related to the cost of providing service to a new customer and the service fees cannot be reduced by staff.

The Electric Utility cannot make ratepayer funds available to fund a discount of the connection fees. Proposition 26, which was adopted by California voters in November of 2010, amended the California Constitution to require that electric rates not exceed the cost to provide the service. In this case, a reduction in the connection fees to serve this new customer would mean that other customers would be required to subsidize the reduction. The Electric Utility is further limited in the assistance that it can offer to low income customers. Public Utilities Code section 385 allows RPU to impose a 2.85% surcharge on electric usage in order to fund public benefit programs. The funds from this charge can only be used in four discrete areas, one of which is services provided for low income electricity customers "including, but not limited to, energy efficiency services, education, weatherization, and rate discounts." A reduction in electric service connection fees is not a "service" that could be funded through public benefit funds.

Below is a summary for the Grandvillas Senior Apartments Complex Project:

Under Building and Safety Permit No. 12-3553

- November 20, 2012 - Customer submits plans to B&S for plan check review.
- November 29, 2012 - RPU Engineering completes first plan check review.
- March 18, 2013 - Customer submits design deposit and application for electric service for review.

- April 15, 2013 - RPU approves work order for initiating design phase.
- October 17, 2013 - RPU approves final work order package.
- October 28, 2013 - RPU sent customer final work order drawings and fees.

Permit No. 12-3553 expired and customer re-applied for new Permit No. 15-1088.

Under Building and Safety Permit No. 15-1088

- March 19, 2015 - Customer re-applied for permit and plan check review.
- May 12, 2015 - RPU approved resubmitted plans since RPU previously completed the design under Permit No. 12-3553.
- July 29, 2015 - Customer started construction and it's anticipated to last two months.

Appeal process as laid out in Board Standing Rule section 7.A.3.

Appeal Process

| Item description | Explanation |
|---------------------------------|---|
| Staff presentation | Staff presents the information and reports to the electric committee |
| Appellant presentation | Appellant presents case, comments and information to the electric committee |
| Public comments | Members of the public can provide comments and input on the case presented |
| Closing statements by appellant | Appellant provides closing statements to the Electric Committee and members of the public |
| Closure of public testimony | Testimony concludes |
| RPU Board member discussion | Board members will ask questions, engage in discussions, motion and action |

FISCAL IMPACT:

There is no fiscal impact to the City if the appeal is denied, as all costs for electric service connection fees would be paid for by the customer pursuant to existing applicable Electric Rules.

Prepared by: Pat Hohl, Public Utilities Assistant General Manager/Energy Delivery
Approved by: Girish Balachandran, Public Utilities General Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Appeal letter/email dated July 1, 2015
2. Staff Presentation