

Electric and Water Utility Rate Proposal

Public Utilities Department

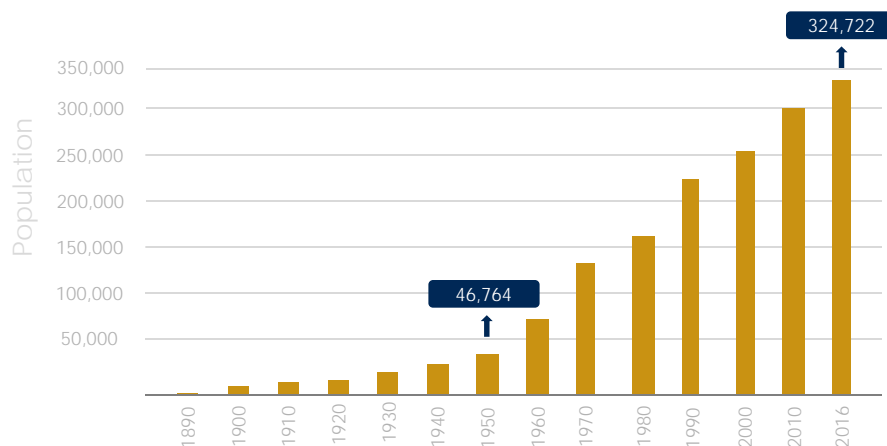
Budget Engagement Committee
November 2, 2017

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Population Growth



Sources: American Fact Finder/Census.gov and State of California, Department of Finance

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A City – A System of Systems



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Necessary Systems



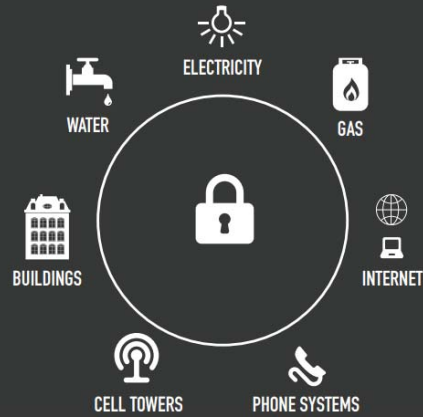
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Critical Infrastructure Is Connected



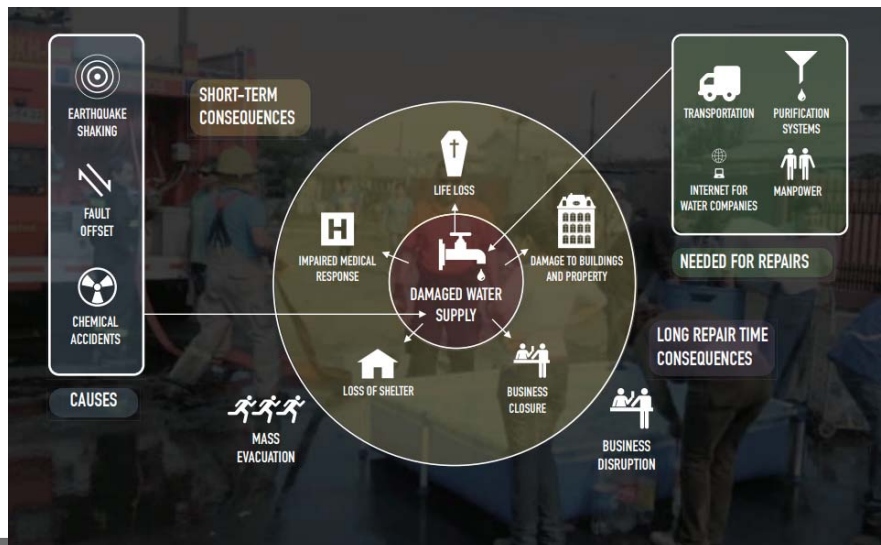
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Damaged Water Supply

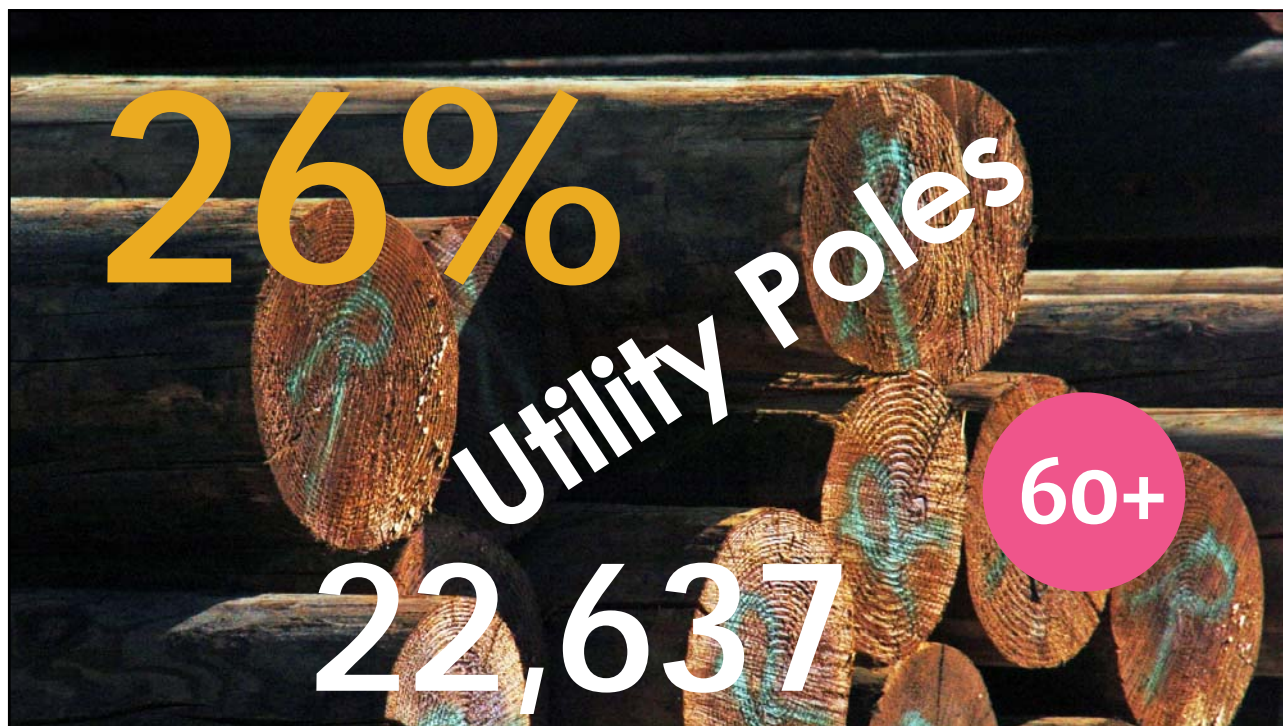


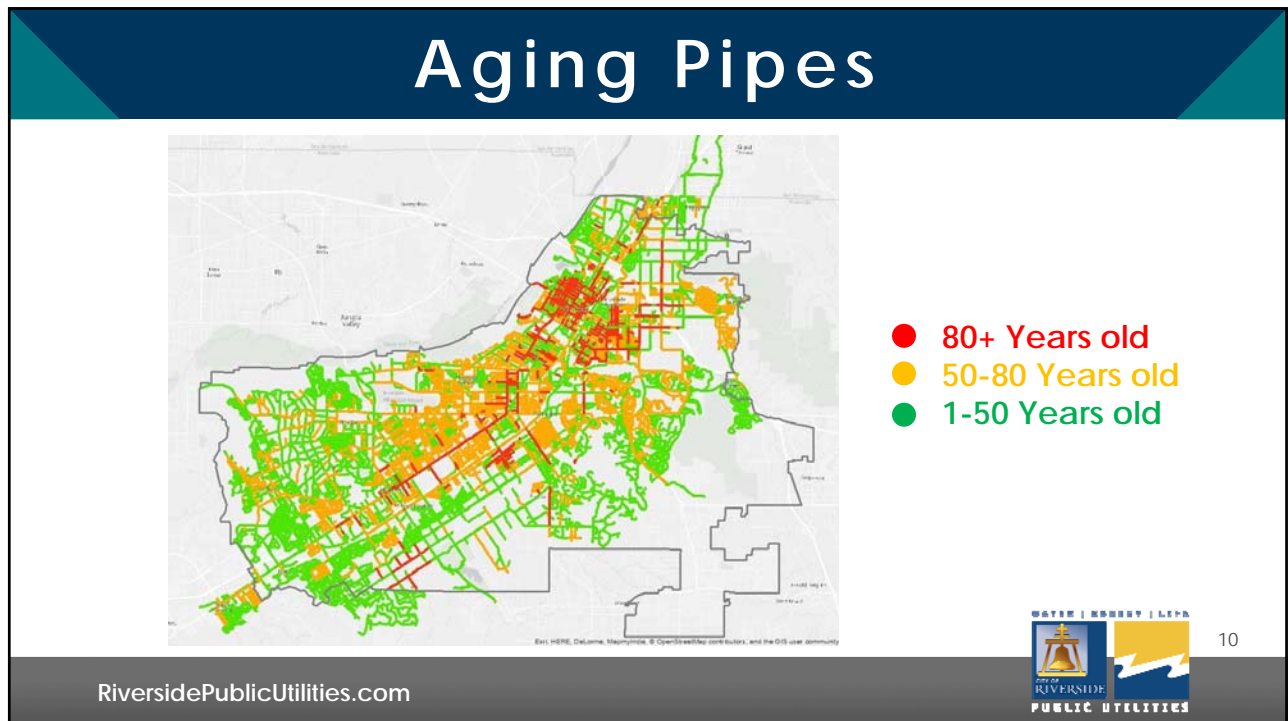
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Harvey Lynn Substation Explosion



From this...



...to this.

Harvey
Lynn
Substation
Explosion
March 2014

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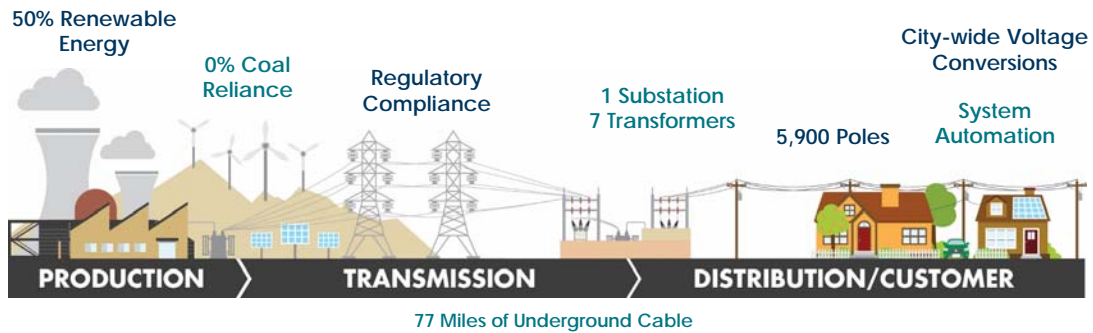


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Sept. 2017:
12 Deaths due to Power Failure
at Florida Care Center

Electric System – 10 Year Plan

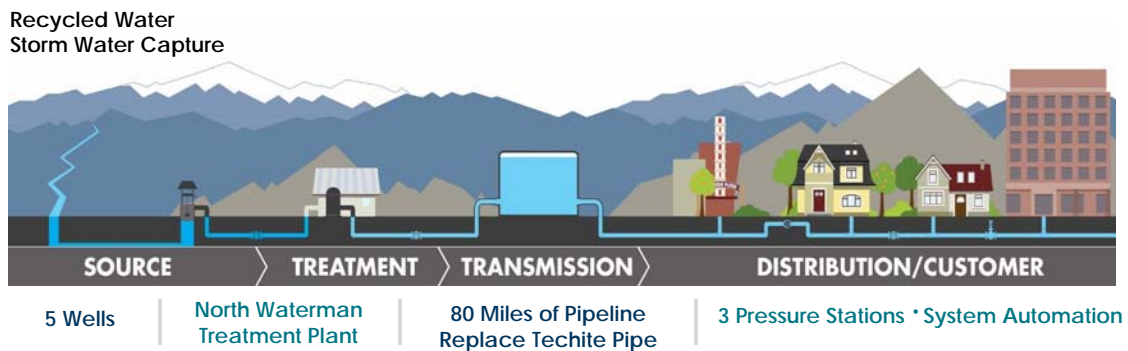


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Water System – 10 Year Plan



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7 Years Without a Rate Increase



7 Years

since the last
water increase (2010)



7 Years

since the last
electric increase (2010)



Renewable Power Requirements
Increased from

20% to 50%

since the last rate plan



Five-year California Drought
(2011-2016)

Hottest and Driest in
Instrumental Record
since the late 1800s

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Cost Increase ↑ of Average Household Items



↑ 58%
\$

Tide Laundry Detergent
2010 - \$7.97
2016 - \$12.57



↑ 39%
\$

1 pound of bacon
2010 - \$3.22
2016 - \$4.48



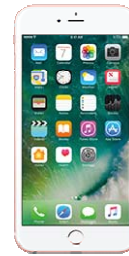
↑ 50%
\$

1 pound of potatoes
2010 - \$0.52
2016 - \$0.78



↑ 40%
\$

Movie ticket
2010 - \$7.50
2016 - \$10.49



↑ 63%
\$

iPhone 4
2010 - \$399
iPhone 7
2016 - \$649

Source: ThePeopleHistory.com/pricebasket.html

Source: Apple.com



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Keeping Rates as Low as Possible

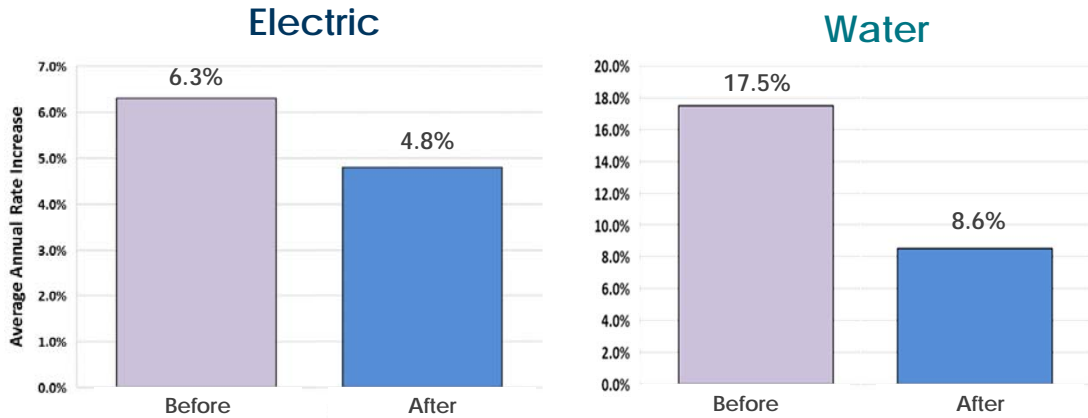
1. Transmission Revenues *\$36-40 million/year*
2. Cap-and-Trade Revenues *\$5 million/year*
3. Western Water Sale Agreement *~\$5 million/year*
4. Excess Renewable Energy Sales *\$3-5 million/year*
5. Solar at Well Sites *\$800,000/year*
6. Scheduling Services *\$750,000/year*
7. \$85 Million Line of Credit *reduced cash reserves*
8. 55-year Lease with Hillwood *potential for \$45 million*



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Rates Lowered to Stay Affordable



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Average Annual Rate Increase

	Years 1-5 (2018-2022)	Years 6-10 (2023-2027)
Electric	4.8% (5-Year Average)	Annual Cost-Based Price Adjustment
Water	8.6% (5-Year Average)	Annual Cost-Based Price Adjustment

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Average Monthly Bill Increases – Years 1-5

Residential

	Low-Use 355 kWh 12 CCF	Typical-Use 592 kWh 19 CCF	High-Use 1400 kWh 29 CCF
Electric	\$3.11 (5%)	\$5.18 (5%)	\$11.56 (4%)
Water	\$4.05 (12%)	\$4.56 (10%)	\$6.48 (8%)

Includes Public Benefits Charge and Water Conservation Surcharge
 kWh = kilowatt hour
 CCF = one hundred cubic feet



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Average Monthly Bill Increases – Years 1-5

Commercial

	Small 500 kWh 10 CCF	Medium 2400 kWh 37 CCF	Large 8000 kWh 119 CCF
Electric	\$3.70 (3%)	\$17.32 (4%)	\$40.92 (3%)
Water	\$4.24 (12%)	\$7.90 (8%)	\$23.57 (8%)

Includes Public Benefits Charge and Water Conservation Surcharge
 kWh = kilowatt hour
 CCF = one hundred cubic feet



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Current Competitive Advantages Remain "Business Friendly"



Low residential and commercial utility rates



Large industrial customers rates as low as 10% lower than SCE



New and lower restructured Reliability Charge for small industrial TOU customers



Economic Development Rate incentives to encourage business expansion and attraction



New and lower High Voltage Rate



New Green Power Rate

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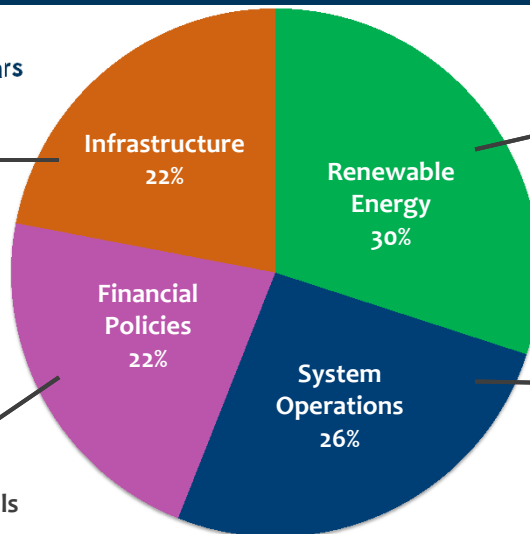


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What the Rate Increase Pays For

Electric: 4.8% first 5 years;
price escalator next 5 years

- 5,900 Poles
- 77 Miles Cable
- 7 Substation Transformers
- 1 Substation
- Voltage Conversions
- System Automation
- Charter Transfer to General Fund
- Minimum Reserve Levels



- 50% Renewable Energy
- 0% Coal

- System Maintenance
- Fleet & Fuel
- Labor

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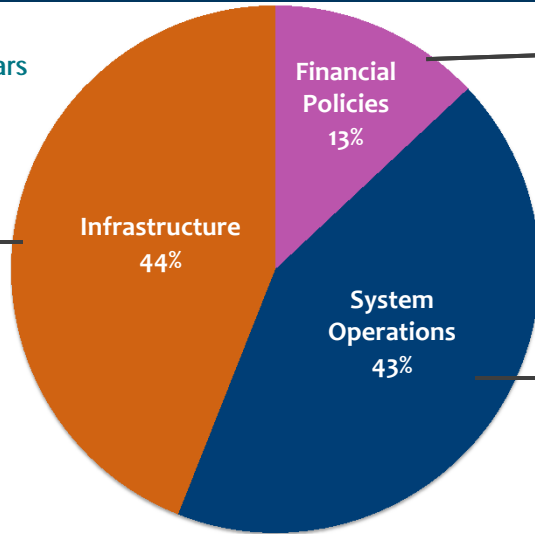


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What the Rate Increase Pays For

Water: 8.6% first 5 years;
price escalator next 5 years

- 80 Miles Pipeline
- Replace Techite Pipe
- 1 Treatment Plant
- 5 Wells
- 3 Pressure Stations
- Recycled Water & Stormwater Capture
- System Automation



- Charter Transfer to General Fund
- Minimum Reserve Levels

- System Maintenance
- Fleet & Fuel
- Labor

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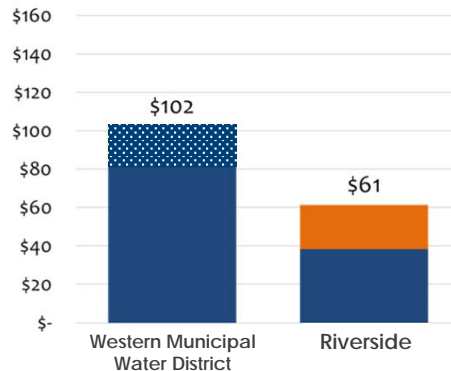
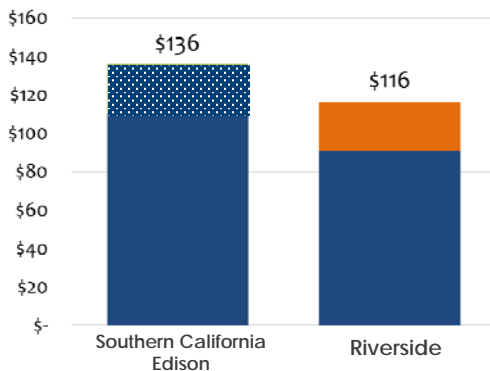
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Rates Remain Lower Than Other Agencies

Electric

Water

\$61 lower per month



Proposed 5-year increase

Assumed 5-year increase

Current

Electric based on 592 kWh per month

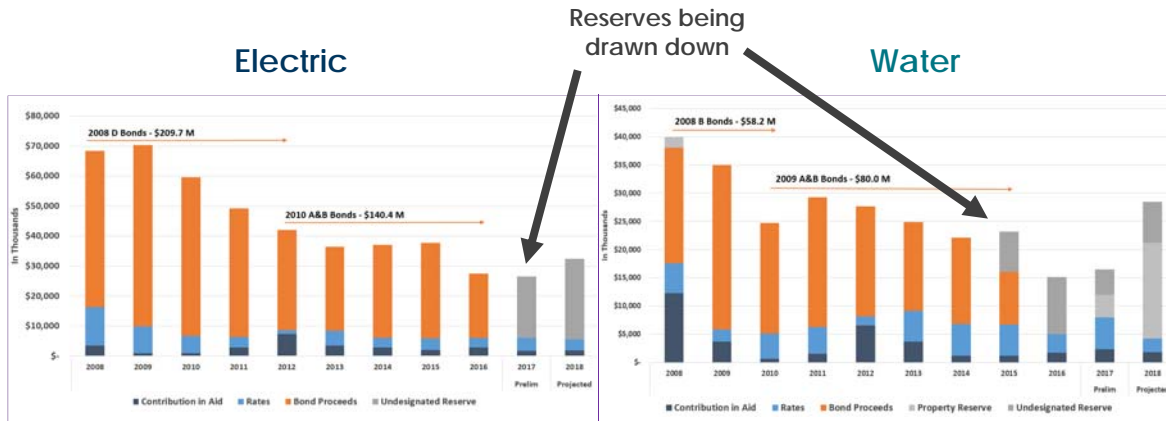
Water based on 19 CCF per month

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Bonds – All Proceeds Used up 6/30/16



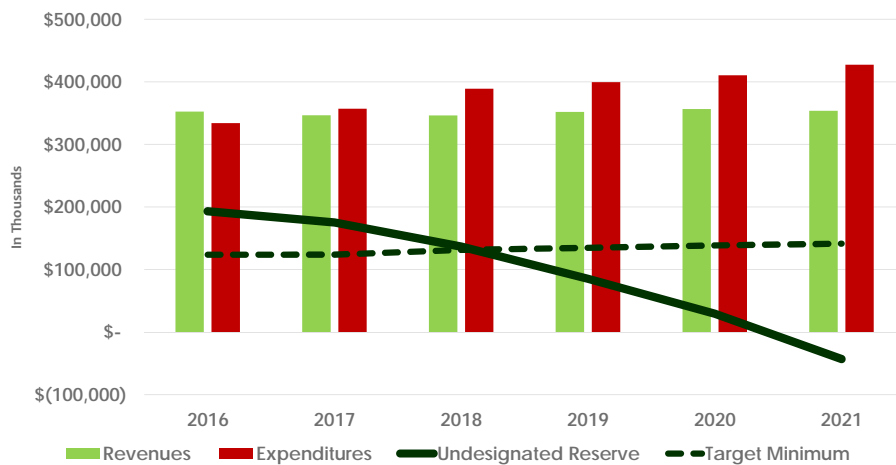
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Reserves (Electric)

Falls Below Minimum in a Year



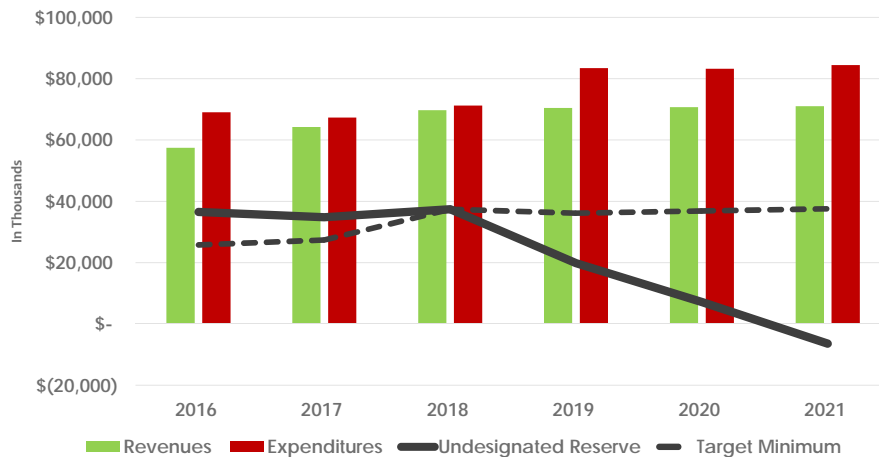
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Reserves (Water)

Falls Below Minimum in a Year



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Low-Income Assistance

1. SHARE Program
2. Energy Savings Assistance Program
3. Energy/Water Efficiency Rebates
4. Affordable Solar Energy for Riverside
5. Water Rate Assistance
6. Increased Outreach



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What Can Customers Do?

Typical Residential Monthly Electric Bill:



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What Can Customers Do?





Typical Residential Monthly Water Bill:



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What Can Customers Do?

Electric

Year 1: LED Bulbs

Year 2: Solar attic fan

Year 3: Ceiling fans

Year 4: A/C tune-up

Year 5: Energy star TV

Water





Year 1: Smart controller

Year 2: Efficient toilets


Year 3: Efficient nozzles

Year 4: Efficient washer


Year 5: Waterwise plants

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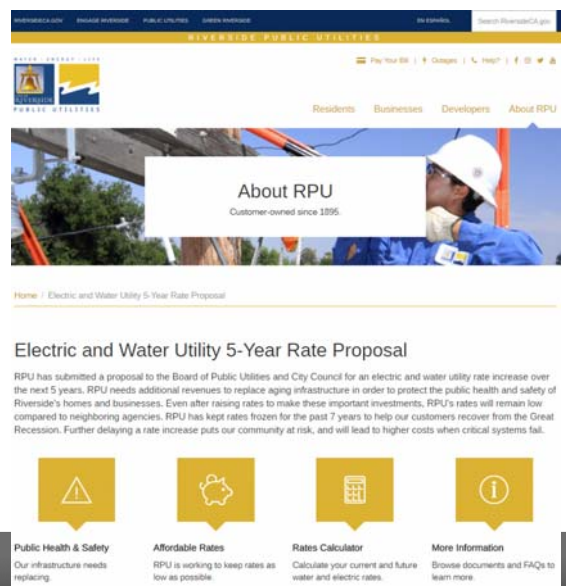


MY ENERGY STAR


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Other Resources

1. **Website** – Rate calculator, FAQs, Rate Plan Documents, Ways to Save
2. **Flyers** – Fact Sheet, FAQs
3. **Customer Service** – Dial “311”
4. **Bill Inserts**
5. **EngageRiverside.com**
6. **Upcoming Community Meetings**



The screenshot shows the Riverside Public Utilities website. At the top, there's a navigation bar with links like 'About RPU', 'Rates', 'Contact Us', etc. Below the navigation bar, there's a large banner image of a worker in a hard hat. The main content area features a section titled 'About RPU' with the text 'Customer-owned since 1996'. Below this, there's a section titled 'Electric and Water Utility 5-Year Rate Proposal' with a detailed announcement. At the bottom, there's a footer with four icons and links: 'Public Health & Safety', 'Affordable Rates', 'Rates Calculator', and 'More Information'.

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Community Meetings

WARD 1
Wednesday, November 8, 2017
6 pm
 Riverside City Hall
 Mayor's Ceremonial Room
 3900 Main Street
 Riverside, CA 92522

WARD 2
Wednesday, October 11, 2017
5:30 pm
 Natifuentes Centro de Ninos
 2010 Martin Luther King Blvd.
 Riverside, CA 92507

WARD 3
Wednesday, November 1, 2017
6 pm
 Janet Goeske Senior Center
 5257 Sierra Street
 Riverside, CA 92504

WARD 4
Wednesday, October 18, 2017
6 pm
 Taft Elementary
 959 Mission Grove Parkway N
 Riverside, CA 92506

WARD 5
Monday, November 6, 2017
6 pm
 Hunt Park
 4015 Jackson Street
 Riverside, CA 92504

WARD 6 & WARD 7
Thursday, November 9, 2017
6 pm
 La Sierra High School Library
 4145 La Sierra Avenue
 Riverside, CA 92505



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GENERAL FUND IMPACT

	17/18	18/19	2-Year Impact
UUT	(\$278,725)	\$702,063	\$423,338
GFT	-	(\$288,195)	(\$288,195)
Less: E&W City Costs	(\$197,912)	(\$820,051)	(\$1,017,963)
Net Impact	(\$476,637)	(\$406,183)	(\$882,820)
Net increase		15%	



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RECOMMENDATION

That the Budget Engagement Commission receive an overview of the Electric and Water Utility 5-Year Rate Proposal FY 2018-2022 and Proposal for Annual Cost Based Price Escalators for FY 2023-2027.

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