

STAFF REPORT SPECIAL MEETING

AGENDA DATE: September 10, 2026

DEPARTMENT: Electric Utility

TITLE:

Resolution No. 41-2026 – establishing the rates and charges for the Electric Utility for Fiscal Year 2027

SUMMARY:

Resolution No. 41-2026 proposes a 3% increase in Base Energy Charges, Demand Charges, Minimum Bill Charges, and Customer Service Charges for Fiscal Year 2027.

BACKGROUND AND JUSTIFICATION:

During the City's budget process, it was determined that an increase of 3% in the electric utility's Base Revenues was required to help increase the utility's Working Capital Fund (also referred to at times as "Reserves" or "Electric Utility Enterprise Fund Balance") so as to grow account balance gradually over a period of years to an amount equal to six months of operating and maintenance expenses. Base Revenues include items such as Base Energy Charges, Demand Charges, Minimum Bill, and Customer Service Charges.

The proposed increase does not include the Power Cost Adjustment ("PCA"), which is adjusted periodically to reflect the cost of power purchased by the Electric Utility on behalf of its customers. The PCA was most recently increased effective March 1, 2026, based on changes in power purchase costs.

MOTION:

Move to approve/disapprove Resolution No. 41-2026, establishing the rates and charges for the Electric Utility for Fiscal Year 2027.

ATTACHMENT(S):

Resolution 41-2026
Proposed Electric Utility Rate Schedule Effective October 1, 2026