



## City of Needles, California Request for Commission Action

☐ CITY COUNCIL ☒ BOARD OF PUBLIC UTILITIES ☒ Regular ☐ Special

**Meeting Date:** September 2, 2025

**Title:** Accept the Comprehensive Electric Service Ratemaking Study dated August 2025

**Background:** In October 2024 the Board of Public Utilities and Council awarded Raftelis to complete the 2025-2030 Comprehensive Electric, Water, and Wastewater Utility Cost of Service Ratemaking Study. An Ad Hoc Committee was created to work with staff to Complete the study. The Committee, staff, Raftelis and K.R. Saline & Associates, PLC have met on several occasions to review fiscal policies, financial models, and rate scenarios for each of the three utilities.

During July and August 2025 the Board of Public Utilities reviewed and provided comments to the proposed financial plans and rates for the electric utility.

To ensure fair, sustainable, and transparent electric rates, three-rate design options and a separate evaluation of street lighting charges were presented to the Alternative Rate Ad Hoc Committee for review and discussion.

- 1) Current Rate Structure – No Rate Change
- 2) Customer & Energy Charge Structure
- 3) Customer, Demand, and Energy Charge Structure

Following a review with the Alternative Rate Ad Hoc Committee, the rate structures were evaluated for equity across customer classes. The Committee's feedback highlighted that the largest commercial customers are sharing the cost burden under the existing structure, effectively subsidizing residential customers. The recommendation is to continue the current rate structure and adopt increased street lighting rates.

The proposed financial plan for FY 2025 through FY 2030 maintains rate stability while meeting all operational, capital, and debt service obligations. No rate increases are proposed during the planning horizon.

Staff are requesting the Board of Public Utilities to accept the final Comprehensive Electric Cost of Service Report and recommend acceptance to the Needles Public Utility Authority.

**Fiscal Impact:** Minimal increase in street light fees

**Environmental Impact:** None

**Recommended Action:** Accept the Comprehensive Electric Cost of Service Ratemaking Study dated August 2025

**Submitted By:** Rainie Torrance, Utility Manager

**City Manager Approval:** Patrick J. Martinez

**Date:** 8/26/2025

**Other Department Approval (when required):** \_\_\_\_\_

**Date:** \_\_\_\_\_