



## City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☒ NPUA

☒ Regular ☐ Special

**Meeting Date:** September 9, 2025

**Title:** Approve a 2.7% cost-of-living (COLA) increase in electric basic service charge rate as of October 1, 2025; approve an over-hydro rate of \$0.1159 effective October 1, 2025; eliminate the \$.0300 Power Cost Adjustment and approve the methodology to calculate the annual electric base rate and the power cost adjustment rate based on the rate calculation spreadsheets

**Background:** The Statement of Policies, revised April 2022, provides that power rates will be designed to provide for operation and maintenance, bond payments, purchase payments, taxes, fair share allocation, trustee fee, mandated (but unfunded) state or federal program (conservation program), the asset replacement fund, and the actual costs to purchase power. The calculated rate will consist of two components: power purchase costs, and non-power purchase costs. The CPI for the USDLS U.S. West – Size Class B/C for June 2025 indicates a 2.7% cost of living increase. The policy sets a cap at 5%. The attached spreadsheets are in accordance with the revised Statement of Policies and will set the new rates as follows:

	<u>Current</u>	<u>Effective Oct 1, 2025</u>
Basic Service Charge	\$36.22	\$37.20
Winter Hydro (Oct – Feb)	\$.0818 – 401 kwh allotment	\$.0923– 376 kwh
Summer Hydro (Mar – Sept)	\$.0704 – 754 kwh kwh allotment	\$.0832 –707 kwh
Over-hydro	**\$0.1423	*\$0.1159
CA Energy Efficiency Program	\$0.0025	\$0.0022
Utility Users Tax (UUT)	2.5% on all of the above	2.5% on all of the above

As of July 2025, the Power Cost Adjustment has a positive balance of \$889,349. Proposed rates eliminate the additional \$.0300 Power Cost Adjustment

The Board of Public Utilities approved the recommended action on September 2, 2025.

**Fiscal Impact:** Cost of living adjustment applied to the basic service charge, decrease in over hydro rate from \$0.1423 to \$0.1159.

**Environmental Impact:** N/A

**Recommended Action:** Approve a 2.7% cost-of-living (COLA) increase in electric basic service charge rate as of October 1, 2025; approve an over-hydro rate of \$0.1159 effective October 1, 2025; eliminate the \$.0300 Power Cost Adjustment and approve the methodology to calculate the annual electric base rate and the power cost adjustment rate based on the rate calculation spreadsheets

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

**City Manager Approval:** Patrick J. Martinez Date: 9/4/2025

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