



City of Needles, California Request for Council Action

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

Meeting Date: November 14, 2023

Title: Rescind the action taken at the October 10, 2023 meeting regarding the cost-of-living (COLA) increase in electric basic service charge rate; and approve a corrected COLA increase in electric basic service charge rate as of December 1, 2023; approve an over-hydro rate of \$0.1538 effective December 1, 2023 and continue the \$0.01 additional over-hydro rate established as of August 1, 2023 making the over-hydro rate \$0.1638 effective December 1, 2023; 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 2022 indicates a 3.6% 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:

Effective November 1, 2023 the following rates were adopted, however, there were errors found and corrected following Board adoption. Corrected rates are below:

	<u>effective Nov 1, 2023</u>	<u>Corrected Dec 1, '23</u>
Basic Service Charge	\$35.23	\$35.23
Winter Hydro (Oct – Feb)	\$0.0665- 447 kwh allotment	\$0.0740 – 402 kwh
Summer Hydro (Mar – Sept)	\$0.0585- 841 kwh allotment	\$0.0650 – 757 kwh
Over-hydro	**\$0.1467	*\$0.1538
CA Energy Efficiency Program	\$0.0026	\$0.0025
Utility Users Tax (UUT)	2.5% on all of the above	2.5% on all of the above

****current over-hydro rate is .1567 as adjusted by the power cost calculations**

As of September 2023, the Power Cost Adjustment has a balance of -\$1,476,142.

Board of Public Utilities approved the recommended action on November 7, 2023.

Recommended Action: Rescind the action taken at the October 10, 2023 meeting regarding the cost-of-living (COLA) increase in electric basic service charge rate; and approve a corrected COLA increase in electric basic service charge rate as of December 1, 2023; approve an over-hydro rate of \$0.1538 effective December 1, 2023 and continue the \$0.01 additional over-hydro rate established as of August 1, 2023 making the over-hydro rate \$0.1638 effective December 1, 2023; and approve the methodology to calculate the

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NEEDLES PUBLIC UTILITY AUTHORITY

ANNUAL BASE RATE CALCULATION SPREADSHEET - FY 2023/24

EXPENSES

EXPENSES	DOLLARS
O & M ⁶	\$2,558,308
Taxes*	\$15,375
Purchase Payment	\$313,223
Trustee Fee	\$13,842
Conservation Program*	\$16,667
Debt Service	\$682,351
City of Needles "Fair Share" Fee	\$584,454
California Energy Efficiency Program*	\$200,000
PY Non-Power Rate Component	\$0.0242
Power Supply Total ¹	\$6,884,090
Power Supply, Hydro - Winter ²	\$193,114
Power Supply, Hydro - Summer ³	\$366,764
Other Income* not adjusted for utt	\$49,000
Basic Service Charge PY	\$34.01
Asset Replacement Fund PY	\$472,500

KWHR

Power Supply Total ¹	87,254,000
Power Supply, Hydro - Winter ²	6,709,000
Power Supply, Hydro - Summer ³	17,682,000
PY Estimated Power Sales	75,705,480
PY Actual Power Sold	78,454,760

PERCENT

JUNE CPI %	3.60
Line Loss %	10.10

Number of Customers	3001
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US West

3 year average line loss
using the Electric Database
calculation.

NEEDLES PUBLIC UTILITY AUTHORITY

ANNUAL BASE RATE CALCULATION SPREADSHEET - FY 2023/2024

MUST MANUALLY CALCULATE SHEET (F9)

Basic Service Charge for New Rate Year

\$35.23

PY Non-Power Carry Forward
Asset Replacement Fund Target
Total - Non Power Related Expenses

-\$66,533
\$489,510
\$4,807,197

Power Supply with Line Losses

Total Power Supply - Sales KWHs
Power Supply - Winter Hydro
Power Supply - Summer Hydro
Power Supply - Total Hydro
Power Supply - Non Hydro

78,441,346
6,031,391
15,896,118
21,927,509
56,513,837

Power Supply Expenses

Total Power Purchased
Power Supply - Winter Hydro
Power Supply - Summer Hydro
Power Supply - Non Hydro

\$6,884,090
\$193,114
\$366,764
\$6,324,212

Revenue From Other Than Power Sold

Basic Service Charge
Other Revenue
Total Non-Power Revenue

\$1,268,860
\$49,000
\$1,317,860

Total Expenses

Non-Power Related Expenses
Total Power Cost
Total Operating Expense

\$4,807,197
\$6,884,090
\$11,691,287

Rate Calculations

Rate For Non-Power Related Expenses
Winter Hydro Sales - (Oct - Feb)
Summer Hydro Sales - (Mar - Sept)
Over Hydro Allotment Sales
California Energy Efficiency Program

\$3,289,338
\$193,114
\$366,764
\$6,324,212
\$200,000

Hydro Allotment/Cust

402
757

Cost Per Kwhr

\$0.0878
\$0.0320
\$0.0231
\$0.1119

Cost Per Kwhr

\$0.0878

Use this rate for PCA Annual Base Rate for power purchased.

Bill Rate Per Kwhr

0.0740
0.0650
0.1538
0.0025

Proposed**Sample Winter Bill - (Oct - Feb)**

Line	Decription	KWH	Cost/KWH	Total
1	Basic Service Charge			\$35.23
2	Winter Hydro Allotment Useage	402	0.0740	\$29.73
3	Above Hydro Usage	1000	0.1538	\$153.84
4	CA Energy Efficiency Program	1402	0.0025	\$3.57
Total Electric Bill Charge				\$222.37

Sample Summer Bill - (Mar - Sept)

Line	Decription	KWH	Cost/KWH	Total
1	Basic Service Charge			\$35.23
2	Sumer Hydro Allotment	757	0.0650	\$49.19
3	Above Hydro Usage	1500	0.1538	\$230.76
4	CA Energy Efficiency Program	2257	0.0025	\$5.75
Total Electric Bill Charge				\$320.94

Previous**Sample Winter Bill - (Oct - Feb)**

Line	Decription	KWH	Cost/KWH	Total
1	Basic Service Charge			\$32.39
2	Winter Hydro Allotment Useage	447	0.0067	\$2.97
3	Above Hydro Usage	1000	0.1467	\$146.70
4	CA Energy Efficiency Program	1447	0.0026	\$3.76
Total Electric Bill Charge				\$185.82

Sample Summer Bill - (Mar - Sept)

Line	Decription	KWH	Cost/KWH	Total
1	Basic Service Charge			\$39.39
2	Sumer Hydro Allotment	841	0.0585	\$49.20
3	Above Hydro Usage	1500	0.1467	\$220.05
4	CA Energy Efficiency Program	2341	0.0026	\$6.09
Total Electric Bill Charge				\$314.73

Difference	\$6.21
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