

STAFF REPORT
City of Lancaster

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12/08/15
MVB

Date: December 8, 2015

To: Mayor Parris and Council Members

From: Barbara Boswell, Finance Director

Subject: Approval of Amendment to Lancaster Choice Energy Customer Power Rates and City of Lancaster Fee Schedule

Recommendations:

- a. Adopt **Resolution No. 15-70**, rescinding Resolution No. 15-06, and adjusting customer power generation rates for Lancaster Choice Energy (LCE).

- b. Adopt **Resolution No. 15-71**, amending Resolution No. 15-29 and establishing a Citywide Fee Schedule.

Fiscal Impact:

On average, LCE rates are proposed to be reduced by 20% over current rates. The proposed rates, along with the 2016 Market Demand Credit, will result in customers saving an average of 3% on their electric generation compared to Southern California Edison, while generating sufficient revenue to fund operations.

Background:

LANCASTER CHOICE ENERGY RATES

At its regular meeting of February 24, 2015, the City Council adopted a rate schedule for LCE customers. At that time the rates were set to save customers an average of 3% on their electric generation services as compared to Southern California Edison (SCE). It was also unknown what the true customer base would be, and power procurement was not yet complete.

LCE began providing service to a small portion of our customers in May 2015, with the balance of the city launching in October 2015. We are pleased to report that the opt-out rates were much lower than the assumed 20%. That, coupled with lower than anticipated power costs, results in the ability to recommend a reduction in current rates and to apply a Market Demand Credit for 2016.

Staff also recommends the addition of three new rates to offer to customers:

- Time of Use – Residential
- Time of Use – Electric Vehicle
- Time of Use – Super Off Peak (Pumping & Agriculture)

These new rates will provide the ability to offer customers rate plans that are similar to SCE's.

CITY OF LANCASTER FEE SCHEDULE

Staff has performed a comprehensive review of its rental rates for Lancaster Performing Arts Center (LPAC) and Lancaster Museum of Art & History (MOAH). We also have completed the construction of Zelda's at LPAC. As a result of this review, it is recommended that changes be made to reduce some fees, and add some new fees. The recommendations result in fees that are competitive with the market these facilities compete in.

Attachments:

Resolution No. 15-70

Resolution No. 15-71