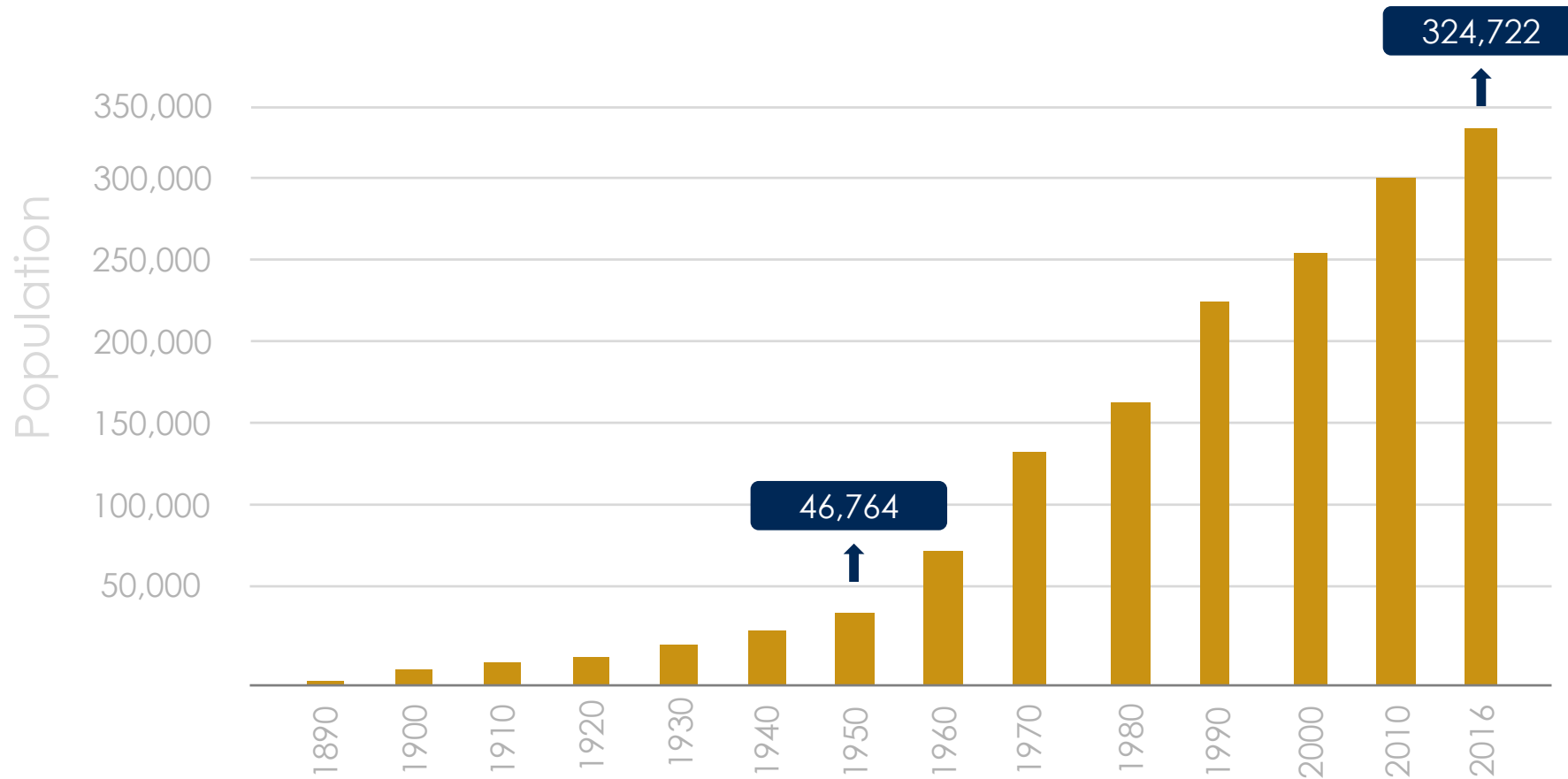


Electric and Water Utility Rate Proposal

Public Utilities Department

Key Account Meeting
October 17, 2017

Population Growth



Sources: American Fact Finder/Census.gov and State of California, Department of Finance

A City – A System of Systems

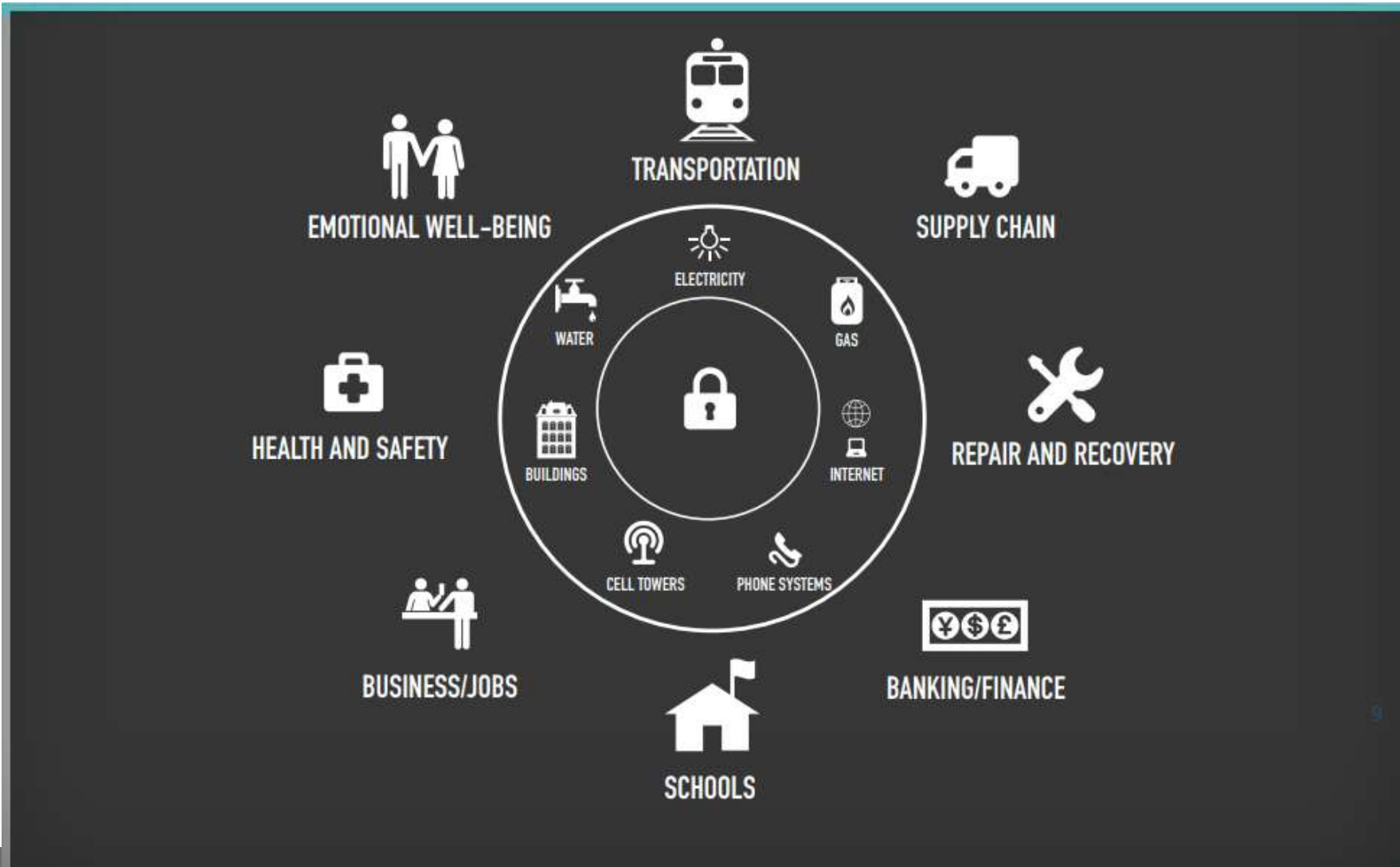


Dr. Lucy Jones Center for
Science and Society, SCAG
Presentation

RiversidePublicUtilities.com



Necessary Systems



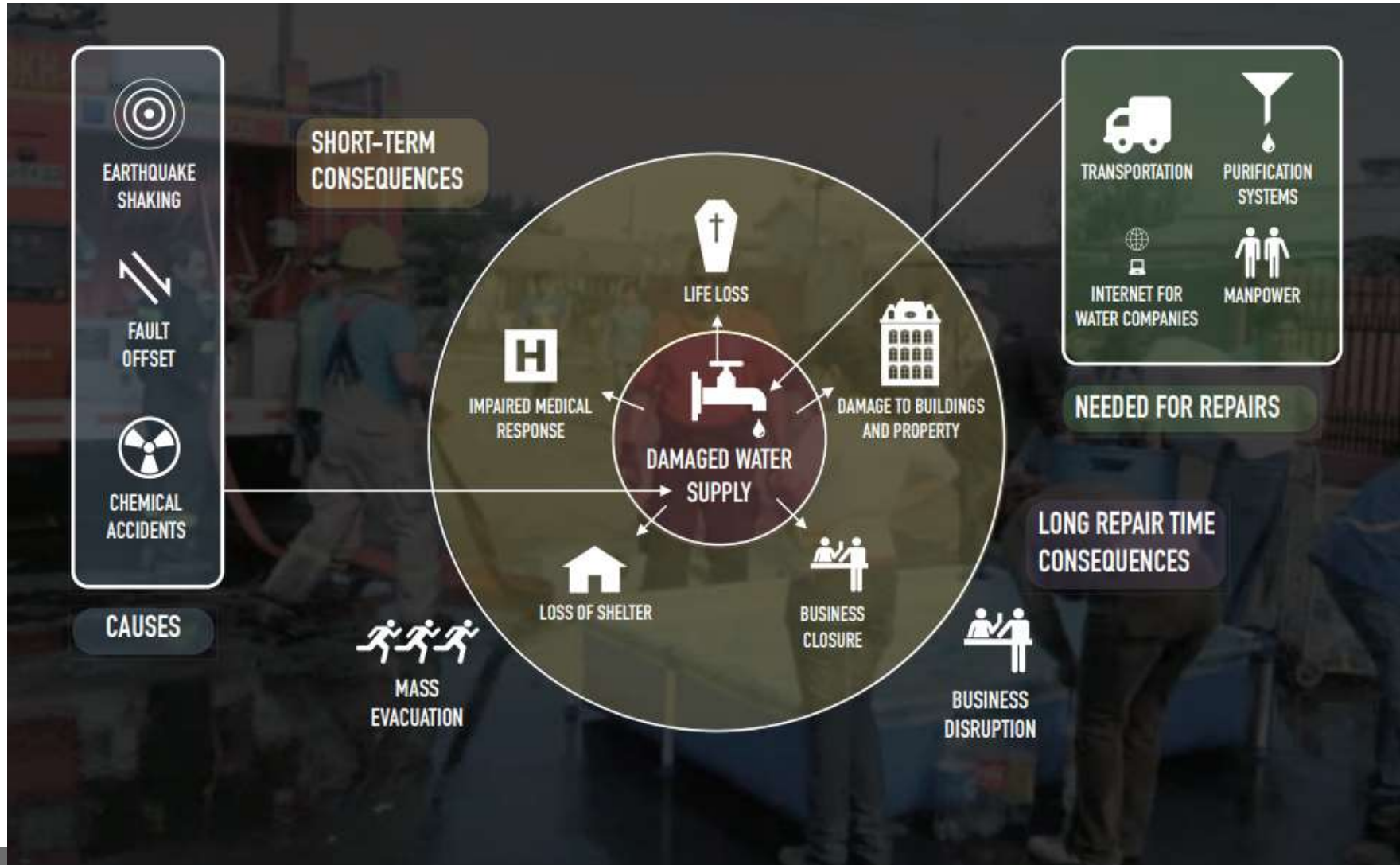
Dr. Lucy Jones Center for Science and Society, SCAG Presentation

Critical Infrastructure Is Connected



Dr. Lucy Jones Center for
Science and Society, SCAG
Presentation

Damaged Water Supply



Dr. Lucy Jones Center for Science and Society, SCAG Presentation

26%

Utility Poles

60+

22,637

A photograph of an electrical substation under a clear blue sky. In the foreground, a yellow utility truck with a bucket lift is parked. A worker in a white hard hat and safety vest stands near the truck. In the background, a worker is on a bucket lift working on a high-voltage power line. The substation equipment, including insulators and metal structures, is visible. The number '65' is overlaid in large white font on the left side of the image.

65

Substation Transformers

10

60+

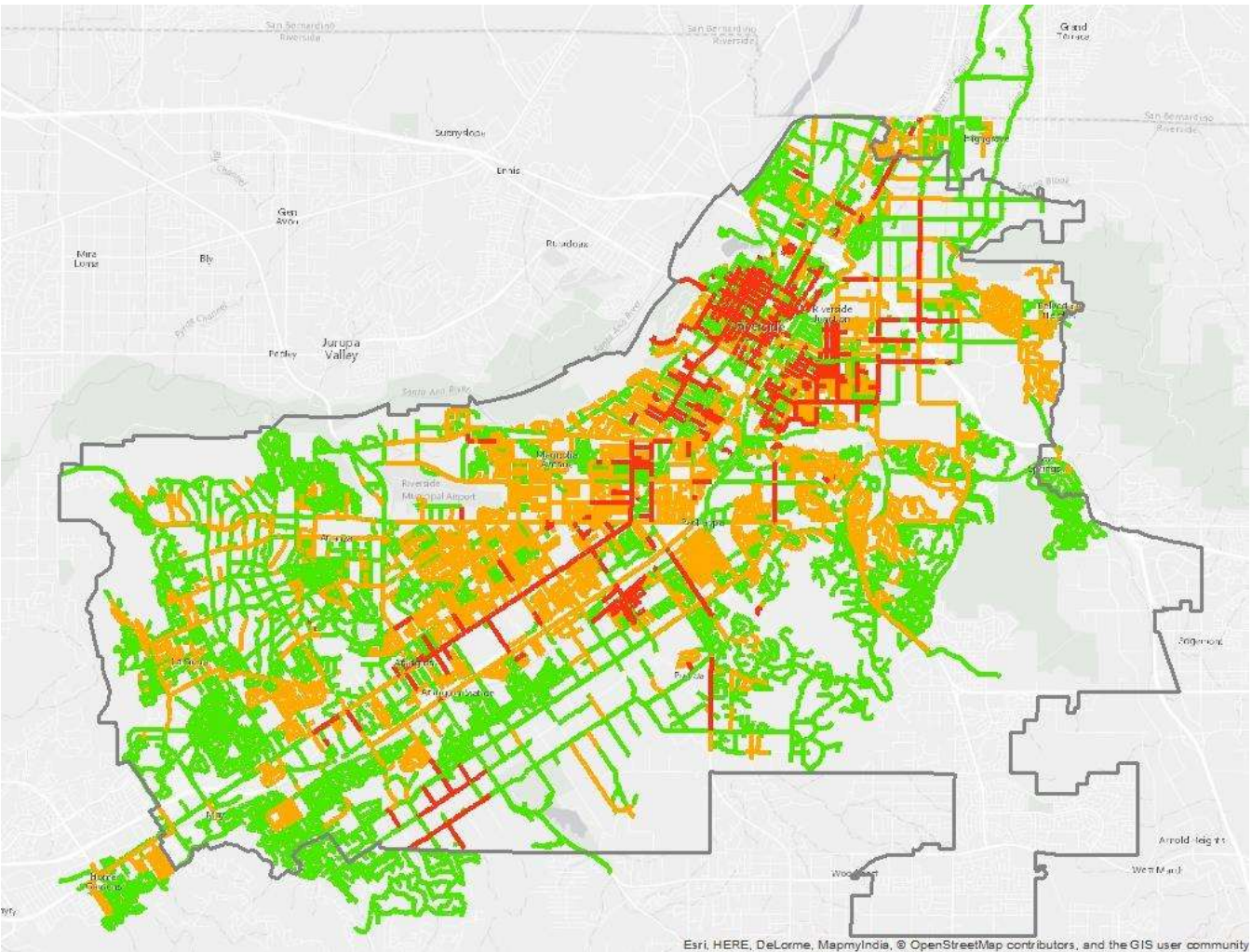
A photograph showing construction workers in a trench installing a large pipe. One worker is bent over, working on the pipe, while another stands nearby. The pipe is wrapped in a white protective material with 'Temflex 30' and '3M' visible. A large brass fitting is attached to the end of the pipe. The background shows the earthen walls of the trench.

824 miles Distribution Mains

30%

60+

Aging Pipes



- **80+ Years old**
- **50-80 Years old**
- **1-50 Years old**

Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, and the GIS user community



Harvey Lynn Substation Explosion



**Harvey
Lynn
Substation
Explosion
March 2014**

NETFLIX

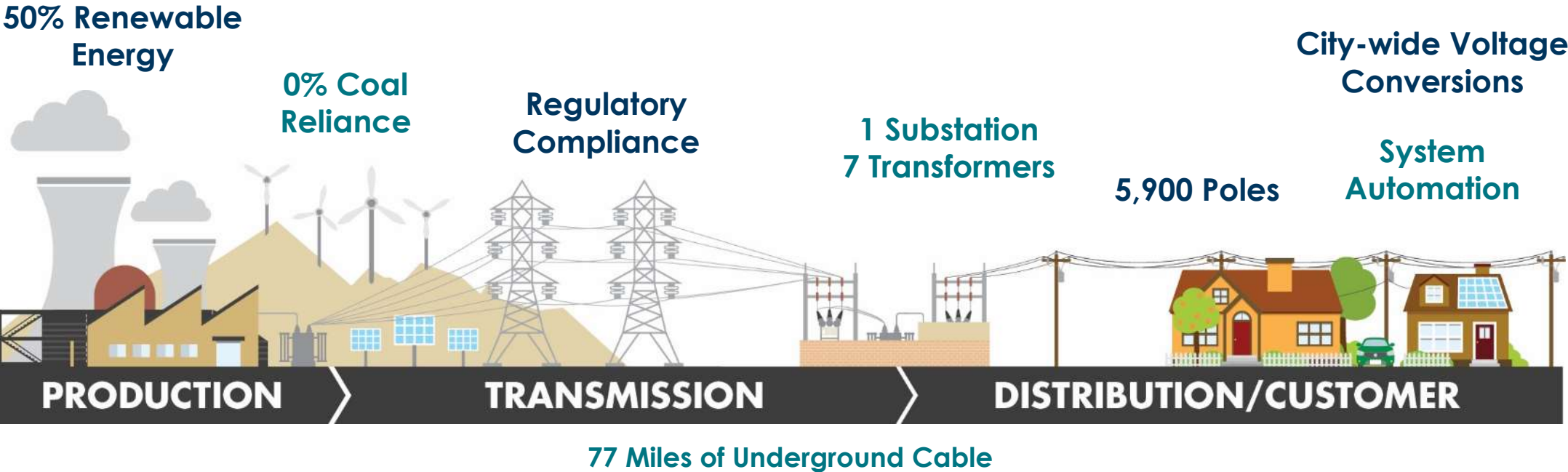




**Sept. 2017:
12 Deaths due to Power Failure
at Florida Care Center**

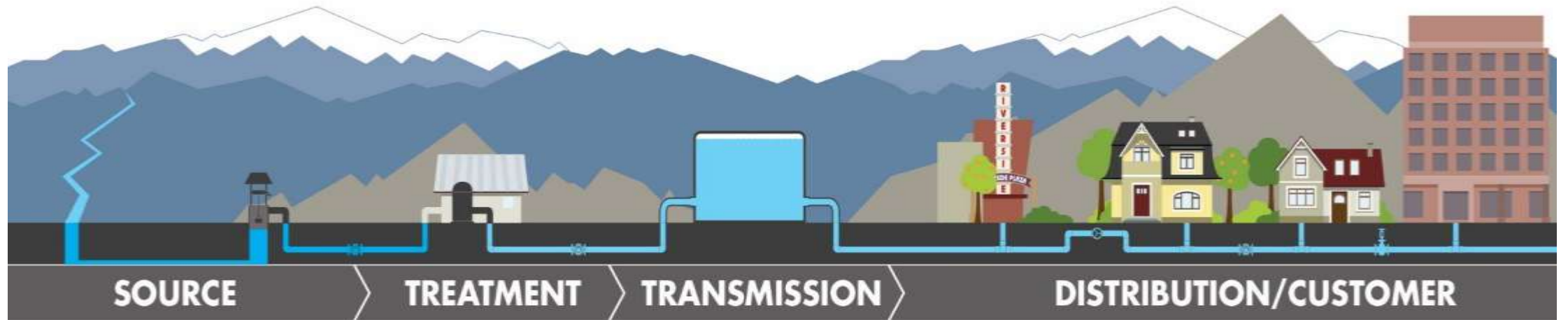


Electric System – 10 Year Plan



Water System – 10 Year Plan

Recycled Water
Storm Water Capture



5 Wells

North Waterman
Treatment Plant

80 Miles of Pipeline
Replace Techite Pipe

3 Pressure Stations • System Automation

2,400 miles

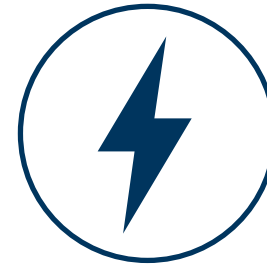


7 Years Without a Rate Increase



7 Years

since the last
water increase (2010)



7 Years

since the last
electric increase (2010)



Renewable Power Requirements

Increased from

20% to 50%

since the last rate plan



Five-year California Drought

(2011-2016)

**Hottest and Driest in
Instrumental Record**
since the late 1800s

Cost Increase ↑ of Average Household Items



↑ 58%
\$

Tide Laundry Detergent
2010 - \$7.97
2016 - \$12.57



1 pound of bacon
2010 - \$3.22
2016 - \$4.48

↑ 39%
\$



↑ 50%
\$

1 pound of potatoes
2010 - \$0.52
2016 - \$0.78



Movie ticket
2010 - \$7.50
2016 - \$10.49

↑ 40%
\$



iPhone 4
2010 - \$399
iPhone 7
2016 - \$649

↑ 63%
\$

Source: ThePeopleHistory.com/pricebasket.html

Source: Apple.com

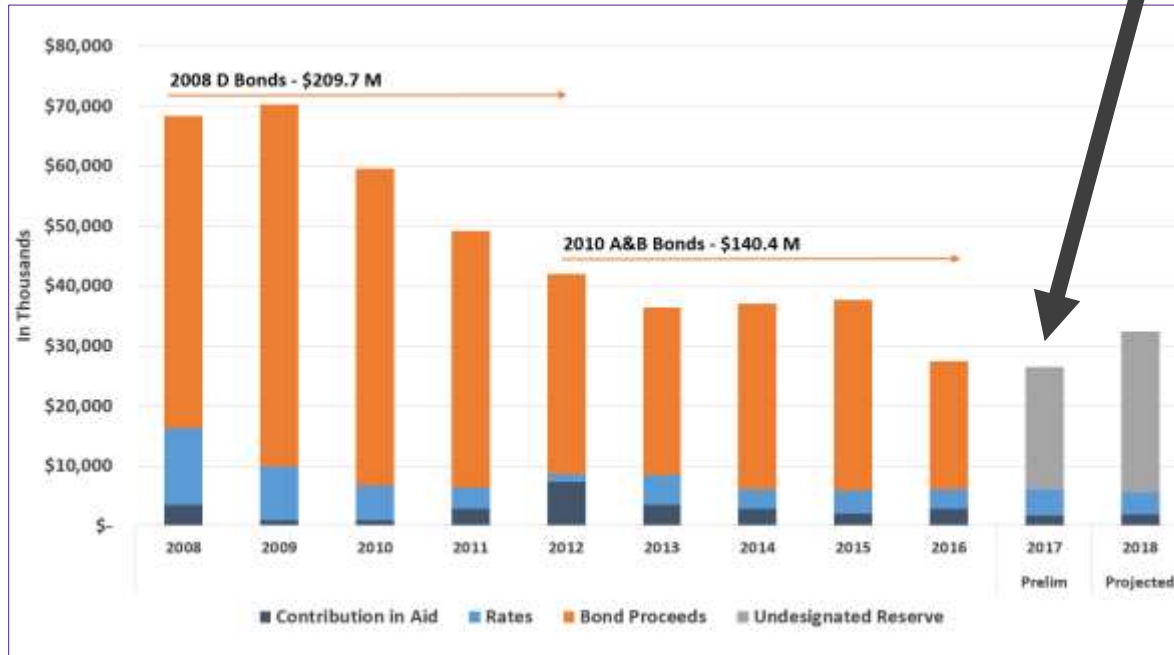
Keeping Rates as Low as Possible

- | | |
|----------------------------------|----------------------------|
| 1. Transmission Revenues | \$36-40 million/year |
| 2. Cap-and-Trade Revenues | \$5 million/year |
| 3. Western Water Sale Agreement | ~\$5 million/year |
| 4. Excess Renewable Energy Sales | \$3-5 million/year |
| 5. Solar at Well Sites | \$800,000/year |
| 6. Scheduling Services | \$750,000/year |
| 7. \$85 Million Line of Credit | reduced cash reserves |
| 8. 55-year Lease with Hillwood | potential for \$45 million |



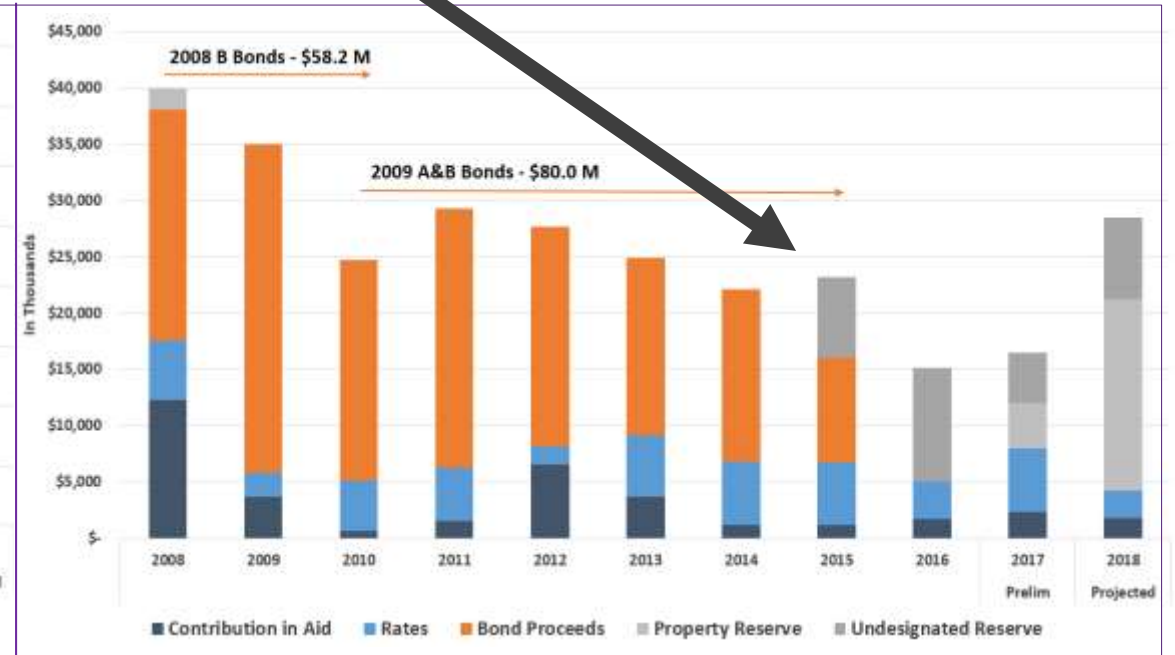
Bonds – All Proceeds Used up 6/30/16

Electric



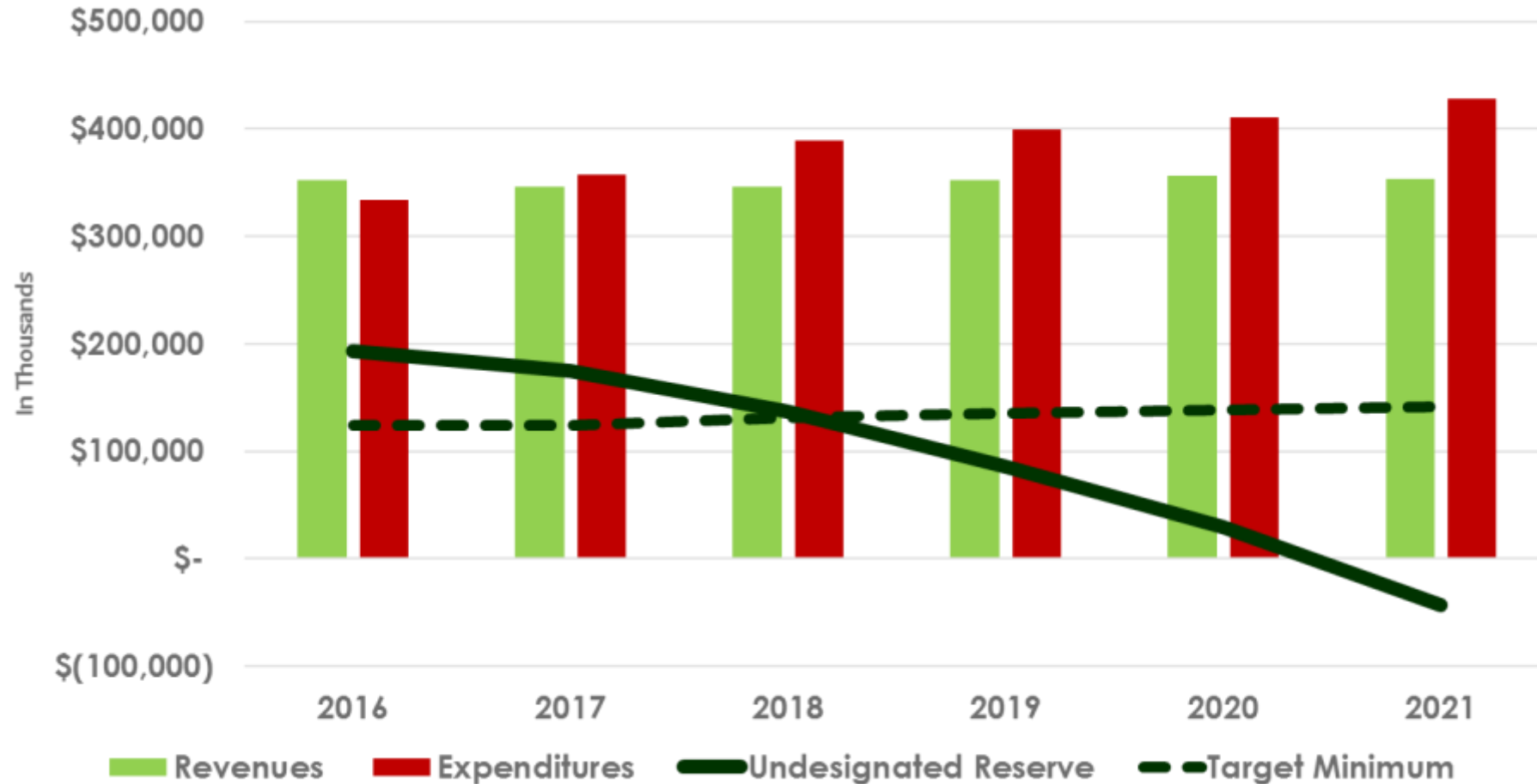
Reserves being drawn down

Water



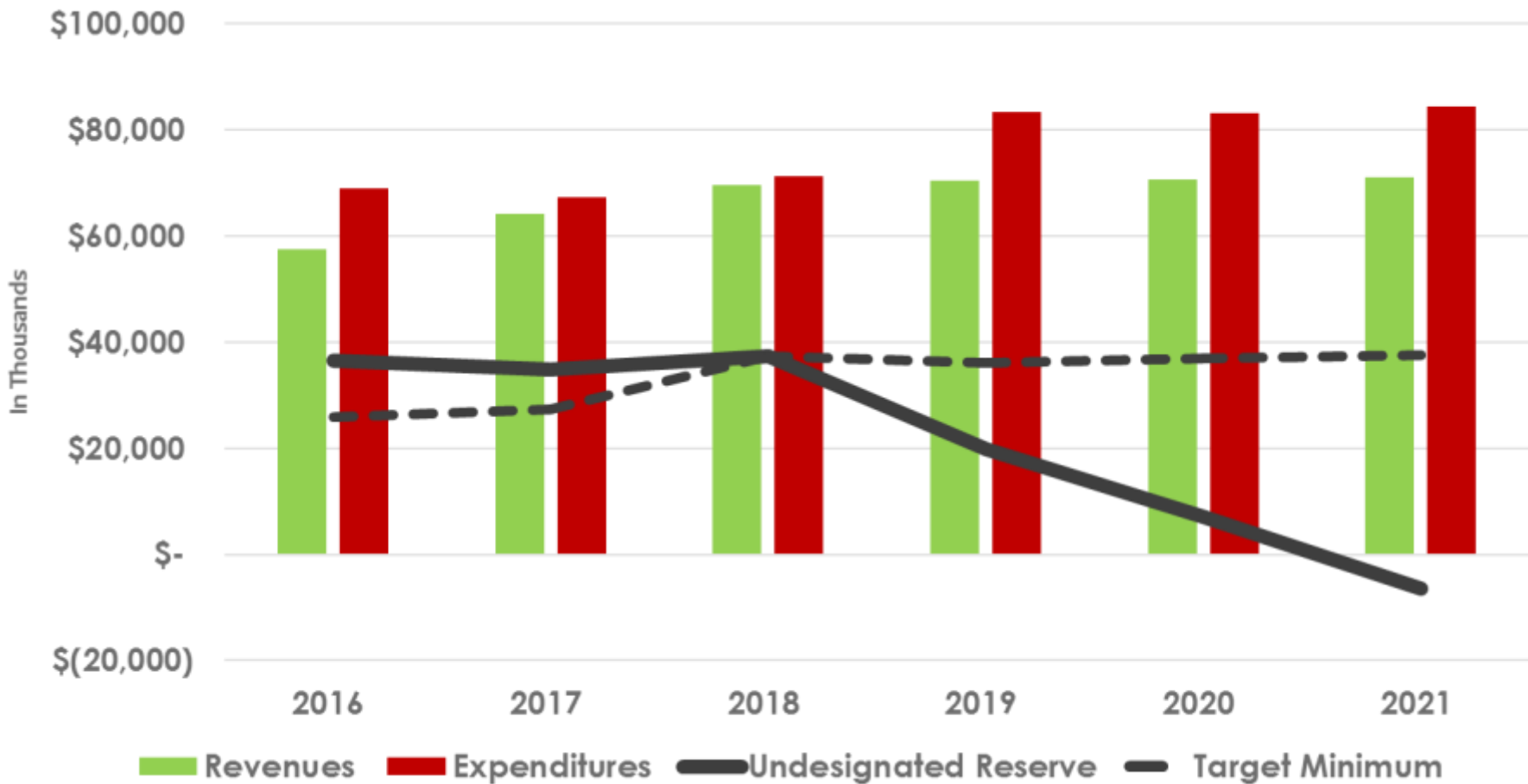
Reserves (Electric)

Falls Below Minimum in a Year



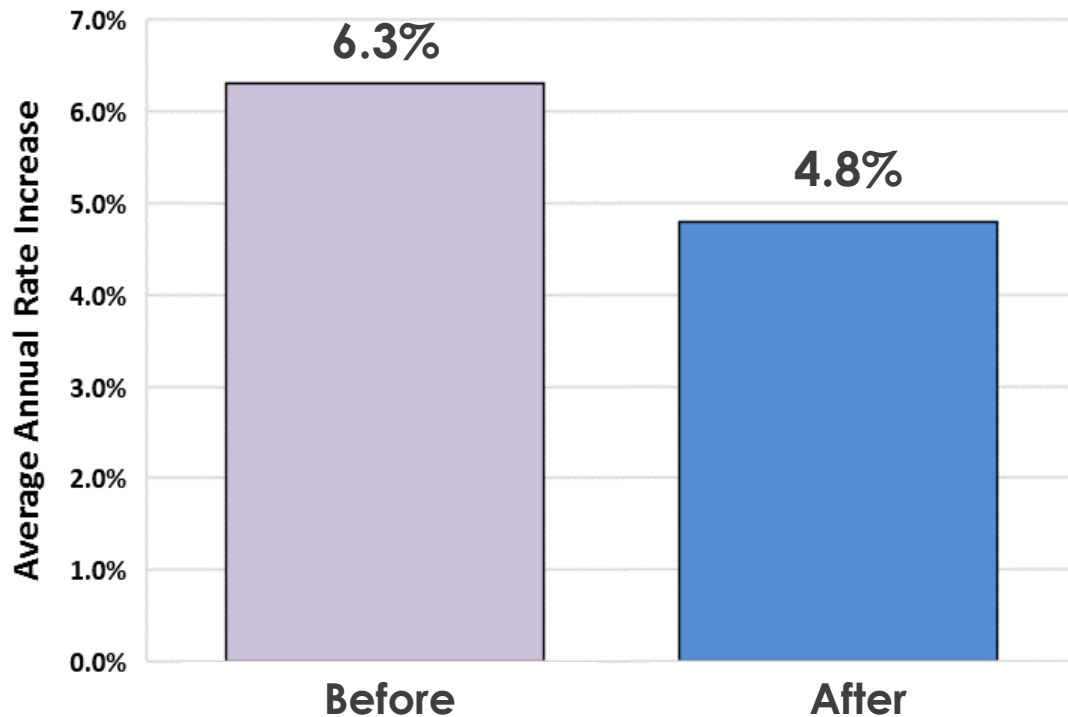
Reserves (Water)

Falls Below Minimum in a Year

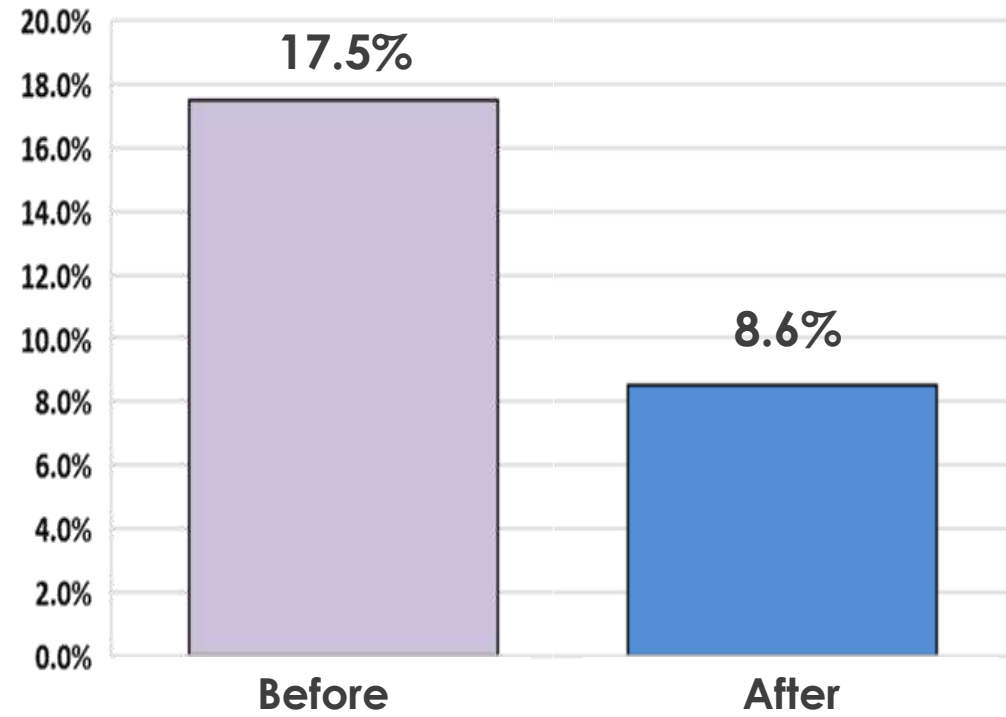


Rates Lowered to Stay Affordable

Electric



Water



Average Annual Rate Increase

	Years 1-5 (2018-2022)	Years 6-10 (2023-2027)
Electric	4.8% (5-Year Average)	Annual Cost-Based Price Adjustment
Water	8.6% (5-Year Average)	Annual Cost-Based Price Adjustment

Average Monthly Bill Increases – Years 1-5

Residential

	Low-Use 355 kWh 12 CCF	Typical-Use 592 kWh 19 CCF	High-Use 1400 kWh 29 CCF
Electric	\$3.11 (5%)	\$5.18 (5%)	\$11.56 (4%)
Water	\$4.05 (12%)	\$4.56 (10%)	\$6.48 (8%)

Includes Public Benefits Charge and Water Conservation Surcharge
 kWh = kilowatt hour
 CCF = one hundred cubic feet



Average Monthly Bill Increases – Years 1-5

Commercial

	Small 500 kWh 10 CCF	Medium 2400 kWh 37 CCF	Large 8000 kWh 119 CCF
Electric	\$3.70 (3%)	\$17.32 (4%)	\$40.92 (3%)
Water	\$4.24 (12%)	\$7.90 (8%)	\$23.57 (8%)

Includes Public Benefits Charge and Water Conservation Surcharge
 kWh = kilowatt hour
 CCF = one hundred cubic feet

Current Competitive Advantages Remain “Business Friendly”



Low residential and commercial utility rates



Large industrial customers rates as low as 10% lower than SCE



New and lower restructured Reliability Charge for small industrial TOU customers



Economic Development Rate incentives to encourage business expansion and attraction



New and lower High Voltage Rate

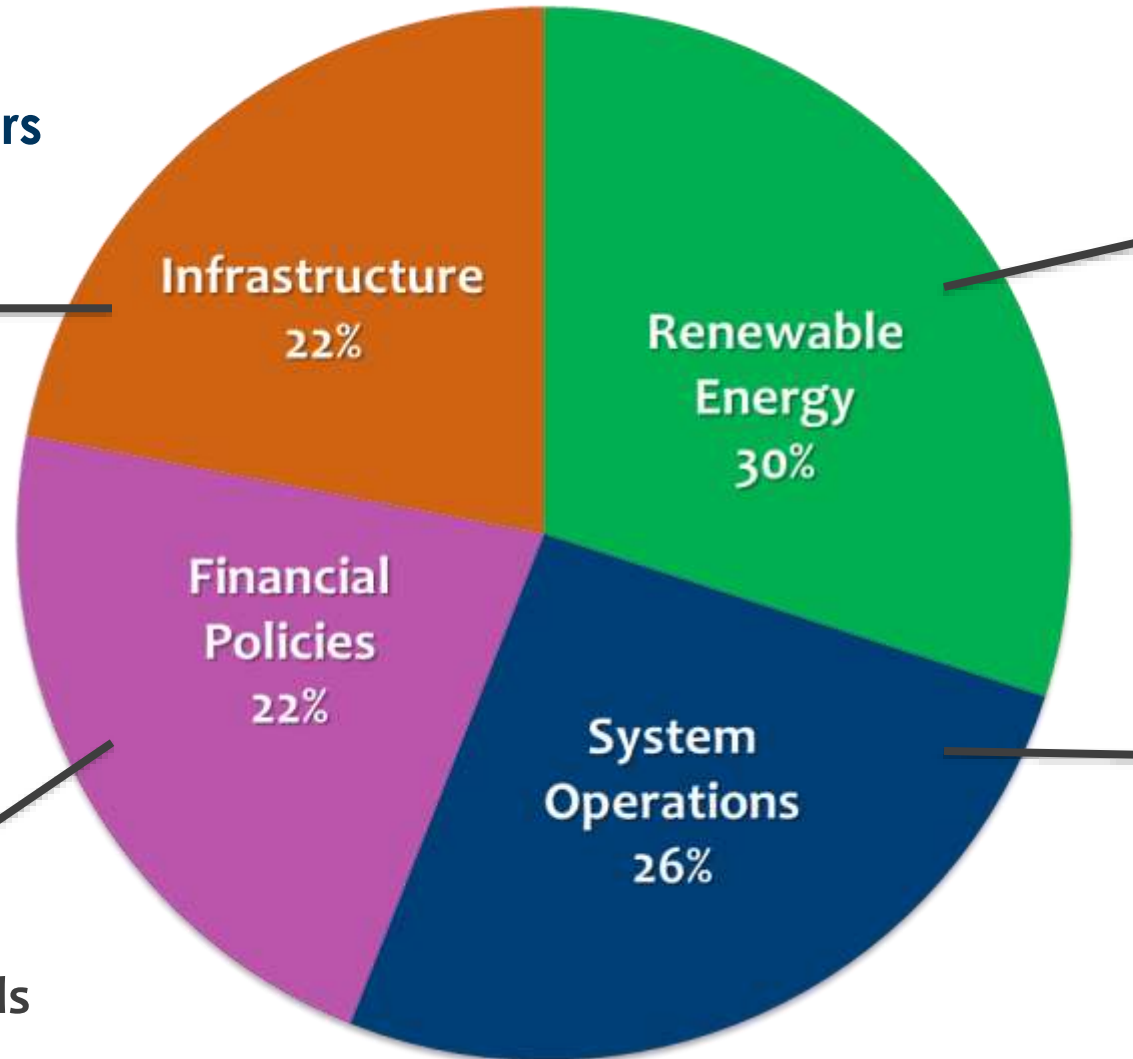


New Green Power Rate

What the Rate Increase Pays For

**Electric: 4.8% first 5 years;
price escalator next 5 years**

- 5,900 Poles
- 77 Miles Cable
- 7 Substation Transformers
- 1 Substation
- Voltage Conversions
- System Automation
- Charter Transfer to General Fund
- Minimum Reserve Levels

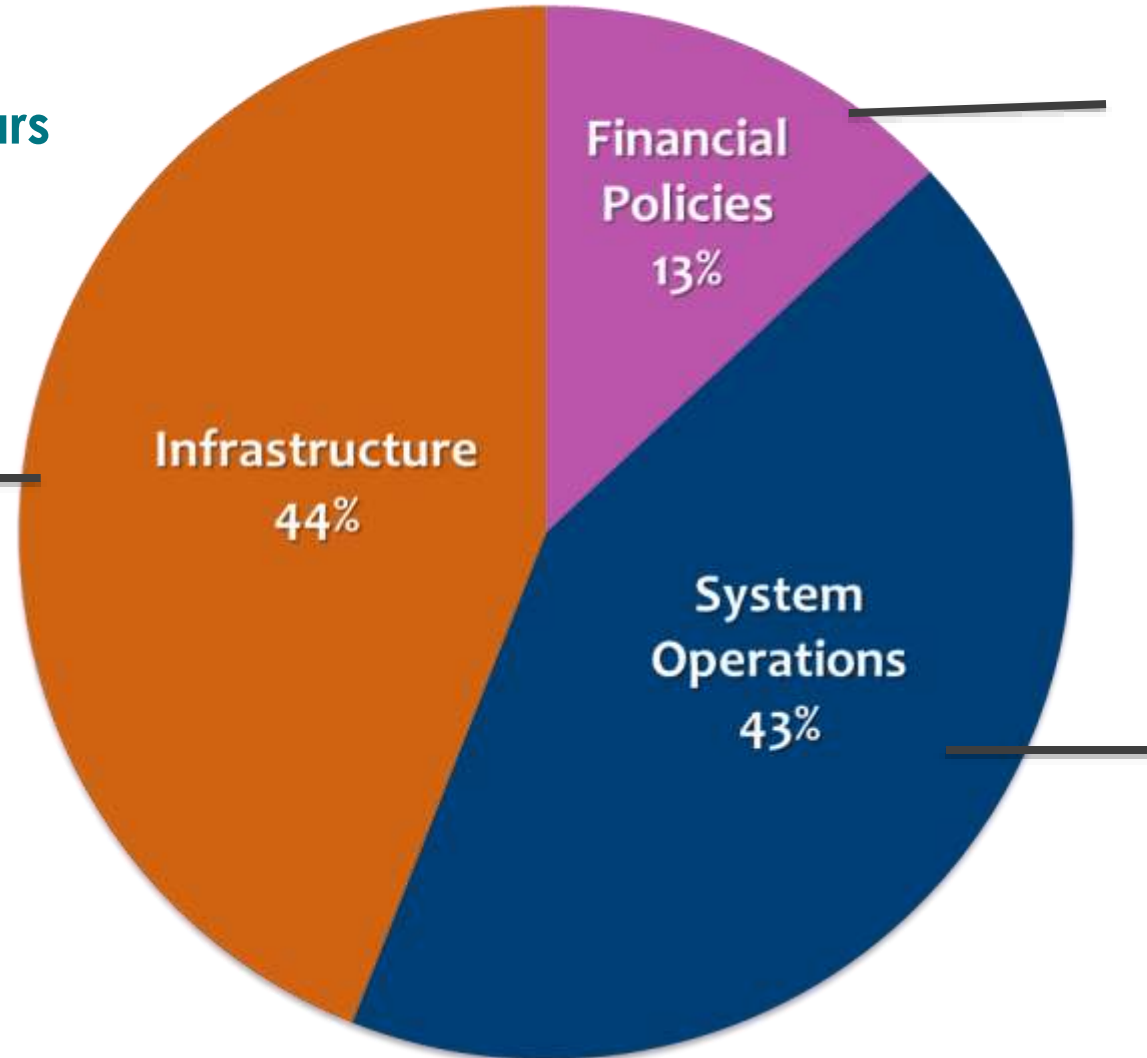


- 50% Renewable Energy
- 0% Coal
- System Maintenance
- Fleet & Fuel
- Labor

What the Rate Increase Pays For

**Water: 8.6% first 5 years;
price escalator next 5 years**

- 80 Miles Pipeline
- Replace Techite Pipe
- 1 Treatment Plant
- 5 Wells
- 3 Pressure Stations
- Recycled Water & Stormwater Capture
- System Automation



- Charter Transfer to General Fund
- Minimum Reserve Levels

- System Maintenance
- Fleet & Fuel
- Labor

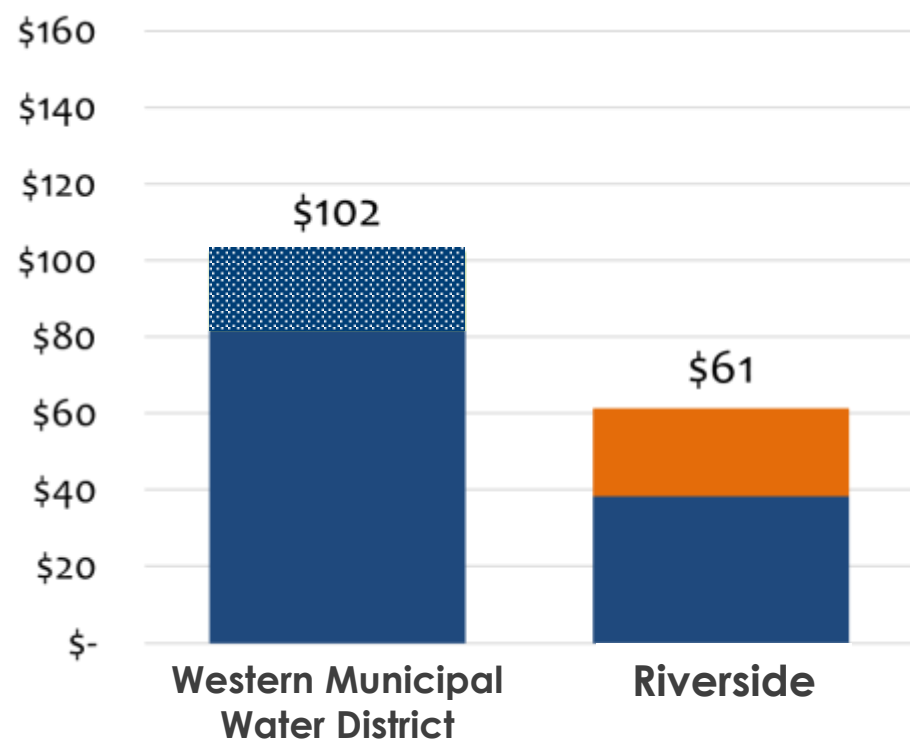
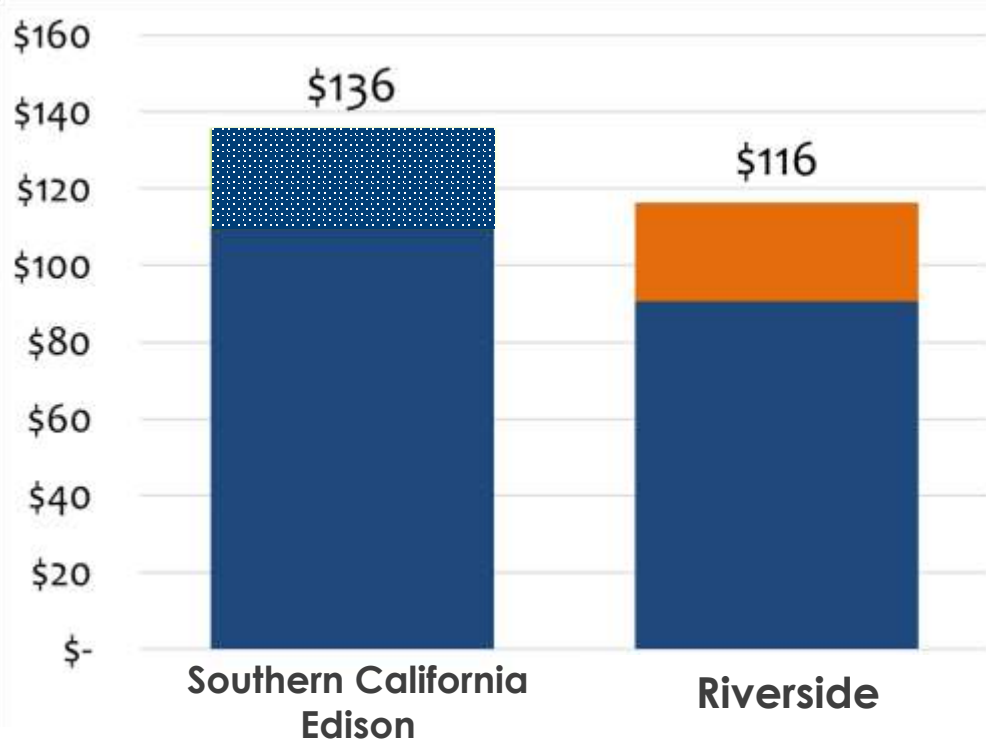
Rates Remain Lower Than Other Agencies

Electric

Water

- Proposed 5-year increase
- Assumed 5-year increase
- Current

\$61 lower per month



Electric based on 592 kWh per month

Water based on 19 CCF per month

Low-Income Assistance

1. SHARE Program
2. Energy Savings Assistance Program
3. Energy/Water Efficiency Rebates
4. Affordable Solar Energy for Riverside
5. Water Rate Assistance
6. Increased Outreach



What Can Customers Do?

Typical Residential Monthly Electric Bill:

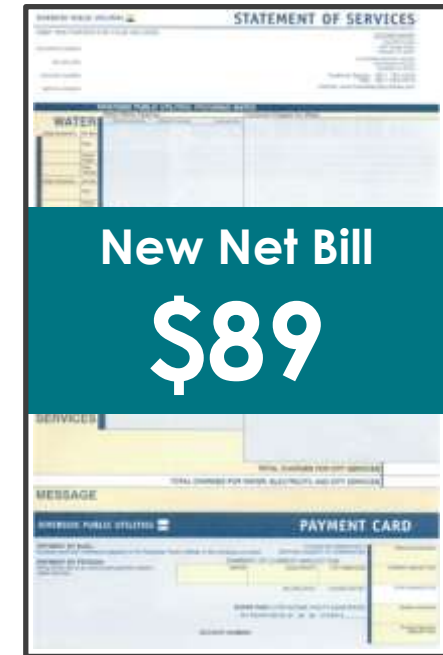


Proposed Bill Increase



Retail Cost of 10 Bulbs	\$40
RPU's Contribution	(\$30)
Customer Cost	\$10

Decrease if Implemented



What Can Customers Do?

Typical Residential Monthly Water Bill:

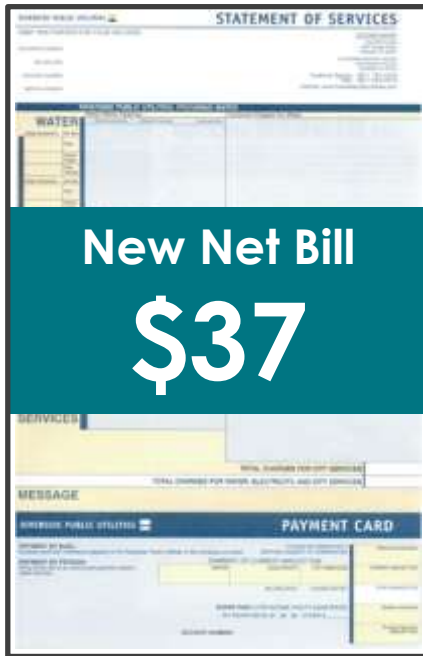


Proposed Bill Increase

Install a Weather Based Irrigation Controller (WBIC) & 25 Free Sprinkler Nozzles

Retail Cost of a WBIC	\$250
RPU's Rebate	(\$200)
Customer Cost	\$50
FreeSprinklerNozzles.com	\$0

Decrease if Implemented



What Can Customers Do?



Electric

- Year 1: LED Bulbs
- Year 2: Solar attic fan
- Year 3: Ceiling fans
- Year 4: A/C tune-up
- Year 5: Energy star TV

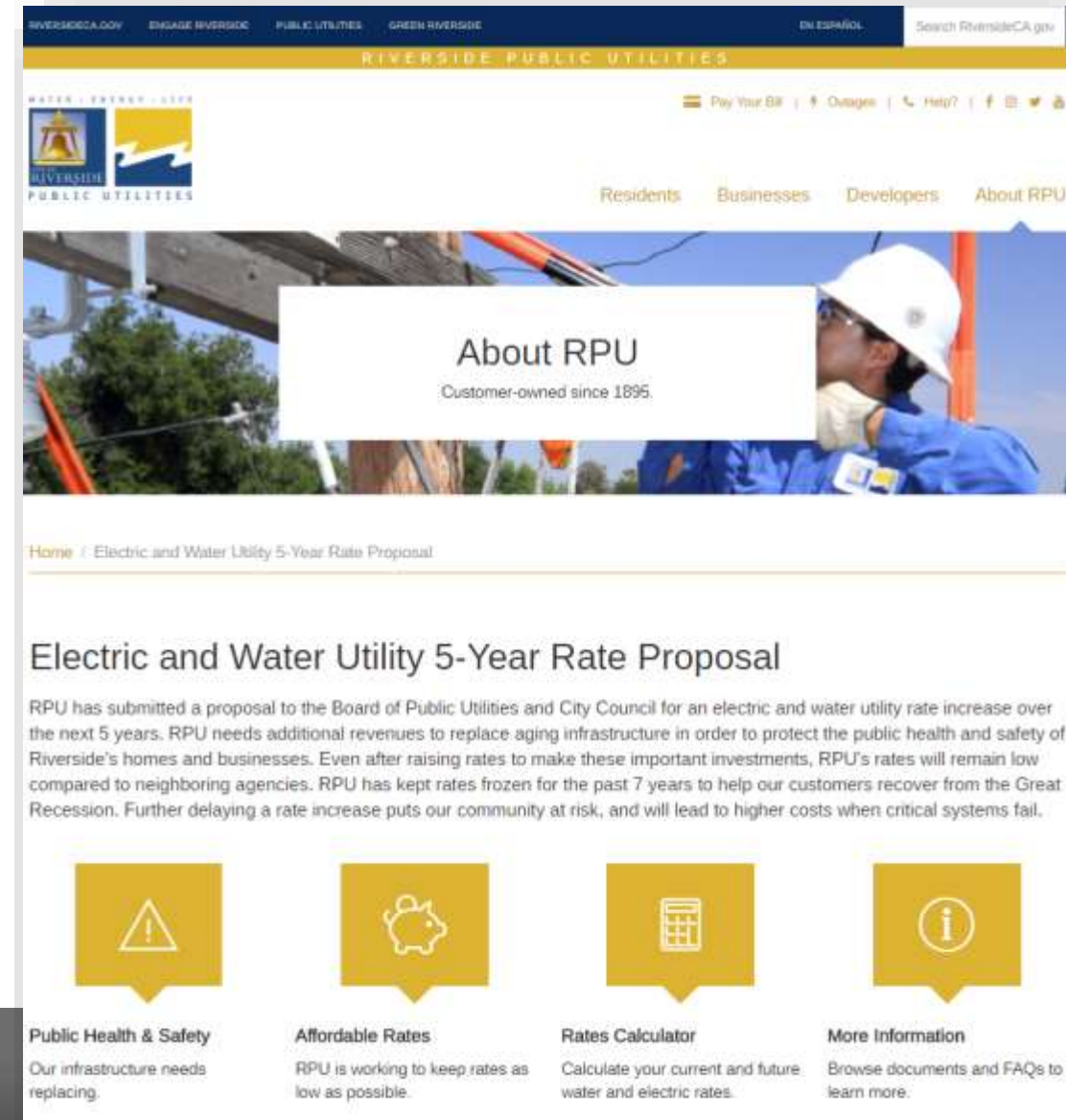
Water

- Year 1: Smart controller
- Year 2: Efficient toilets
- Year 3: Efficient nozzles
- Year 4: Efficient washer
- Year 5: Waterwise plants



Other Resources

1. **Website** – Rate calculator, FAQs, Rate Plan Documents, Ways to Save
2. **Flyers** – Fact Sheet, FAQs
3. **Customer Service** – Dial “311”
4. **Bill Inserts**
5. **EngageRiverside.com**
6. **Upcoming Community Meetings**



The screenshot shows the Riverside Public Utilities website. The header includes navigation links for 'RIVERSIDEECA.GOV', 'ENGAGE RIVERSIDE', 'PUBLIC UTILITIES', and 'GREEN RIVERSIDE'. A search bar is located in the top right corner. The main navigation menu includes 'Residents', 'Businesses', 'Developers', and 'About RPU'. A large banner image features a utility worker in a blue uniform and white hard hat, with a white text box overlaid that reads 'About RPU' and 'Customer-owned since 1895.' Below the banner, the breadcrumb trail shows 'Home / Electric and Water Utility 5-Year Rate Proposal'. The main heading is 'Electric and Water Utility 5-Year Rate Proposal'. The text below explains that RPU has submitted a proposal for a rate increase over the next 5 years to replace aging infrastructure. At the bottom, there are four yellow callout boxes with icons and text: 'Public Health & Safety' (warning icon), 'Affordable Rates' (piggy bank icon), 'Rates Calculator' (calculator icon), and 'More Information' (info icon).

Public Health & Safety
Our infrastructure needs replacing.

Affordable Rates
RPU is working to keep rates as low as possible.

Rates Calculator
Calculate your current and future water and electric rates.

More Information
Browse documents and FAQs to learn more.

Community Outreach

PROPOSAL

August 28 – RPU Board
September 26 – City Council

OUTREACH

October - November

WORKSHOP

November 28 –
Joint RPU
Board/City Council

RECOMMENDATION

January – RPU Board
February – City Council

IMPLEMENTATION

April 2, 2018

Outreach Goals

1. Describe proposal
2. Answer questions
3. Get feedback

Outreach Process

1. Community meetings in all Wards
2. Informational mailers

Business Outreach

Key Accounts

1. Key Account Meetings
(next meeting: October 17th, 2017 – 7 am)
2. Regional Roundtables
(dates/times/locations to be announced)
3. Email outreach
4. Back of bill information with invite to Community Meetings
5. One-to-one site meetings with Account Managers

Small Business

1. Greater Riverside Chambers of Commerce, Greater Riverside Hispanic Chamber of Commerce, Arlington Business Partnership, Riverside Downtown Partnership
2. Back of bill information with invite to Community Meetings
3. One-to-one site meetings upon request

Account Managers are available to assist any Riverside business customer with a proposed estimate of their new rates.

Community Meetings

WARD 1

Wednesday, November 8, 2017

6 pm

Riverside City Hall
Mayor's Ceremonial Room
3900 Main Street
Riverside, CA 92522

WARD 2

Wednesday, October 11, 2017

5:30 pm

Natifuentes Centro de Ninos
2010 Martin Luther King Blvd.
Riverside, CA 92507

WARD 3

Wednesday, November 1, 2017

6 pm

Janet Goeske Senior Center
5257 Sierra Street
Riverside, CA 92504

WARD 4

Wednesday, October 18, 2017

6 pm

Taft Elementary
959 Mission Grove Parkway N
Riverside, CA 92506

WARD 5

Monday, November 6, 2017

6 pm

Hunt Park
4015 Jackson Street
Riverside, CA 92504

WARD 6 & WARD 7

Thursday, November 9, 2017

6 pm

La Sierra High School Library
4145 La Sierra Avenue
Riverside, CA 92505

Rate Plan Details

What you will find on the website:

- Why does RPU need to raise rates?
- How raising rates will impact customers?
- Rate calculators
- FAQ's
- Keeping Rates Affordable – RPU will remain competitive
- What RPU has done to keep rates low
- What the rate increase pays for
- Rate Proposal timeline
- Information about our Low-income programs
- A link to information about over 40 rebates
- Ways to Save
- Community Meeting List
- A Documents tab with information from Board of Public Utilities and City Council Meetings and proposed rate change documents including
 - Electric/Water Rates Schedules
 - Key Changes to Rate Structures
 - Cost of Service/Rate Design studies for both electric and water

RiversidePublicUtilities.com/RatePlan