

**CITY OF PICO RIVERA  
Administrative Policy**

SUBJECT:  <b>PICO RIVERA INNOVATIVE MUNICIPAL ENERGY RATE SETTING AND RATE STABILIZATION POLICY</b>			EFFECTIVE DATE:  <b>July 1, 2017</b>
POLICY #:  <b>PRIME-04</b>	SUPERSEDES  <b>N/A</b>	STAFF CONTACT	# OF PAGES:  <b>1</b>

1.0 Purpose:

To establish the rate setting policy for Pico Rivera Innovative Municipal Energy (PRIME) that ensures long-term rate stability and financial viability on an on-going basis.

2.0 Organizations affected:

Pico Rivera Innovative Municipal Energy (PRIME)

3.0 Definition of "Rates":

For purposes of this policy, the term "rate or "rates" means the amount(s) charged by PRIME to PRIME customers for electricity generation usage per kilowatt-hour (kWh).

4.0 Policy:

4.1 Rates are to be established in an amount to ensure sufficient revenues are generated to cover PRIME's annual expenditures, provide an operating reserve in an amount determined by the City Council, and contribute to the rate stabilization reserve in an amount determined by the City Council.

4.2 Rates are to be reviewed at least once per calendar year.

Approved:

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René Bobadilla, City Manager

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Date