

RULE NO. 19

RATE STABILIZATION ACCOUNT

A. PURPOSE

The Rate Stabilization Account is established as a means of providing more stable retail electric rates to the customers of the City's Electric Utility.

B. DEFINITIONS

1. Billing Rate - A forecasted average retail electric rate, in cents per kWh, based on the retail electric rates currently being billed to the Utility's customers. The Billing Rate includes the base rates and the Power Cost Adjustment Billing Factors.
2. Rate Stabilization Account (RSA) - A restricted cash account within the Electric Utility Operating Fund, Fund 55, which is utilized in stabilizing electric rates. The account initially is established with refund money received from Southern California Edison Company for prior overcharges on wholesale rates.
3. Rate Stabilization Account Interest - The interest earned on the moneys in the RSA which is credited to the RSA.
4. Reference Rate - A forecasted average retail electric rate, in cents per kWh, required to provide sufficient revenue to meet expenditures and fund transfers of the approved Resource Allocation Plan (RAP) of the Electric Utility.
5. Stabilization Rate - A rate, in cents per kWh, to determine the flow of funds from the restricted cash of the RSA to the unrestricted cash of the Electric Utility Operating Fund.
$$\text{Stabilization Rate} = \text{Reference Rate} - \text{Billing Rate}$$
6. Stabilization Transfer - The amount transferred, on a monthly basis, from the restricted cash of the RSA to the unrestricted cash of the Electric Utility Revenue Fund.

$$\text{Stabilization Transfer} = \text{Stabilization Rate} \times \text{Monthly kWh Sales}$$

(Continued)

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C. OPERATION OF RATE STABILIZATION ACCOUNT

1. Within 15 days after the end of each month, the Stabilization Transfer will be calculated based on the recorded monthly kWh sales and existing Stabilization Rate.
2. Within 15 days after the end of each month Utilities Accounting takes appropriate action to move the Stabilization Transfer from the restricted cash of the Rate Stabilization Account to the unrestricted cash of the Electric Utility Operating Fund.
3. Within 15 days after the end of each month, the Public Utilities Department shall furnish to the City Manager, City Council and Public Utilities Board a report on the status of the RSA.

D. RATE STABILIZATION ACCOUNT RATES

The rate stabilization account rates, in cents per kilowatt hour, shall be shown in this section.

Effective Date	Billing Rate	Reference Rate	Stabilization Rate
10-16-85	8.904¢	9.393¢	0.489¢
09-01-86	8.456¢	8.778¢	0.322¢
01-06-88	7.970¢	8.530¢	0.560¢
12-01-89	8.518¢	8.518¢	0.000¢
08-01-90	8.832¢	9.392¢	0.560¢
01-01-92	9.140¢	9.700¢	0.560¢
03-24-93	9.201¢	9.761¢	0.560¢
07-01-93	9.201¢	9.782¢	0.581¢
09-01-93	9.150¢	9.731¢	0.581¢
01-03-94	9.333¢	9.914¢	0.581¢
01-02-95	9.426¢	10.630¢	1.204¢
01-02-96	9.4263¢	10.0406¢	0.6143¢
05-01-98	9.308¢	9.618¢	0.310¢