

City of Lodi Public Works & Utilities Committee Meeting
Minutes of April 7, 2021

1. Call to Order

Chair Stevenson called the meeting to order at 6:00 p.m.
Committee Members Present: Rich Stevenson and Eric Hansen
Committee Members Absent: Steve Clemens
Staff Present: Julie Ostrander, Brenda Ayers, Jennifer Sweeney

2. Virtual Etiquette Announcement. Stevenson reviewed the announcement.

3. Public Input. None.

4. Approve Minutes of February 2, 2021 Meeting

MOTION (Hansen/Stevenson) to approve the minutes of the February 2, 2021 meeting. Roll Call vote: Aye (Hansen, Stevenson); Nay (0) Motion carried.

5. Financials. No questions were raised regarding the financials.

6. Discussion and Possible Recommendation Regarding Proceeding with the Electric Simplified Study

Nicole Guld from WPPI Energy presented the electric simplified rate case. There was no additional cost for WPPI Energy to prepare the rate case for Lodi Utilities except for charges from the Public Service Commission (PSC). The PSC takes anywhere from six months to one year to review rate cases. The last time electric rates were reviewed was in 2018. WPPI Energy recommends considering rate increases about every three years to help prevent passing on a large rate increase to customers. This rate case is asking for a roughly 1.3% increase per year since 2018. The overall increase is 5.34% across all rate classes. The average residential customer who uses 665 kWhs would see about a \$4.40 increase per month. Commercial customers who use about 1,453 kWhs would see a roughly \$8.94 increase in their monthly bill. The proposed rates for Lodi Utilities are relatively equal to Alliant Energy's current rates. However, Guld noted that Alliant Energy is looking to also increase their rates in 2021 and the comparison does not take that increase into account. Additionally, Alliant Energy has a much larger number of industrial customers that affects the composition of their rates. Lodi Utilities could flatten out any potential electric increase through energy efficiency.

MOTION (Hansen/Stevenson) to recommend to Finance Committee approval to proceed with the electric simplified rate study. Roll Call vote: Aye (Hansen, Stevenson); Nay (0). **Motion carried.**

7. Discussion and Possible Recommendation Regarding Approving New Load Market Pricing Tariff

Mallory Kleven from WPPI Energy presented the New Load Market Pricing Tariff. The changes to the tariff are separate from the proposed rate increase discussed in agenda item 6. The New Load Market Pricing Tariff would be filed in April as a bulk filing with 30 other WPPI Energy members, if approved. Kleven explained that they are asking for approval for changes to the load market pricing tariff language regarding existing customers in a utilities' service area who want to expand or grow their business. The current language requires an additional 500 kW load. The new language only requires an additional 400 kW load. The change in the language is to provide more of an incentive to increase load and give the customer better pricing that is closer to whole sale electric price. The change in the load requirements is to the benefit of Lodi Utilities' customers. Kleven noted that WPPI Energy would like to submit the bulk filing to the PSC April 15. A Special Common Council meeting may be called so Lodi Utilities can be included in the bulk filing.

MOTION (Hansen/Stevenson) to recommend to Common Council approval for new load market pricing tariff. Roll Call vote: Aye (Hansen, Stevenson); Nay (0). **Motion carried.**

8. Discussion and Possible Recommendation Regarding Approving Choose Renewable Rider

Nicole Guld from WPPI Energy explained the changes to the choose renewable rider. Lodi Utilities business or residential customers can purchase renewable energy blocks from WPPI Energy to support renewable energy. Previously, the blocks were offered at \$3.00 per block with a volume discount offered when 100 blocks were purchase. WPPI Energy is offering to lower the cost of customer blocks to \$2.00 per block and offer a volume discount when 20 blocks are purchased. This change is due to improvements in renewable energy since the renewable energy blocks were originally offered. Purchasing these blocks is strictly optional but can help customers attain their renewable energy or sustainability goals. A customer helps

support investment in renewable energy by purchasing these blocks. This change will also be a bulk filing that will be submitted to the PSC at the beginning of May and is also separate from the potential rate increase discussed in agenda item 6.

MOTION (Stevenson/Hansen) to recommend to Common Council approval for the choose renewable rider. Roll Call vote: Aye (Hansen, Stevenson); Nay (0). **Motion carried.**

9. Discussion and Possible Recommendation Regarding a Budget Amendment (Rate Study)

Ostrander explained that this budget amendment will allow the utility to pay for filing the rate increase with the PSC. This amount was not included in the 2021 budget. The electric utility will be removing money from the fund balance to pay for the items billed from the PSC for the rate case.

MOTION (Hansen/Stevenson) to recommend to Common Council approval of a budget amendment for the rate study. Roll Call vote: Aye (Hansen, Stevenson); Nay (0). **Motion carried.**

10. Director of Operations Projects Report

Not present – No report.

11. Next Meeting Date and Agenda Items. The next regular meeting is Tuesday, May 4, 2021 at 6:00 p.m. at City Hall.

12. Adjourn. MOTION (Hansen/Stevenson) to adjourn at 7:10 p.m. **Motion carried.**

Minutes by Jennifer Sweeney, Management Analyst

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