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**Office of the
City Manager**

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Staff Report

**ITEM
NO.**

4C

To: Lemoore City Council
From: Judy Holwell, Project Manager
Date: March 1, 2012
Subject: Support for PG&E's Enhanced Economic Development Utility Rate

Discussion:

Pacific Gas and Electric is expected to formally file an application with the California Public Utilities Commission (PUC) proposing a 35 percent discount on utility rates for businesses in high unemployment areas that will be expanding or locating in PG&E's service territory and adding a minimum of 200kW of energy use. This incentive is aimed at enhancing economic development in an effort to ultimately retain and expand job opportunities for existing businesses and to create additional job opportunities by attracting new businesses. The attached document further explains the proposal and the process for approval.

The City of Fresno has taken the lead in supporting PG&E's proposal and Mayor Ashley Swearingin has asked that the City of Lemoore join in the effort by providing a letter of support. A draft letter in support of the enhanced economic development utility rate is attached. The public has 30 days from the date PG&E files its application with the PUC to submit comments.

As you know, business incentives are almost non-existent in California and our electric rates are higher than competing states. PG&E's application is intended to promote business retention and expansion of existing businesses and to encourage new companies to locate in some of California's hardest hit communities.

Budget Impact:

None.

Recommendation:

That Council consent to lending support in favor of PG&E's Enhanced Economic Development Utility Rate.