



Issue: **SECOND READING COUNCIL BILL #2022-012
NEW ELECTRIC RATE ORDINANCE**

Date: February 10, 2022

Submitted By: Doug Colvin
Assistant City Administrator – Director, Nixa Utilities and Public Works

Background

Council Bill #2022-012, first read and discussed January 24th, is for the adoption of new electric rates along with a new energy adjustment charge formula that replaces the old Fuel Adjustment Charge previously tied to the expired City Utilities of Springfield contract.

Analysis

Along with a copy of Council Bill #2022-012, attached is a corrected spreadsheet estimating annual unrestricted fund balances for years 2022 through 2026 which replaces the one presented in error at the January meeting.

The spreadsheet changes include the estimated 2022 revenue as discussed at the meeting along with all of 2021 being changed from budgeted figures to actual revenue and expenses. As you will note, the actual numbers made a considerable difference in cash balances carried forward and presents a much better outcome than before.

To recap some of the items discussed:

- Nixa Electric rates have remained unchanged since 2017. This has been accomplished for several reasons including:
 - Spending down excess unrestricted reserves.
 - The sale of the 69Kv transmission assets in March of 2018 utilizing the proceeds to eliminate all remaining debt and increase the unrestricted reserve balance.
 - This sale also lowered maintenance and operational cost required to own that part of the system.
 - We have acquired new lower-cost wholesale power contracts including a mix of natural gas, wind and directly connected solar energy and renewed a long-term low-cost hydropower agreement. These new power purchase contracts reduce annual wholesale power costs by approximately \$3 to \$4 million dollars per year through 2030.
 - Acquired network transmission service from Southwest Power Pool for the reliable delivery of power to our utility.
- Other key elements that factor into a new rate structure include:
 - Regular operations and maintenance expenses continue to rise sharply due to material shortages and related supply chain issues adding considerable strain on the current budget.



- Nixa Electric has continued to use unrestricted reserves to accomplish several major capital improvement projects for system growth and reliability as well as completing several very costly distribution system relocations to accommodate much needed roadway improvements for the community.
- Nixa Electric used reserves to absorb \$2.3 million in additional unanticipated wholesale supply cost caused by the February 2021 winter storm Uri. Most utilities passed on this additional cost directly to customers while some have even had to incur debt.

At the January meeting we also discussed other necessary considerations for a new rate schedule.

- A one-time lowering of rates is proposed to adjust or reset rates to better reflect recent savings in wholesale supply costs.
- To assure sufficient revenue and reserve fund balances in future years, a 1.5% annual increase beginning in 2023 should be adopted.
- The new rate schedule should absorb existing customer credits for the old CU fuel cost adjustment (FCA) established in the 2010 rate schedule.
- The old CU FCA should be replaced by a wholesale Energy Cost Adjustment (ECA) necessary to level out fluctuating wholesale market and transmission cost of our supply. See Exhibit C.
- Adjust and align retail side demand cost so it is collected from the various classes on a pro-rata basis by usage all with the same rate structure.
- Cash balances should be closely monitored to assure adequate reserves are supported by the proposed rates while continuing to provide reliable utility operations and necessary capital investments.
- Adjust security lighting monthly rental to fully capture energy and maintenance costs for this service.

Recommendation

Included with this memo are Council Bill 2022-021, Exhibit A proposed Rate Schedule, Exhibit B corrected Cash Reserve Balance sheet and Exhibit C Energy Cost Adjustment formula sheet.

Staff recommends passage of Council Bill #2022-012, which includes new customer rates through 2026, a new ECA formula and new security lighting monthly charge.

Rate Summary - Rate reduction for 2022 w/ 1.5% annual increase through 2026

EXHIBIT A

Rate Class	2021	2022	2023	2024	2025	2026
Residential						
Service Availability (\$/Mo)	\$10.00	\$15.00	\$15.15	\$15.30	\$15.45	\$15.60
First 1,000 kWh (\$/kWh)	\$0.12782					
All Excess kWh (\$/kWh)	\$0.12322					
All kWh (\$/kWh)		\$0.10500	\$0.10660	\$0.10820	\$0.10980	\$0.11140
		Reduction 1% to 2.8%	Approx. 1.5% increase	Approx. 1.5% increase	Approx. 1.5% increase	Approx. 1.5% increase
Small Commercial						
1Ø Phase Availability (\$/Mo)	\$10.00	\$15.00	\$15.15	\$15.30	\$15.45	\$15.60
3Ø Phase Availability (\$/Mo)	\$21.00	\$33.00	\$33.33	\$33.66	\$34.00	\$34.50
First 1,400 kWh (\$/kWh)	\$0.12782					
All Excess kWh (\$/kWh)	\$0.12249					
All kWh (\$/kWh)		\$0.1015	\$0.1032	\$0.10475	\$0.1063	\$0.1079
		Avg reduction approx 5%	Approx. 1.5% increase	Approx. 1.5% increase	Approx. 1.5% increase	Approx. 1.5% increase
Large Commercial (75 to 149 kW)						
Service Availability (\$/Mo)	\$175.00	\$200.00	\$202.00	\$204.00	\$206.00	\$209.00
All kW Demand (\$/kW)	\$6.50	\$7.75	\$7.83	\$7.91	\$8.00	\$8.10
All kWh (\$/kWh)	\$0.09248	\$0.06825	\$0.06927	\$0.07031	\$0.07137	\$0.07244
		Avg reduction 4% - 5%	Approx. 1.5% increase	Approx. 1.5% increase	Approx. 1.5% increase	Approx. 1.5% increase
Industrial (150 kW and above)						
Service Availability (\$/Mo)	\$175.00	\$200.00	\$202.00	\$204.00	\$206.00	\$209.00
All kW Demand (\$/kW)	\$7.75	\$7.75	\$7.83	\$7.91	\$8.00	\$8.10
All kWh (\$/kWh)	\$0.08753	\$0.06300	\$0.06395	\$0.06490	\$0.06588	\$0.06687
		Avg reduction 6.5% - 7.5%	Approx. 1.5% increase	Approx. 1.5% increase	Approx. 1.5% increase	Approx. 1.5% increase
Primary w/transformation (300 kW and above)						
Service Availability (\$/Mo)	\$600.00	\$600.00	\$605.00	\$612.50	\$620.00	\$625.00
All kW Demand (\$/kW)	\$8.75	\$7.75	\$7.83	\$7.91	\$8.00	\$8.10
All kWh (\$/kWh)	\$0.08753	\$0.06300	\$0.06395	\$0.06490	\$0.06588	\$0.06687
		Avg reduction 10.5%	Approx. 1.5% increase	Approx. 1.5% increase	Approx. 1.5% increase	Approx. 1.5% increase
Primary wo/transformation (300 kW and above)						
Service Availability (\$/Mo)	\$100.00	\$100.00	\$105.00	\$107.50	\$110.00	\$115.00
All kW Demand (\$/kW)	\$8.75	\$7.75	\$7.83	\$7.91	\$8.00	\$8.10
All kWh (\$/kWh)	\$0.08753	\$0.06300	\$0.06395	\$0.06490	\$0.06588	\$0.06687
		Avg reduction 9% - 10.5%	Approx. 1.5% increase	Approx. 1.5% increase	Approx. 1.5% increase	Approx. 1.5% increase
Private/Security Lighting						
Service Availability (\$/Mo)	\$8.70	\$15.00	\$15.15	\$15.30	\$15.45	\$15.60
		72% increase	Approx. 1% increase	Approx. 1% increase	Approx. 1% increase	Approx. 1% increase

Revenue / Expense / Unrestricted Reserve Balance

REVENUE

SALES/FEES/FINES

Account	Description	Reduction from 2017-						
		2020	2021	2022	2023	2024	2025	2026
01-700-40004	ELECTRIC SALES	\$ 19,688,930	\$ 20,613,586	\$ 17,250,000	\$ 17,508,750	\$ 17,771,381	\$ 18,037,952	\$ 18,308,521
01-700-40015	CONTRACT REVENUE	1,197,245	-	-	-	-	-	-
01-700-40030	FUEL COST ADJUSTMENT	(2,346,736)	(2,443,455)	-	-	-	-	-
01-700-40050	PENALTIES	81,847	127,073	120,000	120,000	121,800	123,627	125,481
01-700-40100	ELECTRIC METER FEE	23,335	26,465	30,000	30,000	30,450	30,907	31,370
01-700-40145	ELECTRIC NET METERING	40,398	43,768	35,000	35,000	35,525	36,058	36,599
01-700-40400	RECONNECT FEE	7,289	12,637	13,000	13,000	13,195	13,393	13,594
01-700-40405	REMOTE APP FEE	1,720	835	1,200	1,200	1,218	1,236	1,255
01-700-40420	RETURN CHECK FEES	3,775	3,225	4,000	4,000	4,060	4,121	4,183
01-700-40450	STREET LIGHTS	34,800	8,703	35,000	35,000	35,525	36,058	36,599
01-700-40470	UNDERGROUND ELECTRIC	256,072	151,771	175,000	175,000	177,625	180,289	182,994
01-700-45100	SURPLUS SALES	670	31,420	15,000	15,000	15,225	15,453	15,685
	TOTAL Sales Revenue	\$ 18,989,345	18,576,028	\$ 17,678,200	\$ 17,678,200	\$ 18,206,004	\$ 18,479,094	\$ 18,756,281

OTHER

TOTAL Other Revenue	\$ 243,574	\$ 366,682	\$ 75,000	\$ 76,125	\$ 77,267	\$ 78,426	\$ 79,602
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Grand Total Electric Revenue	\$ 19,232,920	\$ 18,942,710	\$ 17,753,200	\$ 17,754,325	\$ 18,283,271	\$ 18,557,520	\$ 18,835,883
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EXPENSE

PERSONNEL

Total Personnel Expense	\$ 1,595,348	\$ 1,700,075	\$ 1,790,485	\$ 1,834,086	\$ 1,861,597	\$ 1,889,521	\$ 1,917,864
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OPERATIONS

01-700-5157503	POWER PURCHASES	11,066,640	11,801,819	11,000,000	11,165,000.00	11,332,475.00	11,502,462.13	11,674,999.06
	Total Operational Expense	\$ 14,673,793	\$ 13,637,906	\$ 13,712,162	\$ 13,737,876	\$ 14,150,012	\$ 14,574,512	\$ 15,011,748

CAPITAL

Total Capital Expense	\$ 1,188,060	\$ 1,299,030	\$ 5,667,869	\$ 1,131,500	\$ 765,000	\$ 780,000	\$ 1,000,000
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TRANSFERS

Total Transfers Out	\$ 1,430,440	\$ 1,512,650	\$ 1,604,320	\$ 1,639,887	\$ 1,676,333	\$ 1,713,681	\$ 1,751,955
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Grand Total Electric Expense	\$ 18,887,641	\$ 18,149,661	\$ 22,774,836	\$ 18,343,349	\$ 18,452,942	\$ 18,957,714	\$ 19,681,566
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Annual Revenue vs Expense + Capital	\$ 345,279	\$ 793,049	\$ (5,021,636)	\$ (589,024)	\$ (169,671)	\$ (400,194)	\$ (845,683)
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Year End Unrestricted Cash Balance	\$ 13,558,272	\$ 14,351,321	\$ 9,329,685	\$ 8,740,661	\$ 8,570,991	\$ 8,170,797	\$ 7,325,114
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Energy Cost Adjustment (ECA)

Beginning in 2023, all Kilowatt Hours (kWh) sold will be subject to an ECA to capture increased wholesale energy cost or, share savings from reduced wholesale energy cost which are above or below the price per kWh predicted by the utility for the first partial year of the rate schedule.

The ECA shall be calculated annually each January for the prior calendar year and any difference, positive or negative, shall be applied to monthly bills beginning in February through January of the next.

The formula to determine each annual adjustment shall be: $A - B = ECA$

A = The anticipated wholesale power cost predicted by the utility through 2026. This kWh price is developed from actual wholesale energy cost for 12 months, January through December 2021 for actual delivery of all wholesale power to the utility. This price is \$0.0573 per kWh.

B = The actual cost of wholesale power per kWh for each calendar year (2023 through 2025) is calculated by dividing the total wholesale power cost realized by the utility by the total kWh sold to customers.

ECA = Energy Cost Adjustment to be applied to customer bills each month from February through January per kWh billed beginning in February 2023.

As an example:

A customer's bill has 1,000 kWh use for a month in 2023. Based on the adopted rate for 2023 the unadjusted bill would be \$121.75 + or – the ECA.

Positive ECA. The average cost of wholesale power per kWh for the year 2022 ended up being \$0.0596. Using the formula above the ECA to be applied to customer bills is \$0.0023 per kWh. This amount would be included in monthly customer bills for the months of February 2023 through January 2024. In the case of 1,000 kWh use as shown above the final adjusted bill would be \$124.05.

Negative ECA. The average cost for the months of 2022 ended up being \$0.0554. Again, using the formula above the ECA for the months of February 2023 through January 2024 would be a credit per kWh of (\$0.0019). In the case of 1,000 kWh used, the final adjusted bill would be \$119.85.

1 AN ORDINANCE OF THE COUNCIL OF THE CITY OF NIXA AMENDING CHAPTER
2 22, ARTICLE IV, SECTION 22-310 OF THE NIXA CITY CODE TO ESTABLISH NEW
3 RATES FOR ELECTRIC SERVICE.
4

5
6 WHEREAS the City has maintained its current electric rates since 2017; and
7

8 WHEREAS due to recent changes with wholesale power supply contracts and the
9 sale of the City’s transmission assets, the overall operations and maintenance expenses
10 related to the electric utility have been reduced; and
11

12 WHEREAS City Council desires to adopt the electric rates contained herein which
13 would result in a reduction in electric rates for utility customers with annual incremental
14 increases in said rates.
15

16 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF
17 NIXA, AS FOLLOWS, THAT:
18

19 SECTION 1: Chapter 22, Article IV, section 22-310 of the Nixa City Code is hereby
20 amended by repealing said section in its entirety and adopting in lieu thereof a new
21 section 22-310, which said section shall read as follows:
22

23 (Note: Language to be added is indicated by being underlined. Language to be removed
24 is indicated by being ~~stricken~~.)
25

26 Sec. 22-310. Rates for electric service.
27

28 Rates and charges for electric service shall be as established ~~by ordinance~~. as set forth
29 herein:
30

31 (a) Residential service rate. The following residential service rate shall only apply to
32 service to residential dwelling units. No other service rate shall be available for
33 service to which the residential rate applies. The monthly rates shall be as follows:
34

35 (1) 2022 residential service rate. Beginning March 1, 2022, the following monthly
36 rates shall be charged:
37

38 a. A service availability charge of \$15.00 per month shall be assessed for the
39 provision of this type of electric service.
40

41 b. The monthly rate per kilowatt-hour for residential service shall be \$0.10500.
42

43 (2) 2023 residential service rate. Beginning January 1, 2023, the following monthly
44 rates shall be charged:
45

46 a. A service availability charge of \$15.15 per month shall be assessed for the
47 provision of this type of electric service.

48
49 b. The monthly rate per kilowatt-hour for residential service shall be \$0.10660.

50
51 (3) 2024 residential service rate. Beginning January 1, 2024, the following monthly
52 rates shall be charged:

53
54 a. A service availability charge of \$15.30 per month shall be assessed for the
55 provision of this type of electric service.

56
57 b. The monthly rate per kilowatt-hour for residential service shall be \$0.10820.

58
59 (4) 2025 residential service rate. Beginning January 1, 2025, the following monthly
60 rates shall be charged:

61
62 a. A service availability charge of \$15.45 per month shall be assessed for the
63 provision of this type of electric service.

64
65 b. The monthly rate per kilowatt-hour for residential service shall be \$0.10980.

66
67 (5) 2026 residential service rate. Beginning January 1, 2026, the following monthly
68 rates shall be charged:

69
70 a. A service availability charge of \$15.60 per month shall be assessed for the
71 provision of this type of electric service.

72
73 b. The monthly rate per kilowatt-hour for residential service shall be \$0.11140.

74
75 (b) Small commercial rate. The following small commercial service rate shall only apply
76 to small commercial customers. Small commercial customers are defined as non-
77 residential business electric consumers who obtain their electric service via single-
78 phase or three-phase and whose demand for electric power is less than 75 kilowatts.
79 No other service rate shall be available for service to which the small commercial
80 rate applies. The monthly rates shall be as follows:

81
82 (1) 2022 small commercial service rate. Beginning March 1, 2022, the following
83 monthly rates shall be charged:

84
85 a. A service availability charge of \$15.00 per month shall be assessed for the
86 provision of a single-phase electric service of this type.

87
88 b. A service availability charge of \$33.00 per month shall be assessed for the
89 provision of a three-phase electric service of this type.

90

91 c. The monthly rate per kilowatt-hour for small commercial service shall be
92 \$0.1015.

93
94 (2) 2023 small commercial service rate. Beginning January 1, 2023, the following
95 monthly rates shall be charged:

96
97 a. A service availability charge of \$15.15 per month shall be assessed for the
98 provision of single-phase electric service of this type.

99
100 b. A service availability charge of \$33.33 per month shall be assessed for the
101 provision of three-phase electric service of this type.

102
103 c. The monthly rate per kilowatt-hour for small commercial service shall be
104 \$0.1032.

105
106 (3) 2024 small commercial service rate. Beginning January 1, 2024, the following
107 monthly rates shall be charged:

108
109 a. A service availability charge of \$15.30 per month shall be assessed for the
110 provision of single-phase electric service of this type.

111
112 b. A service availability charge of \$33.66 per month shall be assessed for the
113 provision of three-phase electric service of this type.

114
115 c. The monthly rate per kilowatt-hour for small commercial service shall be
116 \$0.10475.

117
118 (4) 2025 small commercial service rate. Beginning January 1, 2025, the following
119 monthly rates shall be charged:

120
121 a. A service availability charge of \$15.45 per month shall be assessed for the
122 provision of single-phase electric service of this type.

123
124 b. A service availability charge of \$34.00 per month shall be assessed for the
125 provision of three-phase electric service of this type.

126
127 c. The monthly rate per kilowatt-hour for small commercial service shall be
128 \$0.1063.

129
130 (5) 2026 small commercial service rate. Beginning January 1, 2026, the following
131 monthly rates shall be charged:

132
133 a. A service availability charge of \$15.60 per month shall be assessed for the
134 provision of single-phase electric service of this type.

135

136 b. A service availability charge of \$34.50 per month shall be assessed for the
137 provision of three-phase electric service of this type.

138
139 c. The monthly rate per kilowatt-hour for small commercial service shall be
140 \$0.1079.

141
142 (c) Large commercial rate. The following large commercial service rate shall only apply
143 to service to large commercial customers. Large commercial customers are defined
144 as non-residential business electric consumers whose demand for electric power is
145 75 kilowatts or more but less than 150 kilowatts. No other service rate shall be
146 available for service to which the large commercial rate applies. The monthly rates
147 shall be as follows:

148
149 (1) 2022 large commercial service rate. Beginning March 1, 2022, the following
150 monthly rates shall be charged:

151
152 a. A service availability charge of \$200.00 per month shall be assessed for the
153 provision of electric service of this type.

154
155 b. A demand charge shall be assessed at a rate of \$7.75 per kilowatt based on
156 the highest 15-minute average usage recorded on the demand meter during
157 the month.

158
159 c. The monthly rate per kilowatt-hour for large commercial service shall
160 be\$0.06825.

161
162 (2) 2023 large commercial service rate. Beginning January 1, 2023, the following
163 monthly rates shall be charged:

164
165 a. A service availability charge of \$202.00 per month shall be assessed for the
166 provision of electric service of this type.

167
168 b. A demand charge shall be assessed at a rate of \$7.83 per kilowatt based on
169 the highest 15-minute average usage recorded on the demand meter during
170 the month.

171
172 c. The monthly rate per kilowatt-hour for large commercial service shall be
173 \$0.06927.

174
175 (3) 2024 large commercial service rate. Beginning January 1, 2024, the following
176 monthly rates shall be charged:

177
178 a. A service availability charge of \$204.00 per month shall be assessed for the
179 provision of electric service of this type.

180

181 b. A demand charge shall be assessed at a rate of \$7.91 per kilowatt based on
182 the highest 15-minute average usage recorded on the demand meter during
183 the month.

184
185 c. The monthly rate per kilowatt-hour for large commercial service shall be
186 \$0.07031.

187
188 (4) 2025 large commercial service rate. Beginning January 1, 2025, the following
189 monthly rates shall be charged:

190
191 a. A service availability charge of \$206.00 per month shall be assessed for the
192 provision of electric service of this type.

193
194 b. A demand charge shall be assessed at a rate of \$8.00 per kilowatt based on
195 the highest 15-minute average usage recorded on the demand meter during
196 the month.

197
198 c. The monthly rate per kilowatt-hour for large commercial service shall
199 be\$0.07137.

200
201 (5) 2026 large commercial service rate. Beginning January 1, 2026, the following
202 monthly rates shall be charged:

203
204 a. A service availability charge of \$209.00 per month shall be assessed for the
205 provision of electric service of this type.

206
207 b. A demand charge shall be assessed at a rate of \$8.10 per kilowatt based on
208 the highest 15-minute average usage recorded on the demand meter during
209 the month.

210
211 c. The monthly rate per kilowatt-hour for large commercial service shall
212 be\$0.07244.

213
214 (d) Industrial rate. The following industrial service rate shall only apply to service to
215 industrial customers. Industrial customers are defined as non-residential business
216 electric consumers whose normal demand for electric power is 150 kilowatts or more
217 but less than 300 kilowatts No other service rate shall be available for service to
218 which the industrial rate applies. The monthly rates shall be as follows:

219
220 (1) 2022 industrial service rate. Beginning March 1, 2022, the following monthly rates
221 shall be charged:

222
223 a. A service availability charge of \$200.00 per month shall be assessed for the
224 provision of electric service of this type.

225

226 b. A demand charge shall be assessed at a rate of \$7.75 per kilowatt based on
227 the highest 15-minute average usage recorded on the demand meter during
228 the month.

229
230 c. The monthly rate per kilowatt-hour for industrial service shall be \$0.06300.

231
232 (2) 2023 industrial service rate. Beginning January 1, 2023, the following monthly
233 rates shall be charged:

234
235 a. A service availability charge of \$202.00 per month shall be assessed for the
236 provision of electric service of this type.

237
238 b. A demand charge shall be assessed at a rate of \$7.83 per kilowatt based on
239 the highest 15-minute average usage recorded on the demand meter during
240 the month.

241
242 c. The monthly rate per kilowatt-hour for industrial service shall be \$0.06395.

243
244 (3) 2024 industrial service rate. Beginning January 1, 2024, the following monthly
245 rates shall be charged:

246
247 a. A service availability charge of \$204.00 per month shall be assessed for the
248 provision of electric service of this type.

249
250 b. A demand charge shall be assessed at a rate of \$7.91 per kilowatt based
251 on the highest 15-minute average usage recorded on the demand meter
252 during the month.

253
254 c. The monthly rate per kilowatt-hour for industrial service shall be \$0.06490.

255
256 (4) 2025 industrial service rate. Beginning January 1, 2025, the following monthly
257 rates shall be charged:

258
259 a. A service availability charge of \$206.00 per month shall be assessed for
260 the provision of electric service of this type.

261
262 b. A demand charge shall be assessed at a rate of \$8.00 per kilowatt based
263 on the highest 15-minute average usage recorded on the demand meter
264 during the month.

265
266 c. The monthly rate per kilowatt-hour for industrial service shall be \$0.06588.

267
268 (5) 2026 industrial service rate. Beginning January 1, 2026, the following monthly
269 rates shall be charged:

270

271 a. A service availability charge of \$209.00 per month shall be assessed for the
272 provision of electric service of this type.

273
274 b. A demand charge shall be assessed at a rate of \$8.10 per kilowatt based
275 on the highest 15-minute average usage recorded on the demand meter
276 during the month.

277
278 c. The monthly rate per kilowatt-hour for industrial service shall be\$0.06687.
279

280 (e) Primary with transformation rate. The following primary rate shall only apply to
281 service to industrial customers metered at primary voltage with demand above 300
282 kilowatts and who require the utility to provide transformer service. No other
283 service rate shall be available for service to which the primary with transformation
284 rate applies. The monthly rates shall be as follows:

285
286 (1) 2022 primary with transformation rate. Beginning March 1, 2022, the following
287 monthly rates shall be charged:
288

289 a. A service availability charge of \$600.00 per month shall be assessed for the
290 provision of electric service of this type.

291
292 b. A demand charge shall be assessed at a rate of \$7.75 per kilowatt based
293 on the highest 15-minute average usage recorded on the demand meter
294 during the month.

295
296 c. The monthly rate per kilowatt-hour for primary with transformation service
297 shall be \$0.06300.
298

299 (2) 2023 primary with transformation rate. Beginning January 1, 2023, the following
300 monthly rates shall be charged:
301

302 a. A service availability charge of \$605.00 per month shall be assessed for the
303 provision of electric service of this type.

304
305 b. A demand charge shall be assessed at a rate of \$7.83 per kilowatt based
306 on the highest 15-minute average usage recorded on the demand meter
307 during the month.

308
309 c. The monthly rate per kilowatt-hour for primary with transformation service
310 shall be\$0.06395 shall be charged for the hourly consumption of electricity.
311

312 (3) 2024 primary with transformation rate. Beginning January 1, 2024, the following
313 monthly rates shall be charged:
314

- 315 a. A service availability charge of \$612.50 per month shall be assessed for the
316 provision of electric service of this type.
- 317
- 318 b. A demand charge shall be assessed at a rate of \$7.91 per kilowatt based
319 on the highest 15-minute average usage recorded on the demand meter
320 during the month.
- 321
- 322 c. The monthly rate per kilowatt-hour for primary with transformation service
323 shall be \$0.06490.
- 324

325 (4) 2025 primary with transformation rate. Beginning January 1, 2025, the following
326 monthly rates shall be charged:

- 328 a. A service availability charge of \$620.00 per month shall be assessed for the
329 provision of electric service of this type.
- 330
- 331 b. A demand charge shall be assessed at a rate of \$8.00 per kilowatt based
332 on the highest 15-minute average usage recorded on the demand meter
333 during the month
- 334
- 335 c. The monthly rate per kilowatt-hour for primary with transformation service
336 shall be \$0.06588.
- 337

338 (5) 2026 primary with transformation rate. Beginning January 1, 2026, the following
339 monthly rates shall be charged:

- 341 a. A service availability charge of \$625.00 per month shall be assessed for the
342 provision of electric service of this type.
- 343
- 344 b. A demand charge shall be assessed at a rate of \$8.10 per kilowatt based
345 on the highest 15-minute average usage recorded on the demand meter
346 during the month.
- 347
- 348 c. The monthly rate per kilowatt-hour for primary with transformation service
349 shall be \$0.06687.
- 350

351 (f) Primary without transformation. The following primary rate shall be available only to
352 industrial customers metered at the primary voltage (7,200v) with typical demand
353 above 300Kw and, who own their transformation facilities. No other service rate shall
354 be available for service to which the primary without transformation rate applies. The
355 monthly rates shall be as follows:

356

357 (1) 2022 primary without transformation rate. Beginning March 1, 2022, the following
358 monthly rates shall be charged:

359

- 360 a. A service availability charge of \$100.00 per month shall be assessed for the
361 provision of electric service of this type.
- 362
- 363 b. A demand charge shall be assessed at a rate of \$7.75 per kilowatt based
364 on the highest 15-minute average usage recorded on the demand meter
365 during the month.
- 366
- 367 c. The monthly rate per kilowatt-hour for primary without transformation
368 service shall be \$0.06300.
- 369

370 (2) 2023 primary without transformation rate. Beginning January 1, 2023, the
371 following monthly rates shall be charged:

- 372
- 373 a. A service availability charge of \$105.00 per month shall be assessed for the
374 provision of electric service of this type.
- 375
- 376 b. A demand charge shall be assessed at a rate of \$7.83 per kilowatt based
377 on the highest 15-minute average usage recorded on the demand meter
378 during the month.
- 379
- 380 c. The monthly rate per kilowatt-hour for primary without transformation
381 service shall be \$0.06395.
- 382

383 (3) 2024 primary without transformation rate. Beginning January 1, 2024, the
384 following monthly rates shall be charged:

- 385
- 386 a. A service availability charge of \$107.50 per month shall be assessed for the
387 provision of electric service of this type.
- 388
- 389 b. A demand charge shall be assessed at a rate of \$7.91 per kilowatt based
390 on the highest 15-minute average usage recorded on the demand meter
391 during the month.
- 392
- 393 c. The monthly rate per kilowatt-hour for primary without transformation
394 service shall be \$0.06490.
- 395

396 (4) 2025 primary without transformation rate. Beginning January 1, 2025, the
397 following monthly rates shall be charged:

- 398
- 399 a. A service availability charge of \$110.00 per month shall be assessed for
400 the provision of electric service of this type.
- 401
- 402 b. A demand charge shall be assessed at a rate of \$8.00 per kilowatt based
403 on the highest 15-minute average usage recorded on the demand meter
404 during the month.
- 405

406 c. The monthly rate per kilowatt-hour for primary without transformation
407 service shall be \$0.06588.

408
409 (5) 2026 primary without transformation rate. Beginning January 1, 2026, the
410 following monthly rates shall be charged:

411
412 a. A service availability charge of \$115.00 per month shall be assessed for
413 the provision of electric service of this type.

414
415 b. A demand charge shall be assessed at a rate of \$8.10 per kilowatt based
416 on the highest 15-minute average usage recorded on the demand meter
417 during the month.

418
419 c. The monthly rate per kilowatt-hour for primary without transformation
420 service shall be \$0.06687.

421
422 (g) Private or security lighting. The following private security lighting rate shall apply for
423 each private security light provided to the customer. The monthly rates shall be as
424 follows:

425
426 (1) 2022 private security lighting rate. Beginning March 1, 2022, for service
427 availability, a charge of \$15.00 per month shall be assessed.

428
429 (2) 2023 private security lighting rate. Beginning January 1, 2023, for service
430 availability, a charge of \$15.15 per month shall be assessed.

431
432 (3) 2024 private security lighting rate. Beginning January 1, 2024, for service
433 availability, a charge of \$15.30 per month shall be assessed.

434
435 (4) 2025 private security lighting rate. Beginning January 1, 2025, for service
436 availability, a charge of \$15.45 per month shall be assessed.

437
438 (5) 2026 private security lighting rate. Beginning January 1, 2026, for service
439 availability, a charge of \$15.60 per month shall be assessed.

440
441 (h) Energy Cost Adjustment. Effective January 1, 2023, the kilowatt-hour rates
442 established in this section shall be subject to the energy cost adjustment authorized
443 by this subsection.

444
445 (1) The Energy Cost Adjustment (“ECA”) shall be calculated annually for the prior
446 calendar year. Any difference from the base wholesale energy cost rate shall be
447 applied monthly to electric utility bills beginning in February through January of
448 the next calendar year for each kilowatt-hour used.

449
450 (2) The method to be utilized to calculate the ECA adjustment shall be the difference
451 between the anticipated wholesale power cost through 2026 and the actual cost

452 of wholesale power cost per kilowatt-hour for each calendar year from 2023
453 through 2025.

454
455 (3) The anticipated wholesale power cost is determined by the actual cost of
456 wholesale energy costs for the 12 months from January 2021 through December
457 2021 for the actual delivery of all wholesale power to the electric utility.

458
459 (4) The actual cost of wholesale power per kilowatt-hour for each calendar year from
460 2023 through 2025 shall be calculated by dividing the total wholesale power cost
461 realized by the electric utility by the total kilowatt-hours sold.

462
463 **SECTION 2:** The City Attorney, when codifying the provisions of this Ordinance, is
464 authorized to provide for different section numbers, subsection numbers, and different
465 internal citation references than those provided herein when such section numbers,
466 subsection numbers, or internal citation references are in error or are contrary to the intent
467 of this Ordinance.

468
469 **SECTION 3:** Savings Clause. Nothing in this Ordinance shall be construed to
470 affect any suit or proceeding now pending in any court or any rights acquired, or liability
471 incurred nor any cause or causes of action occurred or existing, under any act or
472 ordinance repealed hereby.

473
474 **SECTION 4:** Severability Clause. If any section, subsection, sentence, clause, or
475 phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect
476 the validity of the remaining portions of this Ordinance. The Council hereby declares that
477 it would have adopted the Ordinance and each section, subsection, sentence, clause, or
478 phrase thereof, irrespective of the fact that any one or more sections, subsections,
479 sentences, clauses, or phrases be declared invalid.

480
481 **SECTION 5:** This Ordinance shall be in full force and effect from and after its final
482 passage by the City Council and after its approval by the Mayor, subject to the provisions
483 of section 3.11(g) of the City Charter.

484
485
486 **[Remainder of page intentionally left blank. Signatures follow on next page.]**
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498 **ADOPTED BY THE CITY COUNCIL THIS 14TH DAY OF FEBRUARY 2022.**

499

500

501 ATTEST:

502

503 _____

504 CITY CLERK

505

506

507 **APPROVED BY THE MAYOR.**

508

509

510 ATTEST:

511

512 _____

513 CITY CLERK

514

515

516 APPROVED AS TO FORM:

517

518 _____

519 CITY ATTORNEY

PRESIDING OFFICER

MAYOR

DATE OF APPROVAL