



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

**Date:** January 21, 2021

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

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### Background

Since 2017, Nixa Electric Utility has maintained the current electric rate schedule for all classes of residential, commercial, and industrial customers. Recent changes with wholesale supply contracts and the sale of our transmission assets have reduced our overall annual operations and maintenance expenses. Because of these and other operational changes, staff has sought to adjust rates that are more in line with current utility operations. Last year, staff contracted with our electric consultant Toth and Associates, to assist with a cost-of-service study which was presented to City Council on October 25, 2021. With that study, it was determined that overall expenses had been reduced and that there remains a sufficient level of reserves to consider a one-time reduction adjustment to customer rates somewhat as a reset for the future where small incremental annual raises can be made to meet rising cost.

### Analysis

From the recent cost-of-service-study, staff determined a number of factors to consider when developing a new rate schedule. Some factors reduced annual cost of operations and maintenance while one provided an influx of unrestricted reserves. Other factors to consider include the sharp increase in material costs being absorbed as well as a considerable list of necessary cost-intensive capital projects both underway and identified over the next four years. Here is a recap of those items:

- Nixa electric rates have remained unchanged since 2017 supported partially by spending down excess reserves. Most of this reserve spend down has been for customer credits to meet the old pass-through CU fuel adjustment charge.
- The utility sold transmission assets in March of 2018 utilizing the proceeds to eliminate all remaining debt and increase unrestricted reserve balance. Though there was a cost (approximately \$450k) to accomplish the debt payoff five years early, we eliminated annual bond and interest payments of over \$715,000 for those years.
- The transmission asset sale eliminated annual operations and maintenance for those assets by approximately \$100,000. The sale also eliminated a need for Nixa to complete a necessary capital project upgrade (approx. \$2M) on a portion of the transmission line required by 2020.
- Some proceeds from the transmission asset sale were used to exit a higher priced full requirements wholesale energy contract 2 years early.



- New wholesale power purchase contracts have reduced annual wholesale power costs by over \$2 million in the initial (partial) year of 2020 with anticipated savings of up to \$3 to \$4 million dollars per year in future years through 2030.
- Many regular operations and maintenance expenses continue to rise sharply, especially over the last year due mainly to supply chain issues causing a shortage in many of the components.
- The utility used unrestricted reserves to absorb \$2.3 million in additional unanticipated wholesale supply cost caused by the February 2021 winter storm Uri.
- Since 2019 a number of cost-intensive projects, including some seldom incurred capital expenses related to third party projects such as relocating power lines for MODOT, and other roadway improvements has further reduced reserves.

Other aspects to consider for a new rate schedule are related more to rate structure and the charging of rates proportionally to the individual customer classes. These include:

- A small one-time lowering of rates is warranted to adjust or reset rates to better reflect recent savings in wholesale supply costs.
- Any new rate schedule must absorb the existing customer credits for the old CU fuel adjustment credit (FCA) established in the 2010 rate schedule. Initially this pass-through formula rate was added to the rate structure to reimburse additional wholesale power cost we received from CU for rising generation fuel cost. In more recent years, this cost became a credit as the generation related fuel cost receded. Since it is a pass-through formula with the rate ordinance, it is still being figured in to customer bills. This credit currently amounts to a 12% to 14% reduction in revenue.
- 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 own. Initially this adjustment would be set at zero and any significant cost increases or decreases would be averaged over a twelve-month period and passed on to the customer over the following 12 months.
- Nixa's capacity demand charges have historically been priced differently for the various rate classes when in-fact, demand cost per kW to the utility is the same regardless. Thus, retail side demand cost should be collected from the various classes on a pro-rata basis by usage all at the same rate.
- Because of increased growth and necessary capital expenditures needed over the next five years to meet upcoming system requirements, a small annual increase should be considered for years 2023 through 2026.
- Cash balances should be closely monitored to assure adequate cash balances are supported by the proposed rates and that sufficient unreserved cash remains at a level to maintain not only solid reliable utility operations but ongoing needed capital investments as well.
- Security lighting is considerably under-priced to capture energy and maintenance cost for this service. Local third-party electric utilities charge in the range of \$15.00 to \$16.50 per month. Staff is proposing that monthly charges for security lighting be raised from \$8.70 to \$15.00.



Included as part of your packet are three exhibits for a proposed rate structure. Those include:

Exhibit A, which is a rate comparison of current rates and the newly proposed rate schedule. The rate schedule for 2022 is reduced from 2021 as mentioned above. For year 2023 through 2026 an annual 1.5% increase is proposed.

EXHIBIT B, which is the anticipated running annual cash balance for the corresponding years.

EXHIBIT C, which is the explanation of the Energy Cost Adjustment formula and examples.

The new rate, if adopted, places us squarely in the middle of our four surrounding electric utilities including City Utilities of Springfield, White River Valley Electric Coop, Ozark Electric Coop and Liberty Utilities. Here is a comparison of cost for an average residential customer of 1,000 kWh per month.

Utility Name	Monthly Service Availability charge	Energy Rate per kWh	Monthly Average bill for 1,000 kwh use	Average cost per kWh
Springfield City Utilities	\$10.75	\$0.0911	\$101.85	\$0.1019
White River Valley Electric Coop	\$31.00	\$0.1026	\$102.91	\$0.1029
<b>Nixa (NEW)</b>	<b>\$15.00</b>	<b>\$0.1050</b>	<b>\$120.00</b>	<b>\$0.1200</b>
Ozark Electric Coop	\$27.50	\$0.0970	\$124.50	\$0.1245
<b>Nixa (current) excl old FCA</b>	<b>\$10.00</b>	<b>\$0.1278</b>	<b>\$137.80</b>	<b>\$0.1378</b>
Liberty Utilities	\$13.00	\$0.1254	\$138.35	\$0.1384

Recommendation

Staff recommends passage of Council Bill #2022-012 upon second reading at the February 14<sup>th</sup> meeting. Until then, staff is available to answer questions and address any concerns.

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

EXHIBIT A

<b>Rate Class</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
<b>Residential</b>						
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
<b>Small Commercial</b>						
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
<b>Large Commercial (75 to 149 kW)</b>						
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
<b>Industrial (150 kW and above)</b>						
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
<b>Primary w/transformation (300 kW and above)</b>						
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
<b>Primary wo/transformation (300 kW and above)</b>						
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
<b>Private/Security Lighting</b>						
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

## Proposed Rate - Estimated Revenue / Expense / Unrestricted Reserve Balance

### REVENUE

#### SALES/FEES/FINES

Account	Description	2020	2021	2022 15% Revenue Reduction	2023 +1.5% Revenue Increase	2024 +1.5% Revenue Increase	2025 +1.5% Revenue Increase	2026 +1.5% Revenue Increase
01-700-40004	ELECTRIC SALES	\$ 19,688,930	\$ 18,500,000	\$ 16,750,000	\$ 17,001,250.000	\$ 17,256,268.750	\$ 17,515,112.781	\$ 17,777,839.473
01-700-40015	CONTRACT REVENUE	1,197,245	-	-	-	-	-	-
01-700-40030	FUEL COST ADJUSTMENT	(2,346,736)	(2,500,000)	-	-	-	-	-
01-700-40050	PENALTIES	81,847	130,000	120,000	\$ 121,800.000	\$ 123,627.000	\$ 125,481.405	\$ 127,363.626
01-700-40100	ELECTRIC METER FEE	23,335	58,000	30,000	\$ 30,450.000	\$ 30,906.750	\$ 31,370.351	\$ 31,840.907
01-700-40145	ELECTRIC NET METERING	40,398	36,000	35,000	\$ 35,525.000	\$ 36,057.875	\$ 36,598.743	\$ 37,147.724
01-700-40400	RECONNECT FEE	7,289	13,000	13,000	\$ 13,195.000	\$ 13,392.925	\$ 13,593.819	\$ 13,797.726
01-700-40405	REMOTE APP FEE	1,720	1,000	1,200	\$ 1,218.000	\$ 1,236.270	\$ 1,254.814	\$ 1,273.636
01-700-40420	RETURN CHECK FEES	3,775	4,500	4,000	\$ 4,060.000	\$ 4,120.900	\$ 4,182.714	\$ 4,245.454
01-700-40450	STREET LIGHTS	34,800	-	35,000	\$ 35,525.000	\$ 36,057.875	\$ 36,598.743	\$ 37,147.724
01-700-40470	UNDERGROUND ELECTRIC	256,072	150,000	175,000	\$ 177,625.000	\$ 180,289.375	\$ 182,993.716	\$ 185,738.621
01-700-45100	SURPLUS SALES	670	15,000	15,000	\$ 15,225.000	\$ 15,453.375	\$ 15,685.176	\$ 15,920.453
	<b>TOTAL Sales Revenue</b>	<b>\$ 18,989,345</b>	<b>\$ 16,407,500</b>	<b>\$ 17,178,200</b>	<b>\$ 17,435,873</b>	<b>\$ 17,697,411</b>	<b>\$ 17,962,872</b>	<b>\$ 18,232,315</b>

#### OTHER

<b>TOTAL Other Revenue</b>	<b>\$ 243,574</b>	<b>\$ 65,000</b>	<b>\$ 75,000</b>	<b>\$ 76,125</b>	<b>\$ 77,267</b>	<b>\$ 78,426</b>	<b>\$ 79,602</b>
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**Grand Total Electric Revenue** **\$ 19,232,920** **\$ 16,472,500** **\$ 17,253,200** **\$ 17,511,998** **\$ 17,774,678** **\$ 18,041,298** **\$ 18,311,918**

### EXPENSE

#### PERSONNEL

<b>Total Personnel Expense</b>	<b>\$ 1,595,348</b>	<b>\$ 1,783,812</b>	<b>\$ 1,790,485</b>	<b>\$ 1,834,086</b>	<b>\$ 1,861,597</b>	<b>\$ 1,889,521</b>	<b>\$ 1,917,864</b>
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#### OPERATIONS

WHOLESALE POWER PURCHASES	11,066,640	12,169,995	11,000,000	11,165,000.00	11,332,475.00	11,502,462.13	11,674,999.06
<b>Total Operational Expense</b>	<b>\$ 14,673,793</b>	<b>\$ 14,378,643</b>	<b>\$ 13,712,162</b>	<b>\$ 13,737,876</b>	<b>\$ 14,150,012</b>	<b>\$ 14,574,512</b>	<b>\$ 15,011,748</b>

#### CAPITAL

<b>Total Capital Expense</b>	<b>\$ 1,188,060</b>	<b>\$ 3,993,421</b>	<b>\$ 5,667,869</b>	<b>\$ 1,131,500</b>	<b>\$ 765,000</b>	<b>\$ 780,000</b>	<b>\$ 1,000,000</b>
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#### TRANSFERS

<b>Total Transfers Out</b>	<b>\$ 1,430,440</b>	<b>\$ 1,502,651</b>	<b>\$ 1,604,320</b>	<b>\$ 1,639,887</b>	<b>\$ 1,676,333</b>	<b>\$ 1,713,681</b>	<b>\$ 1,751,955</b>
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**Grand Total Electric Expense** **\$ 18,887,641** **\$ 21,658,527** **\$ 22,774,836** **\$ 18,343,349** **\$ 18,452,942** **\$ 18,957,714** **\$ 19,681,566**

**Annual Revenue vs Expense + Capital** **\$ 345,279** **\$ (5,186,027)** **\$ (5,521,636)** **\$ (831,351)** **\$ (678,264)** **\$ (916,416)** **\$ (1,369,649)**

**Year End Unrestricted Cash Balance** **\$ 13,558,272** **\$ 8,372,245** **\$ 2,850,609** **\$ 2,019,258** **\$ 1,340,994** **\$ 424,579** **\$ (945,070)**

## 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:

327  
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:

340  
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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497

498 ADOPTED BY THE CITY COUNCIL THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 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