

Introduced by _____

First Reading _____

Second Reading _____

Ordinance No. _____

Council Bill No. B 214-12

AN ORDINANCE

amending Chapter 27 of the City Code as it relates to electric rates; and fixing the time when this ordinance shall become effective.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:

SECTION 1. Chapter 27 of the Code of Ordinances of the City of Columbia, Missouri, is hereby amended as follows:

Material to be deleted in ~~strikeout~~; material to be added underlined.

Sec. 27-112. Same--Residential service rate.

...

(c) *Monthly rate charge.* The monthly rate per kilowatt hour shall be as follows, subject to fuel adjustments as provided in section 27-118:

- (1) Customer charge\$ ~~7.20~~ 8.45 per month
- (2) Energy charge

...

Except when the customer has permanently installed in a living area a minimum of five (5) kilowatts of utility-approved electric space heating equipment which is the sole source of comfort heating (except decorative fireplaces) for the area(s) to be heated, the rate per kwh for the non-summer season will be:

First 750 kwh9.44 cents per kwh

All remaining kwh.....~~8.04~~ 8.3072 cents per kwh

(d) *Minimum:* The minimum monthly rate charge shall be ~~seven dollars and twenty cents (\$7.20)~~ eight dollars and forty-five cents (\$8.45).

...

Sec. 27-113. Same--Residential heat pump rate.

...

(c) *Monthly rate charge:* The monthly rate charge shall be as follows, subject to fuel adjustments as provided in section 27-118:

Customer charge \$ ~~7.20~~ 8.45 monthly

All kwh above 750 kwh ~~7.568~~ 8.024 cents per kwh

The monthly rate would apply to permanently installed heat pumps for the non-summer season.

(d) *Minimum:* The minimum monthly rate charge shall be ~~seven dollars and twenty cents (\$7.20)~~ eight dollars and forty-five cents (\$8.45).

...

Sec. 27-114. Same--Small general service rate.

...

(c) *Monthly rate charge:* The monthly rate per kilowatt hour shall be as follows, subject to fuel adjustments as provided in section 27-118:

(1) Customer charge:

Single-phase service.....\$ ~~7.20~~ 8.45 per month

Three-phase service ~~9.58~~ 10.85 per month

(2) Energy charge:

Summer:

First 1500 kwh.....~~9.3~~ 9.44 cents per kwh

All remaining kwh~~11.747~~ 12.77 cents per kwh

Nonsummer:

All kwh.....~~9.3~~ 9.44 cents per kwh

(d) *Space heating*: For customers using electric heating as the sole means of comfort heating, the monthly rate per kilowatt hour billed during the non-summer season shall be as follows:

First 1,500 kwh~~9.49~~ 9.44 cents per kwh

All remaining kwh.....~~8.37~~ 8.496 cents per kwh

(e) *High efficiency heat pumps*: For customers having a permanently installed heat pump which is the primary source of comfort heating and which conforms to the special rules and regulations outlined in department rules entitled "Heat Pump Rules and Regulations," the monthly rate per kilowatt hour billed during the non-summer season for energy shall be as follows:

First 1,500 kwh~~9.3~~ 9.44 cents per kwh

All remaining kwh.....~~7.905~~ 8.024 cents per kwh

(f) *Minimum bill*: The minimum bill for single-phase service, shall be ~~seven dollars and twenty cents (\$7.20)~~ eight dollars and forty-five cents (\$8.45) per month; for three-phase service, ~~nine dollars and fifty-eight cents (\$9.58)~~ ten dollars and eighty-five cents (\$10.85) per month.

...

(l) *Optional rate schedule*: Customers in this rate class may voluntarily be placed on a demand billing rate as follows:

(1) Demand charge:

SummerAll kw at \$ ~~15.06~~ 15.29 per kw

Non-SummerAll kw at \$ ~~12.04~~ 12.22 per kw

(2) Energy charge:

Summer All kwh at \$ ~~5.5~~ 5.555 cents per kwh

Non-Summer All kwh at \$ ~~4.78~~ 4.828 cents per kwh

...

Sec. 27-115. Same--Interruptible service rate.

...

(c) *Monthly rate charge:* The monthly rate per kilowatt hour shall be as follows, subject to fuel adjustments as provided in section 27-118:

(1) Customer charge:

Summer \$ 55.00 per ~~kw~~month

Non-Summer \$ 55.00 per ~~kw~~month

(2) Demand Charge (per kilowatt):

Summer\$ 9.25

Non-Summer\$ 7.40

(3) Energy charge (per kilowatt hour):

Summer~~\$ 0.0391~~ 0.0411

Non-Summer~~\$ 0.03742~~ 0.0393

...

Sec. 27-116. Same--Large general service.

...

(c) *Monthly rate charge:* The monthly rate per kilowatt hour shall be as follows, subject to fuel adjustments as provided in section 27-118:

	Summer	Non-Summer
(1) <i>Demand charge:</i>		
Minimum demand charge--25 kw or less....	\$ 376.50 <u>382.25</u>	\$ 301.00 <u>305.50</u>
All additional kw (per kw)....	15.06 <u>15.29</u>	12.04 <u>12.22</u>
(2) <i>Energy charge:</i>		
All kwh (per kwh)....	0.055 <u>0.05555</u>	0.0478 <u>0.04828</u>

...

Sec. 27-117. Same--Industrial service rate.

...

(c) *Monthly rate charge:* The monthly rate per kilowatt hour shall be as follows, subject to fuel adjustments as provided in section 27-118:

	Summer	Non-Summer
(1) <i>Demand charge:</i>		
a. Minimum demand charge 750 kw or less....	\$14,887.50 <u>14,962.50</u>	\$11,910.00 <u>11,970.00</u>
b. All additional kw (per kw)....	19.85 <u>19.95</u>	15.88 <u>15.96</u>
(2) <i>Energy charge:</i>		
All kwh (per kwh)....	0.04434 <u>0.04456</u>	0.038 <u>0.03819</u>

...

(k) *Thermal storage rider.*

...

(2) *Energy charge:* Energy supplied for the period beginning 12:00 midnight and ending at 6:00 a.m. shall be charged at the rate of ~~3.07~~ 3.0854 cents per kwh. Energy charged at this rate will not be subject to the fuel adjustment allowance in section 27-118.

...

(l) *Off-peak discount.*

...

(2) *Energy charge:* Energy supplied for the period beginning 12:00 midnight and ending at 6:00 a.m. shall be charged at the rate of ~~3.15~~ 3.1658 cents per kwh. Energy charged at this rate will not be subject to the fuel adjustment allowance in section 27-118.

...

SECTION 2. The new rates established in this ordinance shall be applied to utility bills beginning with the first complete cycle billed after October 1, 2012.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

PASSED this _____ day of _____, 2012.

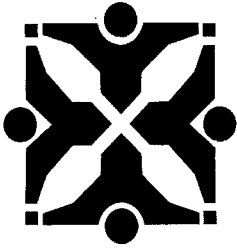
ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor



Source: Water & Light

Agenda Item No:

To: **City Council**
From: **City Manager and Staff**

Council Meeting Date: Aug 6, 2012

Proposed FY12 Electric Rates

Re:

EXECUTIVE SUMMARY:

Staff has prepared for Council consideration an ordinance to increase rates 1.5% for the electric utility to cover increases in operation and maintenance expenses.

DISCUSSION:

The 1.5 % increase is due to operation and maintenance cost increases, primarily associated with increased purchased power cost projections.

One consideration for rate design is a cost-of-service analysis. The cost-of-service analysis determines if sufficient revenues are being collected from each customer class to cover the costs associated with that customer class. It also determines if a customer class is being subsidized by other customer classes. In 2012, an outside consultant updated the cost-of-service analysis. While the cost-of-service analysis found that no customers classes exceeded their cost, there are variations in how closely each customer class met their cost-of-service requirement. To reduce the variations, an across-the-board rate change of 1.5% is not proposed. To achieve a 1.5% increase in revenue the following average rate change, by class, is proposed: residential - 1.7%; small general service - 3.0%; large general service - 1.2%; and, industrial - 0.5%.

There will also be some variation within the residential class and small general service class based on the type of heating source used. For the residential class, the average customer will see the following percentage rate change by heating type: non-electric - 1.47%; all-electric - 1.78%; and high-efficiency heat-pump - 2.15%. For the small general service class, the average customer will see the following percentage rate change by heating type: non-electric - 2.99%; all-electric - 2.43%; and high-efficiency heat-pump - 3.19%. These variations are to bring each group closer to the level needed to meet their cost-of-service.

Detail of Proposed Rate Changes: The following information provides detail of the change proposed for each rate.

Residential Electric without Electric Heating:

- 1.) Increase Customer Charge from \$7.20 to \$8.45. The Customer Charge should pay for those services not associated with usage - meter reading, billing, future replacement of metering and service; as well as part of the distribution system. The result of a 2012 cost-of-service analysis shows that the current customer charge is half the required level. This proposed change will start moving the customer charge closer to the level needed.
- 2.) No change to Energy Charge.

Residential Electric Heating:

- 1.) Increase Customer Charge from \$7.20 to \$8.45.
- 2.) During the non-summer months, for all usage above 750 kWh, increase the energy charge from \$0.0804 per kWh to \$0.083072 per kWh.

Residential High Efficiency Heat Pump:

- 1.) Increase Customer Charge from \$7.20 to \$8.45.
- 2.) During the non-summer months, for all usage above 750 kWh, increase the energy charge from \$0.07568 per kWh to \$0.08024 per kWh. Customers under this rate must meet standards of insulation and efficiency. They also must allow installation of a load management switch but do not receive a summer discount.

Small General Service Electric without Electric Heating:

- 1.) Increase Customer Charge from \$7.20 to \$8.45 for single-phase service. Increase Customer Charge from \$9.58 to \$10.85 for three-phase service.
- 2.) Increase Energy Charge from \$0.093 per kWh to \$0.0944 per kWh, and, during the summer months of June, July, August, and September, increase the charge from \$0.11747 per kWh to \$0.1277 per kWh for energy usage above 1,500 kWh.

Small General Service Electric Heating:

- 1.) Increase Customer Charge from \$7.20 to \$8.45 for single-phase service. Increase Customer Charge from \$9.58 to \$10.85 for three-phase service.
- 2.) Charges are the same as small general service without electric heating during summer months.
- 3.) During the non-summer months increase the Energy Charge from \$0.093 per kWh to \$0.0944 per kWh, for usage up to 1,500 kWh. For all usage above 1,500 kWh, increase the Energy Charge from \$0.0837 per kWh to \$0.08496 per kWh.

Small General Service High Efficiency Heat Pump:

- 1.) Increase Customer Charge from \$7.20 to \$8.45 for single-phase service. Increase Customer Charge from \$9.58 to \$10.85 for three-phase service.
- 2.) Charges are the same as small general service without electric heating during summer months.
- 3.) During the non-summer months increase the Energy Charge from \$0.093 per kWh to \$0.0944 per kWh, for usage up to 1,500 kWh. For all usage above 1,500 kWh, increase the Energy Charge from \$0.07905 per kWh to \$0.08024 per kWh. Customers under this rate must meet standards of insulation and efficiency. They also must allow installation of a load management switch but do not receive a summer discount.

Optional Demand Rate for Small General Service Customers:

Small general service customers do not pay a separate demand charge. The cost of capacity is collected as part of the energy charge. The point at which small general service customers are switched to a demand rate is 25 kW. For customers that maintain a high load factor (the ratio of kWh divided by the kW times hours in the billing period), the energy charge alone is not an equitable billing method. An optional demand rate exists that will allow small general service customers to choose to be placed on a demand rate although they do not reach the 25 kW level. The proposed rate is identical to the large general service rate without the minimum 25 kW requirement.

Interruptible Service Rate:

- 1.) No change for Customer Charge or Demand Charge.
- 2.) During the summer months increase the Energy Charge from \$0.0391 per kWh to \$0.0411 per kWh for all kWh usage.
- 3.) During the non-summer months increase the Energy Charge from \$0.03742 per kWh to \$0.0393 per kWh for all kWh usage.

Large General Service Rate:

- 1.) During the summer months increase the demand charge from \$15.06 per kW to \$15.29 per kW. Minimum summer demand charge would be \$382.25 per month for 25 kW.
- 2.) During non-summer months increase the demand charge from \$12.04 per kW to \$12.22 per kW. Minimum summer demand charge would be \$305.50 per month for 25 kW.
- 3.) During the summer months increase the Energy Charge from \$0.055 per kWh to \$0.05555 per kWh for all kWh usage.
- 4.) During the non-summer months increase the Energy Charge from \$0.0478 per kWh to \$0.04828 per kWh for all kWh usage.

Industrial Rate:

- 1.) During the summer months increase the demand charge from \$19.85 per kW to \$19.95 per kW. Minimum summer demand charge would be \$14,962.50 per month for 750 kW.
- 2.) During non-summer months increase the demand charge from \$15.88 per kW to \$15.96 per kW. Minimum summer demand charge would be \$11,970.00 per month for 750 kW.

- 3.) During the summer months increase the Energy Charge from \$0.04434 per kWh to \$0.04456 per kWh for all kWh usage.
- 4.) During the non-summer months increase the Energy Charge from \$0.038 per kWh to \$0.03819 per kWh for all kWh usage.
- 5.) Increase the off-peak Energy Charge from \$0.0307 per kWh to \$0.030854 for all off-peak energy under the thermal storage rider.
- 6.) Increase the off-peak Energy Charge from \$0.0315 per kWh to \$0.031658 for all off-peak energy for qualified high load factor customers.

FISCAL IMPACT:

The estimated increase in revenues from the proposed rate change is \$1,700,000. Of that amount, an estimated \$119,000 will be paid to the General Fund as P.I.L.O.T.

VISION IMPACT:

<http://www.gocolumbiamo.com/Council/Meetings/visionimpact.php>

None.

SUGGESTED COUNCIL ACTIONS:

Staff recommends Council approve the FY13 Electric Rate changes as proposed

FISCAL and VISION NOTES:					
City Fiscal Impact Enter all that apply		Program Impact		Mandates	
City's current net FY cost	\$0.00	New Program/ Agency?	No	Federal or State mandated?	No
Amount of funds already appropriated	\$0.00	Duplicates/Epands an existing program?	No	Vision Implementation impact	
Amount of budget amendment needed	\$0.00	Fiscal Impact on any local political subdivision?	No	Enter all that apply: Refer to Web site	
Estimated 2 year net costs:		Resources Required		Vision Impact?	No
One Time	\$0.00	Requires add'l FTE Personnel?	No	Primary Vision, Strategy and/or Goal Item #	
Operating/ Ongoing	\$0.00	Requires add'l facilities?	No	Secondary Vision, Strategy and/or Goal Item #	
		Requires add'l capital equipment?	No	Fiscal year implementation Task #	