



City of Grand Island

Tuesday, December 21, 2004

Council Session

Item F2

**#8946 - Consideration of Corrections and Updates to City Code,
Chapter 15, Electricity**

Staff Contact: Gary R. Mader

Council Agenda Memo

From: Gary R. Mader, Utilities Director

Meeting: December 21, 2004

Subject: Corrections and Updates to City Code, Chapter 15,
Electricity

Item #'s: F-2

Presenter(s): Gary R. Mader, Utilities Director

Background

Since the revised Electric Rate Structure was approved at the November 9, 2004 Council Meeting, the Finance, Data Processing, and Electric Departments have been working to implement the revisions and develop the computer programs required for billings. During this detailed review of the ordinance, a number of errors have been discovered.

Discussion

The errors consist of a misplaced decimal point, transposed wording and lack of capitalization in some cases. A corrected ordinance has been prepared. The corrections do not change the rate revisions as have been previously presented.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve Ordinance #8946
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve Ordinance #8946.

Sample Motion

Move to approve Ordinance #8946.

ORDINANCE NO. 8946

An ordinance to amend Chapter 15 of the Grand Island City Code; to amend Section 15-55, 15-57, 15-60, 15-63, 15-68, 15-70, 15-71, and 15-74 to clarify and/or make general corrections to various code sections; to repeal Section 15-55, 15-57, 15-60, 15-63, 15-68, 15-70, 15-71, and 15-74 as now existing, and any ordinance or parts of ordinances in conflict herewith; and to provide for publication and the effective date of this ordinance.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA:

SECTION 1. Section 15-55 of the Grand Island City Code is hereby amended to read as follows:

§15-55. 010 Residential Service

Applicable in urban and rural distribution areas. Available at single phase, through a single meter, to residential consumers for domestic use in a single-family dwelling unit; but is not available for commercial or non-domestic use.

Individual single-phase motors, not to exceed 10 HP each, may be connected; however, the City Utilities Department must be notified in writing, if a motor over 5 HP is installed.

This schedule has two sets of rates: one for the summer period of five months, beginning with the June billing; and the second for the winter season of seven months, beginning with the November billing.

Summer Rate for Calendar Year 2005

Kilowatt-Hours Used Per Month	(June - October)
First 300 KWH.....	\$0.074 per KWH
Next 700 KWH.....	\$0.049 per KWH
All additional KWH.....	\$0.055 per KWH

Plus a customer charge of \$5.00 per month, in addition to that charged for the electrical energy used, plus the applicable Power Cost Adjustment charge. The minimum monthly bill shall be \$5.00 prior to the Power Cost Adjustment.

Summer Rate Beginning Calendar Year 2006

Kilowatt-Hours Used Per Month	(June - October)
First 300 KWH.....	\$0.077 per KWH
Next 700 KWH.....	\$0.052 per KWH
All additional KWH.....	\$0.059 per KWH

Plus a customer charge of \$5.00 per month, in addition to that charged for the electrical energy used, plus the applicable Power Cost Adjustment charge. The minimum monthly bill shall be \$5.00 prior to the Power Cost Adjustment.

Winter Rate for Calendar Year 2005

Kilowatt-Hours Used Per Month	(November - May)
First 300 KWH.....	\$0.074 per KWH
Next 700 KWH.....	\$0.049 per KWH
Additional KWH.....	\$0.029 per KWH

Approved as to Form <input type="checkbox"/> _____ December 15, 2004 <input type="checkbox"/> City Attorney
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ORDINANCE NO. 8946 (Cont.)

Plus a customer charge of \$5.00 per month, in addition to that charged for the electrical energy used, plus the applicable Power Cost Adjustment charge. The minimum monthly bill shall be \$5.00 prior to the Power Cost Adjustment.

Winter Rate Beginning Calendar Year 2006

Kilowatt-Hours Used Per Month	(November - May)
First 300 KWH.....	\$0.077 per KWH
Next 700 KWH.....	\$0.052 per KWH
Additional KWH.....	\$0.031 per KWH

Plus a customer charge of \$5.00 per month, in addition to that charged for the electrical energy used, plus the applicable Power Cost Adjustment charge. The minimum monthly bill shall be \$5.00 prior to the Power Cost Adjustment.

SECTION 2. Section 15-57 of the Grand Island City Code is hereby amended to

read as follows:

§15-57. 030 Single-Phase Commercial Service

Applicable in urban and rural distribution areas. Available for commercial customers, for lighting and small appliances. Available for single meter multi-family dwelling apartment units, and combined residential-commercial use, where the Residential Rate is not applicable. Service shall be through a single meter.

Individual single-phase motors, not to exceed 10 HP each, may be connected; however, the City Utilities Department must be notified in writing, if a motor over 5 HP is installed.

Kilowatt-Hours Used Per Month	Rates – 2005 Calendar Year	Rates Beginning 2006 Calendar Year
First 350 KWH.....	\$0.080 per KWH	\$0.082 per KWH
Next 650 KWH.....	\$0.070 per KWH	\$0.072 per KWH
Next 1,500 KWH.....	\$0.064 per KWH	\$0.066 per KWH
Next 2,500 KWH.....	\$0.060 per KWH	\$0.062 per KWH
Next 5,000 KWH.....	\$0.053 per KWH	\$0.056 per KWH
Over 10,000 KWH.....	\$0.050 per KWH	\$0.053 per KWH

Plus a customer charge of \$7.00 per month, in addition to that charged for the electrical energy used, plus the applicable Power Cost Adjustment charge. The minimum monthly bill shall be \$7.00 prior to the Power Cost Adjustment.

SECTION 3. Section 15-60 of the Grand Island City Code is hereby amended to

read as follows:

§15-60. 050 Three-Phase Commercial Service

Applicable in the territory served by the City of Grand Island; and is available through a single meter at three phase, for any electric service uses where three-phase service is available.

This schedule has two sets of rates: one for the summer period of five months, beginning with the June billing; and the second for the winter season of seven months, beginning with the November billing.

ORDINANCE NO. 8946 (Cont.)

Summer Rate for Calendar Year 2005

Kilowatt-Hours Used Per Month	(June - October)
First 1,000 KWH.....	\$0.075 per KWH
Next 1,500 KWH.....	\$0.068 per KWH
Next 2,500 KWH.....	\$0.064 per KWH
Next 15,000 KWH.....	\$0.058 per KWH
Over 20,000 KWH.....	\$0.055 per KWH

Plus a customer charge of \$10.00 per month, in addition to that charged for the electrical energy used, plus the applicable Power Cost Adjustment charge.

Summer Rate Beginning 2006 Calendar Year

Kilowatt-Hours Used Per Month	(June - October)
First 1,000 KWH.....	\$0.079 per KWH
Next 1,500 KWH.....	\$0.071 per KWH
Next 2,500 KWH.....	\$0.067 per KWH
Next 15,000 KWH.....	\$0.061 per KWH
Over 20,000 KWH.....	\$0.058 per KWH

Plus a customer charge of \$10.00 per month, in addition to that charged for the electrical energy used, plus the applicable Power Cost Adjustment charge.

Winter Rate for Calendar Year 2005

Kilowatt-Hours Used Per Month	(November - May)
First 500 KWH.....	\$0.075 per KWH
Next 1,000 KWH.....	\$0.068 per KWH
Next 2,500 KWH.....	\$0.055 per KWH
Over 4,000 KWH.....	\$0.052 per KWH

Plus a customer charge of \$10.00 per month, in addition to that charged for the electrical energy used, plus the applicable Power Cost Adjustment charge.

Winter Rate Beginning 2006 Calendar Year

Kilowatt-Hours Used Per Month	(November - May)
First 500 KWH.....	\$0.079 per KWH
Next 1,000 KWH.....	\$0.071 per KWH
Next 2,500 KWH.....	\$0.058 per KWH
Over 4,000 KWH.....	\$0.055 per KWH

Plus a customer charge of \$10.00 per month, in addition to that charged for the electrical energy used, plus the applicable Power Cost Adjustment charge.

Minimum

The minimum monthly charge shall be no less than \$10.00. The minimum shall in no event be less than \$0.70 per month per connected horsepower.

The billing horsepower shall be determined as follows:

1. Total connected horsepower, if total connected horsepower is less than 20 HP.
2. If total connected horsepower exceeds 20 HP, then the billing horsepower shall be the larger of 20 HP, or the largest single connected motor.
3. If questions arise as to the actual billing horsepower, the City Utilities Department may, at its option, install demand meters. The Kilowatt reading shall determine the billing horsepower on the basis of 0.75 Kilowatt = 1.0 HP.

It is the responsibility of the customer, to inform the City Utilities Department of changes that may effect minimum billings.

ORDINANCE NO. 8946 (Cont.)

SECTION 4. Section 15-63 of the Grand Island City Code is hereby amended to

read as follows:

§15-63. 100 Three-Phase Power Service

Applicable in the territory served by the City of Grand Island, available through a single meter at three phase. Available for any commercial or industrial use of energy.

<u>Calendar Year 2005</u>	<u>Beginning 2006 Calendar Year</u>	
\$8.00	\$8.50	Demand Charge per KW of billing demand
\$0.0265	\$0.0275	Energy Charge per KWH for the first 450 hours of monthly demand
\$0.0200	\$0.0210	per KWH for all additional usage; plus applicable Power <u>Cost Adjustment</u> charge.
\$300.00	\$300.00	Customer Charge per month.

The minimum monthly bill shall be no less than \$700. The Power Cost Adjustment charge is applied to energy consumption only ~~and does not reduce the minimum billing.~~

SECTION 5. Section 15-68 of the Grand Island City Code is hereby amended to

read as follows:

§15-68. 114 Area Floodlighting

Applicable in the territory served by the City of Grand Island; and is available for any outdoor area floodlighting of consumer's property from dusk to dawn, where such service can be rendered directly from existing secondary distribution lines of the City.

Luminare will be selected by Electric Department and provided from Electric Department stock. For installation on an existing wood pole, and connected to existing overhead secondary conductors on such pole, the ~~monthly~~ rate is ~~\$0.70~~ ~~\$0.070~~ per watt per year, billed on a monthly basis for calendar year 2005; and \$0.72 per watt per year billed on a monthly basis beginning calendar year 2006.

Power Cost Adjustment is not applicable to the Area Floodlighting Rate.

SECTION 6. Section 15-70 of the Grand Island City Code is hereby amended to

read as follows:

§15-70. Power Cost Adjustment

The rates set out in this chapter are predicated upon a base power cost of 15.00 mills per kilowatt-hour. When the City's cost of energy per kilowatt-hour shall temporarily be greater than 15.00 mills per kilowatt-hour, there shall be added to the consumer's monthly charge for electricity used; an amount equal to the number of kilowatt-hours used during the month to which the consumer's charge applies, multiplied by the amount by which the cost of energy for kilowatt-hour shall be greater than 15.00 mills per kilowatt-hour.

ORDINANCE NO. 8946 (Cont.)

Cost of energy per kilowatt-hour as determined for any month shall be applicable to all charges rendered to consumers after the last day of the following month, without any City Council action.

The cost of energy per kilowatt-hour applied to the consumer's monthly charge shall be an average of the previous six-months cost of energy per kilowatt-hour.

If a permanent increase in the contract cost of energy to the City occurs, beginning with the month that the cost increase becomes effective, the six-month average of the cost of energy per kilowatt-hour may be recalculated; using the new increased cost of energy, to compute the affected components of the cost of energy for the previous six months. This revised six-month average of the cost of energy per kilowatt hour shall then be applied to the consumer's monthly charge for electricity used without any City Council action.

For purposes of this section, the following words shall have the following meanings:

Cost of Energy shall mean the power cost for the generating plants owned by the City, consisting of the monthly natural gas cost and the cost of any fuel oil consumed; the cost of coal consumed, including freight and handling charges; plus costs of payments by the City for power and energy purchased from other power suppliers, less ~~receipts from power costs charged for~~ energy sold to other electric utilities.

Cost of Energy per Kilowatt-Hour shall mean "Cost of Energy" as above defined, divided by 95 percent of the total kilowatt hours; consisting of the kilowatt hour output of the City's electric generating plants, plus the kilowatt hours purchased from other power suppliers, less the kilowatt hours of energy sold to other electric utilities.

SECTION 7. Section 15-71 of the Grand Island City Code is hereby amended to

read as follows:

§15-71. Interdepartmental Rates

Municipal, ~~non-enterprise~~ accounts shall be assigned to standard retail Rate 30 or Rate 50 as appropriate. An Interdepartmental discount shall be assigned to non-enterprise ~~those~~ accounts. The discount for calendar year 2005 is \$0.01 per kWh for Rate 50 Interdepartmental accounts and \$0.03 per kWh for Rate 30 Interdepartmental accounts. The discount beginning for the calendar year ~~beginning~~ 2006 is \$0.003 per kWh for both Rate 50 and Rate 30 Interdepartmental accounts.

SECTION 8. Section 15-74 of the Grand Island City Code is hereby amended to

read as follows:

§15-74. Rate 116; Interdepartmental; Streetlights

The monthly charge for various size lights used for public street lighting and public parks lighting, whether City or privately-owned, shall be \$0.35 per watt per year billed on a monthly basis for calendar year 2005, and shall be \$0.36 per watt per year billed on a monthly basis beginning calendar year 2006. Power Cost Adjustment is not applicable to the Interdepartmental Streetlights Rate.

SECTION 9. Section 15-55, 15-57, 15-60, 15-63, 15-68, 15-70, 15-71, and 15-74

as now existing, and any ordinances or parts of ordinances in conflict herewith be, and hereby are, repealed.

ORDINANCE NO. 8946 (Cont.)

SECTION 10. That this ordinance shall be in force and take effect from and after its passage and publication, within fifteen days in one issue of the Grand Island Independent as provided by law.

Enacted: December 21, 2004.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk