



City of Grand Island

Tuesday, February 24, 2015

Council Session

Item F-5

#9523 - Consideration of Amending Chapter 15 of the Grand Island City Code Relative to Electricity

Staff Contact: Tim Luchsinger, Utilities Director

Council Agenda Memo

From: Timothy Luchsinger, Utilities Director
William Clingman, Interim Finance Director

Meeting: February 24, 2015

Subject: Consideration of Amending Chapter 15 of the Grand Island City Code Relative to Electricity

Item #'s: F-5

Presenter(s): Timothy Luchsinger, Utilities Director

Background

On July 9, 2013, a contract with N. Harris Computer Corporation for a new Utility Billing Customer Information System was approved by Council. The system is replacing an in-house computer system that was original developed by the City in the early 1980s.

Discussion

During testing of the new billing system, some issues regarding Chapter 15 of the current City Code, which includes regulations for electric rates, were identified as needing clarification or to accommodate the new billing system. As a result, the Finance billing team and Utilities management recommend changes in Chapter 15, outlined as follows:

- 15-50 (C) defines the determination of the amount of the security deposit for commercial electric accounts, including new or vacant properties.
- 15-51 (2) changes the effective date for a late payment from the statement printing date to the due date.
- 15-55, 15-60, and 15-64 establishes the applicable seasonal billing rates by the meter reading date instead of the billing date.

Alternatives

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

1. Move to approve
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 9523 to revise Chapter 15, Electricity, of the City Code.

Sample Motion

Move to approve Ordinance 9523 to revise Chapter 15, Electricity, of the City Code.

Deposits – need to use the last 12 months for calculation

§15-50. Deposit Requirements

(A) Except as provided below, all electric service accounts established under the commercial rate structure shall be required to maintain a deposit in an amount to be determined by the utilities department as set forth in this section.

(B) Deposits for accounts in existence before September 1, 1983, shall be maintained in the amount established under the ordinances in effect at the time of the initial deposit, unless said deposit has been distributed under the provisions of this section.

(C) Deposits for any account created on or after September 1, 1983, and deposits for all accounts for which service has been reinstated after being disconnected for nonpayment shall be maintained in an amount of not less than Two Hundred Dollars (\$200), nor more than Two Thousand Dollars (\$2,000), as determined by the utilities department. The exact amount of the deposit required should shall be equal to approximately two times the estimated billing for the highest billed period usage month of the calendar year last 12 billing periods, not to exceed Two Thousand Dollars (\$2,000). For new construction or properties that have been unoccupied for the last 12 billing periods, a similar property from an identically zoned business shall be used in establishing the required deposit amount.

(D) From and after October 1, 2010, all deposits required herein shall accrue interest at the annually adjusted interest rate based on the 3 month LIBOR as of October 1, or the next business day. Interest shall be payable to the customer only at the time the deposit is refundable as provided in subsection E below.

(E) The deposit required herein shall be refunded to the customer as follows:

(1) When the electric service has been disconnected, whether at the request of the customer or for nonpayment of the customer's electric bill, or a new account has been created for said service with a different customer, and a final reading has been taken, any deposit on hand plus the accrued interest thereon, and minus the amount of any unpaid billing statement and other charges, shall be refunded to the customer; or

(2) After at least two years of continuous service to the customer, if the monthly payments for the account have been made promptly, with no more than two delinquent payments during the twenty-four (24) month period immediately preceding the request, the customer may request the utilities department in writing to refund the deposit. Upon receipt of the request, and if the above conditions of prompt payment have been met, the utilities department shall refund any deposit on hand, plus the accrued interest to the customer. For the purposes of this subsection, a payment shall be deemed delinquent if made more than fifteen (15) days after the date set forth on the monthly billing statement.

Late Fee

§15-51. Payment Conditions

(1) All bills are due when received.

(2) If full payment is not received prior to the printing of the statement for the next billing period by the due date stated on the bill, a late payment charge shall be assessed in accordance with the City of Grand Island Fee Schedule.

(3) A service charge shall be collected before reconnection, in each instance of disconnection for nonpayment of billing. If reconnection is demanded after business hours, an additional fee shall apply. The charges for reconnection shall be in accordance with the City of Grand Island Fee Schedule.

(4) A service charge in accordance with the City of Grand Island Fee Schedule will be assessed for each check returned for insufficient funds. This charge is in addition to any other charges.

(5) A service charge in accordance to the City of Grand Island Fee Schedule shall be collected, before all new connections are made by the City Utilities Department.

(6) A service charge in accordance with the City of Grand Island Fee Schedule shall be collected, to transfer service from one occupant to another occupant at the same location.

(7) Service periods are normally for periods of one year or longer. If it appears that services are being disconnected and reconnected within a twelve-month period, in order to avoid minimum billing charges; an amount equivalent to the minimum billings for the disconnected period (not to exceed eleven months) must be paid before the service is reconnected. This is in addition to the normal connection charges.

Billing will be based on the Reading Date (Currently it is processed with the rate in effect the day of billing)

§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 [billingmeter reading](#); and the second for the winter season of seven months, beginning with the November [billingmeter reading](#).

Summer Rate Beginning October 1, 2007

Kilowatt-Hours Used Per Month	(June – October)
First 300 KWH.....	\$0.085 per KWH
Next 700 KWH.....	\$0.060 per KWH
All additional KWH.....	\$0.067 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 Beginning October 1, 2007

Kilowatt-Hours Used Per Month	(November - May)
First 300 KWH.....	\$0.085 per KWH
Next 700 KWH.....	\$0.060 per KWH
Additional KWH.....	\$0.039 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.

§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 [billingmeter reading](#); and the second for the winter season of seven months, beginning with the November [billingmeter reading](#).

Summer Rate Beginning October 1, 2007

Kilowatt-Hours Used Per Month	(June - October)
First 1,000 KWH.....	\$0.087 per KWH
Next 1,500 KWH.....	\$0.079 per KWH
Next 2,500 KWH.....	\$0.075 per KWH
Next 15,000 KWH.....	\$0.069 per KWH
Over 20,000 KWH.....	\$0.066 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 October 1, 2007

Kilowatt-Hours Used Per Month	(November - May)
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First 500 KWH.....	\$0.087 per KWH
Next 1,000 KWH.....	0.079 per KWH
Next 2,500 KWH.....	\$0.066 per KWH
Over 4,000 KWH.....	\$0.063 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~~affect minimum billings.

§15-64. Billing Demand

During the months of June through October, the Billing Demand shall be the Summer Demand. During the months of November through May, the Billing Demand shall be the measured Monthly Demand, but not more than the Summer Demand nor less than 65% of the Summer Demand.

The Monthly Demand shall be the highest rate of use in KW during a time interval of the ~~billing-meter~~reading period as established by the City Utilities Department, based upon the nature of the business of the customer. In no event shall the Monthly Demand be less than 50 KW.

The Summer Demand shall be defined as the maximum of the Monthly Demands established during June through October but not less than the Summer Demand established during the previous eleven months.

ORDINANCE NO. 9523

An ordinance to amend Chapter 15 of Grand Island City Code; to amend Section 15-50, 15-51, 15-55, 15-60 and Section 15-64 to clarify and/or make general corrections to various code sections, to repeal 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 15-50, 15-51, 15-55, 15-60 and Section 15-64 of the Grand Island City Code is hereby amended to read as follows:

§15-50. Deposit Requirements

(A) Except as provided below, all electric service accounts established under the commercial rate structure shall be required to maintain a deposit in an amount to be determined by the utilities department as set forth in this section.

(B) Deposits for accounts in existence before September 1, 1983, shall be maintained in the amount established under the ordinances in effect at the time of the initial deposit, unless said deposit has been distributed under the provisions of this section.

(C) Deposits for any account created on or after September 1, 1983, and deposits for all accounts for which service has been reinstated after being disconnected for nonpayment shall be maintained in an amount of not less than Two Hundred Dollars (\$200), nor more than Two Thousand Dollars (\$2,000), as determined by the utilities department. The amount of the deposit required shall be equal to two times the highest billed period of the last 12 billing periods, not to exceed Two Thousand Dollars (\$2,000). For new construction or properties that have been unoccupied for the last 12 billing periods, a similar property from an identically zoned business shall be used in establishing the required deposit amount.

(D) From and after October 1, 2010, all deposits required herein shall accrue interest at the annually adjusted interest rate based on the 3 month LIBOR as of October 1, or the next business day. Interest shall be payable to the customer only at the time the deposit is refundable as provided in subsection E below.

(E) The deposit required herein shall be refunded to the customer as follows:

(1) When the electric service has been disconnected, whether at the request of the customer or for nonpayment of the customer's electric bill, or a new account has been created for said service with a different customer, and a final reading has been taken, any deposit on hand plus the accrued interest thereon, and minus the amount of any unpaid billing statement and other charges, shall be refunded to the customer; or

(2) After at least two years of continuous service to the customer, if the monthly payments for the account have been made promptly, with no more than two delinquent payments during the twenty-four (24) month period immediately preceding the request, the customer may request the utilities department in writing to refund the deposit. Upon receipt of the request, and if the above conditions of prompt payment have been met, the utilities department shall refund any deposit on hand, plus the accrued interest to the customer. For the purposes of this subsection, a payment shall be deemed delinquent if made more than fifteen (15) days after the date set forth on the monthly billing statement.

§15-51. Payment Conditions

(1) All bills are due when received.

(2) If full payment is not received by the due date stated on the bill, a late payment charge shall be assessed in accordance with the City of Grand Island Fee Schedule.

Approved as to Form	by _____
February 20, 2015	City Attorney

ORDINANCE NO. 9523 (Cont.)

(3) A service charge shall be collected before reconnection, in each instance of disconnection for nonpayment of billing. If reconnection is demanded after business hours, an additional fee shall apply. The charges for reconnection shall be in accordance with the City of Grand Island Fee Schedule.

(4) A service charge in accordance with the City of Grand Island Fee Schedule will be assessed for each check returned for insufficient funds. This charge is in addition to any other charges.

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

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The Summer Demand shall be defined as the maximum of the Monthly Demands established during June through October but not less than the Summer Demand established during the previous eleven months.

ORDINANCE NO. 9523 (Cont.)

SECTION 2. Any ordinance or parts of ordinances in conflict herewith be, and hereby are, repealed.

SECTION 3. 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: February 24, 2015.

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk