BILL 2016-20

****** First Reading ******

Agenda Item

TO: Mayor and City Council

FROM: Zachary Johnson, Utility Director

DATE: April 4, 2016

RE: Electric Rate Ordinance

Issues

Current power supply for the City of Cameron is supplied by Platte-Clay Electric Cooperative through a full service contract. The original contract dated August 8, 1957 has provisions for the general rate structure to be amended. We have been notified by Platte-Clay our electric rate will increase in May of this year.

The increase is minimal, but it is staff's belief the additional costs need to be passed on to our customers. This is a direct and quantifiable increase to our operating costs. The increase to our rates is necessary to maintain a healthy reserve balance for the electric department. This is increasingly important with the potential need for an additional substation and infrastructure.

This proposed electric rate adjustment will impact the average Cameron residential user (900 kW) by an additional $1.49 per month. Small commercial users (3,000 kW) will see an increase of $4.31 and large commercial and industrial users will see a minimal increase as well.

Recommendation

Staff recommends that Council approve the new electric use rate ordinance. Three readings are recommended and will allow for rate to become effective on June 1, 2016.

Bill 2016-20

AN ORDINANCE FOR THE CITY OF CAMERON, CLINTON AND DeKALB COUNTIES, MISSOURI REPEALING THE CURRENT ELECTRIC RATES AND ESTABLISHING NEW ELECTRIC RATES FOR CONSUMERS OF THE CAMERON MUNICIPAL UTILITIES

WHEREAS, the City of Cameron owns and operates an electrical distribution system as a stand-alone non-profit municipal enterprise to serve the citizens of Cameron, and

WHEREAS, the City of Cameron has a full service contract with Platte-Clay Electric Cooperative for power supply; and

WHEREAS, Platte-Clay Electric Cooperative will be instituting a rate increase on purchased power starting on May 1, 2016; and

WHEREAS, the revenue received by the City for the sale of electricity must be sufficient to purchase and deliver electricity to customers and maintain a reliable distribution system.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CAMERON, CLINTON AND DeKALB COUNTIES, MISSOURI AS FOLLOWS:

Section 1. Repeal the existing subsection (b) and (c) of Sec. 12-321, Residential service schedule (R-1), and replace it with a new subsection (b) and (c), setting new electric rates.

(b*) Net Rate.* This schedule is subject to the power cost adjustment clause in Section 12-329 of this division.

First 40 kWh, per kWh…….	$0.1885
Next 960 kWh, per kWh……..	$0.1134
Excess kWh, per kWh…….	$0.0918

(c) *Net minimum.* The total net monthly bill calculated on the rates established in (b) of this section, shall not be less than seven dollars and fifty-four cents ($7.54).

Section 2. Repeal the existing subsection (b) and (c) of Sec. 12-321a, Residential with electric heat service schedule (R-2), and replace it with a new subsection (b) and (c), setting new electric rates.

(b*) Net Rate.* This schedule is subject to the power cost adjustment clause in Section 12-329 of this division.

First 40 kWh, per kWh…….	$0.1885
Next 960 kWh, per kWh……..	$0.1134
Excess kWh, per kWh…….	$0.0836

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(c) *Net minimum.* The total net monthly bill calculated on the rates established in (b) of this section, shall not be less than seven dollars and fifty-four cents ($7.54).

This rate shall apply to energy usage during the months October through May. Otherwise the rates from residential service schedule R-1 will apply.

Section 3. Repeal the existing subsection (b) and (c) of Sec. 12-322, Commercial service schedule (SC-1), and replace it with a new subsection (b) and (c), setting new electric rates.

(b*) Net Rate.* This schedule is subject to the power cost adjustment clause in Section 12-329 of this division.

First 50 kWh, per kWh…….	$0.1885
Next 1,150 kWh, per kWh……..	$0.1134
Next 1,800 kWh, per kWh…….	$0.0948
Excess kWh, per kWh…….	$0.1035

(c) *Net minimum.* The total net monthly bill calculated on the rates established in (b) of this section, shall not be less than nine dollars and forty-three cents ($9.43).

Section 4. Repeal the existing subsection (b) and (c) of Sec. 12-322a, Commercial with electric heat service schedule (SC-2), and replace it with a new subsection (b) and (c), setting new electric rates.

(b*) Net Rate.* This schedule is subject to the power cost adjustment clause in Section 12-329 of this division.

First 50 kWh, per kWh…….	$0.1885
Next 1,150 kWh, per kWh……..	$0.1134
Next 1,800 kWh, per kWh…….	$0.0856
Excess kWh, per kWh…….	$0.0930

(c) *Net minimum.* The total net monthly bill calculated on the rates established in (b) of this section, shall not be less than nine dollars and forty-three cents ($9.43).

This rate shall apply to energy usage during the months October through May. Otherwise the rates from residential service schedule SC-1 will apply.

Section 5. Repeal the existing subsection (b) and (c) of Sec. 12-324, Large commercial service schedule (LC-1), and replace it with a new subsection (b) and (c), setting new electric rates.

(b*) Net Rate.* This schedule is subject to the power cost adjustment clause in Section 12-329 of this division.

First 100 hours use of metered demand, per kWh…….	$0.1507
Next 200 hours use of metered demand, per kWh……..	$0.0772
Excess kWh, per kWh…….	$0.0700

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(c) *Net minimum.* The total net monthly bill calculated on the rates established in (b) of this section, shall not be less than the metered demand kW times the minimum bill demand charge (nine dollars and forty-three cents ($9.43)/kW).

Section 6. Repeal the existing subsection (b) and (c) of Sec. 12-324a, Large commercial with electric heat service schedule (LC-2), and replace it with a new subsection (b) and (c), setting new electric rates.

(b*) Net Rate.* This schedule is subject to the power cost adjustment clause in Section 12-329 of this division.

First 100 hours use of metered demand, per kWh…….	$0.1204
Next 200 hours use of metered demand, per kWh……..	$0.0772
Excess kWh, per kWh…….	$0.0700

This rate shall apply to energy usage during the months October through May. Otherwise the rates from residential service schedule LC-1 will apply.

(c) *Net minimum.* The total net monthly bill calculated on the rates established in (b) of this section, shall not be less than the metered demand kW times the minimum bill demand charge (seven dollars and fifty-two cents ($7.52)/kW).

Section 7. Repeal the existing subsection (b) and (c) of Sec. 12-325, Industrial service schedule (PL-1), and replace it with a new subsection (b) and (c), setting new electric rates.

(b*) Net Rate.* This schedule is subject to the power cost adjustment clause in Section 12-329 of this division.

First 100 hours use of metered demand, per kWh…….	$0.1836
Excess kWh, per kWh…….	$0.0653

(c) *Net minimum.* The total net monthly bill calculated on the rates established in (b) of this section, shall not be less than the metered demand kW times the minimum bill demand charge (eleven dollars and eighty-four cents ($11.84)/kW).

Section 8. Repeal the existing subsection (b) and (c) of Sec. 12-325a, Industrial service with electric heat schedule (PL-2), and replace it with a new subsection (b) and (c), setting new electric rates.

(b*) Net Rate.* This schedule is subject to the power cost adjustment clause in Section 12-329 of this division.

First 100 hours use of metered demand, per kWh…….	$0.1481
Excess kWh, per kWh…….	$0.0653

This rate shall apply to energy usage during the months October through May. Otherwise the rates from residential service schedule PL-1 will apply.

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(c) *Net minimum.* The total net monthly bill calculated on the rates established in (b) of this section, shall not be less than the metered demand kW times the minimum bill demand charge (eight dollars and twenty-eight cents ($8.28)/kW).

Section 9. This ordinance hereby repeals all other ordinances pertaining to all electric rates heretofore established for electric users in the City of Cameron, Missouri, and any and all other ordinances inconsistent herewith. This ordinance shall take effect and be in full force June 1, 2016.

Section 10. The Mayor is authorized to sign this ordinance approving it on behalf of the City.

Section 11. The City Clerk is hereby directed to attest to the Mayor's signature.

Passed and approved on first reading this 18th day of April, 2016.
Passed and approved on second reading this _____ day of _____ 2016.
Passed and approved on third and final reading this _____ day of _____ 2016.

_____
Mayor Jerri Ann Eddins

Attest:

_____
City Clerk/Finance Clerk

First Reading