BILL 2019-38

FINAL Reading

Agenda Item

TO: Mayor and City Council

FROM: Zachary Johnson, Utility Director

DATE: September 3, 2019

RE: Electric Rate Ordinance

Issues

With the closing of Crossroads Correctional Center, the City of Cameron lost our largest electric customer. A rate increase is necessary for the City to maintain our current level of service. We will see a small decrease in cost of operation through lower wholesale purchases. Unfortunately, this is not enough to offset the lost revenue.

The increase to our rates is necessary to maintain a healthy operating budget as well as maintain adequate reserve balances. This is increasingly important with the potential need for an additional substation, infrastructure improvements, and increases to wholesale rates.

This proposed electric rate adjustment will impact the average Cameron residential user (900 kWh) by an additional $7.23 per month. Small commercial customer using 3,000 kWh will see an increase of $8.36 and large commercial and industrial users will see an increase as well.

The additional revenue generated by this rate increase have been taken into consideration while preparing the FY 2020 City Budget.

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 October 1, 2019.

Bill 2019-38

AN ORDINANCE FOR THE CITY OF CAMERON, 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, 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, MISSOURI AS FOLLOWS:

Section 1. Repeal the existing subsection (b) and (c) of Sec. 12-321, Residential service schedule (R-1), of Division 2, Schedule of Rates, of Article IV, Electricity, of Chapter 12, Water, Sewage and Electric of the City of Cameron Code and replace it with a new subsection (b) and (c), setting new electric rates as follows:

(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…….	$0.1988
Next 960 kWh, per kWh……..	$0.1196
Excess kWh, per kWh…….	$0.0968

(c) *Net minimum.* The total net monthly bill calculated on the rates established in (b) of this section, shall not be less than $7.95.

Section 2. Repeal the existing subsection (b) and (c) of Sec. 12-321a, Residential with electric heat service schedule (R-2), of Division 2, Schedule of Rates, of Article IV, Electricity, of Chapter 12, Water, Sewage and Electric of the City of Cameron Code and replace it with a new subsection (b) and (c), setting new electric rates as follows:

(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…….	$0.1988
Next 960 kWh, per kWh……..	$0.1196
Excess kWh, per kWh…….	$0.0882

(c) *Net minimum.* The total net monthly bill calculated on the rates established in (b) of this section, shall not be less than $7.95.

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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), of Division 2, Schedule of Rates, of Article IV, Electricity, of Chapter 12, Water, Sewage and Electric of the City of Cameron Code and replace it with a new subsection (b) and (c), setting new electric rates as follows:

(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…….	$0.1990
Next 1,150 kWh, per kWh……..	$0.1196
Excess kWh, per kWh…….	$0.1001

(c) *Net minimum.* The total net monthly bill calculated on the rates established in (b) of this section, shall not be less than $9.95.

Section 4. Repeal the existing subsection (b) and (c) of Sec. 12-322a, Commercial with electric heat service schedule (SC-2), of Division 2, Schedule of Rates, of Article IV, Electricity, of Chapter 12, Water, Sewage and Electric of the City of Cameron Code and replace it with a new subsection (b) and (c), setting new electric rates as follows:

(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…….	$0.1990
Next 1,150 kWh, per kWh……..	$0.1196
Excess kWh, per kWh…….	$0.0910

(c) *Net minimum.* The total net monthly bill calculated on the rates established in (b) of this section, shall not be less than $9.95.

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), of Division 2, Schedule of Rates, of Article IV, Electricity, of Chapter 12, Water, Sewage and Electric of the City of Cameron Code and replace it with a new subsection (b) and (c), setting new electric rates as follows:

(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…….	$0.1590
Next 200 hours use of metered demand, per kWh……..	$0.0814
Excess kWh, per kWh…….	$0.0738

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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 ($9.95/kW).

Section 6. Repeal the existing subsection (b) and (c) of Sec. 12-324a, Large commercial with electric heat service schedule (LC-2), of Division 2, Schedule of Rates, of Article IV, Electricity, of Chapter 12, Water, Sewage and Electric of the City of Cameron Code and replace it with a new subsection (b) and (c), setting new electric rates as follows:

(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…….	$0.1270
Next 200 hours use of metered demand, per kWh……..	$0.0814
Excess kWh, per kWh…….	$0.0738

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 ($7.06/kW).

Section 7. Repeal the existing subsection (b) and (c) of Sec. 12-325, Industrial service schedule (PL-1), of Division 2, Schedule of Rates, of Article IV, Electricity, of Chapter 12, Water, Sewage and Electric of the City of Cameron Code and replace it with a new subsection (b) and (c), setting new electric rates as follows:

(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…….	$0.1938
Excess kWh, per kWh…….	$0.0689

(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 ($12.49/kW).

Section 8. Repeal the existing subsection (b) and (c) of Sec. 12-325a, Industrial service with electric heat schedule (PL-2), of Division 2, Schedule of Rates, of Article IV, Electricity, of Chapter 12, Water, Sewage and Electric of the City of Cameron Code and replace it with a new subsection (b) and (c), setting new electric rates as follows:

(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…….	$0.1563
Excess kWh, per kWh…….	$0.0689

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This rate shall apply to energy usage during the months October through May. Otherwise the rates from residential service schedule PL-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 ($8.86/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 October 1, 2019.

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 5th day of August, 2019.
Passed and approved on second reading this 19th day of August, 2019.
Passed and approved on third and final reading this 3rd day of September, 2019.

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Mayor Darlene Breckenridge

ATTEST:

_____
City Clerk

FINAL READING