

**AGENDA ITEM EXECUTIVE SUMMARY**

Agenda Item number: 5c

Title:

Recommendation to Approve an Ordinance Authorizing Changes in Rate Structure for the Electric Utility of the City St Charles Effective with Billings Issued After June 1, 2017

Presenter:

Chris Minick, Finance Director

Meeting: Government Operations Committee

Date: April 17, 2017

Proposed Cost: \$N/A

Budgeted Amount: \$

Not Budgeted: ☐**Executive Summary** *(if not budgeted please explain):*

In conjunction with the implementation of the FY 17-18 budget, Staff is seeking approval of the attached Ordinance to enact changes in the utility rate structure. This ordinance reflects the rates utilized in the preparation of the FY 17/18 budget presented to and approved by the City Council on April 3, 2017. The projections and amounts included in the budget presentation are predicated on the rate structure created by the Ordinance attached.

The changes to the rate structures proposed continue the City Council's commitment to assure the long term financial viability and sustainability of the utilities in conjunction with the rate study passed in May of 2011.

If approved as proposed, these rate changes would be effective with bills sent in June.

Attachments *(please list):*

Electric Rate Ordinance

Recommendation/Suggested Action *(briefly explain):*

Recommendation to approve an Ordinance authorizing changes in the rate structure for the Electric Utility for the City of St. Charles effective for billings issued after June 1, 2017.

City of St. Charles, Illinois
Ordinance No. 2017-M-_____

**An Ordinance Amending Title 13 “Public Utilities” Chapter 13.08
“Electricity” of the St. Charles Municipal Code**

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF
ST. CHARLES, KANE AND DUPAGE COUNTIES, ILLINOIS, AS FOLLOWS:

1. That Title 13 “Public Utilities”, Chapter 13.08 "Electricity," Section 13.08.230 "Rate 1 – Residential – Rates, Charges and Service Requirements." Subsection B, Paragraph 1 and 2, of the St. Charles Municipal Code be and is hereby amended by deleting the same and substituting the following:

13.08.230 Rate 1 - Residential - Rates, Charges and Service Requirements.

B. Charges for this rate shall be as follows:

- 1. Monthly Customer Charge. The net monthly customer charge shall be seventeen dollars and fifty cents (\$17.50) per meter.**
- 2. Energy Charge. The net energy charge shall be as follows:**

Summer Months

\$0.1173 per kilowatt-hour for monthly usage up to 1,200 kilowatt-hours

\$0.1326 per kilowatt-hour for monthly usage over 1,200 kilowatt-hours

Non-summer Months

\$0.1173 per kilowatt-hour for all kilowatt-hours

For purposes hereof, the “summer months” are defined as the electric usage that is billed to the user starting in the month of June and the next four succeeding months.

3. That Chapter 13.08 "Electricity," Section 13.08.240 "Rate 3 – Small General Service – Rates, Charges, and Service Requirements." Subsection B, Paragraph 1 and 2, of the St. Charles Municipal Code be and is hereby amended by deleting the same and substituting the following:

13.08.240 Rate 3 – Small General Service – Rates, Charges, and Service Requirements.

B. Charges for this rate shall be as follows:

- 1. Monthly Customer Charge. The net monthly customer charge shall be fifty-seven dollars and fifty cents (\$57.50) per meter.**

- 2. Energy Charge. Then net energy charge shall be as follows:**

\$0.0954 per kilowatt-hour for all kilowatt-hours

4. That Chapter 13.08 "Electricity," Section 13.08.260 "Rate 5 – General service – Rates, Charges, and Service Requirements," Subsection B, Paragraph 1, 3, and 4, of the St. Charles Municipal Code be and is hereby amended by deleting the same and substituting the following:

13.08.260 Rate 5 - General Service - Rates, Charges, and Service Requirements.

B. Charges for this rate shall be as follows:

- 1. Monthly Customer Charge. The net monthly customer charge shall be seventy dollars (\$70.00) per meter.**

- 3. Demand Charge. The net demand charge shall be as follows:**

\$19.85 per kilowatt

- 4. Energy Charge. The energy charge shall be as follows:
\$0.0612 per kilowatt-hour for all kilowatt-hours**

5. That Chapter 13.08 "Electricity," Section 13.08.265 "Rate 6 – Governmental Outdoor Lighting – Rates, Charges, and Service Requirements," Subsection B, Paragraph 1, and 3, of the St. Charles Municipal Code be and is hereby amended by deleting the same and substituting the following:

13.08.265 Rate 6 – Governmental Outdoor Sports Lighting - Rates, Charges, and Service Requirements.

B. Charges for this rate shall be as follows:

- 1. Monthly Customer Charge. The net monthly customer charge shall be ninety-five dollars (\$95.00) per meter.**

- 3. Energy Charge. The energy charge shall be as follows:
\$0.1785 per kilowatt-hour for all kilowatt-hours**

6. That Chapter 13.08 "Electricity," Section 13.08.275 "Rate 7 – Large General Service – Rates, " Subsection B, Paragraph 1, 3, and 4, of the St. Charles Municipal Code be and is hereby amended by deleting the same and substituting the following:

13.08.275 Rate 7 - Large General Service - Rates, Charges and Service Requirements.

B. Charges for this rate shall be as follows:

- 1. Monthly Customer Charge. The net monthly customer charge shall be two hundred seventy-five dollars (\$275.00) per meter.**
- 3. Demand Charge. The net demand charge shall be as follows:
\$19.85 per kilowatt**
- 4. Energy Charge. The net energy charge shall be as follows:
\$0.0612 per kilowatt-hour On-Peak
\$0.0512 per kilowatt-hour Off-Peak**

7. That Chapter 13.08 "Electricity," Section 13.08.290 "Rate 8 – Municipal Owned Street Lighting and Traffic Signals – Rates, " Subsection B, Paragraph 1 of the St. Charles Municipal Code be and is hereby amended by deleting the same and substituting the following:

13.08.290 Rate 8 – Municipal Owned Street Lighting and Traffic Signals

B. Charges for this rate shall be as follows:

- 1. Energy Charge.
\$0.0775 per kilowatt-hour for all kilowatt-hours**

8. That Chapter 13.08 "Electricity," Section 13.08.292 "Rate 9 – Primary Metered Large General Service – Rates, Charges and Service Requirements. Subsection B, Paragraph 1, 3, 4, and 5 of the St. Charles Municipal Code be and is hereby amended by deleting the same and substituting the following:

13.08.292 Rate 9 – Primary Metered Large General Service – Rates, Charges and Service Requirements

B. Charges for this rate shall be as follows:

- 1. Monthly Customer Charge. The net monthly customer charge shall be two hundred seventy-five dollars (\$275.00) per meter.**
- 3. Demand Charge. The net demand charge shall be as follows:
\$19.65 per kilowatt**
- 4. Energy Charge. The net energy charge shall be as follows:
\$0.0606 per kilowatt-hour On-Peak
\$0.0507 per kilowatt-hour Off-Peak**
- 5. The Definition of On-Peak and Off-Peak Periods:**

Energy On-Peak Periods, for purposes hereof, shall be the hours of 9:00am to 10:00pm on Monday through Friday, except on days on which the following holidays are generally observed: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Energy Off-Peak Periods shall be all other hours.

Demand Peak Periods, for purposes hereof, shall be the hours of 9:00am to 10:00pm on Monday through Friday, except the holidays designated above. Demand Off-Peak Periods shall be all other hours.

9. That this Ordinance shall be in full force and effect ten (10) days from and after its passage, approval and publication in pamphlet form as provided by law; provided, however, that the rates set forth herein shall be effective for the first billing subsequent to June 1, 2017.

10. That after the adoption and approval hereof this Ordinance shall (i) be printed or published in book or pamphlet form, published by the authority of the Council, or (ii) within thirty (30) days after the adoption and approval hereof, be published in a newspaper published in and with a general circulation within the City of St. Charles.

PRESENTED to the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, this 17th day of April, 2017.

PASSED by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, this 17th day of April, 2017.

APPROVED by the Mayor of the City of St. Charles, Kane and DuPage Counties, Illinois, this 17th day of April, 2017.

Raymond P. Rogina, Mayor

ATTEST:

Nancy Garrison, City Clerk

COUNCIL VOTE:

Ayes: _____

Nays: _____

Absent: _____

APPROVED AS TO FORM:

City Attorney

DATE: _____