

**Department Requesting Code Change:**

Department of Public Utilities / Columbus Water & Power

**Drafter:**

Jon Lee

**Email and Phone:**

[jslee@columbus.gov](mailto:jslee@columbus.gov) (614) 645-7820

**Columbus City Code Title Being Amended/Created/Repealed:**

Code Sections 1163.01, 1163.04, 1163.05, 1163.06, 1163.065, 1163.07, 1163.075, 1163.077, 1163.078.

**What is the overall purpose of this code change?** *Summarize the general themes of the code change(s) and the need for these changes. Please utilize language and descriptors that would be easily understandable by the general public.*

To increase residential power rates an average of 13%, small commercial 5%, and large commercial 16% effective January 1, 2026 to cover operating, maintenance, and debt service expenses. The ordinance increases the power low income discount from 25% to 30%, and creates a new cogeneration charge that will adequately recover DOP's costs once the cogeneration facilities are operational.

**Why is this code change needed?** *Examples: Correcting a drafting error; bringing code into alignment with changes to state law. For other policy changes, it may be necessary to provide a much more in-depth rationale in the section.*

Code changes are needed to increase power rates based on a 5 year residential plan and 3 year commercial plan to make the necessary infrastructure investments in the Division of Power to ensure long term viability and resilience of the system. Increased costs for Purchase Power has increased the Division's operating and maintenance expenses due to pass through costs for transmission and capacity that are out of the Division's control. Also rate increases will support an annual capital plan of at least \$15 million a year. Studies show that Power assets need at least \$50 million in investment renewal.

The increase in the low income discount is necessary to offset the burden to low income residents due to the rate increase plan. A new cogeneration rate is necessary to ensures that the Division of Power is adequately compensated for reserve distribution grid capacity if the cogeneration engines are not operable or down for maintenance.



**SHANNON G. HARDIN, PRESIDENT | ROB DORANS, PRESIDENT PRO TEMPORE**

**NICHOLAS J. BANKSTON | LOURDES BARROSO de PADILLA | MITCHELL J. BROWN | SHAYLA D. FAVOR | EMMANUEL V. REMY**

**CITY CLERK | ANDREA BLEVINS, CMC**

City Hall | 90 West Broad Street | Second Floor | Columbus OH 43215 | T (614) 645.7380 | F (614) 645.6164 | [columbuscitycouncil.org](http://columbuscitycouncil.org)

**What would be the impact of not adopting this code change?**

If rates were not increased in 2026 the Power Enterprise may not be able to sufficiently meet its operating and maintenance expenses, and debt service obligations, particularly given the high costs of wholesale purchase power and the cost of capacity and transmission pass throughs. If the cogeneration rate is not established other customer classes would have to subsidize the revenue loss from not having a rate that recovers 100% of the cost of service for having cogeneration facilities.

**Are there any operating or capital budget cost/savings implications for this code change?**

*These may be direct or in-direct, and please also consider long-term impact.*

The average residential bill increase of 13%, small commercial increase of 5% and large commercial rate increase of 16% is estimated to generate \$17 million for the Power Operating Fund.

**Describe the community engagement process regarding this code change. What residents, impacted parties, and constituents may be affected? Have they been engaged, and how so? How was their feedback incorporated (or not incorporated) into this code change?**

Press release information, social media postings, and bill insert information on the power rate and charge increases will be provided to customers.

**Will this code change take effect with the ordinance, or is there a delayed effective date?**

This ordinance and the power rate increases and low income discount increase will have an effective date of April 1, 2026.



**SHANNON G. HARDIN, PRESIDENT | ROB DORANS, PRESIDENT PRO TEMPORE**  
**NICHOLAS J. BANKSTON | LOURDES BARROSO de PADILLA | MITCHELL J. BROWN | SHAYLA D. FAVOR | EMMANUEL V. REMY**

**CITY CLERK | ANDREA BLEVINS, CMC**

City Hall | 90 West Broad Street | Second Floor | Columbus OH 43215 | T (614) 645.7380 | F (614) 645.6164 | columbuscitycouncil.org