



## Legislation Text

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**File #: 2132-2015, Version: 1**

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### BACKGROUND

This ordinance authorizes rate adjustments and the creation of a new rate class for the Division of Power, effective January 1, 2016, and to amend Chapter 1163 of the Columbus City Code, 1959.

The Division of Power provides electricity services to approximately 13,000 customers through the City and maintains approximately 55,000 street lights. The division purchases its power from public and private utilities and resells the electricity to its customers wholesale. The division does not generate any electricity. The division's closest competitor locally is American Electric Power (AEP).

The Division of Power customers are divided into four (4) major categories Residential, Small Commercial, Commercial, and Industrial. The current customer rate structure has been in place since 2007 in accordance with Ordinance 1911-2006, passed November 20, 2006. The Department of Public Utilities initiated a rate study with Red Oak Consulting, an Arcadis Group, in 2014. This comprehensive rate study provided the division with various rate recommendations for each customer class.

The Division of Power provides primary services to the Department of Public Utilities Jackson Pike and Southerly Wastewater Treatment Plants and the Hap Cremean and Dublin Road Water Plants. These four (4) facilities receive a dedicated circuit that is not available to any other large industrial customer.

As part of the rate study recommendations it is reasonable that the Division of Power could create a new customer class for premium service that it provides to the above mentioned department facilities. The Division of Power is requesting that a new customer rate class be established in Chapter 1163 and to increase the current energy charge for those facilities by 15%. No other industrial customers will be affected by this increase. New customers who request this service would be added to this new customer class.

The Division of Power charges all customers a monthly fixed service charge. The rate study concluded that the City is not competitive with other utilities in regards to the service charge for some commercial accounts and should address higher than normal fixed service charges. It is the recommendation of the Division of Power to reduce the service charges for Small Commercial and General Commercial customers. By reducing these charges for these customer classes the Division of Power would remain competitive with other public and private utilities. Therefore, the Division of Power is requesting approval for a reduction of those charges by 15%. The Division of Power will continue to review this particular charge to ensure competitiveness.

**FISCAL IMPACT:** These rate adjustments will generate approximately \$478,000.00 in revenue during FY2016.

To amend Chapter 1163 of the Columbus City Codes; to enact new a new rate class and electricity service rates for the year beginning January 1, 2016; and to repeal the existing Sections being amended.

**WHEREAS,** it is necessary to establish new customer class, effective January 1, 2016, for the Division of Power and

**WHEREAS;** the Division of Power customers are divided into four (4) major categories Residential, Small Commercial, Commercial and Industrial, and

**WHEREAS**, the current customer rate structure has been in place since 2007 in accordance with Ordinance 1911-2006, Passed November 20, 2006, and

**WHEREAS**, the Department of Public Utilities initiated a rate study with Red Oak Consulting, an Arcadis Group, in 2014. The rate study provided the division with various rate recommendations, and

**WHEREAS**, the Division of Power provides primary services to the Department of Public Utilities Jackson Pike and Southerly Wastewater Treatment Plants and the Hap Cremean and Dublin Road Water Plants. These four (4) facilities receive a dedicated circuit that is not provided to any other large industrial customer, and

**WHEREAS**, as part of the rate study recommendations it is reasonable that the Division of Power could create a new customer class for premium service that it provides to the above mentioned department facilities, and

**WHEREAS**, the Division of Power is requesting that a new customer rate class be established in Chapter 1163 and to increase the current energy charge for those facilities by 15%. No other industrial customers will be affected by this increase, and

**WHEREAS**, the Division of Power charges all customers a monthly fixed service charge. The rate study concluded that the City is not competitive with other utilities in regards to the service charge for some commercial accounts and should address higher than normal fixed service charges and,

**WHEREAS**, it is the recommendation of the Division of Power to reduce the service charges for Small Commercial and General Commercial customers, and

**WHEREAS**, by reducing these charges for these customer classes the Division of Power would remain competitive with other public and private utilities, and

**WHEREAS**, therefore, the Division of Power is requesting approval for a reduction of 15% for Small and General Commercial customers, and

**WHEREAS**, the Columbus City Council finds that the rates and new customer class being requested are equitable; **Now, Therefore**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:**

**SECTION 1.** That effective January 1, 2016, Section 1163.06 of the Columbus City Codes be, and is hereby, amended to read as follows:

**1163.06 - Small commercial electric service, Schedule "C-S" (Rate 20A and 22A).**

**Availability:**

Available for general light and power service to consumers using city's standard service for the purposes other than residential use, and whose demand is less than ten (10) KW.

**Type of Service:**

Alternating current, sixty (60) hertz, delivered from the city's secondary distribution systems at nominal voltages of 120, 120/240, 120/208, 240 <[https://www.municode.com/library/oh/columbus/codes/code\\_of\\_ordinances?nodeId=CHTR\\_THECICOOH\\_MIPR\\_S240OPME](https://www.municode.com/library/oh/columbus/codes/code_of_ordinances?nodeId=CHTR_THECICOOH_MIPR_S240OPME)>, 277/480 or 480 volts, single phase, and 120/208, 120/240, 208, 240, 277/480 and 480 volts, 3 phase. Service of at least one of the foregoing characteristics shall be made available to a

customer, the particular service characteristics to be at the option of the city.

Rates:

Applicable to Each Separately Metered Service:

Customer charge: ~~\$71.00~~ **\$60.35**

Energy charge: \$0.1055 per kWh

Power Cost Reserve Adjustment:

The above schedule of charges shall be adjusted in accordance with the Power Cost Reserve Adjustment as set forth in this chapter.

Minimum Charge:

The minimum monthly charge shall be the "Customer Charge."

Delayed Payment Charge:

The above tariff is net if account is paid in full within fifteen (15) days of the date of bill. On all accounts not so paid, an additional charge of five percent (5%) of the total amount billed, but not less than one dollar (\$1.00) will be made.

Service and Contract Provisions:

Each separate point of delivery of service by one of more Metered Services shall be considered a Contract Location and shall be metered and billed under a separate service contract.

Only one Metered Service of each type, as to voltage and phase, will be supplied to a consumer under this Schedule at one Contract Location. Where two or more services are supplied to a consumer at one Contract Location, said services, within the limitations above stated, may be combined in one service contract under this schedule, or may be served under separate contracts under this or other applicable schedules, at the consumer's option.

Term of Contract: Unless otherwise provided, the term of contract for service under this schedule shall not be less than one (1) year.

**SECTION 2.** That effective January 1, 2016, Section 1163.065 of the Columbus City Codes be, and is hereby, amended to read as follows:

**1163.065 - Commercial electric service, Schedule "C" (Rate 20, 22, and 39).**

Availability:

Available for general light and power service to consumers using city's standard service for the purposes other than residential use with a maximum demand in excess of ten (10) KW.

Type of Service:

Alternating current, sixty (60) hertz, delivered from the city's secondary distribution systems at nominal voltages of 120, 120/240, 120/208, 240, 277/480 or 480 volts, single phase, and 120/208, 120/240, 208, 240, 277/480 and 480 volts, 3 phase. Service of at least one of the foregoing characteristics shall be made available to a customer, the particular service

characteristics to be at the option of the city.

Rates:

Applicable to Each Separately Metered Service:

Customer charge: ~~\$66.00~~ **\$56.10**

Demand charge: \$15.37 per kW

Energy charge: \$0.0420 per kWh

Power Cost Reserve Adjustment:

The above schedule of charges shall be adjusted in accordance with the Power Cost Reserve Adjustment as set forth in this chapter.

Minimum Charge:

The minimum monthly charge per meter for service shall be the "Customer Charge."

Delayed Payment Charge:

The above tariff is net if account is paid in full within fifteen (15) days of the date of bill. On all accounts not so paid, an additional charge of five percent (5%) of the total amount billed, but not less than one dollar (\$1.00) will be made.

Determination of Maximum Demand:

The maximum demand shall be the sum of the individual demands of each metered service supplied under the provisions of this schedule.

The individual demand of each metered service shall be determined either as the measured demand or as estimated demand derived from the connected load, as defined herein.

The maximum demand in any month shall not be less than the greater of (a) the maximum recorded demand for the current month or (b) the minimum billing demand, if any, specified in the service contract.

Each separate point of delivery of service by one or more Metered Services shall be considered a Contract Location and shall be metered and billed under a separate service contract.

Only one Metered Service of each type, as to voltage and phase, will be supplied to a consumer under this Schedule at one Contract Location. Where two or more services are supplied to a consumer at one Contract Location, said services, within the limitations above stated, may be combined in one service contract under this schedule, or may be served under separate contracts under this or other applicable schedules, at the consumer's option.

Term of Contract:

Unless otherwise provided, the terms of contract for service under this Schedule shall not be less than one (1) year.

**SECTION 3.** That effective January 1, 2016, of the Columbus City Codes will be supplemented with the enactment of a new Section 1163.077 and is hereby amended to read as follows:

**1163.077 - Premium Large commercial and industrial primary electric service, Schedule "LCI-PP" (Rate 23PP).**

**Availability: Available for general light and power use to the customers generally establishing maximum demand in excess of fifty (50) KW.**

**Type of Service: Alternating current, sixty (60) hertz, delivered from the city's electric distribution system at nominal voltages of 2300, 7200, 13,200, 13,800, and 14,400 volts, three phase. Service of at least one (1) of the foregoing characteristics shall be available to a customer, the particular service characteristics to be at the option of the city.**

**Rates:**

**Applicable to Each Separately Metered Service:**

**Customer charge: \$120.00**

Demand charge: \$17.84 per kW

Energy charge: \$0.04462 per kWh

Power Cost Reserve Adjustment: The above schedule of charges shall be adjusted in accordance with the power cost reserve adjustment as set forth in this chapter.

Minimum Charge: The minimum monthly charge shall be equivalent to the applicable demand charge applied to the maximum demand.

Delayed Payment Charge: The above tariff is net if account is paid within fifteen (15) days of date of bill. On all accounts not so paid, an additional charge of five (5) percent of the total amount billed, but not less than one dollar (\$1.00) will be made.

Determination of Maximum Demand: The maximum demand shall be the sum of the individual demands of each metered service supplied under the provisions of this schedule.

The individual demand of each metered service shall be determined either as the measured demand or as estimated demand derived from the connected loads.

At the request of a consumer whose measured demand during off-peak hours normally exceeds measured demand during on-peak hours, the city will install metering equipment to determine the measured demand during both on-peak and off-peak hours. The total installed cost of such metering equipment in excess of the cost of the metering equipment that is necessary to determine a consumer's single highest measured demand during the month will be paid for by the consumer.

For those consumers whose measured demand is determined during both on-peak and off-peak hours, maximum demand in any month shall be the greater of:

- (a) The measured demand during on-peak hours of the current month; or
- (b) The minimum billing demand, if any, specified in the service contract; or
- (c) Fifty (50) KW.

For all other consumers, all hours are considered as on-peak hours.

Excess Demand: The excess demand in any month shall be the amount by which the measured demand during off-peak hours of the current month exceed the maximum demand for the month.

Service and Contract Provisions: Each separate point of delivery of service by one or more metered services shall be considered a contract location and shall be metered and billed under a separate service contract.

Only one metered service of each type, as to voltage and phase, will be supplied to a consumer under this schedule at one (1) contract location. Where two (2) or more services are supplied to a consumer at one (1) contract location, said services, within the limitations above stated, may be combined in one (1) service contract under this schedule, or may be served under separate contracts under this or other applicable schedules, at the consumer's option.

Term of Contract: Unless otherwise provided, the term of contract for service under this schedule shall not be less than one (1) year.

**Unless otherwise provided, the term of contract for service under this Schedule shall not be less than one (1) year.**

**SECTION 4.** That effective January 1, 2016, existing Section 1163.06 of the Columbus City Codes be, and is hereby, repealed.

**SECTION 5.** That effective January 1, 2016, existing Section 1163.065 of the Columbus City Codes be, and is hereby, repealed.

**SECTION 6.** That effective January 1, 2016, Section 1163.077 of the Columbus City Codes be, and is hereby, enacted.

**SECTION 7.** That this ordinance shall take effect and be in force from and after the earliest period allowed by law.