

ORDINANCE NO. 166, 2011
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING CHAPTER 26
OF THE CODE OF THE CITY OF FORT COLLINS
TO REVISE ELECTRIC RATES, FEES AND CHARGES

WHEREAS, the City Council is empowered and directed by Article XII, Section 6, of the City Charter to fix, establish, maintain and provide for the collection of such rates, fees or charges for utility services furnished by the City as will produce revenues sufficient to pay the costs, expenses and other obligations of the electric utility, as set forth therein; and

WHEREAS, Platte River Power Authority costs are increasing due to reduced surplus sales, increased operating costs for aging plants and environmental mitigation, increased natural gas expenses for peaking plants, increased financing costs, and continuing capital investment; and

WHEREAS, Platte River Power Authority will increase the City's wholesale cost of power approximately 6.4% in 2012; and

WHEREAS, the revenues in the Light and Power Fund have not been sufficient to fund capital projects and system replacements and reserves have been utilized to make up for the shortfall; and

WHEREAS, the reduction in reserves was accelerated due to reductions in interest revenue and development fee revenue; and

WHEREAS, without additional rate increases, reserves are projected to fall below minimum policy levels as early as 2013; and

WHEREAS, a 6% rate increase to the residential energy service rate will adequately fund additional purchase power and the necessary capital improvements and system replacements and stem the decline in reserves; and

WHEREAS, City Council desires to enact rate structures to encourage additional energy conservation measures in order to meet Energy Policy and Climate Action Plan goals; and

WHEREAS, the proposed rate structure will change the current flat rate structure into a seasonal, three-tier rate structure that results in a higher rate per kilowatt hour in the summer months combined with a tiered rate structure; and

WHEREAS, the proposed increases are to be effective on all billings issued with meter readings on or after February 1, 2012; and

WHEREAS, based on the foregoing, it is the desire of the City Council to amend Chapter 26 of the City Code to revise the residential energy rate.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That Sections 26-464(c), (j) and (o) of the Code of the City of Fort Collins are hereby amended to read as follows:

Sec. 26-464. Residential energy service, schedule R.

...

(c) *Monthly rate.* The monthly rates for this schedule are as follows:

- (1) fixed charge, per account: four dollars and forty-eight cents (\$4.48).
- (2) distribution facilities charge, per kilowatt-hour: two and fifty-six hundredths cents (\$0.0256).
- (3) energy and demand charge, during the summer season billing months of June, July and August, with the summer season billing month determined by the month the meter is read, and provided that no customer shall be billed more than three (3) full billing cycles at the summer rate. The energy and demand charge shall be billed as follows:
 - a. for the first 500 kilowatt hours per month, per kilowatt hour: five and thirty-one one-hundredths cents (\$0.0531).
 - b. for the next 500 kilowatt hours per month, per kilowatt hour: six and eighty-nine one-hundredths cents (\$0.0689).
 - c. for all additional kilowatt hours per month, per kilowatt hour: ten and five one-hundredths cents (\$0.1005).
- (4) energy and demand charge, during the non-summer season billing months of January through May and September through December:
 - a. for the first 500 kilowatt hours per month, per kilowatt hour: four and eighty-two one-hundredths cents (\$0.0482).
 - b. for the next 500 kilowatt hours per month, per kilowatt hour: five and twenty one-hundredths cents (\$0.0520).
 - c. for all additional kilowatt hours per month, per kilowatt hour: six and three one-hundredths cents (\$0.0603).

- (5) in lieu of taxes and franchise: a charge at the rate of six and zero-tenths (6.0) percent of all monthly service charges billed pursuant to this Section.

...

(j) *Parallel generation.* Operation or connection of any electric generator in parallel with the utility system is not permitted under this schedule unless authorized by the General Manager. See appropriate alternate schedules for this service. The credit for the energy delivered to the electric utility under this provision shall be provided at applicable Platte River Power Authority avoided cost rates. If a customer is receiving net metering service, such customer's service shall also be governed by the net metering service terms and conditions described in Subsection (o) below.

...

(o) *Net metering.*

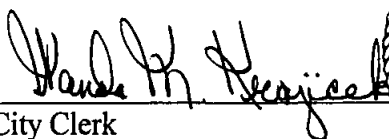
...

- (5) The customer-generator's consumption of energy from the utility shall be measured on a monthly basis and, in the event that the qualifying facility has produced more electricity than the customer-generator has consumed, the customer-generator shall receive a monthly credit for such production. During the second calendar quarter of each year, the customer-generator shall receive payment for the net excess generation accrued for the preceding twelve (12) months. The credit per kilowatt hour for the energy delivered to the electric utility under this provision shall be provided at the summer season energy charge as specified in Subsection (c).


Section 2. That the amendments to Chapter 26 of the City Code contained herein shall go into effect for all bills issued based on meter readings on or after February 1, 2012.

Introduced, considered favorably on first reading, and ordered published this 15th day of November, A.D. 2011, and to be presented for final passage on the 6th day of December, A.D. 2011.

ATTEST:


City Clerk

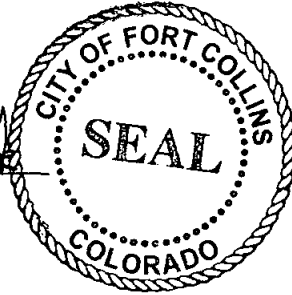



Mayor

Passed and adopted on final reading on the 6th day of December, A.D. 2011.

ATTEST:

Kendra M. Rejcek
City Clerk



Karen Weikert
Mayor