

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2012-20

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL CODE SECTION 15.01.020 ENTITLED “ELECTRICAL RATES” BY INCREASING RATES FOR ALL CUSTOMER CLASSES TO FUND VOTER APPROVED IMPROVEMENTS FOR THE BLUE LAKE HYDROELECTRIC EXPANSION PROJECT AND IMPLEMENTING A STRUCTURE FOR RESIDENTIAL CLASS CUSTOMERS TO PROMOTE ENERGY CONSERVATION, AND ALSO AMENDING SITKA GENERAL CODE SECTION 15.01.030 ENTITLED “BILLING – CREDIT – DEPOSIT – FEES” TO INCREASE EMERGENCY ELECTRIC SERVICE CHARGES

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code (“SGC”).

2. **SEVERABILITY.** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstance shall not be affected.

3. **PURPOSE.** This ordinance will increase the electrical rates for all consumer classes at SGC 15.01.020 based on the cost of service and provide sufficient revenues to meet all fiscal requirements to complete approved electrical utility capital projects, including the Blue Lake Hydroelectric Expansion Project. The ability to acquire reasonable cost financing for these projects requires electric rate increases to meet revenue bond covenants and financial margins. Further, the continued high cost of heating oil has resulted in residential customers significantly increasing electrical consumption. This unprecedented load growth has contributed to the full utilization of limited hydroelectric generation and the requirement to operate expensive diesel generation to meet system demand. The new rate structure is added to SGC 15.01.020 and is designed to encourage energy conservation by charging more for increased consumption.

This ordinance also increases the emergency electric service charges found at SGC 15.01030.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC 15.01.020 is amended as follows (new language underlined; deleted language stricken):

**Chapter 15.01
ELECTRIC UTILITY POLICIES**

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15.01.020 Electrical rates.

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B. Residential Services.

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2. Energy Charges.

<u>First 1,000 kWh</u>	<u>\$0.0800 per kWh</u>
<u>1,001 to 2,000 kWh</u>	<u>\$0.0850 per kWh</u>
<u>2,001 to 3,000 kWh</u>	<u>\$0.1200 per kWh</u>
<u>Over 3,001 kWh</u>	<u>\$0.1600 per kWh</u>
<u>Customer Charge is \$15 per Month – Minimum Bill Charge is \$35.00 per month</u>	

<u>First 200 kWh</u>	<u>\$0.1417 per kWh</u>
<u>201 kWh to 1,000 kWh</u>	<u>\$0.0801 per kWh</u>
<u>Over 1,000 kWh</u>	<u>\$0.0918 per kWh</u>
<u>Minimum Charge is \$21.25 per month.</u>	

C. General Service – (Commercial, Industrial and Government.)

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2. Energy Charges.

<u>First 500 kWh</u>	<u>\$0.1417 \$0.0755 per kWh</u>
<u>501 kWh to 10,000 kWh</u>	<u>\$0.0900 \$0.0903 per kWh</u>
<u>10,001 kWh to 100,000 kWh</u>	<u>\$0.0900 \$0.0850 per kWh</u>
<u>Over 100,001 kWh</u>	<u>\$0.0900 \$0.0750 per kWh</u>
<u>Customer Charge is \$39.00 - Minimum Bill charge is \$50.00 \$21.25 per month</u>	

3. Demand Charges.

<u>First 25 kW</u>	<u>No Charge</u>
<u>Over 25 kW</u>	<u>\$4.50 \$3.90 per kW</u>

D. Boat Service.

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2. Energy Charges.

First 150 kWh	\$0.1090 \$0.1417 per kWh
All additional kWh	\$0.1090 \$0.0953 per kWh
Customer Charge is \$6.75 - Minimum Bill Charge is \$21.25 per month	

E. Street and Security Light Service.

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2. Rate per Month. This fee is in addition to the actual installation charges required for installing the desired fixture.

Monthly unmetered street or security light energy rate is calculated as follows:

(0.482 kWh per lamp watt) times (the wattage of the lamp) = kWh per month.	
Example: 0.482 kWh x 100 Watt lamp = 48 kWh per month.	
Monthly energy rate is: kWh per month times \$0.1552 \$0.1417 per kWh	
kWh per month x \$0.1552 \$0.1417 /kWh = \$7.45 \$6.80 per month energy rate	
Typical lamp energy rates:	
70 Watt	\$5.23 per month
100 Watt	\$7.45 \$6.80 per month
150 Watt	\$11.17 \$10.20 per month
175 Watt	\$13.04 \$11.91 per month
250 Watt	\$18.63 \$17.01 per month
400 Watt	\$29.95 \$27.35 per month
1,000 Watt	\$74.81 \$68.32 per month

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F. Interruptible Service – Large Customer.

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3. Rate per Month. Basic customer charge for each month or portion of a month: one hundred dollars.

Energy Charge. The energy charge for all kilowatt-hours shall be 0.0317 times the city and borough's price per gallon for number 2 heating oil, assuming an overall oil heating system efficiency of seventy percent and the use of the price paid by the city and borough of Sitka for number 2 heating oil for all of the city and borough-owned buildings. The rate will vary monthly with the price paid by the city and borough of Sitka for number 2 heating oil for all city-owned buildings. The maximum energy charge for all kilowatt hours under this rate shall be nine ~~eight~~ cents per kilowatt hour.

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15.01.030 Billing – Credit – Deposits - Fees.

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E. Service Charges.

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3. There will be a separate two-hundred ten dollar service charge for the following types of emergency electrical service:

- a. Reconnecting electrical service disconnected due to nonpayment outside the hours of eight a.m. to four p.m., Monday through Friday including holidays.
- b. An electrical service trouble call outside the hours of eight a.m. to four p.m., Monday through Friday, if determined to be the fault or the responsibility of the customer.


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5. **EFFECTIVE DATE.** This ordinance shall become effective on September 1, 2012.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 10th day of July, 2012.


Cheryl Westover, Mayor

ATTEST:


Colleen Ingman, MMC
Municipal Clerk