

ORDINANCE NO. 23-12

AN ORDINANCE AMENDING SECTIONS 15.20.150, 15.20.170, 15.20.180, 15.20.190, 15.20.200, 15.20.210, 15.20.220, 15.20.230, AND 15.20.240 OF THE MURRAY CITY MUNICIPAL CODE RELATING TO POWER RATE INCREASES AND CHANGES TO APPLICABLE ELECTRICAL SERVICE SCHEDULES.

PREAMBLE

Due to various factors including energy market volatility, natural gas price increases and transportation and storage issues, drought conditions, and restrictions to hydro and coal fired production, the City has experienced a dramatic rise in energy prices. Power generation, transmission, and distribution costs are some of the largest expenses for the City and are expected to continue to increase more than previously anticipated. As a result of this increase in costs associated with providing power to City residents and business, it has become necessary to adjust the City's power rates to cover the increased cost of generating and delivering power within the City. This rate increase is necessary to maintain the current level of service, and to help fund capital improvement projects needed to update aging infrastructure.

The City contracted with Dave Berg Consulting, Inc. ("Berg Consulting"), a third-party consulting firm, to review the current state of utility rates in the City and evaluate the City's needs going forward. Berg Consulting has previously done work for the City and is familiar with the City's demographics, rate structure, and needs. Based on its evaluation of the City's existing rates, budgets, power costs, and market volatility, Berg Consulting has made recommendations to the City for the following proposed rate changes.

BE IT ENACTED BY THE MURRAY CITY MUNICIPAL COUNCIL:

Section 1. Purpose. The purpose of this ordinance is to amend Sections 15.20.150, 15.20.170, 15.20.180, 15.20.190, 15.20.200, 15.20.210, 15.20.220, 15.20.230, and 15.20.240 of the Murray City Municipal Code relating to Electrical Service Schedules.

Section 2. Amendments to the Electric Service Schedules of Sections 15.20.150, 15.20.170, 15.20.180, 15.20.190, 15.20.200, 15.20.210, 15.20.220, 15.20.230, and 15.20.240 of the Murray City Municipal Code. Sections 15.20.150, 15.20.170, 15.20.180, 15.20.190, 15.20.200, 15.20.210, 15.20.220, 15.20.230, and 15.20.240 of the Murray City Municipal Code shall be amended to read as follows:

Chapter 15.20 ELECTRICAL REGULATIONS

15.20.150: ELECTRIC SERVICE SCHEDULE 1; RESIDENTIAL SERVICE:

B. Rates. Monthly billings shall equal the sum of the following charges:

	Effective Date		
	Aug. 1, 2023	Aug. 1, 2024	Aug. 1, 2025
Customer charge:			
Per meter, per billing period	\$6.00	\$8.00	\$10.00
Energy charge:			
Peak season (April through September, inclusive):			
First 600 kWh, per kWh	\$0.0952	\$0.1048	\$0.1164
All extra kWh, per kWh	\$0.1050	\$0.1151	\$0.1267
Off peak season (October through March, inclusive):			
All kWh, per kWh	\$0.0952	\$0.1048	\$0.1164

15.20.170: ELECTRIC SERVICE SCHEDULE 3; GENERAL SERVICE SMALL:

B. Rates. Monthly billings shall equal the sum of the following charges:

	Effective Date		
	Aug. 1, 2023	Aug. 1, 2024	Aug. 1, 2025
Customer charge:			
Per meter, per billing period	\$ 11.00	\$ 13.00	\$ 15.00
Energy charge:			
First 1,500 kWh, per kWh	\$0.0981	\$0.1033	\$0.1090
All extra kWh, per kWh	\$0.0525	\$0.0576	\$0.0633
Demand charge:			
Peak season (April through September, inclusive):			
All kW above 5 kW, per kW	\$12.49	\$12.49	\$12.49

$$PCA = \frac{SPC}{RE} - 0.0608$$

Where	
PCA	= Power Cost Adjustment per kWh
SPC	= Actual Supply Power Cost for net purchases (purchases less sales) and self-generated power in dollars for the most recent month.
RE	= Actual monthly retail energy sales for the same month in kWh
0.0608	= Base Dollars per kWh

D. Calculation: The City shall recalculate the PCA each month, and the resulting values for these charges shall be automatically implemented on the following billing cycle.

Section 3. Effective date. This Ordinance shall take effect on August 1, 2023.

PASSED, APPROVED AND ADOPTED by the Murray City Municipal Council on this 18th day of July 2023.



MURRAY CITY MUNICIPAL COUNCIL

A handwritten signature in black ink, appearing to read "Garry Hrechkosy".

ATTEST:

A handwritten signature in black ink, appearing to read "Brooke Smith".

Brooke Smith, City Recorder

Transmitted to the Office of the Mayor of Murray City on this 3rd day of
August, 2023.

MAYOR'S ACTION: Approved

DATED this 3rd day of August, 2023



Brett A. Hales, Mayor

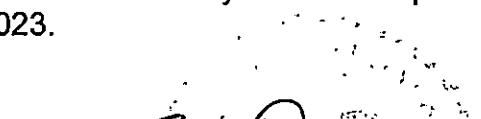
ATTEST:



Brooke Smith, City Recorder

CERTIFICATE OF PUBLICATION

I hereby certify that this Ordinance or a summary hereof was published according to law on the 3rd day of August, 2023.



Brooke Smith, City Recorder

	Off peak season (October through March, inclusive):			
	All kW above 5 kW, per kW	\$11.00	\$11.00	\$11.00

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15.20.180: ELECTRIC SERVICES SCHEDULE 4; SECURITY OUTDOOR LIGHTING:

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B. Rates.

	Effective Date		
	Aug. 1, 2023	Aug. 1, 2024	Aug 1, 2025
150 watt luminaire:			
Per lamp, per billing period	\$19.76	\$22.33	\$25.23
400 watt luminaire:			
Per lamp, per billing period	\$31.36	\$35.74	\$40.39

...
15.20.190: ELECTRICAL SERVICE SCHEDULE 5; RESIDENTIAL ALL ELECTRIC SERVICE:

...
B. Rates. Monthly billings shall equal the sum of the following charges:

	Effective Date		
	Aug. 1, 2023	Aug. 1, 2024	Aug. 1, 2025
Customer charge:			
Per meter, per billing period	\$6.00	\$8.00	\$10.00
Energy charge:			
Peak season (April through September, inclusive):			

First 600 kWh, per kWh	\$0.0866	\$0.0962	\$0.1059
All extra kWh, per kWh	\$0.0962	\$0.1058	\$0.1155
Off peak season (October through March, inclusive):			
First 400 kWh, per kWh	\$0.0828	\$0.0912	\$0.1009
All extra kWh, per kWh	\$0.0633	\$0.0717	\$0.0814

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15.20.200 ELECTRIC SERVICE SCHEDULE 9; MURRAY CITY GOVERNMENTAL FACILITIES:

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B. Rates. Monthly billings shall equal the sum of the following charges:

	Effective Date		
	Aug. 1, 2023	Aug. 1, 2024	Aug 1, 2025
Customer charge:			
Per meter, per billing period	\$11.00	\$13.00	\$15.00
Energy charge:			
First 1,500 kWh, per kWh	\$0. 0757	\$0. 0816	\$0. 0886
All extra kWh, per kWh	\$0.0414	\$0.0473	\$0.0543
Demand charge:			
Peak season (April through September, inclusive):			
All kW above 5 kW, per kW	\$6.92	\$7.59	\$8.25
Off peak season (October through March, inclusive):			
All kW above 5 kW, per kW	\$6.18	\$6.85	\$7.51

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15.20.210: ELECTRIC SERVICE SCHEDULE 8A; CITY STREET LIGHTING

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B. Rates: Monthly billings shall equal the sum of the following charges:

	Effective Date		
	Aug. 1, 2023	Aug. 1, 2024	Aug. 1, 2025
Energy charge:			
All kWh, per kWh	\$0.0903	\$0.1020	\$0.1153

...
15.020.220 ELECTRIC SERVICE SCHEDULE 9; GENERAL SERVICE LARGE:

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B. Rates. Monthly billings shall equal the sum of the following charges:

	Effective Date		
	Aug. 1, 2023	Aug. 1, 2024	Aug. 1, 2025
Customer charge:			
Per meter, per billing period	\$30.00	\$40.00	\$50.00
Energy charge:			
All kWh, per kWh	\$0.0539	\$0.0642	\$0.0759
Demand charge:			
Peak season (April through September, inclusive):			
All kW, per kW	\$13.44	\$13.72	\$14.00
Off peak season (October through March, inclusive):			
All kW, per kW	\$11.72	\$11.86	\$12.00

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15.20.230 ELECTRIC SERVICE SCHEDULE 15; GENERAL SERVICE ULTRA LARGE:

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B. Rates. Monthly billings shall equal the sum of the following charges:

	Effective Date		
	Aug. 1, 2023	Aug. 1, 2024	Aug. 1, 2025
Customer charge:			
Per meter, per billing period	\$45.00	\$70.00	\$100.00
Energy charge:			
All kWh, per kWh	\$0.0474	\$0.0564	\$0.0667
Demand charge:			
Peak season (April through September, inclusive):			
All kW, per kW	\$13.23	\$13.37	\$13.50
Off peak season (October through March, inclusive):			
All kW, per kW	\$11.72	\$11.86	\$12.00

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15.20.240: ELECTRIC SERVICE SCHEDULE 30; POWER COST ADJUSTMENT (PCA):

A. Purpose: The purpose of this section is to enable the City to recover the actual costs incurred in generating and purchasing electric power for use by its customers. The power cost adjustment ("PCA") amount is determined by comparing the City's actual monthly power supply costs to an established base cost. The costs that are covered in the surcharge are costs that are beyond the control of the City. Examples of such costs include certain purchases of electricity that vary based on market conditions, unforeseen catastrophic equipment failures, and other costs that have unexpected increases due to market pressures.

B. Adjustment: If power supply costs do not equal the base projections, an energy charge or a credit will be applied to the kWh's used on the customer's next monthly bill. The PCA per kWh will be calculated according to the formula below.

C. PCA Formula And Definitions: The formula for the PCA shall be as follows: