

TOWN OF EATONVILLE

Agenda Staff Report

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| Agenda Item No.: | _____ | Meeting Date: | <u>June 22, 2015</u> |
| Subject: | <u>Resolution No. 2015 - Q Setting the</u> | Prepared by: | <u>Greg Jacoby</u> |
| | <u>Rates for Electric Service, Energy, and</u> | | <u>Town Attorney</u> |
| | <u>Demand and Repealing Resolution No.</u> | Atty Routing No: | _____ |
| | <u>2004-JJ</u> | Atty Review Date: | <u>June 18, 2015</u> |

Summary: The Town has not increased its electricity rates since 2004. Over the past four months, the public utilities committee has spent time reviewing and evaluating fiscal and rate information relating to the Town's electric utility. Based on its review, the committee recommends adoption of the rate increases set forth in the Resolution. The proposed increases are consistent with the Town's 10-year Electric Utility Strategic Plan prepared by EES Consulting. The base rate covers the fixed operating costs of operating the utility. The energy charge covers the cost of wholesale power, transmission fees, capital expenses, debt service, and taxes. The demand charge is limited to those high energy users who have a demand meter.

Recommendation: Staff recommends adoption of Resolution No. 2015 - Q setting the rates for electric service, energy, and demand and repealing Resolution No. 2004-JJ.

Motion for consideration: I move to adopt Resolution No. 2015 - Q setting the rates for electric service, energy, and demand and repealing Resolution No. 2004-JJ.

Fiscal Impact: If adopted, the rate increase will be effective July 1, 2015.

Attachments: Proposed Resolution No. 2015 - Q

RESOLUTION NO. 2015 - Q

A RESOLUTION OF THE TOWN OF EATONVILLE, WASHINGTON, SETTING THE RATES FOR ELECTRIC SERVICE, ENERGY, AND DEMAND AND REPEALING RESOLUTION No. 2004-JJ

WHEREAS, the Town of Eatonville has not increased its rates for electric service, energy, and demand since 2004 when it adopted Resolution No. 2004-JJ; and

WHEREAS, the Public Utilities Committee has been studying and reviewing information relating to the proposed rate increases over the last four months and the Committee recommends adoption of the proposed rates; and

WHEREAS, the Mayor held two duly noticed informational meetings on June 3 and June 11, 2015 to inform the public about the proposed rate increase and to answer questions; and

WHEREAS, the Town Council has considered the recommendation from the Public Utilities Committee and the questions and comments from the public; and

WHEREAS, the Town Council finds that despite the proposed rate increase, the Town's electricity rates remain competitive with the rates charged by other electric utilities in the area and the additional revenue is needed to help pay operations and maintenance costs for the existing system and to enable the utility to add to its fund balance for long term capital facility improvements; now, therefore;

THE TOWN COUNCIL OF THE TOWN OF EATONVILLE, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

THAT: Resolution No. 2004-JJ is hereby repealed in its entirety.

AND FURTHER THAT: Effective July 1, 2015, the monthly charges for electric service, energy, and demand in the Town of Eatonville shall be as follows:

1. Residential. The monthly rate shall be the sum of the following base, energy, and demand charges:
 - a. Base = \$19.50
 - b. Energy:
 - i. 0 - 1,000 kWh = \$0.05775 per kWh
 - ii. 1,001 - 2,000 kWh = \$0.05858 per kWh
 - iii. Over 2,000 kWh = \$ 0.05968 per kWh

2. Commercial. The monthly rate shall be the sum of the following base, energy, and demand charges:
 - a. Base = \$25.50
 - b. Energy:
 - i. 0 - 5,000 kWh = \$0.05572 per kWh
 - ii. 5,001 - 7,500 kWh = \$0.05775 per kWh
 - iii. Over 7,500 kWh = \$0.05858 per kWh

3. Governmental. The monthly rate shall be the sum of the following base, energy, and demand charges:
 - a. Base = \$56.50
 - b. Energy:
 - i. 0 - 10,000 kWh = \$0.05463 per kWh
 - ii. 10,001 - 20,000 kWh = \$0.05646 per kWh
 - iii. Over 20,000 kWh = \$0.05795 per kWh

4. Demand. Charges for electric energy demand shall be calculated based on the customer's average usage during the 15-minute period of the customer's highest usage during the month. Demand charges shall be as follows:
 - a. There shall be no charge for demand less than 50 kilowatts; and
 - b. For demand in excess of 50 kilowatts, the charge shall be \$4.73 per kWh.

AND FURTHER THAT: This Resolution shall be effective July 1, 2015.

PASSED by the Town Council of Town of Eatonville and attested by the Town Clerk in authentication of such passage this 22nd day of June 2015.

Mike Schaub, Mayor

ATTEST:

Kathy Linnemeyer, Town Clerk