

TOWN OF EATONVILLE

Agenda Staff Report

Agenda Item No.:	_____	Meeting Date:	<u>July 20, 2016</u>
Subject:	<u>Resolution No. 2016 -P Setting the</u>	Prepared by:	<u>Kathy Linnemeyer</u>
	<u>Rates for Electric Service, Energy, and</u>		_____
	<u>Demand and Repealing Resolution No.</u>	Atty Routing No:	_____
	<u>2015-Q</u>	Atty Review Date:	_____

Summary: The Town voted to increase electric rates in July 2015. Before that time there had not been an increase in electricity rates since 2004. During 2015, the public utilities committee spent time reviewing and evaluating fiscal and rate information relating to the Town's electric utility, and the Mayor held two duly noticed informational meetings to inform the public about the proposed rate increase and to answer questions. The review by the Public Utilities Committee and the public informational meetings both discussed and reviewed an overall increase of 5% per year for 2015 and 2016 with an additional review in the Spring of 2017 to review the Electric Fund for ongoing stability. 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. 2016-P setting the rates for electric service, energy, and demand and repealing Resolution No. 2015-Q.

Motion for consideration: I move to adopt Resolution No. 2016-P setting the rates for electric service, energy, and demand and repealing Resolution No. 2015-Q.

Fiscal Impact: If adopted, the rate increase will be effective August 1, 2016.

Attachments: Proposed Resolution No. 2016-P

RESOLUTION NO. 2016-P

**A RESOLUTION OF THE TOWN OF EATONVILLE, WASHINGTON,
SETTING THE RATES FOR ELECTRIC SERVICE, ENERGY, AND
DEMAND AND REPEALING RESOLUTION No. 2015-Q**

WHEREAS, the Town of Eatonville increased its rates for electric service, energy, and demand in July 2015 when it adopted Resolution No. 2015-Q; and

WHEREAS, prior to the adoption of Resolution No. 2015-Q the Town of Eatonville had not increased its rates for electric service, energy, and demand since 2004 when it adopted Resolution No. 2004-JJ; and

WHEREAS, the Finance Committee has reviewed the revenue and fund balances of the Electric Fund since the adoption of Resolution No. 2015-Q and the Committee recommends adoption of the proposed 5% rate increases; 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 proposed increases are consistent with the Town's 10-year Electric Utility Strategic Plan prepared by EES Consulting; and

WHEREAS, the Town Council has considered the recommendation from the Finance Committee; 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. 2015-Q is hereby repealed in its entirety.

AND FURTHER THAT: Effective August 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 = \$20.48
 - b. Energy:

- i. 0 - 1,000 kWh = \$0.060638 per kWh
 - ii. 1,001 - 2,000 kWh = \$0.061509 per kWh
 - iii. Over 2,000 kWh = \$ 0.062664 per kWh

- 2. Commercial. The monthly rate shall be the sum of the following base, energy, and demand charges:
 - a. Base = \$26.78
 - b. Energy:
 - i. 0 - 5,000 kWh = \$0.058506 per kWh
 - ii. 5,001 - 7,500 kWh = \$0.060638 per kWh
 - iii. Over 7,500 kWh = \$0.061509 per kWh

- 3. Governmental. The monthly rate shall be the sum of the following base, energy, and demand charges:
 - a. Base = \$59.33
 - b. Energy:
 - i. 0 - 10,000 kWh = \$0.057362 per kWh
 - ii. 10,001 – 20,000 kWh = \$0.059283 per kWh
 - iii. Over 20,000 kWh = \$0.060848 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 \$4.97 per kWh.

AND FURTHER THAT: This Resolution shall be effective August 1, 2016.

PASSED by the Town Council of Town of Eatonville and attested by the Town Clerk in authentication of such passage this 25th day of July 2016.

Mike Schaub, Mayor

ATTEST:

Kathy Linnemeyer, Town Clerk