

ORDINANCE NO. 068, 2017
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING CHAPTER 26 OF THE CODE OF THE CITY OF FORT
COLLINS REGARDING CALCULATION AND COLLECTION OF
DEVELOPMENT FEES IMPOSED FOR THE CONSTRUCTION
OF NEW OR MODIFIED ELECTRIC SERVICE CONNECTIONS

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, pursuant to City Code Sections 26-473 through 26-475, the City imposes development fees for new or modified electric service connections, including an Electric Capacity Fee and a Building Site Charge; and

WHEREAS, the ECF is a one-time charge designed to recover the initial cost of adding new development to the electric system, and the Building Site Charge (BSC) is designed to recover actual time and materials costs associated with building on site electric facilities at the specific development; and

WHEREAS, the ECF and BSC together represent the total electric plant investment fee (PIF) for new development; and

WHEREAS, during 2016, Electric Utility staff engaged NewGen Strategies to assist in evaluating the calculation and methodology used in setting the ECF and BSC in light of the Utility's costs, the nature of development occurring in the City, and regional municipal utility practice; and

WHEREAS, staff has determined the current methodology assumes greenfield development, looking to square footage, the linear footage that abuts the public right of way, and demand (kilowatt or kW) required to serve the developed site; and

WHEREAS, as the City experiences more redevelopment, mixed use developments and higher density developments, this method fails to appropriately assign capital costs to the new load required to serve developed sites; and

WHEREAS, staff recommends updating the cost allocation methodology used to calculate the ECF and BSC to assign costs based on actual system value, which is the "buy-in" approach used to calculate new or modified service connection fees for water and wastewater services, more accurately reflect the cost of redevelopment in the community, and simplifies administration of the ECF and BSC; and

WHEREAS, based on the foregoing, it is the desire of the City Council to amend Chapter 26 of the City Code to update the methodology for calculating and applying the Electric Capacity Fee and a Building Site Charge for new or modified electric service connections.

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

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That Section 26-474(b) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-474. Residential electric development fees and charges.

...

(b) The ECF shall be the total of the, dwelling unit charge and systems modification charge, to be determined as follows:

(1) The dwelling unit charge shall be as follows:

a. For a single-family panel size with one hundred fifty (150) amp service (nonelectric heat), per dwelling unit	\$1,537
b. For a single-family panel size with two hundred (200) amp service	\$1,879
c. For a single-family with electric heat, per dwelling unit	\$2,508
d. For a multi-family panel size with two hundred (200) amp service or with one hundred fifty (150) amp service (non-electric heat), per dwelling unit	\$1,350
e. For a multi-family panel size with two hundred (200) amp service or with one hundred fifty (150) amp service with electric heat, per dwelling unit	\$2,066

(2) A system modifications charge will apply when a new or modified service will require infrastructure in addition to or different from the standard base electrical system model. The differential costs associated with such system modifications will be included in the calculated ECF.

...

Section 3. That Section 26-474(d) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-474. Residential electric development fees and charges.

...

(d) A Building Site Charge ("BSC") for any new or modified residential service shall consist of the total of the applicable charges as described in this Subsection (d), and shall be paid as specified herein.

...

(2) When any new or modified residential service requires installation by the Utility of secondary service the BSC shall include a secondary service charge (SSC), and shall be paid at the time of building permit and based upon the current rates as of the time of issuance of the building permit. The SSC for single-family and duplex residences shall be the total of the secondary service charges, determined as follows:

a. The secondary service charge shall be as follows:

<i>Secondary Service Size</i>	<i>Charge (up to 65 feet)</i>	<i>Plus Per-Foot Charge for Each Foot Over 65</i>
4/0 service	1,143.00	7.05/Foot
4/0 Mobile Home Service	932.00	N/A

...

(4) Any single-phase residential service over two hundred (200) amps shall be considered a non-residential service.

Section 4. That Section 26-475(b) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-475. Nonresidential electric development fees and charges.

...

(b) The ECF shall be the total of the kVA service charge and systems modification charge, to be determined as follows:

(1) The kVA service charge shall be determined as follows.

a. For customer electric loads served by the utility, the kVA service charge shall be calculated as follows:

ECF shall be calculated as follows:	
secondary metered services	$\$/kW = 320.31 + 21 \times \ln(kW)$
primary metered services	$\$/kW = 212.78 + 7.89 \times \ln(kW),$
Where ln is the natural logarithm	
kW is calculated as follows:	
three phase services	$kW = A \times V \times \text{SQRT}(3) \times \text{PF} \times 0.3$
single phase services	$kW = A \times V \times \text{PF} \times 0.3$
Where A is the requested amperage. V is requested line to line voltage. PF is the power factor, which is assumed to be 0.9.	

(2) A system modifications charge will apply when a new or modified service will require infrastructure in addition to or different from the standard base electrical system model. The differential costs associated with such system modifications will be included in the calculated ECF.

...

Section 5. That Section 26-475(d) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-475. Nonresidential electric development fees and charges.

...

(d) A Building Site Charge ("BSC") for extending primary circuitry to the transformer for any new or modified nonresidential service shall be invoiced and paid in the same manner and at the same time as the ECF is invoiced and paid pursuant to Section 26-475(a). The BSC shall be the total of the primary circuit charge, transformer installation charge and any additional charges, determined as follows:

(1) The primary circuit charge for service from the utility source to the transformer shall be as follows:

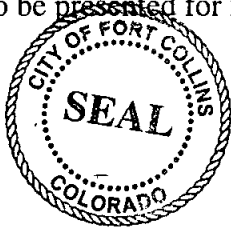
a. For single-phase service, per foot of primary circuit	9.12
b. For three-phase service, per foot of primary circuit	16.58

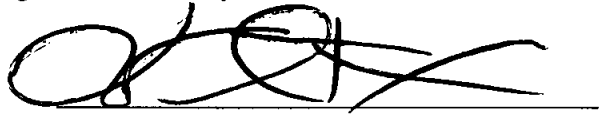
(2) The transformer installation charge shall be as follows:

a. For single-phase service, per transformer	1,153.19
b. For three-phase service, per transformer	2,458.14

Section 6. That the amendments to Chapter 26 of the City Code contained herein shall go into effect for all new or modified electric service connections on October 1, 2017.

Introduced, considered favorably on first reading, and ordered published this 16th day of May, A.D. 2017, and to be presented for final passage on the 6th day of June, A.D. 2017.



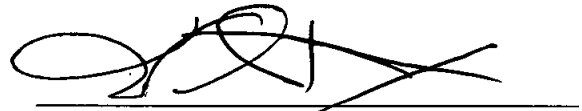

Mayor

ATTEST:


City Clerk

Passed and adopted on final reading on the 6th day of June, A.D. 2017.




Mayor

ATTEST:


City Clerk