

ORDINANCE NO. 054, 2018
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING CHAPTER 26 OF THE CODE OF THE CITY OF FORT
COLLINS TO ADOPT DISCOUNTS APPLICABLE TO WATER,
WASTEWATER AND ELECTRIC RATES, FEES, AND CHARGES
APPLIED UNDER AN INCOME-QUALIFIED ASSISTANCE PROGRAM

WHEREAS, the City Council is empowered and directed by Article XII, Section 6 of the Charter of the City of Fort Collins, to by ordinance from time to time 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 as set forth therein; and

WHEREAS, the rates, fees or charges for utility services set forth herein are necessary to produce sufficient revenues to provide the utility services described herein; and

WHEREAS, the revenue from the rates, fees or charges for utility services set forth herein shall be used to defray the costs of providing such utility services as required by the Charter and the City Code; and

WHEREAS, as presented at the January 30, 2018, City Council work session, staff has identified benefits available through an Income-Qualified Assistance Program ("IQAP") that improves adoption of conservation practices by qualifying low-income ratepayers who "opt-in" to receive discounts that produce reasonable utility bill affordability; and

WHEREAS, based on direction provided by the City Council on January 30, 2018, staff developed optimal program components, requirements, and utility service discounts for residential water, wastewater, and electric services, as further set forth herein; and

WHEREAS, Utilities Services staff has recommended a stepped rollout of an IQAP to produce data for City Council on specific utility purpose goals, including ensuring the discount accounts for state and regional programs already offering similar benefits to qualifying participants, achieving tangible and sustainable efficiency and conservation improvements at participant addresses, and verifying and improving the City's understanding of low-income efficiency and conservation locations on which to focus outreach and monitoring efforts; and

WHEREAS, Articles III, IV, and VI of Chapter 26 of the City Code establish the water, wastewater, and electric utilities as utility services furnished by and respective enterprises of the City; and

WHEREAS, staff designed proposed IQAP rates in consideration of regional discounts available to low-income utility customers, including Larimer County's Low-income Energy Assistance Program (LEAP), and City Charter and Code requirements that utility rates generate sufficient revenues to provide the utility services described herein; and

WHEREAS, the Water Board considered proposed water and wastewater-related rate adjustments for IQAP initially on June 2, 2016 and again at its April 5, 2018 regular meeting, and recommended approval of the proposed adjustments; and

WHEREAS, the Energy Board considered proposed electric-related rate adjustments for IQAP customers on February 4, 2016, and provided recommendations of approval to City Council on May 3, 2016; and

WHEREAS, based on the foregoing, City Council desires to amend Chapter 26 of the City Code to adjust the scope and rate of the electric and water-related rates, fees, and charges as set forth herein.

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

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

Section 2. That Section 26-127(a) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-127. - Schedule B, meter rates.

(a) *Residential rates.*

(1) Residential customers with one (1) dwelling unit shall pay the sum of the following changes:

a. Base monthly charge for residential customers with one (1) dwelling unit	\$16.86
b. Quantity monthly charge for residential customers with one (1) dwelling unit (volumetric)	
Tier 1 - For the first seven thousand (7,000) gallons used per month, per one thousand (1,000) gallons	\$2.611
Tier 2 - For the next six thousand (6,000) gallons used per month, per one thousand (1,000) gallons	\$3.000
Tier 3 - For all additional gallons used per month, per one thousand (1,000) gallons	\$3.451
c. Income-qualified assistance discount. Discount applied to monthly base and Tier 1 volumetric charges for IQAP participating residential customers in properties with one (1) dwelling unit, as further described in Section 26-724 of the Code.	23 percent

(2) Residential customers with two (2) dwelling units shall pay the sum of the following charges:

a. Base monthly charge for residential customers with two (2) dwelling units	\$17.74
b. Quantity monthly charge for residential customers with two (2) dwelling units (volumetric)	
Tier 1 - For the first nine thousand (9,000) gallons used per month, per one thousand (1,000) gallons	\$2.253
Tier 2 - For the next four thousand (4,000) gallons used per month, per one thousand (1,000) gallons	\$2.589
Tier 3 - For all additional gallons used per month, per one thousand (1,000) gallons	\$2.979
c. Income-qualified assistance discount. Discount applied to monthly base and Tier 1 volumetric charges for IQAP participating residential customers in properties with two (2) dwelling units, as further described in Section 26-724 of the Code.	23 percent

(3) Residential customers with more than two (2) dwelling units shall pay the sum of the following charges:

a. Base monthly charge for residential customers with more than two (2) dwelling units	
First dwelling unit	\$12.75
Second and each additional dwelling unit	\$4.24
b. Quantity monthly charge for residential customers with more than two (2) dwelling units (volumetric)	
Winter - per one thousand (1,000) gallons used in the winter season months of November through April	\$1.853
Summer - per one thousand (1,000) gallons used in the summer season months of May through October	\$2.316
The meter reading date shall generally determine the seasonal monthly quantity charge; however, no customer shall be billed more than six (6) full billing cycles at the summer quantity charge.	
c. Income-qualified assistance discount. A discount applied to the monthly base and volumetric charges above for IQAP participating residential customers in properties with more than two (2) dwelling units who hold water and wastewater service accounts in their own names, subject to Section 26-724 of the Code.	23 percent

Section 3. That Section 26-280 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-280. Service charges established by category.

The schedule of rates for each category described in § 26-279 shall be as follows:

<i>Category</i>	<i>Class of Customer</i>	<i>Rate</i>	
A	Single-family residential user (flat rate)	Per month	\$40.05
	Single-family residential user (metered water use)	1. Per month (base)	\$17.90
		2. Plus, per 1,000 gallons per month (volumetric)	\$3.477
		3. Income-qualified assistance discount. Discount applied to monthly base and volumetric charges for IQAP participating residential customers, as further described in Section 26-724 of the Code.	23 percent
		<p>Note:</p> <p>1. For single family customers who have not yet established a winter quarter water use at the service address, a system average of 4,000 gallons per month shall be billed.</p> <p>2. After establishment of a winter quarter water use at the service address, the monthly amount billed shall be based on a minimum of 3,000 gallons per month.</p>	
B	Duplex (two-family) residential users (flat rate)	1. Per month (base)	\$55.41
		2. Income-qualified assistance discount. Discount applied to monthly base charge for IQAP participating residential customers, as further described in Section 26-724 of the Code.	23 percent
	Duplex (two-family) residential users (metered water use)	1. Per month (base)	\$20.52
		2. Plus, per 1,000 gallons per month, to be calculated on a monthly basis (volumetric)	\$3.081
		3. Income-qualified assistance discount. Discount applied to monthly base and volumetric charges for IQAP participating residential customers, as further described in Section 26-724 of the Code.	23 percent

		<p>Note:</p> <ol style="list-style-type: none"> 1. For duplex customers who have not yet established a winter quarter water use at the service address, a system average 6,200 gallons shall be billed. 2. After establishment of a winter quarter use at the service address, the monthly amount billed shall be based on a minimum of 4,000 gallons per month. 	
C	Multi-family residential user (more than two dwelling units including mobile home parks) and winter quarter based nonresidential user	1. Base charge per month per dwelling unit served (base)	\$2.75
		2. Plus, per 1,000 gallons per month (volumetric)	\$3.498
		3. Income-qualified assistance discount. Discount applied to monthly base and volumetric charges for IQAP participating residential customers in properties with more than two (2) dwelling units who hold water and wastewater service accounts in their own names, subject to Section 26-724 of the Code.	23 percent
		<p>Note:</p> <ol style="list-style-type: none"> 1. For multi-family customers who have not yet established a winter quarter water use at the service address, a system average of 3,200 gallons per living unit shall be billed. However, Category D rates will apply to multi-family residential units under construction during the period of service from the installation of the water meter to the date the certificate of occupancy is issued. 2. After establishment of a water quarter use at the service address, the monthly amount billed shall be per 1,000 gallons of winter quarter water use, calculated on a monthly basis. 	
	...		

Section 4. That the table contained in Section 26-464(c)(2) of the Code of the City of Fort Collins are hereby amended and renumbered to read as follows:

Sec. 26-464. Residential energy service, schedule R.

(c) *Monthly rate.*

(2) ...

a. Fixed Charge	Per account	\$5.81
b. Distribution facilities charge	Per kWh	\$0.0197
c. Energy and demand charge		
1. Summer. For billings based on consumption during the months of May, June, July, August, and September		
(a) On-Peak (Mon-Fri, 2 pm to 7 pm, excluding holidays)	Per kWh	\$0.2015
(b) Off-Peak	Per kWh	\$0.0428
2. Non-summer. For billings based on consumption during the months of January through April and October through December.		
(a) On-Peak (Mon-Fri, 5 pm to 9 pm, excluding holidays)	Per kWh	\$0.1788
(b) Off-Peak	Per kWh	\$0.0411
d. Energy efficiency tier charge, per kilowatt hour for total consumption over 700 kWh in a billing month (regardless of on-peak or off-peak)	Per kWh	\$0.0166
e. Payment in lieu of taxes (PILOT) and franchise. A charge based on all monthly service charges billed pursuant to this Section		6 percent
f. Income-qualified assistance discount. Discount applied to monthly charges in "a.", "b.", and "c." for IQAP participating residential customers, as further described in Section 26-724 of the Code.		23 percent

Section 5. That the table contained in Section 26-465(c)(2) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-465. Residential demand service, schedule RD.

(c) *Monthly rate.*

(2) ...

a. Fixed Charge	Per account	\$5.81
b. Distribution facilities charge	Per kWh	\$0.0257
c. Energy and demand charge		
1. Summer. For billings based on consumption during the months of May, June, July and August, and September		
a) On-Peak (Mon-Fri, 2 pm to 7 pm, excluding holidays)	Per kWh	\$0.2015

b) Off-Peak	Per kWh	\$0.0428
2. Non-summer. For billings based on consumption during the months of January through April and October through December.		
a) On-Peak (Mon-Fri, 5 pm to 9 pm, excluding holidays)	Per kWh	\$0.1788
b) Off-Peak	Per kWh	\$0.0411
d. Payment in lieu of taxes (PILOT) and franchise. A charge based on all monthly service charges billed pursuant to this Section		6 percent
e. Income-qualified assistance discount. The discount applied to the monthly charges in "a.", "b.", and "c." above for IQAP participating residential customers, as further described in Section 26-724 of the Code.		23 percent

Section 6. That a new Section 26-724 is added to the Code of the City of Fort Collins to read as follows:

Sec. 26-724. Residential Income-Qualified Assistance Program.

(a) *Purpose.* To benefit ratepayers of the affected Utilities by enabling residents with household incomes below a certain level to commit a reasonable level of household income to monthly utility bills and in doing so, achieve greater conservation and efficiency improvements and consumption behaviors in qualified program households.

(b) *Qualification.* As set forth in this Section, a discount on certain components of City utility service rates applied under this Chapter shall be available for qualified customers who satisfy the following criteria:

- (1) maintain an account in the customer's name directly for City residential electric and/or water and wastewater utility services, except that customers residing in multi-family properties with more than two (2) dwelling units must hold water service accounts in their own names to satisfy this criterion; and
- (2) have an annual household income that qualifies for the Larimer County Low-Income Energy Assistance Program (LEAP); and
- (3) one or more users at the account address apply for and enroll in LEAP during the preceding LEAP program year (November 1 through April 30), and when LEAP qualification is based on a member of the household other than the customer, the customer produces proof of lawful presence in the U.S. in the valid forms accepted by LEAP; and
- (4) exercise reasonable efforts to improve the water and energy efficiency of the account premise, participate in Active Energy Management Education sessions, and meet program milestones determined according to guidelines established by the Utilities Executive Director, which guidelines may include procedures for disenrollment.

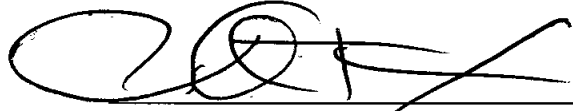
(c) *Applications.* Applications for discounts under this Section must be submitted annually in accordance with an administratively established schedule available from the Fort Collins Utilities.

(d) *Rates.* The discounts applied to monthly base and volumetric rates for qualified IQAP customers shall be as set forth in Sections 26-127(a), 26-280, 26-464(c), and 26-465(c) of this Code on meter readings during the period of August 1 through July 31 (beginning October 1, 2018 and ending July 31, 2021).

(e) *Appeal of decision.* A decision that an applicant does not qualify to participate in this program, except when the decision is based on lack of qualification for LEAP, may be appealed to the Utilities Executive Director, who shall, prior to making his or her decision, and as he or she deems appropriate, confer with one (1) or more financial experts in reviewing such appeal, including LEAP officials.

Section 7. That the modifications set forth shall be effective for meter readings on or after October 1, 2018.

Introduced, considered favorably on first reading, and ordered published this 17th day of April, A.D. 2018, and to be presented for final passage on the 1st day of May, A.D. 2018.



Mayor


ATTEST:



City Clerk

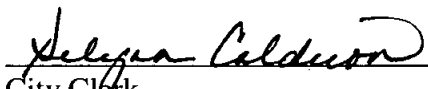


Passed and adopted on final reading on the 1st day of May, A.D. 2018.



Mayor

ATTEST:



City Clerk

