

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 9 A-C

DATE: October 7, 2008

STAFF: Brian Janonis
Terri Bryant
Steve Catanach

SUBJECT

Items Relating to Utility Rates and Charges for 2009.

RECOMMENDATION

Staff recommends adoption of the Ordinances on First Reading.

The Electric Board approved the proposed 2009 budget, including budget exceptions, and the proposed increases to electric rates and development fees by a vote of 5-0.

The Water Board approved the proposed 2009 budgets for water, wastewater and stormwater, including budget exceptions and increases to wastewater monthly rates by a vote of 6-2.

FINANCIAL IMPACT

The rate Ordinances are projected to increase the annual operating revenues of the Wastewater Fund by 11% and the Light and Power Fund by approximately 2.8%. No increases are proposed for water and stormwater monthly rates. The combined utility fees for a typical single family residence will increase \$3.68 per month.

Proposed electric development fees and charges cover costs of new commercial and residential development. The financial impacts vary by the size and nature of the development. If the proposed fees are adopted, electric development fees and charges will increase 5 to 6%. The combined utility development fees for a typical single family residence (exclusive of raw water requirements which are not changing) will increase from \$10,639 to \$10,790 or 1.4%.

The proposed fees will be effective January 1, 2009.

EXECUTIVE SUMMARY

- A. First Reading of Ordinance No. 111, 2008 Amending Chapter 26 of the City Code Relating to Wastewater Rates and Charges.
- B. First Reading of Ordinance No. 112, 2008 Amending Chapter 26 of the City Code to Revise Electric Rates and Charges.

- C. First Reading of Ordinance No. 113, 2008, Amending Chapter 26 of the City Code to Revise Electric Development Fees and Charges.

The proposed ordinances increase wastewater rates 11%, electric rates by 2.8% on average, and electric development fees by 5-6%. If approved, changes would be effective January 1, 2009.

BACKGROUND

MONTHLY RATES

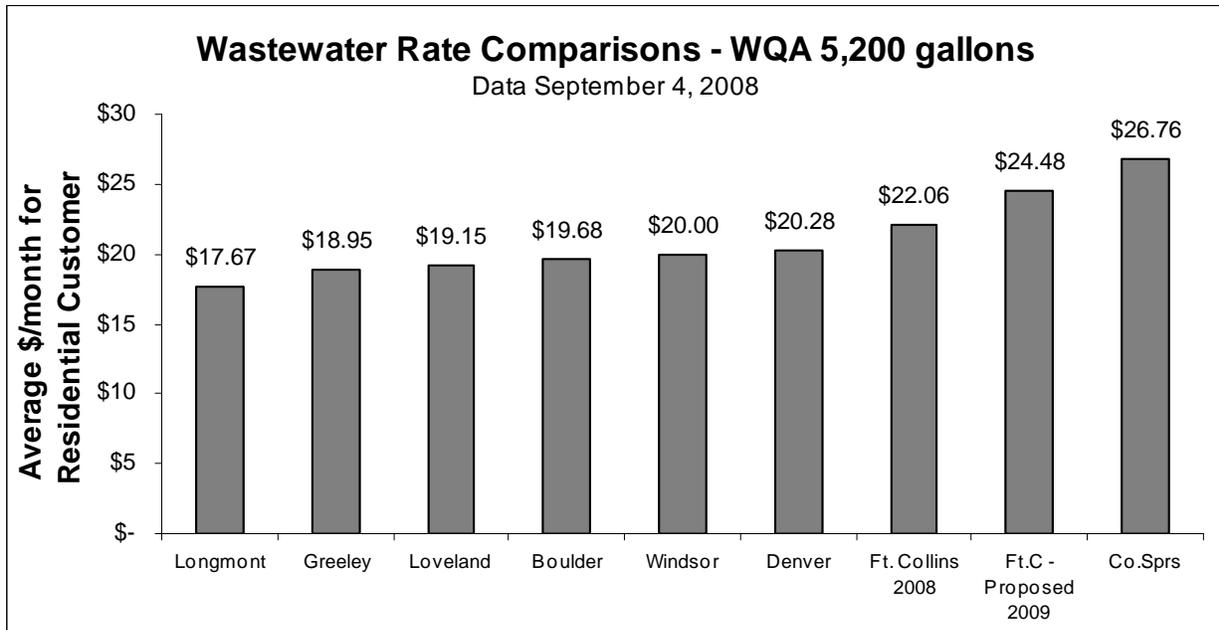
Wastewater

Ordinance No. 111, 2008 increases the City's wastewater rates by 11%. The increase is applied "across the board" to all customers. With the proposed rate, a typical single family residential customer's monthly bill will increase from \$22.06 to \$24.48 or \$2.42 per month in 2009. This is based on a system average of 5,200 gallons per month winter quarter average (WQA) water use. The wastewater rate increase is needed to generate sufficient revenue to fund the wastewater operations and meet the increase in long-term debt service obligations for a major capital project to replace the trickling filter, make odor control improvements and prepare for future regulation-based improvements at the Mulberry facility.

The Mulberry plant was built in 1946 with upgrades in 1958 and 1972. In the past two years, the treatment performance of the plant's 60-year old trickling filter (which provides first-stage secondary treatment for the plant flow) has degraded several times requiring it to be taken off-line, cleaned and restarted. Failure of the trickling filter creates a significant increase in odors until it has been cleaned. Even after restarting, the trickling filter's effectiveness has not recovered to its past efficiency. In late 2006, a study by MWH Consulting Engineers was commissioned to determine the best solution for the long-term use of the Mulberry plant. Upgrading the plant's secondary treatment processes by removing the trickling filter and its associated facilities and installing a new aeration basin and associated facilities is the most cost-effective solution. Because the trickling filter is already recommended for replacement, odor control improvements will also take place. Upgrading the facility will also allow the Utilities to prepare for future regulation-based improvements. The improvements, including design and construction, are projected to cost \$31.8 million and will be funded by debt.

An 11% increase is proposed for 2009, 10% for 2010, and 9% for 2011 to maintain reserve requirements, meet debt service, and continue operations and maintenance functions.

As shown in the graph below, the City’s wastewater rates remain comparable to those of other local utilities:



Electric

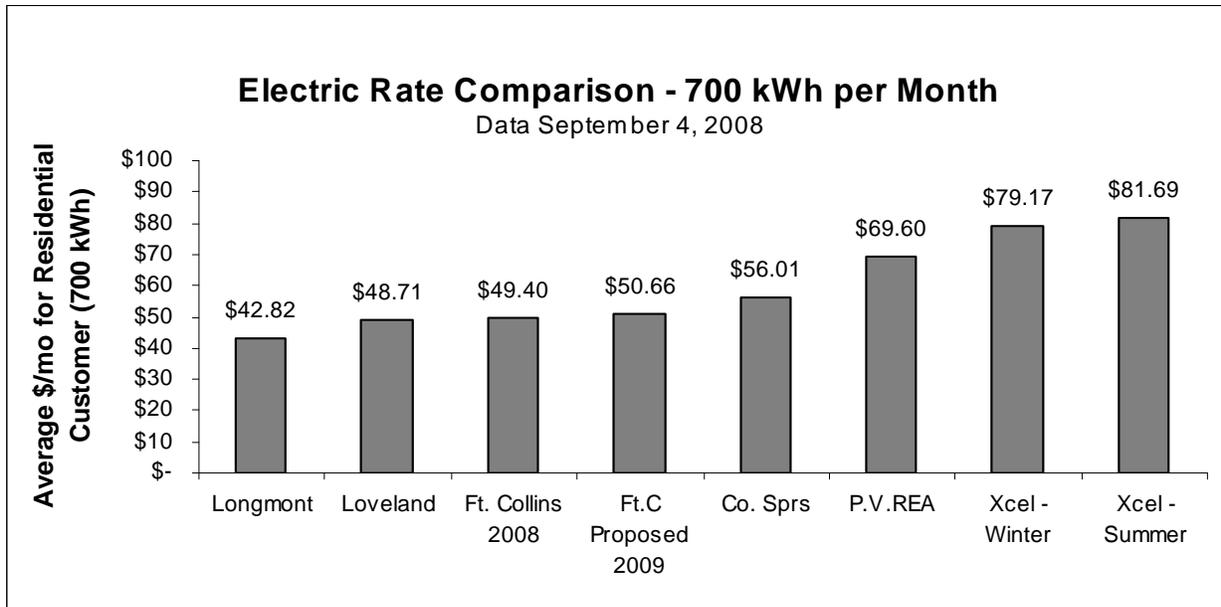
The Utilities are proposing an electric rate increase averaging 2.8% in 2009. The rate increase is wholly due to the increases in purchase power costs from Platte River Power Authority, the City’s wholesale energy supplier. On August 28, 2008, Platte River’s Board adopted a 3.8% wholesale rate increase for 2009. Platte River’s increases are due to several factors:

- Increased coal and rail costs at Rawhide and Craig power plants.
- Increased purchased power costs from WAPA (Western Area Power Administration).
- Mercury mitigation costs.
- Expanded energy efficiency programs (1% of revenues per PR’s 2007 Integrated Resource Plan).
- Capital expenditure increases (new projects and increased material costs for existing projects).
- Reduction in surplus sales revenues.

Platte River’s long term financial budget also includes avoiding significant rate hikes for the expenses needed for replacement power when the Rawhide plant is out of commission for 5 to 6 weeks. PRPA’s rate increases for these costs will be spread out over 6 years from 2009 to 2014.

The proposed 2.8% increase in 2009 will vary slightly by rate class. Residential rates will increase 2.5%-2.7%, commercial rates will increase 2.7%-2.9%, and industrial rates will increase approximately 3.2%. For a typical residential customer using 700 kilowatt-hours per month, the monthly bill will increase \$1.26 per month from \$49.40 to \$50.66.

The following chart compares average monthly residential electric rates with other front range utilities:

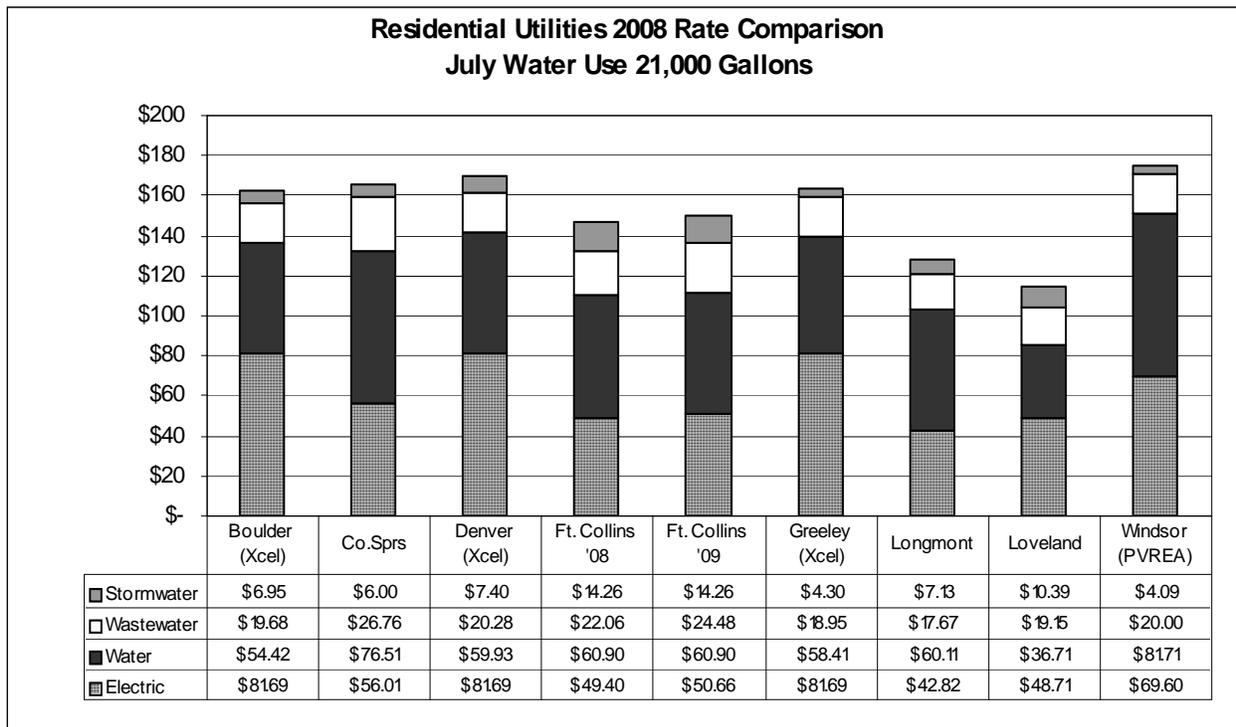
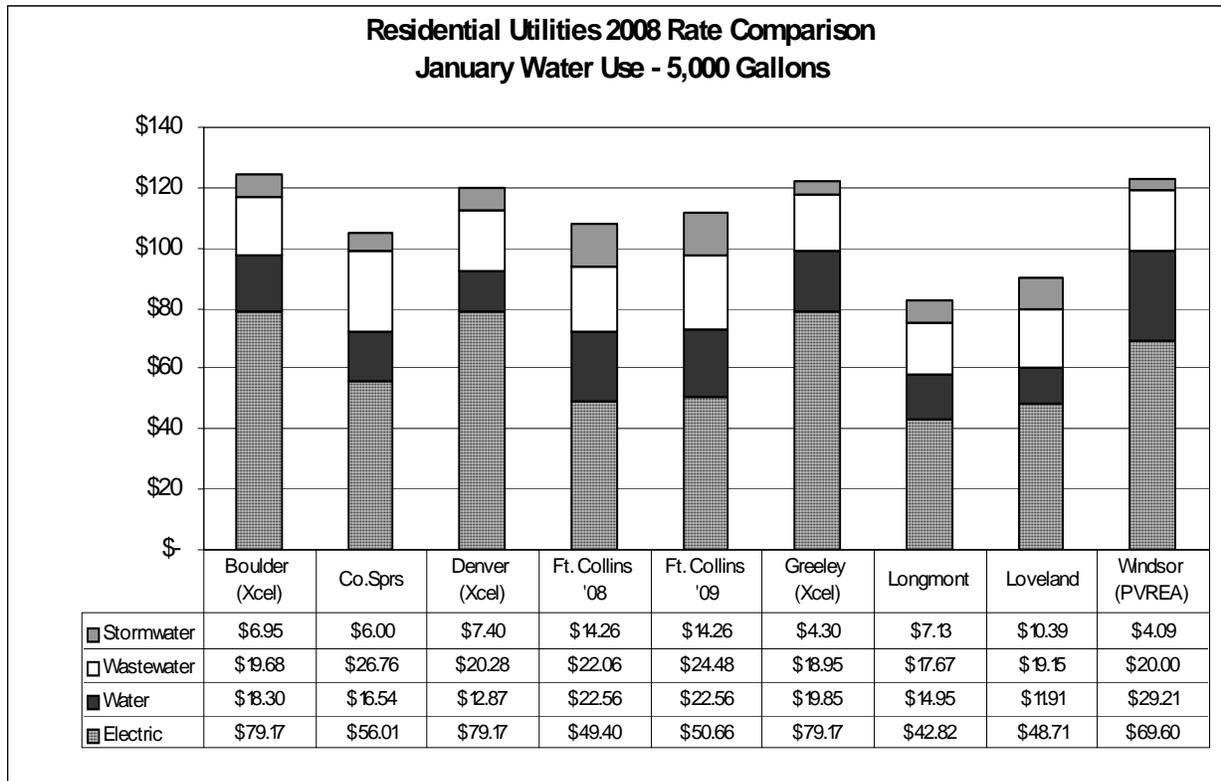


Monthly Rate Summary

The following table summarizes the impact of the proposed rate increases on a typical single family residential customer’s monthly utility bill. In total, a “typical” customer’s bill will increase \$3.68 per month.

Typical Residential Customer - Monthly Utility Bill				
	Current 2008	Proposed 2009	\$ Increase	% Increase
Electric 700 kWh per month	\$49.40	\$50.66	\$1.26	2.6%
Wastewater 5,200 gallons/month winter quarter use	\$22.06	\$24.48	\$2.42	11%
Stormwater 8,600 sq. ft. lot, light runoff	\$14.26	\$14.26	\$0.00	0%
Water January 5,000 gallons	\$22.56	\$22.56	\$0.00	0%
July 21,000 gallons	\$60.90	\$60.90	\$0.00	0%
Total January Monthly Utility Bill	\$108.28	\$111.96	\$3.68	3.4%
Total June Monthly Utility Bill	\$146.63	\$150.30	\$3.68	2.5%

The following charts compare water, wastewater, stormwater and electric utility costs for eight front range cities. They include the recommended 2009 increases for wastewater and electric for Fort Collins. Projected rate adjustments for the other cities are unknown at this time.



ELECTRIC DEVELOPMENT CHARGES

Electric development charges include the allocated and actual costs to the utility for each commercial or residential development. The two components of these charges are the Electric Capacity Fee for the off-site electric system, and the Building Site Charge for the on-site electric costs. The electric development charges are typically increased annually to adjust for inflation and cost increases. Increases range from 5.1% for single family, 5.7% for multi-family, and 5.8% for commercial development. The increases are due primarily to the significant increases experienced in the cost of transformers, metals and other construction materials.

The following tables compare current fees with proposed fees for residential and commercial development:

ELECTRIC DEVELOPMENT FEES AND CHARGES RESIDENTIAL					
Category	Charge		2008	2009	% diff
Electric Capacity Fee	Per square foot		\$0.04731	\$0.04919	4%
	Per lineal front foot		\$9.53	\$9.77	2.5%
	Dwelling Unit	150A Single Fam	\$1,177	\$1,262	7.2%
		200A Single-Fam	\$1,991	\$2,143	7.6%
		150A Multi-Fam	\$785	\$842	7.3%
200A Multi-Fam		\$1,399	\$1,505	7.6%	
Building Site Charges	Secondary Service	1/0	\$625	\$658	5.3%
		4/0	\$787	\$817	3.8%
		350 kCM	\$873	\$903	3.4%

ELECTRIC DEVELOPMENT FEES AND CHARGES COMMERCIAL				
Category	Charge	2008	2009	% increase
Electric Capacity Charge	Per square foot	\$0.04731	\$0.04919	4.0%
	Per lineal front foot	\$35.52	\$37.64	6.0%
	Service Entrance (per kVA)	\$55.11	\$57.77	4.8%
Building Site Charges	Primary Circuit (1-ph)	\$8.78	\$8.90	1.4%
	Primary Circuit (3-ph)	\$17.72	\$19.12	7.9%
	Transformer installation (1-ph)	\$1,148	\$1,257	9.5%
	Transformer installation (3-ph)	\$2,132	\$2,335	9.5%

The impact to a typical single family residence (8,600 sq. ft. lot, 150 amp service) is an increase of \$151 from \$2,876 to \$3,027, or 5%.

The Water Board reviewed the 2009 water utilities budget and monthly wastewater rate increase at the September 25, 2008 Board meeting. The Board approved a motion supporting the proposed budget and rate change.

The Electric Board reviewed the 2009 Light and Power budget and the proposed increases to the electric rates and development fees and charges at its meeting on September 17, 2008. The Board approved a motion supporting the proposed budget and fee changes.

ATTACHMENTS

1. Water Board Minutes – excerpt from September 25, 2008 meeting relating to budget, rates and PIFs and additional Board comments.
2. Electric Board Minutes – excerpt from September 17, 2008 meeting relating to budget, rates, and electric fees.

**WATER BOARD MINUTES (Excerpt of Draft/Unapproved Minutes)
September 25, 2008**

2009 Budget Agenda Item

Presenter: Terri Bryant, Utilities Finance and Budget Manager

Recommendation for Motion:

Vice Chairperson Gina Janett moves to approve the wastewater reimbursement resolution for Mulberry Reclamation Facility improvement bonds. Board Member Phil Phelan seconded the motion.

Discussion on the Motion:

Board member comments:

- It makes sense to order equipment (identified as needed for the project) before actually needed due to costs of materials and equipment on the increase. This is an opportunity save a significant amount of money.
- Money is currently being spent from reserves. This would allow Utilities to go through debt service to obtain funds and reimburse the reserves.
- Some Board members would like to see more emphasis on debt reduction and questions 10 percent of our budget being spent on debt service.
- There appears to be millions of dollars in reserves for the water fund. Why is that not the case for the wastewater and stormwater funds?

Staff response: A good share of the water budget reserve is "cash in lieu of." A special fund paid by Development in anticipation of building a reservoir (referring to Halligan Reservoir.) Staff also did a much better job of projections on the water side.

Staff comments:

Ms. Bryant noted the advantage to selling debt when conditions are most favorable and maintaining tax exempt status when selling the debt. Utilities Executive Director Brian Janonis added we are in the process of spending money, regardless of this reimbursement clause. For example, demolition is already taking place. This would provide a way to be reimbursed for it. Mr. Janonis stated hiring an asset manager will move us in the right direction and provide the opportunity to project expenses for the next 40-50 years and plan for level rate increases.

Deputy City Attorney Carrie Daggett noted the reason for taking this resolution before Council. Treasury regulations are very strict about proceeds of bonds and what they can be used for. This resolution follows the process set out for this exact type of scenario by the regulations, for example spending money in anticipation of issuing bonds. This resolution will have no effect if the bonds are not issued, but if they are issued, the resolution allows proceeds from the bonds to be used to reimburse these expenses.

Annual rates from wastewater funds are about \$14 million. If we doubled our rates to fund repairs to a broken water treatment plant, it would take approximately 2.5 years, assuming no cost increases, to raise enough cash to fund a wastewater plant.

Vote on the Motion: Following discussion on the motion, a vote was taken, and it passed with one abstention by Board Member Connor (7 for, 1 abstention, 0 against.)

Recommendation for Motion:

Vice Chairperson Janett moved to approve refunding of all of Water's outstanding revenue refunding bonds and improvement bonds, series 1998 to create cash flow savings estimated at \$1.2 million. Board Member John Bartholow seconded the motion.

Discussion on the Motion:

There was no discussion on the motion.

Vote on the Motion: A vote was taken, and it passed with one abstention by Board Member Connor (7 for, 1 abstention, 0 against.)

Recommendation for Motion:

 Board Member David Pillard moved to approve the 2009 Water, Wastewater and Stormwater recommended budgets. Board Member Steve Balderson seconded the motion.

Discussion on the Motion:

Board Member Gary Wockner shared his feedback in a special document sent to members prior to the Board meeting. *(attached)*

Vote on the Motion:

A vote was taken, and it passed (6 for, 2 against.) Dissenting votes were recorded as follows: 1) Board Member Connor would like to see more movement toward a fiscally conservative position of retiring debt over time and addressed in more detail in a budget proposal, and 2) Board Member Wockner as stated in his document. The document is attached as part of the record.

Prepared by:

Robin Pierce, Executive Administrative Assistant
Fort Collins Utilities

Comments on City's 2009 Water and Stormwater Budget

Gary Wockner (Water Board Member. These comments are solely Gary Wockner's, and do not reflect any group or organization.)

I am voting against the Utility Dept's 2009 recommended Stormwater and Water budgets for the following reasons:

I. Stormwater Budget – The Stormwater Master Plan needs to be put on hold and undergo a rigorous cost/benefit and prioritization analysis. The Stormwater Utility capital expenditure budget needs to be frozen until this analysis is complete.

- a. The City's Stormwater Master Plan was created during a period of extreme fear that followed the extraordinarily rare 500-year flood of 1997. As such, the Plan overreacts to the actual threat of stormwater problems in our community. Ironically, the Plan (after full implementation) only protects the community up to a 100-year flood, and may not have changed the consequences of the devastating 500-year flood of 1997.
- b. The Stormwater Master Plan identifies over \$200 million in projects. This is an exorbitant amount of money compared to the actual threat that stormwater poses to the community. Money could be used far more effectively to protect citizens' health and welfare in other areas of public health.
- c. Fort Collins' stormwater fees were the highest in Colorado and one of the highest in the nation – this in a semi-arid part of the country where it rains only ~15 inches per year. These fees are wildly disproportionate to the other fees/taxes paid by citizens, and may be forcing other community needs to go unfunded or underfunded. At the same time that stormwater is heavily funded, transportation, children's services, and environmental programs are heavily underfunded.
- d. Spending this amount of money has caused Fort Collins to achieve very high rankings by the flood insurance industry (we are ranked 4th nationally, out of 1600 cities). While we are ranked 4th by the flood insurance industry, we have many other problems that are more deserving of expenditures, but are not addressed by our funding priorities, and on which we are ranked very poorly.
- e. Better alternatives exist to manage stormwater than that offered by the Stormwater Master Plan. More ecologically effective solutions are available but are often dismissed in favor of a heavy handed and expensive "divert and drain" methodology used in the Plan and promoted by the Stormwater Utility.
- f. The Plan and Utility seem to operate under a "must spend the money" mindset, rather than a cost/benefit prioritization appropriate for public expenditures. Because the fees are collected every month, the City seems determined to spend the money perhaps even if it is not warranted. It may be that the projects are following the money, rather than the money following the projects.

II. Water Budget – the Water Budget for 2009 contains \$8.9 million for the Halligan Reservoir project. This is a first installation of an approximate \$15 million to \$20 million expenditure for Halligan. This expenditure needs to be put on hold until a cost/benefit analysis and an EIS is complete – such a process will determine if a cheaper and less environmentally damaging "nonstructural alternative" can meet the City's needs. Water supply security is integral to Fort Collins' future,

but it must be done in the least environmentally damaging and most practicable way.

- a. Halligan Reservoir will flood two miles of pristine canyon of the North Fork of the Poudre River
- b. Halligan Reservoir – like all dam and reservoir projects – will force the City to invest in 19th Century water supply solutions at the expense of 21st Century opportunities. \$20 million spent here will mean that other water supply and drought protection alternatives and opportunities may go unfunded and unaddressed.
- c. The Halligan Reservoir expansion is being proposed at the same time that the City's water use rates are at a historic low and falling. Fort Collins citizens have shown a remarkable desire to reduce water use, and the Water Board is considering changing the Water Supply Demand Policy from 185 gpcd to 140 gpcd, a 25% decrease. While this 25% decrease is being considered, the City is not reconsidering its water supply needs, and is still moving forward with the expensive and environmentally destructive Halligan project that may be unnecessary.
- d. Conservation and efficiency need to be maximized before other structural alternatives (dams/reservoirs) are considered and paid for. Other western American cities have achieved conservation savings above that of Fort Collins. Water use levels are lower in some Western American cities where conservation is more heavily funded. A plethora of wasteful landscape irrigation practices exist around Fort Collins (including on City property at the Utility building and many other City properties). We should maximize conservation, efficiency, and xeriscaping – especially in urban landscaping which uses nearly 50% of the City's water supply – before funding projects that are even more environmentally destructive. **Does it make sense to spend \$20 million, build a new dam, and drown a pristine canyon so we can waste even more water?**
- e. Conservation, efficiency, and other demand management techniques can also be cheaper methods for yielding new water and for drought protection. The City needs to do an analysis of all of the possible ways to yield new water and drought protection, including large investments in conservation and efficiency, to see which is more cost effective and least environmentally damaging.
- f. Fort Collins has an opportunity to be a leader in water conservation, in river restoration, and in 21st Century sustainability outcomes. Building a large reservoir like Halligan will not reflect that opportunity to lead if there is a better, cheaper, more sustainable solution. In order to be sustainable, a project must be able to be repeated endlessly into the future – a dam and reservoir is not a sustainable solution to increasing water demands.
- g. By transferring money into the construction account now, it is way more likely that the project will follow this money, rather than the money following the need for the project.
- h. In the same way that conservation and efficiency are the easiest and cheapest ways to enhance energy supplies and decrease our climate-change footprint, so to are they the best ways to enhance our water supplies and decrease our water-usage footprint. The City has invested heavily in lowering our energy usage; a similar approach needs to occur with water, and it will likely yield a similar and necessary result.

**ELECTRIC BOARD MINUTES (Excerpt of Draft/Unapproved Minutes)
September 17, 2008**

2009 Budget Agenda Item

Presenter: Ellen Switzer, Utilities Financial Operations Manager

Recommendation for Motion:

Vice Chairperson Dan Bihn moves the Electric Board approve the budget as presented including the exceptions and additional FTEs. Board Member Jeff Lebesch seconded the motion.

Discussion on the Motion:

During discussion on the motion, Board Member Graham suggested a friendly amendment to the motion.

Friendly Amendment to the Motion:

Board Member Graham moves the City Council approve appropriations, including exceptions, for Light & Power's recommended 2009 budget and the proposed increases to the electric rates and development fees. Board Member Wolley seconded the friendly amendment.

Vote on the Amended Motion:

There was no further discussion. The vote was taken, and it passed unanimously (5 for, 0 against.)

ORDINANCE NO. 111, 2008
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING CHAPTER 26 OF THE CODE OF THE CITY OF FORT COLLINS
RELATING TO WASTEWATER RATES AND CHARGES

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 wastewater utility, as set forth therein; and

WHEREAS, City Code Section 26-277 requires that the City Manager analyze the operating and financial records of the wastewater utility during each calendar year and recommend to the City Council the user rate fees or adjustments to be in effect for the following year; and

WHEREAS, City Code Section 26-277 further requires that the user rates be revised as necessary to assure equity of the rate system established and to assure that sufficient funds are obtained to adequately operate and maintain the wastewater system; and

WHEREAS, the treatment performance of the Mulberry Wastewater Reclamation Plant has significantly degraded and \$31.8 million is required to upgrade the plant's secondary treatment processes, to prepare the plant for future regulation-based improvements and to make odor control improvements; and

WHEREAS, such improvements are not related to growth and will require increased user rates over a five year period in order to generate sufficient revenues to repay the debt necessary to finance these improvements; and

WHEREAS, wastewater rates and charges were increased in 2008 to finance the necessary improvements and this is the second year in the five year period; and

WHEREAS, the City Manager has recommended to the City Council that the following wastewater rates be imposed for the billing year beginning January 1, 2009; and

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

Section 1. That Section 26-280 of the Code of the City of Fort Collins is hereby amended to read as follows:

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)	\$23.15 25.70 per month														
	Single-family residential user (metered water use)	\$10.21 11.33 per month plus \$2.038 2.262 per 1,000 gallons of either winter quarter water use or 3,000 gallons, whichever is greater														
B	Duplex (two-family) residential users (flat rate)	\$36.72 40.76 per month														
	Duplex (two-family) residential users (metered water use)	\$13.63 15.13 per month plus \$2.038 2.262 per 1,000 gallons of either winter quarter water use or 4,000 gallons, whichever is greater														
C	Multi-family residential user (more than two dwelling units including mobile home parks) and winter quarter based nonresidential user	\$2.038 2.262 per 1,000 gallons of winter quarter water use, plus a base charge of \$1.61 1.79 per month per dwelling unit served														
D	Minor nonresidential user	\$2.038 2.262 per 1,000 gallons of water use, measured sewage flow or winter quarter water use, whichever is applicable, plus the following applicable base charge:														
		<table border="1"> <thead> <tr> <th><i>Size of water meter (inches)</i></th> <th><i>Base charge</i></th> </tr> </thead> <tbody> <tr> <td>¾ or smaller</td> <td>\$ 6.88 7.64</td> </tr> <tr> <td>1</td> <td>15.71 17.44</td> </tr> <tr> <td>1½</td> <td>31.81 35.31</td> </tr> <tr> <td>2</td> <td>53.23 59.09</td> </tr> <tr> <td>3</td> <td>88.46 98.19</td> </tr> <tr> <td>4</td> <td>148.56 164.90</td> </tr> </tbody> </table>	<i>Size of water meter (inches)</i>	<i>Base charge</i>	¾ or smaller	\$ 6.88 7.64	1	15.71 17.44	1½	31.81 35.31	2	53.23 59.09	3	88.46 98.19	4	148.56 164.90
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		6	728.34 808.46												
		8	790.88 877.88												
E and F	Intermediate nonresidential and Significant industrial user	<p>\$2.032.262 per 1,000 gallons of water use, measured wastewater flow or winter quarter water use, whichever is applicable; plus a surcharge of \$1.952.168 per million gallons for each milligram per liter of suspended solids in excess of 250 milligrams per liter; plus a surcharge of \$1.641.820 per million gallons for each milligram per liter of BOD in excess of 200 milligrams per liter or a surcharge of \$1.011.122 per million gallons for each milligram per liter of COD in excess of 300 milligrams per liter, or a surcharge of \$2.933.259 per million gallons for each milligram per liter of TOC in excess of 100 milligrams per liter, whichever is applicable. The user shall pay this calculated amount plus the applicable base charge set forth below:</p> <p style="text-align: center;"><i>Size of water meter (inches)</i> <i>Base charge</i></p> <table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td>¾ or smaller</td> <td>\$ 6.88 7.64</td> </tr> <tr> <td>1</td> <td>15.71 17.44</td> </tr> <tr> <td>1½</td> <td>31.81 35.31</td> </tr> <tr> <td>2</td> <td>53.23 59.09</td> </tr> <tr> <td>3</td> <td>88.46 98.19</td> </tr> <tr> <td>4</td> <td>148.56 164.90</td> </tr> </table>		¾ or smaller	\$ 6.88 7.64	1	15.71 17.44	1½	31.81 35.31	2	53.23 59.09	3	88.46 98.19	4	148.56 164.90
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8	790.88 877.88

- G User outside City limits The rate for users outside the City limits shall be the same as for like service inside the City limits as is specified in Categories A—F and H in this Section
- H Special with agreement The rate pursuant to a special wastewater services agreement approved by the City Council pursuant to § 26-290 shall be set forth in said agreement.

Section 2. That Section 26-282(a) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-282. Wastewater strength or industrial surcharges and categories established.

(a) The schedule of wastewater strength surcharge for customers located either inside or outside the City limits shall be as follows:

<i>Parameter</i>	<i>Excess over (mg/l) 1,000 gallons</i>	<i>Rate per</i>
BOD	200	\$0.001640 0.001820
COD	300	0.001011 0.001122
TOC	100	0.002936 0.003259
TSS	250	0.001953 0.002168

Section 3. That the amendments to Chapter 26 of the City Code contained herein shall go into effect on January 1, 2009.

Introduced, considered favorably on first reading, and ordered published this 7th day of October, A.D. 2008, and to be presented for final passage on the 21st day of October, A.D. 2008.

Mayor

ATTEST:

Chief Deputy City Clerk

Passed and adopted on final reading on the 21st day of October, A.D. 2008.

Mayor

ATTEST:

City Clerk

ORDINANCE NO. 112, 2008
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING CHAPTER 26
OF THE CODE OF THE CITY OF FORT COLLINS
TO REVISE ELECTRIC RATES, FEES AND CHARGES

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, Platte River Power Authority has increased the City's wholesale cost of power approximately 3.8% in 2009; and

WHEREAS, the City Manager and staff have recommended to the City Council the following adjustments to the electric rates for all billings issued with meter readings on or after January 1, 2009; and

WHEREAS, based on the foregoing, it is the desire of the City Council to amend Chapter 26 of the City Code to revise electric rates, fees and charges.

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

Section 1. That Section 26-464(c) of the Code of the City of Fort Collins is hereby amended to read as follows:

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

...

- (c) *Monthly rate.* The monthly rates for this schedule are as follows:
 - (1) Fixed charge, per account: Three dollars and sixty-nine cents (\$3.69).
 - (2) Demand charge, per kilowatt-hour: Two and ~~seventy-eight~~**eighty-eight** one-hundredths cents (~~\$0.0278~~**0.0288**).
 - (3) Distribution facilities charge, per kilowatt-hour: One and fifty-six one-hundredths cents (\$0.0156).
 - (4) Energy charge, per kilowatt-hour: One and ~~seventy-nine~~**eighty-six** one-hundredths cents (~~\$0.0179~~**0.0186**).
 - (5) In lieu of taxes and franchise: a charge at the rate of six and zero-tenths (6.0) percent of all monthly service charges billed pursuant to this Section.

...

Section 2. That Section 26-465(c) 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.* The monthly rates are as follows:
- (1) Fixed charge, per account: Six dollars and eight cents (\$6.08).
 - (2) Demand charge, per kilowatt: Four dollars and ~~five~~nineteen cents (~~\$4.05~~4.19).
 - (3) Distribution facilities charge, per kilowatt-hour: One and twelve one-hundredths cents (\$0.0112).
 - (4) Energy charge, per kilowatt-hour: One and ~~seventy-nine~~eighty-six one-hundredths cents (~~\$0.0179~~0.0186).
 - (5) In lieu of taxes and franchise: A charge at the rate of six and zero-tenths (6.0) percent of monthly service charges billed pursuant to this Section.

...

Section 3. That Section 26-466(c) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-466. General service, schedule GS.

...

- (c) *Monthly rate.* The monthly rates for this schedule are as follows:
- (1) Fixed charge, per account:
 - a. Single-phase, two-hundred-ampere service: Two dollars and eighty-four cents (\$2.84).
 - b. Single-phase, above two-hundred-ampere service: Seven dollars and forty-six cents (\$7.46).
 - c. Three-phase, two-hundred-ampere service: Four dollars and sixty-one cents (\$4.61).

- d. Three-phase, above two-hundred-ampere service: Eight dollars and seventy-three cents (\$8.73).
- (2) Demand charge, per kilowatt-hour:
- a. First two thousand (2,000) kilowatt-hours: Four ~~and fourteen one-hundredths~~ cents (~~\$0.0400~~**0.0414**).
 - b. Next five thousand (5,000) kilowatt-hours: One and ~~eighty-eight~~**ninety-five** one-hundredths cents (~~\$0.0188~~**0.0195**).
 - c. All additional kilowatt-hours: Zero (\$0.00).
- (3) Demand charge, per kilowatt:
- a. All kilowatts billed in excess of twenty-five (25) kilowatts: ~~Six dollars and ninety-nine~~**Seven dollars and twenty-four** cents (~~\$6.99~~**7.24**).
- (4) Distribution facilities charge, per kilowatt-hour: One and forty-two one-hundredths cents (\$0.0142).
- (5) Energy charge, per kilowatt-hour: One and ~~seventy-nine~~**eighty-six** one-hundredths cents (~~\$0.0179~~**0.0186**).
- (6) In lieu of taxes and franchise: a charge at the rate of six and zero-tenths (6.0) percent of all monthly service charges billed pursuant to this Section.

...

Section 4. That Section 26-467(c) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-467. General service 50, schedule GS50.

...

- (c) *Monthly rate.* The monthly rates for this schedule are as follows:
- (1) Fixed charge, per account: Twenty-five dollars and zero cents (\$25.). An additional charge of forty dollars and zero cents (\$40.) may be assessed if telephone communication service is not provided by the customer.
 - (2) Coincident demand charge, per kilowatt: ~~Twelve dollars and sixty-seven~~**Thirteen dollars and twelve** cents (~~\$12.67~~**13.12**) but not less than one cent (\$.01) per kilowatt-hour.

(3) Distribution facilities demand charge, per kilowatt: Four dollars and thirty-one cents (\$4.31).

(4) Energy charge, per kilowatt-hour: One and ~~seventy-nine~~**eighty-six** one-hundredths cents (~~\$0.0179~~**0.0186**).

(5) In lieu of taxes and franchise: A charge at the rate of six and zero-tenths (6.0) percent of all monthly service charges billed pursuant to this Section.

...

Section 5. That Section 26-468(c) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-468. General service 750, schedule GS750.

...

(c) *Monthly rate.* The monthly rates for this schedule are as follows:

(1) Fixed charge, per account: Thirty dollars and sixty cents (\$30.60).

a. Additional charge for each additional metering point: Twenty-five dollars and ninety-two cents (\$25.92).

b. An additional charge of forty dollars and zero cents (\$40.) for each metering point may be assessed if telephone communication service is not provided by the customer.

(2) Coincident demand charge, per kilowatt: Twelve dollars and ~~forty-eight~~**ninety-two** cents (~~\$12.48~~**12.92**) but not less than one cent (\$0.01) per kilowatt-hour.

(3) Distribution facilities demand charge, per kilowatt:

a. First seven hundred fifty (750) kilowatts: Four dollars and twenty-five cents (\$4.25).

b. All additional kilowatts: Two dollars and ninety-one cents (\$2.91).

(4) Energy charge, per kilowatt-hour: One and ~~seventy-six~~**eighty-three** one-hundredths cents (~~\$0.0176~~**0.0183**).

(5) In lieu of taxes and franchise: A charge at the rate of six and zero-tenths (6.0) percent of all monthly service charges billed pursuant to this Section.

...

Section 6. That Section 26-469(b) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-469. Special area floodlighting, schedule FL.

...

(b) *Monthly rate.* The monthly rates (including a six-and-zero-tenths-percent charge in lieu of taxes and franchise) are as follows:

- (1) Charge per lamp, mercury vapor:
 - a. One-hundred-seventy-five-watt: Fifteen dollars and ~~sixty-four~~**seventy-six** cents (~~\$15.64~~**15.76**).
 - b. Two-hundred-fifty-watt: Eighteen dollars and ~~forty~~**fifty-six** cents (~~\$18.40~~**18.56**).
 - c. Four-hundred-watt: Twenty-four dollars and ~~eight~~**thirty-three** cents (~~\$24.08~~**24.33**).

- (2) Charge per lamp, high-pressure sodium:
 - a. Seventy-watt: Six dollars and ~~sixty-one~~**sixty-six** cents (~~\$6.61~~**6.66**).
 - b. One-hundred-watt: Nine dollars and ~~thirty-five~~**forty-two** cents (~~\$9.35~~**9.42**).
 - c. One-hundred-fifty-watt: Fourteen dollars and ~~eighty~~**ninety** cents (~~\$14.80~~**14.90**).
 - d. Two-hundred-fifty-watt: ~~Eighteen dollars and eighty-three cents~~**Nineteen dollars** (~~\$18.83~~**19.00**).
 - e. Four-hundred-watt: ~~Twenty-four dollars and eighty-four~~**Twenty-five dollars and ten** cents (~~\$24.84~~**25.10**).

...

Section 7. That Section 26-470 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-470. Traffic signal service, schedule T.

...

(c) *Monthly rate.* The monthly rates (including a six-and-zero-tenths-percent charge in lieu of taxes and franchise) are as follows:

- (1) Fixed charge, per account: Forty-nine dollars and fifty-one cents (\$49.51).
- (2) Charge, per kilowatt-hour: Four and ~~seventy-two~~**eighty-six** one-hundredths cents (~~\$0.0472~~**0.0486**).
- (3) Equipment rental charges, when applicable, will be determined by cost analysis by the utility. Service extensions and signal installations made by the utility shall be paid for by the City General Fund, subject to material and installation costs at the time of installation.

...

Section 8. That the amendments to Chapter 26 of the City Code contained herein shall go into effect for all bills issued with meter readings on or after January 1, 2009.

Introduced, considered favorably on first reading, and ordered published this 7th day of October, A.D. 2008, and to be presented for final passage on the 21st day of October, A.D. 2008.

Mayor

ATTEST:

Chief Deputy City Clerk

Passed and adopted on final reading on the 21st day of October, A.D. 2008.

Mayor

ATTEST:

City Clerk

ORDINANCE NO. 113, 2008
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING CHAPTER 26
OF THE CODE OF THE CITY OF FORT COLLINS
TO REVISE ELECTRIC DEVELOPMENT FEES AND CHARGES

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, the City Council has determined that it is appropriate for new development to contribute its proportionate share of providing capital improvements; and

WHEREAS, Section 26-471 of the City Code requires that the electric development fees be reviewed annually by the City Manager and that the fees be presented to the City Council for approval no less than annually; and

WHEREAS, the City Manager and staff have recommended to the City Council the following adjustments to the electric development fees and charges for all billings issued on or after January 1, 2009; and

WHEREAS, based on the foregoing, it is the desire of the City Council to amend Chapter 26 of the City Code to revise electric development fees and charges.

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

Section 1. That Sections 26-472 (b) and (c) of the Code of the City of Fort Collins is hereby amended to read as follows:

...

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

(1) The site footage charge shall be the combined total of:

- a. Four and ~~seven hundred thirty one~~ **nine hundred nineteen** thousandths cents (~~\$0.04731~~**0.04919**) per square foot of developed site square footage, including all applicable tracts but excluding the area dedicated public rights-of-way; and
- b. Nine dollars and ~~fifty-three~~ **seventy-seven** cents (~~\$9.53~~**9.77**) per lineal foot of the developed site abutting a dedicated street or roadway.

- (2) The dwelling unit charge shall be as follows:
- a. For single-family panel size with one-hundred-fifty-amp service (nonelectric heat), one thousand ~~one hundred seventy-seven~~**two hundred sixty-two** dollars (~~\$1,177~~**1,262**;) per dwelling unit;
 - b. For single-family panel size with two-hundred-amp service (nonelectric heat or electric heat), ~~one thousand nine hundred ninety-~~**one two thousand one hundred forty-three** dollars (~~\$1,991~~**2,143**;) per dwelling unit;
 - c. For multi-family panel size with one-hundred-fifty-amp service (nonelectric heat), ~~seven hundred eighty-five~~**eight hundred forty-two** dollars (~~\$785~~**842**;) per dwelling unit;
 - d. For multi-family panel size with two-hundred-amp service (nonelectric heat or electric heat), one thousand ~~three hundred ninety-~~**nine five hundred five** dollars (~~\$1,399~~**1,505**;) per dwelling unit.
- (3) 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.

(c) A Building Site Charge ("BSC") for any new or modified residential service shall be paid prior to issuance of a building permit for the related construction or modification. The BSC shall be based upon the current rates as of the time of issuance of the building permit. The BSC shall be the total of the secondary service charges, and any additional charges, determined as follows:

- (1) 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>
1/0 service	625.00 658.00	4.50 4.80 /Foot
4/0 service	787.00 817.00	5.45 5.76 /Foot
350 kCM service	873.00 903.00	6.92 7.26 /Foot
1/0 mobile home service	490.00 514.00	N/A
4/0 mobile home service	623.00 644.00	N/A

- (2) Actual special costs to the utility of installation of secondary service resulting from site conditions shall be included in the BSC as additional charges. Such conditions may include, but are not limited to, frozen or rocky soil, concrete cutting and asphalt replacement.

Section 2. That Section 26-473 (b) and (c) of the Code of the City of Fort Collins is hereby amended to read as follows:

...

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

- (1) The site footage charge shall be the combined total of:

- a. Four and ~~seven hundred thirty-one~~**nine hundred nineteen** thousandths cents (~~\$0.04731~~**0.04919**) per square foot of developed site square footage, including all applicable tracts but excluding the area of dedicated public rights-of-way; and
- b. ~~Thirty-five dollars and fifty-two~~**Thirty-seven dollars and sixty-four** cents (~~\$35.52~~**37.64**) per lineal foot of the developed site abutting a dedicated street or roadway.

- (2) The service entrance charge shall be ~~fifty-five dollars and eleven~~**fifty-seven dollars and seventy-seven** cents (~~\$55.11~~**57.77**) per kilovolt-amp (kVA) of service entrance rating for Utility-owned transformers and ~~forty-five dollars and seventy-eight~~**forty-eight dollars and forty-four** cents (~~\$45.78~~**48.44**) per kVA of service entrance rating for customer-owned transformers.

- (3) 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.

- (c) 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 Subsection (a) of this Section. 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, a charge of eight dollars and ~~seventy-eight~~**ninety** cents (\$~~8.78~~**8.90**) per foot of primary circuit;
 - b. For three-phase service, a charge of ~~seventeen dollars and seventy-two~~**nineteen dollars and twelve** cents (\$~~17.72~~**19.12**) per foot of primary circuit.
- (2) The transformer installation charge shall be as follows:
- a. For single-phase service, a charge of one thousand ~~one hundred forty-eight~~**two hundred fifty-seven** dollars (\$~~1,148~~**1,257**.) per transformer;
 - b. For three-phase service, a charge of two thousand ~~one hundred thirty-two~~**three hundred thirty-five** dollars (\$~~2,132~~**2,335**.) per transformer.
- (3) Actual special costs to the utility of installation of service resulting from site conditions shall be included in the BSC as additional charges. Such conditions may include, but are not limited to, frozen or rocky soil, concrete cutting and asphalt replacement.

...

Section 3. That the amendments to Chapter 26 of the City Code contained herein shall go into effect for all bills issued on or after January 1, 2009.

Introduced, considered favorably on first reading, and ordered published this 7th day of October, A.D. 2008, and to be presented for final passage on the 21st day of October, A.D. 2008.

Mayor

ATTEST:

Chief Deputy City Clerk

Passed and adopted on final reading on the 21st day of October, A.D. 2008.

Mayor

ATTEST:

City Clerk