

ORDINANCE NO. \_\_\_\_ - 09

AN ORDINANCE OF THE CITY OF BEREA, KENTUCKY, PROVIDING FOR REVISION OF THE CURRENT RATES AND TARIFFS OF THE ELECTRIC UTILITY AND ADOPTING NEW RATES, TARIFFS, AND REGULATIONS.

WHEREAS, in January 2005, the City of Berea purchased the water and electric utilities from Berea College; and

WHEREAS, at the time of such purchase the City continued the rates and tariffs approved by the Kentucky Public Service Commission for the Berea College Electric and Water Utilities; and

WHEREAS, the City has contracted for and received a "Retail Rates and Revenue Requirement" study from The Prime Group, LLC, which recommends for a revision of rates in order to provide for a return on investment sufficient to permit the electric utility to continue to provide quality service to consumers; and

WHEREAS, the City Council has determined that the rates and tariffs charged for the municipal electric utility must be revised in order to

continue the efficient and proper management of the electric utility system and to conserve the natural resources used for electricity generation;

NOW, THEREFORE, the City Council of the City of Berea, Kentucky, does ordain as follows:

**SECTION I**

That the following rates and tariffs be and the same are hereby adopted by the City of Berea for the operation of the electric utility:

**A) Class 1 Residential**

Service Charge	(minimum bill)	<del>\$-9.00</del> <u>14.00</u> /monthly
Energy Charge	Each kwh	<del>\$-0.0522</del> <u>0.0534</u>

**B) Class 2 Commercial**

Service Charge	(minimum bill)	<del>\$-</del> <del>10.00</del> <u>15.00</u> /monthly
Energy Charge	Each kwh	<del>\$-0.0589</del> <u>0.0595</u>

**C) Class 3 Large Commercial**

Minimum Charge		<del>\$-</del>
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	<del>13.00</del> <u>18.75/monthly</u>
Demand Charge Each kwh	<del>\$ 2.70</del> <u>3.90</u>
Energy Charge Each kwh	<del>\$ 0.0484</del> <u>0.485</u>

**D) Class 4 Industrial and Large Commercial**

Minimum Charge	\$ 939.00/monthly
Demand Charge Each kwh	<del>\$ 6.47</del> <u>8.10</u>
Energy Charge Each kwh	<del>\$ 0.0364</del> <u>0.037</u>

**E) Class 5 Primary Metering Customer Owned/Leased Transformers**

Minimum Charge	\$ 900.00/monthly
Demand Charge Each kwh	<del>\$ 6.00</del> <u>7.85</u>
Energy Charge Each kwh	<del>\$ 0.0352</del> <u>0.0359</u>

**F) Class 6 Primary Metering Non-Owned/Leased Transformers**

Demand Charge Each kwh	<del>\$ 6.18</del> <u>7.15</u>
Energy Charge Each kwh	<del>\$ 0.0348</del> <u>0.0369</u>

**G) Class 8 Private Outdoor Lighting Service**

1) Mercury Vapor	
175 watt Standard Overhead	\$ <del>6.50</del> <u>7.05/monthly</u>
175 watt Existing Pole	\$ <del>5.50</del> <u>6.05/monthly</u>
400 watt Existing Pole	\$ <del>8.95</del> <u>9.50/monthly</u>

2) High Pressure Sodium

70 watt Standard Overhead	\$-
	<del>3.60</del> <u>4.15/monthly</u>
70 watt Existing Pole	\$-
	<del>3.10</del> <u>3.15/monthly</u>
100 watt Standard Overhead	\$-
	<del>4.55</del> <u>5.10/monthly</u>
100 watt Existing Pole	<del>\$4.00</del> <u>4.55/monthly</u>
250 watt Standard Overhead	\$-
	<del>9.45</del> <u>10.00/monthly</u>
250 watt Existing Pole	<del>\$8.80</del> <u>9.35/monthly</u>

H) Class 9 Net Billing Service

1) Less than 10 KWH

Service Charge (minimum bill)	\$-
	<del>9.00</del> <u>14.00/monthly</u>
Energy Charge Each kwh	\$-
	<del>0.0522</del> <u>0.0534</u>

2) More than 10 KWH

Energy supplied to the customer will be billed pursuant to Berea's applicable sales rate. Berea will credit the KWH output from the customer at the average energy charge paid by Berea to its wholesale supplier for the preceding calendar year.

3) The net billing option shall be limited to no more than twenty-five (25) customers.

#### 1) All Classes

1) Late Payment Charge: 10% will be added in bill is not paid by the 10<sup>th</sup> day after billing date.

2) Reconnect charges: \$20.00

3) Discontinuance of Service for non-payment: If the account is not paid by the 20<sup>th</sup> day after the date of mailing of the monthly bill, service may be discontinued in accordance with the rules and regulations of the Berea Municipal Electric Utility.

4) Additional Charges: There shall be added to the bill of each customer as a separate item (a) a franchise replacement fee equal to 3% of the gross bill for the water service provided, pursuant to Ordinance No. 16-04; and (b) an amount equal to the proportionate part of any license, franchise or similar fee or tax now or hereafter imposed upon the Berea Municipal Electric Utility by any governmental body or entity, including but not limited to Berea Independent School District or the Madison County School District, or other similar administrative or governmental body.

5) Revenue Stabilization Adjustment: A monthly adjustment, which may either be a charge or credit, shall be applied for the purpose of providing for

the difference between Berea's budgeted cost of service and projected revenues for the current fiscal year. Cost of service shall include operation and maintenance expenses, interest and principal on debt, average extensions and replacements, and margins. The adjustment shall be determined prior to the beginning of each fiscal year and remain in effect for the entire fiscal year. For customers taking service under Residential Service - Class 1, Small Commercial -Class 2, Large Commercial - Class 3, Industrial and Large Commercial - class 4, Industrial and Large Commercial - Class 5, Industrial and Large Commercial - class 6, and Net Billing Service - Class 9, the Revenue Stabilization Adjustment shall be applied as charge or credit ~~per KWh~~. For customers taking service under Private Outdoor Lighting - Class 8, the Revenue Stabilization Adjustment shall be applied as a charge or credit per light per month.

**SECTION II**

*The Rules and Regulations of the Berea Municipal Electric Utility attached hereto as Exhibit A are hereby approved and adopted.*

**SECTION III**

*This Ordinance shall be effective on the date of publication, and the rates shall be effective for meter reading on and after that date. All ordinance or parts of ordinances in conflict with this ordinance are hereby repealed. This ordinance shall be published according to law.*

FIRST READING: \_\_\_\_\_, 2009.

SECOND READING & ENACTMENT: \_\_\_\_\_, 2009.

CITY OF BEREA, KENTUCKY

APPROVED:

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*Steven Connelly, Mayor*

ATTEST:

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*Clerk of the City Council*

PREPARED BY:

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*James T. Gilbert*  
*Corporation Counsel*