

NOTICE TO UTILITY CUSTOMERS

On May 14, 2018, City Council voted and passed Ordinance 18-6, providing a restructure of electric rates. This Ordinance change did **NOT** raise or increase electric rates causing an overall increase to customer electric charges. The previous ordinance stated the City's base cost of power was 4.7 cents per kilowatt. However in 2017, the average base cost was around 8.1 cents. This large difference caused larger Energy Cost Adjustments on our customers' bills. By restructuring these rates in Ordinance 18-6 and adjusting the base cost of power to a cost closer to actual, electric customers may see a higher ELECTRIC charge on line 2 of their bill, but also see a significant reduction in the ENERGY COST ADJ on line 3. The overall charge for electric service the City charges its customers again did **NOT** increase. In fact, the restructure will often allow for ENERGY COST ADJ CREDITS due to more transparent and accurate base cost reflection. Please see an example of a customer's May and June bills as an example below:

Before Ordinance 18-6 (May 2018):

Service		Meter Reading		Multiplier	Usage	Amount	Description
Previous	Current	Previous	Current				
04/16/18	05/16/18	47,218	47,747	1.0000	529		ELECTRIC
04/16/18	05/16/18	2,331	2,347	1.0000	16		GAS
04/16/18	05/16/18	300	340	1.0000	40		WATER

Meter Detail Information Listed Above

Billed Amounts and Usages Listed Below

Number of Days in Billing Period	31		\$8.22	ELECTRIC BASE CHARGE
		529	46.17	ELECTRIC
		529	20.03	ENERGY COST ADJ

After Ordinance 18-6 (June 2018):

Service		Meter Reading		Multiplier	Usage	Amount	Description
Previous	Current	Previous	Current				
05/16/18	06/18/18	47,747	48,538	1.0000	791		ELECTRIC
05/16/18	06/18/18	2,347	2,347	1.0000	0		GAS
05/16/18	06/18/18	340	418	1.0000	78		WATER

Meter Detail Information Listed Above

Billed Amounts and Usages Listed Below

Number of Days in Billing Period	30		\$8.22	ELECTRIC BASE CHARGE
		791	95.51	ELECTRIC
		791	5.70	ENERGY COST ADJ

Many of our electric customers have inquired about the 'energy cost adjustment' that appears on the City utility bill. While the base cost for the City was set at \$.0476 per Kilo Watt Hour sold (now \$.0811 via Ordinance 18-6), that does not reflect the total cost to the City for the power we purchase and then provide to our customers. Energy rates fluctuate significantly from month to month and the City uses this adjustment process to avoid having a permanently high base charge to our customers. For example, one month the cost to the City per KWH might be \$.0678 while the following month it could be as much as \$.0948 per KWH. The City passes on the exact cost we incur without adding any extra profit and thus the system works to the advantage of you, our customer. Keeping the base rate low and using the 'energy cost adjustment' guarantees the customer will not be overcharged should there be a large one time decrease in the amount the City pays for power in a particular month. We hope this brief explanation answers any questions you may have about the 'energy cost adjustment'