

ORDINANCE NO. 1562

AN ORDINANCE TO AMEND ORDINANCE NO. 1554 AND 1558 BY AMENDING RATES, CHARGES AND CREDITS TO CUSTOMERS FOR ELECTRICAL SERVICES

WHEREAS, the City Commission of the City of Madison, South Dakota (the City) adopted Section 7-42 of the Revised Ordinances of the City of Madison (the Code) providing for, among other things, electric rates to be charged to electric users in the City for taking electricity from the municipal electric system of the City; and

WHEREAS, the City Commission of the City must provide revenues to pay the costs of improvements to the City's electric utility system (the Improvements) including the payment of electric utility revenue bonds (the Bonds), proceeds of which will be used to finance the Improvements; and

WHEREAS, the City Commission of the City desires to amend the Code in order to separately state the base rate and surcharge components of each electric rate and to increase the rates, charges and credits as deemed necessary;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF MADISON, SOUTH DAKOTA:

That Section 7-42 of the Revised Ordinances of the City of Madison, also known as the Code of Ordinances, be amended to read as follows:

SECTION 1

From and after the effective date of this ordinance, the electric rates shall consist of two components: a base rate and a separate surcharge for the benefit of the Improvements to the electric utility system. The City shall account for the revenues derived from the base rate and the surcharge separately, but the surcharge shall not be required to be shown separately on the electric utility bills to users of the electric utility. The costs of the Improvements and the Bonds incurred by the City to finance or refinance the Improvements shall be paid solely from the revenues produced by the surcharge and not from the general revenues of the electric utility, provided that the City may from time to time advance moneys from the general revenues of the electric utility to pay costs of the Improvements, but any moneys so advanced shall be repaid from surcharge collections within one year of the date of each such advance.

SECTION 2

Monthly usage by each customer, based on meter readings, shall be charged as to the below rate schedules hereby amended to read:

(a) Residential and Church Rates	<u>Base Rate</u>	<u>Surcharge</u>	<u>Total</u>
1. Monthly Service Charge	\$20.80	\$.66	\$21.46
2. Plus Energy Charge (per KWH)	<u>Base Rate</u>	<u>Surcharge</u>	<u>Total</u>
0 - 1000 KWH	\$.09353	\$.00506	\$.09859
Over 1000 KWH	\$.07441	\$.00364	\$.07805
3. Minimum Charge per Month per Service	\$21.46.		

4. Residential Customer Classification

The residential rates set forth above shall be applicable to single phase alternating current electrical service at standard City voltages for residential and church uses within the City limits when all electrical service furnished under the above schedule is measured by one meter. The above rates shall not apply to shared or resale service. The residential rates shall be available to individually metered single family dwellings, individual mobile home units or to each dwelling unit of apartment houses, condominiums or other multiple family dwelling units. A dwelling unit shall be defined as follows: "One or more rooms located in a dwelling that are used as living quarters for one family only. Each dwelling unit contains one and only one set of kitchen facilities." Any property located in a residential zone of the City which conducts a home occupation as defined in the City Zoning Ordinance shall be considered residential for the purpose of this electric rate ordinance.

(b)	Commercial Rates	<u>Base Rate</u>	<u>Surcharge</u>	<u>Total</u>
	1. Monthly Service Charge	\$24.83	\$0.74	\$25.57
	2. Plus Energy Charge (per KWH)	<u>Base Rate</u>	<u>Surcharge</u>	<u>Total</u>
	0 - 2000 KWH	\$.12896	\$.00660	\$.13556
	Over 2000 KWH	\$.08104	\$.00400	\$.08504
	3. Minimum Charge per Month per Service	\$25.57.		

4. Commercial Customer Classification

The commercial rates set forth above shall be available to all eligible commercial customers residing within the City limits and shall be applicable to single phase service or three phase power service only if said three phase power service demand does not exceed fifty kilowatts integrated over a thirty minute time interval two or more times within the preceding calendar year. In addition, the commercial rates shall be applicable to multiple family dwellings, apartment houses and mobile home courts where the respective dwelling units are not individually metered but rather metered at a central location.

(c)	Industrial Rates	<u>Base Rate</u>	<u>Surcharge</u>	<u>Total</u>
	1. Monthly Service Charge	\$25.55	\$1.15	\$26.70
	2. Plus Demand Charge (per KW)	\$13.25	\$1.64	\$14.89
	KW levels will be determined by calculating the higher of the actual KW peak or 50% of the highest KW peak within the last twelve months.			
	3. Plus Energy Charge (per KWH)	\$0.03670	\$0.00335	\$.04005

4. Plus Power Factor Charge

If metered reading averages less than ninety-five percent (95%) at the point of delivery for the month, the metered demand will be increased by multiplying the metered demand by ninety-five percent (95%) and thereafter dividing by the average power factor reading expressed in percent as illustrated in the following formula:

If power factor is less than ninety-five percent (95%),
then adjusted billing demand = $\frac{\text{demand} * 95\%}{\text{power factor \%}}$
otherwise demand = demand

5. Minimum Charge per Month per Service \$26.70.

6. Industrial Customer Classification

The industrial rates set forth above shall be available to all industrial customers residing within the City limits and shall be applicable when the customer's monthly peak power demand exceeds fifty kilowatts integrated over a thirty minute time interval two or more times within the preceding calendar year. However, a customer in the industrial class who does not reach sixty-five kilowatts two times within the preceding calendar year may request to be moved to the commercial class with said request to be considered and acted upon by the Mayor, Utilities Commissioner and Electric Superintendent.

Electrical customers residing outside the City limits shall be identified and classified by the City Electrical Superintendent as either residential, commercial or industrial customers as defined above. Said customer's electrical utility bill shall be subjected to a twenty percent (20%) surcharge in addition to the bill as determined in the respective customer classification.

Electrical energy supplied to various schools will be charged at the rate as determined in the respective customer classification.

Electrical energy supplied to various City buildings and facilities shall be charged and paid for by the respective City departments at the rate as determined in the respective customer classification.

SECTION 3

Monthly charges for each lamp of Security Lighting shall be charged as to the below hereby amended to read:

- (a) 0 - 249 Watt \$ 9.00
- (b) 250 - 399 Watt \$11.75
- (c) 400 - 499 Watt \$16.12
- (d) 500+ Watt \$20.07

SECTION 4

Monthly credits to customers for electric load management participation shall be applied as to the below hereby amended to read:

- (a) Water Heater Credit
All customers with an actively used and operable electric water heater who participate in the City's load management program will be eligible for a \$.01000 per KWH credit on the

electric bill on a twelve month basis for that portion of electrical energy usage per month between 50 KWH and 800 KWH with a maximum eligible monthly credit of \$7.50 per dwelling unit.

(b) Air Conditioner Credit

All customers with an actively used and operable 220-volt air conditioner who participate in the City's load management program will be eligible for a \$.02500 per KWH credit on the electric bill for the months of July, August and September for that portion of electrical energy usage per month between 300 KWH and 1200 KWH with a maximum eligible monthly credit of \$22.50 per dwelling unit.

(c) Electric Heat Credit

All customers with a minimum 4 KW electrical heating system (baseboard, furnace, blowers, etc.) that is actively used and operable who participate in the City's load management program for partial/cycling control will be eligible for a \$.02500 per KWH credit on the electric bill for the months of December, January and February for that portion of electrical energy usage per month between 300 KWH and 1200 KWH with a maximum eligible monthly credit of \$22.50 per dwelling unit.

(d) Off-Peak Usage Rates

All customers shall be offered a discounted rate of \$.04283 per KWH for electrical energy usage for that energy provided to approved dual fuel heating system customers and other specific commercial or industrial loads that can be interrupted at the convenience of the City without advance notice to said customer. Said electrical energy usage will be metered on a separate meter. Upon application and agreement for the off-peak usage rate, the City Electrical Superintendent will authorize the installation of an additional meter to monitor the off-peak energy usage.

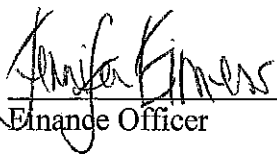
SECTION 5

Rates, charges and credits as defined under this ordinance shall be reflected on utility bills mailed to customers in December of 2014 and thereafter and due and payable in January of 2015 and thereafter.

Dated this 24th day of November, 2014.

CITY OF MADISON

ATTEST:


Finance Officer


Mayor

1st Reading: November 10, 2014

2nd Reading: November 24, 2014

Published: November 26, 2014

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