

ORDINANCE NO. 1532

AN ORDINANCE TO AMEND SECTIONS A, B, C, D AND G OF ORDINANCE NO. 1333 OF THE CITY CODE TO ESTABLISH AND FIX THE TARIFF OF RATES TO BE CHARGED CUSTOMERS FOR ELECTRICITY FROM THE ELECTRICAL UTILITY SYSTEM OF THE CITY; TO PROVIDE FOR PUBLICATION.

WHEREAS, *Chapter 7-42 of the Revised Ordinances of Madison, South Dakota* requires the City Commission to set the rates and charges for electric service by ordinance; and

WHEREAS, this Commission adopted Ordinance No. 1500 (the “Ordinance”) providing for the establishment of a tariff of rates for the electrical utility system of the City.

WHEREAS, the City desires to amend Sections A, B, C, D and G of the Ordinance to 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 Improvements are hereby found to be of general benefit to the City’s electric utility system.

NOW, THEREFORE, BE IT ORDAINED by the City Commission of the City of Madison, South Dakota, as follows:

SECTION 1

From and after the effective date of this ordinance, the electric rates shall consist of three 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 surcharges collections within one year of the date of each such advance.

SECTION 2

As a tariff of rates based on monthly usage by each consumer of electricity from the electrical utility system, the rate schedule based on meter readings is hereby amended to read:

A. RESIDENTIAL, SCHOOL & CHURCH RATES

	<u>Base Rate</u>	<u>Surcharge</u>	<u>Total</u>
(1) Monthly Service Charge	\$12.48	\$.66	\$13.14

(2) Plus Energy Charge as Follows (per KWH):

	<u>Base Rate</u>	<u>Surcharge</u>	<u>Total</u>
First 100 KWH	\$.16175	\$.00843	\$.17018
101 - 1,000 KWH	\$.08578	\$.00452	\$.09030
Over 1,000 KWH	\$.06962	\$.00364	\$.07326

(3) Minimum Charge per Month per Service \$13.14.

(4) Residential Customer Classification

The above residential rates shall be applicable to single phase alternating current electrical service at standard City voltages for residential, school and church uses within the City Corporate Limits when all electrical service furnished under the above schedule is measured by one (1) meter. The above rates shall not apply to shared or resale service. The residential rate 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 one only 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. LIGHT COMMERCIAL RATES

	<u>Base Rate</u>	<u>Surcharge</u>	<u>Total</u>
(1) Monthly Service Charge	\$14.04	\$0.74	\$14.78

(2) Plus Energy Charge as Follows (per KWH):

	<u>Base Rate</u>	<u>Surcharge</u>	<u>Total</u>
First 1,000 KWH	\$.12845	\$.00679	\$.13524
1,001 - 2,000 KWH	\$.11963	\$.00631	\$.12594
Over 2,000 KWH	\$.07545	\$.0040	\$.07945

(3) Commercial Customer Classification

The commercial rates set forth above shall be available to all eligible commercial customers residing within the City Corporate Limits and shall be applicable to single phase service or three (3) phase power service only if said three (3) phase power service demand does not exceed fifty (50) kilowatts integrated over a thirty (30) minute time interval two or more times within the preceding year. In addition the commercial rate 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. HEAVY COMMERCIAL RATE

	<u>Base Rate</u>	<u>Surcharge</u>	<u>Total</u>
(1) Monthly Service Charge	\$14.02	\$1.15	\$15.17
(2) Plus Demand Charge (per KW)	\$ 9.55	\$1.64	\$11.19
(3) Plus Energy Charge (per KWH)	\$0.04125	\$0.00335	\$.0446
(4) Industrial Customer Classification			

The industrial rates shall be available to all heavy commercial and industrial customers residing within the City Corporate Limits and shall be applicable when the consumer's monthly peak power demand exceeds fifty (50) kilowatts integrated over a thirty (30) minute time interval two or more times within the preceding year.

SECTION 3

This ordinance amends Sections A, B and C of the Ordinance and shall be a part and subject to all the terms thereof. Except as expressly amended hereby, the Ordinance shall continue in full force and effect. The City Finance Officer is hereby authorized and directed to provide for publication of this ordinance.

D. MUNICIPAL USES

Electrical energy supplies to the various City buildings and facilities shall be charged and paid for by the respective City departments at a rate of .0609/KWH used.

E. ELECTRICAL SERVICE OUTSIDE CORPORATE CITY LIMITS

Electrical consumers residing outside the City Corporate 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.

F. LOAD MANAGEMENT INCENTIVE RATES & CREDITS

(1) Water Heater Credit (all classes of customers)

All customers with an actively used and operable electric water heater who participate in the City's electric load management control program will be eligible for a .05 per KWH credit on the electric bill on a twelve (12) month basis for that portion of electrical energy usage per month between 50 KWH and 800 KWH with a maximum eligible monthly credit of \$3.75 per customer.

(2) Air Conditioner Credit

- (a) Residential customers with an actively used and operable 22-volt air conditioner who participate in the City's electric load management control program will be eligible for a .0125 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 \$11.25 per dwelling unit.

(b) Commercial and Industrial customers with actively used and operable 220-volt air conditioning units who participate in the City’s electric load management control program will be eligible for a \$11.25/month credit for the months of July, August, and September for each three (3) “tons” unit of air conditioning under control. The City Electrical Superintendent will evaluate and set the actual credit due these respective customers. In no event shall Commercial or Industrial customers be credited at a rate that exceeds .0125/KWH for 400 KWH usage per three (3) ton A.C. unit. Multiple dwellings metered through one (1) meter will be eligible for a maximum \$11.25/month credit per dwelling unit subject to the review and approval of the City Electrical Superintendent.

(3) Electric Heat Credit - Partial/Cycle Control

All customers with a minimum 4KW electrical heating system (baseboard, furnace, blowers, etc.) that is actively used and operable who participate in the City’s electric load management program for partial/cycling control will be eligible for a .02813 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 1000 KWH and 1400 KWH with a maximum eligible monthly credit of \$11.25 per dwelling unit if applicable.

(4) Off Peak Usage Rates (all customers)

The City of Madison shall offer a discounted rate of .0401 per KWH for electrical energy usage for that energy provided to approved dual fuel heating system customers and other specific commercial/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 acceptance and approval by the City Commission of an 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.

G. OUTDOOR FLOOD LIGHTING

For each lamp furnished by the City of Madison monthly charges will be as follows:

0-175 Watt	
First two (2) lamps	\$ 8.65 each
Other	\$ 7.50 each
250 Watt	
First two (2) lamps	\$11.30 each
Other	\$ 9.10 each
400 Watt	
First two (2) lamps	\$15.50 each
Other	\$13.30 each
500 Watt	
First two (2) lamps	\$19.30 each
Other	\$17.20 each

For multiple lights rate for first two (2) lamps will be for the highest wattage rating used. Additional lamps will be charged at the second bracket rate for the wattage used.

SECTION 4

Electric rates as imposed under this ordinance shall be reflected on the utility bills mailed to consumers in December of 2012 and thereafter, and due and payable in January of 2013 and thereafter.

Passed and adopted this 19th day of November, 2012.

CITY OF MADISON

/s/Gene Hexom
Mayor

ATTEST: /s/Jeff Heinemeyer
City Finance Officer

1st Reading: November 5, 2012
2nd Reading: November 19, 2012