

ORDINANCE NO. 2056

AN ORDINANCE RESPECTING ELECTRICITY, THE USE THEREOF, CLASSIFICATION OF CONSUMERS, THE CONDITIONS AND RATES OF CHARGE FOR SUCH USE, ESTABLISHING ELECTRIC RATES FOR CUSTOMERS GENERATING ELECTRICITY, AND REPEALING ORDINANCE NO. 1998 OF THE ORDINANCES OF THE CITY OF KINGMAN, KANSAS

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF KINGMAN, KANSAS:

Section 1. CLASSIFICATION, USE AND RATES. The classification for each customer will be reviewed and categorized January of each calendar year. New customers and changes in account operations made by an existing customer shall result in classification or reclassification when the service begins or as a result of the service changes. Consumers of electric current from the generating and distribution facilities of the city shall be classified as follows:

- (a) Residential - The use of electricity at the home solely for domestic purposes.
- (b) Commercial/School - The use of electricity in the operation of strictly commercial enterprises, utilizing commercial lighting and power at standard utility service voltages, single-phase and/or three-phase. Where more than one meter per customer is employed, separate bill for each meter kWh use shall be calculated.
The use of electricity at private, public or parochial schools in which there are an average of fifty (50) pupils per day during the course of the school year when the school is in session.
- (c) Large General Service - This classification is applicable to large users of electric lighting and power at standard utility service voltages. Customers billed on this rate schedule shall have a metered monthly continuous use exceeding 10,000 kWh for 10 of 12 months of the preceding calendar year and/or a metered demand exceeding sixty (60) kW for two (2) consecutive months of the preceding calendar year. All billing on this rate schedule shall be through a single metering point. The total bill shall be the combination of the energy and demand charges. KW demand shall be billed at the maximum demand registered over a fifteen (15) minute interval during the billing cycle. Demand meters shall be reset each billing cycle.
- (d) Large Power - This classification is applicable to large users of electric lighting and power at standard utility service voltages. Customers billed on this rate schedule shall have a metered monthly continuous use exceeding 150,000 kWh for 10 of 12 months of the preceding calendar year or a projected usage for a new customer, and a metered demand exceeding three hundred (300) kW for two (2) consecutive months of the preceding calendar year. All billing on this rate schedule shall be through a single metering point. The total bill shall be the combination of the energy and demand charges. KW demand shall be billed at the maximum demand registered over a fifteen (15) minute interval during the billing cycle. Demand meters shall be reset each billing cycle.

- (e) Large Power Average Billing - Average billing for Large Power consumers shall be computed as follows: Billing year shall be current calendar year January through December. The current months of January through May shall be based on the average of the previous July through November. The current months of July through November shall be based on the average of the current months of January through May. The current months of June and December shall be adjustment months whereby the actual usage and charges shall be compared to the billed average for the period and correcting adjustments made.
- (f) Rate Structure - The above classification shall apply to each location or place of use of the customer.

The monthly rates for electric lights, heat and power as to the respective above classifications shall be as follows:

RESIDENTIAL

Meter Charge:

\$14.25 (Fourteen dollars and twenty-five cents) per month.

Energy Charge:

All kWh per month at \$.1393 (13.93 cents) per kWh.

RESIDENTIAL RENEWABLE PARALLEL GENERATION

Meter Charge:

\$14.25 (Fourteen dollars and twenty-five cents) per month.

Energy Charge:

All kWh consumed per month at \$.1393 (13.93 cents) per kWh.

Parallel Generation Compensation (Credit), per Section 1, Item (j):

All Excess kWh Generated: \$.04503 (4.503 cents) per kWh.

Parallel Generation Charge:

Calculated per Section 1, Item (j).

COMMERCIAL/SCHOOL

Meter Charge:

\$32.25 (Thirty-two dollars and twenty-five cents) per month.

Energy Charge:

All kWh per month at \$.1386 (13.86 cents) per kWh;

COMMERCIAL/SCHOOL RENEWABLE PARALLEL GENERATION

Meter Charge:

\$32.25 (Thirty-two dollars and twenty-five cents) per month.

Energy Charge:

All kWh consumed per month at \$.1386 (13.86 cents) per kWh;

Parallel Generation Compensation (Credit), per Section 1, Item (j):

All Excess kWh Generated: \$.04503 (4.503 cents) per kWh.

Parallel Generation Charge:

Calculated per Section 1, Item (j).

LARGE GENERAL SERVICE

Demand Charge:

All kW per month, at \$7.00 per kW;

With a minimum demand charge of \$300.00 per month;

Power Factor penalty at \$4.49 per additional kW, per item (g).

Energy Charge:

First 20,000 kWh per month, at \$.1277 (12.77 cents) per kWh;

Excess of 20,000 kWh per month, at \$.1177 (11.77 cents) per kWh;

Minimum Bill: \$300.00.

LARGE GENERAL SERVICE RENEWABLE PARALLEL GENERATION

Demand Charge:

All kW per month, at \$7.00 per kW;

With a minimum demand charge of \$300.00 per month;

Power Factor penalty at \$4.49 per additional kW, per item (g).

Energy Charge:

First 20,000 kWh per month, at \$.1277 (12.77 cents) per kWh;

Excess of 20,000 kWh per month, at \$.1177 (11.77 cents) per kWh;

Minimum Bill: \$300.00.

Parallel Generation Compensation (Credit), per Section 1, Item (j):

All Excess kWh Generated: \$.04503 (4.503 cents) per kWh

Parallel Generation Charge:

Calculated per Section 1, Item (j).

LARGE POWER CUSTOMER

Demand Charge:

All kW per month, at \$7.00 per kW;

With a minimum demand charge of \$300.00 per month;

Power Factor penalty at \$4.49 per additional kW, per item (g).

Energy Charge:

First 20,000 kWh per month, at \$.1189 (11.89 cents) per kWh;

Next 980,000 kWh per month, at \$.1089 (10.89 cents) per kWh;

Excess over 1,000,000 kWh per month at the current base cost specified in Section 2 of this ordinance plus or minus the monthly computed energy charge adjustment factor plus one (1) cent per kWh;

Minimum Bill: \$300.00.

- (g) Power Factor - This rate is based on the Large General Service and Large Power Customer maintaining at all times a Power Factor of 90% lagging, or higher, as determined by the measurement by utility equipment at the time of reading. If the Power Factor is found to be less than 90% lagging, the Demand as recorded by the Utilities meter will be increased by $\frac{3}{4}$ of 1% for every 1% that the Power Factor is less than 90%. Charge shall be at the Power Factor penalty rate.

- (h) City Service – Meter Charge of \$5.00 (Five dollars) per month and Energy Charge of \$.1430 (14.30 cents) per kWh for all kWh per month.
- (i) Primary Service Discount - The rate provision of the net monthly bill will be discounted three (3) percent if all service is delivered and metered at a city standard available primary voltage, and the customer owns and maintains all necessary transformation equipment and substations. All customer supplied equipment shall be approved by the utility.
- (j) Parallel Generation Charges -
 - (1) Any residential customer of the City’s electric utility that installs an energy producing system or renewable generator with a capacity of 25 kilowatts or less, or (2) any commercial customer of the City’s electric utility that installs an energy producing system or renewable generator with a capacity of 200 kilowatts or less may, upon request of such customer, enter into a contract with the City for parallel generation whereby such customer may attach or connect to the City’s delivery and metering system an apparatus or device for the purpose of feeding excess electrical power which is generated by such customer’s energy producing system into the City’s electrical system and realize compensation therefore. Such contract shall comply with the requirements of K.S.A. 66-1,184 et seq., as amended. The cost of any equipment required to be installed for such attachment or metering and installation shall be the sole responsibility of the customer and such equipment shall not cause damage to the City’s electric system or equipment or present an undue hazard to City personnel.

In addition to all other electric charges, any customer that has entered into a contract with the City pursuant to this subsection shall pay a monthly Parallel Generation Charge calculated as Average Monthly Renewable Energy times Unrecovered Energy Revenue less Avoided Demand times the Capacity Demand Rate (i.e., (Average Monthly Renewable Energy x Unrecovered Energy Revenue) – (Avoided Demand x Capacity Demand Rate)).

The monthly Parallel Generation Charge shall be calculated and fixed annually, unique to each renewable customer generator size.

The following definitions shall apply to this Section:

Annual Electric Sales means the total amount of electricity in kWh sold by the City in the previous fiscal year.

Annual Energy Production means the annual energy production of the customer’s energy producing system according to the National Renewable Energy Laboratory.

Annual Energy Rate means the Annual Energy Rate of the KPP as reported on the corresponding monthly invoice.

Average Monthly Renewable Energy means Annual Energy Production/12.

Average Revenue per kWh means Revenue from Energy Charges/Annual Electric Sales.

Avoided Demand means 10% of the kW-DC size of the customer solar cell.

Capacity Demand Rate means the capacity demand rate of the KPP as reported on the corresponding monthly invoice.

KPP means The Kansas Power Pool (“KPP”), a Municipal Energy Agency.

Miscellaneous Energy Costs means any generation fuel costs incurred by the City and not recovered from the KPP.

Revenue from Customer Charges means the total revenue of the City from all electricity customer charges in the prior fiscal year.

Revenue from Demand Charges means the total revenue of the City from all electricity demand charges in the prior fiscal year.

Revenue from Electric Operations means the total revenue of the City from all electric operations in the prior fiscal year.

Revenue from Energy Charges means Revenue from Electric Operations – Revenue from Customer Charges – Revenue from Demand Charges.

Unrecovered Energy Revenue means Average Revenue Per kWh – Annual Energy Rate – (Miscellaneous Energy Costs/Annual Electric Sales).

- (k) Non-Resident Residential, Commercial/School, Large General Service and Large Power - The rate for each respective classification for each such non-resident user shall be the regular electric rate for such user.
- (l) Standard Utility Voltages - Standard utility voltages shall be defined as follows:
 - (1) Primary voltages 4160/2400 or 12470/7200 where available
 - (2) Secondary voltage shall be 240/120 for single-phase customers. Secondary voltages for three-phase customers shall be that which is in place for existing transformer banks or voltages available through accepted primary and secondary transformer connections for new transformer banks.

Section 2. ENERGY COSTS ADJUSTMENT

ENERGY ADJUSTMENT CLAUSE: Effective with billings subsequent to November 1, 2015, to all consumers of electrical current and electrical energy, the City of Kingman will compute the actual costs of energy purchase and of production for each kilowatt hour. The NKWH is defined to reflect the calendar month system requirements as determined by the customer billing software. The base energy cost per net kilowatt hour (NKWH) in accordance with the foregoing rates is the rate as billed by Kansas Power Pool, the City's power provider. All costs and KWH usage are concurrent. (For example, the power we generate in July and costs associated with that generation are concurrent). The difference in energy cost per NKWH and the base cost per NKWH shall be calculated on the formula below to, account for distribution losses and energy furnished free by the municipal electric utility to the City of Kingman. Energy costs shall be determined from the cost of natural gas, diesel oil, lubricating oil and/or energy purchased. The additional cost of production of each kilowatt hour shall be computed as herein set forth and added to the monthly bill of all consumers. There will only be a credit given when the formula results in a negative adjustment for three (3) consecutive months; however, no monthly bill shall be reduced below the monthly minimum bill.

The following provisions apply to electric rates, Energy Adjustment Clause:

- (1) Rates and charges for electric service for the current month provided by the city shall be increased or decreased by 0.001 cent, or major fraction thereof, increase or

decrease in the aggregate cost of energy per kWh as computed by the following formula:

$$(F + P + N1)/0.01S - \text{the rate as billed by the Kansas Power Pool} = \text{Adjustment}$$

Where:

TABLE INSET:

F	=	Actual dollar cost of fossil fuel burned during the current month to supply electric energy to customers.
P	=	Actual Total cost of purchased power and energy during the current month to supply electric energy to customers.
N1	=	Actual net dollar cost of interchange received less interchange sales during the current month.
S	=	Actual kWh delivered to retail and wholesale customers during current month. The current month is defined as the calendar month during which energy is being used by wholesale and retail customers.

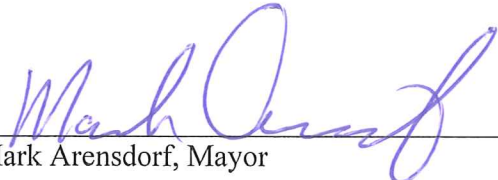
- (2) The adjustment computed under subsection (1) of this section will be increased or decreased by the amount (to the nearest 0.001 cent per kWh) by which the total amount billed to customers under the energy adjustment in the previous month was greater or less than the actual cost of energy experienced during that month. No credits will be given unless the formula results in a negative adjustment for three (3) consecutive months. The actual cost of energy will be calculated using the formula in subsection (1) with components defined as in subsection (1), except that the fuel cost (F) will be reduced by any specified refunds received.

Section 3. Ordinance Number 1988 of the City of Kingman, Kansas is hereby repealed.

Section 4. The rates set forth herein shall become effective for usage starting on January 1, 2020, unless otherwise specified. Billing will take place after February 1, 2020 for the new rate. This ordinance shall become effective upon publication in the official city paper.

PASSED BY THE GOVERNING BODY OF THE CITY OF KINGMAN, KANSAS,
this 10th day of October, 2019.

THE GOVERNING BODY OF THE
CITY OF KINGMAN, KANSAS,



Mark Arensdorf, Mayor

(SEAL)
Attest:



Cindy Conrardy, City Clerk