



# **GRU's Lighting Program Energy Delivery**

UAB April 14, 2022

GPC April 28, 2022

# GRU's Lighting Program

## Key Takeaways

- Improve environmental footprint.
- Beautify community.
- Need annual analysis, rate adjustments, and standards modifications built into annual processes.
- Program has been around over 30 years and remains transparent.
- Probability increases that non-lighting customers could be subsidizing commercial and residential lighting customers if rates do not align with cost of service.



# GRU's Lighting Program Timeline

- In accordance with standard practices, Energy Delivery made lighting rate increases during the annual budget process in FY2020.
- Energy Delivery made pole rate increases in FY2020 after holding rates flat for 14 years.
- GRU rolled new rates back to FY2019 rates after customer inquiries.
- GRU committed to reviewing internal processes and following up with CC.
- GRU initiated discussions in August 2021 but postponed due to COVID-19 priorities.



# GRU's Lighting Program

## Cost of Service Methodology

Monthly Costing Example: LED Rental Roadway Light (L40)

	Install	Removal	Maintenance	
Labor - Engineering	\$103	\$51	\$0	
Labor - Construction	\$294	\$147	\$71	
Materials	\$589	\$0	\$57	
Subtotal One-time Expenses	\$986	\$198	\$128	\$1,312
	Combining the expenses above with IRR*			\$20
			Energy**	\$4
		Total Monthly Billing		\$24

\*Based on 10 year recovery

\*\*Combines fixture wattage and Electric Energy Rates at 12 hours per day



# GRU's Lighting Program

## Estimated Impact of Rate Proposals

Monthly Example using February 2022 data

Rate Type	Quantity	Billing Revenue (current rates)	Comparison of Billing Revenue (FY23 Proposed and Recommended)	Variance \$	Comparison of Billing Revenue (FY23 Proposed w/ 100% Cost of Service)
Rental Poles*	9,857	\$ 71,160	\$ 114,163	\$ 43,003	\$ 200,700
Rental Lights	16,809	\$ 244,299	\$ 272,827	\$ 28,528	\$ 272,827
Public Poles*	9,398	\$ 60,925	\$ 87,740	\$ 26,815	\$ 140,906
Public Lights	22,027	\$ 184,201	\$ 205,017	\$ 20,815	\$ 205,017
Total	58,091	\$ 560,585	\$ 679,747	\$ 119,162	\$ 819,450

\*contributed poles do not have a monthly billing rate and are excluded from table



# Summary

- More closely align FY2023 public and rental lighting and pole rates with cost of service.
- Modify ordinance to correctly reflect light fixture wattages.
- Add/remove lighting and pole fixtures to/from GRU standards catalog.
- Continue annual analysis, rate adjustments, and standards modifications in annual processes.
- Putting a communication plan in place to ensure continued transparency and to allow customers of this program time to budget for rate changes.



# Recommendation

The City Commission:

- 1) Approve the recommended rate adjustments.
- 2) Direct the general manager, or designee, to prepare and the city attorney to draft required ordinance language to implement the recommended rate structure modifications.
- 3) Direct the clerk to advertise later this year along with other rate modifications for an anticipated Oct. 1, 2022, effective date.

