



## Legislation Text

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**File #:** 170647., **Version:** 2

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### **Alternative Electric Rate Structures to Distribute Savings Related to GREC Acquisition (B)**

At the joint meeting of the City Commission and Utility Advisory Board on November 28, 2017, alternative electric rate structures designed to distribute savings resulting from the acquisition of the GREC facility were proposed for consideration. One of the proposed alternatives weighted savings more heavily towards non-residential customers, and one alternative spread the savings evenly among customer classes. Based on input provided at the meeting, a third alternative weighting savings more heavily towards residential customers was added.

Staff is recommending a timeline for implementation of the revised rates that would provide for an effective date for the new structure of February 1, 2018.

This item was heard by the Utility Advisory Board on December 14, 2017.

Evenly distributed savings resulting from the GREC acquisition translate to base rate bill reductions for all rate classes of approximately 9.1%. Weighting the savings adjusts this bill reduction by approximately 1%.

Staff recommends that the City Commission:

- 1) Approve the weighted non-residential proposal to begin to address the subsidization of residential rates; or alternatively
- 2) Approve another revised electric rate structure.

The UAB recommends:

- 1) The City Commission approve the weighted non-residential proposal to begin to address the subsidization of residential rates. This motion passed unanimously.
- 2) The City Commission reduce the GFT in an amount equal to the increase in utility tax and that that amount of reduction then be distributed evenly to all rate payers in every rate class and be used for no other purpose. This motion passed 5-2, with members Alford and Denslow in dissent.