

ITEM #:	<u>1</u>
DATE:	<u>10-02-24</u>
DEPT:	<u>ELEC</u>

COUNCIL ACTION FORM

SUBJECT: **AMENDMENT TO SMALL COMMERCIAL ELECTRIC RATES**

BACKGROUND:

On July 9, 2024, the City Council adopted changes to electric rates. Changes included adjusting the monthly service charges and energy rates, creating optional Time-of-Use Rates for Residential, Small Commercial, and Commercial rate customers, authorizing the implementation of a Time-of-Use pilot study of the residential rates, and adjusting the interruptible bill credit for Large Customers who choose to participate in the Interruptible Load Program. The third and final reading of the changes was approved by Council on August 13, 2024.

Staff has discovered that, due to a typographical error, the small commercial winter energy rate was entered into the ordinance as \$0.967 per kWh, far more than the intended \$0.0967. An amendment is necessary to correct the error and ensure electric customers pay a fair and equitable rate.

The approved rate will be used to process bills which are mailed out beginning November 1, 2024. **In order to have the correct rate in place to properly bill small commercial customers, staff is asking the City Council to suspend the rules and accomplish the second and third readings at this meeting.**

ALTERNATIVES:

1. Approve the amendment to Chapter 28 of Municipal Code, small commercial electric rates, and suspend the rules to allow the second and third reading of ordinance at this time.
2. Do not approve the amendment to Chapter 28 of Municipal Code, small commercial electric rates, which would result in a dramatic, unintended rate increase for small commercial customers.

CITY MANAGER'S RECOMMENDED ACTION:

Amending the rate in Municipal Code as proposed will reflect the original intent of staff and City Council to lower the small commercial energy rate. Failure to amend the code to correct the typographical error would result in a dramatic, unintended rate increase for small commercial customers. To ensure the corrected rate is implemented immediately, staff is requesting that the City Council suspend the rules and pass the ordinance on second and third readings. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative 1.

ATTACHMENT(S):

[Ordinance to Amend Small Commerical Rate.pdf](#)