

# November 2020 Electric Rate Adjustment Fact Sheet

| ELECTRIC RATE TABLE           |           |           |           |           |           |           |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
|                               |           | Effective | Effective | Effective | Effective | Effective |
|                               | Current   | Nov 2020  | Nov 2021  | Nov 2022  | Nov 2023  | Nov 2024  |
| <b>RP-1 Residential</b>       |           |           |           |           |           |           |
| Customer Charge               | \$ 12.91  | \$ 13.68  | \$ 14.51  | \$ 14.72  | \$ 14.94  | \$ 15.17  |
| Charge Per kWh                | \$ 0.0897 | \$ 0.0951 | \$ 0.1008 | \$ 0.1023 | \$ 0.1038 | \$ 0.1054 |
| <b>CP-1 Commercial</b>        |           |           |           |           |           |           |
| Customer Charge               | \$ 12.91  | \$ 13.68  | \$ 14.51  | \$ 14.72  | \$ 14.94  | \$ 15.17  |
| Charge Per kWh                | \$ 0.0897 | \$ 0.0951 | \$ 0.1008 | \$ 0.1023 | \$ 0.1038 | \$ 0.1054 |
| <b>CP-2 Commercial Demand</b> |           |           |           |           |           |           |
| Customer Charge               | \$ 9.45   | \$ 10.40  | \$ 11.95  | \$ 12.13  | \$ 12.32  | \$ 12.50  |
| Charge Per kWh                | \$ 0.0515 | \$ 0.0541 | \$ 0.0568 | \$ 0.0576 | \$ 0.0585 | \$ 0.0594 |
| Demand Charge Per KW          | \$ 14.96  | \$ 15.46  | \$ 15.46  | \$ 15.46  | \$ 15.46  | \$ 15.46  |

## Residential Customer Counts Based on Usage\*

| Month Average |                               |
|---------------|-------------------------------|
| 4,457         | Total Accounts Billed year >0 |
| 2,732         | 1,000 kwh or less per month   |
| 886           | 1,001 to 1,500 kWh per month  |
| 450           | 1,501 to 2,000 kWh per month  |
| 305           | 2,001 to 3,000 kWh per month  |
| 66            | 3,001 to 4,000 kWh per month  |
| 18            | Over 4,000 kWh per month      |

\*Source, FY 2019 Utility Study

The current average cost for residential kilowatt hour (kWh) usage under our current rate structure is \$0.1007 per kWh. With the rate adjustment reflected in your November 2020 billing statements, the average cost per kWh will be \$0.1067.

- Average of 1,000 kWh: Current = \$102.61, New year 1 = \$108.78 (Difference \$6.17)
- Average of 1,176 kWh: Current = \$105.52, New year 1 = \$111.87 (Difference \$7.12)
- Average of 1,500 kWh: Current = \$147.46, New year 1 = \$156.33 (Difference \$8.87)
- Average of 2,000 kWh: Current = \$192.31, New year 1 = \$203.88 (Difference \$11.57)
- Based on average usage of 1,176 kWh per month, the average increase per month over the next five years is \$4.15

The last rate increase by the City, used for operations and capital improvements was in 2006. All other rate increases have been based on rate adjustments passed down from the Grand River Dam Authority.

Adjustments will allow other funding to be freed up in our operating budgets to be used for continued maintenance of water and sewer lines, streets, city facilities, and other community improvements.

The adopting resolution makes changes to the CP1 and CP2 rate 15,000 kWh rule. This change allows a review of all CP1 and CP2 customers during the month of November. A 12-month lookback period will determine which rate the customer is placed on for the next 12 months, beginning in January of each year. This will allow current customers on the CP2 rate schedule, who do not meet or exceed the 15,000 kWh rule, to be moved to the CP1 rate schedule.

### Other Items Addressed in Cost of Service Study

- Establishes a rate for the new Veterans Center.
- Establishment of procedures for customer owned Distributed Generation (Solar).
- Establishment of rate classification for Electric Vehicle Charging Stations. (Will use CP2 rate schedule).