



AGENDA ITEM SUMMARY

City Council

STAFF

Randy Reuscher, Utilities Lead Rate Analyst
Lance Smith, Utilities Director of Financed, Planning and Analysis
Cyril Vidergar Legal

SUBJECT

Second Reading of Ordinance No. 089, 2023, Amending Chapter 26 of the Code of the City of Fort Collins Regarding Calculation and Collection of Development Fees Imposed for the Construction of New or Modified Electric Service Connections.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on June 20, 2023, is related to electric capacity fees imposed for the construction of new or modified electric service to add a 200-amp service option for multi-family developments. This additional service option will not impact existing customers or developments; rather, it will provide an alternative sizing option to the existing 150-amp multi-family service in Code today.

STAFF RECOMMENDATION

Staff recommends adoption of this Ordinance on Second Reading.

BACKGROUND / DISCUSSION

Electric Capacity Fees

The current proposal is to add a 200-amp electric capacity fee sizing option for multi-family developments who request a larger panel than the typical 150-amp electric service option described in Code today.

Electric Capacity Fees (ECF) are one-time charges for new development or re-development projects. Development fees are the mechanism for Utilities to recover the impact of adding new demand to the services Utilities provides, including electric, water, wastewater, and stormwater. These fees recover costs for infrastructure already in place to serve new customers based on the “buy-in” approach, where customers pay according to new demands they will put on the system.

Recent Code changes to ECFs approved in Ordinance No.131, 2022, eliminated electric heat categories, applied a standard 200-amp sizing value for detached and attached single-family dwellings, and reduced the previously rarely requested 200-amp multi-family dwelling size option to a standard 150-amp sizing value.

Since the adoption of Ordinance No. 131, 2022, staff has identified a renewed demand for multi-family 200-amp services, though historically this was an infrequent service request for multi-family projects. Staff

proposes setting the applicable one-time charge for the multi-family 200-amp ECFs at \$2,286 per dwelling unit, the same amount as the existing fee for detached and attached single-family dwellings as both service levels present the same demands on the electric distribution system.

Staff will gather data on future multi-family developments constructed with 200-amp service to understand demands on the electric distribution system more thoroughly. Adjustments to the fees for this service level in future years may be necessary once additional data is available and analyzed.

CITY FINANCIAL IMPACTS

Electric capacity fees are based on varying demands for electric services requested and align to cost recovery methods for providing such service. Since this Code change is a response to new requests for this larger panel sizing, the overall financial impact will largely be dependent on the number and size of requests received. The intent of the ECF is to minimize the impact to existing ratepayers from new development, which this update will accomplish for the benefit of existing ratepayers.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

Staff provided a memo to the Energy Board and was available for discussion and feedback at its June 8, 2023, regular meeting regarding the proposal to add a 200-amp multi-family service size back into Code.

PUBLIC OUTREACH

The electric outside city limit postcard was mailed the first week of June and a notice was posted in the Coloradoan on June 11, 2023, at least 30 days before the scheduled Second Reading of the Ordinance.

ATTACHMENTS

First Reading attachments not included.

1. Ordinance for Consideration