

**PETERSBURG BOROUGH
ORDINANCE #2026-08**

**AN ORDINANCE UPDATING CHAPTER 14.16 OF THE MUNICIPAL
CODE, ENTITLED “ELECTRIC UTILITY”**

WHEREAS, in this year’s budget preparations and through the use of the new Waterworth rate review software, Petersburg Municipal Power & Light identified that overall department revenues need to increase by an average of approximately 4% in FY27 in order to fully cover expenses and inflation, fund capital projects, meet reserve policies, and achieve the required debt coverage ration required by our revenue bond.

THEREFORE, THE PETERSBURG BOROUGH ORDAINS, the following service rates and charges set out in Chapter 14.16, Electric Utility, are hereby amended:

Section 1. Classification: This ordinance is of a general and permanent nature and shall be codified in the Petersburg Municipal Code.

Section 2. Purpose: The purpose of this ordinance is to update service rates and charges for FY 2027 for electric service, as set out in Chapter 14.16.

Section 3. Substantive Provisions: Sections 14.16.670 *Rates-Residential service*, 14.16.680 *Rates—General service class*, 14.16.690 *Rates—Large commercial service*, 14.16.700 *Rates—Boat harbor service*, 14.16.715 *Rates—Security lighting service*, 14.16.716 *Economic development power rate*, 14.16.717 *Rates—Municipal buildings*, 14.16.720 *Rates—Fuel and purchased power adjustment charge*, 14.16.725 *Rates—Diesel generation adjustment charge*, and 14.16.730 *Service charges*, of Chapter 14.16, Electric Utility, of the Petersburg Borough Municipal Code are hereby amended as follows. The language proposed for addition is in bold and underlined, and the language proposed for deletion is in brackets and struck through:

14.16.670 - Rates—Residential service.

A. *Applicability.* The rates in this section apply to domestic usage in private residences and apartments, measured through a single meter; provided, that single-phase motors shall not exceed seven and one-half horsepower.

B. *Character of service.* Residential service will be 60-hertz, alternating current. The utility reserves the right to specify the voltage and phase of service supplied under this schedule.

C. *Monthly rate.*

		Effective 7/202 6 ⁵ Billing
Customer charge:		\$16. 64 ⁶⁴ [00]
Energy charge:	All kwh	12. 7 ⁷ [2] cents/kwh

D. *Fuel and purchased power adjustment charge.* Subject to section 14.16.720.

14.16.680 - Rates—General service class.

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A. *Applicability.* The rates in this section may apply to all requirements for lighting, heating and power **service, typically for commercial entities,** measured through a single meter ~~[that is below]~~ **up to a** 50 kilovolt-ampere transformer rating or 50 kilowatt demand, **or having any motor loads greater than seven and one-half horsepower.**

B. *Character of service.* General service will be 60-hertz, alternating current. The utility reserves the right to specify the voltage and phase of service supplied under this schedule.

C. *Monthly rate.*

		Effective 7/202 6 ⁵ Billing
Customer charge:		\$20. 80 ⁰⁰
Energy charge:	All kwh	<u>12.4</u> [44.9] cents/kwh

D. *Fuel and purchased power adjustment charge:* Subject to section 14.16.720.

14.16.690 - Rates—Large commercial service.

A. *Applicability.* The rates in this section apply to lighting, heating and power service for commercial or industrial **customers served by one or more transformer(s) installed solely to provide that service, where the service has a measured demand greater than 50 kilovolt-amperes, or any service for commercial or industrial customers that have greater than 50 kilowatts of demand from any transformer.** ~~[service having measured demands equal to or greater than 50 kilovolt-ampere transformer rating or 50 kilowatt demand.]~~

B. *Character of service.* Large commercial service will be 60-hertz, alternating current. The utility reserves the right to specify the voltage or phase of service supplied under this schedule.

C. *Monthly rate.*

		Effective 7/202 6 ⁵ Billing
Customer charge:		\$ <u>41.60</u> [40.00]
Demand charge:		\$3. 85 ⁷⁰ per KW of billing demand
Energy charge:	All kwh	<u>12.4</u> [44.9] cents/kwh

D. *Fuel and purchased power adjustment charge.* Subject to section 14.16.720.

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E. *Minimum charge.* The minimum demand charge shall not be less than 75 percent of the highest demand billed during the preceding 11 months, **but** in any case no less than **\$200.00 after July 1, 2026.** [~~\$170.00 after January 2, 2022; and \$185.00 after July 1, 2022.~~]

F. *Billing demand.* The billing demand shall be the maximum 15-minute measured demand during the billing period, adjusted for power factor.

G. *Adjustment of demand for power factor.* Demands will be adjusted to correct for average power factors lower than 90 percent. Such adjustments will be made by increasing the measured demand one percent for each one percent or portion thereof by which the average power factor is less than 90 percent lagging.

H. *Agreement of service.* The borough may require an agreement to be entered into for service under this schedule.

14.16.700 - Rates—Boat harbor service.

A. *Applicability.* The rates in this section apply to usage in moored [~~private~~] boats, measured through a single meter, at the boat harbors; provided, that single-phase motors shall not exceed seven and one-half horsepower.

B. *Character of service.* Boat harbor service will be 60-hertz, alternating current. The utility reserves the right to specify the voltage and phase of service supplied under this schedule.

C. *Monthly rate.*

		Effective 7/202 6 ⁵ Billing
Customer charge:		\$20. 80 ⁸⁰
Energy charge:	All kwh	12. 9 ⁹ cents/kwh

D. *Fuel and purchased power adjustment charge.* Subject to section 14.16.720.

14.16.715 - Rates—Security lighting service.

A. *Installation policy.* Residential or commercial customers may **select light-emitting diode (LED) security lighting fixtures using the wattage ranges identified in paragraph C below. High pressure sodium (HPS) fixtures shall not be available for new installations or replacements under this schedule after July 1, 2026.** [~~choose 70-watt, 100-watt, 200-watt or 400-watt high pressure sodium (H.P.S.) lamps, or LED wattage equivalent fixtures, for security lighting purposes.~~] The municipal electric utility shall install and maintain the fixtures on existing poles, **and at its discretion may replace HPS security lights for equivalent LED lights. In the case of HPS replacement with an LED light, the monthly rates in section C below shall apply to the wattage of the new LED light.**

B. *Character of service.* Security lighting shall be served from an existing source of 60-hertz, alternating current. The utility reserves the right to specify the voltage of service supplied under this schedule.

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C. *Rates.* Monthly rates for the fixtures shall be:

Wattage	Rate per lamp
20—30 watt LED	\$8.50
31—50 watt LED	\$10.00
51—100 watt LED	\$12.50
101—150 watt LED	\$15.00
70 watt HPS	\$8.50
100 watt HPS	\$10.00
200 watt HPS	\$15.00
400 watt HPS	\$20.00

D. *Special provisions.* Where suitable poles and/or existing services do not exist, the customer may be required to participate in or bear the cost of installation of poles and conductors. Such installations are at the sole discretion of the utility director.

14.16.716 - Economic development power rate.

A. The purpose of this rate schedule is to encourage economic development by encouraging capital investments, adding jobs, improving the efficient utilization of existing municipal power and light facilities and diversifying customer base.

B. Applicant eligibility requirements are as follows:

1. New commercial or industrial customers at one location having peak demand equal to, or greater than, 50 kilowatts. A new customer's electric service represents demand not previously serviced by the electric utility at any location.

2. Existing commercial or industrial customers who increase their peak demand at one location by no less than 50 kilowatts. The rate shall apply only to the expanded demand and shall be measurable by installation of a separate electric meter or other device approved by the utility director.

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3. The applicant is required to be located where there is no significant additional investment in utility facilities by the borough or pay for the line extension and/or transformer costs under terms of the existing code.

4. Upon connection of the new or increased load addressing sections B.1 or B.2 of this section, a customer will be charged established normal rates per the applicable customer class until they prove that they have met sections B.1 and B.2. The customer has up to 12 months from the month service is energized or new load is added to demonstrate eligibility under provisions B.1. or B.2. of this section. The customer must provide a written request for application of the economic development rate to the utility director, with information provided that clearly shows that the load threshold has been met.

5. All written requests for service under this section will be considered by the borough assembly, after review and recommendation by the utility director; however, requests which do not conform to purpose and applicability provisions as determined by the director, shall not be approved.

C. *Character of service.* Service will be 60-hertz, alternating current. The borough reserves the right to specify the voltage or phase of service supplied under this schedule.

D. *Monthly rate.*

		Billing Period
Customer charge:		\$<u>31.20</u> [30.00]
Demand charge:		-0-
Energy charge:	All KWH	10. <u>9</u> [5] cents/KWH

E. *Term of rate.*

1. The term of this rate shall not exceed a period of three years from the month that increased or added loads have been proven by the customer and approval of the rate is approved.

2. Continuation of service beyond the three year limit will be at the appropriate standard rate.

3. This rate will not go into effect until applicant is approved by the borough assembly, and no refund or consideration for past power consumption will be considered.

F. *Special provisions.* This rate may be curtailed by the borough assembly upon 30 days' notice in the event that sufficient hydro power is no longer available. Should this occur, the customer would have the option of switching to the appropriate standard rate schedule or having the service discontinued.

G. *Agreement of service.* The borough assembly may require an agreement to be entered into for service under this schedule.

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14.16.717 - Rates—Municipal buildings.

A. *Applicability.* The rates of this section apply only to the following municipal buildings, of the Petersburg Borough who receive a large commercial rate: 1) the Aquatic Center Boiler Room, 2) the Aquatic Center, 3) the High School/Middle School/High School Gym, and 4) the Elementary School.

B. *Character of service.* The service voltage shall be three-phase, 60-hertz. The utility reserves the right to specify the voltage supplied under this service.

C. *Monthly rate.* The energy charge and monthly customer charges shall be as presented in the table below. There are no demand or power factor penalty charges. In addition to the energy charge and monthly customer charge, the fuel and purchased power adjustment charge described in section 14.15.720 will apply.

		Effective 7/2026 [5] Billing Period
Customer charge:		\$35.36 [34.00]
Demand charge:		-0-
Energy charge:	All kwh	11. 6 [2] cents/kwh

D. *Special provisions.* During the annual budget process, the electric utility shall report to the assembly the dollar amount difference by offering the municipal rate instead of the large commercial rate.

14.16.720 - Rates—Fuel and purchased power adjustment charge.

A. *Applicability.* An adjustment shall be applied to each kilowatt-hour billed under all schedules to reflect increases in purchased wholesale power above a rate of 7.3 cents/kwh for SEAPA wholesale power. **Upon the Electric Utility Director’s recommendation, and the Borough Manager’s approval**~~[At the assembly’s discretion]~~, an adjustment may be applied to each kilowatt-hour billed under all schedules for diesel fuel purchased, for purposes of generation, above **the budgeted per gallon cost established in the current fiscal year**~~[a cost of two hundred forty cents/gallon]~~. The adjustment **rate will be applied to kWh usage during a billing period that includes diesel generation (the “billing period” in the formula below), and the adjustment charge will be billed the month following.**~~[s will be based on the previous month’s usage.]~~

B. *Method of calculation.* The adjustment A (in cents/kilowatt-hour) ~~[applied to prior month’s usage]~~ shall be calculated as follows:

A = (Fuel adjustment formula) + (Purchased Power adjustment formula)

A = ((F-~~FB~~~~[240]~~)/13.5 × D/G) + ((S-7.3) × P/G)

Where:

F = Cost in cents/gallon of most recent purchase of diesel fuel.

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FB = Cost in cents/gallon of current fiscal year's budgeted fuel purchase expense.

D = Kilowatt-hours generated during **the billing period.** [~~prior month by diesel plant.~~]

G = Total generation during **the billing period** [~~prior month~~] **(Blind Slough Hydro + Diesel Plant + SEAPA)**, [~~including purchased power,~~] in kilowatt-hours.

S = SEAPA wholesale power rate, in cents/kilowatt-hour.

P = Energy purchased from SEAPA during [~~month prior to billing period~~] **the billing period,** in kilowatt-hours.

[~~G = Total generation during prior month (Blind Slough Hydro + Diesel Plant + Tyee), in kilowatt-hours.~~]

14.16.725 - Rates—Diesel generation adjustment charge.

A. *Applicability.* **Upon the Electric Utility Director's recommendation, and the Borough Manager's approval** [~~At the Assembly's discretion~~], an adjustment may be applied to each kilowatt-hour billed under all schedules for fuel, engine oil and staff overtime expenses incurred when unplanned and unbudgeted diesel generation is required in support of insufficient supply of purchased power, or to supplant purchased power due to an emergency situation. This shall not apply to diesel generation required during scheduled maintenance periods of the wholesale power supplier, which are covered under section 14.16.720.

B. *Method of calculation.* The adjustment (in cents/kilowatt-hour applied to prior month's usage) shall be calculated as follows:

$$\text{Diesel Generation Adjustment} = ((B+O+OT)/D) \times (D/G) \times 100$$

Where:

B = Total prior month's cost of fuel burned during diesel generation event in dollars.

O = Total prior month's cost of oil consumed during diesel generation event in dollars.

OT = Total prior month's cost of staff operations overtime during diesel generation event in dollars.

D = Kilowatt-hours generated during prior month by diesel plant.

G = Total generation during prior month, including purchased power, in kilowatt-hours.

14.16.730 - Service charges.

A. *Connect/reconnect fee:* ~~\$50~~**25**.00 during normal business hours for each premises served. Actual labor costs, plus 15 percent after business hours.

B. *Transfer fee:* ~~\$40~~**25**.00. The transfer fee covers the cost of name change and meter reading at two service locations and is billed to the new account.

C. *Shut-off due to unauthorized turn-on, fraud or abuse:* Actual costs to the borough, plus 15 percent.

D. *Meter testing fee:* ~~\$100~~**75**.00 (if test initiated by customer). See section 14.16.290 B.

E. *New service fees:* Fees are per single point of attachment (one meter) and customers will be charged the actual cost for any additional meters.

1. Residential connection (overhead or underground):

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100 amp service: overhead ~~\$800~~[350].00; underground ~~\$1,100~~[650].00.

150 amp service: overhead ~~\$900~~[400].00; underground ~~\$1,200~~[700].00.

200 amp service: overhead ~~\$1,000~~[450].00; underground ~~\$1,500~~[750].00.

400 amp service (Class 320): overhead ~~\$1,200~~[550].00; underground ~~\$2,000~~[850].00.

2. Residential temporary connection fee: ~~\$250~~[100].00.

3. Commercial connection (overhead or underground—single phase):

100 amp service: overhead ~~\$1,200~~[650].00, underground ~~\$1,400~~[850].00, plus transformer costs;

150 amp service: overhead ~~\$1,300~~[700].00, underground ~~\$1,500~~[900].00, plus transformer costs;

200 amp service: overhead ~~\$1,500~~[850].00, underground ~~\$2,000~~[1,050].00, plus transformer costs.

Above 200 amp service: overhead ~~\$1,750~~[900].00, underground ~~\$2,400~~[1,100].00, plus ~~\$15~~[40].00 per KVA requirement, plus transformer costs.

4. Commercial connections (overhead—three phase):

100 amp service: ~~\$2,000~~[950].00, plus transformer costs;

150 amp service: ~~\$2,200~~[1,050].00, plus transformer costs;

200 amp service and larger: ~~\$2,500~~[1,200].00, plus ~~\$15~~[40].00 per KVA requirement, plus transformer costs.

5. Commercial connection (underground—three phase):

100 amp service: ~~\$2,200~~[1,000].00, plus transformer costs;

150 amp service: ~~\$2,400~~[1,200].00, plus transformer costs;

200 amp service: ~~\$2,600~~[1,300].00, plus transformer costs.

Above 200 amp service: ~~\$2,750~~[1,300].00, plus ~~\$15~~[40].00 per KVA requirement, plus transformer costs.

Owner must provide trenching, backfilling, concrete or fiberglass pad, and PVC conduit, as specified by the utility, from secondary spades to metering enclosure.

6. Commercial temporary connection:

Single phase: ~~\$250~~[100].00;

Three phase: ~~\$850~~[450].00.

7. Service upgrade fee. Customers who request to upgrade service shall pay the difference between their current service connection fee and the requested service connection fee.

F. Permit fees:

1. Residential up to six sockets or outlets: heat pump installations: \$50.00;

2. Residential over six sockets or outlets: \$75.00;

3. Temporary meter setting and other miscellaneous works: \$50.00;

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4. Commercial buildings: \$75.00, plus twenty-five cents per socket or outlet;
5. The above fees include two inspections: one rough and one final inspection;
6. For each additional inspection: \$50.00;
7. For inspection of any electrical equipment for which no fee is specifically prescribed: \$50.00;
8. Upon failure to make application and secure permit by the second workday after commencing work: add \$50.00 to permit fee. Permits will be issued by the electrical inspector within 72 hours from time of application, Saturdays, Sundays and holidays excluded.
9. Permit fees for borough-owned projects or work may be waived by the utility director, **however connection fees shall still apply.**

G. *Secondary service work:* If secondary service work is required, the customer will be charged actual costs. Customers requesting such service outside of normal working hours shall pay actual labor costs, **including overtime and double time pay rates that apply**~~[plus fifteen percent]~~.

H. Electric rates and fees shall be reviewed **annually**~~[periodically]~~ by the electric utility and a recommendation made to the borough manager for the increase or decrease of rates as needed for the sound financial management of the electric utility. The borough manager shall review the findings and present the recommendations to the borough assembly.

Section 4. Severability: If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected.

Section 5. Effective Date: This Ordinance shall become effective immediately upon final passage.

PASSED AND APPROVED by the Petersburg Borough Assembly, Petersburg, Alaska this 1st day of June 2026.

Robert Lynn, Mayor

ATTEST:

Rebecca Regula, Borough Clerk

Adopted:
Noticed:
Effective: