

**PETERSBURG BOROUGH
ORDINANCE #2025-07**

**AN ORDINANCE UPDATING CHAPTER 14.16.070 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 4% in FY26 in order to fully cover expenses and inflation, fund capital projects, meet reserve policies, and achieve the required debt coverage ratio required by our revenue bond.

THEREFORE, THE PETERSBURG BOROUGH ORDAINS, Chapter 14.16 of the Petersburg Municipal Code, entitled Electric Utility, is hereby amended as follows:

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 the language of Chapter 14.16 to include electric rate and connection cost increases

Section 3. Substantive Provisions: The following provisions of Chapter 14.16 of the Petersburg Borough Municipal Code are hereby amended as set out below (the proposed new language is in green and underlined and the language proposed for deletion is 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.*

		<u>Effective 1/2022 Billing</u>	<u>Effective 7/20252 Billing</u>
Customer charge:		<u>\$10.00</u>	\$16 1 .00
Energy charge:	<u>0—500 KWH=All kwh</u>	<u>12.25 cents/kwh</u>	12.6 2 cents/kwh
	<u>over 500 KWH=</u>	<u>9.45 cents/kwh</u>	<u>10.8 cents/kwh</u>

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

14.16.680 Rates—General service class.

- A. *Applicability.* The rates in this section may apply to all requirements for lighting, heating and power measured through a single meter that is below 50 kilovolt-ampere transformer rating or 50 kilowatt demand.
- 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 1/2022 Billing	Effective 7/2025 2 Billing
Customer charge:		\$10.50	\$12 <u>20.00</u>
Energy charge:	0—3,000 KWH=All kwh	11.65 cents/kwh	12.3 <u>11.9</u> cents/kwh
	over 3,000 KWH=	10.2 cents/kwh	11.6 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 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 1/2022 Billing	Effective 7/2025 2 Billing
Customer charge:		\$31.00	\$34.00 <u>\$40.00</u>
Demand charge:		\$3.40 per KW of billing demand	\$3.70 per KW of billing demand
Energy charge:	0—15,000 KWH=All kwh	11.45 cents/kwh	12.3 <u>11.9</u> cents/kwh
	15,001—60,000 KWH=	11.85 cents/kwh	12.6 cents/kwh
	over 60,000 KWH=	9.6 cents/kwh	10.4 cents/kwh

- D. *Fuel and purchased power adjustment charge.* Subject to section 14.16.720.
- E. *Minimum charge.* The minimum demand charge shall not be less than 75 percent of the highest demand billed during the preceding 11 months, or in any case not less than \$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 1/2022 Billing	Effective 7/2025 2 Billing
Customer charge:		\$10.50	\$12.00 <u>20.00</u>

Energy charge:	0—500 KWH=All kwh	12.3 cents/kwh	12.8 12.4 cents/kwh
	over 500 KWH=	11.0 cents/kwh	12.4 cents/kwh

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

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.
 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-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:		\$25 30.00
Demand charge:		-0-
Energy charge:	All KWH	9 10.5 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. service is energized or new load is added for which the rate is being sought.
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.

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 1/2022 Billing Period	Effective 7/2025 2 Billing Period
Customer charge:		\$27.50	\$340.00
Demand charge:		-0-	-0-
Energy charge:	All kWH-kwh	9.3 cents/KWH	10.8 11.2 cents/ kWH-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.

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 _____ day of _____, 2025.

Mark Jensen, Mayor

ATTEST:

Rebecca Regula, Borough Clerk

Adopted:
Noticed:
Effective: