

**PETERSBURG BOROUGH
ORDINANCE #2021-18**

**AN ORDINANCE UPDATING VARIOUS PROVISIONS OF CHAPTER 14.16 OF THE
MUNICIPAL CODE, ENTITLED “ELECTRIC UTILITY”, AND INCLUDING ELECTRIC RATE
AND CONNECTION COST INCREASES**

WHEREAS, the Borough Assembly and Petersburg voters recently approved the issuance of Electric Utility Revenue Bonds in an aggregate amount not to exceed \$7.8 million to finance the Blind Slough Hydroelectric Refurbishment Project and the Scow Bay Standby Generation Project (both capital projects are of high importance to sustain and deliver affordable power to the community); and

WHEREAS, Petersburg’s electric rates have not been updated since the fall of 2015 and the Utility contracted with D. Hittle & Associates to perform a rate study; and

WHEREAS, the electric rate study identified key matters relating to the Utility which include an increase of 0.5% per year in forecasted energy sales, an increase in the cost of SEAPA power purchased by the Borough, the end of annual rebates from SEAPA, some imbalance in cost of service, and funding for capital projects; and

WHEREAS, the electric rate study proposes electric rate increases in 2022 to recover the full annual revenue requirements of the Utility; and

WHEREAS, other updates are also needed to the Electric Utility code to address danger trees, confidentiality of billing, and other important matters.

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 and to address danger trees, confidentiality of billing, and other important matters.

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 red and underlined and the language proposed for deletion is struck through):

Chapter 14.16 ELECTRIC UTILITY¹

14.16.010 National Electrical Code adopted by reference.

- A. The ~~2014-2017~~ Edition (NFPA 70-201~~74~~) of the National Electric Code (NEC) and the ~~2017~~2017 Edition of the National Electric Safety Code (NESC) are adopted and made a part

of this chapter as if fully set out. Copies shall be maintained and available for public inspection in the utility director's office.

14.16.020 Definitions.

“Danger Tree” means a tree that poses an imminent risk to the utility’s power lines. Examples include, but are not limited to, a tree that has grown above the power lines and its trunk is within 15 feet of an energized line; a tree that has grown above the lines and has branches hanging over energized lines; or a tree that has been weakened by a storm and poses a threat to the electrical distribution system.

14.16.040 Liability for damage to municipal electric system or equipment.

- A. It shall be the responsibility of the customer to take all reasonable and proper precautions to prevent damage to the municipal electric utility property on the customer's premises. This shall include meters, instruments, transformers, services, connections, harbor pedestals and any other equipment installed by and remaining the property of the municipal electric utility. In the event the municipal electric utility's property is damaged due to a customer's negligent or intentional acts or omissions, the customer shall be liable and the municipal electric utility may collect from the customer the cost of repairs or replacements. This shall also apply to damage or outage response costs caused by impacts from a tree on the customer’s property that has been identified by the utility, and documented with the owner, as a danger tree.
- B. A customer will not permit any person, except authorized employees of the municipal electric utility, to make any connection to the service drops serving the property or to any unmetered portion of the service.

14.16.260 Extensions to facilitate service on existing distribution lines.

The municipal electric utility will furnish a service up to 100 feet into private property to a customer's service point of delivery of 120/240 single-phase power per the connection fee schedule. Underground service of up to 100 feet may be provided per the connection fee schedule, with the exception that trenching, backfill, bedding and compaction will be at the customer’s expense. All additional extension and voltage differences will be furnished at the customer's expense.

14.16.550 Individual underground electrical service.

- A. The municipal electric utility will supply overhead electric services. If, however, a customer desires underground service, they shall be responsible for providing the ditch trench dug to hardpan soils, shot rock backfill - compacted to accept bedding, compacted bedding for above and below the conduit and all trench backfill to finish grade. The municipal electric utility will specify the depth of bury for an underground service and provide and install the conduit and service conductors.
- B. The delivery point for all underground services will be at the meter location.
- C. The utility will own and maintain the underground distribution system up to the meter location.

D. In no case will an underground service be installed under any structure.

14.16.630 Radio-interference suppression—Responsibility for line clearing.

Any part of any tree, shrub or bush, whether dead or alive, which makes steady or intermittent contact with any power lines within the electric utility service area, shall be trimmed, and remain trimmed to prevent contact with any power line. The electrical inspector has authority to eliminate and prevent this type of interference. After reasonable notice has been given, the electrical crews shall have the right to enter any property and trim, or ~~remove, de-root~~ any tree, down to the stump, shrub or bush that may cause interference. No tree that can be expected to grow to a height taller than a nearby overhead power line may be planted or allowed to grow from a seedling, on private property within 15' of the overhead power line.

14.16.660 Billing.

- A. Electric billing is to be by meter, unless there is a written contract at a flat rate.
- B. Meters will be read and accounts billed on the basis of the meter reading which is in kilowatt-hours. Accounts shall be billed for a flat monthly customer charge; an energy charge; and a fuel and purchased power adjustment both based on metered use. In addition, large commercial accounts shall be billed on the basis of power factor and demand.
- C. Meters shall be read and bills shall be issued monthly. Opening or final bills, or bills that for any other reason cover a period containing ten percent more days or ten percent less days than in the normal billing period, shall be prorated.
- D. The borough will keep an accurate account of all readings of meters which shall be considered prima facie evidence of the use of electric service by a customer.
- E. Information relating to the amount of electricity purchased or amounts due from any customer shall be held confidential and shall be kept from public inspection except when the customer has failed to comply with the provisions of this chapter. Nothing contained in this paragraph, however, shall be construed to prohibit the publication of such information when necessary for the Borough to collect delinquent billings or in response to a court or administrative order.

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 <u>9/2014</u> <u>1/2022</u> Billing | Effective <u>9/2015</u> <u>7/2022</u> Billing |
|------------------|------------|--|--|
| Customer charge: | | <u>\$910.00</u> | <u>\$911.00</u> |
| Energy charge: | 0—500 KWH= | <u>11.8-12.25</u> cents/kwh | <u>11.912.6</u> cents/kwh |

| | | | |
|--|---------------|------------------------------|------------------------------|
| | over 500 KWH= | 7.89.45 cents/kwh | 8.110.8 cents/kwh |
|--|---------------|------------------------------|------------------------------|

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 9/20141/2022 Billing | Effective 9/20157/2022 Billing |
|------------------|-----------------|--|--|
| Customer charge: | | \$9.00 <u>10.50</u> | \$9.00 <u>12.00</u> |
| Energy charge: | 0—3,000 KWH= | 11.11.650 cents/kwh | 11.0 <u>12.3</u> cents/kwh |
| | over 3,000 KWH= | 8.3 <u>10.2</u> cents/kwh | 8.8 <u>11.6</u> cents/kwh |

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 9/20141/2022 Billing | Effective 9/20157/2022 Billing |
|------------------|--------------------|--|--|
| Customer charge: | | \$2831.00 | \$2834.00 |
| Demand charge: | | \$3.103.40 per KW of billing demand | \$3.103.70 per KW of billing demand |
| Energy charge: | 0—15,000 KWH= | 10.6 <u>11.45</u> cents/kwh | 10.6 <u>12.3</u> cents/kwh |
| | 15,001—60,000 KWH= | 11.0 <u>11.85</u> cents/kwh | 11.4 <u>12.6</u> cents/kwh |
| | over 60,000 KWH = | 8.59.6 cents/kwh | 8.8 <u>10.4</u> 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 ~~\$155.00~~ 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 9/2014 1/2022 Billing | Effective 9/2015 7/2022 Billing |
|------------------|---------------|---|---|
| Customer charge: | | \$9.00 10.50 | \$9.00 12.00 |
| Energy charge: | 0—500 KWH= | 11.4 12.3 cents/kwh | 11.8 12.8 cents/kwh |
| | over 500 KWH= | 9.3 11.0 cents/kwh | 9.6 12.4 cents/kwh |

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

14.16.710 Rates—Municipal street-lighting service.

- A. *Installation policy.*
 1. Street lights may be provided at each intersection of municipal streets as budgetary constraints allow and within a schedule to be determined by the utility director or the director's representative.
 2. The policy used for the installation of street lights at locations other than intersections shall be based on, but not limited to, the following criteria:
 - a. Public safety;
 - b. Emergency vehicle access;
 - c. Public building security.
 3. Requests for installation of lighting fixtures on public property which do not meet the above criteria shall be subject to approval or denial from the borough assembly, through presentation by the utility director.
- B. *Character of service.* Street lighting 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. *Rates.* The minimum rate per lighting fixture will be ~~\$9~~10.00 per 100 watts. For lighting fixtures exceeding 100 watts, the additional wattage over 100 watts will be charged according to the power-general service rate schedule in effect.

14.16.715 Rates—Security lighting service.

- A. *Installation policy.* Residential or commercial customers may 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.
- 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.
- C. *Rates.* Monthly rates for the fixtures shall be:

| Wattage | Rate per lamp |
|-------------------------|-----------------------------------|
| <u>20 - 30 watt LED</u> | <u>\$8.50</u> |
| <u>31-50 watt LED</u> | <u>\$10.00</u> |
| <u>51-70 watt LED</u> | <u>\$12.50</u> |
| <u>100-150 watt LED</u> | <u>\$15.00</u> |
| 70 watt HPS | \$8.50 |
| <u>100 watt HPS</u> | <u>\$10.00</u> |
| 200 watt HPS | \$11.25 <u>\$15.00</u> |
| 400 watt HPS | \$19.00 <u>\$20.00</u> |

- 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.
 - 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. A customer has 12 months from the month service is energized or new load is added to demonstrate eligibility under provisions 1. or 2. of this section.
 - 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: | | \$25.00 |
| Demand charge: | | -0- |
| Energy charge: | All KWH | 8.09.5-cents/KWH |

E. *Term of rate.*

1. The term of this rate shall not exceed a period of three years from the month 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 ~~shall be 8.0 cents/kwh and monthly customer charges shall be as set out in the table below.~~ There are no demand or power factor penalty charges. In addition to the energy charge ~~and~~, ~~there is a~~ monthly customer charge, ~~of \$25.00 and~~ the fuel and purchased power adjustment charge described in section 14.15.720 will apply.

| | | | |
|-------------------------|----------------|--|--|
| | | <u>Effective 1/2022 Billing Period</u> | <u>Effective 7/2022 Billing Period</u> |
| <u>Customer charge:</u> | | <u>\$27.50</u> | <u>30.00</u> |
| <u>Demand charge:</u> | | <u>-0-</u> | <u>-0-</u> |
| <u>Energy charge:</u> | <u>All KWH</u> | <u>9.3 cents/KWH</u> | <u>10.8 cents/KWH</u> |

- D. *Special provisions.* During the annual budget process, ~~the entities utilizing the municipal rate~~ the electric utility shall report to the assembly the dollar amount ~~saved~~ difference between receiving the municipal rate instead of the large commercial rate ~~and how the savings was used during the previous fiscal year operations.~~

14.16.720 Rates—Fuel and purchased power adjustment charge.

- A. *Applicability.* An ~~up or down~~ adjustment shall be applied to each kilowatt-hour billed under all schedules to reflect increases/~~decreases~~ in purchased wholesale power above ~~or below a rate of 7.3 cents/kwh for the SEAPA wholesale power cost, presently 6.8 cents/kwh, and~~ 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 a cost of or below one hundred fiftytwo hundred forty cents/gallon. The adjustments 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:

$$A = (\text{Fuel adjustment formula}) + (\text{Purchased Power adjustment formula})$$

$$A = ((F - \del{150}240) / \del{12.5}13.5 \times D / G) + ((L + \del{MS}6.87.3) \times PT / G)$$

Where:

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

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

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

~~L = Loan debt service component of Tye wholesale power, in cents/kilowatt-hour. S = SEAPA wholesale power rate, in cents/kilowatt-hour.~~

~~M = Operation and maintenance component of Tye wholesale power, in cents/kilowatt-hour.~~

~~TP = Energy purchased from Tye SEAPA during month prior to billing period, in kilowatt-hours.~~

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

14.16.730 Service charges.

- A. *Connect/reconnect fee:* \$25.00 during normal business hours for each premises served. Actual labor costs, plus 15 percent after business hours.
- B. *Transfer fee:* \$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:* ~~\$50~~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):
 - 100 amp service: overhead \$350.00; underground \$650.00.
 - 150 amp service: overhead \$400.00; underground \$700.00.
 - 200 amp service: overhead \$450.00; underground \$750.00.
 - 400 amp service (Class 320): overhead \$550.00; underground \$850.00.
2. Residential temporary connection fee: \$100.00.
3. Commercial connection (overhead or underground—single phase):
 - 100 amp service: ~~\$450.00~~ overhead \$650.00, underground \$850.00, plus transformer costs;
 - 150 amp service: ~~\$500.00~~ overhead \$700.00, underground \$900.00, plus transformer costs;
 - 200 amp service: ~~\$550.00~~ overhead \$850.00, underground \$1,050.00, plus transformer costs.
 - Above 200 amp service: ~~\$600.00~~ overhead \$900.00, underground \$1,100.00, plus \$10.00 per KVA requirement, plus transformer costs.
4. Commercial connections (overhead—three phase):
 - 100 amp service: ~~\$550.00~~ 950.00, plus transformer costs;
 - 150 amp service: ~~\$650.00~~ 1,050.00, plus transformer costs;
 - 200 amp service and larger: ~~\$800.00~~ 1,200.00, plus \$10.00 per KVA requirement, plus transformer costs.
5. Commercial connection (underground—three phase):
 - 100 amp service: ~~\$600.00~~ 1,000.00, plus transformer costs;
 - 150 amp service: ~~\$700.00~~ 1,200.00, plus transformer costs;
 - 200 amp service: ~~\$800.00~~ 1,300.00, plus transformer costs.
 - Above 200 amp service: ~~\$800.00~~ 1,300.00, plus \$10.00 per KVA requirement, plus transformer costs.
 - Owner must provide trenching, backfilling, concrete or fiberglass pad, and PVC one inch rigid conduit, as specified by the utility, from secondary spades to metering enclosure.
6. Commercial temporary connection:
 - Single phase: \$100.00;
 - Three phase: \$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: \$~~250~~50.00;

2. Residential over six sockets or outlets: \$5075.00;
3. Temporary meter setting and other miscellaneous works: \$2550.00;
4. Commercial buildings: \$5075.00, 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 48-72 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.

- 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, plus fifteen percent.
- H. Electric rates and fees shall be reviewed 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 5. 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 6. Effective Date: This Ordinance shall become effective immediately upon final passage.

Passed and approved by the Petersburg Borough Assembly, Petersburg, Alaska this _____ day of _____, 2021.

Mark Jensen, Mayor

ATTEST:

Debra K. Thompson, Borough Clerk

Adopted:
Noticed:
Effective: