
MEMORANDUM

TO: MAYOR JENSEN AND ASSEMBLY MEMBERS
FROM: KARL HAGERMAN, UTILITY DIRECTOR *KHA*
SUBJECT: ORDINANCE #2021-18 – DIESEL GENERATION ADJUSTMENT CHARGE
DATE: 12/14/2021
CC: STEVE GIESBRECHT, BOROUGH MANAGER
DEBRA THOMPSON, BOROUGH CLERK

In response to Assembly member requests for language to address potential adjustments to utility billing in the event of unplanned and unbudgeted diesel runs, I have provided a new section (14.16.725) to the ordinance for consideration.

The adjustment as drafted would allow the Assembly to invoke an adjustment to the monthly kwh rates for all customer classes to cover costs of diesel fuel, lube oil consumption and staff overtime related to a diesel generation run in support of SEAPA power or to supplant SEAPA power in the instance of a transmission failure. The adjustment formula takes into account the portion of the monthly power usage that was supported by diesel generation and spreads that cost out to all kilowatt-hours used in that month. This section would only be used in the event of an unplanned diesel generation event outside of the annual planned and budgeted SEAPA maintenance shutdown. Any adjustments to billing for the maintenance shutdown would be addressed by section 14.16.720.

I have provided an example of the calculation on an attachment to this memo, as well as examples of how a short-term diesel campaign would impact a “normal” billing for all customer classes.

In addition to this proposed language, I am also requesting an adjustment to the rate table for security lighting as there was an unintentional gap in LED light billing schedule in the initial draft.

Thank you for your consideration.