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City of Kelowna

**MEMORANDUM**

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**DATE:** January 20, 2009  
**FILE:** 1824-02  
**TO:** City Manager  
**FROM:** Electrical Administration Manager  
**RE:** **2009 ELECTRICAL UTILITY RATES**

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**RECOMMENDATION:**

**THAT** Council approve a rate increase of **4.6%** to the City's electrical utility rates for all annual residential customer revenues, municipal and school customer revenues and commercial customer revenues.

**AND THAT** Council approves the 2009 electrical rates to be effective with the first billing cycle in March, 2009.

**AND THAT** Council approve wording and rate changes to the services charges.

**AND FURTHER THAT** Bylaw 10144 being amendment 21 to City of Kelowna Electric Regulation Bylaw #7639 is advanced for reading consideration by Council.

**BACKGROUND:**

On December 11, 2008, FortisBC received approval from the British Columbia Utilities Commission (BCUC) to increase the electrical rate 4.6 % for all annual residential, municipal & school, and commercial customer revenues. This increase has taken place effective January 1, 2009.

The rate increase from FortisBC will impact the bulk power purchase rate for the City of Kelowna and that rate increase is normally passed on to the City Electrical Utility customers. The attached Schedule 1 shows the impact at various consumption levels for residential customers.

Secondly, upon a review of the cost for service charges we have found that the following adjustments in rates are required to recover cost incurred and to clarify wording.

Under Schedule B remove B-40 replace with:

Schedule "B"

**SECTION VIII TRANSFORMER INSTALLATION**

B-40. Where required the **City** shall supply the transformation capacity up to and including 500 KVA to **service one Customer**. That **Customer** shall pay

**installation** cost and the difference between a pole mount and pad mount transformer and installation cost.

Amend Appendix C-13 to read:

APPENDIX C-13

Electrical Service Connection Charge for Single Family Properties:

1. New/Temporary/Upgrade or Relocation Underground and /or Overhead:

	Overhead	Underground From Service Box	Underground From Pole
200 amp service or less, during regular hours	\$725	\$750	\$1675

\*\*All residential **service** greater than 200 amps and/or with more than one single family dwelling/liveable unit will be considered commercial and will pay 100% of actual costs based on a cost estimate (minimum fee \$725.00)

Under Schedule D, Sub-Section D8.5 remove and replace with:

Schedule "D"

D8.5 The fee for a reconnection to supply after disconnection for violation of this Bylaw shall be as follows:

Effective February 16, 1999 - Twenty-three dollars (\$23.00)

Effective January 16, 2000 - Twenty-seven dollars (\$27.00)

Effective October 30, 2007 – Thirty dollars (\$30.00)

If it is necessary to call out a work crew the fee shall be Two Hundred and Sixty dollars (\$260.00) during call-out hours.

If it is necessary to disconnect/reconnect at the pole the fee shall be Four Hundred and Sixty dollars (\$460.00) per call out.

**FINANCIAL/BUDGETARY CONSIDERATIONS:**

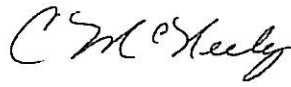
Impacts of the rate increase have been estimated and included in the 2009 budget submission.

**COMMUNICATIONS CONSIDERATIONS**

Update kelowna.ca, include in Council Highlights and issue a news release if approved  
Communicate increase directly to customers on statement if approved

Considerations that were not applicable to this report:

INTERNAL CIRCULATION TO: N/A  
LEGAL/STATUTORY AUTHORITY: N/A  
LEGAL/STATUTORY PROCEDURAL REQUIREMENTS: N/A  
EXISTING POLICY: N/A  
PERSONNEL IMPLICATIONS: N/A  
TECHNICAL REQUIREMENTS: N/A  
EXTERNAL AGENCY/PUBLIC COMMENTS: N/A  
ALTERNATE RECOMMENDATION: N/A



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Cindy McNeely  
Electrical Administration Manager

Approved for Inclusion:



General Manager – Citizen Services

Attach: Schedule 1

cc: Director of Financial Services  
Financial Planning Manager

## Schedule 1

### **RESIDENTIAL RATE COMPARISON**

**BASED ON THE FOLLOWING RATES (\$/kWH):**

	<i>CURRENT</i>	<i>NEW</i>	<i>% CHANGE</i>
<i>1st kWH</i>	10.79	11.30	4.7%
<i>Balance</i>	0.07137	0.07463	4.6%

<b>MONTHLY % INCREASE FOR CITY OF KELOWNA RESIDENTIAL CUSTOMERS</b>				
<u>KW USED</u>	<u>CURRENT RATE</u>	<u>NEW RATE</u>	<u>DIFFERENCE</u>	<u>% CHANGE</u>
125	19.64	20.55	0.91	4.7%
250	28.56	29.88	1.32	4.6%
500	46.40	48.54	2.14	4.6%
<b>730</b>	<b>62.82 *</b>	<b>65.71</b>	<b>2.89</b>	<b>4.6%</b>
<b>825</b>	<b>69.60 **</b>	<b>72.80</b>	<b>3.20</b>	<b>4.6%</b>
1,000	82.09	85.86	3.77	4.6%
1,250	99.93	104.51	4.58	4.6%
1,500	117.77	123.17	5.40	4.6%
2,000	153.46	160.49	7.03	4.6%
3,000	224.83	235.12	10.29	4.6%
5,000	367.57	384.38	16.81	4.6%
10,000	724.42	757.53	33.11	4.6%

\* Average single family residential (no electric heat) 730 kWH's per month.

\*\* Average single family residential (with electric heat) 825 kWH's per month.