

# Memo



**Date:** September 11, 2009  
**File:** 1824-02  
**To:** City Manager  
**From:** Cindy McNeely, Electrical Administration Manager  
**Subject:** Electrical Rate Increase

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## **Recommendation:**

THAT Council approve a rate increase of 2.2 per cent to the City's Electrical Utility rate for all annual residential customer revenues, municipal and school customers' revenues and commercial customer revenues;

AND THAT Council approve the electrical rates to be effective the first billing cycle in November, 2009;

AND FURTHER THAT Bylaw 10242 being amending Bylaw No. 22 to the City of Kelowna Electric Regulation Bylaw No. 7639 be advanced for reading consideration by Council.

## **Background:**

The British Columbia Utilities Commission (BCUC) has approved a rate increase of 2.2 per cent to FortisBC's electrical rates effective September 1, 2009. This is a direct result of BC Hydro's recent rate increase, which has increased FortisBC's cost to purchase power from BC Hydro by 2.34 per cent for 2008/2009, and 8.74 per cent for 2009/2010.

This rate increase will impact the bulk power purchase rate for the City of Kelowna and the 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.

## **Financial/Budgetary Considerations:**

The cost increase from FortisBC could exceed existing expenditure and revenue budgets.

Considerations not applicable to this report:

## **Internal Circulation:**

Legal/Statutory Authority:

Legal/statutory Procedural Requirements:

Existing Policy:

Personnel Implications:

Technical Requirements:

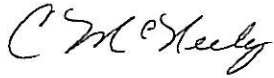
External Agency/Public Comments:

Communications Considerations:

Alternate Recommendation:

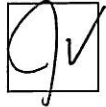
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Submitted by:



Cindy McNeely, Electrical Administration Manager

Approved for inclusion:



John Vos, P Eng. General Manger of Community Services

cc: Director of Financial Services

Attach: Schedule 1

Schedule 1

**RESIDENTIAL RATE COMPARISON**

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

	<i>CURRENT</i>	<i>NEW</i>	<i>% CHANGE</i>
<i>1st kWH</i>	11.30	11.55	2.2%
<i>Balance</i>	0.07463	0.07627	2.2%

<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	20.55	21.01	0.45	2.2%
250	29.88	30.54	0.66	2.2%
500	48.54	49.61	1.07	2.2%
<b>730</b>	<b>65.71 *</b>	<b>67.15</b>	<b>1.45</b>	<b>2.2%</b>
<b>825</b>	<b>72.80 **</b>	<b>74.40</b>	<b>1.60</b>	<b>2.2%</b>
1,000	85.86	87.74	1.89	2.2%
1,250	104.51	106.81	2.30	2.2%
1,500	123.17	125.88	2.71	2.2%
2,000	160.49	164.01	3.53	2.2%
3,000	235.12	240.28	5.17	2.2%
5,000	384.38	392.82	8.45	2.2%
10,000	757.53	774.17	16.65	2.2%

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

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