

# ORDINANCE NO. 461

## AN ORDINANCE ADJUSTING RATES AND TARIFFS FOR ELECTRICAL ENERGY SERVICES RENDERED BY THE TOWN OF HOLLY ELECTRICAL DEPARTMENT

WHEREAS, a Cost of Service Study for the electric rates for the Town of Holly Electric Department was conducted, which demonstrates the need for modification; and

WHEREAS, an increase in electric rates is necessary to help offset losses that the Electric Department has experienced over the last eight years; and

WHEREAS, adequate revenue for working capital is required by the electric utility department; and

WHEREAS, the increase combines the fuel cost adjustment charge with the current base rate; the fuel cost adjustment charge will be set to zero. The Board of Trustees retains the authority to enact the fuel cost adjustment charge if financial circumstances within the department warrant the necessity to do so;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF HOLLY, COLORADO:

Section 1. It is deemed necessary to establish the following schedule of rate tariffs, Electrical Cost Adjustment (ECA) and new charges to be paid by the consumers of the Town of Holly Electric Department for services providing electrical energy, and to become effective commencing July 1, 2009 unless suspended in accordance with the provisions of the Town of Holly Board of Trustees for the classes of services listed as follows:

	<b>EXISTING MONTHLY RATE W/O ECA CHARGE</b>	<b>PROPOSED MONTHLY RATE JULY 1, 2009 W/ECA SET TO ZERO</b>
<b><u>Residential</u></b>		
Customer Charge (\$/mo.)	\$2.75	\$4.75
Energy Charge (\$/kWh)	\$0.079	\$0.1450
<b><u>General Service</u></b>		
Customer using energy for non-residential lighting and small power purposes with loads of less than 35 kW		
Customer Charge (\$/mo.)	\$3.45	\$7.50
Energy Charge (\$/kWh)	\$0.079	\$0.1325
<b><u>General Service Demand</u></b>		
Power and lighting for business and public agency customers with loads of 35 kW or greater for any 2 months the preceding 12 months		Accounts that have peak demands less than 35 kW for 12 consecutive months may request to be billed under the General Service rate.
Customer Charge (\$/mo.)	\$3.45	\$7.00
Demand Charge (\$/kW)	\$0.75	\$1.75
Energy Charge (\$/kWh)	\$0.079	\$0.1295
<b><u>Street and Yard Lighting</u></b>		
Energy Charge (\$/kWh)	\$0.11	\$0.136
Lamp Charge (\$/mo.)		
55 W HPS		\$3.00
100 W MV		\$3.00
165 W HPS		\$3.50
175 W HPS		\$3.00
250 W HPS		\$3.50
<b><u>Irrigation</u></b>		
For irrigation pumping purposes of not less than 5 HP		Idle Service Rate shall be \$0.45/HP/month
Customer Charge (\$/mo.)	\$3.45	\$7.00
Demand Charge (\$/HP per mo.)	\$0.75	\$1.75
Energy Charge (\$/kWh)	\$0.079	\$0.1295

Section 2. Electric Cost Adjustment (ECA). The Board of Trustees retains the authority to enact the fuel cost adjustment as an additional charge per kWh if financial circumstances within the department warrant the necessity to do so. If significant revenue changes are necessary with respect to unexpected total power cost changes that are estimated to be greater than a 0.10% deviation in FY power costs budgeted, town staff will propose the application of the ECA to the Board of Trustees for implementation for a period of not longer than 12 months.

Section 3. All other matters pertaining to rates, rules and regulations, applicability, and availability of electrical energy supply, and heretofore adopted by ordinance, are hereby ratified, affirmed and continued in full force and effect without changes.

Section 4. Any ordinances, resolutions, or motions heretofore existing and in conflict with the provisions of this ordinance are hereby repealed, except that, in the event the Town of Holly Board of Trustees should permanently suspend the provisions herein adopted, or for any other reason, refuse to permit the changes herein provided for, then the existing ordinances, resolutions, and motions heretofore adopted and governing the electrical department shall be continued in full force and effect.

Section 5. A public hearing was held by the Town Board of Trustees with respect to the proposed modifications at 7 p.m., on July 1, 2009 in Board Chambers at 100 Tony Garcia Drive, Holly, Colorado. A Notice of Public Hearing was published in the *Lamar Ledger* thirty-four days prior to the hearing. On May 26, 2009 a Notice of Hearing was mailed to all municipal utility customers who live outside the municipal corporate boundaries.

Section 6. The Board of Trustees of the Town of Holly shall immediately take all steps necessary pursuant to the Colorado Revised Statutes, to derive revenues from the passage of this ordinance for the continuation and preservation of the electric utility department.

Section 7. This ordinance shall become effective immediately upon passage thereof.

APPROVED AND ADOPTED THIS 1ST DAY OF JULY, 2009.

/s/ W. Bruce Roup, Mayor

ATTEST:

/s/ Mary Rushton, Clerk/Treasurer