

ORDINANCE NO. 1339

AN ORDINANCE MODIFYING THE BASE AVERAGE COST OF WHOLESALE POWER; REPEALING ORDINANCES IN CONFLICT; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Baldwin City, Kansas, owns an electric utility system established to provide electric utility service to customers inside and outside the city limits; and

WHEREAS, Chapter XV, Article 2, of the Code of the City of Baldwin City, Kansas, provides for the provision and billing of electric service by the municipal electric utility; and

WHEREAS, the policies, fees and rates for installing and providing municipal electric utility services require updating from time to time to appropriately reflect the cost of providing such services; and

WHEREAS, the Base Average Cost for acquiring wholesale power must be adjusted from time to time in order to reflect the actual cost of wholesale power in the most recent full calendar year in order to include the most accurate Power Cost Adjustment numbers in the monthly utility billing.

NOW THEREFORE, BE IT ORDAINED by the Governing Body of the City of Baldwin City, Kansas, as follows:

Section 1. Modify Section 15-231 to Chapter XV, Article 2, of the Code of the City of Baldwin City, Kansas to reflect adjustment in the Base Average Cost of energy for the most recent full calendar year:

Section 15-231. POWER COST ADJUSTMENT. A power cost adjustment will be added each month to the energy charge per kWh for all customers of the municipal electric utility. The power cost adjustment ("PCA") is to be computed each month using a Base Average Cost of energy for the most recent full calendar year (determined by dividing the annual cost of purchased power for that year by the annual kilowatt-hours used for that same period) of \$0.0564 per kWh, and a compensation factor of 1.10 for distribution system losses and energy furnished free by the municipal electric utility to the City of Baldwin City. The power cost adjustment is to be calculated according to the following formula:

$$PCA = [(Cost \div kWh) \times 1.10] - 0.0564 \text{ per kWh}$$

For purposes of this formula, the following applies:

PCA = Power Cost Adjustment, stated as a cost per kWh, rounded to the nearest \$0.0001

Cost = the month's cost of purchased power and fuel for power plant generation

kWh = the month's kilowatt hours of purchased power and power plant generation

1.10 = Multiplier used to compensate utility for accounted losses or energy given away at no charge such as street lighting, line losses both Internal (distribution) and External (transmission), and theft.

0.0564 = 2015 Base Average Cost for Baldwin City

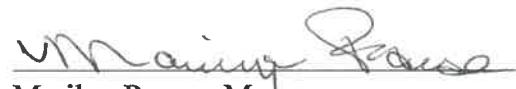
Section 2. Relevant portions of Ordinance No. 1251, Ordinance No. 1263, Ordinance No. 1307 and any other ordinance or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed to the extent necessary to resolve such conflict.

Section 3. If any part of this ordinance is declared invalid for any reason, such invalidity shall not affect the remaining valid portions of this ordinance. To this end, the ordinance is declared severable:


Section 4. This ordinance shall be effective upon adoption by the governing body, approval by the Mayor, and publication as required by law. The rates and adjustments included herein shall be applied to demand and energy usage effective on March 1, 2016 and as noted in the specific sections.

NOW, THEREFORE, BE IT ENACTED by the governing body of the City of Baldwin City, Kansas, on this 1st day of March, 2016.

APPROVED:


Marilyn Pearse, Mayor

ATTEST:


Laura Hartman, City Clerk

APPROVED AS TO FORM:


Matt Hoy, City Attorney