

RESOLUTION 2023-09

TIPTON UTILITY SERVICE BOARD CITY OF TIPTON, INDIANA

A RECOMMENDATION TO TIPTON COMMON COUNCIL TO ADJUST ELECTRICAL UTILITY RATES

- WHEREAS,** The City of Tipton, the Tipton Utility Service Board (TUSB) and Tipton Municipal Utilities (TMU) desires to continue to provide consistent, efficient, and reliable Electric service to our electrical customers and strive to provide corresponding economical Electric utility rates for said services; and
- WHEREAS,** The City of Tipton has not adjusted Electrical base rates via Ordinance since 2004; and
- WHEREAS,** The TUSB and TMU has initiated and completed an Electrical Cost of Service Study through the third-party rate consultant Krohn & Associates; and
- WHEREAS,** The Electrical Cost of Service Study indicates that the current Electrical rates and charges, re-established in 2004, are not sufficient to meet the Electrical Utility revenue requirements of the future; and
- WHEREAS,** The Cost of Service Study performed by Krohn & Associates provides a revised schedule of recommended rates and charges for electrical service rate payers; and
- WHEREAS,** Pursuant to Indiana Code IC 8-1.5-3-8, the TUSB has the fiduciary responsibility of making recommendations to the Tipton Common Council and Tipton City Mayor relative to adoption of revised electric rates and charges;

NOW THEREFORE BE IT RESOLVED, that the Tipton Utility Service Board does hereby recommend to the Tipton Common Council and Tipton City Mayor to adopt via City Ordinance the attached Schedule of Rates and Charges and become effective Jan 1, 2024.

Signed this 8th day of NOVEMBER, 2023, in Tipton, Indiana.

TIPTON UTILITY SERVICE BOARD



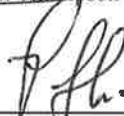
Don McElfresh - Chairman



Steven Thompson



Barbara A. Cardwell



Peter Schram

ABSENT

Mark J. Raver



ATTEST: James E. Ankrum, Utility General Manager

TIPTON MUNICIPAL ELECTRIC UTILITY

COST OF SERVICE STUDY

TIPTON MUNICIPAL ELECTRIC UTILITY

COST OF SERVICE SUMMARY

BASED ON THE TEST YEAR ENDED DECEMBER 31, 2022

	<u>RESIDENTIAL</u>	<u>COMMERCIAL</u>	<u>GENERAL & INDUSTRIAL</u>	<u>PRIMARY POWER</u>	<u>STREET / SECURITY LIGHTING</u>	<u>TOTALS</u>
PROPOSED REVENUE BY CUSTOMER CLASS	\$ 5,075,130	\$ 2,657,597	\$ 2,113,050	\$ 5,292,537	\$ 87,738	\$ 15,226,052
PRIMARY POWER ADJUSTMENT (REDUCTION IN SALES)	-	-	-	155,679	-	155,679
<i>EXISTING REVENUE BY CUSTOMER CLASS</i>	<u>4,678,712</u>	<u>2,330,976</u>	<u>1,931,897</u>	<u>5,078,480</u>	<u>81,574</u>	<u>14,101,639</u>
PROPOSED RATE ADJUSTMENT BY CUSTOMER CLASS	\$ 396,418	\$ 326,621	\$ 181,153	\$ 369,736	\$ 6,164	\$ 1,280,092
PERCENTAGE RATE ADJUSTMENT	<u>8.5%</u>	<u>14.0%</u>	<u>9.4%</u>	<u>7.3%</u>	<u>7.6%</u>	<u>9.1%</u>

See Accountant's Compilation Report

TIPTON MUNICIPAL ELECTRIC UTILITY

SCHEDULE OF PROPOSED ELECTRIC RATES AND CHARGES

	<u>BASE RATES (1)</u>	<u>ROLL-IN FACTOR (2)</u>	<u>TOTAL</u>	<u>PROPOSED</u>
<u>RESIDENTIAL SERVICE (RATE A):</u>				
CUSTOMER CHARGE PER MONTH (3)	\$ 2.16		\$ 2.16	\$ 10.50
ENERGY CHARGE PER MONTH				
FIRST 200 KWH PER MONTH	\$ 0.073043	\$ 0.050824	\$ 0.123867	\$ 0.124500
NEXT 600 KWH PER MONTH	0.061843	0.050824	0.112667	0.112500
OVER 800 KWH PER MONTH	0.054298	0.050824	0.105122	0.112500
<u>PROPOSED</u>				
<u>COMMERCIAL SERVICE (RATE B):</u>				
CUSTOMER CHARGE PER MONTH (3)	\$ 3.23		\$ 3.23	\$ 35.00
ENERGY CHARGE PER MONTH				
FIRST 500 KWH PER MONTH	\$ 0.087574	\$ 0.052839	\$ 0.140413	\$ 0.140413
NEXT 2,000 KWH PER MONTH	0.067644	0.052839	0.120483	0.124500
OVER 2,500 KWH PER MONTH	0.055474	0.052839	0.108313	0.124500
<u>PROPOSED</u>				
<u>GENERAL AND INDUSTRIAL SERVICE (RATE C):</u>				
MINIMUM CHARGE PER MONTH				
SINGLE PHASE SERVICE PER H.P. (BUT NOT LESS THAN 2 H.P.) \$1.62	\$ 3.24		\$ 3.24	\$ 3.54
THREE PHASE SERVICE PER H.P. (BUT NOT LESS THAN 10 H.P.) \$1.62	16.20		16.20	17.72
YEARLY MINIMUM CHARGE, PER H.P. (LESS THAN 200 HP)	19.44		19.44	21.27
MONTHLY CUSTOMER BASE CHARGE				\$ 75.00
ENERGY CHARGE PER MONTH				
FIRST 500 KWH PER MONTH	\$ 0.084313	\$ 0.055859	\$ 0.140172	\$ 0.140413
NEXT 4,500 KWH PER MONTH	0.068188	0.055859	0.124047	0.124500
OVER 5,000 KWH PER MONTH	0.058465	0.055859	0.114324	0.124500
<u>PROPOSED</u>				
<u>PRIMARY POWER SERVICE (RATE D):</u>				
MINIMUM CHARGE PER MONTH				
HIGHEST BILLING MAXIMUM LOAD PER KVA (FOR THE PRECEDING 11 MONTHS)	\$ 2.59		\$ 2.59	\$ -
BUT NOT LESS THAN \$100 PER MONTH	107.79		107.79	-
MONTHLY CUSTOMER BASE CHARGE				\$ 150.00
MAXIMUM LOAD CHARGE (PER KVA OF BILLING MAXIMUM LOAD)	\$ 4.31		\$ 4.31	\$ 22.00
ENERGY CHARGE PER MONTH				
FIRST 360 HOURS USE PER KVA	\$ 0.040382	\$ 0.049798	\$ 0.090180	\$ -
OVER 360 HOURS USE PER KVA	0.031684	0.049798	0.081482	-
ALL USAGE (PER KWH)				\$ 0.057500

See Accountant's Compilation Report

TIPTON MUNICIPAL ELECTRIC UTILITY

SCHEDULE OF PROPOSED ELECTRIC RATES AND CHARGES

(CONTINUED)

OUTDOOR LIGHTING SERVICE (RATE E): *

			<u>CURRENT (1)</u>	<u>PROPOSED</u>
				7.6%
100	WATT	SODIUM VAPOR	\$ 4.01	\$ 4.31
150	WATT	SODIUM VAPOR	4.79	5.15
400	WATT	SODIUM VAPOR	8.24	8.87
175	WATT	MERCURY VAPOR	5.25	5.65
250	WATT	MERCURY VAPOR	6.63	7.13
400	WATT	MERCURY VAPOR	8.62	9.28
400	WATT	WATT METAL HALIDE	9.34	10.05

*WHEN UTILITY IS REQUIRED TO INSTALL A POLE TO PROVIDE CUSTOMER WITH OUTDOOR LIGHTING SERVICE, CUSTOMER SHALL BE REQUIRED TO PAY, IN ADDITION TO THE ABOVE

\$	1.24	\$	1.33
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STREET AND HIGHWAY LIGHTING SERVICE (RATE F) (RATE PER LAMP PER MONTH):

OVERHEAD SERVICE

175	WATT	MERCURY VAPOR	\$ 5.12	\$ 5.51
250	WATT	MERCURY VAPOR	6.03	6.49
400	WATT	MERCURY VAPOR	7.99	8.60
700	WATT	MERCURY VAPOR	11.14	11.99
100	WATT	SODIUM VAPOR	4.73	5.09
150	WATT	SODIUM VAPOR	5.30	5.70
250	WATT	SODIUM VAPOR	8.77	9.44
250	WATT	SODIUM VAPOR (ORNAMENTAL)	14.17	15.25
400	WATT	SODIUM VAPOR	9.28	9.99

UNDERGROUND SERVICE

250	WATT	SODIUM VAPOR (FIBERGLASS POLE)	\$ 41.13	\$ 44.26
400	WATT	SODIUM VAPOR (FIBERGLASS POLE)	43.85	47.18
250	WATT	SODIUM VAPOR (ALUMINUM POLE)	40.22	43.28
400	WATT	SODIUM VAPOR (ALUMINUM POLE)	42.93	46.19
250	WATT	BLACK SODIUM VAPOR (ALUMINUM POLE)	40.04	43.08

CO-GENERATION:

DEMAND RATE	PER KW	\$	2.530
ENERGY RATE	PER KWH		0.017895

NON-RECURRING CHARGES

CURRENT (2)

BAD CHECK CHARGE: \$ 25.00

CONNECTION CHARGE:

200 AMP OVERHEAD METER	\$	500.00
200 AMP UNDERGROUND METER		1,000.00

RECONNECTION/DISCONNECTION CHARGE: \$ 20.00

METER TEST:

(1ST CUSTOMER REQUESTED TEST FREE, EACH SUBSEQUENT TEST WITHIN 36 MONTHS)	\$	40.00
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DEPOSIT:

THE DEPOSIT FOR A RESIDENTIAL CUSTOMER MAY BE UP TO ONE SIXTH (1/6) OF THE ESTIMATED ANNUAL REVENUE FROM SUCH CUSTOMER. BUSINESS ESTABLISHMENTS ARE BASED UPON ESTIMATE OF ELECTRIC BILL OR PAST HISTORY OF PRIOR ESTABLISHED BUSINESS OF SIMILAR TYPE AT SAME LOCATION, SECURITY DEPOSIT WILL BE APPROXIMATELY TWO (2) TIMES THE MONTHLY BILL.

PENALTY: 10% OF FIRST \$3.00, 3% ON EXCESS OVER \$3.00

METER TAMPERING CHARGE: JOB COST BASIS

(1) Per 30-Day Filing No. 50511, approved June 1, 2022. Rates reflect URT removal.

(2) Per 30-Day Filing No. 50470, approved December 28, 2021.

TIPTON MUNICIPAL ELECTRIC UTILITY

COMPARISON OF CURRENT AND PROPOSED ELECTRIC BILLS

RESIDENTIAL SERVICE

<u>MONTHLY USAGE</u>	<u>CURRENT</u>	<u>PROPOSED</u>	<u>TOTAL INCREASE</u>	<u>PERCENT INCREASE</u>
700 KWH	\$ 83.27	\$ 91.65	\$ 8.38	10.1%
800 KWH	94.53	102.90	8.37	8.9%
900 KWH	105.05	114.15	9.10	8.7%
1,000 KWH	115.56	125.40	9.84	8.5%
1,500 KWH	168.12	181.65	13.53	8.0%
2,000 KWH	220.68	237.90	17.22	7.8%
2,500 KWH	273.24	294.15	20.91	7.7%
3,000 KWH	325.80	350.40	24.60	7.5%

COMMERCIAL SERVICE

<u>MONTHLY USAGE</u>	<u>CURRENT</u>	<u>PROPOSED</u>	<u>TOTAL INCREASE</u>	<u>PERCENT INCREASE</u>
2,000 KWH	\$ 254.16	\$ 291.96	\$ 37.80	14.9%
3,000 KWH	368.56	416.46	47.90	13.0%
4,000 KWH	476.87	540.96	64.08	13.4%
5,000 KWH	585.19	665.46	80.27	13.7%
10,000 KWH	1,126.75	1,287.96	161.21	14.3%
15,000 KWH	1,668.32	1,910.46	242.14	14.5%
20,000 KWH	2,209.88	2,532.96	323.08	14.6%
25,000 KWH	2,751.45	3,155.46	404.01	14.7%
30,000 KWH	3,293.01	3,777.96	484.95	14.7%
35,000 KWH	3,834.58	4,400.46	565.88	14.8%
40,000 KWH	4,376.14	5,022.96	646.82	14.8%

TIPTON MUNICIPAL ELECTRIC UTILITY

COMPARISON OF CURRENT AND PROPOSED ELECTRIC BILLS

GENERAL AND INDUSTRIAL SERVICE

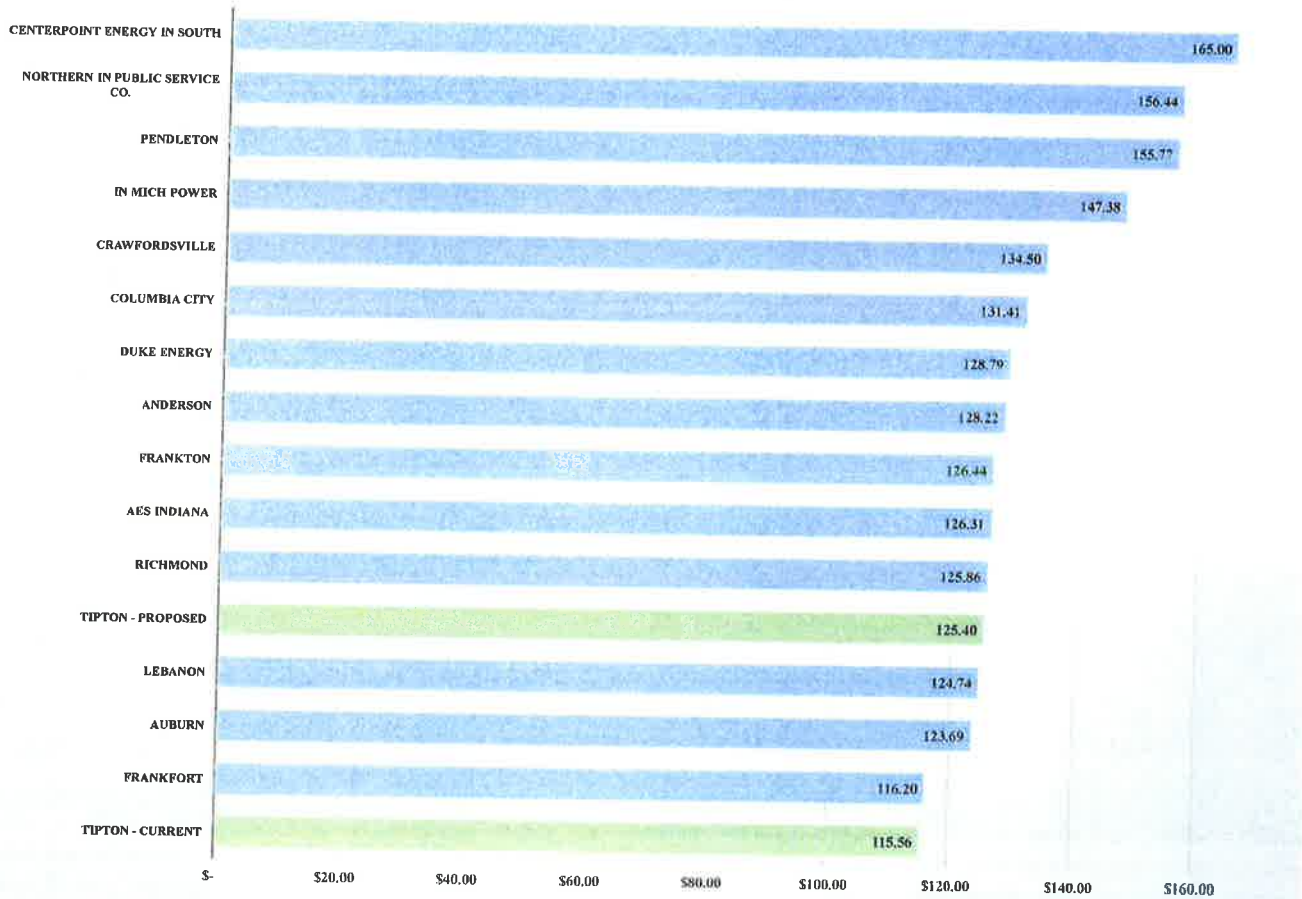
<u>MONTHLY USAGE</u>	<u>CURRENT</u>	<u>PROPOSED</u>	<u>TOTAL INCREASE</u>	<u>PERCENT INCREASE</u>
5,000 KWH	\$ 628.30	\$ 705.46	\$ 77.16	12.3%
10,000 KWH	1,199.92	1,327.96	128.04	10.7%
25,000 KWH	2,914.78	3,195.46	280.68	9.6%
50,000 KWH	5,772.88	6,307.96	535.08	9.3%
100,000 KWH	11,489.08	12,532.96	1,043.88	9.1%
250,000 KWH	28,637.68	31,207.96	2,570.28	9.0%
500,000 KWH	57,218.68	62,332.96	5,114.28	8.9%
750,000 KWH	85,799.68	93,457.96	7,658.28	8.9%
1,000,000 KWH	114,380.68	124,582.96	10,202.28	8.9%
1,250,000 KWH	142,961.68	155,707.96	12,746.28	8.9%
1,500,000 KWH	171,542.68	186,832.96	15,290.28	8.9%

PRIMARY POWER SERVICE

<u>MONTHLY USAGE</u>	<u>DEMAND (KVA) (1)</u>	<u>CURRENT</u>	<u>PROPOSED</u>	<u>TOTAL INCREASE</u>	<u>PERCENT INCREASE</u>
250,000 KWH	560.0	\$ 24,958.60	\$ 26,845.00	\$ 1,886.40	7.6%
500,000 KWH	1,120.1	49,917.63	53,542.20	3,624.57	7.3%
750,000 KWH	1,680.1	74,876.23	80,237.20	5,360.97	7.2%
1,000,000 KWH	2,240.1	99,834.83	106,932.20	7,097.37	7.1%
1,250,000 KWH	2,800.2	124,793.86	133,629.40	8,835.54	7.1%
1,500,000 KWH	3,360.2	149,752.46	160,324.40	10,571.94	7.1%

(1) Assumes a load factor of 62.0%.

**TIPTON MUNICIPAL ELECTRIC UTILITY
COMPARISON OF ELECTRIC RATES AND CHARGES
BASED ON 1,000 KWH (2024 Q1)***



*Preliminary - subject to change. Tipton's rates include the IMPA 2024 Q1 rates while all other rate comparisons reflect IMPA 2023 Q4 rates. All other utilities will likely increase in 2024.

See Accountant's Compilation Report