

ORDINANCE NO. 05-54

**AN ORDINANCE ADOPTING ADJUSTED RATES, TERMS, AND
CONDITIONS FOR ELECTRIC SERVICE PROVIDED BY THE
VILLAGE OF VERSAILLES, OHIO AND
DECLARING AN EMERGENCY**

WHEREAS, the Village of Versailles (Village) has heretofore established and adjusted its current rates, terms, and conditions for providing electric service; and

WHEREAS, the Village understands the need to evaluate its rates, terms, and conditions for electric service in response to changing conditions of the electric system and its customers; and

WHEREAS, the Village desires to maintain the best possible electric service to its customers and also to operate a financially stable electric utility system; and

WHEREAS, the Village desires to make changes to the rates, terms, and conditions for providing electric service;

NOW, THEREFORE, BE IT ORDAINED, by the Council of the Village of Versailles, State of Ohio:

SECTION ONE: That the electric rates, rules, and regulations for electric service to customers of the Village are modified as set forth in Appendix A to this ordinance to be effective for bills issued after January 1, 2006.

SECTION TWO: That said rules in Appendix A cancel and supersede all preceding ordinances affecting existing similar rates, rules, and regulations for electric service to customers of the Village.

SECTION THREE: That it is found and determined that all formal actions of this Council concerning and relating to the passage of this ordinance were passed in an open meeting of this Council, and that all deliberations of the Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22, Ohio Revised Code.

SECTION FOUR: This ordinance is necessary for the health, safety, and welfare of the Village of Versailles, Ohio and is hereby declared an emergency measure in that it is necessary to preserve the financial solvency of the electric system and shall take effect at the earliest date provided by law.

PASSED, this 23rd day of November 2005.

Jeffrey A. Subler
Mayor

ATTEST:

Mary Ann Gump
Fiscal Officer

APPROVED AS TO FORM:

Thomas L. Guillozet
Village Attorney

APPENDIX A

RESIDENTIAL SERVICE

Availability of Service

Available for single-phase service at secondary voltages, to individual dwellings, for residential purposes, where use is primarily for space heating, water heating, air conditioning, lighting, refrigeration, cooking, and clothes drying.

Rates of Service

Customer Charge (Inside Village Limits):	\$4.75
Customer Charge (Outside Village Limits):	\$6.75
Distribution Charge	
All kWh:	\$0.0275

Riders

Customers under this schedule shall be subject to the applicable Power Charge and Transition Cost Riders as specified in this Ordinance.

COMMERCIAL SERVICE

Availability of Service

Applicable to all non-residential customers served through one single-phase or three-phase meter capable of measuring billing demand, but not served under Industrial Service.

Rates for Service

Customer Charge (Inside Village Limits):	\$10.50
Customer Charge (Outside Village Limits):	\$12.50
Distribution Charge	
All kWh:	\$0.0286

Riders

Customers under this schedule shall be subject to the applicable Power Charge and Transition Cost Riders as specified in this Ordinance.

LARGE POWER SERVICE

Availability of Service

Applicable to all non-residential customers served through a three-phase meter capable of measuring billing demand and whose monthly average billing demand is 300 kW and higher during the twelve month period starting in January and ending in December. New customers may be placed under this schedule if their average billing demand is estimated to be 300 kW and higher per month for a twelve month period.

Rates for Service

Customer Charge (Inside Village Limits):	\$10.50
Customer Charge (Outside Village Limits):	\$12.50
Distribution Charge	
All kWh:	\$0.0068
Demand Charge	
All kW:	\$6.50

Riders

Customers under this schedule shall be subject to the applicable Power Charge and Transition Cost Riders as specified in this Ordinance.

Demand

The billing demand for the month shall be measured 15-minute peak kW demand during the current month.

POWER CHARGE AND TRANSITION COST RIDERS

The Power Charge shall be applied to the Residential Service, Small Commercial Service, and Large Commercial Service Schedules. The rate design of the Power Charge may be changed from time-to-time approved by Council. The calculation of the Power Charge shall be determined as a product of the following factors:

Determination of Generation Costs

The total monthly cost of generated power is derived primarily, but not limited to, bills rendered by AMP-Ohio. The total cost may also include other generation-related costs not recovered in base rates.

Calculation of Power Charge

The calculation of the Power Charge is a product of the following calculation:

$$PC = \frac{GC}{kWh}$$

where:

PC = Power Charge of all customers;

GC = Total generation costs of the system for the nearest previous month; and

kWh = Sales billing units (kWh) of the current billing month of all sales customers.

Determination of Transition Costs

The Transition Cost Rider shall be calculated and implemented upon the offering of Open Access Service and adjusted annually until all transition costs are recovered.

Transition Costs are generally defined as the difference between purchased power costs of those sources where contractual debt service costs and/or other factors may cause average cost of that power to be significantly higher than average market prices. The Transition Cost Rider may be adjusted based on factors including projected market price, average cost of power from transition cost sources, fixed costs of contracted power supply, implementation costs of the offering of Open Access Service, and sales of the previous year. A reconciliation of over or under recovery of Transition Costs may be taken forward to the next year as a debit or credit to recoverable Transition Costs.

The Transition Cost Rider shall be applicable to all sales service schedules.

SPECIAL CONTRACTS FOR SERVICE

In situations where current or potential electric customers may be offered an alternative source of electric service or where the current or potential customer may choose to locate or relocate their business in an area that would generally not serve the economic welfare of the Village, the Village may offer special contracts for electric service which contain alternative electric rates, terms, and conditions for service. These special contracts may be offered to create or preserve jobs and employment opportunities and to maintain or improve the economic welfare of the Village.

Special contract rates may not be lower than the recovery of transmission and generation costs to that customer, plus a contribution to distribution costs.