

ORDINANCE NO. 11-11

**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 rates, terms, and conditions for providing electric service, most recently pursuant to Ordinance No. 10-44; and

WHEREAS, prior to the implementation of the rates, terms, and conditions for providing electric service to its customers pursuant to Ordinance No. 10-44, it was discovered that said rates would cause significant cost impacts to a substantial number of electric service customers of the Village; and

WHEREAS, the Council of the Village of Versailles believes that the proposed rates, terms, and conditions for providing electric service pursuant to Ordinance No. 10-44 should be changed to levelize the impacts of the electric modifications cost to the substantial number of customers to be affected by the allocation of costs by the Village in 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 May 10, 2011.

SECTION TWO: That said rules in Appendix A cancel and supersede all preceding ordinances affecting existing 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 hereby declared to be an emergency measure so as to prevent the implementation of the rates, rules, and regulations provided for in Ordinance No. 10-44, and therefore shall be in full force and effect immediately upon its passage.

PASSED, this 23rd day of February 2011.

Jeffrey A. Subler
Mayor

ATTEST:

Mary Ann Gump
Fiscal Officer

APPROVED AS TO FORM:

Thomas L. Guillozet
Village Attorney

EXHIBIT A

RESIDENTIAL SERVICE SCHEDULE “RS”

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

Inside Village Limits

Monthly Customer Charge:	\$10.90
Distribution Charge (\$/kWh)	
All kWh:	\$0.02863
Energy Charge (\$/kWh)	
All kWh:	\$0.06292

Outside Village Limits

Monthly Customer Charge:	\$12.90
Distribution Charge (\$/kWh)	
All kWh:	\$0.03070
Energy Charge (\$/kWh)	
All kWh:	\$0.06358

Riders

Customers under this schedule shall be subject to the applicable Power Charge, Ohio Excise Tax, and Transition Cost Riders in this Ordinance.

COMMERCIAL NON-DEMAND SERVICE SCHEDULE “CNS”

Availability of Service

Applicable to all non-residential customers served at secondary voltages through one single-phase or three-phase meter, but not served under Large Power Service Schedule or Commercial Demand Service Schedule.

Rates of Service

Inside Village Limits

Monthly Customer Charge:	\$12.50
Distribution Charge (\$/kWh)	
All kWh:	\$0.02474
Energy Charge (\$/kWh)	
All kWh:	\$0.06858

Outside Village Limits

Monthly Customer Charge:	\$15.50
Distribution Charge (\$/kWh)	
All kWh:	\$0.02478
Energy Charge (\$/kWh)	
All kWh:	\$0.06865

Riders

Customers under this schedule shall be subject to the applicable Power Charge, Ohio Excise Tax, and Transition Cost Riders in this Ordinance.

COMMERCIAL DEMAND SERVICE SCHEDULE “CDS”

Availability of Service

Applicable to all non-residential customers served at secondary voltages through one single-phase or three-phase meter capable of measuring demand and whose monthly average billing demand is greater than 25 kW and less than 300 kW during the twelve month period starting in January and ending December of the prior year.

Rates of Service

Inside Village Limits

Monthly Customer Charge:	\$12.50
Distribution Charge (\$/kW)	
All kW:	\$1.00
Energy Charge (\$/kWh)	
All kWh:	\$0.08797

Outside Village Limits

Monthly Customer Charge:	\$20.00
Distribution Charge (\$/kW)	
All kW:	\$1.00
Energy Charge (\$/kWh)	
All kWh:	\$0.09017

Determination of Billing Demand

The monthly billing demand (kW) shall be the maximum demand established by the customer for any monthly period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter. New customer monthly billing demand shall be estimated by a Village electric system representative based on information provided to the Village by the customer.

Adjustment for Primary Metering

The Village reserves the right to place the meter at the primary voltage point. If the meter is located at the primary voltage, billing demand and energy shall be metered demand (kW) and energy (kWh) multiplied by 0.98.

Riders

Customers under this schedule shall be subject to the applicable Power Charge, Ohio Excise Tax, and Transition Cost Riders in this ordinance.

LARGE POWER SERVICE SCHEDULE “LP”

Availability of Service

Applicable to all non-residential customers served at primary voltages through a three-phase meter capable of measuring billing demand and whose monthly average billing demand is 300 kW or higher during the twelve month period starting in January and ending in December of the prior year.

Rates of Service

Inside Village Limits

Monthly Customer Charge:	\$105.00
Distribution Charge (\$/kW)	
All kW:	\$6.50
Power Supply Demand Charge (\$/kW)	
All kW:	\$8.25
Energy Charge (\$/kWh)	
All kWh:	\$0.03500

Outside Village Limits

Monthly Customer Charge:	\$130.00
Distribution Charge (\$/kW)	
All kW:	\$7.20
Power Supply Demand Charge (\$/kW)	
All kW:	\$11.00
Energy Charge (\$/kWh)	
All kWh:	\$0.03510

Determination of Billing Demand

The monthly billing demand (kW) shall be the maximum demand established by the customer for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter, adjusted for secondary metering. New customer monthly billing demand shall be estimated by a Village electric system representative based on information provided to the Village by the customer.

Adjustment for Secondary Metering

The Village reserves the right to meter at either primary or secondary voltage. If metered at secondary voltage, billing demand and energy shall be metered demand (kW) and energy (kWh) multiplied by 1.02.

Riders

Customers under this schedule shall be subject to the applicable Power Charge, Ohio Excise tax, and Transition Cost Riders in this Ordinance.

Transition Cost Rider

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 the cost of that power to be greater than market capacity and energy prices. The Transition Cost Rider may be adjusted based on factors including projected market capacity and energy prices, 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.

POWER CHARGE RIDER

Applicable:

The calculation of monthly bills pursuant to the rates and charges therein shall be subject to adjustment for changes in the cost of fuel and purchased power by applying a Power Charge (PC) as a unit charge or credit to the total billed energy kilowatt-hours (kWh) on the bill.

Overview:

This PC calculation is intended to be based on forward looking projections of fuel, purchased power, and other power supply related costs, as well as projections of customer sales (kWh) for the period. The calculation is further intended to be performed at a minimum six month interval or more frequently, if required, to accomplish recovery of fuel related cost in a timely manner. The calculation includes a provision to reconcile over or under collection of cost from previous periods based on actual cost versus projected cost for the period.

The PC calculation shall be performed in a manner consistent with this rider and initially applied for a six-month period effective for billings after February 10, 2011. Thereafter, the PC calculation shall be effective and applied for a maximum of six months. The PC calculation shall be reviewed and new projections shall be made for the subsequent six-month periods (i.e., August 10 and February 10 of each year). Following such PC review and calculation, the PC shall be applied, as deemed necessary, to accomplish recovery of the fuel, purchased power, and other power supply related costs in a timely manner. The PC shall be recalculated and applied at intervals more frequent than six months if actual fuel and purchased power cost vary significantly from projections.

Definition of Fuel Cost:

The cost in dollars and cents of all projected fuel used in the production of electric energy during the applicable time period determined from the projected weighted average cost of such fuel applied to the projected quantity used. The projected weighted average cost of fuel as used shall be defined as the cost of fuel consumed in generating facilities priced at cost, including freight, demurrage, and taxes of fuel on hand at the beginning of the applicable time period, plus projected cost of fuel received during the applicable time period, divided by the total quantity of fuel on hand and projected to be received.

Definition of Purchased Power Cost:

The net cost in dollars and cents of all projected purchased power required during the applicable time period. The net cost of purchased power shall be the projected total cost of power and energy received from suppliers, including service and dispatch fees and any power supply related charges, less the projected amounts received for off-system sales of energy.

Determination of PC Unit Charge or Credit:

When total fuel cost and purchased power cost increases above or decreases below \$0.06153/kWh-sold, the rate for electric service shall be increased or decreased in accordance with the following formula:

Calculation:

$$PC = \frac{P + R}{S} - B$$

Where;

- PC = Power Charge factor, expressed in dollars per kWh rounded to the nearest five decimal places.
- P = Total projected fuel cost and projected purchased power cost during the applicable time period expressed as dollars (\$) as defined in this schedule.
- S = Projected sale (kWh) excluding off-system sales of energy, for the applicable time period for which the fuel cost and purchased power cost (P) is computed.
- R = Reconciliation of the actual cumulative over or under recovery of fuel cost and purchased power cost from preceding applicable time periods, including over or under recovery of fuel cost and purchased power cost before February 10, 2011 and expressed as dollars (\$).
- B = Base power supply cost for the schedule of rates and charges provided by this ordinance, B shall be \$0.06153/kWh-sold.

OHIO EXCISE TAX RIDER

The applicable Excise Tax shall be added to the total amount billed to the customer under the applicable electric rate schedule. The Excise Tax rate shall apply to the total energy sales (kWh) billed to the customer.

The Excise Tax is imposed on monthly customer energy sales (kWh) under Ohio Revised Code 5727.8 and any adjustments or amendments thereto.

The Excise Tax charge is to be applied to monthly customer energy sales (kWh) on monthly electric bills using the following rates:

First 2,000 kWh times \$0.00465/kWh
Next 13,000 kWh times \$0.00419/kWh
Over 15,000 kWh times \$0.00363/kWh

SPECIAL CONTRACTS FOR SERVICE

In situations where current or potential non-residential customers may be offered an alternative source of electric service or where the current or potential non-residential customers 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.