

ORDINANCE NO. 17-12

**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; 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 for electric service to customers of the Village are modified as set forth in Appendix A to this ordinance to be effective for bills payable after May 10, 2017.

SECTION TWO: That said rates in Appendix A cancel and supersede all preceding ordinances affecting existing rates 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 10th day of May 2017.

JEFFRY A. SUBLER, Mayor

ATTEST:

KATHY ORDING, Fiscal Officer

THOMAS L. GUILLOZET, Village Attorney

APPENDIX 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:	\$12.21
Distribution Charge (\$/kWh)	
All kWh:	\$0.03065
Energy Charge (\$/kWh)	
All kWh:	\$0.08446

Outside Village Limits

Monthly Customer Charge:	\$14.18
Distribution Charge (\$/kWh)	
All kWh:	\$0.03330
Energy Charge (\$/kWh)	
All kWh:	\$0.08523

Riders

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

APPENDIX A

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 for Service

Inside Village Limits

Monthly Customer Charge:	\$15.27
Distribution Charge (\$/kWh)	
All kWh:	\$0.01706
Energy Charge (\$/kWh)	
All kWh:	\$0.10544

Outside Village Limits

Monthly Customer Charge:	\$18.22
Distribution Charge (\$/kWh)	
All kWh:	\$0.02118
Energy Charge (\$/kWh)	
All kWh:	\$0.09900

Riders

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

APPENDIX A

COMMERCIAL DEMAND (LOW LOAD FACTOR) SERVICE SCHEDULE "CDLS"

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 during the twelve month period starting in January and ending December of the prior year.

Rates for Service

Inside Village Limits

Monthly Customer Charge:	\$16.75
Distribution Demand Charge (\$/kW)	
All kW:	\$11.82
Energy Charge (\$/kWh)	
All kWh:	\$0.06498

Outside Village Limits

Monthly Customer Charge:	\$24.63
Distribution Demand Charge (\$/kW)	
All kW:	\$11.82
Energy Charge (\$/kWh)	
All kWh:	\$0.07050

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.

APPENDIX A

COMMERCIAL DEMAND (HIGH LOAD FACTOR) SERVICE SCHEDULE "CDHS"

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 during the twelve month period starting in January and ending December of the prior year.

Rates for Service

Inside Village Limits

Monthly Customer Charge:	\$132.98
Distribution Demand Charge (\$/kW)	
All kW:	\$3.46
P.S. Demand Charge (\$/kW)	
All kW:	\$16.25
P.S. Energy Charge (\$/kWh)	
All kWh:	\$0.03581

Outside Village Limits

Monthly Customer Charge:	\$141.84
Distribution Demand Charge (\$/kW)	
All kW:	\$4.75
P.S. Demand Charge (\$/kW)	
All kW:	\$16.57
P.S. Energy Charge (\$/kWh)	
All kWh:	\$0.04289

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.

APPENDIX A

Riders

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

Determination of Applicable Rate

If the customer can meet the requirements of more than one rate schedule, the Village will advise the customer as to which rate schedule is the most advantageous for the prospective service. The customer may change the initial rate schedule selection to another applicable rate schedule at any time by written notice to the Village, provided that the application of such subsequent selection shall continue for twelve (12) months before any other selection may be made.

The customer might want to consider the Commercial Demand High Load Factor Rate Schedule if the customer has a monthly load factor greater than forty percent (40%).

Calculation of Monthly Load Factor:

$$LF = \frac{E}{D \times H} \times 100$$

Where;

- LF Monthly Load Factor expressed as a percent (%).
- E Monthly Billed Energy (kWh).
- D Monthly Billed Demand (kW).
- H Monthly hours (720 hours = 30 days, 744 hours = 31 days).

APPENDIX A

LARGE POWER SERVICE SCHEDULE "LP"

Availability of Service

Applicable to all non-residential customers served at secondary 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 for Service

Inside Village Limits

Monthly Customer Charge:	\$206.85
Distribution Demand Charge (\$/kW)	
All kW:	\$3.65
P.S. Demand Charge (\$/kW)	
All kW:	\$16.50
P.S. Energy Charge (\$/kWh)	
All kWh:	\$0.03131

Outside Village Limits

Monthly Customer Charge:	\$231.48
Distribution Demand Charge (\$/kW)	
All kW:	\$4.67
P.S. Demand Charge (\$/kW)	
All kW:	\$16.99
P.S. Energy Charge (\$/kWh)	
All kWh:	\$0.03617

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 Primary Metering

The Village reserves the right to 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.

APPENDIX A

Adjustment for Transformer Ownership

The Utility reserves the right to require the consumer to install, own and operate at its expense, the necessary complete substation required to utilize service at the Utility's specified untransformed distribution voltage. In such case, a transformer ownership discount of \$0.20 per kW of billing demand would apply.

Riders

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

APPENDIX A

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.

APPENDIX A

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 May 10, 2012. 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.

APPENDIX A

Determination of PC Unit Charge or Credit:

When fuel total cost and purchased power cost increases above or decreases below \$0.08044/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 sales (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 April 10, 2015 expressed as dollars (S).
- B = Base power supply cost for the schedule of rates and charges provided by this Ordinance, B shall be \$0.08044/kWh-sold.

APPENDIX A

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

APPENDIX A

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.