

# FOR BOARD ACTION

Agenda Item # 6

Meeting Date: 12/16/04

**SUBJECT:**

2005 Electric Revenue Adjustment

**PREPARED BY:**

Larry Koshire, General Manager

ITEM DESCRIPTION:

At the November Utility Board meeting, staff presented various electric revenue adjustment alternatives and the projected ability of each alternative to meet board policy requirements for cash reserves. The Board acted to notice a proposed rate increase of 2 to 4 % with the recommendation to consider a 3% increase at their December 16 board meeting. This notice was provided to the public via the paper of record in accordance with board policy.

The base case for the budget presented at the November board meeting included an overall rate increase of 2%. The Board considered current and projected electric reserves, and reviewed additional scenarios to determine the impact of a 3% increase. In evaluating the review of reserve projections and future financial forecasts, the 3% was determined to be appropriate.

Staff recommends that the Board proceed with a recommendation to the City Council for increasing electric rates by 3% effective January 1, 2005. A 3% increase would increase the typical residential bill by approximately \$1.66 per month.

UTILITY BOARD ACTION REQUESTED:

1. Approve and recommend to the City Council a 3.0% electric rate increase to all customer classes effective January 1, 2005.
2. Approve a resolution to approve the following rate schedules effective January 6, 2004.

Residential Service (RES)	Large General Service (LGS)
Residential Service-Dual Fuel (RES-DF)	Large Industrial Service (LIS)
Residential-High Efficiency HVAC (RES-HEF)	Interruptible Service (INTR)
General Service (GS)	City Street Lighting (CSL)
General Service-High Efficiency	Traffic Signals (TS)
General Service Time-Of-Use (GS-TOU)	Highway Lighting (HL)
Medium General Service (MGS)	Security Lighting (SL)
Medium General Service-High Efficiency	Civil Defense Sirens (CDS)
Medium General Service Time-Of-Use (MGS-TOU)	

  
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General Manager

  
\_\_\_\_\_  
Date



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the following rate schedules effective January 1, 2005.

Residential Service (RES)	Large General Service (LGS)
Residential Service-Dual Fuel (RES-DF)	Large Industrial Service (LIS)
Residential-High Efficiency HVAC (RES-HEF)	Interruptible Service (INTR)
General Service (GS)	City Street Lighting (CSL)
General Service-High Efficiency	Traffic Signals (TS)
General Service Time-Of-Use (GS-TOU)	Highway Lighting (HL)
Medium General Service (MGS)	Security Lighting (SL)
Medium General Service-High Efficiency	Civil Defense Sirens (CDS)
Medium General Service Time-Of-Use (MGS-TOU)	

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 16<sup>th</sup> day of December 2004.

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President

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Secretary



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve a 3.0% increase electric rates effective January 1, 2005 to the following rate classes:

Residential Service (RES)	Large General Service (LGS)
Residential Service-Dual Fuel (RES-DF)	Large Industrial Service (LIS)
Residential-High Efficiency HVAC (RES-HEF)	Interruptible Service (INTR)
General Service (GS)	City Street Lighting (CSL)
General Service-High Efficiency	Traffic Signals (TS)
General Service Time-Of-Use (GS-TOU)	Highway Lighting (HL)
Medium General Service (MGS)	Security Lighting (SL)
Medium General Service-High Efficiency	Civil Defense Sirens (CDS)
Medium General Service Time-Of-Use (MGS-TOU)	

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 16<sup>th</sup> day of December, 2004.

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President

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Secretary