

FOR BOARD ACTION

Agenda Item # 3

Meeting Date:

7/27/10

SUBJECT:

Results of the Community Lighting Fee Cost of Service Study

PREPARED BY:

Susan Parker, Director of Corporate Services

ITEM DESCRIPTION:

In May 2010, the City Council passed and adopted Ordinance No. 3964 creating the Community Lighting Utility and directed the Utility Board to establish rates through a cost of service study. RPU hired Utility Financial Solutions, LLC (UFS) to conduct the study and recommend the community lighting fee based on reasonable utility practice. The preliminary results were presented at the meeting in June with the proper notice to the public.

FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

Not Applicable

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Utility Board:

1. Approve a resolution accepting the cost of service study results and the attached Community Lighting Fee rate schedule effective September 1, 2010.
2. Request that Common Council concur with the Board's establishment of the Community Lighting Fee.


General Manager

7-23-10
Date

COMMUNITY LIGHTING FEE

APPLICABILITY:

To all residential and commercial and industrial electric utility customers.

MONTHLY RATE:

<u>Customer Class</u>	<u>Rate</u>
Residential	\$ 1.82
General Service	\$ 7.08
Medium General Service	\$ 13.63
Large General Service	\$ 92.34
Large Industrial	\$190.11

BILLINGS:

Billings will be on a monthly basis.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.

Approved by Rochester Public Utility Board:
Effective Date:

July 27, 2010
September 1, 2010



RESOLUTION

WHEREAS, Rochester Public Utilities has conducted a cost of service study at the request of the Common Council in order to establish a community lighting fee based on reasonable utility practice of recovering only the cost to provide that service; and

WHEREAS, Section 15.05, subd. 3 of the Rochester Home Rule Charter states that the Public Utility Board, with the concurrence of the Common Council, shall fix the rates to be charged for the availability and use of the public utility commodities and services under its jurisdiction; and

WHEREAS the cost of service study has recommended fees based on customer class and meter equivalents and has been publicly noticed,

NOW, THEREFORE, BE IT RESOLVED by the Public Utility Board of the City of Rochester that the Board approves the cost of service study for the recommendation of fees as set forth in that study and, subject to the Council's implementation of the rates, establishes the Community Lighting Utility rates as set forth in that study.

BE IT FURTHER RESOLVED that the Board defers to the Common Council in determining whether the Community Lighting Utility rates should be implemented.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 27th day of July, 2010.

President

Secretary