

# RATE STUDY RATE PROPOSALS

AUGUST 24, 2021



# Agenda

INTRODUCTION

ELECTRIC COST OF SERVICE/RATE PROPOSAL

ELECTRIC COMMUNITY INVESTMENT FEE (ECIF) FUND  
FEE PROPOSAL

STORM DRAINAGE COST OF SERVICE/RATE PROPOSAL

RESIDENTIAL UTILITY BILL IMPACTS & ASSISTANCE  
PROGRAMS

COMMUNITY OUTREACH

COUNCIL DISCUSSION



# Electric Utility

**2-YEAR PLAN**

**NO RATE STRUCTURE CHANGES**

**NO CHANGES TO THE MONTHLY CUSTOMER CHARGE, ALL INCREASES ARE IN THE USAGE RATES**

**NO IMPACT ON RATES DUE TO THE AMI PROJECT  
(CONTINUED FUNDING AT \$2.5M PER YEAR)**

**INCREASE TO THE MONTHLY ELECTRIC REBATE**

# Electric Cost of Service Increase

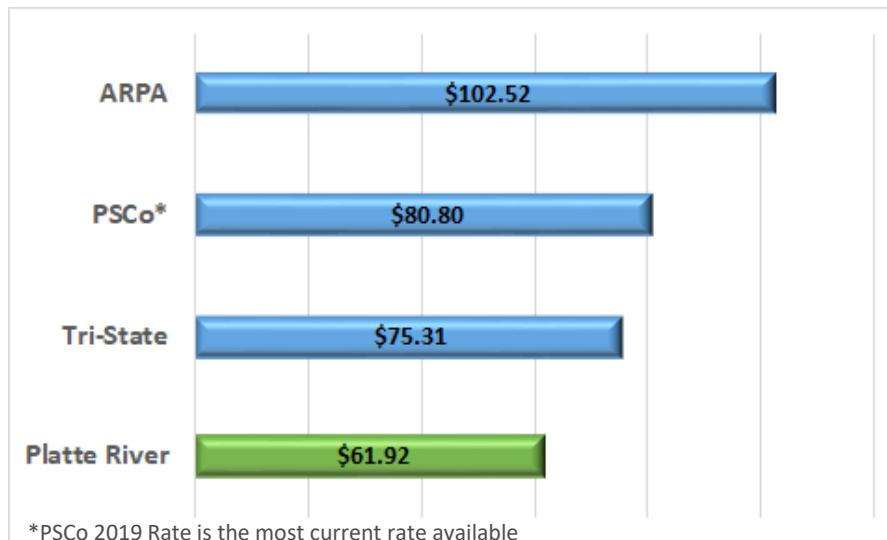
Customer Class	Cost of Service Revenue Requirement	Revenue Under Existing Rates	Estimated Revenue Increases	
			2022	2023
Residential	\$ 38,892,000	\$ 37,784,000	2.5%	2.5%
Commercial - Energy	\$ 8,953,000	\$ 8,331,000	5.0%	5.0%
Commercial - Demand	\$ 22,812,000	\$ 20,944,000	5.6%	5.6%
Commercial - Coincident	\$ 11,072,000	\$ 10,163,000	5.6%	5.6%
Unmetered Energy	\$ 102,000	\$ 95,000	5.0%	5.0%
General Fund – Energy/Demand	\$ 801,000	\$ 776,000	3.2%	3.2%
Total	\$ 82,632,000	\$ 78,093,000	4.0%	4.0%

# Major Factors In Electric Cost of Service



- \$1 million contribution to reserves
- \$1.4 million increase in Capital Improvement Program (CIP) projects
- \$1.3 million increase in operating expenses other than wholesale energy
- \$1.7 million increase in wholesale energy costs from PRPA
- (\$890,000) decrease for the Customer Information System (CIS)

# 2021 Wholesale Rate Comparison (\$/MWh)



- Platte River's average wholesale rate is 18% lower than the next lowest regional provider
- CAMU January 2021 retail rate survey indicates Platte River wholesale rates allow the owner communities the opportunity to offer competitive rates

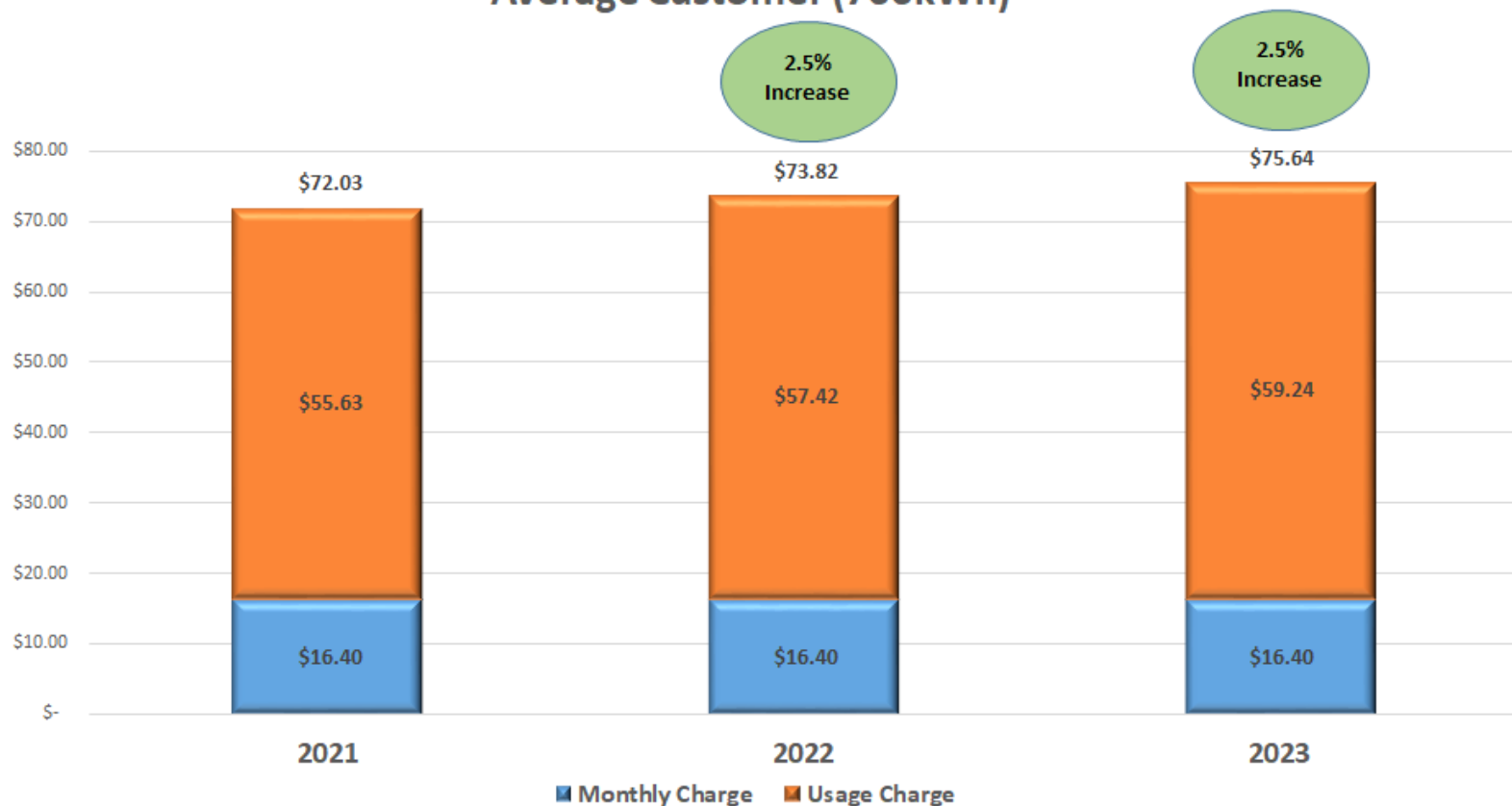
# Residential Rate Classes

**RESIDENTIAL ENERGY (RE)**

**RESIDENTIAL DEMAND (RD)**

**RESIDENTIAL SELF  
GENERATION (RGEN)**

## Residential Energy (RE) Average Customer (700kWh)



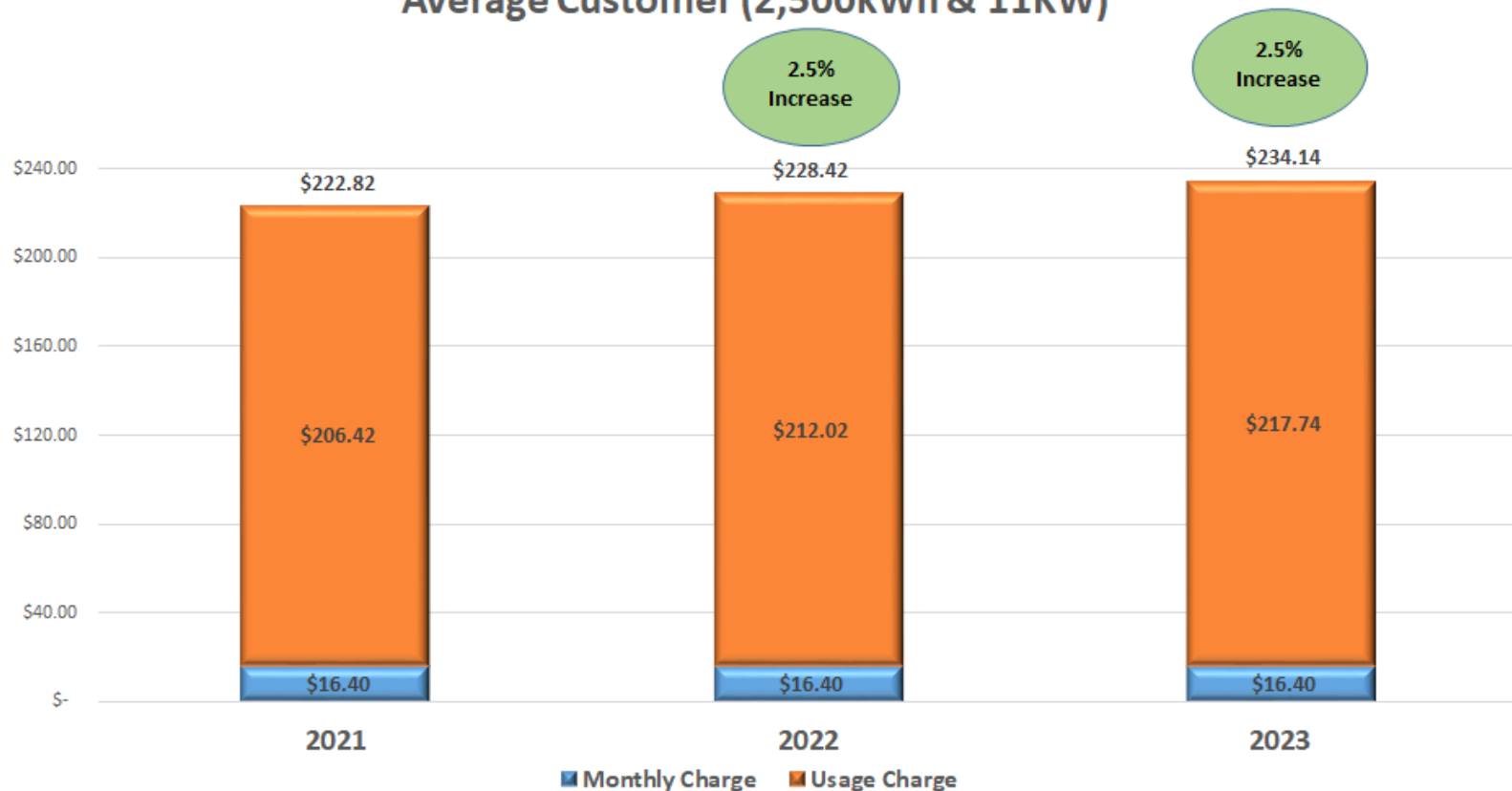
## Low/Average/High Residential Users Comparisons 2021

Electric Provider	300 kWh User	700 kWh User (Average)	2000 kWh User
Longmont	\$ 40.24	\$ 72.03	\$ 207.04
Fort Collins	\$ 38.40	\$ 78.14	\$ 239.28
Loveland	\$ 44.75	\$ 83.02	\$ 207.39
United Power	\$ 51.85	\$ 96.15	\$ 234.50
Xcel Energy	\$ 41.39	\$ 83.44	\$ 230.20

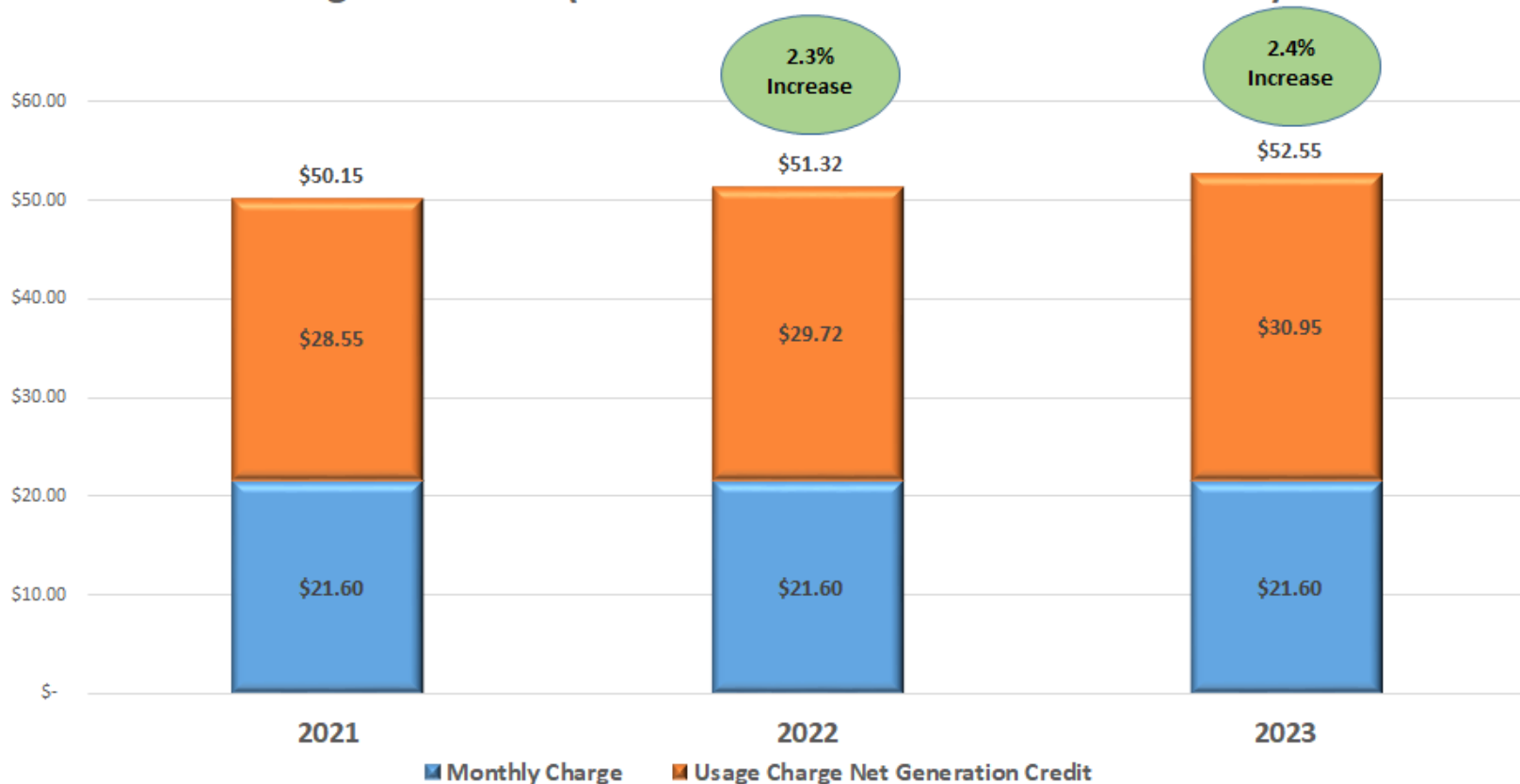
## Proposed Rate Comparisons for Low/Average/High Residential Users

300 kWh User			700 kWh User (Average)			2000 kWh User		
2021	Proposed 2022	Proposed 2023	2021	Proposed 2022	Proposed 2023	2021	Proposed 2022	Proposed 2023
\$ 40.24	\$ 41.01	\$ 41.79	\$ 72.03	\$ 73.82	\$ 75.64	\$ 207.04	\$ 213.17	\$ 219.46
% Increase	1.9%	1.9%	% Increase	2.5%	2.5%	% Increase	3.0%	3.0%
\$ Amount Increase								
	\$ 0.77	\$ 0.78		\$ 1.79	\$ 1.82		\$ 6.13	\$ 6.29

## Residential Demand (RD) Average Customer (2,500kWh & 11KW)



## Residential Self Generation (RGEN) Average Customer (725kWh & 365kWh Generation Credit)



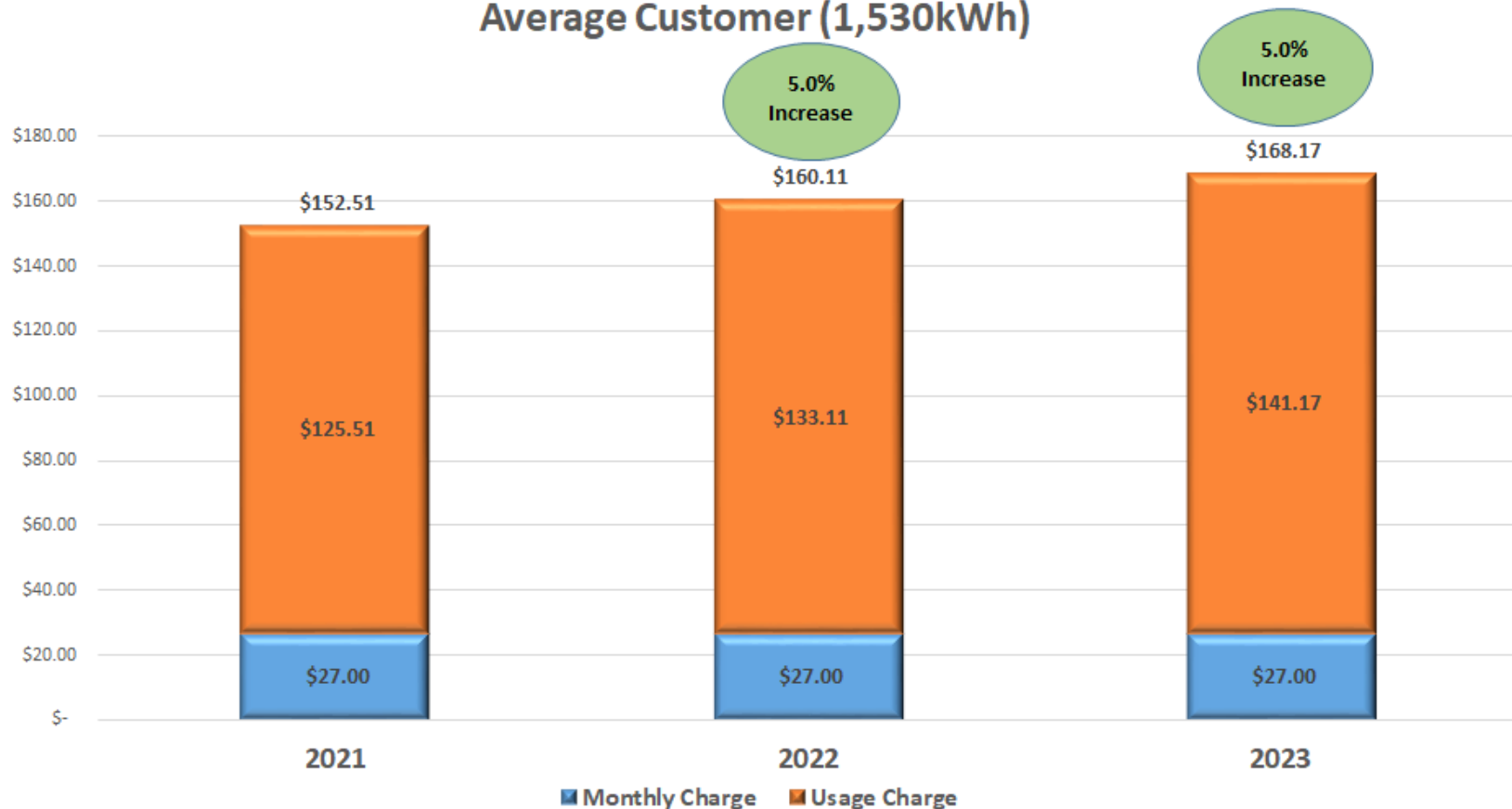
# Commercial Rate Classes

**COMMERCIAL ENERGY (CE)**

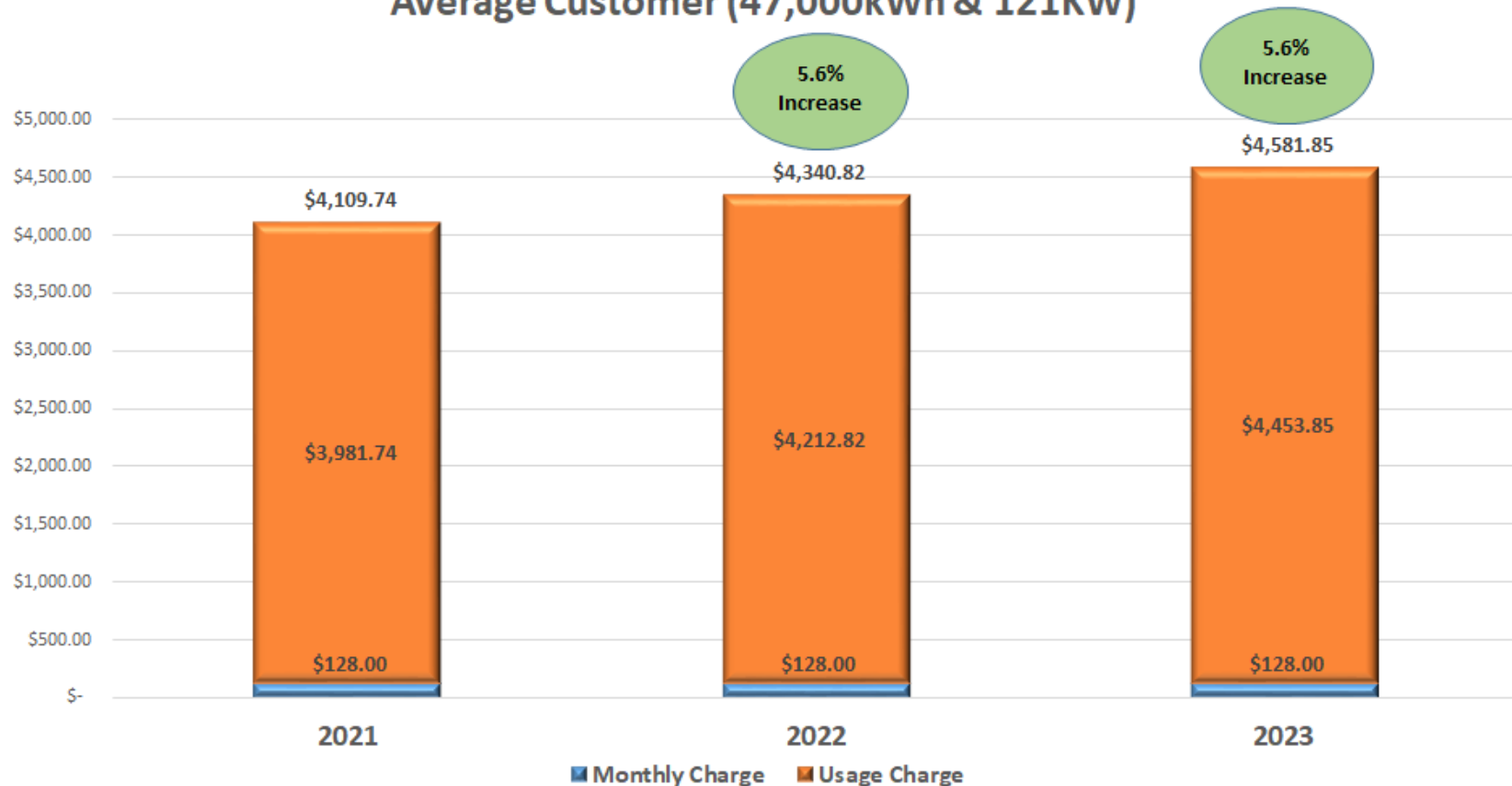
**COMMERCIAL DEMAND (CD)**

**COMMERCIAL COINCIDENT  
DEMAND (CCD)**

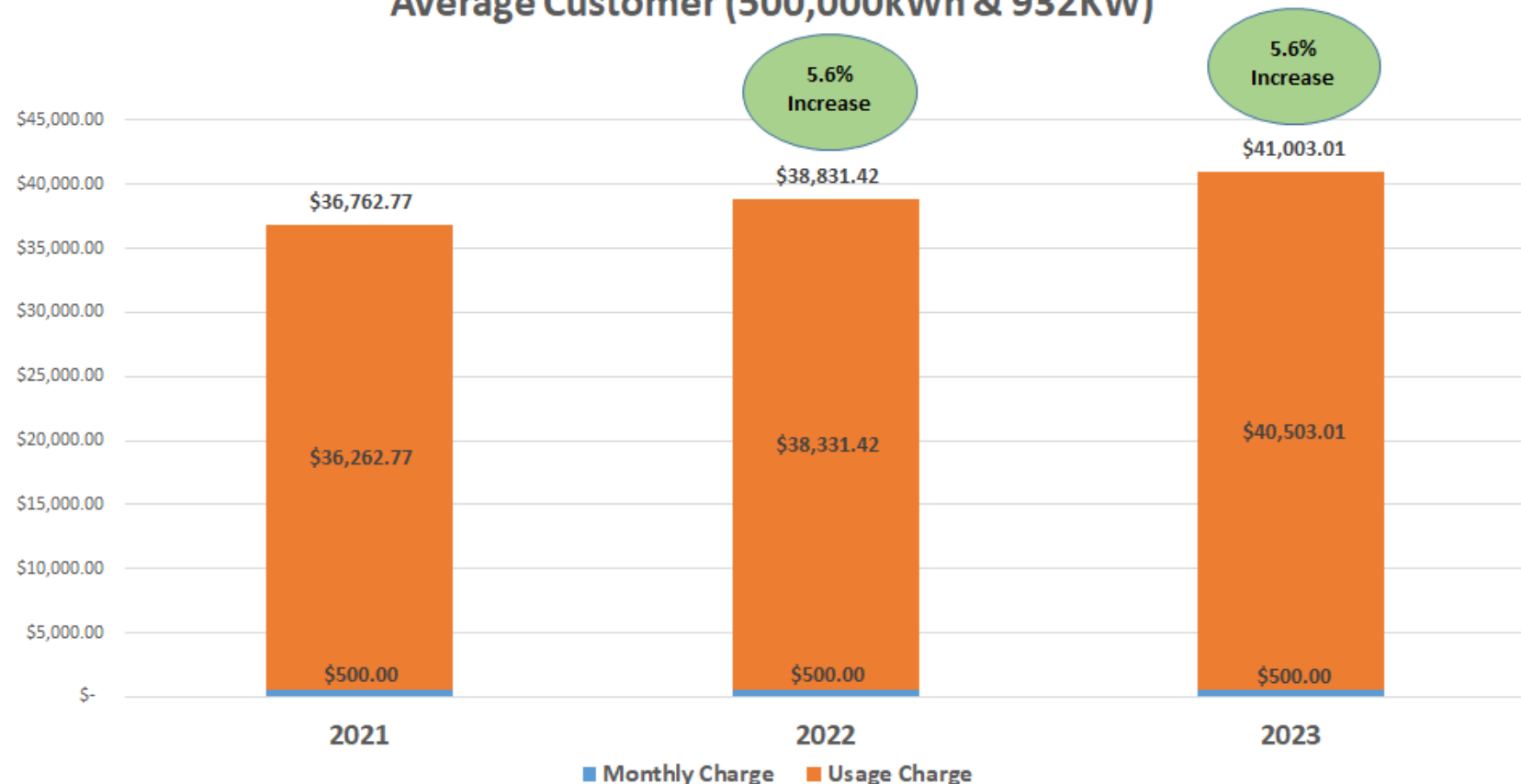
## Commercial Energy (CE) Average Customer (1,530kWh)



## Commercial Demand (CD) Average Customer (47,000kWh & 121KW)



## Commercial Coincident Demand (CCD) Average Customer (500,000kWh & 932KW)



# Other Rates (General Fund & Unmetered Energy)

**GENERAL FUND ENERGY (GFE)**

**GENERAL FUND DEMAND (GFD)**

**UNMETERED ENERGY (UE)**

# General Fund and Unmetered Energy Rates

- General Fund Rates – per City Code "recover wholesale power costs only"
- Unmetered Energy Rates – set on the wattage of the unmetered electric facilities (mostly security lighting and telecommunication nodes)

Rate Class	2022 Increase	2023 Increase
General Fund Energy (GFE)	3.2%	3.2%
General Fund Demand (GFD)	3.2%	3.2%
Unmetered Energy (UE)	5.0%	5.0%

# Electric Community Investment Fee (ECIF)



# ECIF Fee Proposal



- Established in 1994 to recover infrastructure costs for main feeder and substation capacity increases resulting from new development - "development pays its own way"
- Last updated in 2017
- Current fee study used existing philosophy and cost of service model
- Proposed rate increase of 9.5% to all fees to recover increased cost of materials, labor, and equipment (see Council Communication Attachment for complete ECIF fee schedule)



# Storm Drainage Cost of Service

3-YEAR RATE SCHEDULE

PROPOSED RATE INCREASES REFLECT  
MINIMUM NEEDS

2 RATE OPTIONS

REBATE OPTIONS FOR QUALIFYING  
RESIDENTS

# Storm Drainage Revenue Requirement

	2022	2023	2024
Operating	\$4,838,000	\$4,983,000	\$5,133,000
Debt	\$2,446,000	\$2,444,000	\$2,448,000
Proposed Debt*		\$1,008,000	\$1,008,000
Capital	\$828,000	\$1,555,000	\$2,282,000
Reserve Requirement	\$500,000	(\$130,000)	\$420,000
Total	\$8,612,000	\$9,860,000	\$11,291,000

\*Note: The annual payment amounts for a potential 2023 Revenue Bond are an estimate of payments

# Option 1: Equal Percentage Increase



- Rates will increase for all user classes by the same percentage
- Maintains the current rate structure

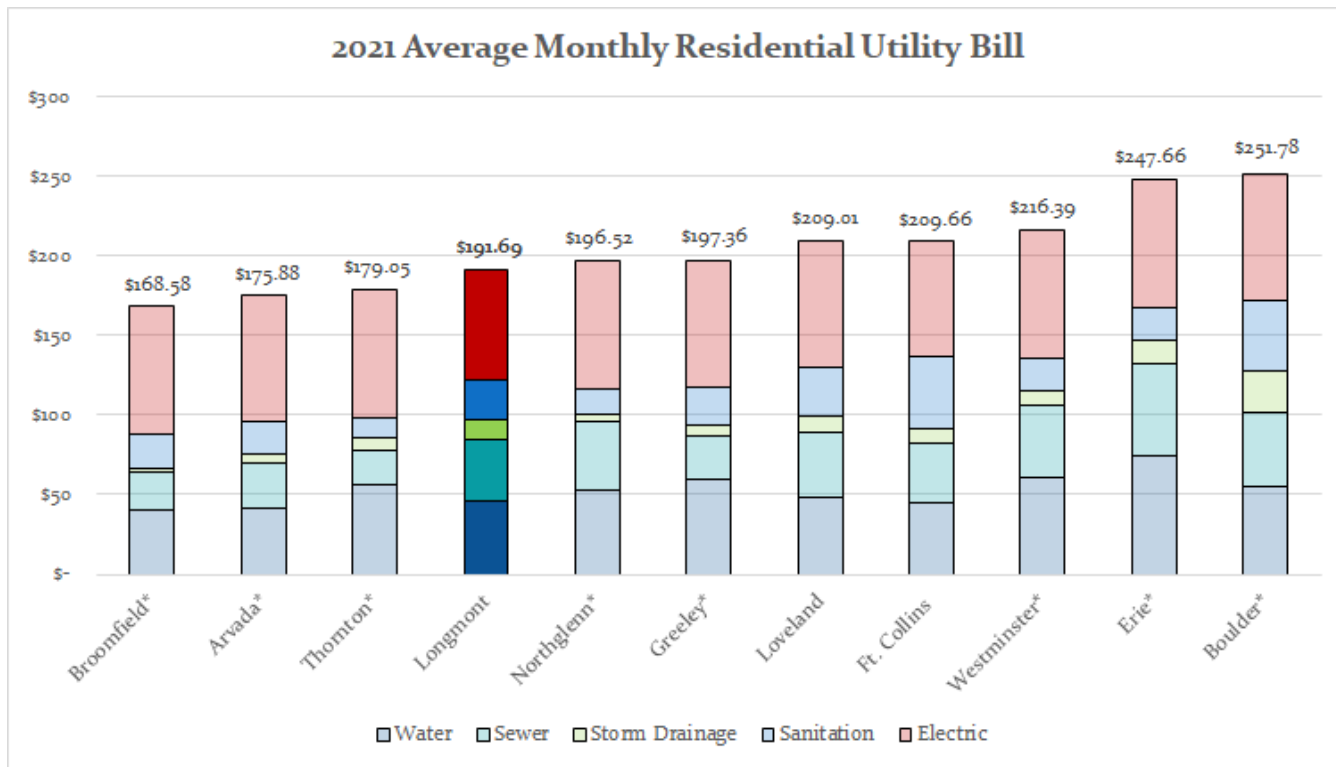
User Class	2021	2022	2023	2024
All	\$13.05	\$14.90	\$16.70	\$18.85
% Increase		14.2%	12.1%	12.9%
\$ Amount of Increase		\$1.85	\$1.80	\$2.15

## Option 2: User Class Increase

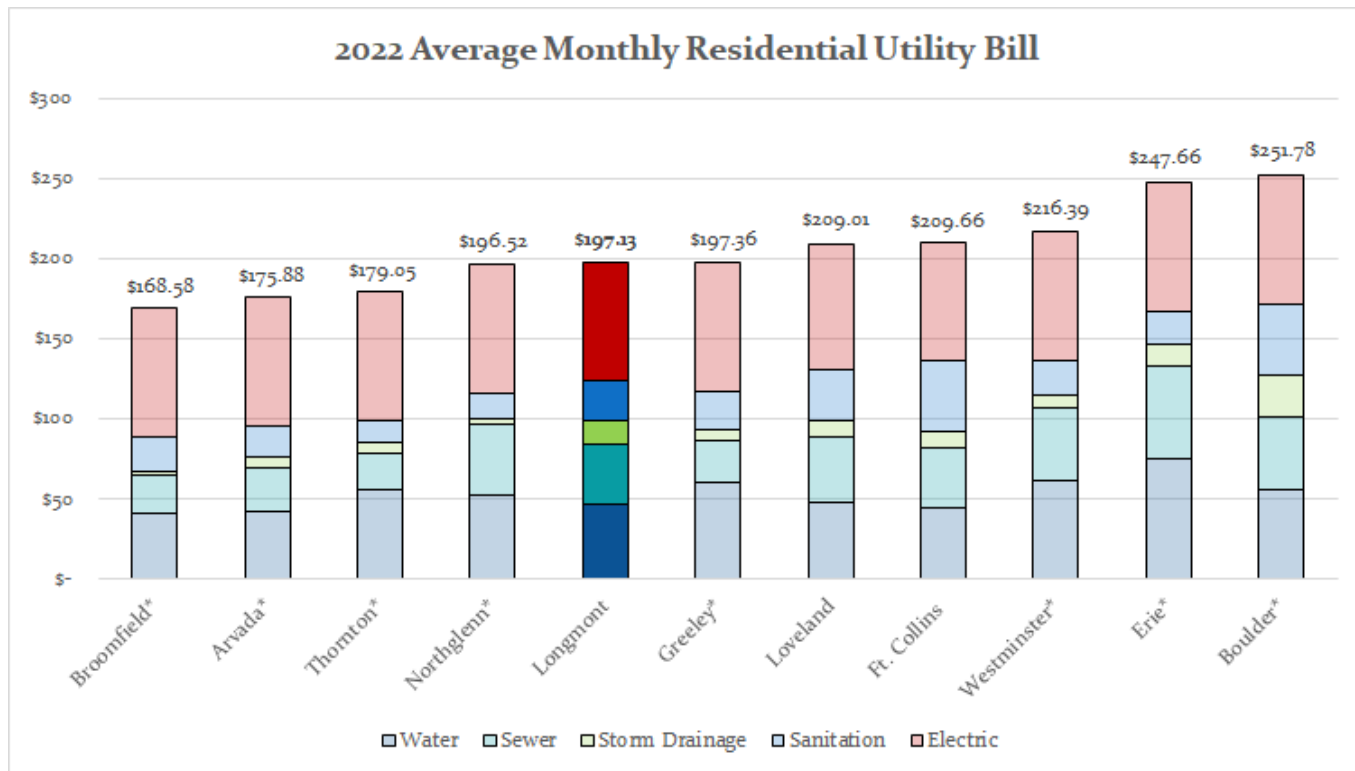
- Cost is divided among three user classes
- Based on user class averages for impervious surface area and trip generation
- Residential and commercial user classes will increase by the same percentage
- Multifamily remains the same

User Class	2021	2022	2023	2024
Residential	\$13.05	\$15.75	\$18.25	\$21.50
Multifamily	\$13.05	\$13.05	\$13.05	\$13.05
Commercial	\$13.05	\$15.75	\$18.25	\$21.50
% Increase (Residential & Commercial Only)		20.7%	15.9%	17.8%
\$ Amount of Increase (Residential & Commercial Only)		\$2.70	\$2.50	\$3.25

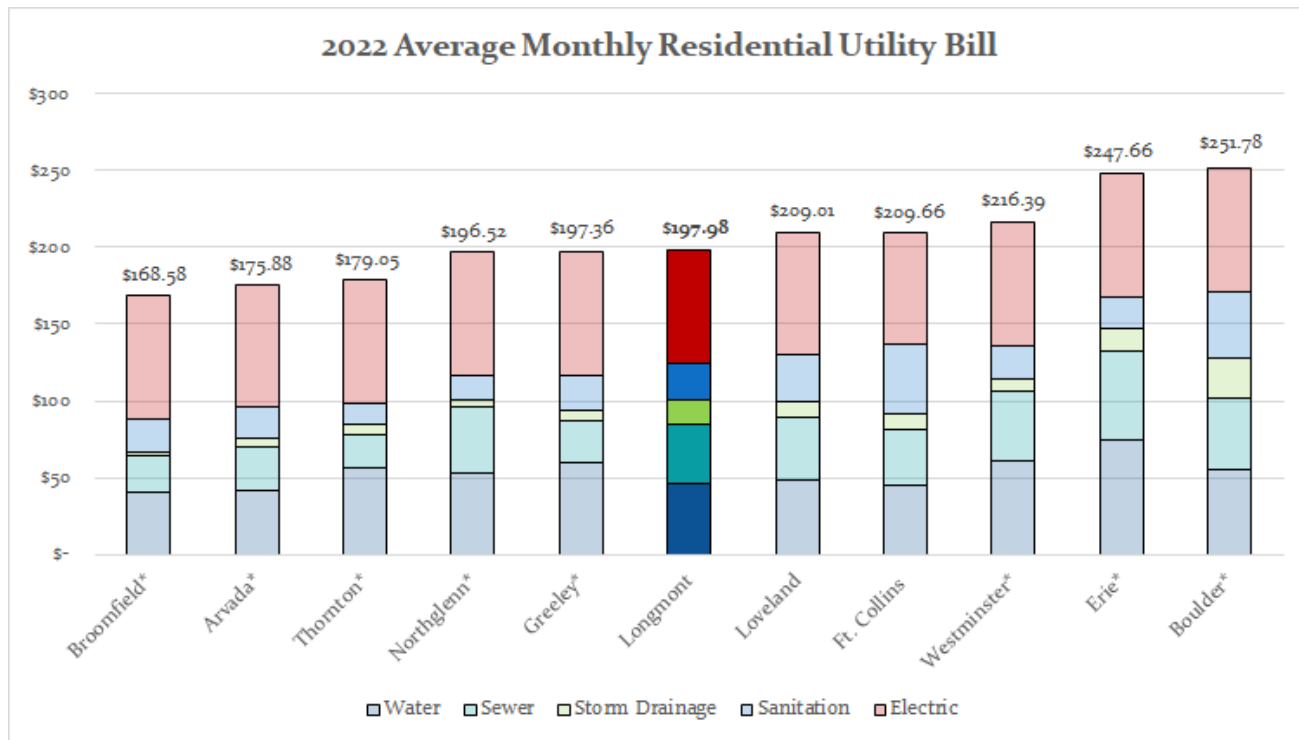
# Residential Utility Bill Impact



# Residential Utility Bill Impact – Option 1



# Residential Utility Bill Impact – Option 2



\*Electric is Xcel Energy

# Efficiency & Assistance Programs

Efficiency Works

Colorado's Affordable Residential Energy Program (CARE)

Low Income Energy Assistance Program (LEAP)

Longmont City Assistance and Rebate System (Longmont CARES)

# Longmont CArES Participation



- Rebates for sales tax, property tax or rent, park & greenway maintenance fee, electricity, and water

Program Year	# of Participants	Average Rebate per Participant	Total Rebate Amount
2019	184	\$287	\$52,881
2020	711	\$387	\$275,415

# Longmont CARES – Electric Rebate

Program Year	Target # of Participants	Monthly Rebate per Participant	Total Rebate Amount
2021	1,800	\$8.00	\$172,800
2022	1,800	\$8.50	\$183,600
2023	1,800	\$9.00	\$194,400

- Electric rebate refund is \$8/month each month the customer paid in the previous year.
- Increase the monthly rebate amount to \$8.50 in 2022, and \$9 in 2023 - a 5% increase each year.

# Longmont CArES – Storm Drainage Rebate

## Option 1:

Year	2022	2023	2024
Amount of Increase	\$1.85	\$3.65	\$5.80

## Option 2:

Year	2022	2023	2024
Amount of Increase	\$2.70	\$5.20	\$8.45

- Amount of the rebate is the entire amount of the proposed rate increase for both rate increase options



## Community Outreach

**Sustainable Business  
Program Commercial  
Utility Bill Webinar**

**Webinars such as  
"How to Read and  
Reduce Your  
Household Utility Bill"**

**Keep It Clean  
Partnership**

**City Line, City Talk,  
Website, Social Media,  
etc.**

**"More Power to You"  
Blog**

**High Contact City  
Locations**

# Council Direction Needed



- Prepare electric rate ordinance (includes ECIF rates)
- Select storm drainage rate option
- Prepare storm drainage rate ordinance base on selected option
- Prepare ordinance to amend the Longmont CArES rate section

THANK  
YOU

