

MEMORANDUM

To: BOARD OF COMMISSIONERS **Meeting Date:** November 26, 2019
From: Peter M. Klein *PK*
Subject: **ENERGY PARK UTILITY COMPANY FRANCHISE APPROVAL OF RATES
 RESOLUTION NO. 4662**

Action Requested:

Approval of Schedule A – Energy Park Utility Company (EPUC) Rates effective January 2, 2020.

Background:

The EPUC Franchise Ordinance Section 6(e) requires the Port Authority Board to approve any changes in the schedule of rates and charges. The rates typically change each year based on the budgeted costs of operating EPUC. The customers of EPUC acknowledged the Franchise Agreement and the periodic change in rates in the First Amendment to the Hot and Chilled Water Service Agreement. The rates effective January 2, 2020 reflect the budgeted costs for 2020.

Proposal:

Attached please find the Schedule A, which includes a complete list and the methodology for establishing the new rates effective January 2, 2020. In summary, new rates will be:

	<u>Current Charges</u>	<u>Proposed Charges 01/02/2020</u>	<u>% Change</u>
Demand Charge (\$/MMBtu/Mo):			
Heating Demand Charge	\$1,678.00	\$1,723.00	2.70%
Chilled Water Demand Charge	\$1,763.00	\$1,813.00	2.85%
Hot Water Commodity Charge Base (\$/MMBtu)	\$ 3.80	\$ 3.80	0.00%
Chilled Water Commodity Charge Base (\$/MMBtu)	\$ 3.73	\$ 3.73	0.00%
Fuel Adjustment Charge – Difference Between Actual Cost and Base Variable Cost (\$/MMBtu)		Varies	

Rate increases from 2013 – 2019 have ranged from 2.75% to 4.2% with an average increase of 3.48%.

Recommendation:

We recommend approval of the Schedule A - Rates and Charges.

Attachments: Schedule A
Resolution