

**ORDINANCE NO. 721**

**AN ORDINANCE AMENDING ELECTRIC RATES**

**Whereas**, The City of Hawarden provides electrical power to the residents and businesses in the City; and,

**Whereas**, The City has the responsibility to the Electric Utility to make sure the rates are set appropriately to cover the expenses incurred by the Electric Utility; and,

**Whereas**, The City has contracted with Missouri River Energy Services to conduct an Electric Rate Study and is implementing the recommendations made by the Electric Rate Study.

**NOW THEREFORE BE IT ORDAINED** by the City Council of Hawarden, Iowa as follows:

**Section 1. Amendment.** Chapter 113, Section 06 of the Hawarden Municipal Code is hereby amended to delete it in its entirety and replace it to read as following:

**113.06 ELECTRIC UTILITY RATES.**

1. **Residential Rates.** Single phase, 120/240 volt, 3 wire, per meter.
  - A. Minimum System Support Charge: \$14.00 (this includes no usage);
  - B. Plus all energy used: \$.079 per KWH For the Months of June, July, August  
\$.074 per KWH For the Months of September – May
  
2. **Small Commercial.** Single or three phase, 120/240 volt, 3 or 4 wire, per meter. Special secondary voltages may be made available at the discretion of the municipal utility. A demand reading of less than 40 KWH will be billed according to the rate in this category.
  - A. Minimum System Support Charge: \$18.00 (this includes no usage).
  - B. Plus all energy used: \$.095 per KWH for the Months of June, July, August  
\$.090 per KWH for the months of September – May
  
3. **Large Commercial.** Single or three phase, 120/240 volt, 3 or 4 wire, per meter. Special secondary voltages may be made available at the discretion of the municipal utility. A demand reading of 40 KWH or more once in the previous 12 months will be billed according to the rates in this category.
  - A. Minimum System Support Charge: \$25.00 (this includes no usage).
  - B. Demand Charge: \$8.55 for the Months of June, July, August  
\$7.05 for the Months of September - May
  - C. Plus all energy used: \$.057 per KWH
  
4. **Nonresidential, Demand, Interruptible Rate.** The City is hereby repealing the Nonresidential Demand, Interruptible Rate over an 18-month period as follows:  
Beginning on July 01, 2020 and Ending at Midnight on December 31, 2020 the rate shall be
  - A. Minimum System Support Charge: \$25.00 (this includes no usage)
  - B. Demand Charge: \$4.40 for the Months of June, July, August  
\$3.50 for the Months of September – May
  - C. Plus all Energy Used: \$.058 per KWH  
Beginning January 1, 2021 until midnight on December 31, 2021 the rate shall be as follows:
  - A. Minimum System Support Charge: \$28.00 (this includes no usage)
  - B. Demand Charge: \$7.25 for the months of June, July, August  
\$6.00 for the months of September – May
  - C. Plus All Energy Used: \$.052 per KWH  
Beginning January 1, 2022 all entities under the Demand Interruptible Rate shall be moved into the Large Commercial Class.
  
5. **Nonresidential, City Interdepartmental Rates.** Rates applied to interdepartmental electrical services shall be determined by applying the applicable nonresidential rate under section 113.06 that would apply if the customer were not a department of the city.

**6. Other Services.**

A. Security Lights. Security lights shall be provided at a rate of \$16.00 for metered security lights plus any electrical usage at \$.090 per KWH.

B. Electric Supplies. The City shall sell electric supplies it stores to electricians and owners at the City's cost plus 25%.

7. **Renewable Electric Energy Rates.** The charge for renewal electric energy shall be \$2.00 per 100 KWH block of renewable wind energy purchased.

**8. Purchased Power Cost Adjustment Clause:**

**(a) PURCHASED POWER COST ADJUSTMENT:**

The energy charge per kilowatt-hour (KWH) shall be adjusted upward or downward each month in accordance with the provisions set forth below:

(1) City staff shall have the authority to adjust the Purchased Power Cost Adjustment (PPCA) as needed to reflect changes in the electricity supplier's generation, transmission, and other related expenses charged by the City's wholesale provider(s), hereafter referred to as "Power Costs", and may not change the City's charges other than the amount necessary to cover increases in the City's Power Costs from wholesale provider(s). Prior to each billing cycle, City staff shall determine the Purchased Power Cost Adjustment to be billed for that cycle by combining all Power Costs from wholesale provider(s) and divide said amount by the total KWH's purchased during said billing cycle.

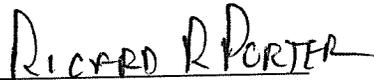
(2) In the event the City is unable to calculate the exact PPCA for a specific billing cycle, the City staff shall prepare an estimate of the PPCA per KWH for said cycle to be billed and shall adjust the next billing cycle to reflect any over/under collections from the estimated PPCA. The adjustment to the estimate will reflect variances in the estimated and actual Power Costs billed by the City's wholesale supplier(s) to the City.

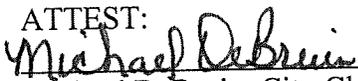
**Section 2. Repealer.** All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

**Section 3. Severability.** If any section, provision, or part of this ordinance shall be adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole or any section, provision, or part thereof, not adjudged invalid or unconstitutional.

**Section 4. Effective Date.** This ordinance shall be in effect after its final passage, approval, and publication as provided by law and in accordance with the dates provided herein.

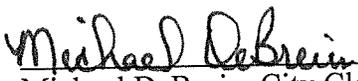
Passed this 24th day of June 2020.

  
Ricard R. Porter, Mayor

ATTEST:  
  
Michael DeBruin, City Clerk

|                 |                        |
|-----------------|------------------------|
| First Reading:  | June 10, 2020 (Waived) |
| Second Reading: | June 10, 2020          |
| Third Reading:  | June 24, 2020          |

I hereby certify that the foregoing Ordinance No. 721 was published in the Hawarden Independent, a newspaper printed and published and has a circulation in the City of Hawarden, Iowa on the 2nd day of July 2020.

  
Michael DeBruin, City Clerk