

RESOLUTION NO. 2019-25

**RESOLUTION ADOPTING NEW LIGHT AND POWER DEPARTMENT
ELECTRIC RATE SCHEDULES AND DEFINITIONS AND DESCRIPTIONS
AND REPEALING RESOLUTION NO. 2018-14**

WHEREAS, the City, through the Light and Power Department, provides electric service to customers within the City and some surrounding areas; and

WHEREAS, the City has determined that continued increases to Light and Power electric rates are necessary to ensure appropriate department revenues; and

WHEREAS, the notice of the proposed rate increase was included in the May 2019 FYI included with all utility bills mailed to customers; and

WHEREAS, a duly-noticed Public Hearing was held Monday, June 10, 2019, on the proposed rate resolution.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE
AS FOLLOWS:**

Section 1. The City Council adopts the revised Light and Power Electric Rate Schedules and Definitions and Descriptions marked Exhibit A.

Section 2. The new Light and Power Electric Rate Schedules shall be effective for services invoiced on or after August 13, 2019.

Section 3. Resolution No. 2018-14 is hereby repealed upon the effective implementation date of the foregoing Light and Power electric rates.

Section 4. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 10th day of June, 2019.



Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 10th day of January, 2019.



Peter B. Truax, Mayor

ELECTRIC SERVICE
DEFINITIONS AND DESCRIPTIONS

RESIDENTIAL SERVICE:

Service furnished to customers using energy for domestic purposes in single family dwellings, apartments where each dwelling unit is separately metered, mobile homes being utilized as a family dwelling, and farms.

Where a portion of the electric energy in a residential premise is used regularly for the conduct of a business or profession, electric service used in such portion must be metered separately and billed under a nonresidential schedule; otherwise, the entire premises will be classified as nonresidential.

Service through one meter to two dwelling units will be classified as residential where an existing dwelling unit is or has been divided into two dwelling units. However, in the case where service is supplied through one meter to two or more new dwelling units, or to three or more existing dwelling units, service will be classified as nonresidential.

Additional meters on residential premises will be classified as residential, provided energy is used for domestic purposes and each such meter is on a separate building or structure separated from the other meters by such distance that service through the same point of delivery is impractical. Should any portion of the energy used on an additional meter on a residential premises be used for the conduct of a business or profession, the service will be classified as nonresidential. Service through additional meters will be supplied only when additional facilities can be installed under the Department's line extension rules. All residential customers are billed according to the terms and rates as stated in Schedule 1.

SWIMMING POOL SERVICE:

Existing service furnished to residential swimming pools which is a separate service in addition to the service to the dwelling. This service is limited to providing electrical energy to equipment directly related to the operation and maintenance of domestic swimming pools and only to those having had the service previously installed. All Swimming Pool Service customers are billed according to the terms and rates as stated in Schedule 6.

GENERAL SERVICE:

Nonresidential service furnished to businesses and professions whose electrical energy requirements are limited to less than 50 KW demand for any month during the prior 12-month period. This service is further limited to exclude irrigation customers. General Service customers are billed according to the terms and rates as stated in Schedule 2.

LARGE COMMERCIAL AND INDUSTRIAL SERVICE:

Nonresidential service furnished to businesses and professions whose electrical energy requirements include three phase service and with a demand of over 50 KW for any month during the previous 12-month period. This service is further limited to exclude irrigation service, and any electrical service having a measured demand of 5,000 kW or greater. This service is also limited to exclude any electrical service exceeding 22,000,000 annual kWh consumption. Large Commercial and Industrial Service customers are billed according to the terms and rates as stated in Schedule 3.

IRRIGATION SERVICE:

Nonresidential service provided only for agricultural irrigation and drainage pumping. This service is totally limited to the described usage and, therefore, absolutely no portion of this electrical service may be used for any other function or process. Irrigation Service customers are billed according to the terms and rates as

stated in Schedule 8.

STREET LIGHTING SERVICE:

Service provided to City and publicly owned streets, highways, roadways, bikeways, walkways, parking lots, parks and traffic control lights. Street Lighting Service customers are billed according to the terms and rates of Schedule 4.

NONMETERED GENERAL SERVICE:

Nonresidential service provided to loads utilizing relatively small amounts of electrical energy and demand and, which remain constant from day to day. Typical loads are telephone booths, cable television in-line amplifiers, etc. This service is provided only at the option of the Light and Power Department. Monthly billing is a fixed amount computed from equipment design load data furnished by the customer or from tests performed by the Light and Power Department. Nonmetered General Service customers are billed according to the terms and rates of Schedule 5.

OUTDOOR AREA LIGHTING SERVICE:

Outdoor rental light service is available and provided upon request to all Light and Power Department customers. The type and size of lighting fixtures, poles, and related equipment that can be provided is limited to the Department's normal inventory items. Outdoor Area Lighting Service customers are billed according to the terms and rates of Schedule 7.

CONTRACTED SERVICE:

Any special services not covered by the aforewritten definitions (i.e., services at transmission voltages, services having a demand of 5000 KW or greater, and alternate service) are provided in accordance with a negotiated service contract.

ALTERNATE SERVICE:

Service provided to a customer from a second, electrically independent primary voltage circuit. This service is available to 3 phase large commercial and industrial customers only who have a higher than normal degree of need for service continuity. The design and arrangement of both the preferred and alternate services will be the option of the Light and Power Department. Customers receiving alternate service will be billed an additional amount on their normal monthly demand charge.

DISCONNECT/RECONNECT CHARGES AND METER TAMPERING:

The Reconnection Service fee shall apply during normal business hours, and the After-Hours Reconnection Service fee shall apply during the hours of 5:01 pm – 8:00 pm, Monday through Friday, for reconnection service resulting from failure to pay. An Electric Meter Tamper/Damage Fee shall be imposed where applicable. Referenced fees are published in the Forest Grove Fee Schedule as adopted by City Council.

SURGE SUPPRESSION SERVICE:

Utility-provided whole-house surge suppression service is available through a utility installed, meter mounted device. This service is available to residential customers and small commercial customers with single phase, self-contained meters only.

TIME OF USE SERVICE

All large commercial and industrial customers with demand metered service will be billed for energy usage on a time of use basis. Time of use service will be available to all general service customers at their option. This service will feature a separate kilowatt hour rate for heavy load hours and light load hours. Heavy load hours are from 6:00am to 10:00pm Monday through Saturday. Light load hours are all other times.

NET METERING

The City will enter into an agreement with customer-generators that own a net metering facility. A net metering facility is an electric generation facility that uses solar, wind, fuel cell, or hydroelectric power to generate electricity. The rated generating capacity of any customer-generator facility cannot exceed 25 kilowatts. The net metering facility must be located on the customer's property, must comply with all applicable safety provisions, and must be compatible with the City's distribution system. The primary intent of the net metering facility will be to offset part or all of the customer's own electric power requirements. The Customer will be required to enter into a net metering agreement with the City, and all customer-generation facilities must be inspected by the City prior to inter-connection. The energy charge for customers with an approved Net Metering facility will be determined by net kWh consumption (kWh delivered by City less kWh generated by customer).

GREEN POWER SERVICE

Voluntary program to support green power resources. Green power may be purchased in 200 kWh units. This program is available to all electric customers of the City of Forest Grove.

ENERGY ANALYSIS SOFTWARE

Voluntary service offered to large commercial and industrial customers. The Energy Analysis Software is a web-based energy management/analysis service that provides customers with interval usage data depicted in charts and graphs for the purpose of comparing current and historic load data, identifying anomalies in usage, tracking savings from efficiency projects, and understanding usage.

CUSTOMER CHARGE

Customer Charge is defined as a flat fee charged per billing interval when the meter is read which may or may not coincide with a calendar month. The Customer Charge is assessed when a new billing interval begins or when occupancy changes and a different customer is established on the account.

SCHEDULE 1
RESIDENTIAL SERVICE

Page 1 of 1

AVAILABILITY:

Available in all territory served by the City Light and Power Department.

APPLICABILITY:

Applicable to domestic use of all residential and farm customers.

Service under the residential rate shall apply only to electrical service in a single private dwelling and its appurtenances, for general farm service or for heating or pumping water in a private swimming pool, and not for resale to others.

Electricity consumed in that portion at a private dwelling regularly used for the conduct of a business will be separately metered and billed under the General Service Rate. If separate circuits are not provided by the customer, the entire premises shall be classified as non-residential and billed accordingly.

The residential rate shall not apply to service institutions such as clubs, fraternities, orphanages or homes, to recognized rooming or boarding houses, or to the spaces in an apartment or other residential building primarily devoted to use as an office or studio for professional or other gainful purposes or to general use by tenants.

CHARACTER OF SERVICE:

Single phase, sixty hertz alternating current at 120/240 volts, or at the City Light and Power Department's option, 120/208 volts.

CHARGES PER BILLING INTERVAL:

Customer Charge:	\$18.87
Energy Charge:	0-1000 kWh at 6.47 cents/kWh 1001+ kWh at 7.61 cents/kWh

SURGE SUPPRESSION SERVICE:

At the customer's option, whole house surge suppression service is available at a monthly rate of \$4.86.

DELIVERY POINT:

The above rates are based on the supply of service at a single voltage through a single delivery and metering point. Separate supply for the same customer at a different voltage or at other points of consumption shall be separately metered and billed.

RULES AND REGULATIONS:

Service under this classification is subject to the rules and regulations of the City, as set out in Sections 51.01 through 51.03 of the Code and elsewhere.

SCHEDULE 2
GENERAL SERVICE

Page 1 of 1

AVAILABILITY:

Available in all territory served by the City Light and Power Department.

APPLICABILITY:

Applicable to commercial, non-agricultural pumping and other non-residential electrical service. Not applicable to agricultural irrigation or pumping, or services with a demand of 50 KW or more for any month during the previous 12-month period..

Energy supplied under this schedule shall not be resold to others.

CHARACTER OF SERVICE:

Single phase or three phase, sixty hertz alternating current at such voltage as the Light and Power Department may have available.

CHARGES PER BILLING INTERVAL:

Customer Charge: \$21.70 - Single-phase service
\$34.00- Three-phase service

Energy Charge: 7.15 cents/kWh

OPTIONAL TIME OF USE RATE:

Customer Charge: \$21.70 - Single-phase service
\$34.00- Three-phase service

Energy Charge:
Heavy Load hours 7.53 cents/kWh
Light Load hours 6.70 cents/kWh

SURGE SUPPRESSION SERVICE:

For qualified customers, surge suppression service is available at a monthly rate of \$4.86.

DELIVERY POINT:

The above rates are based on the supply of service at a single voltage through a single delivery and metering point. Separate supply for the same customer at a different voltage or at other points of consumption shall be separately metered and billed.

RULES AND REGULATIONS:

Service under this classification is subject to the rules and regulations of the City as set out in Code Sections 51.01 through 51.03 and elsewhere.

NOTE: Customers opting for time of use service will be charged a one-time meter conversion fee of \$107.75.

SCHEDULE 3
LARGE COMMERCIAL AND INDUSTRIAL SERVICE

Page 1 of 2

AVAILABILITY:

Available in all territory served by the City Light and Power Department.

APPLICABILITY:

Applicable to commercial, industrial, non-agricultural pumping, and other non-residential electrical service with a minimum electrical demand of 50 KW for any month during the previous 12-month period. Not applicable to any electrical service exceeding 5,000 kW measured demand. Not applicable to any electrical service exceeding 22,000,000 annual kWh consumption. Not applicable to agricultural irrigation or pumping.

Energy supplied under this schedule shall not be resold to others.

CHARACTER OF SERVICE:

Three Phase, sixty hertz alternating current of such voltage as the City Light and Power Department may have available.

CHARGES PER BILLING INTERVAL:

Customer Charge:	\$69.68
Energy Charge:	
Heavy Load hours	5.15 cents/kWh
Light Load hours	4.28 cents/kWh
Demand Charge:	\$7.03/kW

DEMAND CHARGE:

Based on the highest 15 minute average demand recorded during the billing period measured in kilowatts (kW).

REACTIVE DEMAND:

In addition to the energy and demand charges, the customer shall pay **\$2.56** for each kilovolt ampere of reactive demand in excess of 40 percent of the kilowatt billing demand.

ENERGY ANALYSIS SOFTWARE:

Energy analysis software is available as an optional service at a monthly rate of **\$53.00** per meter. Customer is responsible for installation costs.

SCHEDULE 3
LARGE COMMERCIAL AND INDUSTRIAL SERVICE

Page 2 of 2

DELIVERY POINT:

The above rates are based on the supply of service at a single voltage through a single delivery and metering point. Separate supply to the same customer at a different voltage or at other points of consumption shall be separately metered and billed.

ALTERNATE SERVICE:

Customers receiving alternate service under this rate schedule shall pay an additional **\$0.93** per kilowatt of demand per month.

SPECIAL CONDITIONS:

If the Department's transformers are used exclusively for service to the customer, the Department may, at its option, permit installation of metering equipment on the primary voltage side of the transformers. In this case, billing will be based on meter registration less a deduction of 2.0 percent to compensate for transformer losses. Metering equipment will be installed at customer expense and all distribution and service facilities on the load side of the meter, except for transformers, will be owned and maintained by the customer.

RULES AND REGULATIONS:

Service under this classification is subject to the rules and regulations of the City as set out in Code Sections 51.01 through 51.03 and elsewhere.

SCHEDULE 4
STREET LIGHTING SERVICE

Page 1 of 1

AVAILABILITY:

Available within the corporate city limits of the City of Forest Grove.

APPLICABILITY:

Applicable for lighting of City owned streets, roadways, bikeways, walkways, parking lots, parks and traffic control lights.

CHARACTER OF SERVICE:

From dusk to dawn daily, controlled by photo-electric control or time switch.

CHARGES PER BILLING INTERVAL:

Energy Charge: 6.99 cents/kWh

ANNUAL INVESTMENT CHARGE:

The investment in property and equipment used as a basis for the investment charge shall consist of the installed cost of the property and equipment used solely for lighting purposes such as fixtures, brackets, mast-arms, conductors, poles, posts, standards, control equipment, switches, transformers, etc. computed on June 30 of each year. The annual investment charge shall be 10.5 percent of such investment.

LIGHT SYSTEM MAINTENANCE:

All maintenance expenses shall be borne by the City Light and Power Department.

METERING:

For billing purposes, the total energy consumed by the street lighting system shall be computed by application of a meter multiplier to the meter reading of a selected part of the system which is metered. The meter multiplier shall represent the ratio of the entire system load to the load being metered. Accuracy of the meter multiplier will be verified at least annually by the Light and Power Department and any changes reported to the City Management and Finance Department.

If more than one part of the street lighting system is metered, the meter multiplier shall be applied to only one selected meter and the other metered loads shall not be included in the multiplier calculation. In the event of multiple meters, the readings shall be consolidated for billing purposes.

RULES AND REGULATIONS:

Service under this classification is subject to the rules and regulations of the City, as set out in Code Sections 51.01 through 51.03 and elsewhere.

SCHEDULE 5
NONMETERED GENERAL SERVICE

Page 1 of 1

AVAILABILITY:

Available in all territory served by the City Light and Power Department.

APPLICABILITY:

Applicable to commercial service where both electric demand and energy usage are small and constant such as telephone booths, traffic signals, cable television, in-line amplifiers, etc. Under such circumstances, and at the Light and Power Department's option, service may be provided without metering. A monthly billing amount will be computed from equipment design load data furnished by the customer or from tests performed by the Light and Power Department and thereafter will be a fixed charge.

CHARACTER OF SERVICE:

Single phase, sixty hertz alternating current of such voltage as the City Light and Power Department may have available.

CHARGES PER BILLING INTERVAL:

Customer Charge:	\$11.97
Energy Charge:	7.03 cents/kWh

DELIVERY POINT:

The above rates are based on the supply of service at a single voltage through a single delivery point. Charges for a separate supply for the same customer at other points of consumption shall be computed on the same rate basis but may be consolidated on a common monthly bill.

RULES AND REGULATIONS:

Service under this classification is subject to the rules and regulations of the City as set out in Code Sections 51.01 through 51.03 and elsewhere.

SCHEDULE 6
SWIMMING POOL SERVICE

Page 1 of 1

AVAILABILITY:

Available only to those customers and for those loads presently served under this rate schedule.

APPLICABILITY:

Applicable to residential customers for heating water for private swimming pools and for other electrical loads directly related to swimming pool operation.

CHARACTER OF SERVICE:

Single phase, sixty hertz alternating current at 120/240 volts, or at the City Light and Power Department's option, 120/208 volts.

CHARGES PER BILLING INTERVAL:

Customer Charge:	\$9.00
Energy Charge:	7.31 cents/kWh (for all kWhs)

DELIVERY POINT:

The above rates are based on the supply of service at a single voltage through a single delivery and metering point. Separate supply for the same customer at a different voltage or at other points of consumption shall be separately metered and billed.

SPECIAL CONDITIONS:

A customer being served under this rate schedule may continue to be served only so long as no increase in capacity is made in this service equipment. If such changes are needed by the customer, the entire service load will be reclassified as Residential Service, Schedule 1. The customer may, at his option and expense, combine this load with his existing Residential Service.

RULES AND REGULATIONS:

Service under this classification is subject to the rules and regulations of the City as set out in Code Sections 51.01 through 51.03 and elsewhere.

SCHEDULE 7
OUTDOOR AREA LIGHTING SERVICE

Page 1 of 2

AVAILABILITY:

Available in all territory served by the City Light and Power Department.

APPLICABILITY:

Applicable to outdoor area lighting.

CHARACTER OF SERVICE:

Outdoor area lighting from dusk to dawn daily, by means of Department-owned luminaries mounted on Department-owned poles, in accordance with Department specifications as to equipment, installation, maintenance and operations.

Maintenance by the Department includes lamp replacement on a scheduled basis. Individual lamps will be replaced on burnout as soon as reasonably possible after notification by the customer and subject to the Department's operating schedules and requirements. Current standard lamps will be used for replacement purposes.

CHARGES PER BILLING INTERVAL:

<u>LAMP TYPE AND WATTAGE</u>		<u>FIXTURE STYLE</u>	<u>RATE PER MONTH</u>
<u>HPS</u>	<u>MH</u>		
100	---	Security	9.13
100*	---	Post Top and Pole	15.36
100*	---	Post Top w/o Pole	9.39
100	---	Projection Flood	10.18
200	---	Projection Flood	15.04
250*	---	Projection Flood	15.36
400	400	Projection Flood	23.37
---	1000	Projection Flood	49.05
100	---	Cobra Head Type	8.33
200	---	Cobra Head Type	11.89
400	---	Cobra Head Type	18.31
LED 53	---	Parking Lot Cobra Head	1.51**

HPS - High Pressure Sodium MH - Metal Halide

* No new service offered.

** Energy Only, Future Availability TBD

SCHEDULE 7
OUTDOOR AREA LIGHTING SERVICE

Page 2 of 2

All rates, except that for the post top light and pole, are based on mounting the light fixture on an existing pole. Special poles required for service hereunder will be billed according to the following schedule:

<u>POLE TYPE</u>	<u>LENGTH</u>	<u>FIXTURE HEIGHT</u>	<u>RATE PER MONTH</u>
Pressure Treated Wood	30'	25 ft.	\$2.46
Pressure Treated Wood	45'	39 ft.	4.61
Galvanized Steel with Arm*	25'	26 ft.	4.56
Aluminum with Arm*	25'	26 ft.	4.56
Fiberglass with Arm	30'	25 ft.	5.30

INSTALLATION CHARGES:

Installation charges will be calculated and billed to the customer for lighting systems not mounted on existing power poles, for those systems employing underground electrical feed, and for temporary installations. Such charges will be paid upon completion of the lighting system installation.

RULES AND REGULATIONS:

Service under this classification is subject to the rules and regulations of the City as set out in Code Sections 51.01 through 51.03 and elsewhere.

* No new service offered.

SCHEDULE 8
IRRIGATION SERVICE

Page 1 of 2

AVAILABILITY:

Available in all territory served by the City Light and Power Department.

APPLICABILITY:

Applicable only to agricultural irrigation and drainage pumping electrical service.

Energy supplied under this schedule shall not be resold to others.

CHARACTER OF SERVICE:

Single or three phase, sixty hertz alternating current of such voltage as the City Light and Power Department may have available.

CHARGES PER BILLING INTERVAL:

Customer Charge:

March 16-October 15	\$20.10
October 16-March 15	none

Energy Charge: 5.98 cents/KWh

SEASONAL DEFINITION AND BILLING:

Irrigation season is defined as starting on March 16 and ending on October 15. All irrigation services will be available for use during this period. Use outside of this period must be specifically requested by the customer. Meters will be read on March 15 and again on October 16 and will be the basis for the seasonal energy billings. Customers will receive monthly service charge bills only during the irrigation season. No disconnect/reconnect charges will be assessed.

SCHEDULE 8
IRRIGATION SERVICE

Page 2 of 2

CONNECTION CHARGE:

Line Extension charges will be calculated and billed to the customer for all electrical services provided under the Irrigation Service Schedule. Connection charges must be paid upon completion of service installation. At the City Light and Power Department's option, all or part of the connection charge may be in the form of facilities provided by the customer for the Department's use. Such facilities must be inspected by the Department and must meet all applicable City, County, State, and National Electrical Codes.

DELIVERY POINT:

The above rates are based on the supply of service at a single voltage through a single delivery and metering point. Separate supply for the same customer at a different voltage or at other points of consumption shall be separately metered and billed.

RULES AND REGULATIONS:

Service under this classification is subject to the rules and regulations of the City as set out in Code Sections 51.01 through 51.03 and elsewhere.

SCHEDULE 9
GREEN POWER SERVICE

Page 1 of 1

AVAILABILITY:

Available in all territory served by the City Light and Power Department.

APPLICABILITY:

Applicable to all customers who sign up for the voluntary program to help support the production of green power.

CHARACTER OF SERVICE:

Funds collected in this program will be used to purchase renewable energy resources, which will in turn use the funds to support the production of new green power sources throughout the region.

CHARGES PER BILLING INTERVAL:

Customer Charge: \$4.00 /200kWh unit

SPECIAL CONDITIONS:

Customers may sign up voluntarily for the program. A minimum six-month commitment to the program is required.

RULES AND REGULATIONS:

Service under this classification is subject to the rules and regulations of the City as set out in Code Sections 51.01 through 51.03 and elsewhere.



<u>CITY RECORDER USE ONLY:</u>	
AGENDA ITEM #:	<u>9.</u>
MEETING DATE:	<u>06/10/2019</u>
FINAL ACTION:	<u>RESO 2019-25</u>

CITY COUNCIL STAFF REPORT

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

MEETING DATE: *June 10, 2019*

PROJECT TEAM: *Paul Downey, Administrative Services Director
Keith Hormann, Light and Power Director*

SUBJECT TITLE: *Electric Rate Increase Resolution*

ACTION REQUESTED:

Ordinance	Order	X	Resolution	X	Motion	Informational
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X all that apply

ISSUE STATEMENT: The City has completed an updated Cost of Service and Rate Study for the Light & Power Department (L&P). The study showed the need for rate increases due to increasing costs such as personnel costs, power purchases, and system maintenance costs. Staff has prepared a resolution for Council consideration to increase electric rates by an average of four percent (4%) across all classes of services effective for services invoiced after August 13, 2019. Increases for specific classes of services will vary.

BACKGROUND: The City hired FCS Group (FCS) to complete a formal Cost of Service and Rate Study in May 2019. The study was designed to do two things: 1) review revenue needed to fund operating costs while maintaining reserves for operations and capital expenses; and 2) review the cost of services for each class of service to establish rates for each class of service. FCS and City staff looked at current and projected operating costs, projected power costs, capital requirements, and reserve requirements to determine what, if any, increases were needed in electric rates through 2026. The result of that study was that the City needed to increase electric rates by an average of four percent (4%) for each year through 2026.

The study also reviewed the costs of services between the classes of services for customers. The three main classes of customers are residential, general service, and large commercial/industrial. The study showed that the rates charged to the residential and general services classes do not fully cover the costs of providing service to those customer classes. FCS recommended rates over time so each customer class was covering its costs of services.

The Council held two work sessions on the results of the Cost of Service and Rate Study. Based on Council input at those work sessions, staff is proposing rate increases by customer service class which will narrow the gap between revenue generated and costs allocated to each customer service class. Staff is proposing that the Residential and General Service Classes increase by

4.6% and the Large Commercial/Industrial Class increase by 3%. Other small classes of service such as irrigation, rental lighting, and street lighting are proposed to increase by 4%.

Based on a 4.6% increase on an average residential usage of 1,100 kWh, an average monthly residential electric bill would increase by \$3.97 from \$87.11 in 2018 to \$91.08 in 2019 of which \$18.87 would be for the customer charge and \$69.07 would be for the energy charge.

Attached is a chart which compares estimated residential bills at 1,100 kWh usage for the City of Forest Grove, PGE, and McMinnville Water and Light with current rates and rates after upcoming increases.

Tonight, in addition to an increase in electric rates, the City Council will be also be asked to consider rate increases for water, sewer, and surface water management (SWM). Attached to the staff report is a chart that shows the cumulative increase for all utility rate increases for the average residential customer that the Council will be considering tonight.

A public hearing notice for all utility rate increase was published in the June 5, 2019, Forest Grove News-Times and the proposed rate increase information for residential customers was included in the May FYI Forest Grove which is included in all of the utility bills sent to customers.

FISCAL IMPACT: The updated rate model indicates that the City will maintain its financial reserves target in the short term with a 4.00% average rate increase. Actual results will fluctuate depending on the actual revenue received and the actual expenditures incurred. Weather and resulting consumption of electricity is a large driver of revenue and costs particularly if the winter has extended cold periods.

STAFF RECOMMENDATION: Staff recommends the City Council approve the attached resolution which authorizes the rate increases for each class of services as discussed above effective for services invoiced on or after August 13, 2019. The new rates are shown in red in the attached Exhibit A.

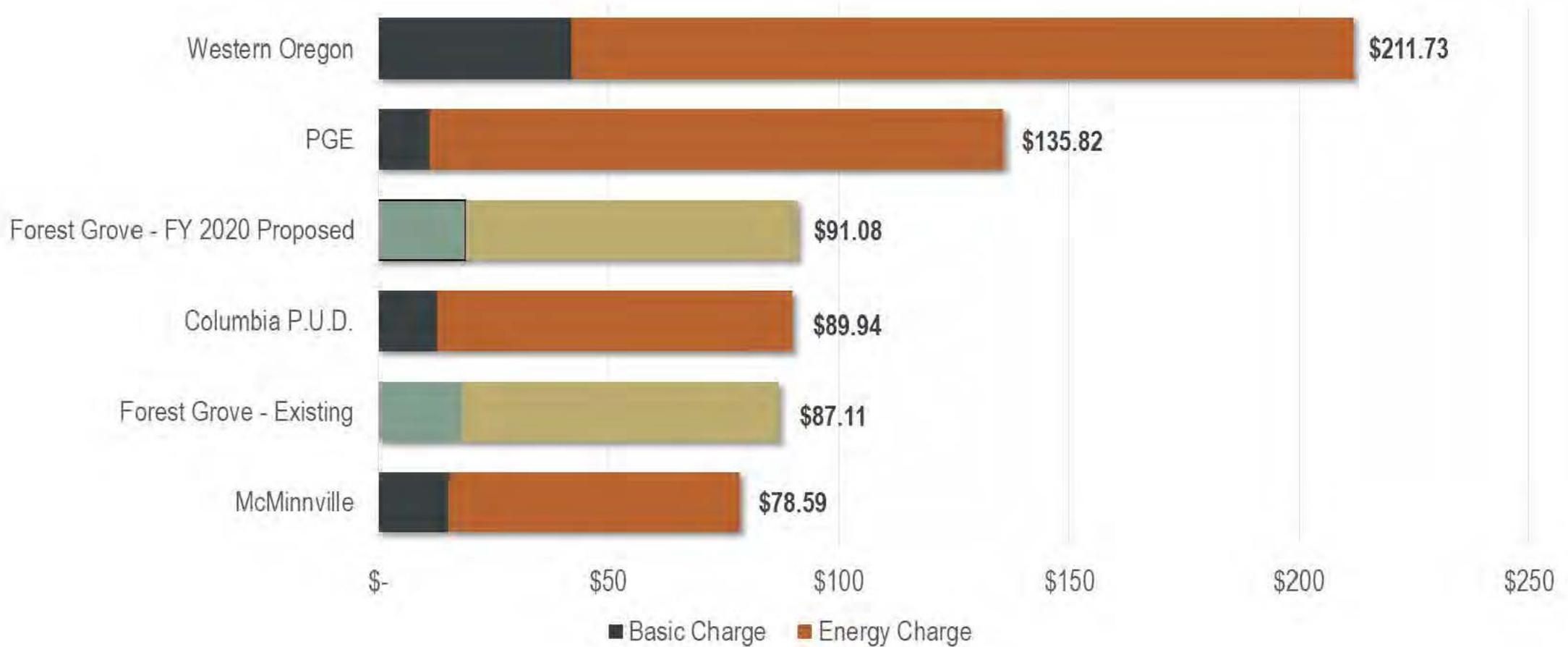
ATTACHMENT(s):

- 1) Resolution Adopting New Light and Power Department Electric Rate Schedules with Exhibit A;
- 2) Chart Comparing Electric Rates with PGE and McMinnville Water & Light; and
- 3) Chart with Cost for Single-Family Residence
- 4) Written Testimony

Costs for Average Single-Family Residence

	Current Cost	Proposed Cost	Increase	
Electricity	<u>87.11</u>	<u>91.08</u>	<u>3.97</u>	
Water	<u>38.47</u>	<u>39.25</u>	<u>0.78</u>	
Sewer				
CWS	33.28	34.22	0.94	
City	<u>15.47</u>	<u>15.92</u>	<u>0.45</u>	
Total	<u>48.75</u>	<u>50.14</u>	<u>1.39</u>	
SWM				
CWS	2.19	2.31	0.12	
City	<u>7.52</u>	<u>7.94</u>	<u>0.42</u>	
Total	<u>9.71</u>	<u>10.25</u>	<u>0.54</u>	
Total - All Utilities	<u>184.04</u>	<u>190.72</u>	<u>6.68</u>	3.6%

Residential Rate Comparisons





A place where families and businesses thrive.

NOTICE OF PUBLIC HEARINGS PROPOSED FEES AND UTILITY RATE INCREASES FOR THE CITY OF FOREST GROVE

NOTICE IS HEREBY GIVEN that the Forest Grove City Council will hold Public Hearings **Monday, June 10, 2019, at 7:00 p.m.** or thereafter, in the Community Auditorium, 1915 Main Street, Forest Grove, to consider the following proposed fees and utility rate increases for the City of Forest Grove. If enacted by City Council, the proposed increases would be effective July 1, 2019:

- **ADMINISTRATIVE FEES AND CHARGES:** Three percent (3%) percent, excluding building fees.
- **ELECTRICITY:** 4.6 percent (4.6%) per month residential customer. Approximately \$3.75 per month increase average residential customer.
- **SANITARY SEWER:** Two percent (2%) City and three percent (3%) Clean Water Services per month per equivalent dwelling unit. Approximately \$1.36 per month combined increase average residential customer.
- **SURFACE WATER MANAGEMENT:** 5.5 percent (5.5%) City and 5.5 percent (5.5%) Clean Water Services per month per equivalent dwelling unit. Approximately \$0.50 per month combined increase average residential customer.
- **WATER:** Two percent (2%) per month residential customer. Approximately \$0.75 per month increase average residential customer.

The hearings are open to the public and interested parties are encouraged to attend. A copy of the reports and resolutions listing the proposed fee schedules are available for inspection before the hearing at the City Recorder's Office or by visiting the City's website at www.forestgrove-or.gov. Written comments or testimony may be submitted at the hearing, e-mailed to aruggles@forestgrove-or.gov, or sent to the attention of the City Recorder's Office, P. O. Box 326, 1924 Council Street, Forest Grove, OR 97116, prior to the hearing. For further information, please contact the City Recorder's Office, 503.992.3235.

###

Anna D. Ruggles, CMC, City Recorder
City of Forest Grove

FG NewsTimes
06/05/2019

Date: JUNE 10, 2019

Agenda Item: 9.

Subject: RESOLUTION NO. 2019-25 ADOPTING NEW LIGHT AND POWER ELECTRIC RATE (4.6% INCREASE) SCHEDULES AND DEFINITIONS AND DESCRIPTIONS FOR THE CITY OF FOREST GROVE, EFFECTIVE AUGUST 13, 2019, AND REPEALING RESOLUTION NO. 2018-14

CITY COUNCIL MEETING

Request to Testify at Public Hearing

Public Hearings – Public hearings are held on each matter required by state law or City policy. Anyone wishing to testify should sign-in for the Public Hearing prior to the meeting. The Mayor or presiding officer will review the complete hearing instructions prior to testimony. The Mayor or presiding officer will call the individual or group by the name given on the sign-in form. When addressing the Mayor and Council, please move to the witness table (center front of the room). Each person should speak clearly into the microphone and must state their first and last name and provided a mailing address for the record. All testimony is electronically recorded. In the interest of time, Public Hearing testimony is limited to three minutes unless the Mayor or presiding officer grants an extension. Written or oral testimony is heard prior to any Council action.

Please sign-in below to testify:

PROPONENTS: *(Please print legibly)*

First & Last Name:	Address:	City, State & Zip Code:
<hr/>	<hr/>	<hr/>

OPPONENTS: *(Please print legibly)*

First & Last Name:	Address:	City, State & Zip Code:
<i>Margaret Ledford</i>	<i>2403 21st Ave</i>	<i>F.G. OR 97116</i>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

OTHERS: *(Please print legibly)*

First & Last Name:	Address:	City, State & Zip Code:
<hr/>	<hr/>	<hr/>

Testimony 6/10/19
Item 9-12

**OPPOSITION TO CITY OF FOREST GROVE'S PROPOSED
UTILITY RATE INCREASES OF 17.1%
JUNE 10, 2019**

2403 21st Ave Forest Grove OR 97116

~ \$17,000/yr

I am a
home
owner.

Good evening council members. My name is Margaret Ledford. I moved here in May of 2001 to raise my daughter, Emmeline. I am 53 years old and am disabled under the Social Security Administration Act. My limited income will not allow me to keep paying the high utility increases year after year that this city imposes. This is the first time in the 18 years of my residency that I have appeared before this council. Never before have I been so strongly led to speak as I am now. I wish to keep my home here, but must do so within my income.

I speak not only for myself but for other low income residents, others with disabilities and for the elderly. Struggling to stay in their homes. I ask you to listen to me as a representative of them.

Last year the city imposed a 13.5% utility increase and now this year it is 17.1%. I work hard to conserve my electricity and water usage, but feel my efforts are futile with such increases. I am opposed to these drastic increases and to the largest portion of my utility bill being sanitary sewer. I currently pay \$439.56 per year for sewage alone. Can the sewage portion be removed or at least lessened? What is generating this huge increase?

We ask that you reduce the proposed rate and implement a tiered discount program for all low income residents, including seniors and those with disabilities. We cannot afford these high increases year after year. We don't want to have our power shut off and eventually become part of the homeless population.

Thank you for listening to us.



**WRITTEN TESTIMONY RECEIVED
CITY COUNCIL HEARING JUNE 10, 2019
UTILITY FEES AND CHARGES**

Name	Type	Proponent	Opponent	Other
Robin Davis, FG	E-mail, 05/12/19		X	
Stephen Webber, FG	E-mail 05/22/19		X	
Bryan Luciani, FG	E-mail 05/23/19		X	
Roy Woo	E-mail 05/28/19		X	
Rubena Sheppard, FG Debra Rogers, FG Dave Snook, FG Kim Larson, FG Jamie Turnbull, FG Eva Andrade Avalos, FG Amber Clark, FG William Larrimore, FG Ann Cullen, FG Dinah Sackett, FG	Petition Letter 05/31/19		X	
Lin Vanderzanden, FG	Letter 06/03/19		X	

Charlene Hostynek email 6/10/19

X

Anna Ruggles

From: Robin [REDACTED] >
Sent: Sunday, May 12, 2019 1:59 PM
To: Anna Ruggles
Subject: Utility Rate Increases

Hello,

I am AGAINST the proposed utility rate increases that were outlined in the Forest Grove information insert that came with my monthly bill. This is huge! The increase percentages are more than cost of living at 2.8%!

The increase in rates is getting out of hand. When I first purchased a home in forest grove 20 years ago, one of the reasons I chose this community was affordability. Forest Grove has become a bedroom community. Hundreds of houses have been built and this has helped in driving up costs and reducing the quality of life. Property tax, garbage and utility rates continue to climb every year. Soon more dollars are going to be requested to solve the traffic congestion problem and the homeless.

Thanks
Robin Davis
1607 21st Ave
Forest Grove Oregon

Anna Ruggles

From: Stephen Webber <[REDACTED]>
Sent: Wednesday, May 22, 2019 8:16 PM
To: Anna Ruggles
Subject: Proposed utility rate increases amended

Hi Anna

Please would you accept my amended submission to the City Council, regarding proposed increases in utility rates, replacing the original submission I emailed to you on Monday May 20th.

Thank you,

Stephen Webber

I would like to express my dissatisfaction over proposed rate increases to City of Forest Grove utilities, including sewer, surface water and electricity.

These kind of increases are being proposed and actioned almost annually now, and it is getting out of control. The increases are often well above the rate of inflation, and take no account for the fact that many people don't receive regular pay rises. I have not received a pay raise in three and a half years.

Regular citizens do not have the money to keep sustaining these kind of increases, not least with the also unsustainable 3% increase on property taxes that occurs every year!

May I ask the City council to at least dig a little deeper (no pun intended!) into Clean Water Services, and find out if they are really using all the extra money, that comes into the organization for proposed infrastructure maintenance and improvement, for the intended purpose, because bill payers have no proof about what the extra funds generated are really used for.

Yours Sincerely,

Stephen Webber
2740 Ballad Place
Forest Grove
OR

Anna Ruggles

From: Bryan Luciani <[REDACTED]>
Sent: Thursday, May 23, 2019 3:27 PM
To: Anna Ruggles
Subject: Proposed utility rate increase

Ms. Ruggles, please forward to our City Council,

I've lived here for over ten years in the same home off David Hill Road. Almost annually I see our council approve the increased rates from the Clean Water Services and almost always under the "improve our water quality" banner. They have used the same reason every single year. It's not that I'm sick of my cost of living here always going up, it's that our politicians seem to avoid ever saying "No". Because of all of the increases in our levies, my taxes have increased \$200 annually since 2010. I can't wait until this new Washington County levy for the homeless adds another insane amount. This City Council needs to start empathizing with the thousands of homeowners that bear the absolute brunt of the city's tax burden. The "70 cents on every \$1000 of home value" means nothing to the majority of voters here since they rent, but to some of us, we are fed up. Enough is enough. Before forcing us to hand over more increases to the utility side, how about getting them to work more efficiently, stop asking for an increase every year, and consider for just once how much we homeowners are already paying in taxes and utility costs. No more utility increases and no more levies. If my \$5000 property tax each year (and increasing by \$200 a year) isn't enough to keep you happy and funded, then please consider how the taxes are being mismanaged. I'm retired and I don't get pay raises. Don't force me to move.

Frustrated, yet Respectfully,

Bryan Luciani
Forest Grove resident

Anna Ruggles

Subject: FW: Utility Rate Increases

From: Tom Johnston <tjohnston@forestgrove-or.gov>
Date: May 28, 2019 at 1:43:13 PM PDT
To: Jesse VanderZanden <jvanderzanden@forestgrove-or.gov>
Subject: Fwd: Utility Rate Increases

Sent from my iPad

Begin forwarded message:

From: Roy Woo <[REDACTED]>
Date: May 28, 2019 at 11:30:01 AM PDT
To: <tjohnston@forestgrove-or.gov>
Subject: Utility Rate Increases

Forest Grove utility rates has increase every year since I'm have lived here. I'm concerned that every year the city just pass these increases without finding ways to manage costs in other areas of utility operating budget and (what is the long team strategy to address expenses, maintaining infrastructure?) vs "let just pass on the cost" to us. what the long team s to I will be out of town on the 10th.and will not be able to address the council about this issue. But I hope and want someone in the city council to look out for our concerns too.

I would welcome a phone call to discuss this in more detail. Thank you for your time and I know you have a lot on your plate.

Roy Woo
503-459-1903

Forest Grove City Council
Forest Grove, Or. 97116

May 30th 2019

Dear Council Women & Men,

We are asking the council to disapprove the proposed rate increase at your meeting.

The total individual percentage for each utility adds up to 17.1 percent.

The council already approved rate increases last year.

We all have to live within our budget and would want the city to try a little harder.

The undersigned are either on Social Security or are customers. We Social Security people received a 2.87% COLA less Medicare Insurance. We can't keep up with all these raises.

Please include this letter into your consideration.

Roberta Sheppard

Elizabeth Dale

2217 D St F.G.

Debra Rogers

2204 D, St F.G.

DAVE SNOOK

2217 D ST F.G.

Kim Larson

2223 P St F.G.

Jamie Turnbull

2211 D, St. F.G.

Eva Andrade Avalos

1535 2nd Pl. F.G.

Amber Clark

1534 2nd Pl. Unit B

F.G. OR. 97116

William Larrimore

1620 23rd AVE
F.G. OR 97116

Anna Cull

1536 22nd Pl

Forest Grove

Dinah Seaman

1603 22nd Ave

FG 97116

City Council
City of Forest Grove
P.O. Box 326
Forest Grove, OR 97116-0326

Mr Mayor and Council members:

This city seems to have a homeless problem and yet you are apparently hell bent on increasing the numbers. Seniors and low income individuals and families are finding it increasingly difficult to keep up with rent increases, mortgage payments and groceries and are then systematically abused by the City with yearly utility increases. When will it ever be enough for you people? Apparently you have no sense of the demographics in this town, nor can you comprehend the basics of a budget. In my humble opinion a prerequisite for a position as a City Council member should be someone who 1. can count, and 2. can manage a budget.

The newsletter enclosed with our utility bill notifying residents of the increases includes the comment "the following increases have been approved." So why try to justify your actions with a council meeting on the 10th when it is obvious you are going through with the increases regardless. You must all be very comfy financially and love spending everyone's last dime. For the record, I for one oppose these increases and if I sound disrespectful or angry perhaps you can guess why. I guess my only recourse is to vote you out of office when the time comes or sell my house and move out of this town I have lived in for the better part of 71 years.

As for a brand new facility for the police, that should put the final nail in my coffin where upon receiving my property tax statement. Thanks so much!

Lin Vanderzanden
3108 B Street
Forest Grove, OR 97116

Added 6/10/19

Anna Ruggles

From: Charlene Hostynek <~~chostynek@franklin.com~~>
Sent: Monday, June 10, 2019 4:26 PM
To: Anna Ruggles
Subject: Electricity Rate Increases

Our family and neighbors strongly recommend that this current electric increase of 4.6% be tabled at least for the time being. We have had quite a few regular increases the past couple of years and it is putting us and others who are on a limited income to be priced out of our homes!!

We have lived in Forest Grove for 24years and one of those reasons was the lower power rates. With these increases and property taxes and garbage rates consecutively going up what are older folk left to do but look into moving out of the county, maybe even out of state??

With the current proposed and passed legislation in Salem, this also will have a great impact on our cost of living in a variety of ways.

With the economy doing better there should be another answer or some kind of built in review to see if the money is truly being used as frugally as possible??

I ask please don't increase the electricity rates!!!! Again!!

Thank you

Charlene Hostynek