



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Department Source: City Utilities - Water and Light

To: City Council

From: City Manager & Staff

Council Meeting Date: August 4, 2025

Re: Amending Chapter 27 of the City Code as it relates to electric utility rates.

Executive Summary

Staff has prepared for Council consideration an ordinance amending Chapter 27 of the City Code as it relates to rates charged by the electric utility.

Discussion

Part of Chapter 27 of the City Code governs the charges paid by customers of the electric utility. An approximate \$2.8 million revenue increase is proposed for the electric utility to take effect October 1, 2025. This overall proposed 2% increase in revenue is necessary to address a continued increase in operation and maintenance expenses, especially materials costs and compensation, maintain cash reserve levels, and ensure adequate debt coverage for the entire Water and Electric fund.

In the past few years the City Council has communicated to staff their interest in seeing small annual incremental rate increases instead of a large increase that can dramatically impact our customers financially. The proposed 2% increase is based on the current Consumer Price Index (CPI) of 2.4% for the last 12 months rounded down.

Following a cost of service study that was finalized in April 2023, the Electric Utility adjusted rates in July 2023. The cost of service study at that time recommended changing the rate structure along with the charges. The approved revenue adjustment for July 1, 2023 was 6.9%. The cost of service recommendation included 2.5% rate increases in the following years, FY2025 and FY2026. No revenue increases were proposed with the fiscal year 2025 budget.

City staff presented the current 2% electric revenue increase proposal to the Water & Light Advisory Board (WLAB) at the July 9, 2025 monthly meeting. The WLAB recommended up to a 2.4% electric increase based on the CPI. The Electric revenue increase was discussed with Council at recent budget work sessions on July 16 and July 19, 2025. The proposed ordinance changes represent a 2% increase to all customer charges, demand charges and energy charges in the service rates as well as dusk to dawn lights.

Chapter 27 proposed changes: Chapter 27 of the City Code governs the charges paid by customers of the electric utility. The following rate adjustments are being proposed to take effect on October 1, 2025.



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Sec. 27-112. Same—Residential service rate.

(c) *Monthly rate charge:* The monthly rate per kilowatt hour shall be as follows, subject to power cost adjustment as provided in section 27-118:

(1) Customer charge ~~\$22.00~~ \$22.44 per month

Non-standard electric meter customer charge ~~35.02~~ \$35.72 per month

(2) Energy charge

Summer:

First 300 kwh ~~8.89~~ 9.07 cents per kwh

Next 450 kwh ~~10.89~~ 11.11 cents per kwh

Next 1,250 kwh ~~12.89~~ 13.15 cents per kwh

All remaining kwh ~~14.89~~ 15.19 cents per kwh

Non-summer:

First 300 kwh ~~8.89~~ 9.07 cents per kwh

Next 450 kwh ~~10.89~~ 11.11 cents per kwh

All remaining kwh ~~12.00~~ 12.24 cents per kwh

Except when the customer has permanently installed in a living area a minimum of five (5) kilowatts of utility-approved electric space heating equipment which is the sole source of comfort heating (except decorative fireplaces) for the area(s) to be heated, the rate per kwh for the non-summer season will be:

First 300 kwh ~~8.89~~ 9.07 cents per kwh

Next 450 kwh ~~10.89~~ 11.11 cents per kwh

All remaining kwh ~~10.00~~ 10.20 cents per kwh

(d) *High efficiency heat pumps:* For customers having a permanently installed heat pump which is the primary source of comfort heating and which conforms to the special rules and regulations outlined in department rules entitled "Heat Pump Rules and Regulations," the monthly rate per kilowatt hour billed during the non-summer season for energy shall be as follows:

First 300 kwh ~~8.89~~ 9.07 cents per kwh

Next 450 kwh ~~10.89~~ 11.11 cents per kwh

All remaining kwh ~~9.50~~ 9.69 cents per kwh

(e) *Minimum:* The minimum monthly rate charge shall be ~~twenty-two dollars~~ twenty-two dollars and forty-four cents (\$22.00 22.44). The minimum monthly rate charge for customers with a non-standard electric meter shall be ~~thirty-five dollars and two cents (\$35.02)~~ thirty-five dollars and seventy-two cents (\$35.72).



Sec. 27-114. Same—Small general service rate.

(c) *Monthly rate charge:* The monthly rate per kilowatt hour shall be as follows, subject to power cost adjustment as provided in section 27-118:

(1) Customer charge:

Single-phase service ~~22.00~~ 22.44 per month

Three-phase service ~~33.00~~ 33.66 per month

(2) Energy charge:

Summer:

First 500 kwh ~~9.23~~ 9.41 cents per kwh

Next 1,000 kwh ~~11.23~~ 11.45 cents per kwh

All remaining kwh ~~13.73~~ 14.00 cents per kwh

Non-summer:

First 500 kwh ~~9.23~~ 9.41 cents per kwh

All remaining kwh ~~11.23~~ 11.45 cents per kwh

(d) *Space heating:* For customers using electric heating as the sole means of comfort heating, the monthly rate per kilowatt hour billed during the non-summer season shall be as follows:

First 500 kwh ~~9.23~~ 9.41 cents per kwh

Next 1,000 kwh ~~11.23~~ 11.45 cents per kwh

All remaining kwh ~~10.43~~ 10.64 cents per kwh

(e) *High efficiency heat pumps:* For customers having a permanently installed heat pump which is the primary source of comfort heating and which conforms to the special rules and regulations outlined in department rules entitled "Heat Pump Rules and Regulations," the monthly rate per kilowatt hour billed during the non-summer season for energy shall be as follows:

First 500 kwh ~~9.23~~ 9.41 cents per kwh

Next 1,000 kwh ~~11.23~~ 11.45 cents per kwh

All remaining kwh ~~9.83~~ 10.03 cents per kwh

(f) *Minimum bill:* The minimum bill for single-phase service, shall be sixteen dollars and fifty-one cents (~~\$22.00~~ 22.44) per month; for three-phase service, twenty-seven dollars and twenty cents (~~\$33.00~~ 33.66) per month.

(l) *Optional rate schedule:* Customers in this rate class may voluntarily be placed on a demand billing rate as follows:

(1) Customer charge, per month ~~\$47.05~~ \$47.99



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(2) Demand charge:

Summer All kw at ~~\$17.48~~ 17.83 per kw

Non-Summer All kw at ~~\$14.01~~ 14.29 per kw

(3) Energy charge:

Summer, per kwh at ~~5.88~~ 6.00 cents

Non-Summer All kwh at ~~5.39~~ 5.50 cents per kwh

Sec. 27-115. Same—Interruptible service rate.

- (c) *Monthly rate charge:* The monthly rate per kilowatt hour shall be as follows, subject to power cost adjustment as provided in section 27-118:

		Summer	Non-Summer
(1)	Customer charge (per month)	\$ 65.00 <u>66.30</u>	\$ 65.00 <u>66.30</u>
(2)	Demand charge (per kilowatt)	10.89 <u>11.11</u>	8.84 <u>9.02</u>
(3)	Energy charge (per kilowatt hour)	0.0455 <u>0.0464</u>	0.0424 <u>0.0432</u>

Sec. 27-116. Same—Large general service.

- (c) *Monthly rate charge:* The monthly rate per kilowatt hour shall be as follows, subject to power cost adjustment as provided in section 27-118:

(1)	Customer charge	\$65.00 <u>66.30</u> per month	
		Summer	Non-Summer
(2)	Demand charge:		
	Minimum demand charge—25 kw or less	\$423.00 <u>431.46</u>	\$343.50 <u>350.37</u>
	All additional kw (per kw)	16.92 <u>17.26</u>	13.74 <u>14.01</u>
(3)	Energy charge:		
	All kwh (per kwh)	0.0570 <u>0.0581</u>	0.0496 <u>0.0506</u>

- (m)(2) *Energy charge:* Energy supplied for the period beginning 12:00 midnight and ending at 6:00 a.m. shall be charged at the rate of ~~4.592~~ 4.684 cents per kwh during the summer months and ~~4.00~~ 4.08 cents per kwh during the non-summer months. Energy charged at this rate will be subject to the power cost adjustment as provided in section 27-118

Sec. 27-117. Same—Industrial service rate.

- (c) *Monthly rate charge:* The monthly rate per kilowatt hour shall be as follows, subject to power cost adjustment as provided in section 27-118:



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(1)	Customer charge	\$ 200.00 <u>204.00</u> per month	
		Summer	Non-Summer
(2)	Demand charge:		
	a. Minimum demand charge 750 kw or less	\$ 18,472.50 <u>18,841.95</u>	\$ 14,347.50 <u>14,634.45</u>
	b. All additional kw (per kw)	24.63 <u>25.12</u>	19.13 <u>19.51</u>
(3)	Energy charge:		
	All kwh (per kwh)	0.0509 <u>0.0519</u>	0.0435 <u>0.0444</u>

(k)(2) *Energy charge:* Energy supplied for the period beginning 12:00 midnight and ending at 6:00 a.m. shall be charged at the rate of ~~3.76~~ 3.84 cents per kwh during the summer months and ~~3.37~~ 3.44 cents per kwh during the non-summer months. Energy charged at this rate will be subject to the power cost adjustment as provided in section 27-118.

(l)(2) *Energy charge:* Energy supplied for the period beginning 12:00 midnight and ending at 6:00 a.m. shall be charged at the rate of ~~3.99~~ 4.07 cents per kwh during the summer months and ~~3.45~~ 3.51 cents per kwh during the non-summer months. Energy charged at this rate will be subject to the power cost adjustment in in section 27-118.

Sec. 27-121. Outdoor area lighting (dusk to dawn) rate.

(d) *Outdoor area lighting.* Underground wire and conduit shall be installed and maintained by the customer for private street lighting for outdoor area (dusk to dawn) lighting. In addition to the one-time pole charge identified in section 27-121 (c), the following rates shall apply for each light:

<i>Lumen Range Charge per Month</i>	
7,000 to 11,000	\$9.94 <u>10.14</u> per light
25,000 to 30,000	21.48 <u>21.91</u> per light
42,000 to 52,000	25.78 <u>26.30</u> per light
7,000 to 11,000 Post-top Luminaire	16.10 <u>16.42</u> per light

Sec. 27-121.1. Special outdoor lighting.

c) *Monthly rate charge.* The monthly rate per kilowatt hour shall be as follows, subject to power cost adjustment as provided in section 27-118:

Customer charge	\$56.10 <u>\$57.22</u>
Cost per Kwh	13.37 <u>13.64</u> cents per kwh

Fiscal Impact

Short-Term Impact: Increase annual electric revenue approximately \$2.8 million
Long-Term Impact: Annual revenue increase in electric utility of approximately \$2.8 million.



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Strategic& Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Reliable Infrastructure, Secondary Impact:Organizational Excellence, Tertiary Impact:Not Applicable

Comprehensive Plan Impacts:

Primary Impact: Infrastructure, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

Legislative History

Date	Action
06/20/2023	B130-23: Amending Chapter 27 of the City Code as it relates to electric utility rates
09/17/2018	B183-18: Amending Chapter 27 of the City Code as it relates to electric rates
09/18/2017	B230-17: Amending Chapter 27 of the City Code as it relates to electric rates. This bill was defeated
09/19/2016	B199-16: Amending Chapter 27 of the City Code as it relates to electric rates

Suggested Council Action

Approval of the ordinance.