

Council Memo

Department Source: City Utilities - Water and Light

To: City Council

From: City Manager & Staff

Council Meeting Date: July 20, 2026

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

Impacted Ward: Citywide

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 \$8.6 million rate revenue increase is proposed for the Electric Utility to take effect October 1, 2026. This overall proposed 6% increase in rate revenue is needed to secure the City's energy future and maintain operational reliability amidst rising economic challenges. There is no proposed change to base rates for residential or commercial service. To elaborate further on these unprecedented times in the electric utility industry:

The City needs to address its upcoming capacity shortage due to expiring contracts and continued demand growth. These efforts face significantly higher market rates today. Coupled with rapidly rising energy procurement costs, it is clear that the financial landscape across the entire electric utility industry has permanently changed. Additionally, the Electric Utility will no longer be able to delay critical infrastructure upgrades which have been deferred due to budgetary constraints and shifting priorities. Since we operate within a contemporary, interconnected grid, funding is also required for maintenance and proactive storm hardening to protect against severe weather and ensure continued daily reliability.

These challenges are further amplified by ongoing, inflation, impacting all aspects of the industry, such as all equipment, material, supply chain, and labor costs. Investing now is a matter of long-term consumer affordability, as proactive maintenance and improvements prevent equipment failures and emergency repairs which are becoming more expensive by the day. Finally, adjusting rates is necessary for the utility to maintain the necessary cash reserves to ensure adequate debt coverage, as balances are anticipated to drop below adequate target levels by the end of Fiscal Year (FY) 2026.

Following a cost of service study that was finalized in April 2023, the Electric Utility adjusted rates in 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 FY2025 budget. In FY2026, a rate increase of 2% was enacted.

City staff presented the proposed 6% electric rate revenue increase, along with a 5% increase to the PCA cap, to the Water & Light Advisory Board (WLAB) at the July 7, 2026 monthly meeting. The WLAB is in favor of the rate increase as proposed. The Electric revenue increase was discussed with Council at recent revenue forecast work session on May 11, 2026. The proposed ordinance changes represent a 6% increase to demand charges and energy charges in the service rates as well as dusk to dawn lights. The proposed rate changes are as follows:

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, 2026.

Sec. 27-112 Same-Residential service rate

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

(1) Customer charge, per month\$22.44

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

(2) Energy charge:

Summer:

First 300 kwh, per kwh~~9.07~~ \$9.61 cents

Next 450 kwh, per kwh~~11.11~~ \$11.78 cents

Next 1,250 kwh, per kwh~~13.15~~ \$13.94 cents

All remaining kwh, per kwh~~15.19~~ \$16.10 cents

Non-summer:

First 300 kwh, per kwh~~9.07~~ \$9.61 cents

Next 450 kwh, per kwh~~11.11~~ \$11.78 cents

All remaining kwh, per kwh~~12.24~~ \$12.97 cents



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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, per kwh~~9.07~~ \$9.61 cents

Next 450 kwh, per kwh~~11.11~~ \$11.78 cents

All remaining kwh, per kwh~~10.20~~ \$10.81 cents

(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, per kwh~~9.07~~ \$9.61 cents

Next 450 kwh, per kwh~~11.11~~ \$11.78 cents

All remaining kwh, per kwh~~9.69~~ \$10.27 cents

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

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Sec. 27-114. Electricity-Small General Service Rate

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

(1) Customer charge:

Single-phase service, per month\$22.44

Three-phase service, per month\$33.66

(2) Energy charge:

Summer:

First 500 kwh, per kwh~~9.41~~ \$9.97

Next 1,000 kwh, per kwh~~11.45~~ \$12.14

All remaining kwh, per kwh~~14.00~~ \$14.84

Non-summer:

First 500 kwh, per kwh~~9.41~~ \$9.97

All remaining kwh, per kwh~~11.45~~ \$12.14

(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, per kwh~~9.41~~ \$9.97

Next 1,000 kwh, per kwh~~11.45~~ \$12.14

All remaining kwh, per kwh~~10.64~~ \$11.28

(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, per kwh~~9.41~~ \$9.97

Next 1,000 kwh, per kwh~~11.45~~ \$12.14

All remaining kwh, per kwh~~10.03~~ \$10.63

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(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\$47.99

(2) Demand charge:

Summer, per kwAll kw at ~~\$17.83~~ \$18.90

Non-Summer, per kwAll kw at ~~\$14.29~~ \$15.15

(3) Energy Charge:

Summer, per kwhAll kwh at ~~6.00~~ \$6.36 centsNon-Summer, per kwhAll kwh at ~~5.50~~ \$5.83 cents

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Sec. 27-115. Same-Interruptible service rate

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

(1) Customer charge (per month):

Summer\$66.30

Non-Summer66.30

(3) Demand charge (per kilowatt):

Summer~~11.11~~ \$11.78Non-Summer~~9.02~~ \$9.56

(4) Energy charge (per kilowatt hour):

Summer~~0.0464~~ \$0.0492Non-Summer~~0.0432~~ \$0.0458

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Sec. 27-116. Same-Large general service

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

(1) Customer charge, per month\$66.30

(2) Demand charge:



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Minimum demand charge—25 kw or less:

Summer~~\$431.46~~ \$457.35

Non-Summer~~\$350.37~~ \$371.39

All additional kw (per kw):

Summer~~\$17.26~~ \$18.30

Non-Summer~~\$14.01~~ \$14.85

(4) Energy charge:

All kwh (per kwh):

Summer~~\$0.0581~~ \$0.0616

Non-Summer~~\$0.0506~~ \$0.0536

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(m) Energy storage rider.

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(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 ~~4.684~~ 4.965 cents per kwh during the summer months and ~~4.08~~ 4.32 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.

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Sec. 27-117. Same-Industrial service rate

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

(1) Customer charge, per month\$204.00

(2) Demand charge:

Minimum demand charge—750 kw or less:



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Summer~~\$18,841.95~~ \$19,972.47

Non-Summer~~\$14,634.45~~ \$15,512.52

All additional kw (per kw):

Summer~~\$25.12~~ \$26.63

Non-Summer~~\$19.51~~ \$20.68

(3) Energy charge:

All kwh (per kwh):

Summer~~\$0.0519~~ \$0.0550

Non-Summer~~\$0.0444~~ \$0.0471

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(k) Energy storage rider.

...

(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 ~~3.84~~ 4.07 cents per kwh during the summer months and ~~3.44~~ 3.65 cents per kwh during the non-summer months. Energy charged at this rate will be subject to the fuel adjustment allowance in section 27-118.

(l) Off-peak discount.

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(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 ~~4.07~~ 4.31 cents per kwh during the summer months and ~~3.51~~ 3.72 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.

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Sec. 27-117.1. - Same—Standby and supplemental service.

(d) *Monthly rate charges:* The monthly rate charges shall be as follows, subject to power cost adjustments as provided in section 27-118 of this Code:

Net Rate Per Month



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Administrative charge, per meter, per month

Daily rate charges: In addition to the monthly rate charges, the daily rate charges shall be as follows:

Net Rates per Day

Summer purchased power demand, per kW~~\$0.50~~ 0.53

Non-summer purchased power demand, per kW~~\$0.38~~ 0.40

Summer purchased power energy, per kWh~~\$0.2610~~ 0.2776

Non-summer purchased power energy, per kWh~~\$0.02335~~ 0.02475

Transmission network power demand, per kW~~\$0.007~~ \$0.0074

Transmission network energy, per kWh ~~\$0.00182~~ 0.00193

Sec. 27-119. Same-Data transfer and communication equipment structure rate[TMM1]

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

Customer charge, per month\$10.85

Cost per kWh~~9.44~~ 10.01 cents per kWh

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Sec. 27-120. Same-Small power producer/cogenerator rate[TMM2]

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(c) *Rate payment:* In order to qualify for payment of capacity charge to the cogenerator or small power producer facility by the Columbia Water and Light Department, the qualified facility must be on line generating whenever the water and light loads are exceeding ninety (90) percent of the system's peak. Payment to the cogenerator or small power producer will be made monthly based on the following rate schedule:



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(1) *Capacity charge:* ~~Four dollars and sixty cents (\$4.60)~~ Four dollars and eighty eight cents (\$4.88) per kW, with a total annual payment of ~~fifty-five dollars and twenty cents (\$55.20)~~ Fifty-eight dollars and 51 cents (\$58.51) per kW.

(2) *Energy:* ~~Two and one half cents (\$0.025)~~ 2.65 cents (.0265) per kWh.

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

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(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:

Lumen Range Charge per Month

7,000 to 11,000, per light~~\$10.14~~ \$10.75

25,000 to 30,000, per light~~21.91~~ \$23.22

42,000 to 52,000, per light~~26.30~~ \$27.88

7,000 to 11,000 Post-top Luminaire, per light~~16.42~~ \$17.41

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\$57.22

Cost, per kWh~~13.64~~ \$14.46

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Sec. 27-121.3. Street lighting rate[TMM3]

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(c) *Light and fixture rates per month.* Light and fixture rates with lamp size, lamp type, service type, pole type and standard pole-bracket arm mounted are as follows:

100 watt high pressure sodium post-top-luminaire underground service~~\$11.65~~ \$12.35

100 watt high pressure sodium overhead service on existing pole	7.65	<u>8.11</u>
100 watt high pressure sodium overhead service new pole placement	8.65	<u>9.17</u>
100 watt high pressure sodium underground service on existing pole	12.77	<u>13.54</u>
100 watt high pressure sodium underground service new pole placement	13.77	<u>14.60</u>
175 watt high pressure sodium overhead service on existing pole	8.10	<u>8.59</u>
175 watt mercury vapor overhead service new pole placement	9.10	<u>9.65</u>
250 watt high pressure sodium overhead service on existing pole	9.18	<u>9.73</u>
250 watt high pressure sodium underground service on steel pole	30.59	<u>32.43</u>
400 watt high pressure sodium overhead service on existing pole	15.75	<u>16.70</u>
400 watt high pressure sodium overhead service new pole placement	16.75	<u>17.76</u>
400 watt high pressure sodium underground service on existing pole	20.87	<u>22.12</u>
400 watt high pressure sodium on special aluminum pole	24.13	<u>25.58</u>
400 watt high pressure sodium underground service on steel pole	33.57	<u>35.58</u>
400 watt high pressure sodium underground service new pole placement	21.87	<u>23.18</u>
<i>Exception:</i> Dual arm bracket with 400 watt high pressure sodium underground service on steel pole		
\$67.14 <u>71.17</u> per month		

Fiscal Impact

Short-Term Impact: Increase annual electric rate revenue approximately \$8.6 million dollars.
Long-Term Impact: Annual subsequent rate increases to be proposed after completion of a cost of service and rate study.

Strategic & Comprehensive Plan Impact

[Strategic Plan Impacts:](#)



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Primary Impact: Reliable and Sustainable 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
09/02/2025	B184-25 : Amending Chapter 27 of the City Code as it relates to electric utility rates
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