

POSSIBLE MOTION

I MOVE TO approve Ordinance 2017-39S on
first reading.

Note: At the November 7th Assembly meeting, Ordinance 2017-39 was referred to an Assembly committee for further review. Ordinance 2017-39S is the new substitute Ordinance.

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2017-39S

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL
CODE CHAPTER 15.01 "ELECTRIC UTILITY POLICIES" AT SECTION 15.01.020
"ELECTRICAL RATES" BY ADDING SUBSECTION P "COMMERCIAL ELECTRIC RATE
TEMPORARY INCENTIVE PROGRAM"

- 1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.
- 2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.
- 3. **PURPOSE.** The purpose of this ordinance is to add a subsection to the Sitka General Code which would create a program that would offer reduced temporary electric rates as an incentive to new commercial customers or existing commercial customers with a new load for the purpose of reducing rates to all customers and promoting job growth and other economic benefits to the municipality.
- 4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Chapter 15.01 "Electric Utility Policies" is amended at section 15.01.020 "Electrical rates" by adding subsection P "Commercial Electric Rate Temporary Incentive Program" (new language underlined):

Chapter 15.01
ELECTRIC UTILITY POLICIES
* * *

Section:
15.01.020 Electrical rates.

P. Commercial Electric Rate Temporary Incentive Program – New Commercial Customers or Existing Commercial Customers with a New Load

- 1. The administrator may authorize and approve a temporary incentive electric rate for a new commercial customer or an existing commercial customer with a new load. The customer must submit an application and qualify for the rate.
- 2. To apply, the customer must submit an application to the electric department, on a form supplied by the electric department. The application must include a power system "one-line" diagram of the proposed new load, along with an estimate of the annual kWh for the proposed new load stamped by a certified Alaska engineer.
- 3. To qualify, the customer must meet the following requirements:
 - a. The load for the proposed new service must be new, not a conversion of an existing load;

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b. The annual customer billings for the proposed new service, as estimated by the electric department under the existing general service rate service class, must exceed \$75,000 per year; and

c. The customer must be commercial.

4. Once the customer is qualified, the administrator must authorize the application by finding that granting a temporary incentive rate is in the best interests of the city and borough and that the rate does not create an unreasonable competitive advantage over existing commercial customers.

5. Once the application is authorized by the administrator, the electric department shall negotiate a temporary incentive electric rate agreement with the customer; and, when signed by the customer, it shall be submitted to the administrator for approval by signature. In no case will the rate be applied to a customer for more than three years. In all agreements, the customer shall be required, at the customer's expense, to provide a separate meter and a new service connection.

6. Upon signing the agreement, the administrator shall provide the assembly with a copy of the agreement. A copy of the agreement shall be available to the public at all times through the municipal clerk at the Sitka City Hall.

7. Once the agreement is approved by the administrator, the customer shall request a connection from the utility office, advise the attending utility officer that the new service is a "temporary incentive electric rate" class, and is required to provide the attending utility officer a copy of the agreement. The electric department shall be responsible for terminating the rate pursuant to the terms of the agreement.

8. If the customer fails to install or operate the new service equipment according to the approved power system "on-line" diagram, or otherwise comply with the approved agreement, the temporary incentive electric rate may be revoked by the administrator upon thirty days prior written notice to the customer.

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5. **EFFECTIVE DATE.** This Ordinance shall become effective the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 12th day of December, 2017.

Matthew Hunter, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk

1st reading 11/28/17
2nd reading 12/12/17