



Rochelle Municipal Utilities **Business and Financial Analysis**

Memo

To: Dave Plyman
From: Dan Westin
Date: April 16, 2013
Re: Council Recommendation for Electrical Rate Modification

An Electric Cost of Service study was prepared and presented to the City Utility Advisory Board (UAB) on April 11, 2013. The report includes a recommendation to revise the electric rates in order to more closely meet the cost of providing service especially with regards to basic cost versus energy cost as well as provide an efficient rate structure for economic use of energy. The proposed rate schedules have been drafted by Baker Tilly/UFS and represent an overall rate increase of approximately 2%. A typical residential customer with an average electric bill of \$ 79.40 will see an increase of \$ 5.04 in the four summer months and a reduction by \$ 3.09 per month in the eight non-summer months if no changes to energy use is made.

The UAB formally recommended to approve the modification of the electrical rate structure at its meeting April 11th.

In addition, RMU has introduced additional energy savings incentives to support residential customers in cost savings especially in the summer months.

RMU staff recommends that this be presented to City Council for a Resolution Establishing Utility Services Price Schedule for Electric Effective May 1, 2013

See enclosed attachment A and B for modified rates as well as updated riders for these rates.