RESOLUTION NO. 2020-32

A RESOLUTION PROVIDING
CHANGES IN ELECTRIC SERVICE RATES
IN THE CITY OF SALLISAW, OKLAHOMA

WHEREAS, The Sallisaw City Code provides that the Board of Commissioners of the City of Sallisaw, Oklahoma shall approve rates and charges governing all aspects of utility services, and;

WHEREAS, the Board of City Commissioners of the City of Sallisaw, has determined that electric rate adjustments are necessary for the continued revenue availability allowing the City of Sallisaw to provide quality and reliable utility services, and;

WHEREAS, the Board of Commissioners of the City of Sallisaw, Oklahoma desire to amend electric rates for the electric services, and;

WHEREAS, the electric rates approved by this resolution shall be effective as noted, and shall be subject to future review by the Board of City Commissioners,

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CITY OF SALLISAW, OKLAHOMA:

SECTION 1; That the following shall henceforth be the established rates for electric service in the City of Sallisaw, Oklahoma, to-wit, and that such rates noted below shall become effective during November of each year, beginning November 2020 thru November 2024, and shall be reflected in the first billing statement of November of each year:

Electric Rate Table

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Nov 2020</th>
<th>Nov 2021</th>
<th>Nov 2022</th>
<th>Nov 2023</th>
<th>Nov 2024</th>
</tr>
</thead>
</table>
![](electric_rate_table.png)
SECTION 2: Rate Schedule RP-1, Residential Electric Service

Availability
This rate schedule is available in the territory served by the City of Sallisaw/Sallisaw Municipal Authority for residential customers located within and adjacent to its electric distribution system.

Applicability and Character of Service
This rate schedule shall apply to residential customers for the exclusive use of an individual customer for domestic purposes, including, for example, space heating, water heating, clothes drying, and cooking. This service cannot be used for resale, stand-by, commercial, or industrial service. Service shall be A.C., 60-Hz, 1-phase, 120/240 volts unless specifically agreed to by the City.

Charge for Service
The charge for service for each month shall be the sum of the following components:

Customer Charge: The Customer Charge shall be the Customer Rate as contained in the Schedule of Rates for each month in which the Customer receives service.

Energy Charge: The Energy Charge shall be obtained by multiplying the Energy Rate as contained in the Schedule of Rates times the kWh used by the customer during the month.

Minimum Bill: The minimum monthly bill will be the Customer Charge.

Single Point Delivery
The above rates and conditions are based on the supply of electric service at a single delivery and metering point at a single voltage. Separate supply for the same customer at other points of delivery, or at other voltages, will be separately metered and billed.

SECTION 3: Rate Schedule CP-1, Small Commercial Electric Service

Availability
This rate schedule is available in the territory served by the City of Sallisaw/Sallisaw Municipal Authority for any commercial or business customers located within and adjacent to its electric distribution system, provided that the kWh energy usage does not equal or exceed 15,000 kWh for any 3 months during a 12-month period.

Applicability and Character of Service
This rate schedule shall apply to existing commercial customers for the exclusive use of the commercial customer for business purposes. This service cannot be used for resale, stand-by, residential, or industrial service. Service shall be A.C., 60-Hz, 1- or 3-phase, with nominal service voltages of 120/240 volts for 1 phase service and 208wye/120-volts for 3-phase service, or other voltages as presently established for the service locations, unless specifically agreed to.
by the City. This load shall not be highly fluctuating to the extent that it causes interference with standard quality service to other customers on the system.

15,000 kWh Rule: Each year, during the month of November, customers billed under the CP-1 rate shall have their previous 12 month of usage (November thru October) reviewed for usage equal to or exceeding 15,000 kWh. Customers who have three (3) instances of monthly kWh usage equaling or exceeding 15,000 kWh during the 12-month lookback period, shall be moved to the CP-2 rate schedule beginning with the first billing statement of January. Customers who have not exceeded this 15,000-kWh usage rule, will remain on the CP-1 rate schedule.

Charge for Service
The charge for service for each month shall be the sum of the following components:

Customer Charge: The Customer Charge shall be the Customer Rate as contained in the Schedule of Rates for each month in which the Customer receives service.

Energy Charge: The Energy Charge shall be obtained by multiplying the Energy Rate as contained in the Schedule of Rates times the kWh used by the customer during the month.

Minimum Bill: The minimum monthly bill will be the Customer Charge.

Single Point Delivery
The above rates and conditions are based on the supply of electric service at a single delivery and metering point at a single voltage. Separate supply for the same customer at other points of delivery, or at other voltages, will be separately metered and billed.

Metering
All newly constructed commercial or business structures with a single service panel main disconnect greater than 200 amps, or a main disconnecting panel greater than 200 amps are required to have a demand electric meter. Future upgrades that meet these specifications will also require a demand electric meter and the customer will be subject to incurring demand charges.

Appropriate demand indicating meters will be furnished by the City to measure the energy delivered and the maximum kilowatt demand for any 15-minute period during the month.
SECTION 4: Rate Schedule CP-2, Large Commercial Electric Service With Demand

Availability
This rate schedule is available in the territory served by the City of Sallisaw/Sallisaw Municipal Authority for any commercial or business customers located within and adjacent to its electric distribution system whose energy usage; a) equals or exceeds the 15,000 kWh Rule while being billed for services under Rate Schedule CP-2, or b) based on information supplied by the customer, the calculated load will be equal to or greater than 15,000 kWh per month starting at the time energy use begins.

15,000 kWh Rule: Each year, during the month of November, customers billed under the CP-2 rate shall have their previous 12 month usage (November thru October) reviewed for usage equaling or exceeding 15,000 kWh. Customers who do not have three (3) instances of equaling or exceeding 15,000 kWh of usage during the 12-month lookback period, shall be moved to the CP-1 rate schedule beginning with the first billing statement of January. Customers who have met or exceeded the 15,000-kWh usage limit a minimum of any three (3) months during the 12-month period, shall remain on the CP-2 rate schedule.

Applicability and Character of Service
This rate schedule shall apply to new and existing commercial customers for the exclusive use of the commercial customer for business purposes. This service cannot be used for resale, stand-by, residential, or industrial service unless it meets the requirements below, applicable to EV Charging Stations. Service shall be A.C., 60-Hz, 1- or 3-phase, with nominal service voltages of 120/240 volts for 1 phase service and 208wye/120-volts for 3-phase service, or other voltages as presently established for the service locations, unless specifically agreed to by the City. This load shall not be highly fluctuating to the extent that it causes interference with standard quality service to other customers on the system.

No resale, breakdown, auxiliary or supplementary service permitted, except as set forth in (A) and (B) below.

(A) Sales of charging services from an electric vehicle charging station, not owned by the City of Sallisaw or the Sallisaw Municipal Authority, for the purpose of fueling an electric vehicle, including the ability to sell on a kWh basis, shall not be considered resale of retail electricity, and such sales from the electric vehicle charging station shall not be subject to rate regulation by the Sallisaw Municipal Authority.

(B) Utility service to an electric vehicle charging station shall be provided subject to availability and the utility's terms and conditions of service.

(C) All EV Charging Stations will be served under the CP-2 rate schedule for the first 12 months of service. Individual charging station usage will be reviewed after the first 12-month service period.

Customers being billed under the Large Commercial Service CP-2 rate schedule will incur demand charges.
**Charge for Service**
The charge for service for each month shall be the sum of the following components:

**Customer Charge:** The Customer Charge shall be the Customer Rate as contained in the Schedule of Rates for each month in which the Customer receives service.

**Demand Charge:** The Demand Charge shall be obtained by multiplying the Demand Rate as contained in the Schedule of Rates times the monthly KW demand used by the customers during the month. For billing purposes, the monthly demand shall be defined as the highest integrated load during any 15-minute period during the billing month.

**Energy Charge:** The Energy Charge shall be obtained by multiplying the Energy Rate as contained in the Schedule of Rates times the kWh used by the customer during the month.

**Single Point Delivery**
The above rates and conditions are based on the supply of electric service at a single delivery and metering point at a single voltage. Separate supply for the same customer at other points of delivery, or at other voltages, will be separately metered and billed.

**Metering**
All newly constructed commercial or business structures with a single service panel main disconnect greater than 200 amps, or a main disconnecting panel greater than 200 amps are required to have a demand electric meter. Future upgrades that meet these specifications will also require a demand electric meter and the customer will be subject to incurring demand charges.

Appropriate demand indicating meters will be furnished by the City to measure the energy delivered and the maximum kilowatt demand for any 15-minute period during the month.

**SECTION 5: Rate Schedule IP-1, Industrial Electric Service**

**Availability**
This rate schedule is available in the territory served by the City of Sallisaw/Sallisaw Municipal Authority to any existing or new industrial customer located within and adjacent to its electric distribution system.

**Applicability and Character of Service**
This rate schedule shall apply to industrial, manufacturing, or material processing customers with a load exceeding peak monthly billing demand of 2,000 KW, for all uses. This service cannot be used for resale, stand-by, residential, or commercial service. Service shall be A.C., 60-Hz, 3-phase, with nominal service wye or delta voltages; or Primary voltage as available for larger services. This load shall not be highly fluctuating to the extent that it causes interference with standard quality service to other customers on the system.
**Charge for Service**
The rates and methods of calculating billing statements shall be set by contract between the seller and the buyer.

**Single Point Delivery**
The rates and methods of calculating billing statements shall be based on the supply of electric service at a single delivery and metering point at a single voltage. Separate supply for the same customer at other points of delivery, or at other voltages, will be separately metered and billed.

**Metering**
All new industrial service customers are required to have a demand meter. Appropriate indicating or recording meters will be furnished by the Authority to measure the energy delivered and the maximum kilowatt demand for any 15-minute period during the month.

**SECTION 6: Rate Schedule VCP-1, Veteran’s Center Electric Service**

**Availability**
This rate schedule shall meet the terms of the CP-2 rate schedule with the exception that the rates applicable to this rate schedule shall only apply to the Veterans care facility approved by the Oklahoma Department of Veterans Affairs (ODVA) on October 26, 2018, and is agreed to by both the City of Sallisaw/Sallisaw Municipal Authority and the ODVA.

Upon startup of the facility the following rates shall be in effect unless the rates of the Grand River Dam Authority are modified between the dates of this resolution and the date of the startup of the ODVA facility.

<table>
<thead>
<tr>
<th>Rate Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Customer Charge</td>
<td>$12.13</td>
</tr>
<tr>
<td>Energy Rate (kWh)</td>
<td>$0.048 per kWh</td>
</tr>
<tr>
<td>Demand Rate (KW)</td>
<td>$11.95 per KW</td>
</tr>
</tbody>
</table>

Methods of determining rates for VCP-1:
1. The kWh rate calculation shall reflect a 16% savings from the calculated CP2 rate schedule.
2. The KW rate for VCP-1 shall be equal to the KW rate charged by the Grand River Dam Authority to the City of Sallisaw/Sallisaw Municipal Authority.
3. These rates, or adjustments to, shall remain in effect for a term of 48 months from the date of the startup of the facility.
4. Upon any rate modification made by the Grand River Dam Authority, the City of Sallisaw shall review the effects of the rate modification and make necessary adjustments to the VCP-1 Rate Schedule.
SECTION 7: Rate Schedule DG-1, Distributed Generation Electric Service

For the purpose of the DG-1 Rate Schedule, Distributed Generation shall be defined as an energy producing system at or near the point of energy consumption, which is located on and interconnected to a utility’s distribution system.

The City of Sallisaw/Sallisaw Municipal Authority shall provide Distributed Generation Services under a Buy All Sell All (BASA) tariff. The utility shall furnish 100% of the customers electric consumption, billed under the appropriate rate schedule, and purchase 100% of the customers DG output, based on the utility’s avoided cost defined below.

*Rate Schedule DG-1 shall not become effective until requirements for connecting services and metering requirements, along with required application and permit fees, are adopted.

I. APPLICATION. This rate is in addition to the customer’s standard rate tariff for electric service.

II. AVAILABILITY. This rate is applicable to customers who intend to own and operate an electric generating facility using solar equipment to produce electricity.

III. CREDIT FOR GENERATION. The utility will provide a credit for energy generated by the customer which would be applied to customers usage as billed by the utility under the customer’s applicable rate tariff. Energy would be credited based on the following schedule:

ENERGY: Energy generated will be credited at the utility’s AVOIDED COSTS. An AVOIDED COST is defined as the incremental cost to an electric utility of energy and capacity which the utility would generate itself or purchase from another non-renewable source. The utility’s avoided cost is based upon the current applicable wholesale power rate from the Grand River Dam Authority (GRDA), including any applicable Power Cost Adjustment.

IV. CREDIT LIMITATION. The energy credit for any billing period described in Section III above is limited to the customer’s maximum energy usage during any billing period from the previous calendar year. No credit will be provided by the utility for any generation above this amount.

New customer’s maximum credit will be established after the first calendar year of service. In order for customer to receive the maximum benefit from the installation customer shall not oversize the installation larger than the customers anticipated maximum annual billing period energy (kWh) usage, as no credit will be provided by the utility for any generation above this amount.
Examples of how the customer credit will be calculated:

Previous Calendar Year Billing Period **Maximum kWh usage** – 1,000 kWh
Customer Generation (Billing Period) – 2,000 kWh
Customer Credit, not to exceed customer’s **maximum kWh usage** – 1,000 kWh

Previous Calendar Year Billing Period **Maximum kWh usage** – 1,000 kWh
Customer Generation (Billing Period) – 500 kWh
Customer Credit, not to exceed customer’s **maximum kWh usage** – 500 kWh

Credits will be applied toward the customer’s usage as charged by the utility based on the customer’s applicable rate tariff. If the amount credited is greater than the amount charged for any billing period, the remaining credits will roll forward to the next billing cycle. Net credits at the end of a billing period will continue to roll forward to subsequent billing periods. Any remaining credits will expire upon the termination of electric service to a customer.

V. **SYSTEM INFRASTRUCTURE.** For installations over 100 KW, the utility may require a study on the impact to nearby system infrastructure to be completed prior to installation. The customer shall be responsible for the actual costs of this study.

VI. **INTERCONNECTION AGREEMENT.** Any customer desiring to receive credit for generation from the utility under this rate schedule is required to execute an Interconnection Agreement prior to delivering energy to the utility. Installation must follow all requirements as described in the Interconnection Agreement. By submitting an application, customer agrees to all such requirements.

VII. **METERING EQUIPMENT.** Customers under this rate tariff shall have 2 sets of metering equipment. One meter to measure the customer’s consumption and a second meter to measure the customer’s generation. The customer shall be responsible for the actual costs of the metering equipment, as well as the cost of installation, supplied by the utility. All metering installation must meet the established codes of the City.

VIII. **APPLICATION FEES.** Customer will be charged a non-refundable application fee as stated in the Master Fee Schedule to cover the cost of application processing.

IX. **TERM.** The utility has the right to modify, suspend, or terminate this rate upon thirty days’ notice to customers.
SECTION 8: Adjustments to GRDA Rate Components

Upon GRDA notification and implementation of any electric rate adjustment, the City of Sallisaw may add a GRDA Purchased Power Surcharge to any currently adopted electric rate of the City. If deemed necessary to recover GRDA purchased power costs, this Surcharge will be calculated using any changes to GRDA rate components that are passed to the City.

Effective Date of This Rate Change

This resolution establishing new electric rates shall become effective on November 1, 2020 and shall be reflected in all billing statements calculated after November 1, 2020.

PASSED AND APPROVED by the Board of City Commissioners of the City of Sallisaw, Oklahoma on the 14th day of September, 2020.

CITY OF SALLISAW, OKLAHOMA
BOARD OF CITY COMMISSIONERS

By: Ernie Martens, Mayor

ATTEST:

Dianna Davis, City Clerk
(SEAL)