

ORDINANCE NO. 4928

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ELLENSBURG, WASHINGTON, RELATING TO GAS UTILITY RATES AND AMENDING SECTION 9.91.200 OF THE ELLENSBURG CITY CODE.

WHEREAS, in 2021, the Washington Legislature passed Senate Bill 5126, the Climate Commitment Act ("CCA"), codified at RCW 70A.65.200; and

WHEREAS, the CCA establishes a cap-and-invest, market-based program ("Cap and Invest Program") to reduce carbon pollution and achieve the greenhouse gas limits set in state law, which applies to both private and public utilities, including the City of Ellensburg's electric and natural gas utilities; and

WHEREAS, the Cap and Invest Program sets a limit on overall carbon emissions in the state and requires energy utilities to obtain allowances equal to their covered greenhouse gas emissions; and

WHEREAS, allowances can be purchased through quarterly auctions hosted by the Washington State Department of Ecology, or bought and sold on a secondary market; and

WHEREAS, the City of Ellensburg's forecasted 2023 expenses from the purchase of greenhouse gas/carbon allowances are estimated to be \$2,000,000; and

WHEREAS, the City of Ellensburg will receive No-Cost Allowances from the Department of Ecology and is required to consign a portion for sale at auction; and

WHEREAS, the CCA imposes restrictions on how the City of Ellensburg may use the revenue generated from the sale of no cost allowances; and

WHEREAS, the City of Ellensburg must establish legacy and non-legacy rate classes to implement the Greenhouse Gas (GHG) Emissions Cap and Invest adjustment; and

WHEREAS, the City of Ellensburg's electric and natural gas utilities are enterprise accounts that operate as non-profit consumer-owned utilities that must recover costs through rates charged to their customers, the ratepayers;

NOW, THEREFORE, the City Council of the City of Ellensburg, Washington do hereby ordain as follows:

Section 1. Section 9.91.200 of the Ellensburg City Code, as last amended by Section 2 of Ordinance 4897, is hereby amended to read as follows:

9.91.200 Gas utility rate schedules.

A. Residential G-100.

1. Availability. This rate schedule is available within the service area of the gas utility to single-family dwellings and multiple-family dwellings through a separate meter for each living unit. This rate schedule is not available for gas resale purposes, or where any part of the use is for purposes other than above stated.
2. Character of Service. Service shall be through a single meter at a single point of delivery. Multiple meters used for delivery to the same customer shall not be combined for billing purposes.
3. Rate. The rate shall be composed of a consumption charge plus a daily customer charge computed as follows for each meter servicing the premises:

Effective 1/1/2023 1/1/2024

Legacy Customers (service locations established on or before 7/25/2021):

Effective Date	1/1/2022	1/1/2023	1/1/2024	1/1/2025
Consumption Charge:	All Ccf at \$0.5794 per Ccf plus the purchased gas cost adjustment	All Ccf at \$0.6174 per Ccf plus the purchased gas cost adjustment	All Ccf at \$0.6530 per Ccf plus the purchased gas cost adjustment	All Ccf at \$0.6742 per Ccf plus the purchased gas cost adjustment
			Plus \$0.2343 per Ccf, GHG Emissions Cap and Invest adjustment	Plus \$0.2717 per Ccf, GHG Emissions Cap and Invest adjustment
Customer Charge:	\$0.5769 per day	\$0.6147 per day	\$0.6501 per day	\$0.6712 per day

Non-Legacy Customers (service locations established after 7/25/2021):

Effective Date 1/1/2022 1/1/2023 1/1/2024 1/1/2025

<u>Consumption</u>	<u>All Ccf at \$0.5794</u>	<u>All Ccf at \$0.6174</u>	<u>All Ccf at \$0.6530</u>	<u>All Ccf at \$0.6742</u>
<u>Charge:</u>	<u>per Ccf plus the purchased gas cost adjustment</u>	<u>per Ccf plus the purchased gas cost adjustment</u>	<u>per Ccf</u>	<u>per Ccf</u>
			<u>Plus \$0.3626 per Ccf, GHG Emissions Cap and Invest adjustment</u>	<u>Plus \$0.4058 per Ccf, GHG Emissions Cap and Invest adjustment</u>
			<u>Plus, purchased gas cost adjustment per Ccf</u>	<u>Plus, purchased gas cost adjustment per Ccf</u>
<u>Customer Charge:</u>	<u>\$0.5769 per day</u>	<u>\$0.6147 per day</u>	<u>\$0.6501 per day</u>	<u>\$0.6712 per day</u>

B. Low-Income Senior Citizen/Low-Income Disabled Citizen G-130.

1. Availability. This rate is available for residential service to individuals who meet the definition of low-income senior citizen or low-income disabled citizen, who do not reside in federally subsidized housing and who agree to participate in energy conservation programs that are available at no charge. The rates established by this section will be published by the public works and utilities department on the city's website, and be made available from the city's finance department.

Failure to participate in an available energy conservation program after receipt of a utility discount shall constitute a basis for denial by the city of continued participation in the utility discount program until such conservation measures are installed. The customer may submit a written request, on a form provided by the city, identifying the reasons they should be exempt from participation in available conservation programs, which request is subject to approval or denial by the public works and utilities director.

2. Character of Service. Service shall be through a single meter at a single point of delivery. Multiple meters used for delivery to the same customer shall not be combined for billing purposes.

C. Commercial and Industrial G-200.

1. Availability. This rate schedule is available to commercial, small volume industrial and municipal customers for all purposes except for resale. Commercial and small

industrial users shall either possess a current city business license or present proof of engaging in commercial or industrial activity.

2. Character of Service. Service shall be through a single meter at a single point of delivery. Multiple meters used for delivery to the same customer shall not be combined for billing purposes.

D. Rate. The rate shall be composed of a consumption charge plus a daily customer charge based on meter size and computed as follows for each meter servicing the premises:

Legacy Customers (service locations established on or before 7/25/2021):

<u>Effective Date</u>	<u>1/1/2022</u>	<u>1/1/2023</u>	<u>1/1/2024</u>	<u>1/1/2025</u>
Consumption Charge:	All Ccf at \$0.3113 per Ccf plus the purchased gas cost adjustment	All Ccf at \$0.3308-per Ccf plus the purchased gas cost adjustment	All Ccf at \$0.3515 per Ccf plus the purchased gas cost adjustment	All Ccf at \$0.3647 per Ccf plus the purchased gas cost adjustment
			<u>Plus \$0.2343 per Ccf, GHG Emissions Cap and Invest adjustment</u>	<u>Plus \$0.2717 per Ccf, GHG Emissions Cap and Invest adjustment</u>
			<u>Plus, purchased gas cost adjustment per Ccf</u>	<u>Plus, purchased gas cost adjustment per Ccf</u>

Non-Legacy Customers (service locations established after 7/25/2021):

<u>Effective Date</u>	<u>1/1/2022</u>	<u>1/1/2023</u>	<u>1/1/2024</u>	<u>1/1/2025</u>
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<u>Consumption</u>	<u>All Ccf at \$0.3113</u>	<u>All Ccf at \$0.3308</u>	<u>All Ccf at \$0.3515</u>	<u>All Ccf at \$0.3647</u>
<u>Charge:</u>	<u>per Ccf plus the purchased gas cost adjustment</u>	<u>per Ccf plus the purchased gas cost adjustment</u>	<u>per Ccf</u>	<u>per Ccf</u>
			<u>Plus \$0.3626 per Ccf, GHG</u>	<u>Plus \$0.4058 per Ccf, GHG</u>
			<u>Emissions Cap and Invest adjustment</u>	<u>Emissions Cap and Invest adjustment</u>
			<u>Plus, purchased gas cost adjustment per Ccf</u>	<u>Plus, purchased gas cost adjustment per Ccf</u>
<u>Customer Charge:</u>	<u>275 cu. ft. and less</u>	<u>\$0.5769</u> <u>\$0.6130</u> <u>\$0.6513 per day</u>	<u>\$0.6757 per day</u>	
		<u>per day</u> <u>per day</u>		
	<u>415/425 cu. ft.</u>	<u>\$0.6914</u> <u>\$0.7346</u> <u>\$0.7805 per day</u>	<u>\$0.8098 per day</u>	
		<u>per day</u> <u>per day</u>		
	<u>750/800 cu. ft.</u>	<u>\$1.3820</u> <u>\$1.4684</u> <u>\$1.5602 per day</u>	<u>\$1.6188 per day</u>	
		<u>per day</u> <u>per day</u>		
	<u>1,000 cu. ft. and higher</u>	<u>\$2.7658</u> <u>\$2.9387</u> <u>\$3.1224 per day</u>	<u>\$3.2396 per day</u>	
		<u>per day</u> <u>per day</u>		

E. Interruptible Industrial G-220.

1. Availability. Service of natural gas by the city is available to industrial customers whose requirements are estimated to exceed 100,000 therms per year and who have adequate standby facilities which are alternately fueled to accept curtailment of their natural gas supply under this schedule. The city will provide natural gas under this schedule; provided, that:

- a. Adequate gas volumes for such service are available;
- b. Adequate capacity exists in the city's distribution system; and

c. The customer has executed a long-term interruptible natural gas service agreement with the city for service under this schedule.

2. Character of Service. This service applies to customers who would otherwise use propane and who have installed standby capacity to use propane in equipment listed in their service agreement. All service rendered under this rate is to be supplied at one point of delivery and single metered and billed.

Service rendered under this schedule shall be subject to curtailment by the city when in the city manager's or his designee's sole judgment such curtailment is necessary or such interruption or curtailment has been requested of the city by its supplier(s). Service under this schedule shall have a lower priority than service under any other gas utility rate schedule offered by the city including schedule G-300. The city shall not be liable in damages for or on account of any curtailment of service.

3. Rate. The rates under this rate schedule will be covered by individual contract between the city and the customer and shall include the Non-Legacy GHG Emissions Cap and Invest adjustment.

<u>Effective Date</u>	<u>1/1/2024</u>	<u>1/1/2025</u>
	<u>Plus \$0.3626 per Ccf, GHG Emissions Cap and Invest adjustment.</u>	<u>Plus \$0.4058 per Ccf, GHG Emissions Cap and Invest adjustment</u>

4. Restrictions. In no event shall the city sell natural gas to the customer at a price less than the city's wholesale price plus the GHG Emissions Cap and Invest adjustment, and any taxes based on gross revenues.

F. Institutional Service G-300.

1. Availability. This rate schedule is available to institutional natural gas customers whose requirements are estimated to exceed 900,000 therms per year and who have adequate standby facilities to accept curtailment of their natural gas supply under this schedule. The city will provide natural gas under this schedule; provided, that the customer has executed a long-term natural gas service agreement with the city for service under this schedule.

2. Character of Service. Service shall be through a single meter at a single point of delivery. Service is subject to interruption or curtailment at such times when, in the public works and utilities director's judgment, such interruption or curtailment is

necessary to preserve the integrity of the city's system or the city has been requested to interrupt or curtail load by its supplier(s). The public works and utilities director shall consult with the city manager prior to any interruption or curtailment if circumstances allow. The city shall not be liable for damages for, or on account of, any curtailment of service. The customer may also choose to interrupt or curtail service as provided for in the service agreement.

3. Rate. The rates under this rate schedule will be covered by individual contract between the city and the customer and shall include the Legacy GHG Emissions Cap and Invest adjustment.

<u>Effective Date</u>	<u>1/1/2024</u>	<u>1/1/2025</u>
	<u>Plus \$0.2343 per Ccf, GHG Emissions Cap and Invest adjustment</u>	<u>Plus \$0.2717 per Ccf, GHG Emissions Cap and Invest adjustment</u>

G. Municipal G-400.

1. Availability. This rate schedule is available to the city for use at all municipal buildings.
2. Character of Service. Service shall be through a single meter at a single point of delivery.
3. Rate. The rate shall be composed of a consumption charge plus a daily customer charge computed as follows for each meter servicing the premises:

Legacy Customers (service locations established on or before 7/25/2021):

<u>Effective Date</u>	<u>1/1/2022</u>	<u>1/1/2023</u>	<u>1/1/2024</u>	<u>1/1/2025</u>
Consumption Charge:	All Ccf at \$0.2701 per Ccf plus the purchased gas cost adjustment	All Ccf at \$0.2870 per Ccf plus the purchased gas cost adjustment	All Ccf at \$0.3049 per Ccf plus the purchased gas cost adjustment	All Ccf at \$0.3163 per Ccf plus the purchased gas cost adjustment
			<u>Plus \$0.2343 per Ccf, GHG</u>	<u>Plus \$0.2717 per Ccf, GHG</u>

	<u>Emissions</u> <u>Cap and</u> <u>Invest</u> <u>adjustment</u>	<u>Emissions</u> <u>Cap and</u> <u>Invest</u> <u>adjustment</u>		
	<u>Plus,</u> <u>purchased gas</u> <u>cost</u> <u>adjustment</u> per Ccf	<u>Plus,</u> <u>purchased gas</u> <u>cost</u> <u>adjustment</u> per Ccf		
<u>Non-Legacy Customers (service locations established after 7/25/2021):</u>				
<u>Effective Date</u>	<u>1/1/2022</u>	<u>1/1/2023</u>	<u>1/1/2024</u>	<u>1/1/2025</u>
<u>Consumption Charge:</u>	<u>All Ccf at \$0.2701 per Ccf plus the purchased gas cost adjustment</u>	<u>All Ccf at \$0.2870 per Ccf plus the purchased gas cost adjustment</u>	<u>All Ccf at \$0.3049 per Ccf</u>	<u>All Ccf at \$0.3163 per Ccf</u>
	<u>Plus \$0.3626 per Ccf, GHG Emissions</u> <u>Cap and Invest adjustment</u>	<u>Plus \$0.4058 per Ccf, GHG Emissions</u> <u>Cap and Invest adjustment</u>		
	<u>Plus,</u> <u>purchased gas</u> <u>cost</u> <u>adjustment</u> per Ccf	<u>Plus,</u> <u>purchased gas</u> <u>cost</u> <u>adjustment</u> per Ccf		

Customer Charge:	275 cu. ft. and less	\$0.5769 per day	\$0.6130 per day	\$0.6513 per day	\$0.6757 per day
	415/425 cu. ft.	\$0.9394 per day	\$0.9981 per day	\$1.0605 per day	\$1.1003 per day
	750/800 cu. ft.	\$1.8774 per day	\$1.9947 per day	\$2.1194 per day	\$2.1990 per day
	1,000 cu. ft. and higher	\$3.7562 per day	\$3.9910 per day	\$4.2405 per day	\$4.3997 per day

H. Nonprofit Agency Serving the Disadvantaged G-700.

1. **Availability.** This rate schedule is available to nonprofit agencies serving the disadvantaged. The rates established by this section will be published by the public works and utilities department on the city's website, and be made available from the city's finance department.
2. **Character of Service.** Service shall be through a single meter at a single point of delivery. Multiple meters used for delivery to the same customer shall not be combined for billing purposes. [Ord. 4897 § 2, 2022; Ord. 4844 § 7, 2019; Ord. 4817 § 1, 2018; Ord. 4804 § 2, 2018; Ord. 4684 § 8, 2014; Ord. 4639 § 3, 2013; Ord. 4555 § 8, 2009; Ord. 4503 § 2, 2007.]

Section 2. Severability. If any portion of this ordinance is declared invalid or unconstitutional by any court of competent jurisdiction, such holding shall not affect the validity of the remaining portion(s) of this ordinance.

Section 3. Corrections. Upon the approval of the City Attorney, the City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 4. Effective Date. This ordinance shall take effect and be in force five (5) days after its passage, approval and publication.

The foregoing ordinance was passed and adopted at a regular meeting of the City Council on the 6th day of November, 2023.

ATTEST:

Mary Jo Heggard
MAYOR

Beth Leader
CITY CLERK

Approved as to form:

S. C.
CITY ATTORNEY

Publish: 11-9-2023

I, Beth Leader, City Clerk of said City, do hereby certify that Ordinance No. 4928 is a true and correct copy of said Ordinance of like number as the same was passed by said Council, and that Ordinance No. 4928 was published as required by law.

Beth Leader
BETH LEADER