

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE AMENDING CITY OF INDEPENDENCE POWER & LIGHT DEPARTMENT SCHEDULES OF ELECTRIC RATES TO BE EFFECTIVE FOR THE MONTHLY BILLING PERIODS OF JANUARY 2009 AND THE ADDITIONAL SCHEDULES TO BE EFFECTIVE JULY 2009, JULY 2010, JULY 2011 AND JULY 2012 UNDER WHICH ELECTRIC UTILITY SERVICE SHALL BE FURNISHED TO ALL CUSTOMERS OF INDEPENDENCE POWER & LIGHT DEPARTMENT.

WHEREAS, the existing schedules of electric rates for Independence Power & Light Department customers were established by the Independence City Council through the passage of Ordinance No. 15886 (November 2004) and amended and supplemented by the passage of Ordinances No. 16641 (March 2007) and No. 16695 (May 2007); and,

WHEREAS, the projected cumulative cost of electric service supply for the five year period through June 2013, exceeds projected revenues under existing rate schedules as established by the revenue requirements forecast study performed by a qualified nationally recognized independent consultant; and,

WHEREAS, the staff and consultant recommends that the Department's existing rate schedules be adjusted to recover the cumulative electric system cost for the five year projection period and to maintain an adequate operating fund; and,

WHEREAS, the proposed rate adjustments have been reviewed by the Council Management Analyst and the Public Utilities Advisory Board; and,

WHEREAS, the proposed rate schedules include customer class electric base rate adjustments generally reflecting a 9.0% increase to be effective at January 1, 2009, a 5.0% increase to be effective July 1, 2009, a 5.0% increase to be effective July 1, 2010, a 5.0% increase to be effective July 1, 2011, and a 5.0% increase to be effective July 1, 2012, as provided for in Sections 1 through 5 of this Ordinance; and,

WHEREAS, the proposed Schedule FA-1 (Power Supply Fuel-Energy Adjustment) provides for certain changes which allow for an enhanced recovery mechanism for changing power supply costs; and,

WHEREAS, the City Manager and the Power & Light Director recommend approval of the proposed rate schedules for the five-year period;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. That the schedules of rates, designated pages P-1 thru P-61, are hereby adopted to be the electric rates at which electric utility service is provided to all Independence Power & Light Department customers within the corporate limits of Independence, Missouri; beginning with Billing Cycle One (1) of the City's January 2009, General Ledger Month and continuing monthly thru Billing Cycle Twenty (20) of the City's June 2009, General Ledger Month, a copy of which is marked as Exhibit 1 and attached hereto, incorporated by reference thereto, and made a part hereof as through fully set out herein.

SECTION 2. That the schedules of rates, designated pages Q-1 thru Q-61, are hereby adopted to be the electric rates at which electric utility service is provided to all Independence Power & Light Department customers within the corporate limits of Independence, Missouri beginning with Billing Cycle One (1) of the City's July 2009, General Ledger Month and continuing monthly thru Billing Cycle Twenty (20) of the City's June 2010, General Ledger Month, a copy of which is marked as Exhibit 2 and attached hereto, incorporated by reference thereto, and made a part hereof as through fully set out herein.

SECTION 3. That the schedules of rates, designated pages R-1 thru R-61, are hereby adopted to be the electric rates at which electric utility service is provided to all Independence Power & Light Department customers within the corporate limits of Independence, Missouri beginning with Billing Cycle One (1) of the City's July 2010, General Ledger Month and continuing monthly thru Billing Cycle Twenty (20) of the City's June 2011, General Ledger Month, a copy of which is marked as Exhibit 3 and attached hereto, incorporated by reference thereto, and made a part hereof as through fully set out herein.

SECTION 4. That the schedules of rates, designated pages S-1 thru S-61, are hereby adopted to be the electric rates at which electric utility service is provided to all Independence Power & Light Department customers within the corporate limits of Independence, Missouri beginning with Billing Cycle One (1) of the City's July 2011, General Ledger Month and continuing monthly thru Billing Cycle Twenty (20) of the City's June 2012, General Ledger Month, a copy of which is marked as Exhibit 4 and attached hereto, incorporated by reference thereto, and made a part hereof as through fully set out herein.

SECTION 5. That the schedules of rates, designated pages T-1 thru T-61, are hereby adopted to be the electric rates at which electric utility service is provided to all Independence Power & Light Department customers within the corporate limits of Independence, Missouri beginning with Billing Cycle One (1) of the City's July 2012, General Ledger Month and continuing thereafter, a copy of which is marked as Exhibit 5 and attached hereto, incorporated by reference thereto, and made a part hereof as through fully set out herein.

SECTION 6. That the Power & Light Director, or any designee, is/are authorized to determine and implement the calculation of the power supply fuel-energy cost adjustment rate in accordance with the provision of Schedule FA-1 and the avoided cost application rates for each 12-month period after April 30, 2009, in accordance with the applicable provisions of Schedule NM-1 (Customer-Generator Net Metering Contract Service Rider) adopted in Section 1 through Section 5 of this Ordinance.

SECTION 7. That the Power & Light Director, or any designee, is/are authorized to enter into any Agreement provisions with eligible customers and administer the terms, conditions and other provisions of the Schedules of Rates adopted in Section 1 through Section 5 of this Ordinance.

SECTION 8. That any prior schedule and terms are replaced on the effective date as set out in this ordinance. Any terms of prior ordinances in conflict with the provisions contained herein shall yield to the provisions of this ordinance.

PASSED THIS _____ DAY OF _____, 2008 BY THE CITY COUNCIL
OF THE CITY OF INDEPENDENCE, MISSOURI:

Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:

City Clerk

APPROVED AS TO FORM AND LEGALITY:

City Counselor

REVIEWED BY:

City Manager