

RECORD OF PROCEEDINGS

Town of Estes Park, Larimer County, Colorado, November 14, 2002

Minutes of a Regular meeting of the **LIGHT AND POWER COMMITTEE** of the Town of Estes Park, Larimer County, Colorado. Meeting held in the Municipal Building in said Town of Estes Park on the 14th day of November 2002.

Committee: Chairman Jeffrey-Clark, Trustees Habecker and Newsom

Attending: Chairman Jeffrey-Clark

Also Attending: Town Administrator Widmer, Light & Power Director Matzke, and Deputy Clerk van Deutekom

Absent: Trustees Habecker and Newsom

Chairman Jeffrey-Clark called the meeting to order at 8:02 a.m.

2003 ELECTRIC RATE INCREASE – PROPOSED SCHEDULE – APPROVAL.

Director Matzke reported that M.E. Kiburz and Associates was hired in 1999 to perform an electric rate study at an estimated cost of \$12,500. The focus of this study was to prepare for anticipated electric competition and determine the need for additional revenue to support the capital improvement program, “fine-tune” the existing rate structure, and develop a means of itemizing the wholesale power cost from Platte River on customer statements. The study was discontinued once electric competition failed to occur.

The 2001/2002 budgets included a rate increase of \$350,000 in 2001 to recover the debt service on the 1999 Revenue Bonds. The electric study was again delayed as the Light and Power Fund outperformed the budget without the rate increase. The first draft of the 2003/2004 budgets again included the \$350,000 rate increase, but the budget process revealed that a larger rate increase would be required. The current proposed budget includes a \$425,000 rate increase in 2003 (5.6%) followed by a \$425,000 rate increase in 2004 (5.1%). The proposed budget reduces rate of fund balance erosion, but does not reverse the trend. Work resumed on the electric study earlier this year and a rate hearing was anticipated by year-end.

The Dept. previously paid \$2,128.80 for completion of preliminary work for the 1999 rate study. M.E. Kiburz and Associates presented a revised estimate of \$13,000 to complete the study and attend the public hearing and the 2002 amended budget includes a line item for the study. Listed below are the proposed rate changes:

Residential Rate: Increase customer charge from \$3 per month to \$4 per month. Increase energy charge by revenue requirement. Raise annual maximum for electric heat customers to 25,000 kWh.

Residential Demand Rate: Increase customer charge from \$3 per month to \$5 per month. Same demand charge winter and summer. Increase energy charge by revenue requirement.

Residential Energy Time of Day Rate: Increase customer charge from \$3 per month to \$5 per month. Raise off-peak energy charge to \$0.03 per kWh. Increase on-peak energy charge by revenue requirement. Eliminate cap on on-peak consumption.

Residential Time of Day Rate: Eliminate

Small Commercial Rate: Increase energy charge by revenue requirement.

Small Commercial Time of Day Rate: Increase customer charge from \$7.25 per month to \$8.25 per month. Raise off-peak energy charge to \$0.03 per kWh. Increase on-peak energy charge by revenue requirement.

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Large Commercial Rate: New customer charge of \$10 per month. Increase energy and demand charge by revenue requirement. Eliminate combined billing option.

Large Commercial Time of Day Rate: New customer charge of \$12 per month. Increase energy and demand charge by revenue requirement. Eliminate combined billing option

Outdoor Area Lighting: Increase monthly charge from \$5.25 to \$6.75

Rocky Mountain National Park Administrative Housing Rate: Increase customer charge from \$3 per month to \$4 per month. Increase energy charge by revenue requirement. Eliminate combined billing option

Rocky Mountain National Park Small Administrative Rate: Increase energy charge by revenue requirement.

Rocky Mountain National Park Large Administrative Rate: New customer charge of \$10 per month. Increase energy and demand charge by revenue requirement. Eliminate combined billing option.

NEW RATES

New Default Residential Time of Day Rate: Rate for electric heat customers with no thermal storage. Higher on- and off-peak energy charge. Shorter on-peak time.

New Wind Energy Rate: New rate for customers who wish to purchase 100% wind energy.

Director Matzke presented a schedule outlining the legal requirements to conduct the rate hearing at the January 14, 2003 Town Board Meeting, and concluding all discussion, **the Committee recommends that M.E. Kiburz and Associates complete the electric rate study at an estimated cost of \$13,000 and that on November 26, 2002, the Town Board set a rate hearing for January 14, 2003.**

BALDPATE TO BIG OWL THREE PHASE UPGRADE CHANGE ORDER REQUEST – APPROVAL.

The Town contracted with Hamlin Electric Company in February 2002 to construct the Big Thompson Three Phase and Baldpate to Big Owl Three Phase Projects at a cost of \$758,935.65. During the course of construction, several field changes were made at staff's direction that added costs to the project. Hamlin Electric submitted an adjusted invoice in the amount of \$20,385.00 for the changes.

The 2002 budget includes \$1,040,000 for the Big Thompson Three Phase and Baldpate to Big Owl Three Phase Projects and sufficient funds are available to cover this additional expense and remain within budget. **The Committee recommends approval of the change order request from Hamlin Electric Company for \$20,385 as presented.**

DECORATIVE STREETLIGHT REPLACEMENT PROGRAM – FIXTURE RECOMMENDATION.

Light & Power Secretary Button presented the voting results from the Bond Park Decorative Lighting project that concluded November 8th. The Streetlight Committee recommended the following specifications for the new light fixtures: Town Commons-style fixture with clear lens, 10-ft. fluted tapered steel pole, smooth gloss finish, color-corrected metal halide, 3000° K, 80+ CRI, and horizontal cut-off. Bernie Holein/Streetlight Committee explained the light source choices that were presented during the demonstration and addressed maintenance, aesthetic, environmental, and technical issues.

The Committee recommends approval of the light specifications presented above. Chairman Jeffrey-Clark commended staff and volunteers that participated on the Streetlight Committee for their efforts during this project.

POLICY AND PROCEDURE MANUAL UPDATE – SPECIAL METER READS – APPROVAL.

Director Matzke presented a proposal by Sr. Meter Specialist O'Connor regarding special meter reads. The Dept. currently performs approximately 1300 special meter reads per year (65 personnel hours per month). These reads are performed at the customer's request and are provided free of charge. Listed below are fees charged by neighboring utilities to provide special reads:

	<u>Move-in</u>	<u>Move-out</u>
Fort Collins	\$15.65	No charge
Longmont	12.00	No charge
Loveland	12.00	\$6.00

Implementing a charge of \$12.00 per move-in read and no charge for move-out reads would allow the Dept. to recover approximately \$15,600 per year toward the cost of providing these services. **The Committee recommends that the charge of \$12.00 per move-in read be established and that the Light and Power Dept. Policy and Procedure Manual be updated to include this charge.**

ELIMINATION OF ELECTRIC THERMAL STORAGE HEATER PROGRAM REBATE – APPROVAL.

The Dept. introduced the Electric Thermal Storage (ETS) Rebate Program in 1994 to promote the use of ETS heaters. The ETS heater program and Time of Day electric rates have been very successful and do not require further incentives to stimulate interest. During 2002, rebates totaling \$1,836 have been paid, with \$630 pending. **The Committee recommends that the ETS Rebate Program be discontinued once the pending 2002 rebates have been paid and that no further rebates be offered.**

REPORTS.

Platte River Power Authority (PRPA). Public hearings are being held to review the 2003 Budget and all gas turbines are now operational.

Financial Report. The Committee reviewed the September income statement and graphs.

Project Updates: Director Matzke reported that **Line Supt. Dragon will retire** the end of November and a replacement has not yet been named; **Christmas decorations** are being installed; a telephone contractor removing unused cable along Riverside Dr. caused a **recent outage** along Fall River Rd. and the north end of downtown; and efforts continue on the **Olympus Hydro project.**

NOTE: The Electric Rate Study and proposed rate changes will be presented at the December meeting; therefore, the meeting will begin at 7:30 a.m. (instead of 8:00 a.m.) to accommodate and encourage public participation in the process.

There being no further business, Chairman Jeffrey-Clarke adjourned the meeting at 9:13 a.m.