

ORDINANCE NO. 5278

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MESA,  
MARICOPA COUNTY, ARIZONA MODIFYING THE ELECTRIC RATE  
SCHEDULES OF TERMS, RATES, FEES AND CHARGES RELATING  
TO CITY OWNED UTILITIES.**

BE IT ORDAINED by the City Council of the City of Mesa, Maricopa County, State of Arizona,  
as follows:

Section 1: That the following Schedules of Terms, Rates, Fees and Charges for City-Owned  
Electric Utilities, as made a public record by Resolution adopted on February 23, 2015, three  
copies of which are on file and available for public use and inspection with the Office of the City  
Clerk, are hereby established or amended and adopted to be applicable for the billing of utilities  
for the billing cycles ended on or after April 2, 2015:

<u>SCHEDULE NO.</u>	<u>TITLE</u>
E3.6	NON-RESIDENTIAL -- CUSTOMER RETENTION/ECONOMIC DEVELOPMENT

Section 2: That all Ordinances or parts of Ordinances in conflict herewith with respect to the  
above Schedules and Titles are hereby repealed.

PASSED AND ADOPTED by the City Council of the City of Mesa, Arizona, this 2nd  
day of March, 2015.

APPROVED:

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk



## ELECTRIC RATE SCHEDULE

Electricity sold hereunder is delivered to the Customer at single or three-phase, approximately Sixty (60) Hertz, and at one standard voltage (7200/12470, 2400/4160, 277/480, 120/240, or 120/208 volts) as may be selected by the Customer, subject to availability and approval by the Mesa Energy Resources Department.

### PURPOSE

The purpose of this schedule is to provide a rates for **the economic development or retention of large** ~~these~~ Non-Residential Customers, ~~that demonstrate that, but for the reduction in electrical rates, they will reduce or eliminate their future consumption of electric energy.~~

### NON-RESIDENTIAL -- CUSTOMER RETENTION/ECONOMIC DEVELOPMENT

#### APPLICATION

These rates are applicable to ~~Non-Residential service provided to Customers that:~~ **for the billing of utilities for the billing cycles ended on or after April 2, 2015 for service provided on and subsequent to the date on which those same billing cycles started, and to Customers meeting the following Eligibility Criteria.**

- (i) ~~Have an average total minimum monthly energy consumption of two hundred fifty thousand (250,000) kilowatt hours (kWh) over the most recent twelve month period; and~~
- (ii) ~~Enter into an agreement, executed by the Customer and the City Manager or designee, which provides adequate assurance to City that Customer shall (a) retain its business operation in the City and maintain and continue a specified level of kWh consumption for a period of five (5) years, and (b) use reasonable efforts to increase the number of jobs that are part of the business operations within the City; and~~
- (iii) ~~Have no existing delinquencies relating to payment of City utility services~~

#### ELIGIBILITY- INITIAL TERM

- 1. Limited to five (5) consecutive years.**
- 2. New and expanding Non-Residential Customers must satisfy the following conditions to be and remain eligible to receive service under this Schedule:**
  - (i) **Within a period of three (3) years from the date the rate is applied for new Customers, and two (2) years for expanding, existing Customers, the Customer must have a minimum projected annual energy consumption of two million four hundred thousand (2,400,000) kilowatt hours (kWh) based on meter readings at a single Premises; and**
  - (ii) **Either: (a) establish and maintain a number of jobs at the qualifying Premises equal to five (5) full time employees (subject to verification through unemployment tax and wage reporting or comparable records) per one hundred (100) kilowatts (kW) of projected average monthly electric demand (based on the Customer's projected qualifying level of consumption); or (b) make a minimum capital investment in property/facility improvements of five hundred thousand dollars (\$500,000) at the qualifying Premises (subject to initial verification through Maricopa County tax and assessment statements, building permits, or comparable records).**

**3. Customers that may reduce or eliminate their future consumption of electric energy and with a twelve (12) month or longer billing history at or above the minimum annual energy consumption level not meeting the Eligibility Criteria set forth in Section 2 above must satisfy the following conditions to be and remain eligible to receive service under this Schedule:**

- (i) Maintain or exceed the minimum annual energy consumption of two million four hundred thousand (2,400,000) kilowatt hours (kWh) based on meter readings at a single Premises; and**
- (ii) Enter into a five (5) year agreement, executed by the Customer and the City Manager or designee, which provides adequate assurance to City that Customer shall maintain its consumption at the required kWh throughout the five (5) years at the Premises; and**
- (iii) The initial term of service under this rate schedule and the five (5) year contract shall require the customer to obtain a financial instrument (Financial Instrument), satisfactory to the City that protects the City from a default under the agreement and from the accumulation of delinquent and deficient charges of a Customer served under this Rate Schedule.**

**4. All Non Residential Customers otherwise satisfying the Initial Term Eligibility requirements under this Schedule must also have no existing delinquencies relating to payment of City utility services.**

**ELIGIBILITY- RENEWAL TERM**

**Eligibility for Customers on this Rate Schedule E3.6 that may reduce or eliminate their future consumption of electric energy and desire to remain on this Schedule beyond the initial five (5) year term must satisfy the following conditions:**

- (i) Customer has maintained and will continue to maintain an annual minimum energy consumption of two million four hundred thousand (2,400,000) kilowatt hours (kWh) at a single Premises, based on readings consolidated from no more than four (4) meters at that Premises; and**
- (ii) Customer shall enter into a one (1) year agreement, executed by the Customer and the City Manager or designee, which provides adequate assurance to City that Customer shall maintain its consumption at the required kWh through the renewal term; and**
- (iii) Customer has no existing delinquencies relating to payment of City utility services**

**INELIGIBILITY OR LOSS OF ELIGIBILITY**

Customers that become ineligible for service under this rate schedule will be served under the otherwise applicable City Electric rate schedule. **As set forth in the Eligibility requirements, Customer may be responsible for payment of back charges under the otherwise applicable City Electric rate Schedule for service provided under this Schedule which becomes ineligible.**

**MONTHLY BILLING CYCLE PER METER**

	MAY/OCTOBER		NOVEMBER/APRIL	
	Single Phase	Three Phase	Single Phase	Three Phase
<b>Customer Charge:</b>				
Billing/Collection	\$2.20	\$5.17	\$2.20	\$5.17
Metering	\$3.15	\$6.20	\$3.15	\$6.20
Meter Reading	\$0.87	\$0.87	\$0.87	\$0.87
Total	\$6.22	\$12.24	\$6.22	\$12.24
<b>Energy Charge: (\$/kWh)</b>				
Distribution				
0 - 15,000 kWh	\$0.06491	\$0.06491	\$0.05375	\$0.05375
15,001 - 75,000 kWh	\$0.04125	\$0.04125	\$0.02000	\$0.02000
> 75,000 kWh	\$0.01900	\$0.01900	\$0.00800	\$0.00800
<b>Demand Charge: (\$/kW)</b>				
Generation				
0 – 50 kW	\$0.00	\$0.00	\$0.00	\$0.00
> 50 kW	\$3.52	\$3.52	\$3.20	\$3.20
Distribution				
0 – 50 kW	\$0.00	\$0.00	\$0.00	\$0.00
> 50 kW	\$0.3968	\$0.3968	\$0.1150	\$0.1150
<b><u>Minimum:</u></b>				
A. Amount	\$6.22	\$12.24	\$6.22	\$12.24

**ADJUSTMENTS**

1. An Electric Energy Cost Adjustment Factor (“EECAF”) shall be added to all bills based on the cost of purchased, electric power and its delivery to the City’s electric utility, as shown on the Tariff Adjustments sheet.
2. Plus the applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the electric energy sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.
3. Determination of kW (Billing Demand)= The average kW supplied during the 30 minute period of maximum use during the month, as determined from reading of the meter.

**THREE-PHASE SERVICE**

Three-phase service is furnished under the City’s standards, including the transformation equipment. Three-phase service is not furnished for motors with an individual rated capacity of less than 3 h.p., except where facilities are already in place. Three phase service is required for motors of an individual rated capacity of 3 h.p. or more.

## TERMS AND CONDITIONS

A. See Schedule ETC-SO: Terms and Conditions for Standard Offer and Direct Access Services.

B. See Schedule TC-DA: Terms and Conditions for Direct Access Services.

C. City of Mesa Rules and Regulations- Utility Department- Electric Division.

**C.D. Terms and Conditions for the Sale of Utilities**

~~D.E.~~ Other Terms and Conditions.

1. Billing under this Rate Schedule E 3.6 shall continue to be administered in the same fashion as the Rate Schedule previously applicable to the Customer.

2. ~~Financial Assurance:~~

~~Service under this rate schedule will require the customer to obtain a financial instrument (Financial Instrument), satisfactory to the City that protects the City from the accumulation of delinquent charges by a customer served under this rate schedule and from defaults under the agreement required as set forth in the APPLICATION section of this rate schedule.~~

3-2. Term of Rate Applicability:

This rate schedule may apply to electric service for **an initial** term not to exceed five (5) years. Upon termination of service under this rate schedule, the requirement for ~~the any~~ Financial Instrument required under this rate schedule ~~shall~~**may** also terminate.