

Electric Rates:

(a) Base rates. The following monthly rates for all electric customers served by the city:

- (1) Residential R1: Applicable to single residences, individually metered mobile homes, and individual family apartments where cost of service is paid by the occupant.

Customer charge:	\$9.22 per month (minimum), plus
First	3000 KWH/month @ \$0.10337, plus
All over	3000 KWH/month @ \$0.11422, plus FCA & tax

- (2) Commercial C1: Applicable to nonresidential power service where the maximum fifteen-minute interval integrated demand does not exceed 49 kw.

Customer charge:	\$29.95 per month (minimum), plus
All	KWH/month @ \$0.1096, plus FCA & tax

- (3) Industrial I1: Applicable to nonresidential electric service where the maximum fifteen-minute interval integrated demand is 50 kw or more.

Customer charge:	\$66.96 per month (minimum), plus
Demand:	All demand @ \$8.46 per KW/month; minimum demand is 75% of highest demand imposed during preceding 11 months, but not less than 38 KW = \$321.44, plus
Energy:	
First	20,000 KWH/month @ \$0.08458, plus
All over	20,000 KWH/month @ \$0.07886, plus FCA & tax

- (4) Schools M1: Applicable to public and private primary and secondary schools, regardless of size of their electrical requirements.

Customer charge:	\$9.22 per month (minimum), plus
All	KWH/month @ \$0.10337, plus FCA & tax

- (5) Eleemosynary M2: Applicable to churches and nonprofit organizations who receive the majority of their support from charitable contributions.

Customer charge:	\$9.22 per month (minimum), plus
All	KWH/month @ \$0.10337, plus FCA & tax

- (6) Eleemosynary M2I: Applicable to churches and non-profit organizations where the maximum 15-minute interval integrated demand is 50 KW or more.

Customer charge:	\$9.33 per month (minimum), plus
Demand:	All demand @ \$3.80 per KW/month; minimum demand is 75% of highest demand imposed during preceding 11 months, but not less than 38 KW = \$144.30, plus
Energy:	
All	KWH/month @ \$0.05816, plus FCA & tax

- (7) City use M3: Applicable only to City of Fairhope accounts and departments.

ALL KWH @ \$0.10287 per KWH, plus FCA & tax, if not exempt. No minimum, plus FCA & tax.

- (8) Security lights: The following monthly security light rentals assume city ownership of treated pine pole, mounting brackets and hardware, open lighting fixture lamp, photoelectric control, and one (1) span of # six (6) aluminum overhead duplex cable. Customers shall be billed for additional installation costs for equipment and work which exceed the above standard installation. Customers shall be responsible for all charges due to vandalism or abuse.

Metal halide or mercury vapor:	Lumens	Monthly rental, plus tax.
175 W.	8,600	\$9.58
250 W.	12,100	13.71
400 W.	22,500	21.91

High pressure sodium:	Lumens	Monthly rental, plus tax.
100 W.	9,500	\$9.58
150 W.	15,000	8.21
200 W.	22,000	11.55
250 W.	22,500	13.71
400 W.	50,000	21.91

LED	Monthly rental, plus tax.
XNV	\$8.17
XNV2	\$13.65

- (9) Temporary or seasonal service surcharge: When commercial or industrial service is provided for a period of less than one (1) year continuously or is seasonal or temporary, a surcharge of twenty-five (25) per cent shall be added to each month's bill, before applying tax, after the bill has been computed in accordance with the applicable rate schedule. No monthly minimum or other charge is to be made during the period that service is disconnected. For each nonrecurring temporary service where it is necessary for a temporary service pole to be set and/or a temporary service drop to be installed from existing utility facilities, the city may assess additional charges to recover the cost of installing and removing such service.
- (10) Tax: The four (4) per cent Alabama Utilities Gross Receipts Tax is applicable to all rates, except exempt accounts of city, state and federal governments. Should any other state or federal tax be levied, it shall be charged in addition.
- (b) Schedule FCA. Schedule FCA shall provide for the monthly fluctuation in wholesale "fuel adjustment cost" changes as currently reflected in the monthly purchased power invoice received from the Alabama Municipal Electric Authority ("AMEA"). In the event schedule FCA results in a negative factor, such negative FCA factor shall be applied to each customer's monthly bill. All FCA factors shall be rounded off to the nearest one-thousandth of a mill (\$0.000000).

The FCA shall be calculated from the total current billing period's wholesale fuel adjustment charges billed from supplier(s) and then billed at retail by the city, as follows:

$$FCA = (F+A)/R$$

Where:

F = Total estimated wholesale supplier fuel adjustment charges to be billed during the coming billing period(s) in dollars.

A = Adjustment to reflect any over/under recovery of the FCA during previous billing period(s) in dollars.

R = Total retail kWh sales estimated to be billed during the coming billing period(s).

(c) Labor Cost Adjustment (LCA). The base rates set forth above may be adjusted periodically to

account for permanent changes in labor-related revenue requirements (e.g., salaries and wages, pensions and benefits, etc.) that come about as a result of budget actions taken by the City Council for a fiscal year. Such adjustment, when approved by the City Council, shall be calculated as follows:

$$LCA = 1 + ((TLCB - TLCPY) / BRRR)$$

Where:

TLCB = The total annual labor cost, in dollars, that is reflected in the electric utility budget for the coming fiscal year, as approved by the Board.

TLCPY = The total actual annual labor cost, in dollars, that was incurred by the electric utility for the prior fiscal year.

BRRR = The total estimated revenue requirement, in dollars, that is being recovered in current base rates.

The LCA so calculated shall be applied to each retail rate set forth above, excluding Schedule FCA, such that it will result in new base electric rates. Thus, when applied, a new TLCPY and BRRR will be established for future LCA calculations. The following accounts shall be used in the determination of total labor costs as reflected in TLCB and TLCPY:

- Salaries
- Payroll Taxes
- Retirement Expense
- Insurance – Employees Group
- Employee Retirement / Medical Insurance
- Casualty / Workers Compensation Insurance

Note: the listing of accounts used to determine TLCB and TLCPY may be modified from time-to-time as prescribed by the City's accounting and budget procedures.

(d) Definitions.

- (1) Billing period: may include the coming monthly billing period or, if the City so elects, the six-month levelization period fuel cost adjustment as currently offered by AMEA.
- (2) Supplier fuel adjustment charges: Current period fuel adjustment charges by all wholesale suppliers.
- (3) Retail kWh sales: Total estimated billing period retail kWh sales recorded by the city to all residential customers, schools, churches, nonprofit organizations, commercial and industrial customers. Sales recorded by the city as sales to various city departments and facilities, except the water and sewer department, shall be excluded from retail kWh sales. Estimated kWh consumption associated with non-metered security lights shall also be excluded.

(e) General rules and regulations.

Payment: Bills are payable within ten (10) days from due date and, if not paid within such period, may be increased as determined by the mayor and council.

Service and metering: Service to more than one (1) premise shall not be combined, nor shall it be shared with or resold to others. Any customer receiving service at two (2) different voltages or metering points will be considered as two (2) separate customers for billing purposes. The type and location of metering is to be specified by the city. Rates in subsection (a) contemplate city ownership of transformation facilities; however, rental or ownership of transformation by an industrial customer is subject to negotiation by and with the city.

- (f) Wholesale rate fluctuation. If the wholesale rate goes up or down, the wholesale percentage will be passed through to the retail customer.

The additional facilities charge rider shall apply to facilities and equipment that have been installed by the City of Fairhope at the request of an electric customer specifically for the provision of service to such customer. Such facilities and equipment, which shall be owned, operated and maintained by the city, provide services to the customer (e.g.,

special lighting) that are generally not billed under section 21-21, rates—regular service. The additional facilities charge shall be rendered monthly and shall appear on the customer's bill as "AFC Rider." The additional facilities charge shall be computed by applying a factor of one and one-half (1.5) percent to the original installed cost of the additional facilities serving the customer, illustrated as follows:

Additional Facilities Charge = .015 x Installed Cost

The installed cost of facilities shall include the cost of materials and equipment, labor costs, contractor mark-ups (when applicable), taxes and applicable city overhead charges.