

ELECTRIC SERVICE CHARGES
CITY OF WELLINGTON

The City of Wellington constantly seeks the best possible price for the purchase of electric power for our customers. We currently purchase power through participation in the Kansas Power Pool, but continually seek the most cost effective source.

There are two charges to the electric portion of your utility bill, the Electric Service Cost and the Energy Cost. The following provides an explanation of these charges and how they are calculated for a residential customer.

Electric Service Cost

There are two parts to the Electric Service Cost. The first is a meter or customer charge. The meter charge is determined by the customer service type and the service phase type. The second part is related to the amount of kilowatt usage. A set rate is multiplied by the kilowatt hours used. The rate is set by ordinance and is determined by the customer service type and whether City or Rural.

Example:

Your billing indicates 1,000 usage for electricity. Your Electric Service Cost is 1,000 multiplied by \$.058 plus a \$17.75 meter charge for a City Residential-Single Phase customer. The total Electric Service Cost would be \$75.75. The Electric Service Cost is set at a level high enough to fully recover our cost of operating and maintaining the electric utility. Operating cost includes salaries, line material/supplies, motor fuel cost, capital outlay and debt service payments.

Energy Cost

To recover all costs of purchasing power, as well as the transmission cost for that power, the City of Wellington charges each customer a monthly Energy Cost. This charge also recovers the cost of fuel when the city uses its own generation. This charge varies from month to month as energy and fuel prices fluctuate with seasonal supply and demand.

The calculation of the Energy Cost is based on the previous three months cost of purchased energy divided by the previous three months kilowatt hour consumed and then a factor of 1.15 is applied to compensate for transmission, distribution line losses and interdepartmental usage. i.e.: The total cost of energy and fuel for January through March divided by the total kilowatt of energy purchased and generated for January through March multiplied by 1.15. This is what is called a "Three Month Rolling Average". The three month rolling average is used to protect our customers from spikes in cost through the higher demand months of June through September. The desired result is a more constant charge through the year.

Example:

The previous three months kilowatt hours consumed: 23,686,995 kWh. The previous three months cost of purchased energy and fuel: \$1,301,155.

$\$1,301,155 \text{ divided by } 23,686,995 = \$.05493 \text{ multiplied by } 1.15 = \$.06317$

If a customer has a usage of 1,000 kilowatt his/her Energy Cost would be 1,000 multiplied by \$.06317 resulting in an Energy Cost of \$63.17.

We invite you to contact the Utility Department with any questions.

Electric Production 326-2561

Utility Billing 326-2821

Email: utilityoffice@cityofwellington.net