

ORDINANCE NO. 2019-09

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF MIAMI, OKLAHOMA AMENDING Sec. 24-63 – (INDUSTRIAL SERVICE ELECTRICAL RATE SCHEDULE) WITHIN CHAPTER 24 (UTILITIES), DIVISION 2 (ELECTRICITY) OF THE CITY OF MIAMI CODE OF ORDINANCES; REESTABLISH THE ADJUSTMENT FOR MINIMUM KW AND TO AFFIRM SUBSIDIARY RATE LEVELS; PROVIDING SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, Article 2, Section 6, ¶2 of the City Charter provides that the Council may enact municipal legislation subject to limitations as may now or hereafter be imposed by the Oklahoma Constitution and law; and

WHEREAS, the City Council, in consideration of the recommendations of the City staff and administration, has determined that it is appropriate to amend ordinance Section 24-63 (Industrial service electrical rate schedule) to reestablish the minimum Kw adjustment that was superseded in previous ordinance amendments; and

WHEREAS, the City Council, in consideration of the recommendations of the City staff and administration, has determined that it is appropriate to amend ordinance Section 24-63 (Industrial service electrical rate schedule) to affirm the subsidiary the existing rate levels previously established.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF MIAMI, OKLAHOMA:

SECTION ONE – Section 24-59 shall be established and read as follows:

Sec. 24-63. - Industrial service electrical rate schedule.

(a) *Application.* Applicable to commercial, institutional and industrial customers at each single location with demand exceeding one thousand (1,000) kW in any month and with average total monthly energy consumption exceeding four hundred twenty-five thousand (425,000) kWh per month, established over twelve (12) billing cycles, for uses other than resale or standby service. For the purposes of this section "single location" is defined as any and all industrial property owned and operated by the qualified industrial customer within city's service system.

Customers classified on this rate schedule whose electric load subsequently falls below and remains below the load described above, may be reclassified to the commercial service electric rate set out in section 24-59 of this Code, during the fourth quarter of any year.

This load shall not be highly fluctuating to the extent that it causes interferences with standard quality service to other customers. The customer will be expected to maintain a power factor of at least ninety-five percent (95%) lagging.

(b) *Character of service: AC, 60 Hz, three-phase.* Three-phase service under this schedule is available at standard nominal voltages. The type (wye or delta) three-phase service supplied will be, finally, at the discretion of the utility.

(c) *Industrial service electric billing rates* are established by the billing tables established by Section 24-64 of this Division.

(d) *Determination of demand.* For billing purposes, the monthly demand shall be defined as the integrated load during the fifteen-minute period of greatest load in the billing month.

(e) *Metering.* Appropriate indicating meters will be furnished by the city to measure the energy delivered and the maximum kilowatt demand for the month. The reactive demand will be measured at appropriate intervals with temporary or permanent meters at the city's election.

(f) *Adjustments.*

(1) The demand will be increased by one percent (1%) for each one percent (1%) that the monthly peak hour power factor falls below ninety-five percent (95%) lagging and unity.

(2) *Adjustments.* This rate schedule will be adjusted by Section 24-60, Purchase Power Adjustment Schedule PPA.

(3) The minimum bill will be equal to but not less than seven dollars (\$7.00) per kilowatt of demand for the maximum monthly demand during the most recent June through September preceding the billing period. For new customers without past usage history, the minimum shall be actual usage only.

- (g) *Point of delivery.* The above rates and conditions are based on the supply of service at a single voltage and at a single metering point or at multiple delivery points. If service is applied to multiple delivery points, then each point will be separately metered and billed, except when it is technically possible to integrate the combined metering of the separate delivery points. If in the sole judgment of the utility it is more economically feasible to add an additional delivery/metering point not integrated with the single metering point, the kWh and kW demands of that meter will be combined with the single metering location. In any case, the customer charge will apply once to each metering point.
- (h) *Subsidiaries.*
- (1) *Definition of a subsidiary company:* A subsidiary company is one in which over half its ownership is initially controlled by a qualified industrial customer (hereinafter, QIC). Thus, for purposes of this section, 50.1% or greater ownership of a subsidiary company by a QIC is sufficient to qualify for an electrical rate adjustment, dependent upon this QIC-subsidary relationship meeting the additional criteria established in the following section. At least 50.1% of the owners of the QIC must have controlling interest in the subsidiaries when service is initiated.
 - (2) *Criteria for subsidiary company to receive electrical rate adjustment.* In addition to the requirement of majority ownership by the QIC, the following criteria must be complied with in order to receive the subsidiary electrical rate adjustment:
 - a. The QIC shall demonstrate to the city manager that a direct connection exists between the production of the subsidiary company and the needs or requirements of the QIC. In other words, a causal connection must exist between parent and subsidiary in order for the subsidiary to qualify for the electrical rate adjustment. This interconnection between QIC and subsidiary company can be demonstrated by evidence that the subsidiary company supports or supplements the manufacturing output of the QIC company, either by producing components used by the QIC, providing services that facilitate the manufacturing output of the QIC, or provide some other key component of the QIC's manufacturing output.
 - b. Direct evidence must be provided to the city manager upon request that the parent company retains at least 50.1% control of the subsidiary company. This evidence shall be provided in the form of income tax returns, filings with the secretary of state's office, sworn affidavits, or other reliable means to insure that only those qualified and eligible for the subsidiary rate adjustment shall receive it.
 - c. The subsidiary company must employ twenty (20) personnel by the end of its third year of operation, and maintain this minimum number every year thereafter in order to maintain eligibility for the electrical rate adjustment.
 - d. The subsidiary company must be a new business, requesting service after June 1, 2001, either utilizing an existing facility or opening in a new building.
 - (3) Adjustments based on percentage of ownership of the subsidiary company - Majority and minority.
 - a. *Majority owned subsidiary:* To initially qualify for the subsidiary electric rate adjustment, the subsidiary company must be majority owned (defined as 50.1% of ownership or greater) by the QIC. A majority owned subsidiary would be eligible to receive a kWh rate equal to the "300,000 kWh and Above" kWh rate and a kW rate equal to the Industrial Rate established by the billing tables of Section 24-64 of this division.
 - b. *Minority owned subsidiary:* To qualify for the Minority subsidiary electric rate, the subsidiary company must have initially qualified as stated above, but the ownership has fallen below 50.1%, but not less than 40.1%. A qualified minority owned subsidiary would be eligible to receive a kWh rate equal to 1.10 times the "300,000 kWh and Above" kWh rate and a kW rate equal to the Industrial Rate established by the billing tables of Section 24-64 of this division.
- (i) *Management discretion.* In the event the amendments made hereto on January 6th, 2015, shall result in a billing dispute or claim, then the City Manager may, in his sole and exclusive discretion, for good cause shown, make a favorable adjustment to the customer's account as of and commencing October, 2014.

SECTION TWO - Severability

If any provision, paragraph, word, section or article of this Ordinance is invalidated by any court of competent jurisdiction, the remaining provisions, paragraphs, words, sections and chapters shall not be affected and shall continue in full force and effect.

SECTION THREE – Conflicting Provisions

If any provision, paragraph, word, section or article of this Ordinance conflicts with the provisions of any other Ordinance, then the provisions of this Ordinance shall be deemed to have superseded all conflicting provisions previously entered into effect.

SECTION FOUR – Effective Date

[Choose One (1)]

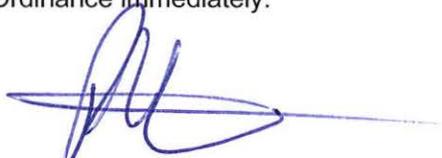
_____ Pursuant to 11 O.S. '14-103, this Ordinance shall take effect thirty (30) days from its final passage unless the City Council specifies a later date:

[OR]

X EMERGENCY CLAUSE. For the immediate preservation of the public peace, health and safety, an emergency is hereby declared to exist whereby this Ordinance shall take effect immediately upon passage and publication as required by law. The question of emergency must be ruled upon separately and approved by the affirmative vote of at least : of ALL the members of the City Council (4 affirmative votes required). As required by 11 O.S. '14-103, an emergency measure must state in a separate section why it is necessary that the measure become effective immediately; the reason for the emergency measure is as follows:

It is necessary and proper to adjust the rates provided for herein with the start of the new fiscal year.

It is in the public economic interest to enact this Ordinance immediately.



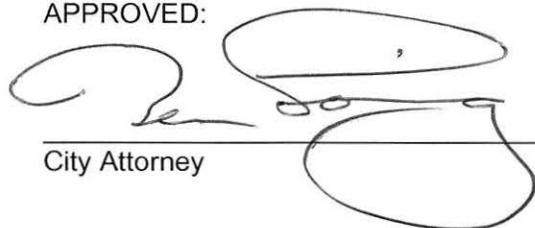
Rudy Schultz
Mayor

ATTEST:

Melisa Moore

City Clerk

APPROVED:



City Attorney

[seal]

