



Council Chambers
City Hall, Saskatoon, SK
Monday, December 17, 2012
at 1:00 p.m.

MINUTES OF THE SPECIAL MEETING OF CITY COUNCIL

PRESENT: His Worship the Mayor, in the Chair;
Councillors Clark, Davies, Donauer, Hill, Iwanchuk, Jeffries
Loewen, Olauson, and Paulsen;
City Manager Totland;
City Solicitor Warwick;
General Manager, Corporate Services Bilanski;
General Manager, Community Services Grauer;
A/General Manager, Fire and Protective Services Paulsen;
General Manager, Infrastructure Services Gutek;
General Manager, Utility Services Jorgenson; and
City Clerk Sproule

ADMINISTRATIVE REPORT NO. 18-2012

Section F – UTILITY SERVICES

**F1) Proposed Bylaw Amendment
Electrical Rates Bylaw No. 9072
Effective January 1, 2013
(Files CK. 1905-6 and WT. 1905-6-2)**

RECOMMENDATION: that City Council consider Bylaw No. 9072 – The Electric Light and Power Amendment Bylaw, 2012.

TOPIC AND PURPOSE

Saskatoon Light & Power electrical rates need to be increased to match SaskPower's 4.9% rate increase effective January 1, 2013.

REPORT HIGHLIGHTS

1. SaskPower will increase its electrical rates 4.9% effective January 1, 2013.

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2. It is important that SL&P rates increase on January 1, 2013 because our bulk power rate will increase 4.9% that date.
3. The rate increase will impact City revenue provided by SaskPower from their franchise area of Saskatoon (municipal surcharge and grants-in-lieu of taxes). It will also increase the cost of street lighting in Saskatoon's franchise.
4. The average residential customer will see a monthly increase of \$4.50. By reducing consumption, customers can reduce their monthly charge.

STRATEGIC GOAL

Higher rates are necessary to maintain SL&P return on investment and to increase capital reserves for capital expenditures which supports the long-term strategy to increase revenue sources and reduce reliance on residential property taxes under the Strategic Goal of Asset and Financial Sustainability. Saskatoon Light & Power provides cost-effective and high quality electricity. Capital expenditures are necessary to replace and increase SL&P assets. Unlike most utilities, Saskatoon Light & Power owes no debt.

BACKGROUND

Historically, the City has set its rates for electricity sold within its franchise area so that customer bills would be the same as those paid by SaskPower customers. Failure to do this would result in inequities between similar customers served by the two utilities in Saskatoon.

REPORT

The Saskatchewan Rate Review Panel has recommended that SaskPower rates be increased by an average of 4.9% effective January 1, 2013. The Administration was notified of Cabinet approval on December 12, 2012.

With the release of SaskPower's rate schedule, Saskatoon Light & Power will prepare the corresponding rate schedule for the Saskatoon Light & Power franchise area. In order to bring the new rates into effect on January 1, 2013, the City Solicitor's Office has prepared an amendment to the Rate Bylaw implementing the required rate changes for Council's consideration (Attachment 1). The rate increase has been set so that all customers whether residential, commercial, street lighting or SL&P bulk power receive a 4.9% rate increase. The average monthly increase for residential customers is \$4.50.

OPTIONS TO THE RECOMMENDATION

There are no options to the recommendation.

POLICY IMPLICATIONS

There are no policy implications.

FINANCIAL IMPLICATIONS

The financial impact of this rate increase is included in the proposed 2013 Operating Budget. Revenue increases, bulk power increase, Grants-in-lieu of taxes increases, and the surplus revenue pays for SL&P's inflationary cost increases.

PUBLIC AND/OR STAKEHOLDER INVOLVEMENT

There is no public and/or stakeholder involvement.

COMMUNICATION PLAN

Upon approval of the electrical rates, the City will inform customers through a Public Service Announcement and using social media tools such as Facebook and Twitter. In addition, the City webpages will be updated to reflect the new rate.

ENVIRONMENTAL IMPLICATIONS

Any energy conservation resulting from the rate increase will reduce greenhouse gas.

PRIVACY IMPACT

Not applicable.

SAFETY/CRIME PREVENTION THROUGH ENVIRONMENTAL DESIGN (CPTED)

Not applicable.

PUBLIC NOTICE

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

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ATTACHMENT

1. Bylaw No. 9072 - The Electric Light and Power Amendment Bylaw, 2012.

Moved by Councillor Hill, Seconded by Councillor Clark,

THAT the recommendation of the Administration be adopted.

CARRIED.

INTRODUCTION AND CONSIDERATION OF BYLAWS

Bylaw 9072

Moved by Councillor Loewen, Seconded by Councillor Olauson,

THAT permission be granted to introduce Bylaw No. 9072, being "The Electric Light and Power Amendment Bylaw, 2012" and to give same its first reading.

CARRIED.

The bylaw was then read a first time.

Moved by Councillor Loewen, Seconded by Councillor Paulsen,

THAT Bylaw No. 9072 be now read a second time.

CARRIED.

The bylaw was then read a second time.

Moved by Councillor Loewen, Seconded by Councillor Jeffries,

THAT Council go into Committee of the Whole to consider Bylaw No. 9072.

CARRIED.

Council went into Committee of the Whole with Councillor Loewen in the Chair.

Committee arose.

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Councillor Loewen, Chair of the Committee of the Whole, made the following report:

That while in Committee of the Whole, Bylaw No. 9072 was considered clause by clause and approved.

Moved by Councillor Loewen, Seconded by Councillor Hill,

THAT the report of the Committee of the Whole be adopted.

CARRIED.

Moved by Councillor Loewen, Seconded by Councillor Clark,

THAT permission be granted to have Bylaw No. 9072 read a third time at this meeting.

CARRIED UNANIMOUSLY.

Moved by Councillor Loewen, Seconded by Councillor Iwanchuk,

THAT Bylaw No. 9072 now be read a third time, that the bylaw be passed and the Mayor and the City Clerk be authorized to sign same and attach the corporate seal thereto.

CARRIED.

Moved by Councillor Loewen,

THAT the meeting stand adjourned.

CARRIED.

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The meeting adjourned at 1:04 p.m.

Mayor

City Clerk