

Electric Rate Modification FAQs

- **Is the City of Lebanon discussing a rate increase?**
 - There is no discussion about an across-the-board rate increase for our customers. There is a discussion about modifying the current rate structure between the different customer types and creating a service availability fee. As part of the discussion on electric rates in 2015 it was determined to hire a professional engineering company (Toth and Associates) to review our costs, fees, infrastructure, and rates to properly align the rate structure with best utility practices.
- **What did Toth and Associates recommend and why?**
 - A copy of the full report can be found [here](#) and an executive summary presented to the City Council can be found [here](#). In short Toth and Associates recommended simplifying our rate structure and implementing a service availability fee to come into line with modern best utility practices.
- **Does this change in rate structure mean the City will receive more money from its customers?**
 - No. The structure change is revenue neutral for the City and will not result in an increase in revenue from implementing the recommendations in this report.
- **What is a service availability fee and why do we need it?**
 - A service availability fee is a dedicated fee established to assist in operating and maintaining our system, which consists of 677 miles of wire, 4993 poles, transformers, and basic infrastructure, all of which is required to deliver the power to your home. This is separate from the actual electricity you consume. Lebanon is unique in the area in that we do not have an availability fee. The proposed service availability fee is not an additional fee but is instead being split off from your existing kWhrs cost, resulting in a simpler rate structure for all customers.
- **What are the different types or classes of users?**
 - Customers are broken down by their usage and the associated needs with their level of power demand. Residential, Commercial-1 is below 10,000 kWhrs/month, Commercial-2 is greater than 10,000 kWhrs/month, Commercial-Industrial has between 150 and 500 kW demand or approximately 87,000 kWhrs, Industrial-1 has 500 to 1,500 kW demand or approximately 400,000 kWhrs, and Industrial-2 is any customer above 1,500 kW demand or approximately 2,000,000 kWhrs.
- **What is a “winter rate”?**
 - Historically the cost per kilowatt hour is adjusted based upon the season. From October through April, once you exceed 2,000 kilowatt hours the rate per kilowatt hour is reduced. Approximately 20 percent of Residential customers average consumption is greater than 2,000 kilowatt hours/month during this season. The average Residential

customer's October through April usage is only 1,315 kWhrs which is not enough consumption to be charged the "winter rate." Additionally, the average cost per kWhr the city pays October through April is higher than May through September.

- **I think I consume enough electricity to utilize the existing "winter rate." Is there any assistance I can get from the City in lowering my bill or reviewing my energy usage?**
 - Yes, a free service is available to all City electric utility customers to help manage your utility bill. A City customer representative can assist with performing a table top home energy assessment, which reviews your electric consumption history, inventory and age of electric appliances and equipment within the home. Electricity usage monitors maybe placed on appliances to evaluate usage to help target inefficiencies. Further assistance can be given, to identify available rebates appropriate for your needs. Please do not hesitate to call 417-532-2345 for more information. We want to help our residents control their power consumption, especially during hot and cold periods.

- **What is the money in the electric reserve fund for?**
 - City ordinance requires the electric reserve fund be maintained between 30% and 50% of electric operating budget. These funds are held in case of a major failure of the system. This would include damage caused by tornados and ice storms, for example.

- **Does the City of Lebanon have a power plant?**
 - No. The City of Lebanon is a member of a power pool with 35 cities collectively purchasing electricity. The cost of this electricity changes on a regular basis and fluctuates with the energy market. The City also pays a fee for electricity delivered to us over high voltage transmission lines which are owned by other companies.