



Huntsville, Alabama

305 Fountain Circle
Huntsville, AL 35801

Cover Memo

Meeting Type: City Council Regular Meeting **Meeting Date:** 10/10/2024

File ID: TMP-4705

Department: Huntsville Utilities

Subject: Type of Action: Approval/Action

Resolution authorizing the Mayor to approve an approximate 5.1% rate increase in electric utility rates. The adjustment will be implemented in two phases. The first, effective January 2025, will increase rate revenue by 3.9%, and the second, effective October 2025, will increase rate revenue by 1.2%. (Utilities: Electric)

Resolution No. N/A

Finance Information:

Account Number: N/A

City Cost Amount: \$ N/A

Total Cost: \$ N/A

Special Circumstances:

Grant Funded: \$ N/A

Grant Title - CFDA or granting Agency: N/A

Resolution #: N/A

Location: (list below)

Address: N/A

District: District 1 ☐ District 2 ☐ District 3 ☐ District 4 ☐ District 5 ☐

Additional Comments: N/A

RESOLUTION NO. 24-749

WHEREAS, the City Council of the City of Huntsville, Alabama (hereinafter referred to as Distributor), and Tennessee Valley Authority (hereinafter referred to as TVA), did heretofore enter into a contract dated May 26, 1980 (which contract, as amended and supplemented, is hereinafter called the Power Contract); and

WHEREAS, the parties wish to amend the Power Contract in the respects necessary to place into effect new resale rate schedules and in certain other respects; and

WHEREAS, based upon TVA approval, the parties shall enter into a Resale Rate Schedule Substitution Agreement dated prior to January 1, 2025, and subsequent Resale Rate Schedule Substitution Agreements dated prior to October, 2025, which will place into effect new resale rate schedules to Schedule RS, Schedule GSA, Schedule LS, Schedule EVC, Schedule SRS, Schedule TDGSA and Schedule MS; and

WHEREAS, there will be presented to the Mayor of the City of Huntsville, Alabama, an agreement instituting new resale rate schedules effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the January 2025 revenue month and subsequently the October 2025 revenue month, with the representation that the said agreements have been approved by the Huntsville Electric Utility Board.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Huntsville, Alabama, based on TVA approval, that it does approve entering into a Resale Rate Schedule Substitution Agreement dated prior to January 1, 2025, and subsequent Retail Rate Schedule Substitution Agreements dated prior to October 2025, and the Mayor of the City of Huntsville, Alabama be, and he is authorized to execute said agreements for and on behalf of the City of Huntsville, Alabama, and the Clerk-Treasurer be and is hereby authorized to attest the same and to affix thereto the seal of the City of Huntsville, Alabama, all in as many counterparts as may be necessary;

BE IT FURTHER RESOLVED by the City Council of the City of Huntsville, Alabama, that the Mayor be, and he is hereby authorized to enter into agreements by and between the City of Huntsville and the Tennessee Valley Authority on behalf of the City of Huntsville, a municipal corporation in the State of Alabama, which said agreements are substantially in words and figures similar to that certain document attached hereto and identified as "Proposed Electric Rates Effective January 2025" and "Proposed Electric Rates Effective October 2025" together with the signature of President or President Pro Tem of the City Council, an executed copy of said document being permanently kept in file in the Office of the City-Clerk Treasurer of the City of Huntsville, Alabama.

RESOLUTION NO. 24-749 (Cont'd)

ADOPTED this the 10th day of October, 2024.

President of the City Council of
the City of Huntsville, Alabama

APPROVED this the 10th day of October, 2024.

Mayor of the City of Huntsville,
Alabama



Huntsville Utilities

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Proposed Electric Rates

Effective January 2025

Rates are Inclusive of TVA's October 2024 Increase

Rates Not Inclusive of FCA

		(Summer)	(Winter)	(Transition)
Residential RS REM-22	Availability Charge ≤ 200amp	\$ 17.23	\$ 17.23	\$ 17.23
	Availability Charge >200amp	\$ 17.23	\$ 17.23	\$ 17.23
	Energy Charge - 1 st 1,400 kwh	\$ 0.08628	\$ 0.08264	\$ 0.08019
	Energy Charge - Next 1,600 kwh	\$ 0.09246	\$ 0.08882	\$ 0.08638
	Energy Charge - Additional kwh	\$ 0.09246	\$ 0.08882	\$ 0.08638
Residential SRS REM-21	Availability Charge	\$ 18.77	\$ 18.77	\$ 18.77
	Energy Charge - All kwh	\$ 0.09796	\$ 0.09439	\$ 0.09193
Outdoor Lighting LS RLU-77 CLM-72,73,74,75	Availability Charge ***	\$ 2.50	\$ 2.50	\$ 2.50
	(Parking Lots, Traffic Signals, Athletic Lights)			
Commercial CEM-40,49	GSA1			
	Availability Charge	\$ 21.10	\$ 21.10	\$ 21.10
Commercial CEM-50,57	GSA2			
	Availability Charge	\$ 90.00	\$ 90.00	\$ 90.00
	Demand Charge - 1 st 50 kW	\$ -	\$ -	\$ -
	Demand Charge - Additional kW	\$ 16.71	\$ 15.60	\$ 15.60
	Energy Charge - 1 st 15,000 kwh	\$ 0.10220	\$ 0.09847	\$ 0.09609
Commercial CEM-54,59 IEM-55	GSA3			
	Availability Charge	\$ 250.00	\$ 250.00	\$ 250.00
	Demand Charge - 1 st 1,000 kW	\$ 16.52	\$ 15.41	\$ 15.41
	Demand Charge - Additional kW	\$ 16.34	\$ 15.23	\$ 15.23
	Energy Charge - All kwh	\$ 0.05516	\$ 0.05166	\$ 0.05019
Electric Vehicle CEM-301	EVC			
	Availability Charge	\$ 100.00	\$ 100.00	\$ 100.00
Industrial IEM-26	MSB			
	Availability Charge	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
	Administrative Fee	\$ 350.00	\$ 350.00	\$ 350.00
	Demand Charge - Onpeak kW	\$ 11.27	\$ 10.19	\$ 10.19
	Demand Charge - Max kW	\$ 2.67	\$ 2.67	\$ 2.67
	Demand Charge - Excess Over Contract kW	\$ 11.27	\$ 10.19	\$ 10.19
	Energy Charge - Onpeak kwh	\$ 0.06588	\$ 0.05334	\$ 0.04179
	Energy Charge - Offpeak 1 st 200 hrs	\$ 0.03838	\$ 0.04084	\$ 0.04179
	Energy Charge - Offpeak Next 200 hrs	\$ 0.00574	\$ 0.00574	\$ 0.00574
	Energy Charge - Offpeak Additional kwh	\$ 0.00293	\$ 0.00293	\$ 0.00293



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Effective January 2025

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Rates Not Inclusive of FCA

			(Summer)	(Winter)	(Transition)
Industrial IEM-28	MSC	Availability Charge	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
		Administrative Fee	\$ 350.00	\$ 350.00	\$ 350.00
		Demand Charge - Onpeak kW	\$ 11.27	\$ 10.19	\$ 10.19
		Demand Charge - Max kW	\$ 2.47	\$ 2.47	\$ 2.47
		Demand Charge - Excess Over Contract kW	\$ 11.27	\$ 10.19	\$ 10.19
		Energy Charge - Onpeak kwh	\$ 0.06465	\$ 0.05210	\$ 0.04055
		Energy Charge - Offpeak 1 st 200 hrs	\$ 0.03714	\$ 0.03959	\$ 0.04055
		Energy Charge - Offpeak Next 200 hrs	\$ 0.00728	\$ 0.00728	\$ 0.00728
		Energy Charge - Offpeak Additional kwh	\$ 0.00728	\$ 0.00728	\$ 0.00728
Industrial IEM-29	MSD	Availability Charge	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
		Administrative Fee	\$ 350.00	\$ 350.00	\$ 350.00
		Demand Charge - Onpeak kW	\$ 11.27	\$ 10.19	\$ 10.19
		Demand Charge - Max kW	\$ 1.71	\$ 1.71	\$ 1.71
		Demand Charge - Excess Over Contract kW	\$ 11.27	\$ 10.19	\$ 10.19
		Energy Charge - Onpeak kwh	\$ 0.05972	\$ 0.04716	\$ 0.03561
		Energy Charge - Offpeak 1 st 200 hrs	\$ 0.03222	\$ 0.03465	\$ 0.03561
		Energy Charge - Offpeak Next 200 hrs	\$ 0.00299	\$ 0.00299	\$ 0.00299
		Energy Charge - Offpeak Additional kwh	\$ 0.00234	\$ 0.00234	\$ 0.00234
Industrial IEM-68	TDMSA	Availability Charge	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
		Administrative Fee	\$ 350.00	\$ 350.00	\$ 350.00
		Demand Charge - Onpeak kW	\$ 11.27	\$ 10.19	\$ 10.19
		Demand Charge - Max kW	\$ 4.12	\$ 4.12	\$ 4.12
		Demand Charge - Excess Over Contract kW	\$ 11.27	\$ 10.19	\$ 10.19
		Energy Charge - Onpeak kwh	\$ 0.06340	\$ 0.05083	\$ 0.03932
		Energy Charge - Offpeak 1 st 200 hrs	\$ 0.03591	\$ 0.03834	\$ 0.03932
		Energy Charge - Offpeak Next 200 hrs	\$ 0.00574	\$ 0.00574	\$ 0.00574
		Energy Charge - Offpeak Additional kwh	\$ 0.00293	\$ 0.00293	\$ 0.00293
Industrial IEM-36	GSB	Availability Charge	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
		Administrative Fee	\$ 350.00	\$ 350.00	\$ 350.00
		Demand Charge - Onpeak kW	\$ 11.95	\$ 10.89	\$ 10.89
		Demand Charge - Max kW	\$ 5.92	\$ 5.92	\$ 5.92
		Demand Charge - Excess Over Contract kW	\$ 11.95	\$ 10.89	\$ 10.89
		Energy Charge - Onpeak kwh	\$ 0.07396	\$ 0.06147	\$ 0.04620
		Energy Charge - Offpeak 1 st 200 hrs	\$ 0.04655	\$ 0.04900	\$ 0.04620
		Energy Charge - Offpeak Next 200 hrs	\$ 0.00853	\$ 0.00853	\$ 0.00853
		Energy Charge - Offpeak Additional kwh	\$ 0.00477	\$ 0.00477	\$ 0.00477



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		(Summer)	(Winter)	(Transition)	
Industrial IEM-66	TDGSA	Availability Charge	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
		Administrative Fee	\$ 350.00	\$ 350.00	\$ 350.00
		Demand Charge - Onpeak kW	\$ 12.04	\$ 10.99	\$ 10.99
		Demand Charge - Max kW	\$ 5.94	\$ 5.94	\$ 5.94
		Demand Charge - Excess Over Contract kW	\$ 12.04	\$ 10.99	\$ 10.99
		Energy Charge - Onpeak kwh	\$ 0.09086	\$ 0.07403	\$ 0.05859
		Energy Charge - Offpeak 1 st 200 hrs	\$ 0.05400	\$ 0.05727	\$ 0.05859
		Energy Charge - Offpeak Next 200 hrs	\$ 0.00729	\$ 0.00729	\$ 0.00729
		Energy Charge - Offpeak Additional kwh	\$ 0.00396	\$ 0.00396	\$ 0.00396

*** For Residential Security Lighting Availability, refer to Schedule LS Part B



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Residential RS REM-22	Availability Charge ≤ 200amp	\$ 17.23	\$ 17.23	\$ 17.23
	Availability Charge > 200amp	\$ 22.78	\$ 22.78	\$ 22.78
	Energy Charge - 1 st 1,400 kwh	\$ 0.08742	\$ 0.08378	\$ 0.08133
	Energy Charge - Next 1,600 kwh	\$ 0.09246	\$ 0.08882	\$ 0.08638
	Energy Charge - Additional kwh	\$ 0.09246	\$ 0.08882	\$ 0.08638
Residential SRS REM-21	Availability Charge	\$ 18.77	\$ 18.77	\$ 18.77
	Energy Charge - All kwh	\$ 0.09910	\$ 0.09553	\$ 0.09307
Outdoor Lighting LS RLU-77 CLM-72,73,74,75	Availability Charge *** (Parking Lots, Traffic Signals, Athletic Lights)	\$ 2.50	\$ 2.50	\$ 2.50
	Energy Charge - All kwh	\$ 0.06457	\$ 0.06079	\$ 0.05843
Commercial CEM-40,49 GSA1	Availability Charge	\$ 21.70	\$ 21.70	\$ 21.70
	Energy Charge - All kwh	\$ 0.10205	\$ 0.09848	\$ 0.09602
Commercial CEM-50,57 GSA2	Availability Charge	\$ 90.89	\$ 90.89	\$ 90.89
	Demand Charge - 1 st 50 kW	\$ -	\$ -	\$ -
	Demand Charge - Additional kW	\$ 16.71	\$ 15.60	\$ 15.60
	Energy Charge - 1 st 15,000 kwh	\$ 0.10359	\$ 0.09986	\$ 0.09748
	Energy Charge - Additional kwh	\$ 0.05484	\$ 0.05131	\$ 0.04983
Commercial CEM-54,59 GSA3 IEM-55	Availability Charge	\$ 251.12	\$ 251.12	\$ 251.12
	Demand Charge - 1 st 1,000 kW	\$ 16.52	\$ 15.41	\$ 15.41
	Demand Charge - Additional kW	\$ 16.34	\$ 15.23	\$ 15.23
	Energy Charge - All kwh	\$ 0.05645	\$ 0.05295	\$ 0.05148
Electric Vehicle CEM-301 EVC	Availability Charge	\$ 100.00	\$ 100.00	\$ 100.00
	Energy Charge - All kwh	\$ 0.21773	\$ 0.21773	\$ 0.21773
Industrial IEM-26 MSB	Availability Charge	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
	Administrative Fee	\$ 350.00	\$ 350.00	\$ 350.00
	Demand Charge - Onpeak kW	\$ 11.27	\$ 10.19	\$ 10.19
	Demand Charge - Max kW	\$ 2.67	\$ 2.67	\$ 2.67
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		Energy Charge - Offpeak Additional kwh	\$ 0.00234	\$ 0.00234	\$ 0.00234
Industrial IEM-68	TDMSA	Availability Charge	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
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		Energy Charge - Offpeak 1 st 200 hrs	\$ 0.04655	\$ 0.04900	\$ 0.04620
		Energy Charge - Offpeak Next 200 hrs	\$ 0.00853	\$ 0.00853	\$ 0.00853
		Energy Charge - Offpeak Additional kwh	\$ 0.00477	\$ 0.00477	\$ 0.00477



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		Administrative Fee	\$ 350.00	\$ 350.00	\$ 350.00
		Demand Charge - Onpeak kW	\$ 12.04	\$ 10.99	\$ 10.99
		Demand Charge - Max kW	\$ 5.94	\$ 5.94	\$ 5.94
		Demand Charge - Excess Over Contract kW	\$ 12.04	\$ 10.99	\$ 10.99
		Energy Charge - Onpeak kwh	\$ 0.09086	\$ 0.07403	\$ 0.05859
		Energy Charge - Offpeak 1 st 200 hrs	\$ 0.05400	\$ 0.05727	\$ 0.05859
		Energy Charge - Offpeak Next 200 hrs	\$ 0.00729	\$ 0.00729	\$ 0.00729
		Energy Charge - Offpeak Additional kwh	\$ 0.00396	\$ 0.00396	\$ 0.00396

*** For Residential Security Lighting Availability, refer to Schedule LS Part B