

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE ENERGY COST RECOVERY RIDER; DECLARING AN EMERGENCY; AND FOR OTHER PURPOSES.

WHEREAS, the City of North Little Rock, Arkansas (“City”) has historically used an Energy Cost Recovery Rider (“ECR”) as a component of its electric rate structure to recoup the variable cost of providing wholesale power to the North Little Rock Electric Department (“NLRED”) distribution system; and

WHEREAS, through the adoption of Ordinance No. 8242 on March 22, 2010, the City included an ECR component in the retail rates charged for electric service; and

WHEREAS, through the adoption of Ordinance No. 8456 on June 25, 2012 and Ordinance No. 8472 on August 27, 2012, the City modified the ECR calculation by including a formula that calculated the ECR using a six month period of cost and sales; and

WHEREAS, since participating in markets operated by the Midcontinent Independent System Operator (“MISO”) the City has experienced decreasing power costs, but transmission costs have increased significantly and become more volatile; and

WHEREAS, the ECR has properly functioned to reduce rates for wholesale power costs, but has not recovered increases in the cost of transmission

WHEREAS, it is proper to include the cost of transmission as part of the cost of power for purposes of calculating the ECR.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

SECTION 1: That the current electric rates, as established by Ordinance No. 8242 and modified by Ordinance No. 8316, Ordinance No. 8456, and Ordinance No. 8472 are hereby amended by adding the following definition:

Power cost or cost of power shall mean all expenses necessary to deliver electricity to the City’s distribution system, including without limitation, expenses related to: generation, transmission, wholesale power purchases, capacity, regulatory compliance, risk management and equivalents thereof.

SECTION 2: That the City hereby finds that the cost of power sold and recovered through retail rates as computed in the City’s current rate structure is

inaccurate and must be amended immediately to ensure proper billing for power costs; THEREFORE, an emergency is hereby declared to exist and this Ordinance shall be in full force and effect from and after its passage and approval.

PASSED:

APPROVED:

Mayor Joe A. Smith

SPONSOR:

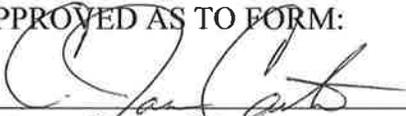
ATTEST:



Mayor Joe A. Smith

Diane Whitbey, City Clerk

APPROVED AS TO FORM:



C. Jason Carter, City Attorney

PREPARED BY THE OFFICE OF THE CITY ATTORNEY

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| FILED <u>11:45</u> A.M. _____ P.M. |
| By <u>Attorney Carter</u> |
| DATE <u>11/22/16</u> |
| Diane Whitbey, City Clerk and Collector North Little Rock, Arkansas |
| RECEIVED BY <u>T. McGraw</u> |