

Memorandum
City of Lawrence
City Manager's Office

To: David L. Corliss, City Manager
Mayor Dever & City Commission
From: Eileen Horn, Sustainability Coordinator
CC: Management Team
Date: March 3, 2014

Re: Impact of Westar Energy Electricity Rate Increases in 2014

Recently, City staff met with Westar Energy representatives to discuss the impacts of the rate increases passed by the Kansas Corporation Commission in 2013. These increased rates will go into effect throughout 2014 and include:

- LaCygne EPA Improvements (1.3% Medium General Service, 3.5% Small General Service, 9% Street lights)
- Property Tax (0.5%)
- Transmission Delivery (2.8%)
- EPA (0.75%)
- Energy Efficiency (0.1%)

The majority of our city buildings fall under the Small General Service billing category and will be subject to the 3.5% increase in electricity rates. This will impact buildings like City Hall, fire stations, and our recreation centers. Our Kaw and Clinton Water Plants (Medium General Service) are also likely to see a 1.5-2% increase.

The city pays for 3,500 streetlights owned by Westar, at an annual cost of approximately \$600,000/year. These streetlight accounts will see a 9% rate increase (\$54,000/yr).

According to estimates, if the City's 2014 usage stays consistent with 2013 usage, we anticipate these rate increases will result in a total increased electricity cost of approximately \$200,000/yr.