



# MEMORANDUM

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**To:** Mayor and Members of the City Council

**From:** Montre' Freeman, City Manager  
Donnell R. White, Electric Superintendent

**Date:** March 10, 2023

**Subj:** Call for a Public Hearing - Cost of Operations – Amendment to Fee Schedule

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***BACKGROUND:***

In the past, the City's Electric Department has not charged commercial customers for the cost of transformers. This was a practice put in place many years ago, and primarily served as an effort to facilitate the growth of our commercial sector. We are now in an era where our commercial business is booming and it no longer necessitates that we forgo normal fees to attract new business. Nearly all other towns / municipalities charge for transformers, and at the price point these items are at now, it is imperative that we begin properly charging for them instead of the City eating the cost.

***ANALYSIS:***

The Electric Department would like to have an amendment to the fee schedule considered in order to move forward with charging commercial customers for the cost of their transformers. We do not intend to charge for labor, just the materials alone. We intend to include this fee in the schedule as "market rate" as the cost of these supplies is ever fluctuating and varies based on size. This new fee will help with operations and infrastructure costs in the future. As this is a change / addition to our fee schedule, the Council will need to call for a public hearing if it is the desire of the body to move forward.

***STAFF RECOMMENDATION:***

By motion, call for a public hearing to be held on Monday, March 27, 2023 during the Regular Session of the City Council, directly following the public comment period for the purpose of gathering public input on adoption of an amendment to the electric fee schedule.