



## Net Metering Customer:

Spanish Fork City, through its power supplier, Utah Municipal Power Agency (UMPA), contracted with a national electric rate consultant, Dave Berg Consulting, LLC, for a multi-city study to determine equitable ways to bill and credit net metering.

This study pointed out that windmills and solar panels need the city power lines in order to push power out onto the city system as well as to receive power from the city when not generating. The study identified that net metering customers should receive credit for the power they give but, in fairness to the system, they should share in the cost of maintaining the power lines. Otherwise, electric systems would become financially insolvent when a greater number of net metering customers sign up.

Spanish Fork City is committed to creating an electric rate and policy that does not discourage solar panels or windmills or any other renewable energy practice. We are also committed to creating a sustainable system going forward ensuring that all residents have access to reliable power, including those who use solar power.

After many months of researching and reviewing best practices in other electric utilities, city staff is recommending two different rate structure options for the city council to consider. One is a simple balanced base rate model as recommended in the study and the other is modeled after the rate structure that Provo City recently adopted.

City staff also recommends that if either of these rate structures are adopted they be gradually applied over 3 years with adjustments being made every 6 months. Please see below for the estimated proposed rate schedules.



**Estimated Proposed Electric Rates  
Balanced Base Model**

Step	Base Rate	Retail Energy Rate
Existing Rate	\$6.00	\$0.08650
1 - 7/1/2017	\$9.01	\$0.08371
2 - 1/1/2018	\$11.95	\$0.07980
3 - 7/1/2018	\$15.08	\$0.07685
4 - 1/1/2019	\$18.05	\$0.07289
5 - 7/1/2019	\$21.29	\$0.06980
6 - 1/1/2020	\$24.30	\$0.06578

**Note 1:** Proposed rates include anticipated estimated regular rate increases

**Note 2:** Base rate increases are offset by equivalent retail energy rate decreases

**Estimated Proposed Electric Rates  
Modified Provo Model**

Step	Base Rate	Retail Energy Rate	Net Metering Credit Rate
Existing Rate	\$6.00	\$0.08650	\$0.08650
1 - 7/1/2017	\$7.41	\$0.08585	\$0.05803
2 - 1/1/2018	\$8.74	\$0.08407	\$0.05803
3 - 7/1/2018	\$10.21	\$0.08335	\$0.05879
4 - 1/1/2019	\$11.56	\$0.08155	\$0.05879
5 - 7/1/2019	\$13.07	\$0.08076	\$0.05955
6 - 1/1/2020	\$14.44	\$0.07893	\$0.05955

**Note 1:** Proposed rates include anticipated estimated regular rate increases

**Note 2:** Base rate increases are offset by equivalent retail energy rate decreases

To facilitate better reporting, the city plans to adjust what the net meters record for each home. Starting in May, a separate reading will be shown on each utility bill for the amount of power used and pushed back out onto the city system.

We value your opinions on these issues and invite you to a discussion on net metering billing and rates at the city office at 40 South Main Street, on Thursday, March 23rd at 6:00 PM. If you have any questions or comments, please call me, at (801) 804-4436 or email at [kpeterson@spanishfork.org](mailto:kpeterson@spanishfork.org).

Thank you,

Kelly Peterson,

Electric Superintendent

Spanish Fork City