

CITY COUNCIL MEETING

Date 10-15-2012

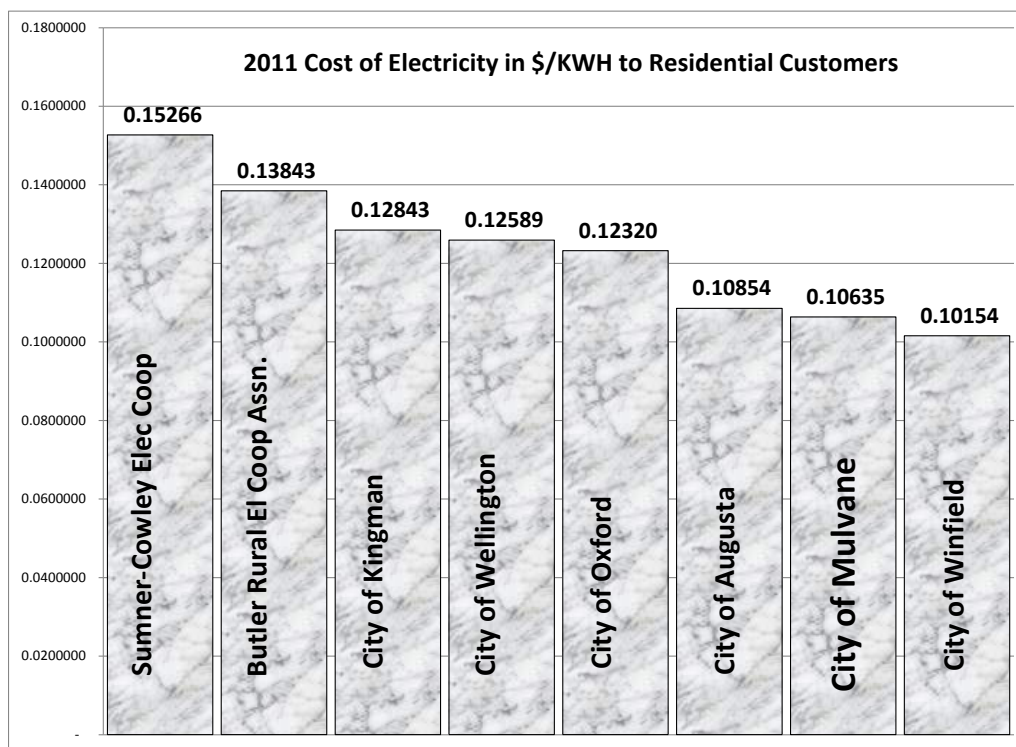
TO: Mayor and City Council
SUBJECT: Electric Rate Comparison
FROM: Utility Generation Director
Section: -Communication

Comparing Electric Rates in Kansas

Each electric utility doing business in the United States is required to submit operating data to the Energy Information Agency (EIA) for the previous year by an April 30 deadline. That data is compiled and released around the end of that year. The data covering the 2011 operating year was released in the September 22, 2012. In 2011 Mulvane ranked at the 25 percentile, meaning that nearly 75% of the 151 electric utilities doing business in Kansas charge their residential customers more for electricity than Mulvane charges.

Comparing the Mulvane residential electricity cost with the cost in the other Generating Municipalities located within 50 miles.

Mulvane was the low cost provider of the generation municipalities within 50 miles, with the single exception of Winfield. The difference between Winfield’s residential electric cost and Mulvane’s is less than 4.7%.



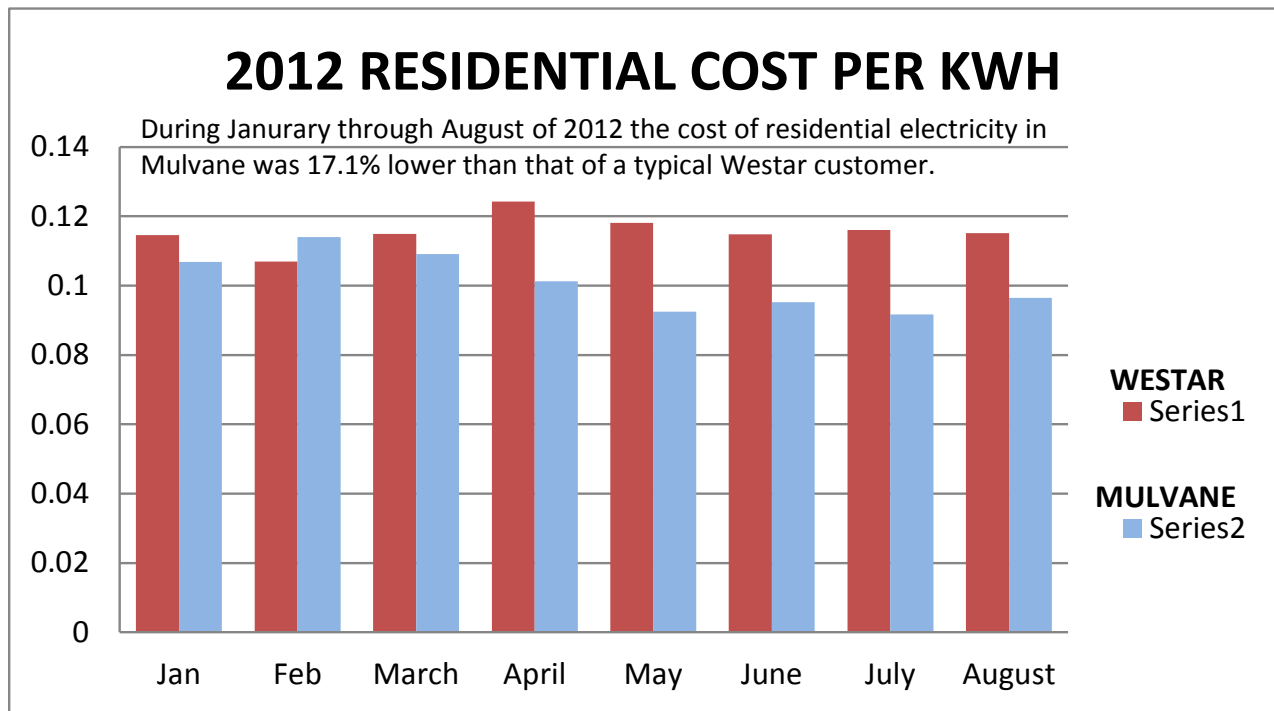
DOE EIA Data for 2010

City of Mulvane	\$0.10635 / kWh	
City of Augusta	\$ 0.10854/ kWh	2.1% higher than Mulvane
City of Winfield	\$ 0.10154/ kWh	4.7% lower than Mulvane
City of Kingman	\$ 0.12843/ kWh	20.8% higher than Mulvane
City of Wellington	\$ 0.12589/ kWh	18.4% higher than Mulvane
City of Oxford	\$0.12320/kWh	15.8% higher than Mulvane

Comparing Mulvane residential electricity cost with those of Westar.

Each month we compare the average cost of electricity per kilowatt hour of Mulvane customers with a typical residential customer's cost on the Westar system. The cost to Mulvane residential customers is significantly less than the cost to Westar residential customers. So far In 2012 Mulvane has been 17.1% cheaper than Westar. Westar's rates are trending upwards. So far in 2012, their base charge, and their charge for transmission have been increased.

Starting with the billing for July energy, the cost of electricity to all Mulvane customers has been reduced by 5%. Additional rate reductions are anticipated after we have the opportunity monitor and evaluate the changing financial position of the Electric Department.



The cost to Mulvane residential customers has been less than the cost to Westar residential customers during the four years that we have data to compare.

In 2009 Mulvane was 5.24% lower than Westar.

In 2010 Mulvane was 8.76% lower than Westar.

In 2011 Mulvane was 2.34% lower than Westar.

Year-to-date in 2012 Mulvane is 17.1% lower than Westar.

Summary

We are proud of the performance of our electric utility. Over the past thirty years, Mulvane has been the low-cost provider of electricity in our area most of the time. In addition to the millions of dollars that our customers have collectively saved through lower rates, our electric utility has benefited the community in countless ways. In addition to savings on electricity, our electric utility is a significant contributor to Mulvane's General Fund, permitting our city to offer superior police, emergency services, streets, and parks than most communities our size.

Today we are cheapest provider of the four that serve the area defined by the USD 263 school district, including City of Mulvane; Butler Rural El Coop Assn, Inc; Sumner-Cowley Electric Coop, Inc; and Westar Energy.

Submitted By
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