



Residential Rate Discussion

September 29, 2020

CPP Charges Explained

- Electricity Charge – The fixed rate that CPP charges for each kWh of power that a customer uses. The revenue from this charge is used to pay salaries, operations, capital, and debt.
- kWh Excise Tax – Tax required and set by the State of Ohio and charged for each kWh of power that a customer uses.
- Energy Adjustment Charge (EAC) – Charge by which CPP recovers costs incurred for the purchase of electric power that CPP sells to its customers.

	2015	2016	2017	2018	2019
Electricity Charge	61,506,281	65,860,642	62,708,583	67,061,835	68,924,548
Energy Adjustment	127,620,703	120,427,918	121,594,694	140,268,648	133,826,953
Excise Tax	5,407,432	5,250,648	5,231,198	5,485,100	5,281,657
Total Charges for Services	194,534,416	191,539,208	189,534,475	212,815,583	208,033,158

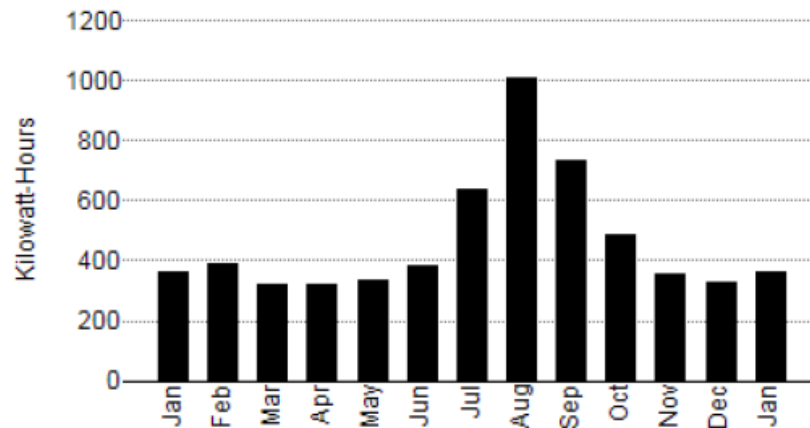
A Typical CPP Bill

Billing Period Dec 10, 2019 - Jan 10, 2020

Meter #	Previous Read	Current Read	Usage	Days	Type
R52578	98452	98815	363	31	Actual

Current Usage:	363 kilowatt-hours
Average Monthly Usage:	463 kilowatt-hours
Total Annual Usage:	5659 kilowatt-hours

Monthly Usage Comparison



Account Summary as of Jan 14, 2020

Balance Forward	48.17
Total Payment Received	48.17

Past Due Amount 0.00

Electricity Charge Winter 23.78

KWH Tax 1.69

Energy Adjustment (0.0780620/KWH) 28.34

Current Charges 53.81

Adjustments 0.00

Total Account Balance 53.81

Amount Due 53.81

CO 523.02 Residential Rate Schedule

The following schedule is applicable to private single residences or to any individually metered family accommodation when service is used primarily for domestic and household purposes, as distinguished from commercial, professional or industrial purposes:

(a) *Kilowatt Hour Charge.*

KWH Per Month	Summer Rate (per KWH)	Winter Rate (per KWH)
First 1,000	\$.0774	\$.0655
All over 1,000	\$.0752	\$.0353

(b) *Definition of Seasonal Rate.* For the purpose of this rate schedule, the summer rate shall be in effect during the months of June, July, August, September and October. The winter rate shall be in effect during the months of November, December, January, February, March, April and May.

(c) *Energy Adjustment Charge.* In accordance with Section 523.21, an incremental charge or credit for energy may be determined on a monthly basis by the Division of Light and Power. Such incremental charge may be made in addition to the rates established in this section, but in no case shall such charge exceed the amount calculated by using the formula established in Section 523.21.

(d) *Environmental and Ecological Adjustment.* An environmental and ecological adjustment shall be applied to this rate as set forth and described in Section 523.17.

CO 523.21 Energy Adjustment Charge (EAC)

(a) An additional incremental charge for excess fuel and power production and purchase power costs may be applied to the rates prescribed in Sections 523.02 to 523.065 and any other rate schedule as may be adopted by the City.

(b) The incremental charge shall be based on the fuel and purchase power cost per kilowatt hour delivered calculated under divisions (c)(1) and (c)(2) of this section.

(c) (1) The fuel and purchase power cost per kilowatt hour sold to residential ratepayers shall be determined by dividing the sum of the cost of the kilowatt hours purchased from the Power Authority of the State of New York and the average cost of kilowatt hours purchased from other sources needed to supply the residential customers by the total kilowatt hours distributed to residential customers. The incremental charge calculated herein shall be adjusted by subtracting fifteen (15) mils per kilowatt hour for residential customers who provide the Division of Cleveland Public Power with a certificate of reduction of taxes obtained pursuant to the Homestead Exemption provisions of Sections 323.151 through 323.157 of the Revised Code, and nine and three-quarters (9.75) mils per kilowatt hour for all other residential customers.

(2) Except as provided in Section 523.048, the fuel and purchase power cost per kilowatt hour sold to all ratepayers, other than residential ratepayers, during the twelve (12) months of the year, shall be determined by dividing the sum of the total cost of coal, oil, gas and purchase power by the total kilowatt hours distributed, except that the computation shall exclude the cost of PASNY power and the amount of PASNY power allocable to kilowatt hours distributed, and shall exclude the costs of all purchase power and kilowatt hours from a specific source or sources purchased by the Division for distribution to ratepayers pursuant to Sections 523.048 and 523.049. The incremental charge calculated herein shall be adjusted by subtracting three (3.0) mils per kilowatt hour.

(d) At the end of each month, the Division of Cleveland Public Power shall determine the actual fuel and power costs during such month as herein provided and may adjust the additional incremental charge for future months to defer or over-recover the total cost of power in order to stabilize customer bills.

523.17 Environmental and Ecological Adjustment

- (a) The costs of special apparatus and equipment required for compliance with Federal, State or City environmental protection laws and directives as have been or may be installed and operated from time to time or on a continuing basis shall be prorated on a ¢/KW.-hr. basis and assessed against the appropriate rate schedule. The provisions of this section may be applied to rate schedules described in Sections 523.02 to 523.06 or any other rate schedules as may later be enacted and approved.
- (b) The costs for which an adjustment can be incurred shall include but are not limited to voluntary or involuntary research and development charges, purchase and installation of emission control equipment for sulphur, nitrogen and particulate emissions, purchase and installation of control equipment for protection of the natural water supply, purchase and installation of power supply apparatus and power from remote sources and any other charges levied on the Division of Light and Power in lieu of precise compliance with statutes and directives.

Excise tax (kWh tax)

- ORC 5727.81 Reads, in Part

(A) For the purpose of raising revenue for public education and state and local government operations, in excise tax is hereby levied and imposed on an electric distribution company for all electricity distributed by such company at the following rates per kilowatt hour of electricity distributed in a thirty -day period by the company through a meter of an end user in this state:

KILOWATT HOURS DISTRIBUTED	RATE PER
TO AN END USER	KILOWATT HOUR
For the first 2,000	\$.00465
For the next 2,001 to 15,000	\$.00419
For 15,001 and above	\$.00363

Per 5727.82, the tax from a municipal electric utility, may be retained in its general fund.

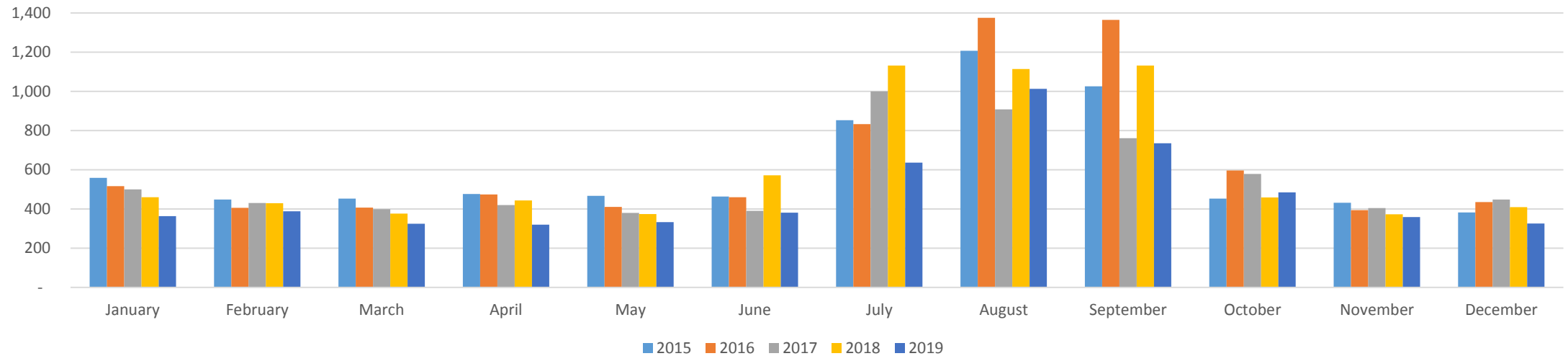
Cleveland City Council authorized (ord. 1152-2019) the General Fund to return 100% of the tax remittance back to CPP for the years 2020 and 2021. This continues the 100% tax remittance that was approved for 2018 and 2019.

Residential Average Consumption Per Month

Month	<u>5 Year kWh Avg</u>	<u>Season</u>	Electricity Charge per kWh	Total Electricity Charge	kWh Excise Tax per kWh	kWh Excise Tax Total	EAC Charge per kWh	EAC Charge Total	Total Bill
January	630	Winter	\$ 0.0655	\$ 41.27	\$ 0.00465	\$ 2.93	\$ 0.07806	\$ 49.18	\$ 93.37
February	562	Winter	\$ 0.0655	\$ 36.83	\$ 0.00465	\$ 2.61	\$ 0.07806	\$ 43.89	\$ 83.33
March	491	Winter	\$ 0.0655	\$ 32.17	\$ 0.00465	\$ 2.28	\$ 0.07806	\$ 38.34	\$ 72.78
April	478	Winter	\$ 0.0655	\$ 31.29	\$ 0.00465	\$ 2.22	\$ 0.07806	\$ 37.30	\$ 70.81
May	382	Winter	\$ 0.0655	\$ 25.01	\$ 0.00465	\$ 1.78	\$ 0.07806	\$ 29.81	\$ 56.60
June	439	Summer	\$ 0.0774	\$ 33.99	\$ 0.00465	\$ 2.04	\$ 0.07806	\$ 34.28	\$ 70.32
July	558	Summer	\$ 0.0774	\$ 43.15	\$ 0.00465	\$ 2.59	\$ 0.07806	\$ 43.52	\$ 89.26
August	574	Summer	\$ 0.0774	\$ 44.42	\$ 0.00465	\$ 2.67	\$ 0.07806	\$ 44.80	\$ 91.89
September	558	Summer	\$ 0.0774	\$ 43.19	\$ 0.00465	\$ 2.59	\$ 0.07806	\$ 43.56	\$ 89.34
October	393	Summer	\$ 0.0774	\$ 30.40	\$ 0.00465	\$ 1.83	\$ 0.07806	\$ 30.66	\$ 62.89
November	448	Winter	\$ 0.0655	\$ 29.35	\$ 0.00465	\$ 2.08	\$ 0.07806	\$ 34.98	\$ 66.42
December	515	Winter	\$ 0.0655	\$ 33.71	\$ 0.00465	\$ 2.39	\$ 0.07806	\$ 40.18	\$ 76.28

Single Family Home – Actual Consumption

2015-2019



- Monthly consumption varies based on many factors, including weather extremes, building age, and structure type. For example, there was extreme weather swings in the past 5 years
 - Winter – In 2015, 13 days recorded low temperature of 0 degrees or less compared to 2 in 2019
 - Summer – In 2016, 29 days recorded high temperature of 90 degrees or more compared to 2017 and 2019 with 19 and 20 days, respectively.
- An account for a new apartment in a large complex will have less fluctuation than a single home.