



2nd Quarter Review- Energy Cost Adjustment (ECA) and Transmission Cost Recovery Factor (TCRF)

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Current Rates

- Native Load Energy Cost Adjustment (No Changes Recommended)
 - \$0.0462/kWh
 - Provides a buffer +/- \$20,000,000 ECA Balance
- Large Load Energy Cost Adjustment (Increase)
 - \$0.0577/kWh increase to \$0.0606/kWh
 - Provides a \$0 to \$20,000,000 ECA balance buffer
- Transmission Cost Recovery Factor (Decrease)
 - \$0.0176/kWh decrease to \$0.0156/kWh
 - \$5.02/kW decrease to \$4.45/kW
 - \$6.95/kVA decrease to \$6.16/kVA

Native Load ECA Forecasted Account Balance

ECA Account Balance Forecast		
Month	Year	Maintain Rate
		\$ 0.0462
January	2026	19,566,842.04
February	2026	20,186,122.71
March	2026	20,059,123.80
April	2026	20,177,628.78
May	2026	20,991,107.86
June	2026	22,729,656.04
July	2026	23,634,571.09
August	2026	21,289,202.40
September	2026	19,213,207.74
October	2026	18,674,550.52
November	2026	17,574,193.28
December	2026	\$16,545,993.19

Native Load ECA Rate Changes		
Month	Year	ECA Rate
October	2023	\$ 0.0341
April	2024	\$ 0.0447
August	2024	\$ 0.0515
December	2024	\$ 0.0462

(as of October 2023)

TCRF Forecasted Account Balance

TCRF Account Balance Forecast			
Month	Year	Maintain Rate	Decrease Rate
		\$ 0.0176	\$ 0.0156
January	2026	718,349	718,349
February	2026	645,565	645,565
March	2026	661,104	661,104
April	2026	697,536	422,099
May	2026	1,170,421	569,949
June	2026	2,149,962	1,166,881
July	2026	3,541,495	2,128,988
August	2026	4,866,171	3,031,835
September	2026	5,571,337	998,154
October	2026	5,744,279	3,017,563
November	2026	5,771,640	2,770,518
December	2026	\$ 6,112,619	\$ 2,801,451

TCRF Rate Changes as of October 2023

Month	Year	TCRF Rate
October	2023	\$ -
April	2024	\$ 0.0135
December	2025	\$ 0.0176
April	2026	\$ 0.0156

(as of October 2023)

Monthly Rate Impact

Average Customer by Type	Current Bill		New Bill		Difference	
Residential	\$	137.36	\$	135.36	\$	(2.00)
General Service Small	\$	182.33	\$	180.13	\$	(2.20)
General Service Medium	\$	1,780.94	\$	1,753.58	\$	(27.36)
General Service Large	\$	38,419.39	\$	37,734.46	\$	(684.93)

Demand Charge Revision

PUB & City Council provided direction in work sessions to move forward with the following revisions:

- Current Practice –
 - Post 12-month lock-in period, electric commercial accounts were reviewed prospectively to determine if they should remain in the current rate class, move down a rate class or move up a rate class.
- New Practice
 - Post 12-month lock-in period, electric commercial accounts will now be reviewed retroactively to determine if they should remain in the current rate class, move down a rate class, or move up a rate class. This would be effective immediately at the next billing.

Recommendation

DME General Manager and Finance Department recommendation
(Effective April 1, 2026)

- ECA
 - No requested changes for next quarter
- Large Load ECA
 - Increase LL ECA to \$0.0606/kWh
- TCRF
 - Decrease TCRF to \$0.0156/kWh
- Demand Charge
 - Post lock-in period to retroactive review



Questions?

