



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Denton Municipal Electric

DCM: Cassey Ogden

DATE: October 14, 2025

SUBJECT

Consider adoption of an ordinance of the City of Denton, Texas, establishing the schedule of rates for electric service; amending the large load energy cost adjustment; providing for a repealer; providing for a severability clause; and providing effective dates for this ordinance and the schedule of rates. The Public Utilities Board recommends approval (5-0).

BACKGROUND

Consistent with Ordinance 25-675, approved by City Council on June 17, 2025, DME has assessed the adequacy of the current Energy Cost Adjustment (ECA) rate of \$.0462/kWh. Through that analysis, staff determined that the current Energy Cost Adjustment (ECA) rate of \$.0462/kWh remains adequate to maintain the system ECA account balance within the target range of +/- \$20 million over the next 12 months. In addition, to accommodate the unique power purchase requirements of Large Load customers- defined as those with a single metering point load of 20 MW or greater- the ECA LL rate will increase from \$.0515/kWh to \$.0577/kWh, effective October 15, 2025 (See page 36 in FY 26 Electric Rate Ordinance). The ECA LL account balance buffer will continue to be maintained between \$0 and \$20 million.

The current Transmission Cost Recovery Factor (TCRF) will be sufficient through the next quarter.

RECOMMENDATION

DME General Manager and Finance recommends adoption and approval of the Ordinance maintaining the current ECA and TCRF rates. Staff recommends approval of a modification to the ECA LL rate schedule for Large Load customers. The ECA LL rate will increase from \$.0515/kWh to \$.0577/kWh, effective October 15, 2025.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On August 25, 2025, this item was presented to the Public Utilities Board (PUB) for consideration and the PUB recommended approval 5-0.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Rate Ordinance Redline
Exhibit 3: Rate Ordinance

Respectfully submitted:

Antonio Puente, Jr.
DME General Manager

Prepared By:

Melissa Cuevas
Division Manager of Business Services