



Quarterly Energy Cost Adjustment (ECA)

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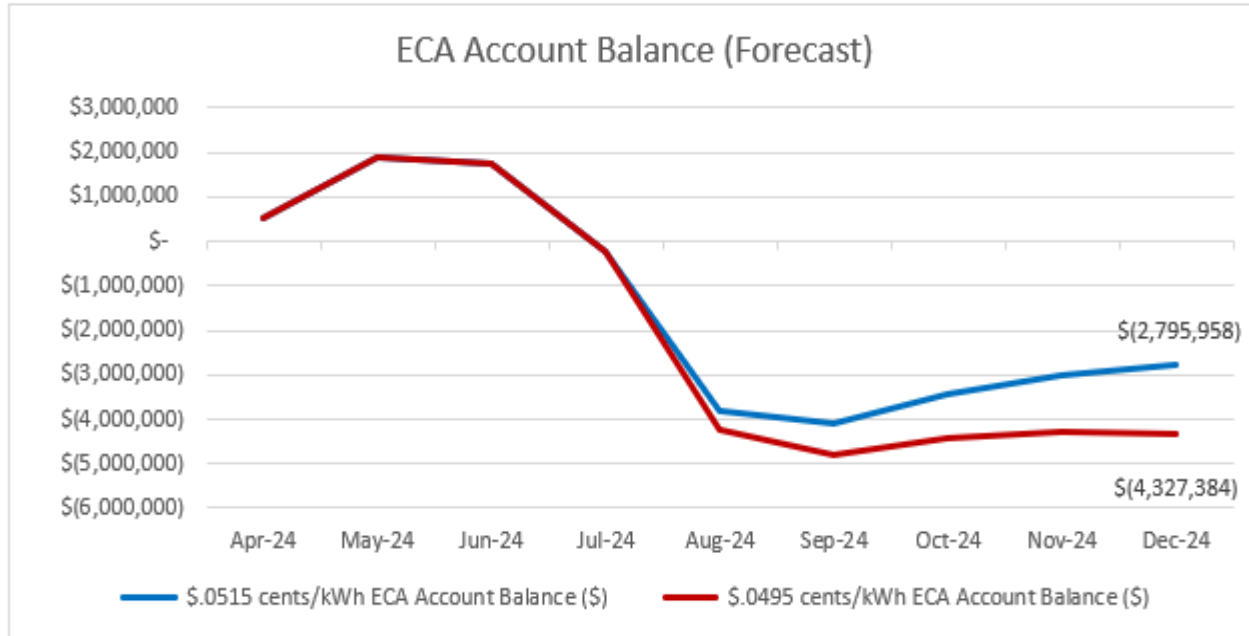
Energy Cost Adjustment (ECA)

- **March 19, 2024 City Council Ordinance 24-463**
 - Gave authority to DME General Manager to recommend ECA rate adjustments on a quarterly basis to maintain the financial integrity of the utility
 - ECA rate adjustment recommended to keep the ECA account balance at +/- \$5 million during forecast period.
 - Changes to ECA will be effective on the first day of the following month, after notification to Council.
 - Council will be notified of any changes via a Consent Agenda Ordinance.
- **Recovery of pass-through purchase power costs**
 - 2 months of actuals + 7 months of forecasted expenses



ECA Forecasted Account Balances

Month	Year	\$.0515 cents/kWh ECA Account Balance (\$)	\$.0495 cents/kWh ECA Account Balance (\$)
Apr-24	2024	\$ 538,009	\$ 538,009
May-24	2024	\$ 1,891,688	\$ 1,891,688
Jun-24	2024	\$ 1,769,845	\$ 1,769,845
Jul-24	2024	\$ (250,289)	\$ (250,289)
Aug-24	2024	\$ (3,834,225)	\$ (4,222,092)
Sep-24	2024	\$ (4,081,519)	\$ (4,784,658)
Oct-24	2024	\$ (3,448,598)	\$ (4,429,656)
Nov-24	2024	\$ (3,028,722)	\$ (4,267,105)
Dec-24	2024	\$ (2,795,958)	\$ (4,327,384)



- DME General Manager and finance recommends moving the ECA from \$.0447 cents/kWh to \$.0515 cents/kWh with a forecasted under-collection of \$2.80 million by December



Recommendations

- DME General Manager and the Finance Department recommends an increase of \$.0068/kWh for an ECA rate of \$.0515/kWh

Rate Class	Average Monthly Increase (\$)		Average Monthly	
	\$0.0515	\$0.0495	\$0.0515	\$0.0495
Residential	\$ 6.80	\$ 4.80	4.8%	3.4%
Non-Residential Small	\$ 7.49	\$ 5.28	4.1%	2.9%
Non-Residential Medium	\$ 93.28	\$ 65.84	5.2%	3.8%
Non-Residential Large	\$ 2,328.36	\$ 1,643.55	6.0%	4.3%

Residential Avg. @ 1,000 kWh

Non-Residential Small Avg. @ 1,101 kWh

Non-Residential Medium Avg. @ 13,717 kWh

Non-Residential Large Avg. @ 342,406 kWh



Questions

