

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS AUTHORIZING THE EXPENDITURE OF FUNDS FOR THE PAYMENT OF WHOLESALE TRANSMISSION CHARGES IN THE TOTAL AMOUNT OF \$10,803,259.00; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, all Distribution Service Providers (“DSP”) in the Electric Reliability Council of Texas (“ERCOT”) is required under the Texas Public Utility Regulatory Act (“PURA”) to compensate Transmission Service Providers (“TSPs”) for its wholesale transmission charges, commonly referred to as Transmission Cost of Service (“TCOS”), after the same have been filed with and approved by the Public Utility Commission of Texas (“PUCT”);

WHEREAS, the City of Denton (the "City"), acting under the trade name of Denton Municipal Electric, is a DSP in ERCOT;

WHEREAS, the City is required to compensate the following TSPs for its TCOS as set forth below:

<u>Name of TSP</u>	<u>Amount</u>
American Electric Power	\$ 1,913,727.79
City of Bryan	\$ 82,836.78
Cross Texas Transmission	\$ 427,971.57
Electric Transmission Texas, LLC.	\$ 2,088,952.71
Garland Power & Light	\$ 230,964.76
Lone Star Transmission	\$ 589,805.58
Lower Colorado River Authority	\$ 4,190,054.83
Sharyland Utilities	\$ 244,580.72
Texas Municipal Power Agency	\$ 189,032.24
Texas New Mexico Power	\$ 141,631.75
Wind Energy Transmission Texas	\$ 703,700.27
TOTAL	\$10,803,259.00

WHEREAS, the amounts due to the above TSPs are trued up by the PUCT and may require additional compensation by the City to one or more of the above TSPs; and

WHEREAS; the City Manager, or designee, has reviewed the above TCOS submitted by the TSPs and recommended that the City Council approve and authorize the payment of the same; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION1. The facts, circumstances, and recitations contained in the preamble of this ordinance are found and declared to be true and correct.

SECTION 2. The total expenditure of funds in the amount of \$10,803,259.00 for the City's obligation as a DSP in ERCOT to following TSPs for its TCOS is authorized and payable as set forth below:

<u>Name of TSP</u>	<u>Amount</u>
American Electric Power	\$ 1,913,727.79
City of Bryan	\$ 82,836.78
Cross Texas Transmission	\$ 427,971.57
Electric Transmission Texas, LLC.	\$ 2,088,952.71
Garland Power & Light	\$ 230,964.76
Lone Star Transmission	\$ 589,805.58
Lower Colorado River Authority	\$ 4,190,054.83
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TOTAL	\$10,803,259.00

SECTION 3. That as the above payments are subject to being trued up by the PUCT the additional expenditure of funds, if required, is authorized. However, this additional expenditure is specifically limited to each TSP receiving additional payments not to exceed five percent (5%) or less of the payment set forth in Section 2 above. Payments in excess of this specific limitation will require further approval by City Council.

SECTION 4. That this ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____,
seconded by _____, and was passed and approved by the following
vote [_____ - _____]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2025.

GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Marcella Lunn