



# **Denton Municipal Electric Budget & Rates FY 2025-26**

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**Public Utilities Board  
July 28, 2025**

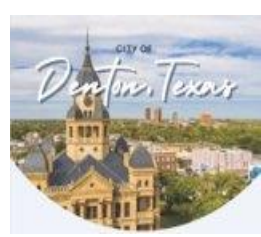


Fiscal Year 2025-26

# Electric Budget Overview

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- Budget Change
  - +34.2% vs FY25 Budget
- No base rate increase for FY 2026
- ECA/TCRF will adjust as needed
  - ECA target balance helps to stabilize the ECA rate
- Implementation of ECA Large Load in FY 2025 with \$20M target balance will strengthen the fund financials
- Revenue Projections
  - \$526,631,018
- Expense Projections
  - \$509,582,231
- Preliminary Budget Reductions - **\$3,362,347 Total**
  - Winter & Summer Outage Insurance - \$2,300,000 (contingency funding remains budgeted)
  - Campus Expansion - reduced debt service - \$990,347
  - Focused Advocacy Contract - \$72,000
- Additionally, 6 vacancies anticipated to be held vacant through FY26



Fiscal Year 2025-26

# Electric 5-Year Preliminary Forecast

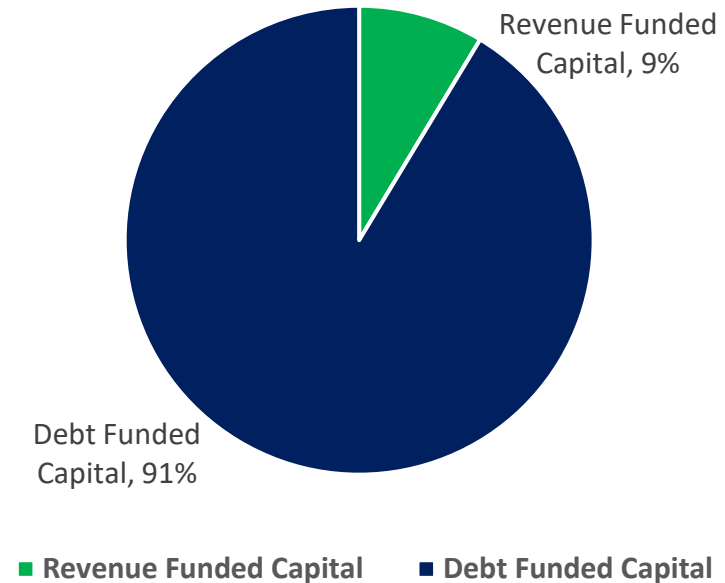
	2023-24 ACTUALS	2024-25 MOD BUDGET	2024-25 EOY ESTIMATE	2025-2026 PROPOSED	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected
<b>Beginning Fund Balance</b>	<b>\$ 99,845,101</b>	<b>\$ 114,148,221</b>	<b>\$ 112,128,803</b>	<b>\$ 110,368,104</b>	<b>\$ 127,416,890</b>	<b>\$ 152,997,164</b>	<b>\$ 187,932,166</b>	<b>\$ 236,044,849</b>
<b>Rate Revenues</b>								
Base Rate Revenue	\$ 131,971,282	\$ 189,839,592	\$ 118,741,182	\$ 139,864,726	\$ 154,659,164	\$ 171,731,774	\$ 190,739,785	\$ 211,109,607
TCRF Revenue	10,751,806	30,286,099	23,853,789	51,111,143	58,591,788	61,521,377	64,597,446	67,827,318
ECA Revenue	67,333,794	86,122,202	80,382,787	233,486,208	295,481,390	344,575,738	345,527,465	340,758,721
<b>Non-rate Revenue</b>	<b>40,224,302</b>	<b>31,880,385</b>	<b>39,612,888</b>	<b>35,578,131</b>	<b>36,645,475</b>	<b>37,744,839</b>	<b>38,877,184</b>	<b>40,043,500</b>
DEC Revenue	19,621,032	52,674,627	53,357,473	65,690,445	66,069,624	65,214,984	63,814,594	62,977,501
Interfund Transfers	1,609,740	1,680,870	1,845,909	900,365	927,376	955,197	983,853	1,013,369
<b>Total Revenue</b>	<b>\$ 271,511,955</b>	<b>\$ 392,483,775</b>	<b>\$ 317,794,028</b>	<b>\$ 526,631,018</b>	<b>\$ 612,374,816</b>	<b>\$ 681,743,909</b>	<b>\$ 704,540,327</b>	<b>\$ 723,730,015</b>
<b>Purchased Power</b>	<b>\$ 109,891,615</b>	<b>\$ 181,498,874</b>	<b>\$ 130,072,315</b>	<b>\$ 288,316,607</b>	<b>\$ 346,553,720</b>	<b>\$ 394,529,822</b>	<b>\$ 393,975,620</b>	<b>\$ 388,318,484</b>
Transmission of Power	26,013,621	27,284,774	29,064,216	45,695,176	52,416,950	55,037,798	57,789,688	60,679,172
Personnel Services	24,660,768	29,214,928	24,916,278	29,473,911	30,358,129	31,268,872	32,206,939	33,173,147
Materials & Supplies	2,462,230	4,086,780	2,651,568	2,442,104	2,515,367	2,590,828	2,668,553	2,748,610
Maintenance & Repair	2,300,968	2,267,010	1,696,005	1,680,332	1,730,742	1,782,664	1,836,144	1,891,228
Insurance	1,947,434	4,475,159	1,524,402	1,453,738	1,497,350	1,542,271	1,588,539	1,636,195
Administrative Cost	22,845,793	33,120,822	21,897,726	34,480,288	39,673,263	43,688,998	45,268,492	46,648,496
Miscellaneous	1,434,746	1,049,100	1,023,590	1,031,615	1,062,563	1,094,440	1,127,274	1,161,092
Operations	9,831,688	13,465,119	8,659,927	12,279,294	12,647,673	13,027,103	13,417,916	13,820,454
Debt Service Transfers	69,300,914	76,159,518	76,693,095	71,913,276	75,357,668	78,667,360	82,354,168	79,951,386
Interfund Transfers	18,950,955	19,170,589	19,170,588	19,340,890	19,921,117	20,518,750	21,134,313	21,768,342
Transfers to Capital Projects	853,420	2,185,017	2,185,017	1,475,000	3,060,000	3,060,000	3,060,000	3,060,000
<b>Total Expenditures</b>	<b>\$ 290,494,152</b>	<b>\$ 393,977,690</b>	<b>\$ 319,554,727</b>	<b>\$ 509,582,231</b>	<b>\$ 586,794,542</b>	<b>\$ 646,808,907</b>	<b>\$ 656,427,645</b>	<b>\$ 654,856,605</b>
<b>Ending Fund Balance</b>	<b>\$ 112,128,803</b>	<b>\$ 112,654,306</b>	<b>\$ 110,368,104</b>	<b>\$ 127,416,890</b>	<b>\$ 152,997,164</b>	<b>\$ 187,932,166</b>	<b>\$ 236,044,849</b>	<b>\$ 304,918,258</b>
<b>Change in Fund Balance (Use of Reserves)</b>	<b>\$ (18,982,196)</b>	<b>\$ (1,493,915)</b>	<b>\$ (1,760,699)</b>	<b>\$ 17,048,786</b>	<b>\$ 25,580,274</b>	<b>\$ 34,935,002</b>	<b>\$ 48,112,682</b>	<b>\$ 68,873,410</b>
<b>Rate Increases</b>								
Base Rate				0.0%	6.5%	7.0%	7.0%	6.5%
<b>Working Capital (8%) &amp; Op Reserves (&gt;38%)</b>	<b>\$ 133,627,310</b>	<b>\$ 181,229,737</b>	<b>\$ 146,995,174</b>	<b>\$ 234,407,826</b>	<b>\$ 269,925,489</b>	<b>\$ 297,532,097</b>	<b>\$ 301,956,717</b>	<b>\$ 301,234,038</b>
<b>Working Capital (8%) &amp; Op Reserves (&gt;61%)</b>	<b>\$ 200,440,965</b>	<b>\$ 271,844,606</b>	<b>\$ 220,492,762</b>	<b>\$ 351,611,739</b>	<b>\$ 404,888,234</b>	<b>\$ 446,298,146</b>	<b>\$ 452,935,075</b>	<b>\$ 451,851,058</b>
<b>Ending Fund Balance Minimum Target Met</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>YES</b>
<b>Debt Service Coverage Ratio (DSCR)</b>	<b>1.07</b>	<b>1.44</b>	<b>1.29</b>	<b>1.74</b>	<b>1.91</b>	<b>2.04</b>	<b>2.17</b>	<b>2.48</b>



Fiscal Year 2025-26

# Electric 5-Year Capital Plan Summary

- FY 2025-26 new capital appropriations total \$63.95M. Staff is projecting a CO debt issuance of \$58.43M and a transfer of \$1.47M from operating, and \$4.05M in development contributions.
- New Residential and Commercial: \$8.32M
  - Hunter/Cole Ranch
  - New Business Development
- Distribution Transformers & Substations: \$18.2M
- Transmission Lines & Substations: \$12.2M
- Feeder Extensions and Improvements: \$11.1M
- Meter Improvements: \$1.82M
- Street Lighting & Power Factor Improvements: \$0.9M
- Technology & Electric Relocations: \$9.9M
- Revenue Funding Vehicles: \$1.47M
- Transmission Overload Projects – Pending ERCOT approval, but would require an amendment to the CIP and operating budget for debt service and offsetting revenue.
- Total previously appropriated: \$97.9M







# Fiscal Year 2025-26

## Electric 5-Year Capital Plan

Projects	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Automated Meter Reading	\$ 1,805,000	\$ 1,940,2000	\$ 761,127	\$ 853,392	\$832,539	\$ 6,192,258
Distribution Substations	8,210,000	6,220,000	3,850,000	5,200,000	4,600,000	28,080,000
Distribution Transformers	10,000,000	11,000,000	12,000,000	13,000,000	14,000,000	60,000,000
Feeder Extensions & Improvements	11,075,338	12,389,159	9,603,808	6,519,336	9,785,797	49,323,437
New Residential & Commercial	8,315,250	8,431,013	8,552,563	8,670,255	9,788,912	43,757,993
Power Factor Improvement	300,000	150,000	100,000	100,000	100,000	750,000
Street Lighting	650,000	650,000	250,000	250,000	250,000	2,050,000
Plant Production	-	-	6,000,000	11,000,000	-	17,000,000
Technology – Software & Hardware	4,409,000	2,909,000	2,009,000	24,250,000	24,850,000	58,427,000
Transmission Lines	5,770,000	16,950,000	10,100,000	14,200,000	8,740,000	55,760,000
Transmission Substations	6,450,000	9,540,000	7,050,000	8,860,000	3,610,000	35,510,000
Electric Relocation	5,500,000	5,500,000	5,500,000	1,500,000	1,500,000	19,500,000
Vehicle Replacement	1,475,000	3,060,000	3,060,000	3,060,000	3,060,000	13,715,000
<b>Total</b>	<b>\$ 63,959,588</b>	<b>\$ 78,739,372</b>	<b>\$ 68,836,498</b>	<b>\$ 97,462,983</b>	<b>\$ 81,117,247</b>	<b>\$ 390,115,688</b>

Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Debt Funding	\$ 58,434,588	\$ 58,079,372	\$ 51,476,498	\$ 88,002,983	\$ 77,657,247	\$ 333,650,688
Revenue Funding	1,475,000	3,060,000	3,060,000	3,060,000	3,060,000	13,715,000
Cost Participation	4,050,000	17,600,000	14,300,000	6,400,000	400,000	42,750,000
<b>Total</b>	<b>\$ 63,959,588</b>	<b>\$ 78,739,372</b>	<b>\$ 68,836,498</b>	<b>\$ 97,462,983</b>	<b>\$ 81,117,247</b>	<b>\$ 390,115,688</b>

# Questions?

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