

ORDINANCE NO. 2025-\_\_\_\_\_

AN ORDINANCE OF THE CITY OF DENTON, TEXAS ESTABLISHING THE SCHEDULE OF RATES FOR ELECTRIC SERVICE; AMENDING THE ENERGY COST ADJUSTMENT AND TRANSMISSION COST RECOVERY FACTOR SCHEDULES TO ADD RATE SCHEDULE ECA LL FOR AN ENERGY COST ADJUSTMENT RATE SCHEDULE FOR LARGE LOAD CUSTOMERS WHOSE PLANNED OR ACTUAL SINGLE POINT OF DELIVERY MEETS OR EXCEEDS 20 MEGAWATTS; PROVIDING FOR A REPEALER; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING EFFECTIVE DATES FOR THIS ORDINANCE AND THE SCHEDULES OF RATES.

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The Schedule of Rates for electrical services as provided for in Chapter 26 of the City of Denton Code of Ordinances, is as follows:

**ELECTRIC RATE SCHEDULES**

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RES Residential Service	2
GS General Service Small	4
GM General Service Medium	6
GL General Service Large	8
TG General Service Time Of Use	10
GOS Local Government Service Small	12
GOM Local Government Service Medium	14
GOL Local Government Service Large	16
T1 Temporary Service	18
AF Athletic Field	20
LS Street Lighting	22
LT Traffic Lighting	23
UFL Unmetered School Zone/Crossing Flashers	24
USC Unmetered Security Camera	25
UWF Unmetered Wi-Fi Devices	26
LO Other Lighting	27
DD Security Lighting	28
DSL Non-Standard Street Lighting	30
EGR Economic Growth Rider	32
GIP GreenSense Incentive Program	34
ECA Energy Cost Adjustment	35
<u>ECA LL Energy Cost Adjustment for Large Loads</u>	<u>36</u>
TCRF Transmission Cost Recovery Factor	<u>37</u> <del>6</del>
DGR Distributed Generation From Renewable Sources Rider	<u>39</u> <del>38</del>
SFR Special Facilities Rider	<u>41</u> <del>0</del>
PAF Pole Attachment Fee	<u>42</u> <del>1</del>
BIF Banner Install Fee	<u>44</u> <del>3</del>
WNA Wireless Node Attachments	<u>45</u> <del>4</del>
EVCR Electric Vehicle Charging Rate	<u>47</u> <del>6</del>
WTS Wholesale Transmission Service	<u>48</u> <del>7</del>

The Energy Cost Adjustment (ECA) Rate shall be set to recover the net cost of energy delivered to Customers that are not Large Load Customers and to maintain the City's electric utility in a financially sound position.

(1)	<b>Energy Cost Adjustment Charge</b>	<b>\$0.0462 per kWh</b>
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**\$0.0462 per kWh**

The ECA Balancing Account shall be calculated using the following formula:

$$\text{ECA Balancing Account} = (\text{Beginning ECA Account Balance}) - (\text{Projected Net Energy Cost})$$

Where:

Projected Net Energy Cost = For the next fiscal quarter, the electric utility's projected cost of electric load purchases from ERCOT plus all projected electric utility power/energy related costs for that same period including, but not limited to, power production (excluding the Denton Energy Center debt); purchased power; applicable transmission services, losses and congestion; other ERCOT charges; renewable energy credits; and financial and/or physical power/energy trades (including natural gas); less all projected revenue to be received by the electric utility for power/energy related sales and/or trades; plus applicable Franchise Fees and required ROI.

$$\text{ECA} = [(\text{Projected Net Energy Cost}) + (\text{ECA Balancing Account})] / (\text{Projected kWh sales})$$

The Energy Cost Adjustment Charge shall be based on actual kWh consumption during the billing period. Energy Cost Adjustment Charge = kWh  $\times$  ECA Rate

The General Manager of the City's electric utility or their designee shall calculate the ECA Balancing Account monthly. In the event that the ECA Balancing Account calculated during the last month of each fiscal quarter (December, March, June, and September) is projected to be over or under collected by \$~~10~~20,000,000 or more at the end of the next 4 quarters, the General Manager or their designee may recommend to the PUB and City Council a revision to the ECA to maintain the City's electric utility in a financially sound position. Any change to the ECA will be placed on the City Council's consent agenda.

## SCHEDULE ECA LL

### ENERGY COST ADJUSTMENT FOR LARGE LOADS

(Effective 07/01/25)

The Energy Cost Adjustment (ECA) for Large Loads (LL) Rate shall be set to recover the net cost of energy delivered to Large Load Customers and to maintain the City's electric utility in a financially sound position. This rate applies to all Large Load customers regardless of their actual monthly usage. Large Load Customers are defined as customers whose planned or actual single point of delivery meets or exceeds 20MW.

#### NET MONTHLY RATE

(1)      **Energy Cost Adjustment for Large Load Charge**                      **\$0.0515 per kWh**

#### ENERGY COST ADJUSTMENT BALANCING ACCOUNT CALCULATION

The ECA Balancing Account shall be calculated using the following formula:

ECA Balancing Account = (Beginning ECA LL Account Balance) – (Projected Net Energy Cost for Large Load)

Where:

Projected Net Energy Cost = For the next fiscal quarter, the electric utility's projected cost of electric load purchases from ERCOT to feed Large Loads plus all projected Large Load related electric utility power/energy related costs for that same period including, but not limited to, purchased power; applicable transmission services, losses and congestion; other ERCOT charges; renewable energy credits; and financial and/or physical power/energy trades (including natural gas); less all projected revenue to be received by the electric utility for Large Load related power/energy related sales and/or trades; plus applicable Franchise Fees and required ROI.

#### ENERGY COST ADJUSTMENT CALCULATION

ECA LL = [(Projected Large Load Net Energy Cost) + (ECA LL Balancing Account)] / (Projected Large Load kWh sales)

#### ENERGY COST ADJUSTMENT CHARGE

The Energy Cost Adjustment Large Load Charge shall be based on actual kWh consumption during the billing period. Energy Cost Adjustment Charge for Large Load = kWh × ECA LL Rate

The General Manager of the City's electric utility or their designee shall calculate the ECA LL Balancing Account monthly. In the event that the ECA LL Balancing Account calculated during the last month of each fiscal quarter (December, March, June, and September) is projected to be below \$0 to \$20,000,000 or more at the end of the next 4 quarters, the General Manager or their designee may recommend to the PUB and City Council a revision to the ECA LL to maintain the City's electric utility in a financially sound position. Any change to the ECA LL will be placed on the City Council's consent agenda.