

**SCHEDULE ECA**

**ENERGY COST ADJUSTMENT**

(Effective 08/01/24)

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The Energy Cost Adjustment (ECA) Rate shall be set to recover the net cost of energy delivered to Customers and to maintain the City's electric utility in a financially sound position.

**NET MONTHLY RATE**

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

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**ENERGY COST ADJUSTMENT BALANCING ACCOUNT CALCULATION**

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.

**ENERGY COST ADJUSTMENT CALCULATION**

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

**ENERGY COST ADJUSTMENT CHARGE**

The Energy Cost Adjustment Charge shall be based on actual kWh consumption during the billing period. Energy Cost Adjustment Charge = kWh × 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/under collected by \$5,000,000 or more during the next two 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.