

SCHEDULE ECA

ENERGY COST ADJUSTMENT (Effective 04/01/24)

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.

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Deleted: by the Public Utilities Board ("PUB"). The ECA Rate shall be reviewed on a quarterly basis and adjusted as defined below

NET MONTHLY RATE

(1) **Energy Cost Adjustment Charge** **\$[0.0447]per kWh***

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*The rate established in this schedule is effective April 1, 2024 until it is reevaluated and a proposed rate is provided to PUB per the delegated authority to set rate section below. Rates passed through the delegated authority set forth below will be available through publications by the City's electric utility as well as on the customer's bill.

ENERGY COST ADJUSTMENT BALANCING ACCOUNT CALCULATION

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

ECA Balancing Account = (Beginning ECA Account Balance) – (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.

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DELEGATED AUTHORITY TO SET 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 quarter, the General Manager or their designee may recommend a revision to the ECA to maintain the City's electric utility in a financially sound position. The PUB will review the revision at a meeting of such body. In the event of PUB approval, the ECA rate will be effective on the first day of the following month and the General Manager of the City's electric utility will provide a memorandum updating the City Council of the change. Any member of City Council will have the ability to place the ECA rate revision on a future City Council meeting by request of the City Manager. If the PUB disapproves of the ECA rate revision, the procedures in the City of Denton Charter Section 12.08(d) will apply.

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~~The General Manager of the City's electric utility or their designee shall provide advance notice to the PUB and City Council of any changes to the ECA rate.~~

ENERGY COST ADJUSTMENT CALCULATION

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

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

SCHEDULE TCRF

TRANSMISSION COST RECOVERY FACTOR

(Effective 10/01/2304/01/24)

The Transmission Cost Recovery Factor (TCRF) established by PUB is the TCRF shall be annually based on the actual cost of transmission service paid by DME to other transmission owners within the boundaries of the Electric Reliability Council of Texas ("ERCOT") region. The TCRF shall be reviewed on a quarterly basis and adjusted as defined below. The TCRF will pass-through these charges to customers which are billed and charged to the City in order to maintain the City's electric utility in a financially sound position.

NET MONTHLY RATE* \$0.0135 Per kWh

Residential	\$0.00
General Service Small	\$0.00
Local Government Service Small	\$0.00
Temporary Service	\$0.00
Athletic Field	\$0.00
Traffic Lighting	\$0.00
Unmetered Traffic Lighting	\$0.00
Unmetered School Zone/Crossing	\$0.00
Unmetered Security Camera	\$0.00
Unmetered Wi-Fi Devices	\$0.00

NET MONTHLY RATE* \$3.8536 Per kW

General Service Medium	\$0.00
Local Government Service Medium	\$0.00

NET MONTHLY RATE* \$5.3357 Per kVA

General Service Large	\$0.00
Local Government Service Large	\$0.00
General Service Time Of Use	\$0.00

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TRANSMISSION COST RECOVERY FACTOR BALANCING ACCOUNT CALCULATION

The TCRF shall be calculated using the following formula:

TCRF Annual Billing = (Actual monthly net TCOS billing amounts charged by ERCOT transmission service providers to the City) + (Projected increases or decreases pursuant to PUCT-approved TCOS billing amount charges to ERCOT utilities)

DELEGATED AUTHORITY TO SET RATE

During the last month of each fiscal year quarter (December, March, June, and September), the General Manager of the City's electric utility or his/her designee shall calculate the TCRF Balancing Account. The General Manager of the City's electric utility or their designee shall calculate the TCRF Balancing Account monthly. The TCRF charge will be developed by the City for each applicable customer class and billing schedule herein, based on the applicable projected kWh sales for billing schedules without a demand component and on monthly peak kW or kVA for billing schedules with a demand component. The cumulative forecasted TCRF revenues from all rate classes shall fully recover the TCRF Annual Billing. The General Manager or their designee may recommend a revision to revise the TCRF to maintain the City's electric utility in a financially sound position.

TCRF rate class allocation amount = [(TCRF annual billing) x (Projected rate class kWh usage)] / (Total projected usage for all rate classes).

The PUB will review the revision at a meeting of such body. In the event of PUB approval, the TCRF will be effective immediately on the first day of the following month and the General Manager of the City's electric utility will provide a memorandum updating the City Council of the change. Any member of City Council will have the ability to place the TCRF revision on a future City Council meeting by request of the City Manager. If the PUB disapproves of the TCRF revision, the
reduction of the TCRF rate class allocation amount will be the result of the PUB's decision. The PUB will