



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Finance

ACM: Cassey Ogden

DATE: July 16, 2024

SUBJECT

Consider adoption of an ordinance of the City of Denton, Texas establishing the schedule of rates for electric service to be effective August 1, 2024, and adjusting the energy cost adjustment (ECA) rate to reflect actual ECA revenues, expenses and forecast; providing severability and repealer clauses; and providing an effective date. The Public Utilities Board recommends approval (6-0).

INFORMATION/BACKGROUND

Consistent with Ordinance 24-463, approved by City Council on March 19, 2024, DME has assessed the adequacy of the current ECA rate of \$.0447 cents/kWh to maintain an ECA account balance over the next five months between +/- \$5 million. That analysis projects at the current ECA rate of \$.0447 cents/kWh, the ECA account balance will exceed the lower limit of negative \$5 million without a modest increase. The ECA is a direct pass through of purchase power expenses incurred by DME to serve all customers. Consistent with the ECA rate schedule, DME and the Finance & Accounting departments will review the ECA balance and rates again in September 2024 and recommend any required adjustments.

RECOMMENDATION

DME General Manager and Finance recommends adoption and approval of the Ordinance increasing the Energy Cost Adjustment rate to \$.0515 cents effective August 1, 2024.

EXHIBITS

Exhibit 1: Agenda Information Sheet

Exhibit 2: Rate Ordinance Redline

Exhibit 3: Ordinance

Respectfully submitted:
Jessica Williams
Chief Financial Officer

Prepared By:
Vis Bouaphanthavong
Assistant Director of Finance