



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Denton Municipal Electric

CM/ DCM/ ACM: Todd Hileman

DATE: September 19, 2017

SUBJECT

Consider adoption of an ordinance of the City of Denton, Texas setting the Energy Cost Adjustment (Schedule ECA) rate, Renewable Cost Adjustment (Schedule RCA) rate, and Transmission Cost Recovery Factor (Schedule TCRF) rate in accordance with terms and conditions of these rates as stated in the 2017 Electric Rate Service Schedule ordinance; providing for a repealer; providing for a severability clause; and providing an effective date. The PUB recommends approval (5-0).

BACKGROUND

The Energy Cost Adjustment (ECA), Renewable Cost Adjustment (RCA), and Transmission Cost Recovery Factor (TCRF) are electric rates that are approved separately from the electric rate book. While the rate book includes schedules that allow for the adoption of the ECA, RCA, and TCRF, the schedules do not include the rate itself. This is because the ECA, RCA, and TCRF schedules contain provisions that allow for a quarterly review and, when necessary, adjustment of these rates based on certain financial conditions.

When the rate book was presented for PUB consideration in July, staff informed the PUB of the recommended rate changes for ECA, RCA, and TCRF to achieve an average 1% decrease in rates. To achieve this 1% overall reduction, ECA and RCA will be decreased, while TCRF rates will be slightly increased.

Previously, the ECA, RCA, and TCRF were adopted directly by the PUB. However, upon direction from the Legal Department, staff is bringing forward this item to allow for formal adoption of the ECA, RCA, and TCRF by the City Council.

The proposed rates are as follows:

	Rate Class	Current	Proposed	Per Unit
Energy Cost Adjustment (ECA)	All	\$0.0361	\$0.0341	kWh
Renewable Cost Adjustment (RCA)	All	\$0.0401	\$0.0381	kWh
Transmission Cost Recovery Factor (TCRF)	Residential Service	\$0.00305	\$0.00372	kWh
	General Service Small	\$0.00305	\$0.00372	kWh
	General Service Medium	\$0.886	\$1.081	kW
	General Service Large	\$1.199	\$1.462	kVA
	General Service Time of Use	\$1.199	\$1.462	kVA
	Local Government Service Small	\$0.00305	\$0.00372	kWh
	Local Government Service	\$0.752	\$0.917	kW
	Weekend Service	\$0.573	\$0.698	kW
	Temporary Service	\$0.00305	\$0.00372	kWh
	Athletic Field	\$0.00305	\$0.00372	kWh
	Traffic Lighting	\$0.00305	\$0.00372	kWh
	Unmetered Traffic Lighting	\$0.00305	\$0.00372	kWh
	Unmetered School Zone/Crossing	\$0.00305	\$0.00372	kWh
	Unmetered Security Camera	\$0.00305	\$0.00372	kWh
	Unmetered Wi-Fi Devices	\$0.00305	\$0.00372	kWh
	Wireless Node Attachments	\$0.00305	\$0.00372	kWh
	Wireless Node Unmetered	\$0.00305	\$0.00372	kWh

RECOMMENDATION

On September 11th, the Public Utilities Board recommended approval of the proposed ECA, RCA, and TCRF rates.

ESTIMATED SCHEDULE OF PROJECT

If approved, the proposed rates go into effect on October 1, 2017.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

The Public Utilities Board recommended approval (5-0) on September 11, 2017 (PUB17-178).

FISCAL INFORMATION

The proposed electric rates represent a 1% decrease to the overall rates by means of a \$0.002/kWh decrease in the Energy Cost Adjustment (ECA) and Renewable Cost Adjustment (RCA) and a slight increase in the Transmission Cost Recovery Factor (TCRF).

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: Public Infrastructure

Related Goal: 2.3 Promote superior utility services and facilities

EXHIBITS

Exhibit 1: Agenda Information Sheet

Exhibit 2: Ordinance

Respectfully submitted:

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