



# City of Denton

City Hall  
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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Denton Municipal Electric

**CM/ DCM/ ACM:** Todd Hileman

**DATE:** March 6, 2018

### **SUBJECT**

Consider adoption of an ordinance of the City of Denton, Texas providing for the schedule of miscellaneous fees, deposits, billings and procedures for administrative services to city utilities customers contained in Ordinance No. 2016-276; amending the provisions of the account connection and reconnection charges; amending the provisions of the miscellaneous fees, charges and deposits; providing for a repealer; providing for a severability clause; providing for an effective date. The Public Utilities Board recommended approval (6-0).

### **BACKGROUND**

Advanced metering infrastructure (AMI) was installed throughout Denton during the 2010 to 2015 period. As smart meters were installed, there were less than 40 customers out of 53,000 that did not want the AMI electric meter.

In August 2013, the Public Utility Commission of Texas issued PUCT 25.133 (Substantive Rules Applicable to Electric Service Providers) which outlines the rules for opt-out fees that electric service providers are allowed to charge. These fees are designed to cover the costs associated with the installation of a non-standard meter, manual reading of the meter, and ongoing costs associated with non-standard metering service including testing and maintenance. While DME's distribution system is not regulated by the PUCT, their rules provide a level of guidance.

A survey of selected electric service providers indicates that the majority have adopted an AMI meter opt-out program with varying fee levels. This agenda item recommends the adoption of an AMI opt-out rate tariff for the City. The proposed Ordinance incorporates a proposed initial non-AMI meter installation fee as well as monthly charges to recover expenses related to manual meter reading and billing. The Public Utilities Board may also consider not adopting an opt-out policy which would mean all customers will have an AMI meter installed. (A technical brief by the AMI system's communication's provider, Trilliant, is attached to this report for information.)

The attached Ordinance also contains the Utility Customer Service Department's proposed amendment to the provisions of the Miscellaneous Fee, Charges and Deposits section, Waiver of Service Deposits. These changes are being made to match the language of the Credit and Collection Policies Ordinance 2018-016 approved by the Council on January 9, 2018 (18-073).

### **OPTIONS**

1. No opt-out option -- customer must have an AMI meter

2. AMI opt-out option -- non-standard meter, manual meter reading, and associated fees

### **RECOMMENDATION**

Staff recommends adoption of the attached Ordinance containing fees for the AMI opt-out option and the proposed Customer Service fees and changes.

### **ESTIMATED SCHEDULE OF PROJECT**

The new opt-out fee schedule will go into effect upon approval by the Public Utilities Board and City Council.

### **PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

The Public Utilities Board reviewed the proposed ordinance on January 22, 2018 and recommended approval (6-0). City Council received a presentation from staff during the Work Session agenda on February 27, 2018.

### **FISCAL INFORMATION**

Funds collected under the Opt-Out Fee Schedule will be deposited into the Denton Municipal Electric's Revenue Account 6000.XXXX.4510 for Miscellaneous Service Revenue.

### **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:      Organizational Excellence**

**Related Goal:                      1.5 Use technology to enhance efficiency and productivity**

### **EXHIBITS**

1. Agenda Information Sheet
2. Trilliant Technical Brief on SecureMesh Radio Frequency Safety
3. Ordinance

Respectfully submitted:  
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