



Legislation Text

File #: PUB17-140, **Version:** 1

AGENDA INFORMATION SHEET

DEPARTMENT: Denton Municipal Electric

CM/ DCM/ ACM: Bryan Langley

DATE: July 24, 2017

SUBJECT

Consider recommending approval of the Electric Rate Ordinance for FY 2017-2018.

BACKGROUND

The Proposed FY 2017-2018 Electric budget and CIP were presented to and recommended by the PUB in June. The Proposed FY 2017-2018 Schedule of Rates for Electrical Service included in this agenda item is designed to recover the cost for Denton Municipal Electric to serve its customers, and provide a positive or break-even net income. The overall schedule of rates is being decreased about 1% on average this year and an example of the effect on average residential customers is shown below.

The average residential customer using 1,000 kilowatt hours of electricity per month would incur the following monthly electric charge:

<u>Current</u>	<u>Proposed</u>	<u>Decrease</u>
\$116.22	\$114.89	-\$1.33

The attached Electric Rate Ordinance includes adding the provisions of:

- The Banner Install Fee (BIF)

The attached Electric Rate Ordinance includes amending the provisions of:

- The Residential Service Rate (RES)
- The Residential Renewable Energy Service Rider (RG)
- The Residential Prepaid Service Rate (RPP)
- The Residential Time Of Use Rate (RTOU)
- The General Service Small Rate (GSS)
- The General Service Medium Rate (GSM)
- The General Service Large Rate (GSL)
- The General Service Time Of Use Rate (TGS)
- The Local Government Small Rate (G2)
- The Local Government Rate (G1)
- The Weekend Service Rate (Schedule WK)
- The Athletic Field Rate (AF)

- The Street Lighting Rate (LS)
- The Traffic Lighting Rate (LT)
- The Unmetered School Zone/Crossing Flashers Rate (UFL)
- The Unmetered Traffic Lighting Rate (ULT)
- The Unmetered Security Camera Rate (USC)
- The Unmetered Wi-Fi Devices Rate (UWF)
- The Other Lighting Rate (LO)
- The Non Standard Street Lighting Rate (DSL)
- The Temporary Service Rate (T1)
- The Economic Growth Rider (EGR)
- The GreenSense Incentive Program (GIP)
- The Energy Cost Adjustment Rate (ECA)
- The Renewable Cost Adjustment Rate (RCA)
- The Transmission Cost Recovery Factor Rate (TCRF)
- The Distributed Generation From Renewable Sources Rider (DGR)
- The Independent Wholesale Generator Rate (IWG)
- The Commercial Renewable Energy Service Rider (CGR)
- The Special Facilities Rider (SFR)
- The Dark Fiber Rate (DFR)
- The Pole Attachment Fee (PAF)

The major changes proposed this year are listed below:

- The Electric Rate Schedules were decreased by an average of 1%
- Term “Energy Charge” replaced with “Usage Charge” throughout the book
- Labels “Tier 1” and “Tier 2” added to the Usage Charge throughout the book
- Time of use rate on, off, & super peak definitions adjusted slightly
- Added LED facility charges to Schedule LS
- The name “Denton Municipal Electric” was replaced with “The City” wherever possible
- Peak definitions from Residential Time-Of-Use Schedule added to Schedule ECA & Schedule RCA
- Variations in rate names were conformed to one consistent name per rate
- Added Banner Install Fee, Schedule BIF

RECOMMENDATION

Staff recommends the Public Utilities Board consider recommending that the City Council adopt the ordinance.

ESTIMATED SCHEDULE OF PROJECT

The schedules of electric rates contained in Ordinance No. 2016-272 are to be amended, reviewed, and approved prior to the new ordinance effective date of October 1, 2017. The Director of Finance will present this information for City Council review on August 3, 2017 and Council consideration and adoption is anticipated on September 19, 2017.

FISCAL INFORMATION

The rates and charges included in the Electric Rate Ordinance provide the revenues necessary to cover the cost of serving Denton Municipal Electric’s customers. 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). This decrease

generates \$1.33 of average summer monthly savings for a residential customer using 1,000 kWh of electricity monthly.

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

1. FY 2017-18 Red-Lined Electric Rate Ordinance
2. Electric Year to Year Rate Comparison
3. Presentation

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