



Legislation Text

File #: PUB17-178, **Version:** 1

Agenda Information Sheet

DEPARTMENT: Denton Municipal Electric

CM/ ACM: Todd Hileman

Date: September 11, 2017

SUBJECT

Consider recommending approval of the FY 2017-2018 Energy Cost Adjustment (ECA), Renewable Cost Adjustment (RCA), and Transmission Cost Recovery Factor (TCRF).

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 consideration in July, staff informed 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. This item allows for PUB to take formal action to recommend the adoption of the proposed ECA, RCA, and TCRF.

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

Staff recommends the Public Utilities Board recommend approval of the proposed ECA, RCA, and TCRF rates.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

The proposed electric rate ordinance was presented to PUB as a work session item on July 10, 2017 and was approved (6-0) on July 24, 2017.

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: Presentation

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