



Citizens Utility Advisory Board

Chairperson: *Ms. Isabella Crosby*

Members: *Ms. Elizabeth Trevino Amaya, Mr. Paul Jensen, Mr. Glenn Tanner, Mr. Ben Zhan, Council Member Shane Scott (ex-officio)*

March 22, 2022

The Honorable Mayor Jane Hughson and Members of the City Council
630 East Hopkins Street
San Marcos, Texas 78666

RE: Citizens Utility Advisory Board's Utility Tariff Adjustment Recommendation

Dear Honorable Mayor Hughson and Members of Council:

In 2018, the Citizens Utility Advisory Board ("CUAB") received presentations related to the creation of an electric Standby Service Rate and an electric Redundant Service Rate. Information on the proposed Large Distributed Generation Standby Service Rate Tariff (LDGS Tariff) was presented to CUAB on September 20, 2017 and April 18, 2018. The rate applies to customers who have greater than 1,000 MW demand and have the ability to generate a significant portion of their load requirement, but also desire to have City of San Marcos Electric Utility infrastructure and capacity available to them to supply their full load(s), without interruption, when their own generation is off line. CUAB recommended the new rate, in a recommendation to Council dated May 22, 2018, as a measure to equitably provide the Standby Service requested, while ensuring the City's electric utility is properly compensated for the necessary infrastructure to support the new service. This tariff ensures that costs associated with supporting the Standby Service are not passed on to other utility customers. CUAB recommended adoption of the LDGS Tariff consistent with the rate structure developed by City staff and consultants.

Information on a proposed Large General Services Independent Redundant Service Rate Tariff (LRIS Tariff) was discussed on April 18, 2018 and May 22, 2018. The rate applies to customers who have greater than 1,000 MW demand and desire to have multiple, independent service connections available from the City's electric utility. Similar to the above LDGS Tariff, this rate would allow the City to provide Redundant Service, while ensuring the City's electric utility recovers the costs for the necessary infrastructure and capacity to support the new service and avoid passing such costs to other utility customers. In a recommendation to Council dated May 22, 2018, CUAB recommended adoption of the LRIS Tariff consistent with the rate structure developed by City staff and consultants.

On March 22, 2022, CUAB received a presentation by City staff and reviewed the current rate structures for the LDGS and LIRS tariffs. Rate adjustments were presented to CUAB by City staff, to account for inflation and cost of service. After discussion, CUAB voted unanimously to recommend (i) an increase in the LDGS and LIRS Customer Charge from \$5.16 (multiplied by the contract demand per month) to \$6.03; and (ii) an increase in the LDGS and LIRS Demand Charge from \$5.11 (per billing demand) to \$6.05. Included in this recommendation is a correction and an addition to the language in the attached rate schedules under the heading DETERMINATION OF BILLING DEMAND (i) the word *for* was misplaced in the first sentence after the heading, and was moved to the correct place in the sentence; (ii) item c. under the same heading was added. Revised LDGS and LIRS Tariffs are attached as Exhibits A and B, respectively.

We sincerely appreciate the opportunity to serve our community and respectfully request you consider adoption of this recommendation.

Sincerely,

San Marcos Citizens Utility Advisory Board



Isabella Crosby



Elizabeth Trevino Amaya



Paul Jensen



Glenn Tanner

Ben Zhan (Not in Attendance at the March 22, 2022 Meeting)

Shane Scott (Not in Attendance at the March 22, 2022 Meeting)

EXHIBIT A

SAN MARCOS ELECTRIC UTILITY ELECTRIC RATE SCHEDULES

Large Distributed Generation Standby Service Rate Schedule - LDGS

Effective: _____

The City of San Marcos (the "City") shall charge and collect for Large Distributed Generation Standby Service on the basis of this Rate Schedule – LDGS. City of San Marcos Electric Utility Rules and Regulations are incorporated by reference as a part of this rate schedule.

AVAILABILITY

This rate schedule is available throughout the entire territory served by the San Marcos Electric Utility System (the "City System").

APPLICABILITY

This rate schedule is applicable to all electric service required by Customer for lighting, power and any other purpose, other than residential service as defined in Rate Schedule – RS, as defined hereinafter, where the Customer's maximum metered kW demand is 1,000 kW or greater, for which no specific rate schedule is available, and where the customer is capable of generating a significant portion or the totality of their load requirement.

CHARACTER OF SERVICE

Service under this rate schedule shall be alternating current, 60 Hertz, three phase and delivered at City primary voltage or at the standard secondary voltages 120/208 or 277/480.

MONTHLY RATE

Power Cost Charge

The customer's power cost charge will be a direct pass through of generation, transmission and other charges billed to San Marcos Electric Utility by the Lower Colorado River Authority, GenTex Power Corporation, and other wholesale power suppliers for generation services provided to the customer.

Distribution Standby Charge

The Distribution Standby Charge is the sum of the Customer Charge and the Demand Charge, what are calculated as follows:

Customer Charge
\$ 6.03 multiplied by the CONTRACT DEMAND per month

Demand Charge
\$ 6.05 per BILLING DEMAND

The amount computed at the MONTHLY RATE shall be subject to taxes, assessments or surcharges imposed by any governmental authority which assessed on the basis of revenues from electric service or volumes of electricity purchased or sold by the City.

**SAN MARCOS ELECTRIC UTILITY
ELECTRIC RATE SCHEDULES**

**Large Distributed Generation Standby Service
Rate Schedule - LDGS**

Effective: _____

MINIMUM MONTHLY CHARGE

The monthly minimum charge shall be the sum of the CUSTOMER CHARGE, the DEMAND CHARGE (as applicable) and all applicable rate adjustments.

PAYMENT

The due dates, penalty dates, and disconnection dates for bills shall be linked to the Customers' billing cycles in accordance with the following table of dates for each cycle:

Cycle #	Billing Date	Due Date and Penalty Date	Disconnection Date
1	16 th	3 rd of the following month	14 th of the following month
2	24 th	11 th of the following month	21 st of the following month
3	1 st	18 th of the same month	28 th of the same month
4	8 th	25 th of the same month	4 th of the following month

Any and all amounts not paid before the penalty date shall be assessed a charge in the amount of 10% of the unpaid amount.

Payments from state agencies must be received within 30 days from receipt of bill, and any unpaid amount will be subject to a 1.0% per month interest charge following the procedures set forth in the Prompt Payment Act.

CONTRACT DEMAND

Service under this rate schedule requires the Customer execute a standard contract for a minimum term of 12 months for a specified Contract Demand (kW) to be used in the determination of the BILLING DEMAND, as described hereinafter.

DETERMINATION OF BILLING DEMAND

The BILLING DEMAND for each month shall be the greater of:

- a. The highest metered kW demand less the CONTRACT DEMAND, established during any 15 minute interval during the month; or
- b. The highest kW demand less the CONTRACT DEMAND established during any 15 minute interval during the immediately preceding 11 months.
- c. When the highest metered kW demand used to determine the Billing Demand is less than the Contract Demand, the Billing Demand shall be zero (\$0.00).

POWER FACTOR ADJUSTMENT

The monthly highest metered kW demand may be adjusted to an equivalent 97.0% power factor for the purpose of establishing the monthly BILLING DEMAND when the power factor at the point of delivery to the Customer is determined to be less than 97.0%. Such adjustment will be deferred for 6 months at a new point of delivery to allow for corrective action by the Customer.

EXHIBIT B

SAN MARCOS ELECTRIC UTILITY ELECTRIC RATE SCHEDULES

Large Independent, Redundant Service Rate Schedule - LIRS

Effective: _____

The City of San Marcos (the "City") shall charge and collect for Large Independent, Redundant Service on the basis of this Rate Schedule – LIRS. The City of San Marcos Electric Utility Rules and Regulations are incorporated by reference as a part of this rate schedule.

AVAILABILITY

This rate schedule is available throughout the entire territory served by the San Marcos Electric Utility System (the "City System").

APPLICABILITY

This rate schedule is applicable to all electric service required by Customer for lighting, power and any other purpose, other than residential service as defined in Rate Schedule - RS, where the Customer's maximum metered kW demand is 1,000 kW or greater, and where the customer requires two or more independent, redundant services.

CHARACTER OF SERVICE

Service under this rate schedule shall be alternating current, 60 Hertz, three phase and delivered at City primary voltage or at the standard secondary voltages 120/208 or 277/480.

MONTHLY RATE

Power Cost Charge

The customer's power cost charge will be a direct pass through of generation, transmission and other charges billed to San Marcos Electric Utility by the Lower Colorado River Authority, GenTex Power Corporation, and other wholesale power suppliers for generation services provided to the customer.

Distribution Standby Charge

The Distribution Standby Charge is the sum of the Customer Charge and the Demand Charge, which are calculated as follows:

Customer Charge
\$ 6.03 multiplied by the CONTRACT DEMAND per month

Demand Charge
\$ 6.05 per BILLING DEMAND

The amount computed at the MONTHLY RATE shall be subject to taxes, assessments or surcharges imposed by any governmental authority which assessed on the basis of revenues from electric service or volumes of electricity purchased or sold by the City.

MINIMUM MONTHLY CHARGE

The monthly minimum charge shall be the sum of the CUSTOMER CHARGE, the DEMAND CHARGE (as applicable) and all applicable rate adjustments.

**SAN MARCOS ELECTRIC UTILITY
ELECTRIC RATE SCHEDULES**

**Large Independent, Redundant Service
Rate Schedule - LIRS**

Effective: _____

PAYMENT

The due dates, penalty dates, and disconnection dates for bills shall be linked to the Customers' billing cycles in accordance with the following table of dates for each cycle:

Cycle #	Billing Date	Due Date and Penalty Date	Disconnection Date
1	16 th	3 rd of the following month	14 th of the following month
2	24 th	11 th of the following month	21 st of the following month
3	1 st	18 th of the same month	28 th of the same month
4	8 th	25 th of the same month	4 th of the following month

Any and all amounts not paid before the penalty date shall be assessed a charge in the amount of 10% of the unpaid amount.

Payments from state agencies must be received within 30 days from receipt of bill, and any unpaid amount will be subject to a 1.0% per month interest charge following the procedures set forth in the Prompt Payment Act.

CONTRACT DEMAND

Service under this rate schedule requires the Customer execute a standard contract for a minimum term of 12 months for a specified Contract Demand (kW) to be used in the determination of the BILLING DEMAND, as described hereinafter.

DETERMINATION OF BILLING DEMAND

The BILLING DEMAND for each month shall be the greater of:

- d. The highest metered kW demand less the CONTRACT DEMAND, established during any 15 minute interval during the month; or
- e. The highest kW demand less the CONTRACT DEMAND established during any 15 minute interval during the immediately preceding 11 months.
- f. When the highest metered kW demand used to determine the Billing Demand is less than the Contract Demand, the Billing Demand shall be zero (\$0.00).

POWER FACTOR ADJUSTMENT

The monthly highest metered kW demand may be adjusted to an equivalent 97.0% power factor for the purpose of establishing the monthly BILLING DEMAND when the power factor at the point of delivery to the Customer is determined to be less than 97.0%. Such adjustment will be deferred for 6 months at a new point of delivery to allow for corrective action by the Customer.