

Next Steps

Recommended Changes for Consideration

1. **Adjust TX. State Univ. Rate Structure** to Reflect Addition of Central Heat and Power (CHP)

- Design rate to ensure SMEU recovers cost of service revenue requirements based on new operating environment

2. **Move “key accounts”** into their respective commercial rate classes

- Current Key Account rate classes are skewing cost of service results by having multiple, small rate classes with similar usage characteristics
- Classes could benefit from consolidation and resulting economies of scale

3. Consider **rebalancing rates** to meet cost of service and the City’s strategic goals

- Slight rate reductions for large commercial and industrial customers
- Slight increase for residential customers

4. Consider implementation of **higher fixed fees**

- As distributed generation and load shedding become increasingly prevalent, electric utilities will need to recover more revenue through fixed fees than variable charges