



Legislation Text

File #: Ord. 2018-47(b), **Version:** 1

AGENDA CAPTION:

Consider approval of Ordinance 2018-47, on the second of two readings, consolidating five Commercial and Industrial Electric Rate Classes into two large General Service Rate Classes by eliminating the Texas State University Cogeneration contract and all Primary and Secondary Key Accounts as recommended by the Citizens Utility Advisory Board; reducing the energy charge and demand charge associated with such large general service rate classes; including procedural provisions; and providing an effective date.

Meeting date: November 20, 2018

Department: Finance-Heather Hurlbert, Finance Director

Amount & Source of Funding

Funds Required: \$0

Account Number: N/A

Funds Available: N/A

Account Name: N/A

Fiscal Note:

Prior Council Action: Council has established utility rates per ordinance and the Tx. St. Co-Generation rate agreement.

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☒ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

City staff presented information to the Citizens Utilities Advisory Board (CUAB) on September 20, 2017 and April 18, 2018 on a proposal to consolidate five Commercial and Industrial Rate Classes into two under the LGS Tariff by eliminating the Texas State University Cogeneration contract and all Primary and Secondary Key Accounts in accord with the recommendations in the Schneider Engineering study entitled, “Key Account Elimination Cost of Service and Rate Impacts” (the “Cost of Service Study”) dated March 14, 2018 (see attachment C). Per the Cost of Service Study, the LGS energy and demand charges will be slightly reduced to more closely match the actual cost of providing utility services to customers in the LGS rate classes. The result is a projected revenue reduction of approximately \$240,000, less than 0.5% of the anticipated revenue per annum. Residential, small commercial, and medium commercial rates would remain unchanged.

The rate classification changes and energy and demand charge adjustments will take effect on January 1, 2019. City staff will notify all affected customers before such changes take effect.

CUAB approved the recommended changes on May 22, 2018.

Council Committee, Board/Commission Action:

CUAB Recommendation on May 22, 2018

Alternatives:

None identified

Recommendation:

Approve the rate structure changes as indicated.