

ORDINANCE NO. 20051201-054

AN ORDINANCE AMENDING ORDINANCE NO. 20050912-05 AMEND THE ELECTRIC RATE SCHEDULE FUEL ADJUSTMENT CLAUSE IN EXHIBIT A.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. Ordinance No. 20050912-005 is amended to amend the Electric Rate Schedule Fuel Adjustment Clause in Exhibit A to read:

**CITY OF AUSTIN
ELECTRIC RATE SCHEDULE
FUEL ADJUSTMENT CLAUSE**

Application:

This clause is applicable to all City of Austin electric rates for which a Fuel Adjustment Clause (FAC) is prescribed.

Fuel Rate:

The Fuel Rate is ~~[can be]~~ expressed by the following formula:

$$\text{Fuel Rate} = \frac{F + I}{S} + \frac{(E + T) - A}{S}$$

In the Fuel Rate formula:

~~[Where]~~ F is the estimated cost of fuels and related expenses, including refunds and the cost of purchased power for the twelve (12) month period used to calculate the FAC ~~[calendar year]~~ for service-area sales.

~~[Where]~~ I is 1) the estimated fees and charges from the Electric Reliability Council of Texas (ERCOT) Independent System Operator (ISO) incurred by the City of Austin when providing energy and capacity needed to meet its service-area obligations for the twelve (12) month period used to calculate the FAC ~~[calendar year]~~ and 2) the estimated cost of the ERCOT ISO Administrative Fee for the twelve (12) month period used to calculate the FAC ~~[calendar year]~~.

~~[Where]~~ S is the estimated service-area sales of kWh for the twelve (12) month period used to calculate the FAC ~~[calendar year]~~.

[Where] E is the actual cost of fuels and related expenses, including refunds and the cost of purchases power, less any fuel costs for off system sales of energy for the latest twelve (12) month period of data available [~~or firm power for the twelve months ended November 30~~].

[Where] T is 1) the actual fees and charges from the ERCOT ISO incurred by the City of Austin when providing energy and capacity needed to meet its service-area obligations and 2) the actual Administrative Fee for the latest twelve (12) month period of data available [~~twelve months ended November 30~~].

[Where] A is the actual cost recovered from service-area sales for the latest twelve (12) month period of data available [~~twelve months ended November 30~~].

The fuel rate shall be effective January 1st, unless adjusted for over- or under-recovery.

If, at any time, there is more than a ten percent over-recovery from the total projected fuel and purchased power costs for the twelve month period used to calculate those costs, the City of Austin shall initiate a review of the FAC to project whether the over-recovery will be within ten percent for the remaining months of the twelve month period used to calculate those costs. If the review indicates an over-recovery of more than ten percent for the remainder of the period, the City of Austin shall adjust the FAC for the next twelve months to eliminate the over-recovery.

If, at any time, there is more than a ten percent projected under-recovery from the total projected fuel and purchased power costs for the twelve month period used to calculate those costs, the City of Austin will initiate a review of the FAC to project whether the under-recovery will be within ten percent for the remaining months of the twelve month period used to calculate those costs. If the review indicates an under-recovery of more than ten percent for the remainder of the period, the City of Austin may adjust the FAC for the next twelve months to eliminate the under-recovery.

~~[If, at any time, there is more than a ten percent (10%) over-recovery from the projected calendar year fuel and purchased power costs, the City of Austin shall adjust the FAC for the remaining months of the calendar year to reflect the revised estimates of fuel and purchased power costs. If, at any time, there is more than a ten percent (10%) under-recovery from the projected calendar year fuel and purchased power costs, the City of Austin may adjust the FAC for the remaining months of the calendar year to reflect the revised estimates of fuel and purchased power costs.]~~

Calculation:

The Fuel Rate is [~~will be~~] multiplied by the following voltage level adjustment factors:

Secondary Multiplier: 1.004854
Primary Multiplier: .974939
Transmission Multiplier: .964826

PART 2. This ordinance takes effect on December 12, 2005.

PASSED AND APPROVED

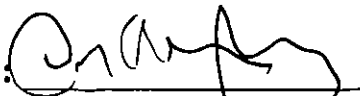
December 1, 2005

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Will Wynn
Mayor

APPROVED:



David Allan Smith
City Attorney

ATTEST:



Shirley A. Gentry
City Clerk