

# ELECTRIC RATE REVIEW

CITY COUNCIL MEETING – JULY 15, 2025

CITY OF SEGUIN

---

WE GIVE YOU THE **POWER TO PERFORM**

**SENERGY**™

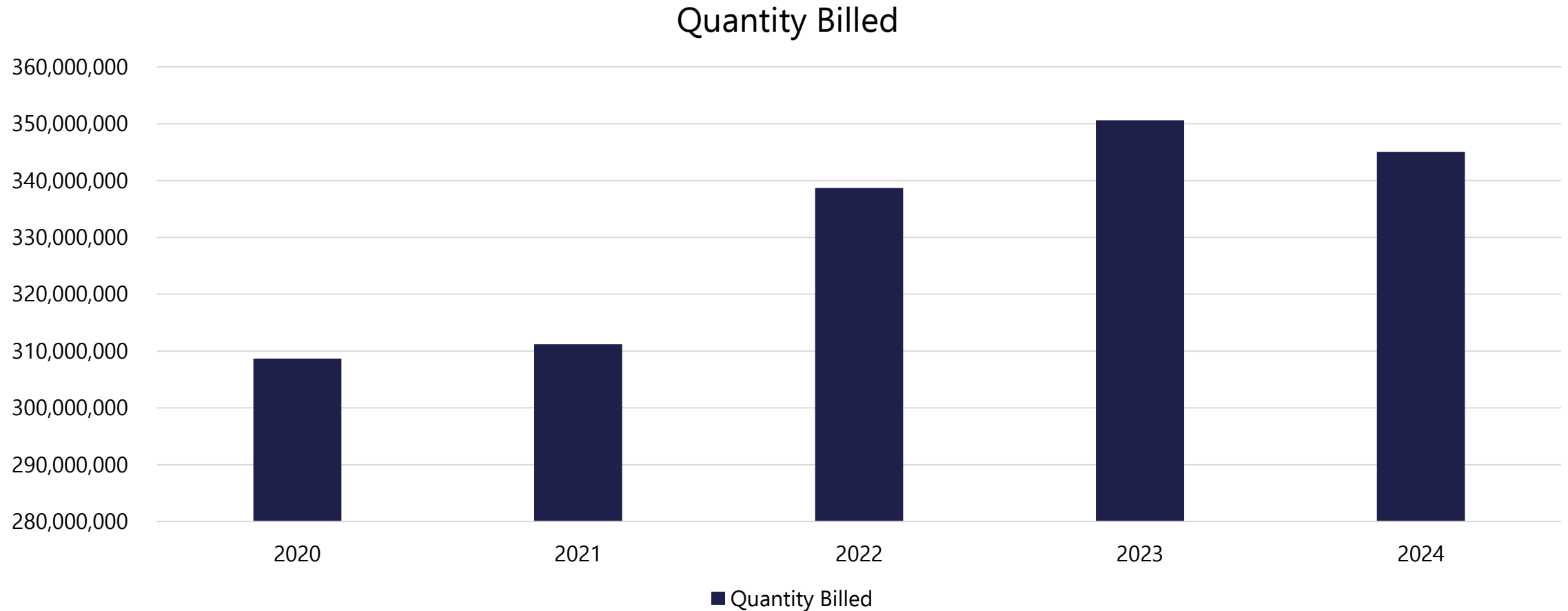
POWERED BY SCHNEIDER ENGINEERING

# BACKGROUND

- Full cost of service/ rate study last completed in 2024 (SEnergy updates the cost of service on a 5-year cycle for the City of Seguin)
- 2024 study proposed:
  - Marginal adjustment to Residential customer charge
  - No changes to Small Commercial rate
  - Increase demand rates for Large Commercial and Industrial
    - Offset increased demand rates with reduced energy charge

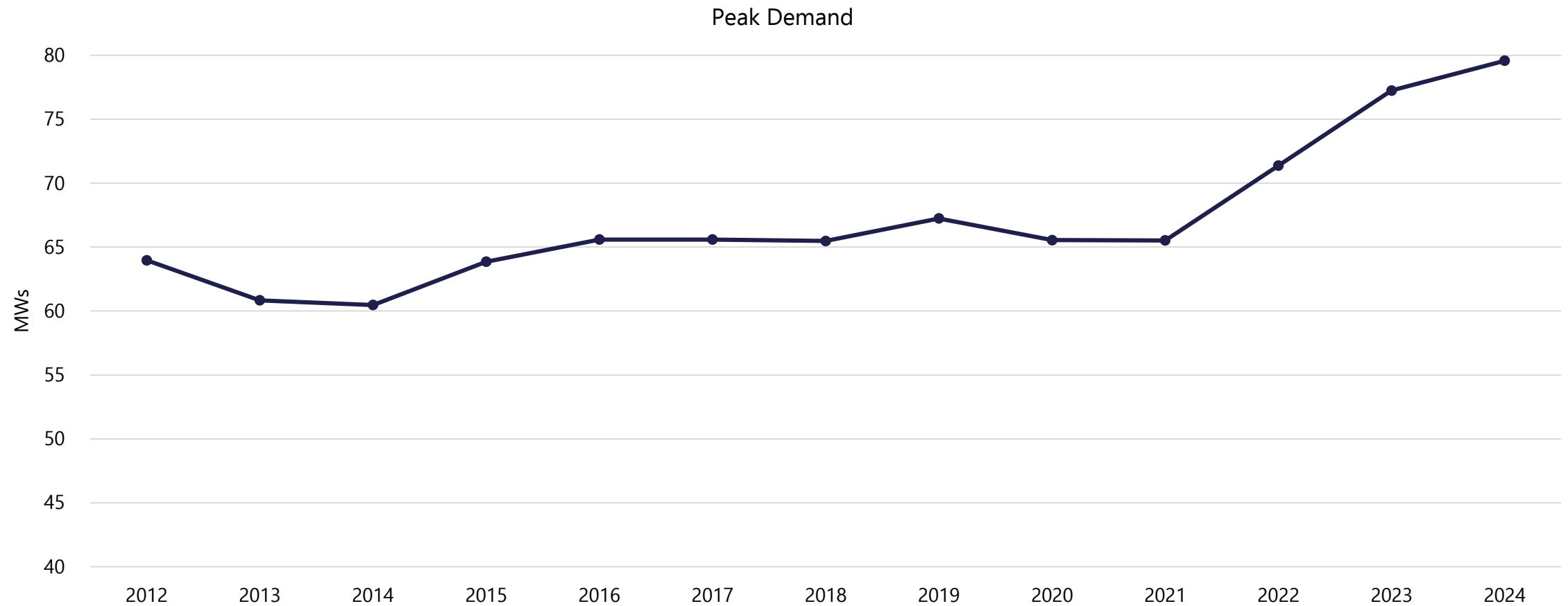


# ANNUAL ENERGY SALES



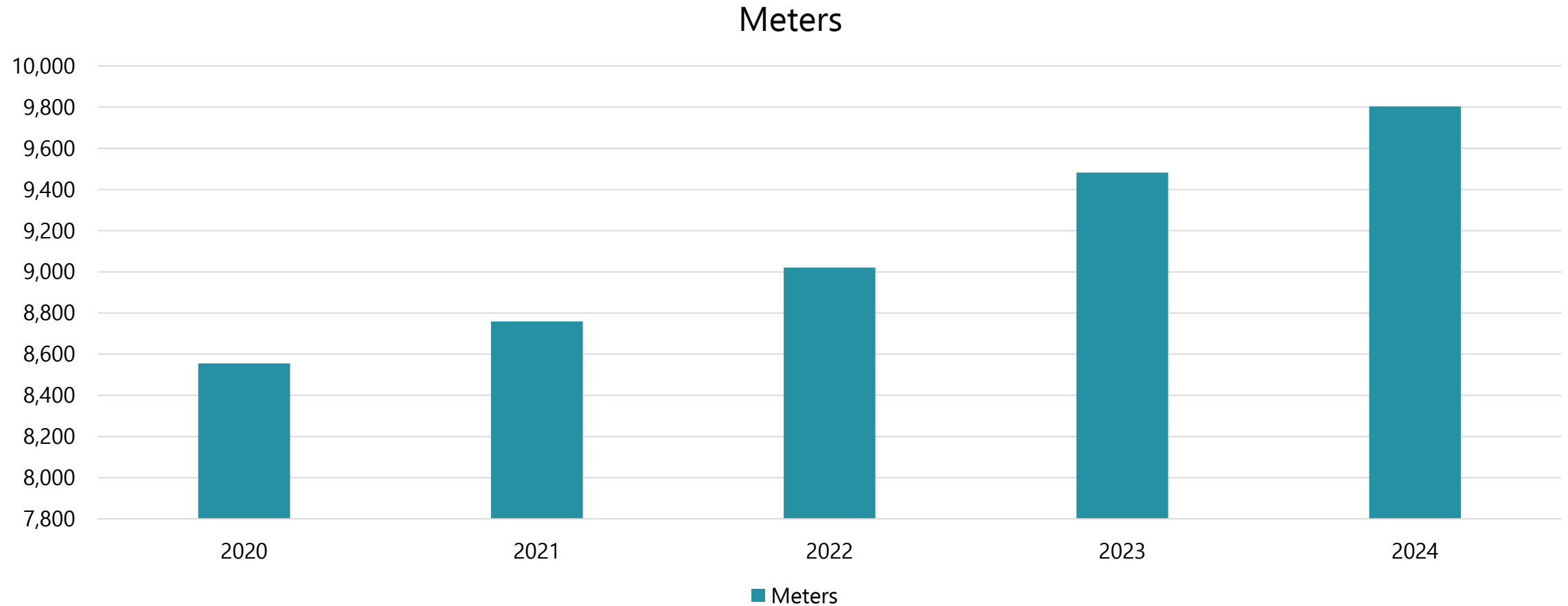


# PEAK SYSTEM GROWTH





# ANNUAL METER GROWTH



# FINANCIAL FORECAST OVERVIEW

- Facilitates evaluation of future costs, rates, and revenue impacts
  - Covers operational expenses and capital investments
  - Incorporates projected demand and customer growth
  - Facilitates analysis of key metrics in utility performance
- Data Collection
  - Compiled historical financial data and performance metrics for the Electric Fund
  - Incorporated upcoming capital projects and planned investments
- Analysis
  - Projected revenue based on consumption trend, customer growth, and rate changes
  - Estimated future operational and administrative expenses



# BASE FINANCIAL FORECAST

	Audit Report			Budget	Forecast				
	2022	2023	2024	2025	2026	2027	2028	2029	2030
	FY 2021/2022	FY 2022/2023	FY 2023/2024	FY 2024/2025	FY 2025/2026	FY 2026/2027	FY 2027/2028	FY 2028/2029	FY 2029/2030
<b>Revenues</b>									
Residential	\$ 10,569,487	\$ 11,187,311	\$ 11,072,019	\$ 12,107,838	\$ 12,217,100	\$ 12,662,600	\$ 12,893,411	\$ 13,219,987	\$ 13,488,005
Commercial	\$ 2,098,794	\$ 2,192,496	\$ 2,216,339	\$ 2,261,124	\$ 2,327,465	\$ 2,411,690	\$ 2,455,016	\$ 2,516,546	\$ 2,566,898
Large Power	\$ 8,178,070	\$ 8,165,110	\$ 8,135,007	\$ 8,651,184	\$ 8,801,413	\$ 9,107,013	\$ 9,244,682	\$ 9,468,075	\$ 9,636,650
Industrial	\$ 9,901,946	\$ 10,416,874	\$ 10,769,045	\$ 11,278,171	\$ 11,770,212	\$ 12,073,357	\$ 12,086,240	\$ 12,214,843	\$ 12,370,557
City	\$ 996,938	\$ 1,065,846	\$ 1,144,992	\$ 1,101,497	\$ 1,139,160	\$ 1,161,598	\$ 1,159,803	\$ 1,167,592	\$ 1,168,590
<b>Total</b>	<b>\$ 31,745,235</b>	<b>\$ 33,027,637</b>	<b>\$ 33,337,402</b>	<b>\$ 35,399,814</b>	<b>\$ 36,255,349</b>	<b>\$ 37,416,258</b>	<b>\$ 37,839,152</b>	<b>\$ 38,587,043</b>	<b>\$ 39,230,700</b>
<b>Est. PCRF Rev.</b>	<b>\$ 19,043,804</b>	<b>\$ 19,864,196</b>	<b>\$ 19,592,189</b>	<b>\$ 21,357,969</b>	<b>\$ 22,236,738</b>	<b>\$ 23,147,193</b>	<b>\$ 23,309,738</b>	<b>\$ 23,789,898</b>	<b>\$ 24,045,333</b>
<b>System Rev.</b>	<b>\$ 12,701,431</b>	<b>\$ 13,163,441</b>	<b>\$ 13,745,213</b>	<b>\$ 14,041,845</b>	<b>\$ 14,018,611</b>	<b>\$ 14,269,065</b>	<b>\$ 14,529,414</b>	<b>\$ 14,797,145</b>	<b>\$ 15,185,366</b>
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenses</b>									
<b>Wholesale Power</b>	<b>\$ 17,230,342</b>	<b>\$ 17,421,755</b>	<b>\$ 20,857,150</b>	<b>\$ 21,357,969</b>	<b>\$ 22,236,738</b>	<b>\$ 23,147,193</b>	<b>\$ 23,309,738</b>	<b>\$ 23,789,898</b>	<b>\$ 24,045,333</b>
Base	\$ 16,660,970	\$ 16,530,112	\$ 19,054,232	\$ 19,821,505	\$ 20,276,562	\$ 21,082,636	\$ 21,191,738	\$ 21,632,552	\$ 21,858,591
Renewables	\$ 569,372	\$ 891,643	\$ 1,802,918	\$ 1,536,464	\$ 1,960,176	\$ 2,064,558	\$ 2,118,000	\$ 2,157,346	\$ 2,186,742
O&M	\$ 8,598,085	\$ 9,315,054	\$ 9,336,769	\$ 10,420,326	\$ 10,400,042	\$ 10,549,553	\$ 10,712,982	\$ 10,872,249	\$ 11,050,116
Administrative	\$ 1,866,223	\$ 2,110,668	\$ 2,572,461	\$ 3,073,924	\$ 3,572,228	\$ 3,763,325	\$ 3,965,226	\$ 4,178,595	\$ 4,404,143
Capital Expenditure	\$ (4,261)	\$ 1,510,000	\$ 1,000,000	\$ 900,000	\$ 714,568	\$ 700,000	\$ 650,000	\$ 550,000	\$ 550,000
<b>Total</b>	<b>\$ 27,690,389</b>	<b>\$ 30,357,477</b>	<b>\$ 33,766,380</b>	<b>\$ 35,752,219</b>	<b>\$ 36,923,576</b>	<b>\$ 38,160,072</b>	<b>\$ 38,637,945</b>	<b>\$ 39,390,741</b>	<b>\$ 40,049,592</b>
<b>Total Less Power</b>	<b>\$ 10,460,047</b>	<b>\$ 12,935,722</b>	<b>\$ 12,909,230</b>	<b>\$ 14,394,250</b>	<b>\$ 14,686,838</b>	<b>\$ 15,012,878</b>	<b>\$ 15,328,208</b>	<b>\$ 15,600,844</b>	<b>\$ 16,004,259</b>
<b>Net Total</b>	<b>\$ 2,241,384</b>	<b>\$ 227,719</b>	<b>\$ 835,984</b>	<b>\$ (352,405)</b>	<b>\$ (668,227)</b>	<b>\$ (743,814)</b>	<b>\$ (798,793)</b>	<b>\$ (803,699)</b>	<b>\$ (818,893)</b>
<b>% of Revenue</b>	<b>12.77%</b>	<b>8.08%</b>	<b>-1.29%</b>	<b>-1.00%</b>	<b>-1.84%</b>	<b>-1.99%</b>	<b>-2.11%</b>	<b>-2.08%</b>	<b>-2.09%</b>

# COST DRIVERS AND PREVIOUS RATE CHANGES

- Deficit in net total primarily driven by increase in the below:
  - Inflationary pressures
    - Operation and maintenance
    - Repairs
  - Salaries and benefits
  - Shared services

	2014	2019	2024	<i>Prop. 2025</i>
Residential	6.82%	0%	0.91%	6%
Small Commercial	12.28%	0.47%	0%	6%
Lg. Com. – Sec.	6.22%	-0.01%	0.02%	6%
Lg. Com. – Prim.	7.60%	-0.01%	-0.67%	6%
Industrial – Sec.	4.59%	-5.45%	-0.11%	6%
Industrial – Prim.	2.18%	-5.40%	0.27%	6%





# PROPOSED RATES

Rate Class	Current Rates				Proposed Rates				PCRF	
	Customer Charge	Energy Charge - Secondary	Energy Charge - Primary	Demand Charge	Customer Charge	Energy Charge - Secondary	Energy Charge - Primary	Demand Charge	Current PCRF	Proposed PCRF
Residential	\$15.50	\$0.03757			\$16.43	\$0.03982			\$0.057	\$0.0602
Commercial	\$35.00	\$0.03154			\$37.10	\$0.03343			\$0.057	\$0.0602
Large Power/Light	\$125.00	\$0.02719	\$0.02678	\$3.50	\$132.50	\$0.02882	\$0.02796	\$3.71	\$0.057	\$0.0602
Industrial	\$350.00	\$0.01007	\$0.00977	\$5.00	\$371.00	\$0.01067	\$0.01035	\$5.30	\$0.057	\$0.0602

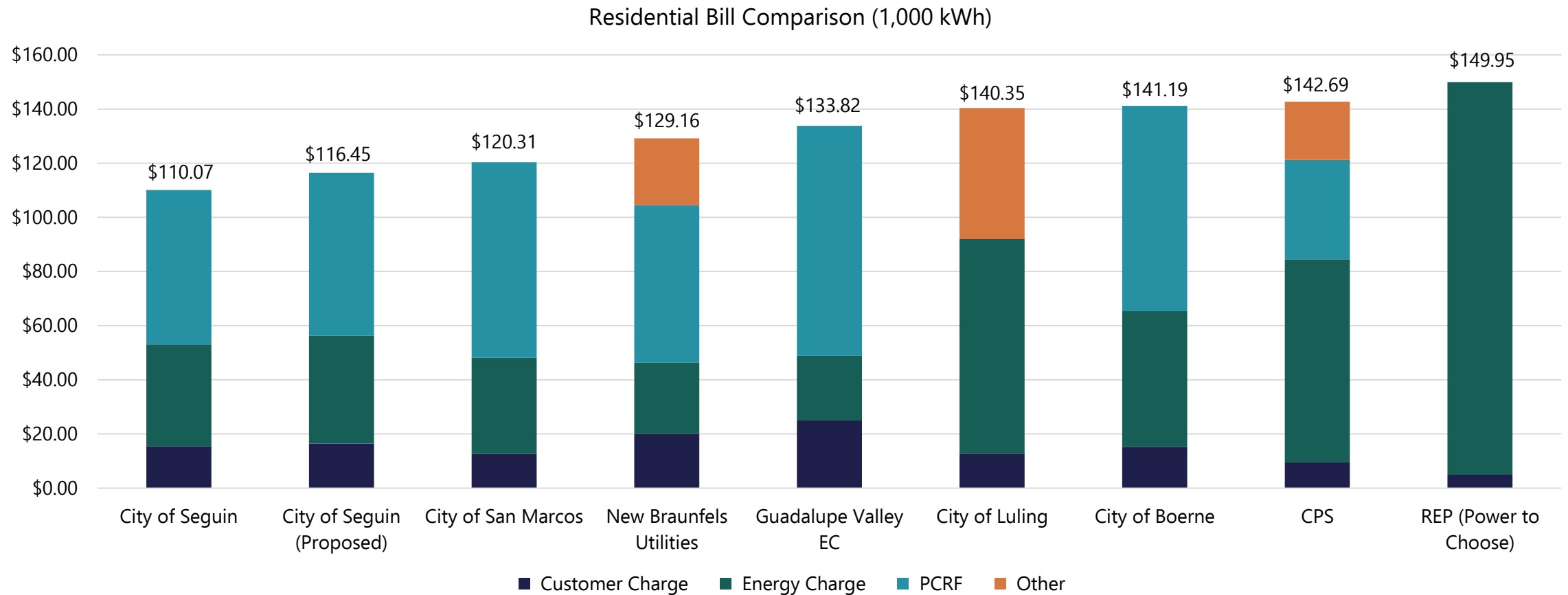


# FINANCIAL FORECAST WITH RATE CHANGES

	Audit Report			Budget	Forecast				
	2022	2023	2024	2025	2026	2027	2028	2029	2030
	FY 2021/2022	FY 2022/2023	FY 2023/2024	FY 2024/2025	FY 2025/2026	FY 2026/2027	FY 2027/2028	FY 2028/2029	FY 2029/2030
<b>Revenues</b>									
Residential	\$ 10,569,487	\$ 11,187,311	\$ 11,072,019	\$ 12,107,838	\$ 12,559,658	\$ 13,013,224	\$ 13,252,293	\$ 13,587,323	\$ 13,863,995
Commercial	\$ 2,098,794	\$ 2,192,496	\$ 2,216,339	\$ 2,261,124	\$ 2,392,815	\$ 2,478,541	\$ 2,523,403	\$ 2,586,505	\$ 2,638,465
Large Power	\$ 8,178,070	\$ 8,165,110	\$ 8,135,007	\$ 8,651,184	\$ 9,027,308	\$ 9,337,150	\$ 9,478,793	\$ 9,706,663	\$ 9,879,980
Industrial	\$ 9,901,946	\$ 10,416,874	\$ 10,769,045	\$ 11,278,171	\$ 11,950,943	\$ 12,255,119	\$ 12,269,666	\$ 12,399,641	\$ 12,563,449
City	\$ 996,938	\$ 1,065,846	\$ 1,144,992	\$ 1,101,497	\$ 1,164,256	\$ 1,186,857	\$ 1,185,227	\$ 1,193,182	\$ 1,194,347
<b>Total</b>	<b>\$ 31,745,235</b>	<b>\$ 33,027,637</b>	<b>\$ 33,337,402</b>	<b>\$ 35,399,814</b>	<b>\$ 37,094,980</b>	<b>\$ 38,270,891</b>	<b>\$ 38,709,382</b>	<b>\$ 39,473,313</b>	<b>\$ 40,140,237</b>
<b>Est. PCRF Rev.</b>	<b>\$ 19,043,804</b>	<b>\$ 19,864,196</b>	<b>\$ 19,592,189</b>	<b>\$ 21,357,969</b>	<b>\$ 22,236,738</b>	<b>\$ 23,147,193</b>	<b>\$ 23,309,738</b>	<b>\$ 23,789,898</b>	<b>\$ 24,045,333</b>
<b>System Rev.</b>	<b>\$ 12,701,431</b>	<b>\$ 13,163,441</b>	<b>\$ 13,745,213</b>	<b>\$ 14,041,845</b>	<b>\$ 14,858,242</b>	<b>\$ 15,123,698</b>	<b>\$ 15,399,644</b>	<b>\$ 15,683,415</b>	<b>\$ 16,094,904</b>
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenses</b>									
<b>Wholesale Power</b>	<b>\$ 17,230,342</b>	<b>\$ 17,421,755</b>	<b>\$ 20,857,150</b>	<b>\$ 21,357,969</b>	<b>\$ 22,236,738</b>	<b>\$ 23,147,193</b>	<b>\$ 23,309,738</b>	<b>\$ 23,789,898</b>	<b>\$ 24,045,333</b>
Base	\$ 16,660,970	\$ 16,530,112	\$ 19,054,232	\$ 19,821,505	\$ 20,276,562	\$ 21,082,636	\$ 21,191,738	\$ 21,632,552	\$ 21,858,591
Renewables	\$ 569,372	\$ 891,643	\$ 1,802,918	\$ 1,536,464	\$ 1,960,176	\$ 2,064,558	\$ 2,118,000	\$ 2,157,346	\$ 2,186,742
O&M	\$ 8,598,085	\$ 9,315,054	\$ 9,336,769	\$ 10,420,326	\$ 10,400,042	\$ 10,549,553	\$ 10,712,982	\$ 10,872,249	\$ 11,050,116
Administrative	\$ 1,866,223	\$ 2,110,668	\$ 2,572,461	\$ 3,073,924	\$ 3,572,228	\$ 3,763,325	\$ 3,965,226	\$ 4,178,595	\$ 4,404,143
Capital Expenditure	\$ (4,261)	\$ 1,510,000	\$ 1,000,000	\$ 900,000	\$ 714,568	\$ 700,000	\$ 650,000	\$ 550,000	\$ 550,000
<b>Total</b>	<b>\$ 27,690,389</b>	<b>\$ 30,357,477</b>	<b>\$ 33,766,380</b>	<b>\$ 35,752,219</b>	<b>\$ 36,923,576</b>	<b>\$ 38,160,072</b>	<b>\$ 38,637,945</b>	<b>\$ 39,390,741</b>	<b>\$ 40,049,592</b>
<b>Total Less Power</b>	<b>\$ 10,460,047</b>	<b>\$ 12,935,722</b>	<b>\$ 12,909,230</b>	<b>\$ 14,394,250</b>	<b>\$ 14,686,838</b>	<b>\$ 15,012,878</b>	<b>\$ 15,328,208</b>	<b>\$ 15,600,844</b>	<b>\$ 16,004,259</b>
<b>Net Total</b>	<b>\$ 2,241,384</b>	<b>\$ 227,719</b>	<b>\$ 835,984</b>	<b>\$ (352,405)</b>	<b>\$ 171,404</b>	<b>\$ 110,819</b>	<b>\$ 71,437</b>	<b>\$ 82,571</b>	<b>\$ 90,645</b>
<b>% of Revenue</b>	<b>12.77%</b>	<b>8.08%</b>	<b>-1.29%</b>	<b>-1.00%</b>	<b>0.46%</b>	<b>0.29%</b>	<b>0.18%</b>	<b>0.21%</b>	<b>0.23%</b>



# RESIDENTIAL RATE COMPARISON





# QUESTIONS