

# Electric Rate Presentation



It's real.

- Part of the Electric Reliability Council of Texas (ERCOT)
- Power Supply Portfolio
  - CPS Energy – full requirements agreement through 2023
  - Lamesa – solar hedge
  - Albercas – wind hedge
- City of Seguin has entered into a full requirements contract with AEP from 2023-2028
- Natural Gas Hedging
  - City of Seguin has hedged its natural gas purchases through November 30, 2023
  - City of Seguin has one month remaining that needs to be hedged

- Electric rates are classified into six categories
  - Residential
  - Commercial
  - Large Power
  - Large Power Primary
  - Industrial
  - Primary Industrial
- Electric Customers
  - Residential – 7,624
  - Commercial – 1, 351
  - Total – 8,975

- Customer Charge

- Covers fixed administrative & operation expenses
- Billing customer service
- Expressed as a flat monthly charge

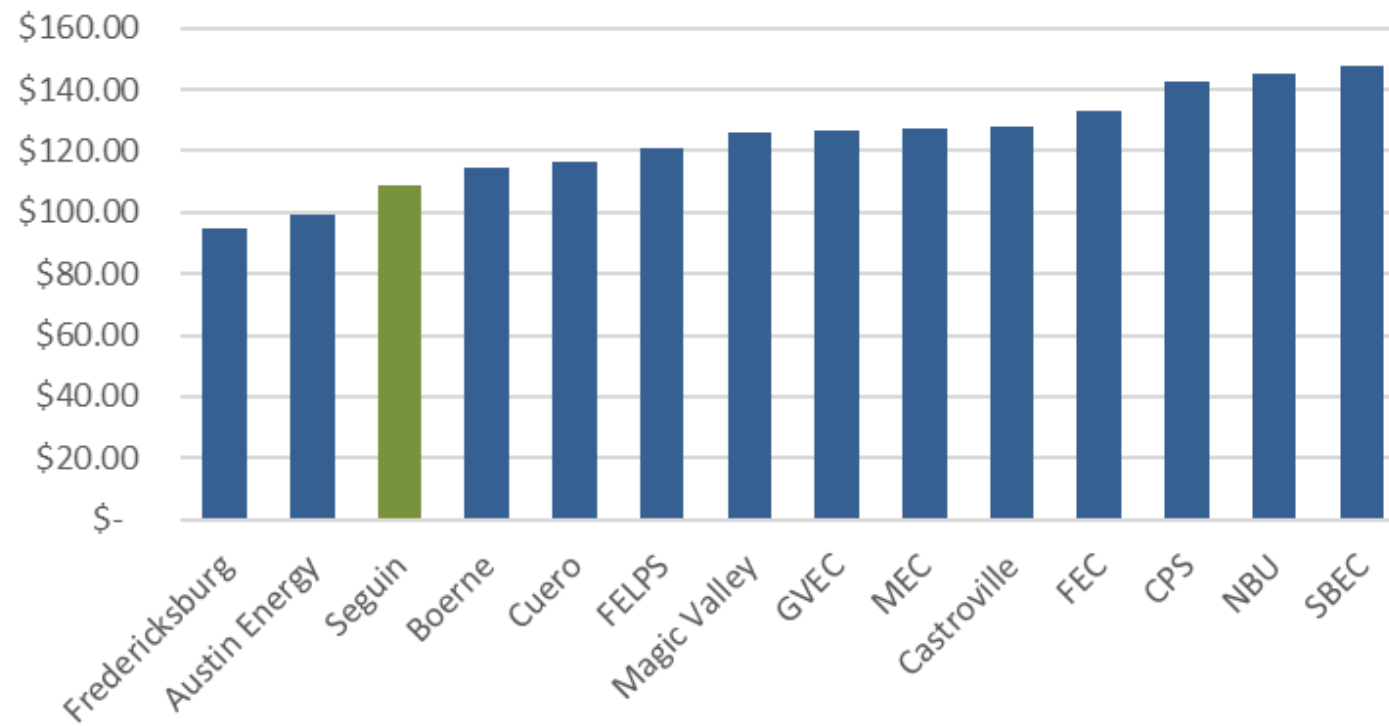
- Energy Charge

- The cost to operate and maintain the distribution system
- Expressed as \$/kWh

- Demand Charge
  - Usually not applied to residential and small commercial customers
  - Typically the cost to maintain capacity to serve a customer
  - Can impact customer with poor load factors
- Power Cost Recovery Factor
  - The cost to purchase wholesale power
  - Design and application depends on utility and customer needs
  - Expressed as \$/kWh

- Proposed rate for FY 2022-23
  - No proposed electric rate increase for any of the rate categories
  - Competitive rate that supports continued system reliability and high-level of customer service
- Reasons for no proposed increase in FY 2022-23
  - Favorable wholesale power contract with CPS Energy
  - Programmed infrastructure improvements in electric distribution system
  - Mitigated impact of Winter Storm Uri on electric rates
  - Progressive natural gas hedging program that mitigated effect of Winter Storm Uri and current fluctuating natural gas prices

Residential Bill Comparison (1,000 kWh)



# Questions



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