



**CITY OF LODI
COUNCIL COMMUNICATION**

TM

AGENDA TITLE: Energy Cost Adjustment (ECA) Update (EUD)

MEETING DATE: June 17, 2008

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Receive a presentation by the Electric Utility Director regarding an update of the Energy Cost Adjustment mechanism.

BACKGROUND INFORMATION: Pursuant to City Council approval, the Electric Utility Department implemented an Energy Cost Adjustment in August 2007. The purpose of the ECA is to address power supply related costs that differ from the amount of such costs included in base electric rates. Attached is a PowerPoint report which provides additional background and an update on the ECA.

FISCAL IMPACT: None at this time.

FUNDING: Not applicable.

George F. Morrow
Electric Utility Director

Attachment

APPROVED: _____
Blair King, City Manager



Electric Utility Update



**City Council
June 17, 2008**

City of Lodi, California





ECA Background

- EUD's previous rates included a “manual” Market Cost Adjustment (MCA) mechanism
- Intent was to review and update quarterly/regularly to reflect market power costs
- Following its initial establishment, MCA level was not adjusted for over 4 years even though market power costs changed
- MCA varied from zero to as much as 19¢ per KWH depending on rate tariff.





Overview

- ECA modified the “manual” MCA clause to reflect changes in power supply costs “automatically”
- Energy Cost Adjustment (ECA) updated monthly to reflect actual EUD costs
- ECA could reflect a **charge** during periods where costs are higher than “base” level or a **credit** when costs are lower than base level
- ECA identical for all rate classes





Forms of ECA

- “ECA”s are called a variety of different names across the country
- Timeframes of adjustment run from monthly to quarterly to semi-annually to annually
- The types of charges included in an ECA run the gamut from all power supply costs, variable costs only, fuel only, purchased power only, etc.





CA Utilities with ECAs

- Anaheim
- Redding
- Los Angeles
- Roseville ❌
- Imperial Irrigation District
- Lassen Municipal Utility District
- Pasadena





SCHEDULE PCRSA

POWER COST ADJUSTMENT/RATE STABILIZATION ACCOUNT

(FORMERLY KNOWN AS SCHEDULE PCA)

APPLICABILITY:

This schedule is applicable to all areas served by the Utility and to all kilowatt-hours billed under all rate schedules (except domestic lifeline) as defined under the special conditions of the rate schedules.

PURPOSE:

This factor allows for the recovery of power supply and other relevant operational costs based on actual 12 month rolling data from the accounting system and forecasted data to provide the ability for the Utility to meet specified financial performance indicators and goals. These goals include the maintenance of debt service coverage ratios no less than 1.5 times, rate stabilization account equal to approximately \$50 million, and the recovery of expenses associated with the production and purchase of energy delivered to Anaheim. This factor also provides a mechanism to return overcollection of funds when costs decrease.

APPLICATION:

Each quarter, the Utility will recalculate the PCRSA to be added or subtracted to energy service charges. The PCRSA shall be calculated as follows:

Commencing January 1, 2007, the Utility will calculate a PCRSA billing factor that recovers costs relating to the procurement and generation of energy, including but not limited to power production costs, purchased power costs, regulatory compliance costs, debt service and any other costs involved in delivering energy to the Utility's local receiving point(s). There is no limit on the Utility's ability to decrease the PCRSA rate. In order to avoid material rate fluctuations, increases to the PCRSA billing factor shall be limited to no more than a ½¢ per kWh during any 12 month period.

Power production costs include the sum of costs for the generation of electric energy at facilities owned and operated by the Utility or by a facility manager. Purchased power costs include the sum of costs of energy, transmission and ancillary services.

Wholesale revenues received from the sale of excess power and the use of the Utility's transmission lines will be used to reduce the costs that are recovered through the PCRSA.

The Utility will establish a regulatory credit account, funded by PCRSA collections, that maintains a cash reserve balance equal to approximately \$50 million to be used by management to mitigate material fluctuations in the cost of energy, loss of revenues or unbudgeted costs including the unexpected long-term loss of a generating facility, unplanned limits on the ability to transmit energy to Anaheim, or disasters (e.g. earthquakes, et al) that can otherwise negatively affect the revenue stream.

This regulatory credit account may be drawn down below the \$50 million, at management's discretion, to mitigate the impact on customer bills.

(Continued)





CITY OF REDDING MUNICIPAL UTILITIES - SCHEDULE OF RATES

23

POWER COST ADJUSTMENT

PURPOSE

The purpose of this adjustment is to appropriately adjust for increases in REU's wholesale power costs due to the Revenue Adjustment Clause (RAC) associated with purchases by REU from the Department of Energy, Western Area Power Administration (Western).

APPLICATION OF POWER COST ADJUSTMENT

The monthly Power Cost Adjustment (PCA) dollar amount to be added to each bill shall be obtained by multiplying the number of kilowatt-hours for which the bill is rendered by the applicable monthly PCA Factor.

CALCULATION OF THE POWER COST ADJUSTMENT FACTORS

1. The PCA Factor will be calculated and made effective every June 15 and December 15 to reflect any changes in Western's RAC.

2. If Western's RAC amount, in dollars, is a debit (monies owed to Western by Redding), then:

a. Western's RAC debit will be adjusted by:

(1) Subtracting any amount, in dollars, that is over the PCA

Balancing Account's minimum balance of \$300,000 as recorded 2 months prior to the effective date of the PCA Factor being calculated; however,

(2) If the 2 months' prior balance of the PCA Balancing Account is below \$300,000, then the necessary dollar amount required to restore the account to \$300,000 will be added to Western's RAC debit.

b. The adjusted debit dollar amount (as referenced in Section 2.a.) will be divided by the adjusted sum of all retail kilowatt-hour sales for the 6-month period beginning 12 months prior to the effective date of the PCA Factor.

c. The adjusted sum of retail kilowatt-hour sales (as referenced in Section 2.b.) will be determined by multiplying the historical total kilowatt-hour sales by a historical 3-year average annual energy growth factor to reflect REU's rate of growth in kilowatt-hour sales.

d. The PCA Factor resulting from the calculations in Section 2.b. will be applied as a charge to all retail kilowatt-hour sales on a monthly billing-cycle basis beginning with the effective date of the PCA Factor being calculated.

e. If the calculation of the PCA Factor results in a debit of less than 0.01 cents per kilowatt-hour, then the PCA Factor will be 0.00 cents per kilowatt-hour. The RAC debits from Western will be paid from the PCA Balancing Account.

3. A PCA Balancing Account shall be maintained as an operating account for the purposes of accommodating the cash-flow fluctuations inherent in the PCA process.





[Advanced Search](#)



YOUR ACCOUNT

- ▶ [Electric Rate Schedules](#)
- ▶ [Enterprise Zones](#)
- ▶ **[Energy Cost Adjustment Factor](#)**
- ▶ [Electric Subsidy Adjustment Factor](#)
- ▶ [Reliability Cost Adjustment Factor](#)
- ▶ [Standard Energy Credit](#)
- ▶ [Typical Electric Bills](#)

BILL INSERTS

- [Opening Bill Insert - Residential Customers](#)
- [Opening Bill Insert - Commercial Customers](#)

City of Los Angeles Department of Water and Power Energy Cost Adjustment Factor

An Energy Cost Adjustment (ECA) shall be added to all bills on the basis of total energy use. The ECA recovers the costs of fuel, purchased power including renewable resources, and demand side management costs, including revenue losses through application of the Energy Cost Adjustment Factor (ECAF).

The ECAF shall be calculated four times each year and shall take effect January 1, April 1, July 1, and October 1, respectively. For information on the expenses that are included and how the ECAF is calculated, please see the [General Provisions](#).

Historical and Projected Energy Cost Adjustment Billing Factors

All Units in Dollars/kWh

Period Applicable	Year 2006	Year 2007	Year 2008	Year 2009
January	0.02940	0.03140	0.03540	0.04440
February	0.02940	0.03140	0.03540	0.04440
March	0.02940	0.03140	0.03540	0.04440
April	0.02940	0.03240	0.03640	0.04540
May	0.02940	0.03240	0.03890	0.04540
June	0.02940	0.03240	0.03890	0.04540
July	0.02940	0.03340	0.04240	0.04890
August	0.02940	0.03340	0.04240	0.04890
September	0.02940	0.03340	0.04240	0.04890
October	0.03040	0.03440	0.04340	0.04990
November	0.03040	0.03440	0.04340	0.04990
December	0.03040	0.03440	0.04340	0.04990
Average	0.02965	0.03290	0.03982	0.04715

Contact Customer Service

Our Call Center is open 24 hours a day, 365 days a year

Local Calls
1-818-342-5397

Toll Free
1-800-DIAL-DWP
(1-800-342-5397)

TTY
1-800-HEAR-DWP
(1-800-432-7397)

Commercial Customers
(1-800-499-8840)

[email LADWP](#)

RELATED LINKS

- [LADWP Water and Power Rate Changes](#)
- [General Provisions](#)





IMPERIAL IRRIGATION DISTRICT
Imperial, California

SCHEDULE ECA
ENERGY COST ADJUSTMENT BILLING FACTOR

APPLICABILITY

An adjustment amount applicable to the kilowatt-hour (KWH) portion of all rate schedules and special contracts as specified therein, to adjust for changes of costs incurred by purchase of power from others, fuel used for generation of electric energy, and revenue from wholesale sales of energy to other entities.

RATE

An amount in cents per KWH, as calculated in accordance with the computation below, shall be added to or subtracted from the amount determined under the applicable rate schedule.

COMPUTATION

- (a) A billing factor shall be determined each January, to be applied February 1, by dividing the budgeted year energy costs by the total projected KWH sales to retail customers (rounded to the .01 cent) for the budget year, less the component cost per KWH listed in (b) in accordance with the following formula:

$$F = C - B$$

F = Billing Factor

$$C = (E - R) / K = \text{Cost per KWH}$$

E = Energy Costs Projected plus or minus the
Balancing Account in December

B = Component Cost of Energy

K = Projected KWH Sales Annualized on an Accumulated Monthly Basis

R = Revenue, equal to the cost of the energy from wholesale sales

- (b) The component cost for calculation of the billing factor shall be .99 cents per KWH sold.





LMUD Rate Schedule PDCA

(Ver 11.9.05)

POWER & DELIVERY COST ADJUSTMENT MECHANISM

(Including a General Explanation of Selected Mandated Fees & Costs)

I. INTRODUCTION

- A. With its adoption of this Power & Delivery Cost Adjustment (“PDCA”) mechanism, LMUD joins numerous other electric utilities in California and across the nation that have implemented variable rate structures to “index” electric rates and costs of service to the volatile costs relating to the procurement, generation and delivery of energy. These volatile costs include, but are not limited to, items within the following categories:
1. Natural gas and other energy sources needed to fuel power plants;
 2. Power Plant and Transmission Grid System Construction and Related Equipment;
 3. Federal and State regulatory compliance costs;
 4. Federal and State taxes and surcharges;
 5. State mandated California Independent System Operator (“CAISO”) fees;
 6. Power production costs (a future goal). This is the sum of costs for the generation of electric energy at facilities owned (partially or wholly) and operated by LMUD or by a facility manager, if any;
 7. Purchased power costs;
 8. Local System Debt service (Bonds & Certificates of Participation);
 9. “Ancillary Service” costs, approved by the Federal Energy Regulatory Commission (“FERC”) and charged by the State’s CAISO, related to the delivery of energy to LMUD’s local receiving point(s);
 10. State Mandated Local Reliability Costs; and,
 11. Local Distribution Costs.
- B. This Power & Delivery Cost Adjustment mechanism is also designed to reflect the unpredictability of the State, Federal and market driven changes in the above enumerated cost categories and to offset the inflationary pressures on construction, maintenance and operations of both the Western States’ system grid and LMUD’s own local distribution grid and system.
- C. All of the enumerated items of cost in above paragraphs A. & B. are, for convenience purposes, referred to hereinafter as “Power & Delivery Costs”.





13.04.173 Power Cost Adjustment.

- A. A Power Cost Adjustment (PCA) shall be added to the energy services charge set forth in the service schedules of this chapter. Each customer shall pay the applicable energy services charge plus a PCA for each kWh delivered to the customer.
- E. The PCA shall be based on actual data obtained from the city's accounting system, forecast data obtained from the annual operational plan approved by the City Council, and updated forecast data prepared monthly by PWP.
- F. PWP shall recalculate the PCA each month, and the resulting values for these charges shall be automatically implemented on the first day of the following month.
- G. For purposes of this section, the following definitions apply:
 - 1. 'Direct Access Customers' shall mean customers who choose an energy supplier other than PWP, taking service under Section 13.04.095.
 - 2. 'Energy Costs' means the sum of all costs related to the procurement and generation of energy for delivery to Full Service Customers, including, but not limited to, Power Production Costs and Purchased Power Costs, operating margin, debt service and the general fund transfer associated with these costs.
 - 3. 'Energy Cost Forecast' means the forecast of projected Energy Costs for the twelve months immediately following the last actual billing period. This forecast shall be updated monthly by PWP.
 - 4. 'Energy Services Charge Revenue Forecast' means the forecast of projected Energy Services Charge Revenue for the twelve months immediately following the last actual billing period. The energy services charge set forth in the schedules reflects the energy cost forecast as of July 1, 2002, based on the approved rate restructuring plan approved by the City Council adjusted to each customer group's load profile, and shall remain in effect until modified by Ordinance.
 - 5. 'Energy Revenue Credit' is a percentage of the Wholesale Net Income used to reduce the Energy Charge. The Energy Revenue Credit shall be applied when the Wholesale Net Income is greater than zero and shall be determined at least quarterly based on the actual accounting data as follows: (i) 75% of the Wholesale Net Income shall be applied as a credit; (ii) additional amounts may be authorized by Council Resolution.
 - 6. 'Energy Revenue Forecast' means the forecast of projected Energy Revenue Credits for the twelve months immediately following the last actual billing period. This forecast shall be updated monthly by PWP.





OKLAHOMA GAS AND ELECTRIC COMPANY
 P. O. Box 321
 Oklahoma City, Oklahoma 73101

SHEET NO. 62.0
 DATE ISSUED 12-29-05

STANDARD PRICING SCHEDULE: FCA STATE OF OKLAHOMA
RIDER FOR FUEL COST ADJUSTMENT

EFFECTIVE IN: All territory served.

APPLICABILITY: This rider is applicable to and becomes a part of each Oklahoma retail rate schedule in which reference is made to Fuel Cost Adjustment. The rider applicable period is each calendar year.

FUEL COST ADJUSTMENT: The monthly bill as calculated under the stated rates shall be increased or decreased for each kilowatt-hour (kWh) consumed by an amount computed in accordance with the following formula:

$$FCA = \frac{(FC + TUA)}{S} - B$$

- Where:
- FCA = The service level adjustment per kWh sold.
 - FC = The service level annualized cost of fuel which may reflect the applicable seasonal cost differences. The cost shall be the Oklahoma retail share of fuel and purchased power expense excluding Powersmith and AES capacity and O&M charges.
 - TUA = True-up adjustment for the prior historical cost period.
 - B = The base cost of fuel per kWh: \$0.029000
 - S = The service level annualized Oklahoma retail kWh sales subject to the Fuel Cost Adjustment.

Where:

$$FC = (VFC \times SLEAF) + (FFC \times SLDA) + OJC$$

VFC = The variable fuel costs of fuel and purchased power costs in accounts 501, 547 and 555.

Effective January 4, 2006

Rates Authorized
 by 516261 200500151 12-12-05
 (Order No.) (Cause/Docket No.) (Date of Order)

APPROVED

DEC 30 2005

DIRECTOR OF
 PUBLIC UTILITIES





INDEPENDENCE POWER & LIGHT DEPARTMENT
Independence, Missouri

Schedule FA-1
Power Supply Fuel-Energy Cost Adjustment

APPLICABILITY

The Power Supply Fuel-Energy Cost Adjustment Schedule FA-1 shall be applicable to the Department's Retail Rate Schedules RS-3, RS-4, GS-1, LGS-1, TEGS, LP-2, SCH-1, SP-1, GSSH-1, SCIS-1, PSL-2FR, PSL-3CF, PSL-3DF and TRS-1.

POWER SUPPLY FUEL-ENERGY COST ADJUSTMENT

Purpose of Adjustment

The Power Supply Fuel-Energy Cost Adjustment Rate is to compensate the Department for the changes in the cost of fuel and energy including applicable taxes (adjusted for fuel displaced through the purchase or sale of energy to other electric utilities) that are not included in the energy prices per kilowatt-hour of the Department's Retail Rate Schedules.

Adjustment Formula Charge

When the Department's monthly adjusted unit Fuel-Energy cost for the preceding calendar month (adjusted for the purchase and sale of energy to other utilities) is less than or exceeds \$1.847 per million Btu, the Net Monthly Bill shall be decreased or increased respectively by a fuel-energy adjustment charge of 0.0015 cents per KWH of customer usage for each one tenth cents per million Btu change in the cost of fuel and energy. The 0.0015 cent per KWH adjustment rate is based upon a production efficiency at Net System KWH Input Level of 12,765 (Btu/KWH) of fuel heat used for each net KWH of generation produced or purchased.

Application of Adjustment

The application of the monthly fuel-energy adjustment charge for each billing month shall apply to meter readings on approximately the 20th day of the month (billing cycle one) following each preceding month's unit fuel cost determination.

Monthly Unit Fuel-Energy Cost Determination

The monthly unit cost per million Btu will be determined from the following formula:

$$A = \frac{\$(B + C - D)}{(E + F - G) \text{KWH} \times \left(\frac{12,765 \text{ Btu}}{\text{KWH}} \right) \times \left(\frac{1 \text{ MBtu}}{1,000,000 \text{ Btu}} \right)}$$

- Where:
- A = Adjusted Cost per Million Btu of equivalent heat used.
 - B = FOB cost of fuel used at the Department's Generating Stations including storage and handling costs and environmental credit purchase costs made by the Department in order to comply with State and Federal environmental regulations.
 - C = The cost of purchased electric energy including any transmission costs from other Utilities less any demand or capacity charge (exclusive of Border Customers purchases).





COFFEYVILLE MUNICIPAL LIGHT & POWER

RATE SCHEDULE PCA-02 PRODUCTION COST ADJUSTMENT

All electrical usage in the area served by the City of Coffeyville may be subject to application of a Production Cost Adjustment (PCA). The rates for energy to all customers may be increased by 0.001 cents per kilowatt-hour (kWh) for each 0.001 cent or major fraction thereof, increase in the aggregate cost of fuel and energy per kWh as computed by the following formula:

$$Adjustment = \left(\left[\frac{F + E}{G + P} \right] * LF \right) - b$$

Where:

- F = Total fuel cost during the current month to supply electric energy to customers.
- E = Total cost of purchased power, energy, and transmission thereof, and all other related costs therefore, including, without limitation, transmission and power supply studies.
- G = kWh (gross) generated during the current month.
- P = kWh purchased from wholesale suppliers for the current month.
- LF = Loss factor shall be equal to the greater of 1.07 or one (1) plus the difference, expressed as a fraction, between system energy purchased and generated for the previous year and annual retail use for the same period to account for distribution losses, plant use, and energy furnished free by the utility to the city.
- b = Base cost of \$0.0408 per kWh (Summer) and \$0.0335 per kWh (Winter).

This adjustment may be made each month, and shall be computed on the cost of fuel and energy purchased during the monthly period immediately preceding the period for which the energy is furnished. An estimated adjustment may be applied to the rates in advance when the city has reason to believe combined fuel and energy costs will exceed the base cost during the next monthly period. An example of such a case would be when generation is scheduled during an upcoming month and there was no generation during the current month. Any amount added to a monthly bill under the PCA shall not be reduced by any other adjustment. Any month where the PCA computes as a negative number a zero adjustment will occur. Application of the PCA during any monthly period shall be at the option of the city.





Fitch Report “Excerpt”

Liquidity Factor Considerations

Credit Effect	Positive	A Best <ul style="list-style-type: none"> Unrestricted cash. Cash informally pledged. Automatic rate adjustment (monthly preferred). No automatic rate adjustment (but good dialogue with board). Surplus fuel reserves. 	B Good <ul style="list-style-type: none"> Automatic adjustment rate (semi annual or longer). Cash formally pledged. Margins substantially above rate covenant.
	Neutral/ Weak	C Less Favorable <ul style="list-style-type: none"> Low fuel reserves. Use of existing commercial paper program. Drawdown of bank facility. 	D Least Favorable <ul style="list-style-type: none"> Operating margins narrowly meeting rate covenant. No automatic rate adjustment. New long-term deficit financing. Asset sale.



Quick

Slow

Liquidity Access





Lodi ECA

- Equals amount of power supply cost different from **8.31 ¢/kwh**
- Monthly based on actual power supply related costs (NCPA All Resources Bill plus locally paid for energy, if any)
- Adjustment for variations in actual vs. projected sales on a two month lag
- Simple and transparent
- Readily trackable auditable





ECA Formula

$$ECA = \frac{(a) + (b) - (c)(d+f) - (f)}{(e)}$$

Where:

- (a) equals the amount the City of Lodi is actually charged by the Northern California Power Agency for the billing month, including adjustments for prior billing periods, less any third party revenue credits.
- (b) equals the City of Lodi's estimated costs related to the acquisition of wholesale power, both financial and physical, procured directly by the City for the billing month, including adjustments for prior billing periods.
- (c) equals the difference between actual retail energy sales and projected sales level for the month which is two (2) months prior to the billing month.
- (d) equals the ECA billing factor for the month which is two (2) months prior to the billing month.
- (e) equals the forecast of projected retail energy sales for the billing month.
- (f) equals the baseline energy cost for the City of \$0.0831.



NCPA Invoice



>>> INVOICE <<<

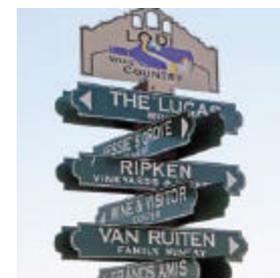
CUSTOMER: City of Lodi - Electric Utility Dept.
1331 S. Ham Lane
Lodi, CA 95242-3995
Attention: Accounts Payable

INVOICE NO: 005702-007007
DATE: July 24, 2007
TERMS: Net Cash 30 Days
from Bill Date

REMIT TO: NORTHERN CALIFORNIA POWER AGENCY
180 Cirby Way
Roseville, CA 95678
Attention: Accounts Receivable
Phone: (916) 781-4211

DATE	DESCRIPTION	AMOUNT
	All Resources Bill	
August 2007	August All Resource Bill	
	Generation Services \$ 3,318,303	
	Transmission 512,634	
	Management Services 198,753	
	Less: Third Party Revenue (109,921)	
		\$ 3,920,749
	Prior Months Adjustments:	
	Generation Services 322,533	
	Transmission 48,097	
	Management Services 1,589	
	Less: Third Party Revenue (105,115)	
		207,074
	ABA Routing #: 121122676 U.S. Bank 900 Ninth Street, Suite 1100 Sacramento, CA 95814 For Deposit To: Northern California Account #: 1-534-0216-2744	
	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> OK FOR PAYMENT CHECK NUMBER _____ DATE _____ AUTHORIZED _____ </div>	
TOTAL DUE - PLEASE PAY THIS AMOUNT		\$ 4,127,823

\$4,127,823



LATE PAYMENT PENALTY: Payments not made within 30 days following the bill date shall bear interest at the prime rate of the Bank of America, NT & SA then in effect, plus two percent per annum until paid.



FY08 Load Forecast



MEMORANDUM
Office of George F. Morrow, Director

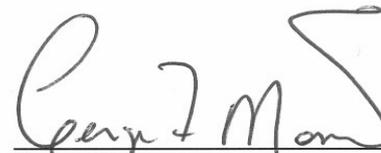
TO: George Morrow
FROM: Stacy Olson
DATE: June 25, 2007
SUBJECT: FY08 Load Forecast

July 2007	August 2007	September 2007	October 2007	November 2007	December 2007
51,989,122	48,104,414	41,651,619	37,276,836	34,647,567	36,667,702
January 2008	February 2008	March 2008	April 2008	May 2008	June 2008
35,884,152	34,446,521	35,573,879	35,204,693	37,887,505	41,770,348

Projected kWh Sales

471,104,356

FY08 projections based on NCPA Generation forecast.


George F. Morrow
Electric Utility Director





SAMPLE ECA CALCULATION

$$\text{ECA} = \frac{(a) + (b) - (c)(d+f)}{(e)} - (f)$$

$$\text{ECA (1/08)} = \frac{3,439,729 + 0 - (-3,159,556) (.0055 + .0831)}{41,770,348} - .0831$$

$$= \frac{3,719,665}{41,770,348} - 0.0831$$

(JUNE, 2008)

$$= .0891 - .0831$$

$$= .006$$





ECA Variability

- Generally market power prices higher in summer and winter (hence higher ECA)
- Seattle City Light Exchange
 - Reduces power cost in summer months
 - Increases power cost in winter months

Season	ECA Level
Summer	Low (-1 to +1 ¢/kwh)
Spring/Fall	Medium Range (0 to +1 ¢/kwh)
Winter	High (1¢/kwh to 3¢/kwh)





Actual ECA to date

(\$/kwh)

June	0.0060
May	0.0097
Apr	0.0055
Mar	0.0224
Feb	0.0253
Jan 2008	0.0177
Dec	0.0280
Nov	0.0148
Oct	0.0055
Sep	-0.0125
Aug 2007	0.0027





ECA by Rate Class

EA	580,246
ED	42,937
EM	9,837
G1	163,673
G2	433,651
G3	65,326
G4	70,227
G5	215,272
I1	194,578
ES	42,892
	1,818,638

Note: Actual totals for August 2007 through January 2008 (6 months)





ECA by Class

	\$ Collected	% Ttl Dollars	# Accts	% Ttl Accts	Avg ECA/Bill
Residential	633,021	34.81%	24,545	86.47%	25.79
Small Comm	640,215	35.20%	3,786	13.34%	169.10
Lg Comm/Sm Ind	135,553	7.45%	17	0.06%	7,973.69
Lg Industrial	409,850	22.54%	37	0.13%	11,077.02
	1,818,638	100%	28,385	100.00%	64.07

Note: Actual totals for August 2007 through January 2008 (6 months)





Low Residential

07-08	Usage	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Subtotal	ECA	Total	ECA %
Jan	585	55.52	16.97	17.21	-	-	89.70	10.35	100.05	11.5%
Dec	544	55.52	16.97	8.05	-	-	80.54	15.23	95.77	18.9%
Nov	445	60.77	2.47	-	-	-	63.24	6.58	69.82	10.4%
Oct	465	66.03	-	-	-	-	66.03	2.56	68.59	3.9%
Sep	700	68.30	20.88	16.76	-	-	105.94	(8.75)	97.19	-8.3%
Aug	735	68.30	20.88	24.59	-	-	113.77	1.98	115.75	1.7%
Total	3474	374.44	78.17	66.61	-	-	519.22	27.95	547.17	5.4%

Note: Actual totals for August 2007 through January 2008 (6 months)





Mid Residential

07-08	Usage	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Subtotal	ECA	Total	ECA %
Jan	1138	55.52	16.97	61.24	113.21	-	246.94	20.14	267.08	8.2%
Dec	1076	55.52	16.97	61.24	93.49	-	227.22	30.13	257.35	13.3%
Nov	871	64.32	19.58	57.00	8.90	-	149.80	12.89	162.69	8.6%
Oct	842	68.30	20.88	48.50	-	-	137.68	4.63	142.31	3.4%
Sep	1060	68.30	20.88	75.32	31.16	-	195.66	(13.25)	182.41	-6.8%
Aug	1011	68.30	20.88	75.32	15.58	-	180.08	2.73	182.81	1.5%
Total	5998	380.26	116.16	378.62	262.34	-	1,137.38	57.27	1,194.65	5.0%

Note: Actual totals for August 2007 through January 2008 (6 months)





High Residential

07-08	Usage	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Subtotal	ECA	Total	ECA %
Jan	1867	55.52	16.97	61.24	124.34	229.02	487.09	33.05	520.14	6.8%
Dec	1490	55.52	16.97	61.24	124.34	104.61	362.68	41.72	404.40	11.5%
Nov	1009	64.32	19.58	70.85	33.07	-	187.82	14.93	202.75	7.9%
Oct	1076	68.30	20.88	75.32	36.25	-	200.75	5.92	206.67	2.9%
Sep	1722	68.30	20.88	75.32	152.96	92.07	409.53	(21.53)	388.00	-5.3%
Aug	1832	68.30	20.88	75.32	152.96	128.37	445.83	4.95	450.78	1.1%
Total	8996	380.26	116.16	419.29	623.92	554.07	2,093.70	79.04	2,172.74	3.8%

Note: Actual totals for August 2007 through January 2008 (6 months)





Commercial

07-08	Usage	Tier 1	Cust Chg	Subtotal	ECA	Total	ECA %
Jan	5240	696.92	10.35	707.27	92.75	800.02	13.1%
Dec	4760	633.08	10.35	643.43	131.85	775.28	20.5%
Nov	5320	910.05	10.35	920.40	78.74	999.14	8.6%
Oct	4880	877.62	10.35	887.97	26.84	914.81	3.0%
Sep	7440	1,338.01	10.35	1,348.36	(93.00)	1,255.36	-6.9%
Aug	6520	1,172.56	10.35	1,182.91	17.60	1,200.51	1.5%
Total	34160	5,628.24	62.10	5,690.34	254.78	5,945.12	4.5%

Note: Actual totals for August 2007 through January 2008 (6 months)





Industrial

	Off Peak	Partial Peak	On Peak	Cust Chg	Subtotal	ECA	Total	ECA %
Jan-2008	11,589.36	9,300.73	-	128.13	21,018.22	3,470.74	24,488.96	16.5%
Dec-2007	12,791.48	9,669.45	-	128.13	22,589.06	6,018.68	28,607.74	26.6%
Nov-2007	13,959.73	8,009.16	1,061.03	128.13	23,158.05	3,074.35	26,232.40	13.3%
Oct-2007	13,165.26	6,445.81	962.67	128.13	20,701.87	986.18	21,688.05	4.8%
Sep-2007	13,645.51	7,735.94	1,135.31	128.13	22,644.89	(2,513.08)	20,131.81	-11.1%
Aug-2007	14,296.96	6,640.53	2,415.08	128.13	23,480.70	535.41	24,016.11	2.3%
Totals	79,448.30	47,801.62	5,574.09	768.78	133,592.79	11,572.28	145,165.07	8.7%

Note: Actual totals for August 2007 through January 2008 (6 months)





ECA Actuals

Customer Type	Usage	Elec Amt	ECA Amt	Billed Amt	ECA %
Low-use Residential	3,474	\$ 519.22	\$ 27.95	\$ 547.17	5.4%
Mid-use Residential	5,998	\$ 1,137.38	\$ 57.27	\$ 1,194.65	5.0%
High-use Residential	8,996	\$ 2,093.70	\$ 79.04	\$ 2,172.74	3.8%
Commercial (G1)	34,160	\$ 5,690.34	\$ 254.78	\$ 5,945.12	4.5%
Industrial	n/a	\$ 133,592.79	\$ 11,572.28	\$ 145,165.07	8.7%

Note: Actual totals for August 2007 through January 2008 (6 months)





ECA Forecast

	ECA (¢/kwh)
FY08	0.73
FY09	1.4
FY10	1.3
FY11	0.9





Summary

- City has implemented an ECA beginning in August 2007
- Similar to Lodi's past Market Cost Adjustment Charge (MCA)
- Consistent conceptually with the rate/fiscal practices of many other electric utilities.
- Operates automatically versus past MCA which required manual action to change
- Reduces Lodi's exposure to market energy prices
- Recommended by financial rating agencies





Questions/Comments?

