

**PROVO CITY ENERGY DEPARTMENT  
ELECTRIC SERVICE SCHEDULE No. 20**

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**Energy Cost Adjustment (ECA)**

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**PURPOSE**

The Energy Department purchases power on a wholesale basis from Utah Municipal Power Agency (UMPA). The cost of the wholesale power is volatile and unpredictable depending on the availability of resources, fuel charges, operating costs, and power market conditions. The purpose of this schedule is to authorize the Energy Department to pass through to the customers the power supply costs difference (above or below) not recovered in the base power rates.

**APPLICATION**

This schedule shall be applicable to all retail customers and applies to all rate schedules where there is a kWh charge. The Energy Cost Adjustment (ECA) will be shown as a separate line item on the utility bill.

**ENERGY COST ADJUSTMENT (ECA)**

The ECA is calculated to collect or refund the difference between the base power costs and the actual power costs calculated on a cents per kWh basis.

**ECA FORMULA**

The ECA shall be determined as follows:

$$ECA = ((AC - BC) + (FC - BC)) / 2 * MF$$

ECA = Energy Cost Adjustment in \$/kwh

MF = 1.245 or Multiplier Factor from wholesale to retail pricing including the estimated value for the system losses, transfers to CIP and transfers to General Fund.

BC = Total Base Cost for Power in \$/kwh for the budget period as established by UMPA.

AC = Actual Cost for Power in \$/kwh for six month period as established by UMPA.

FC = Forecasted Cost for Power in \$/kwh for six month period as established by UMPA.

47 **CONDITIONS**

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1. Every 6 months, the Energy Department shall determine the ECA. This activity will likely occur in March and September of the year.
2. Prior to changing the ECA, the Energy Director shall give notice in writing to the Administration and Municipal Council regarding the change to the ECA.
3. The Energy Department shall post the new ECA on the City’s website and shall give notice of the new ECA on the Utility Bill.
4. The ECA will be designated and show on all utility bills as the Energy Cost Adjustment or ECA.
5. The ECA shall be adjusted after any changes to the retail electric rates as authorized by the Administration and Municipal Council.