

1 **PROVO CITY ENERGY DEPARTMENT**
2 **ELECTRIC SERVICE SCHEDULE**

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4 **ENERGY COST ADJUSTMENT (ECA)**
5 **NO. 20**
6 _____

7 **PURPOSE**

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

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15 **APPLICATION**

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

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20 **ENERGY COST ADJUSTMENT (ECA)**

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

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24 **ECA FORMULA**

25 The ECA shall be determined as follows:

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

27 ECA = Energy Cost Adjustment in \$/kwh

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

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

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

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

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38 **CONDITIONS**

- 39 1. Every 6 months, the Energy Department shall determine the ECA. This activity will
40 likely occur in March and September of the year.
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- 42 2. Prior to changing the ECA, the Energy Director shall give notice in writing to the
43 Administration and Municipal Council regarding the change to the ECA.

44 (RATE NO. 20 CONTINUED)

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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.