



City of San Augustine

301 South Harrison Street – San Augustine, Texas 75972
936-275-2121
Monday – Friday 8:00 a.m. – 5:00 p.m.

ADDRESSING SERVICE COST

September 29, 2023

Effective Date of New Rates

New rates were adopted by the City Council on September 19, 2023, at their regular council meeting. The new rates will be effective September 29, 2023, for the October 1, 2023, billing cycle (bill due October 15, 2023).

Last Rate Increase

The last rate increase (what is used to maintain the electrical department's cost along with the Availability Charge) was effective with the August 1, 2015, billing cycle. The City Customer Charge was increased with the October 1, 2022, billing cycle from \$.015 to \$.03.

Recap of Fiscal Year 2023

Last year, when figuring electrical rates, we used a new process. The PCA was an average of the previous Fiscal Year's cost. It is being figured the same way this Fiscal Year. Because it did include months where the power cost factor was high for the pass through for FY 2023, the overall average was above normal. We were nine (9) months into this Fiscal Year before the factor was back within the range that we were accustomed to in the first half of FY 2021 and before. After the cost incurred was completely recovered in the ninth month of FY 2023 for what the City was paying for power purchased, a credit was given to the customers on the bill due September 15, 2023. We had already included a process for a credit/refund of the cost, but it took longer than expected for the city to recoup the total amount paid for Power Purchased. We did also trim limbs from the lines to eliminate some line loss.

Changes for Fiscal Year 2024

Electrical Availability Charge

The availability charge will include no kWh for residential customers or commercial customers beginning this Fiscal Year.

New Electrical Rate Structure

The rate structure for the City of San Augustine has been revamped to include a standard base rate Power Cost along with a City Rate and City Customer Charge. **(See Page 3 of FY 2024 Rates)**

PCA

The PCA will still be reflected on the utility bills. It will just reflect the cost over our standard base rate and a rate to allow the city to retain a small amount in a RESTRICTED account should the power cost factor inflate, as it did for a good portion of the past 30 months. This will allow the city to have resources to offset those costs and not impose an aggressive increase on customers. The PCA will be based on the Power Cost but is estimated to be no more than \$.04. Of that amount, \$.034 at the most will be put toward the Power Cost, with \$.006 kept for the amount retained in the RESTRICTED account.

City Customer Charge

The City Customer Charge was reduced to \$.015 from \$.03. The City Customer Charge is used to assist in offsetting the department's expenses that rely on our Sales Tax Revenue and Property Tax Revenue.

Security Lights

This charge Security light cost will increase from \$8.00 to \$10.25.

Water and Wastewater

The availability charge for water and wastewater increased and includes up to 5,000 gallons for both services.

Garbage

There was no change on the garbage charges.