

AN ORDINANCE 2012-09-20-0744

AUTHORIZING THE APPROVAL OF CPS ENERGY RATES FOR LED LUMINAIRE RETROFIT STREETLIGHTING SERVICE.

* * * *

WHEREAS, CPS Energy manages and operates a combined electric and gas utility system on behalf of the City of San Antonio, through its executive body, the CPS Energy Board of Trustees; and

WHEREAS, on May 21, 2009, the City Council approved Ordinance No. 2009-05-21-0399 authorizing the creation of the CPS Energy Save for Tomorrow Energy Plan (“STEP”), a demand-side management program designed to encourage residential and commercial customers to improve the energy efficiency of their homes, businesses, buildings and processes, resulting in energy savings and reducing system demand; and

WHEREAS, the energy conservation goal of the STEP Program is to save 771 MW of electricity between 2009 and 2020, which is the equivalent amount of energy produced by a large power plant on an annual basis; and

WHEREAS, in 2011, the City and CPS Energy concluded a study to evaluate the potential saving of converting streetlights from High Pressure Sodium (“HPS”) and Metal Halide (“MH”) to Light Emitting Diode (“LED”) (the “LED Conversion Study”); and

WHEREAS, as a result of the LED Conversion Study, the City and CPS Energy recommend the replacement of 25,000 HPS/MH streetlights with LED streetlights – 1,500 of the streetlights selected for conversion are located in downtown San Antonio and the remaining 23,500 are located along major thoroughfares throughout the City; and

WHEREAS, the conversion to LED streetlights is expected to benefit both CPS Energy and the City – CPS Energy will benefit from estimated reduction of 5.1 megawatts (“MW”) per year in energy usage, and the City will realize rate saving made possible from reduced energy usage, lower maintenance costs, and reduced fuel cost due to lower energy usage; and

WHEREAS, the 5.1 MW in annual energy savings (enough to power 1,595 homes annually) will assist CPS Energy reach its energy conservation goal under the STEP Program; and

WHEREAS, the City expects to realize average annual savings of \$1,979,000 from the LED conversion – \$1,261,000 in energy savings and \$718,000 in fuel cost savings; and

WHEREAS, the capital component associated with the conversion to LED streetlights is estimated at \$14,678,000, of which \$2,200,000 will be covered by CPS Energy energy-conservation rebates under the STEP Program, and the remaining \$12,478,000 will be financed

with Qualified Energy Conservation Bonds (QECCBs) authorized under the federal Energy Improvement and Extension Act of 2008; and

WHEREAS, on March 1, 2012, the City Council passed Resolutions No. 2012-03-01-0005R and 2012-03-01-0006R authorizing the reimbursement of capital expenditures from the City's General Fund or other lawfully-available funds for the LED streetlight conversion with the issuance of QECCBs; and

WHEREAS, as a result of the rate savings that will be realized from the new LED rates, the City expects to recover its capital investment within nine (9) years; and

WHEREAS, the implementation of the LED streetlight conversion project requires the approval of new CPS Energy tariff rates; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Council hereby approves the CPS Energy tariff for the LED Luminaire Retrofit Streetlighting Service, which is attached as **Exhibit A**. The tariff provides the rates and terms and conditions for converting City HPS/MH streetlight to LED streetlights.

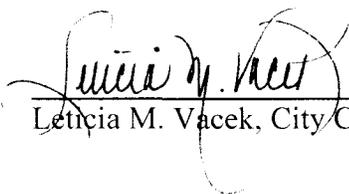
SECTION 2. This Ordinance shall take effect immediately upon passage by eight (8) affirmative votes; otherwise it shall take effect on the tenth (10th) day after passage.

PASSED AND APPROVED, this 20th day of September, 2012.

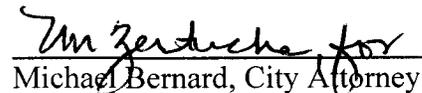

M A Y O R
Julián Castro

ATTEST:

APPROVED AS TO FORM:



Leticia M. Vacek, City Clerk

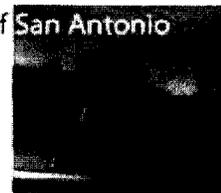


Michael Bernard, City Attorney



Request for
COUNCIL
 ACTION

City of San Antonio



Agenda Voting Results - 34

Name:	8, 9, 10, 11, 12, 13, 15, 16, 17, 18, 20, 21, 22B, 23, 24, 25, 26, 27, 28A, 28B, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45						
Date:	09/20/2012						
Time:	10:55:21 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance authorizing the approval of proposed rates for LED streetlights. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Director, Finance]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Diego Bernal	District 1		x				x
Ivy R. Taylor	District 2		x				
Leticia Ozuna	District 3		x				
Rey Saldaña	District 4		x				
David Medina Jr.	District 5		x				
Ray Lopez	District 6		x			x	
Cris Medina	District 7		x				
W. Reed Williams	District 8		x				
Elisa Chan	District 9		x				
Carlton Soules	District 10	x					

EXHIBIT A

CPS Energy

LED LUMINAIRE RETROFIT STREETLIGHTING SERVICE

ELECTRIC RATE

LED

APPLICATION

APPLICATION provisions of the following are incorporated by reference: STREETLIGHTING SERVICE PUBLIC STREETLIGHTING ELECTRIC RATE (SSP), the TRIPARTY STREETLIGHTING SERVICE (MOUNTED ON MIDBLOCK POLES) ELECTRIC RATE (TSS-MBP), and TRIPARTY STREETLIGHTING SERVICE (MOUNTED ON TRAFFIC SIGNAL POLES) ELECTRIC RATE (TSS-TSP). This rate is applicable to service supplied to the Customer for Light-Emitting Diode (LED) luminaires that meet the following requirements:

- LED luminaires which replace existing 100 Watt, 250 Watt, and 400 Watt High Pressure Sodium (HPS) or Metal Halide (MH) luminaires excluding decorative lighting; and
- LED luminaires which replace existing High Pressure Sodium (HPS) or Metal Halide (MH) luminaires for which the Customer pays all costs for capital and installation of new LED luminaires, and removal of existing luminaires plus the unamortized value of luminaires replaced.

TYPE(S) AND CONDITIONS OF SERVICE

The types and conditions of service available under this rate are described in the corresponding SSP, TSS-MBP, or TSS-TSP rate tariff from which the existing HPS or MH luminaires were billed.

MONTHLY BILL

For qualifying luminaires, the monthly LED bill will be as follows:

MONTHLY LED RATES FOR QUALIFYING LIGHTS ORIGINALLY BILLED UNDER THE SSP RATE

STREETLIGHTS (OVERHEAD DISTRIBUTION)

Watts Per LED Luminaire	Type of Lamp	Monthly Rate	
		Single Fixture	Double Fixture
55	LED Luminaire to replace existing 100W HPS	\$6.50	---
96	LED Luminaire to replace existing 250W HPS or MH	\$9.95	\$14.75
164	LED Luminaire to replace existing 400W HPS	\$12.25	---

STREETLIGHTS (UNDERGROUND DISTRIBUTION)

Watts Per LED Luminaire	Type of Lamp and Installation	Monthly Rate	
		Single Fixture	Double Fixture
55	LED Luminaire to replace existing 100W HPS	\$12.45	---
96	LED Luminaire to replace existing 250W HPS or MH	\$20.10	\$26.55
164	LED Luminaire to replace existing 400W HPS - 32 Foot Lamp Height	\$22.70	\$29.40
164	LED Luminaire to replace existing 400W HPS - 50 Foot Lamp Height	\$23.85	---

MONTHLY LED RATES FOR QUALIFYING LIGHTS ORIGINALLY BILLED UNDER THE TSS-MBP RATE

Monthly Rate Charged Prior To First Replacement of Midblock Pole by CPS Energy

Watts Per LED Luminaire	Type of Lamp and Installation	Monthly Rate	
		Single Fixture	Double Fixture
164	LED Luminaire to replace existing 400W MH on Midblock Pole	\$15.30	\$22.70

MONTHLY LED RATES FOR QUALIFYING LIGHTS ORIGINALLY BILLED UNDER THE TSS-TSP RATE

Watts Per LED Luminaire	Type of Lamp and Installation	Monthly Rate		
		Single Fixture	Double Fixture	Triple Fixture
96	LED Luminaire to replace existing 250W MH on Traffic Signal Pole	---	\$17.70	\$23.05
164	LED Luminaire to replace existing 400W MH on Traffic Signal Pole	\$14.70	---	---

Adjustments

Plus or minus an amount which reflects the difference in the unit fuel cost factor for the current month above or below a basic cost of \$0.01416 per KWH sold. The unit fuel cost factor for the current month is computed as the sum of:

- (a) The current month's estimated unit fuel cost per KWH, which is computed based upon the current month's estimated KWH generation mix, unit fuel cost by fuel type, any known changes in fuel cost, sales to other than long-term customers, purchases and line losses; plus
- (b) An adjustment, if indicated by the current status of the over- and under-recovery of fuel costs for the recovery year in progress, to correct for the difference between the preceding month's estimated unit fuel cost and the current computation for this value. This adjustment is computed by multiplying the difference between the preceding month's estimated unit fuel cost (corrected for any fuel supplier surcharge) and the current computation for this value times the KWH generated during the preceding month and then dividing the result by the current month's estimated KWH sales; plus
- (c) An adjustment, if indicated by the current status of the over- and under-recovery of fuel costs for the recovery year in progress, to correct for the difference between the preceding month's estimated value for the second preceding month's unit fuel cost and actual unit fuel cost for that month. This adjustment is computed by multiplying the difference between the preceding month's estimated value for the second preceding month's unit fuel cost and the actual unit fuel cost for that month (corrected for any fuel supplier surcharge) times the KWH generated during the preceding month and then dividing the result by the current month's estimated KWH sales; plus

- (d) An adjustment, as necessary, which may be derived and applied to the unit fuel cost factors during the months preceding, including, and/or following January each year, depending on the dollar amount of adjustment necessary to balance the annual cumulative actual fuel cost with the annual cumulative fuel cost recovery through these rates; plus
- (e) An adjustment to reflect offsetting credits to or additions to fuel costs resulting from judicial orders or settlements of legal proceedings affecting fuel costs or components thereof, including taxes or transportation costs, or to reflect accounting and billing record corrections or other out-of-period adjustments to fuel costs.
- (f) An adjustment, as necessary, which may be derived and applied to the unit fuel cost factors for recovery of dollars spent for the verifiable kW reductions that are above the level reflected in base rates for energy efficiency and conservation programs. Recovery of such costs would be allowed once an independent third party reviews and confirms the incremental kW reductions.

Plus or minus the proportionate part of the increase or decrease in taxes, required payments to governmental entities or for governmental or municipal purposes which may be hereafter assessed, imposed, or otherwise required and which are payable out of or are based upon revenues of the electric system.

LATE PAYMENT CHARGE

The Monthly Bill will be charged if payment is made within the period indicated on the bill. Bills not paid within this period will be charged an additional 2 percent times the Monthly Bill excluding the adjustment for fuel costs. This provision is not applicable to streetlights installed within the City of San Antonio.

TERM OF SERVICE

The Term of Service shall be in accordance with the contract or agreement between CPS Energy and the corresponding applicant.

RULES AND REGULATIONS

Service is subject to the CPS Energy Rules and Regulations Applying to Retail Electric and Gas Service which are incorporated herein by this reference.

CURTAILMENT

CPS Energy shall have the right at any and all times to immediately adjust in whole or in part, the supply of electricity to Customers, in order to adjust to fuel supplies for generation of electricity or to adjust to other factors affecting delivery capability.