



## Item Brief

### **Meeting Date**

March 10, 2026

### **Agenda Item**

Discuss and consider action: Ordinance No. 2026-07: D. Vaughn

AN ORDINANCE OF THE CITY OF BURNET, TEXAS, AMENDING CHAPTER 110, ARTICLE IV., SECTION 110-144 (ENTITLED "PURCHASED POWER COST ADJUSTMENT CLAUSE") OF THE CODE OF ORDINANCES AND AUTHORIZING RECOVERY OF CURRENT YEAR FISCAL LOSSES FROM RATE PAYERS DUE TO ERCOT ADJUSTMENTS; PROVIDING SEVERABILITY AND OPEN MEETINGS CLAUSES; AND PROVIDING FOR OTHER RELATED MATTERS

### **Information**

This ordinance amends Section 110-144 of the City Code relating to the Purchased Power Cost Adjustment (PPCA) in order to pass through a 1% increase from ERCOT in transmission line loss, which went into effect in July of 2025.

The current ordinance calculates the PPCA by dividing total wholesale power costs by 93.75% of the total kilowatt-hours (kWh) purchased, which represents an assumed 6.25% system line loss.

The proposed amendment revises the calculation of Adjusted kWh from 93.75% of total kWh purchased to 92.75% of the Adjusted Metered Load (AML) purchased, as reflected on the City's wholesale power provider's monthly statement. The revised 92.75% factor reflects an assumed 7.25% system line loss, which more accurately aligns with current system performance and wholesale billing methodology.

The ordinance also authorizes the City Manager to apply a temporary monthly billing adjustment of \$3,717 from March through September 2026 to recover lost revenue resulting from the 1% increase in the ERCOT transmission loss factor that took effect in July 2025. This adjustment will be added to the City's wholesale power cost prior to calculating the Adjusted kWh Billed in accordance with Section 110-144 of the City of Burnet Code of Ordinances.

### **Fiscal Impact**

The ordinance is designed to ensure that the City's power-related costs, including power loss, are fully accounted for, thereby keeping revenues and expenses balanced. As a result, any increase in the City's expenses to purchase power will be offset by corresponding adjustments in charges to customers.

### **Recommendation**

Staff recommends approval of Ordinance No. 2026-07 as presented.