



**Meeting Date:** March 30, 2023      **Agenda Type:** Action Items

**From:** Missy Quent      **Reviewed by:** Ashley Van Booven  
Energy Risk Manager      Director of Finance

**Submitted by:** Dawn Schriever      **Approved by:** Ian Taylor  
Chief Financial Officer      Chief Executive Officer

**RECOMMENDED ACTION:** Discuss and Consider Adopting Resolution #2023-169 by the Board of Trustees of New Braunfels Utilities Approving Proposed Amendments to Chapter 130, Article III, Sections 130-56, 130-57, and 130-58 of the Code of Ordinances of the City of New Braunfels (i) Adjusting Electric Rates and Charges for Fiscal Year 2024; (ii) Providing for Adjustments of Electric Rates and Charges for Fiscal Year 2025; (iii) Resolving Other Matters Incident and Related Thereto; and (iv) Authorizing Presentation of Same to the City Council of New Braunfels for Its Consideration and Passage

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## **BACKGROUND**

On February 24, 2022, the New Braunfels Utilities (“NBU”) Board of Trustees approved a Professional Services Agreement with Freese and Nichols, Inc. (“FNI”) to conduct a comprehensive rate study, including a cost of service analysis, and to oversee the RAC. On April 28, 2022, the Board approved Resolution #2022-157 establishing the RAC, approving the RAC Bylaws, and appointing eighteen (18) RAC members. The RAC was established to assist NBU in making the rate recommendations and providing community feedback to the utility.

The revenue requirements for the Electric Line of Business that are identified in the Fiscal Year 2024 Budget and Five Year Financial Operating Plan are driven primarily from the need to build and maintain infrastructure to meet regulatory requirements.

NBU’s twenty-year electric infrastructure strategies are identified in NBU’s Master Plan. The proposed rates will provide the revenue needed to make these investments. The proposed electric rate design includes an annual impact to an average residential customer’s total electric bill of approximately 5.4% in FY24 and 5.0% in FY25.

NBU is scheduled to present the first reading of the electric rate ordinance revisions to City Council on April 3, 2023, and the second reading on April 10, 2023.

## **FINANCIAL IMPACT**

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The new rates will meet the FY 2024 through FY 2025 electric revenue requirements of \$354,971,663.

## **LINK TO STRATEGIC PLAN**

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**Financial Excellence**

**Stewardship**

## **EXHIBITS**

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1. Proposed Electric Rate Tables
2. Electric Rate Resolution #2023-169
3. Electric Rate Muni-Code Redlined
4. Electric Rate Muni-Code Clean