

**THIS IS A PROPOSED DRAFT ORDINANCE AND WILL BE
REPLACED BY THE FINAL, SIGNED ORDINANCE OR RESOLUTION
ADOPTED BY THE CITY COUNCIL.**

**AN ORDINANCE
APPROVING THE ESTABLISHMENT OF A CPS ENERGY TARIFF FOR
PILOTING NEW SERVICE OPTIONS.**

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WHEREAS, CPS Energy operates a combined electric and gas utility system on behalf of the City of San Antonio and under the supervision of the CPS Energy Board of Trustees; and

WHEREAS, the City Council provides oversight of CPS Energy through the approval of rates and charges, authorization of debt issuances, approval of all condemnations, and the approval of the appointment of all Trustees except the Mayor; and

WHEREAS, the City Council exercises oversight of electric and gas rates and charges by approving tariffs for various customer classes, which in the aggregate define the rates and charges for all retail products and services offered by CPS Energy, and are designed to recover all costs of providing service; and

WHEREAS, under the current process, the City Council must approve each rate tariff before a product or service can be offered to customers; this process works well for CPS Energy's standard electric and gas products and services; however, as CPS Energy seeks to develop and launch new innovative products and services, the information and time required to optimally design a new rate tariff is frequently not available, which can result from any number of uncertainties, such as:

- Technology and customer desires are rapidly evolving,
- Customer adoption of new products and services may still be emerging, making it difficult to predict how much of a product will be sold, and/or
- Information on cost requirements to provide an emerging product or service is based on estimates, making it difficult to quantify the full cost of serving customers; and

WHEREAS, CPS Energy has developed a process to allow for new service options to be piloted and refined prior to the submission of a final rate tariff to the City Council for approval; and

WHEREAS, CPS Energy is requesting approval of a New Service Options (NSO) Tariff that will enable the utility to evaluate technologies, assess changing customer needs, and measure the cost of service requirements while ensuring appropriate oversight by the City of San Antonio acting in its regulatory authority; and

WHEREAS, the City's Office of Public Utilities staff has performed a detailed review of the proposed New Service Options Tariff and, based on the review, staff has determined that the proposed tariff is reasonable and appropriate; **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 New Service Options Tariff incorporated into this Ordinance as **Exhibit A**, consisting of a new product and service piloting program that stipulates the terms for any new pilot project; requires submittal of all pilot projects to the Office of Public Utilities; sets out elements for each new pilot project; and establishes accountability procedures, including regular status reports to the Office of Public Utilities and periodic updates to the City Council.

SECTION 2. The City Council finds the terms and conditions of the New Service Options Tariff fair, reasonable, and nondiscriminatory.

SECTION 3. CPS Energy shall continue to offer its City Council approved electric and gas rates and service offerings and shall make a formal tariff filing application request for any proposed new or revised rate resulting from a New Service Options pilot project, to the CPS Energy Board of Trustees and to the City Council for consideration, review, and regulatory approvals.

SECTION 4. This ordinance is effective immediately upon passage by eight affirmative votes; otherwise it is effective on the tenth day after passage.

PASSED AND APPROVED, this 18th day of October, 2018.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Andrew Segovia, City Attorney