

ORDINANCE APPROVING UPDATES TO THE CPS ENERGY WHOLESALE TRANSMISSION CUSTOMER PRIMARY DISTRIBUTION VOLTAGE SERVICE RIDER NO. E14 TO BETTER REFLECT THE COST OF PROVIDING THE SERVICE AND RENAMING IT THE WHOLESALE DISTRIBUTION SERVICE (WDS) RIDER E14.

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WHEREAS, the City Public Service Board of San Antonio, Texas (aka “CPS Energy”) operates electric and gas systems on behalf of the City of San Antonio (the “City”); and

WHEREAS, pursuant to Chapter 1502 of the Texas Government Code, the City Council, acting in its regulatory capacity, has original jurisdiction over CPS Energy’s rates; and

WHEREAS, the Electric Reliability Council of Texas (ERCOT) manages the State-wide electrical transmission grid and operates the wholesale power market; and

WHEREAS, Section 39.203(b) of the Public Utility Regulatory Act and Substantive Rule 25.191(d)(2) of the Public Utility Commission of Texas requires Transmission Service Providers that operate distribution systems, like CPS Energy, to offer wholesale distribution access to the ERCOT transmission system if requested by an electric power generator; and

WHEREAS, new types of customers, such as battery storage operators, are seeking to access the CPS Energy distribution grid to buy and sell power into the ERCOT wholesale market; and

WHEREAS, current Rider No. E14 has a single “one size fits all” rate assessed for the use of CPS Energy’s distribution system; and

WHEREAS, the new, updated and renamed Rider No. E14 uses a more tailored, stratified approach and contains three different rates assessed to the customer based on how much of CPS Energy’s distribution assets they use; and

WHEREAS, the rates in the updated Rider No. E14 were developed using standard cost allocation principles and a recent cost of service study that was validated by an external expert; and

WHEREAS, this is an evolution of an existing rider, not a general rate increase; the updated and renamed Rider No. E14 has a narrow focus on a new type of customer, and as such, it does not impact customers broadly; and

WHEREAS, any eligible transmission service customer taking service under the revised Rider No. E14 is prohibited from providing electric service to any CPS Energy retail customer; and

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WHEREAS, the City's Office of Public Utilities staff has performed a detailed review of the updated Rider No. E14, including the cost of service support, and, based on that review, staff has determined that the Rider is reasonable and appropriate; **NOW THEREFORE**:

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


SECTION 1. After consideration of CPS Energy's updated Rider, the City Council approves the updated Rider No. E14, renamed as the Wholesale Distribution Service (WDS) Rider E14, which better reflects the cost of providing the service. Wholesale Distribution Service (WDS) Rider E14 is attached as Exhibit A, which is incorporated to this Ordinance for all purposes.

SECTION 2. The City Council finds that the Wholesale Distribution Service (WDS) Rider No. E14 will allow CPS Energy to recover the appropriate cost of service rate revenue contribution from the commercial customer classes eligible to take service under the Rider.

SECTION 3. The City Council finds that the rates under the Wholesale Distribution Service (WDS) Rider No. E14 are in the public interest, fair and reasonable, equal and uniform, nondiscriminatory, and necessary to meet CPS Energy's capital, operating, and maintenance expenses.


SECTION 4. This Ordinance shall be effective immediately upon its passage by eight (8) votes or the 10th day after its passage by less than eight (8) affirmative votes.

PASSED AND APPROVED this 17th day of September 2020.



M A Y O R
Ron Nirenberg

ATTEST:


Tina J. Flores, City Clerk

APPROVED AS TO FORM:


For
Andrew Segovia, City Attorney

CITY COUNCIL MEETING

VOTESLIP

Item 20-Consent Agenda

DATE: September 17, 2020

Enactment No:

2020-09-17-0660

NAME	MOTION	SECOND	Recuse	AYE	NAY	ABSENT
Roberto C. Treviño DISTRICT 1				X		
Jada Andrews-Sullivan DISTRICT 2				X		
Rebecca J. Viagran DISTRICT 3				X		
Dr. Adriana Rocha Garcia DISTRICT 4				X		
Shirley Gonzales DISTRICT 5				X		
Melissa Cabello Havrda DISTRICT 6				X		
Ana E. Sandoval DISTRICT 7				X		
Manny Peláez DISTRICT 8				X		
John Courage DISTRICT 9		X		X		
Clayton H. Perry DISTRICT 10	X			X		
Ron Nirenberg MAYOR				X		

COMMENTS: Motion Prevailed

Does not include the following items heard individually:

4A, 4B, 4C, 4D, 4E, 4F, 5A, 5B, 8, 18, 25, Z-1, P-2 & Z-3, Z-9, P-4 & Z-10, Z-13, Z-15, and P-7 & Z-17

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Exhibit A

CITY PUBLIC SERVICE BOARD

OF SAN ANTONIO

RIDER E14

WHOLESALE DISTRIBUTION SERVICE

WDS

APPLICATION

City Public Service Board of San Antonio (CPS Energy) Wholesale Distribution Service (Rider E14, or WDS) is offered to Wholesale Distribution Service Customers who are eligible for and complete a formal request to purchase distribution level wholesale transmission services at CPS Energy's standard distribution voltages and as defined in Public Utility Commission of Texas (Commission) Substantive Rules, Subchapter A, 25.5. CPS Energy will accommodate such request, provided that the Wholesale Distribution Service Customer executes a Service Agreement with CPS Energy and agrees to pay the WDS Charges as specified below. The distribution facilities utilized to connect the Wholesale Distribution Service Customer to the CPS Energy transmission system shall be planned and installed per standard CPS Energy engineering practices and in accordance with the current version of CPS Energy's Electric Service Standards. Such interconnection distribution facilities may include but are not limited to the following: transformers, electric circuits, metering devices, system protection devices, and communications and control equipment. This rate schedule is not applicable to electric service offered by CPS Energy under any other rate schedule. Service offered under this rate schedule is available only to Wholesale Distribution Service Customers and is not available for the delivery of retail service within CPS Energy's certificated service territory.

TYPE OF SERVICE

CPS Energy will provide service at one point of delivery and measured with one meter, using facilities rated at less than 60 kV, at 60 hertz, alternating current, and at one of the service levels defined below:

Primary Voltage Service — Substation-connected service supplied at standard primary voltage (13kV or 35kV) supplied by the substation transformer. This service is subject to available substation capacity determined by CPS Energy.

Extended Primary Voltage Service — Distribution line-connected service supplied at standard primary voltage (13kV or 35kV) supplied by the substation transformer.

Secondary Voltage Service — Secondary line-connected service supplied at standard voltages below 13kV.

MONTHLY BILL

Grid Share

\$13.00 Primary Voltage Service

\$19.00 Extended Primary Service

\$21.00 Secondary Voltage Service

Demand Charges

\$0.50 Per kW for Primary Voltage Service

\$1.21 Per kW for Extended Primary Voltage Service

\$1.78 Per kW for Secondary Voltage Service

The demand charges shall be per kW of contracted Demand or contracted Capacity per month as specified in the Service Agreement. At termination of the Service Agreement for any reason, the Wholesale Distribution Service Customer shall also pay CPS Energy a sum equal to the estimated present worth of the unamortized original undepreciated cost (or book) value (if any) for all remaining distribution facilities plus removal costs for all remaining distribution facilities.

Wholesale Distribution Service Customer will also be billed for the following, if applicable: additional equipment required and related operation and maintenance expense, including metering devices; additional transformation services; monthly data services; operating and regulatory expenses caused by the operation of the Wholesale Distribution Service Customer's generation or energy storage assets; distribution system line losses; and transmission and market charges billed to CPS Energy for the Wholesale Distribution Service Customer's generation or energy storage assets. These billings and related payment due dates may be more frequent than monthly as agreed to within the Service Agreement.

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, garbage fees and sales taxes.

TERMS OF SERVICE

A customer requesting electric service under this rate schedule shall make the request in accordance with the Commission's Substantive Rules Applicable to Electric Service Providers (Substantive Rules, Subchapter I, Sections 25.191-25.203) and CPS Energy's Distributed Generation Manual, and must execute a Service Agreement with CPS Energy.

Wheeling of power to other retail service locations connected to CPS Energy's distribution system or within CPS Energy's certificated service area is prohibited.

The Wholesale Distribution Service Customer shall be responsible for all costs of interconnecting with CPS Energy's distribution system. If it is necessary to construct new or modify distribution or transmission facilities for

interconnection, CPS Energy will construct new facilities, or alter existing facilities as necessary, and make the service available as soon as reasonably possible provided, however, that the Wholesale Distribution Service Customer pays a contribution in aid of construction in advance of CPS Energy's commencement of such construction or alteration.

CPS Energy shall estimate the cost for the construction or alteration based on CPS Energy's then-current material, labor and overhead costs, and the Wholesale Distribution Service Customer must agree in writing to pay such costs before construction or alteration commences. The actual cost is the total cost of all construction or alteration, as applicable, including not only the labor and materials used in constructing the new facilities or altering existing facilities, but also costs for planning, engineering, licensing, regulatory, permitting, right-of-way acquisition and clearing, overheads, interconnection studies, cyber-security and safety-standard testing, and all other costs directly attributable to such construction or alteration. All facilities constructed or altered by CPS Energy shall remain the property of CPS Energy.

Wholesale Distribution Service hereunder shall be subject to, and CPS Energy and the Customer will comply with, the legal, regulatory and operational procedures established under applicable Public Utility Commission Rules and the ERCOT Protocols and Market Guides. CPS Energy reserves the right to amend this tariff based on an alternative rate design structure appropriate with evolving energy technologies.