

## Denton electric rates to rise April 1

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By Lowell Brown / Staff Writer

Denton residents and businesses will pay more for electricity starting next month.

The Public Utilities Board voted Monday to raise two electric rates beginning April 1 — a move that will add about \$10 to the average household's bill, said Lisa Lemons, a spokeswoman for Denton Municipal Electric.

Lemons blamed the first increase since late 2005 on rising fuel costs. The city-run electric provider bases its rates partly on the cost of power-generating natural gas and coal.

"We're looking at what the market is doing right now," Lemons said. "Our costs are going up, so we're having to raise the rate to adjust."

Charldean Newell, Public Utilities Board chairwoman, said the board had to act to ensure the electric utility recovered its costs.

"It's just a very simple kind of pass-through economics," Newell said. "We're paying more for natural gas, so we have to charge our users a bit more."

Natural gas spot prices declined at most market locations last week but remained more than 27 percent above prices for the same period last year, according to a report Thursday from the Energy Information Administration, an arm of the U.S. Department of Energy.

Denton Municipal Electric customers' bills include two rates added together: the base rate and one of two energy cost adjustment rates. The base rate is set at the start of each fiscal year, but board members meet quarterly to determine the energy cost adjustment rates.

For the quarter that begins April 1, the standard adjustment rate will rise nearly 19 percent, from 3.2 to 3.8 cents per kilowatt-hour. The renewable energy cost adjustment rate, charged to customers of the GreenSense Renewable Energy program, will increase about 17 percent, from 3.5 to 4.1 cents per kilowatt-hour.

The increases are the first in Denton since October 2005, after Hurricanes Katrina and Rita pushed natural gas prices higher across the country. Board members cut rates each of the next five quarters and left them unchanged for the past three.

Denton's electric market is not open to competition among power providers, but city officials say their rates are competitive with — and even lower than — those offered in Dallas-Fort Worth-area cities with deregulated markets.

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