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Blum Independent School District
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Testimony in Support of House Bill 1064

While no one would argue that electric utilities should be able to pass on the costs of increased delivery and service infrastructure to the customers whose increased load demands make such enhanced infrastructure necessary, we argue that public school districts, who are not able to pass that increased cost on to their consumers should be exempted from bearing those costs or at the very least be presented with a consistent methodology for applying demand charges.

On just one meter at Blum ISD during one year 2008-2009, \$4,420 of the total cost of \$4,773 for that service was demand charges. 92.6% of the cost of that service to our school district was demand charges. In 2009-2010, of the total cost of \$3,791 for that service \$3,354 was demand charges. 88.5% of the total cost of that service was made up of demand charges. During 2008-2009, no current flowed through that meter for eight months and the bill for each of those eight months was \$344.50. During 2009-2010 the district was charged \$344.50 for six of the eight months that the service was not used.

Demand charges were levied during every month of the 2008-2009 school year, though the amount varied, but, inexplicably during 2009-2010, no demand charges were levied for three months, even though current flowed through the meter during one of those months.

Blum ISD buys electricity from three entities. First Choice Power/Texas New Mexico Power, Direct Energy through an aggregation agreement brokered by Texas Association of School Boards and Hilco Electric Cooperative. While the board of directors of Hilco Electric Coop has decided to exempt school districts from demand charges, we pay demand charges on the service provided by First Choice and Direct Energy. While First Choice shows the demand charges on their bill, Direct Energy incorporates those charges into "Transmission and Distribution Charges" a charge that includes demand charges as well as other charges.

The resulting inability of our school district to understand how these charges are applied, the variation in how these charges appear on our bills, and the seemingly inconsistent way in which these charges are levied, makes us unable to predict, manage, reduce or plan for these costs.

To the extent that HB 1064 can provide transparency, predictability and allow districts to accurately make decisions about how to most efficiently use electricity, we are in support of the bill.

<u>Date</u>	<u>Base Charge</u>	<u>Demand Charge</u>	<u>Energy Charge</u>	<u>kWh used</u>	<u>KW Demand</u>	<u>Demand Price/kW</u>	<u>Energy Charge/kWh</u>	<u>Total Bill</u>
9/19/2008	\$12.00	\$416.00	\$47.47	293.00	63.98	\$6.50	\$0.16	\$475.47
10/19/2008	\$12.00	\$429.00	\$61.43	455.00	66.15	\$6.49	\$0.14	\$502.43
11/19/2008	\$12.00	\$429.00	\$82.28	748.00	66.20	\$6.48	\$0.11	\$523.28
12/19/2008	\$12.00	\$344.50	\$0.00	0.00	0.00			\$356.50
1/19/2009	\$12.00	\$344.50	\$0.00	0.00	0.00			\$356.50
2/18/2009	\$12.00	\$344.50	\$0.00	0.00	0.00			\$356.50
3/19/2009	\$12.00	\$344.50	\$0.00	0.00	0.00			\$356.50
4/19/2009	\$12.00	\$344.50	\$0.00	0.00	0.00			\$356.50
5/19/2009	\$12.00	\$344.50	\$0.00	0.00	0.00			\$356.50
6/19/2009	\$12.00	\$344.50	\$0.00	0.00	0.00			\$356.50
7/20/2009	\$12.00	\$344.50	\$0.00	0.00	0.00			\$356.50
8/19/2009	\$12.00	\$390.00	\$18.44	<u>159.00</u>	<u>60.04</u>	\$6.50	\$0.12	<u>\$420.44</u>
		\$4,420.00		1655.00	256.37			\$4,773.62
9/20/2009	\$12.00	\$429.00	\$39.44	340.00	66.06	\$6.49	\$0.12	\$480.44
10/19/2009	\$12.00	\$422.50	\$96.92	833.00	65.27	\$6.47	\$0.12	\$531.42
11/19/2009	\$12.00	\$0.00	\$114.84	990.00	0.00		\$0.12	\$126.84
12/20/2009	\$12.00	\$0.00	\$0.00	0.00	0.00			\$12.00
1/19/2010	\$12.00	\$0.00	\$0.00	0.00	0.00			\$12.00
2/19/2010	\$12.00	\$344.50	\$0.00	0.00	0.00			\$356.50
3/19/2010	\$12.00	\$344.50	\$0.00	0.00	0.00			\$356.50
4/19/2010	\$12.00	\$344.50	\$0.00	0.00	0.00			\$356.50
5/20/2010	\$12.00	\$344.50	\$0.00	0.00	0.00			\$356.50
6/20/2010	\$12.00	\$344.50	\$0.00	0.00	0.00			\$356.50
7/20/2010	\$12.00	\$344.50	\$0.00	0.00	0.00			\$356.50
8/19/2010	\$12.00	\$435.50	\$42.34	<u>365.00</u>	<u>66.72</u>	\$6.53	\$0.12	<u>\$489.84</u>
		\$3,354.00		2528.00	198.05			\$3,791.54