

STAFF REPORT UTILITY MEETING

AGENDA DATE: August 26, 2025

DEPARTMENT: Electric Utility

TITLE:

Directive Confirmation authorizing Florida Gas Utility (“FGU”) to remarket Lake Worth Beach’s firm gas transportation capacity on Florida Gas Transmission System (“FGT”)

SUMMARY:

The City and FGU are parties to an interlocal agreement under which FGU brokers the City’s natural gas transportation rights (“Capacity”) on the FGT pipeline system, as well as that of other Municipal members. In striving to maximize the benefit to the City, FGU has identified an opportunity to remarket City’s firm gas transportation capacity on FGT via capacity release to Florida Power & Light (FPL). In order to secure the most competitive bid, FGU has bundled capacity from multiple Members in one larger offering.

BACKGROUND AND JUSTIFICATION:

FGU’s remarketing of City’s Capacity on FGT yields revenues in excess of City’s costs and which are reflected as Base Energy revenues in the electric utility’s annual operating budget, thereby benefiting customers of the City’s electric utility.

The proposed remarketing is expected to yield a minimum of approximately \$440,000 annually to the City’s electric utility’s Base Energy revenues. Depending on market conditions, higher revenues may be possible. A review of revenues derived from FGU’s Capacity Management Services to the City over the past six years indicates that approximately \$6.6 million has been generated over that period alone, well above expected minimums.

MOTION:

Move to approve/disapprove the Directive to FGU for authorization for the Release of Firm Transportation Capacity to FPL.

ATTACHMENT(S):

Fiscal Impact Analysis
Directive Confirmation
Interlocal Agreement

FISCAL IMPACT ANALYSIS

Five Year Summary of Fiscal Impact:

Fiscal Years	2025	2026	2027	2028	2029
Inflows/Revenues					
Appropriated (Budgeted)	0	0	0	0	0
Program Income	0	\$440,000	\$440,000	0	0
Grants	0	0	0	0	0
In Kind	0	0	0	0	0
Outflows/Expenditures					
Appropriated (Budgeted)	0	0	0	0	0
Operating	0	0	0	0	0
Capital	0	0	0	0	0
Net Fiscal Impact (If not budgeted)	0	0	0	0	0
No. of Addn'l Full-Time Employee Positions	0	0	0	0	0

Contract Award – FY 2026 Appropriation (Proposed Budget)	
	Revenues
Department	Electric Utilities
Division	N/A
GL Description	Electric Residential Sale / Gas South
GL Account Number	401-0000-343.10-21
Project Number	N/A
Requested Funds	N/A
Remaining Balance	N/A
Source of Revenue (i.e. Paygo. Current Revenue, Bond Money, Grants, etc.)	Revenue