

CITY OF LAKE WORTH BEACH, FLORIDA

Electric Utility Storm Fund

PRESENTED BY: Craig Shepard, Project Manager

January 30, 2024



Storm Fund - Goals

- ▶ Build up a Storm Fund Reserve to Help with Expenses Related to Storm Preparation and Recovery
- ▶ Have Fund Available While Waiting for FEMA Reimbursement
- ▶ Use Storm Fund Instead of Other Reserves or Raising Rates

Storm Fund

- ▶ The Investor Owned Utilities (IOUs) in Florida have a Separate Storm Fund Charges on Customer Bills, Approved by the PSC
- ▶ Some Municipal Utilities Include Funds for Storm Preparation and Recovery in their General Reserve Fund
- ▶ Set a Target Storm Fund Balance
- ▶ Preparation for Recent Hurricane Threats:
 - Dorian \$2.9 Million; Ian \$0.9 Million; Nicole \$1.6 Million
- ▶ Current Available Balance is \$500,000

LWB Electric Utility's Recent Storm Expenses

- ▶ Dorian; September 2019 \$2.954 Million
- ▶ Ian; October 2022 \$0.889 Million
- ▶ Nicole; November 2022 \$1.631 Million
- ▶ Costs do not include internal labor costs

Examples of Storm Charges

Line No.	Description	Cents/kWh	Notes
1	FPL Storm Protection Charge FPL Consolidated Interim Storm	0.557	Residential Effective January 1, 2024
2	Restoration Recovery Surcharge	0.665	Residential Effective January 1, 2024
3	Total	1.222	\$12.22 per 1,000 kWh
4	Duke Storm Protection Charge	0.414	Residential Effective Sept 1, 2023
5	Duke Storm Cost Recovery Surcharge	1.314	Residential Effective April 2023 through March 2024
6	Total	1.728	\$17.28 per 1,000 kWh

Examples of Storm Charges

<u>Line No.</u>	<u>Description</u>	<u>Cents/kWh</u>	<u>Notes</u>
7	TECO Storm Protection Charge	0.373	Residential Effective Jan 1, 2023
	TECO Storm Cost Recovery		Residential Effective April 2023
8	Surcharge	<u>1.022</u>	through March 2024
9	Total	1.395	\$13.95 per 1,000 kWh
10	Keys Energy Storm Surcharge	0.135	All customers to fund the Disaster Reserve and Mitigation Fund \$1.35 per 1,000 kWh

Sample Storm Fund Target Balance

- ▶ Lake Worth Beach Fiscal Year 2024 Energy Sales = 460,000,000 kWh
- ▶ \$1 per 1,000 kWh for 2 Years = $\$.001 \times 460,000,000 \times 2$
= \$920,000
- ▶ \$1 per 1,000 kWh for 4 Years = $\$.001 \times 460,000,000 \times 4$
= \$1,840,000
- ▶ \$2 per 1,000 kWh for 2 Years = $\$.002 \times 460,000,000 \times 2$
= \$1,840,000
- ▶ \$2 per 1,000 kWh for 4 Years = $\$.002 \times 460,000,000 \times 4$
= \$3,680,000
- ▶ \$3 per 1,000 kWh for 2 Years = $\$.003 \times 460,000,000 \times 2$
= \$2,760,000
- ▶ \$3 per 1,000 kWh for 4 Years = $\$.003 \times 460,000,000 \times 4$
= \$5,520,000

Recommendations

- ▶ Establish Storm Fund
- ▶ Establish Separate Charge for Storm Fund on Customers' Bills
- ▶ Implement Storm Fund Charges Until Target Balance is Attained
- ▶ Proposed Target Fund Balance = \$3 Million

Questions / Comments

POINTS OF CONTACT

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