

# STAFF REPORT UTILITY MEETING

**AGENDA DATE:** May 30, 2023

**DEPARTMENT:** Electric Utility

**TITLE:**

Rate Stabilization Fund

**SUMMARY:**

Development of a Rate Stabilization Fund

**BACKGROUND AND JUSTIFICATION:**

On April 25, 2023, the City Commission approved funding a Rate Stabilization Fund in the initial amount of \$500,000, with additional funding to be determined following further discussion on the desired size of the fund and timing.

The City's electric rate consultant at Leidos has prepared retrospective examples of how a rate stabilization fund would have performed to date using a December of 2021 start date with hypothetical funding amounts of \$2 million, \$3 million, and \$4 million.

Staff is seeking a consensus on the minimum and maximum funding limits for the Rate Stabilization Fund, and a guiding policy for utilization of the fund. Formal approval would come at a subsequent meeting.

**MOTION:**

N/A

**ATTACHMENT(S):**

Rate Stabilization Fund Slides by Leidos  
Sample Adjusted PCA Expenditures with \$2, \$3, or \$4 million Rate Stabilization Fund  
PCA Table & Graphs  
Draft Resolution  
Sample Policy for Winter Park