

# EXECUTIVE BRIEF UTILITY MEETING

**AGENDA DATE:** August 30, 2022

**DEPARTMENT:** Electric Utility

**TITLE:**

Resolution No. 59-2022 -- Budget Amendment for FY2022 in order for the Electric Utility to fund increases in wholesale supplemental power purchases

**SUMMARY:**

Resolution No. 59-2022 amends the Fiscal Year 2022 Electric Utility budget by increasing the Power Cost Adjustment (PCA) revenues and (PCA) expenditures by \$11,010,000 to provide adequate funding for purchases of energy and transmission costs under the Supplemental Energy and Capacity Contract with Orlando Utilities Commission ("OUC"), the Florida Municipal Power Agency ("FMPA") Stanton I contract, and Florida Power & Light ("FPL") electric transmission contract.

**BACKGROUND AND JUSTIFICATION:**

The FY2022 budget for the above contracts with OUC, the City's ownership portion in the FMPA Stanton I Project, and FPL was approved under the FY2022 Annual Operating Budget.

Due to the impact of higher than predicted natural gas and coal prices on City's electric utility wholesale power purchases, and higher than budgeted electric transmission costs, it is necessary for the City's Electric Utility to amend its original FY2022 budget. City's Electric Utility Staff projects that it will need an increase of \$11,010,000 in its FY2022 budget to accommodate the increased costs. The increased costs are eligible for recovery through the Power Cost Adjustment ("PCA") portion of all customers' bills, and which is subject to quarterly reviews and approvals by the City Commission.

**MOTION:**

Move to approve/disapprove Resolution 59-2022 -- Amendment #1 to the Electric Utility FY 2022 Budget in the amount of \$11,010,000 to provide for increased purchased power costs.

**ATTACHMENT(S):**

Fiscal Impact Analysis  
Resolution 59-2022  
FY 2022 Projection of Power Cost Adjustments (PCA)

## FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:

Fiscal Years	2022	2023	2024	2025	2026
Capital Expenditures	0	0	0	0	0
Operating Expenditures	\$11,010,000	0	0	0	0
Revenues	\$11,010,000	0	0	0	0
Program Income	0	0	0	0	0
In-kind Match	0	0	0	0	0
Net Fiscal Impact	0	0	0	0	0
No. of Addn'l Full-Time Employee Positions	0	0	0	0	0

### B. Recommended Sources of Funds/Summary of Fiscal Impact: Increased revenues of \$11,010,000; and increased expenditures of \$11,010,000 to be posted in the following accounts.

Account Number	Department Name	Division Name	Account Description	Project Number	FY22 Budget	Current Balance	Budget Transfer	Agenda Expenditure	Balance
401-0000-343-10-10	Electric Utility	Power Plant	Residential PCA Surcharge	N/A	\$9,837,626	\$9,294,132	N/A	+\$9,688,800	\$19,018,132
401-0000-343-11-10	Electric Utility	Power Plant	Commercial PCA Surcharge	N/A	\$6,039,815	\$5,653,193	N/A	+\$1,321,200	\$6,979,193
401-6031-531-34-20	Electric Utility	Power Plant	Contractual Services, Purchased Power Supplemental	N/A	\$9,815,125	\$0.00	N/A	\$9,873,790	\$19,689,107
401-6031-531-34-22	Electric Utility	Power Plant	Contractual Services, FPL Transmission	N/A	\$2,114,309	\$0.00	N/A	\$504,018	\$2,618,326
4001-6031-531-34-23	Electric Utility	Power Plant	Contractual Services, Purchased Power Stanton I	N/A	\$3,349,374	\$0.00	N/A	\$632,192	\$3,986,374