STAFF REPORT
UTILITY MEETING

AGENDA DATE: September 30, 2025 **DEPARTMENT:** Electric Utility

TITLE:

Transfer of Rate Stabilization Funds

SUMMARY:

Transfer $1,745,762 from the Rate Stabilization Fund (RSF) to the Electric Fund

BACKGROUND AND JUSTIFICATION:

As a result of sudden increases in the costs of higher than forecasted natural gas prices and other factors impacting the power costs, the City of Lake Worth Beach established the “Electric Utility Rate Stabilization Fund” to provide rate stability for customers of the City’s Electric Utility, mitigate the impact of increases in purchase power costs, and help maintain rates competitive with other utilities.

The Rate Stabilization Fund currently has a balance of $2,245,662 (as of 9/9/2025). Recent monthly PCA expenditures have surpassed PCA revenues resulting in a negative Electric Utility operations account (aka “checking account” or “The Account”) balance. Several factors have contributed to the increase in expenditures, such as increases in natural gas prices above forecasted values, higher capacity charges, and higher than expected operation of the soon-to-be retired Stanton unit.

The proposed transfer from the RSF to the Electric Fund will reduce the RSF to a balance of approximately $500,000, which is the Fund Minimum required by Resolution 10-2024.

MOTION:

Move to approve/disapprove the transfer of $1,745,762 from the Rate Stabilization Fund (RSF) to the Electric Fund

ATTACHMENT(S):

PCA Balance
Transfer Requests
Resolution 10-2024