

STAFF REPORT UTILITY MEETING

AGENDA DATE: April 30, 2024

DEPARTMENT: Electric Utility

TITLE:

Resolution No. 10-2024 – revision of Rate Stabilization Fund Resolution 31-2023

SUMMARY:

Revision of Resolution 31-2023, which was approved on September 26, 2023, and established the Rate Stabilization Fund (RSF)

BACKGROUND AND JUSTIFICATION:

As a result of sudden increases in the costs of natural gas in 2022-2023 and other factors impacting the power costs, the City of Lake Worth Beach established the “Electric Utility Rate Stabilization Fund” to maintain rates competitive with other utilities, mitigate against potential increased costs of purchased power, and provide rate stability for the customers of the Electric Utility.

This revision of Resolution 31-2023 will set forth additional standards and guidelines for The Fund as it relates to excess PCA revenues

If during a fiscal year, the RSF falls to an amount less than 10% of the expected annual purchased power costs, the City Commission shall consider increasing the PCA charge to increase the amount in the RSF. If during a fiscal year, the RSF increases to an amount of more than 25% of the expected annual purchased power costs, the City Commission shall consider reducing the PCA to decrease the amount in the RSF

Prior to increasing or decreasing the PCA, the City Commission will consider the status of excess PCA revenues with a desired target amount that will trigger transfers into the RSF.

MOTION:

Move to approve/disapprove Resolution No. 10-2024 – revision of Rate Stabilization Fund Resolution 31-2023

ATTACHMENT(S):

Fiscal Impact Analysis - NA
Resolution 10-2024
Resolution 31-2023