

RESOLUTION NO. 11-2024 OF THE CITY OF LAKE WORTH BEACH, FLORIDA, REVISING RESOLUTION 92-2021, REGARDING THE ELECTRIC UTILITY RATES AND CHARGES, TO REVISE THE PURCHASED POWER COST ADJUSTMENT DEFINITION AND CALCULATION BASED ON THE ESTABLISHMENT OF THE RATE STABILIZATION FUND AND GUIDELINES FOR THE RATE STABILIZATION FUND AND THE ELECTRIC UTILITY OPERATIONS ACCOUNT; AND, PROVIDING FOR REPEAL OF CONFLICTS AND AN EFFECTIVE DATE

WHEREAS, the Electric Utility of the City of Lake Worth Beach desires 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; and

WHEREAS, the City set forth the current electric utility rates and charges in Resolution No. 92-2021, which includes a variable rate to be charged to each customer for the City's purchased power costs entitled the "Purchased Power Adjustment" ("PCA") as further defined in Resolution No. 92-2021; and

WHEREAS, Resolution No. 92-2021 also set forth a calculation for the PCA based on a projected three (3) month period inclusive of the projected purchased power costs, a true-up of recovery of the PCA from the prior three (3) month period, and any amounts transferred from the Rate Stabilization Fund; and

WHEREAS, due to sudden increases in the costs of natural gas in 2022-2023 and other factors impacting the City's power costs, the City in Resolution No. 31-2023 created the Rate Stabilization Fund ("The Fund"); authorized the transfer of excess PCA charges received from customers to The Fund; and, set general guidelines for The Fund; and

WHEREAS, the City desires to revise the definition of the PCA and PCA calculation as set forth in Resolution No. 92-201 to clarify the definition of the PCA and the PCA calculation based on the establishment of The Fund and guidelines for The Fund; and

WHEREAS, the City Commission finds establishing this Resolution serves a valid public purpose.

NOW THEREFORE BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LAKE WORTH BEACH, FLORIDA, that:

Section 1. The foregoing recitals are adopted by reference as true and correct findings of the City Commission.

Section 2. The City hereby revises Resolution No. 92-2021 as follows:

- A. Section 1, entitled, "Definitions", is revised to clarify the definition of "Power Cost Adjustment" (PCA) to state:

"Purchased Power Cost Adjustment" or "Power Cost Adjustment" (PCA) is a variable rate set forth herein and reflects the City's cost of providing electricity as affected by the price of fuel and the purchase price of power supply. The PCA is set forth in each of the below rate schedules as a rate per kWh. The PCA may be adjusted by the City Commission due to an increase or decrease in the cost to purchase or supply power to customers. The

PCA is shown on the customer’s bill as a separate charge. The City has established a Rate Stabilization Fund (“The Fund”) in an effort to minimize significant increases in the PCA (e.g., sudden spike in fuel costs) and the direct impact thereof on each customer’s bill. Depending on the status of The Fund and the related operations account, the PCA may be further decreased or increased by the City Commission.

B. Section 3, entitled, “Purchased Power Cost Adjustment (PCA)”, is revised to state:

Purchased Power Cost Adjustment (PCA): The PCA shall be established for a projected three (3) month period for energy sales during that period as follows:

$$PCA = A / D$$

where:

A = The projected purchased power costs for the projected three (3) month period comprised of costs such as the FMPA Stanton 1 variable costs, the FMPA Municipal Solar Project power costs, supplemental purchased power capacity, energy and directly related costs, Lake Worth Beach electric utility power generating fuel, and transmission costs.

D = The projected total retail sales in MWh for the projected three (3) month period.

Depending on the status of The Fund and related operations account, the PCA may be further decreased or increased by the City Commission. **Changes to the PCA by the City Commission is authorized by motion.**

All future rate resolutions for the Electric Utility shall incorporate the above revisions for the PCA (unless further amended by the City Commission).

Section 3. All resolutions or parts of resolutions are hereby amended to the extent that they are in conflict with this Resolution.

Section 4. This Resolution shall become effective immediately upon passage.

The passage of this resolution was moved by _____, seconded by _____, and upon being put to a vote, the vote was as follows:

- Mayor Betty Resch
- Vice Mayor Sarah Malega
- Commissioner Christopher McVoy
- Commissioner Mimi May
- Commissioner Reinaldo Diaz

The Mayor thereupon declared this resolution duly passed and adopted on the ____ day of _____ 2024.

LAKE WORTH BEACH CITY COMMISSION

By: _____
Betty Resch, Mayor

ATTEST:

Melissa Ann Coyne, MMC, City Clerk