



City of Needles, California Request for Commission Action

☐ CITY COUNCIL ☒ BOARD OF PUBLIC UTILITIES ☒ Regular ☐ Special

Meeting Date: July 1, 2025

Title: Power Purchase Cost Adjustment (PCA) for April 2025 and continue the over-hydro rate of \$0.1238 as established June 1, 2025

Background: In April 2022, the Board adopted a revised Statement of Policies set the PCA Fund Balance to be twenty percent (20%) of the yearly over-hydro budgeted power costs for the fiscal year (annual budget or revised budget as applicable). For the fiscal year (FY 25) over-hydro budget is \$5,280,000. Twenty percent (20%) of the over-hydro budget for FY 25 is \$1,056,000, which is the current PCA fund balance.

Due to historic low power purchasing costs, the PCA has a fund balance of \$2,302,408 as of March 2025. Term purchasing has been concluded through September 2025. In January 2025, the following projections were made to apply a .02 power cost adjustment.

Due to over-hydro usage being lower than projected, less than forecasted was refunded to the customers' classes, and the PCA fund balance has increased to \$2.3M due to favorable term purchases and limited spot purchases.

Below are forecasted and actual refunds projected through September 2025.

	Forecast/Actual Over-Hydro KWH	Actual Refunded	Forecast .03 rate reduction 0.1238
February	4,804,342	95,799.82	
March	5,440,841	89,775.16	
April	4,532,100	90,642.00	
May	6,476,950	129,539.00	
June	7,459,366		223,780.98
July	9,397,720		281,931.60
August	10,133,982		304,019.46
September	9,503,363		285,100.89
Total estimated to be refunded to customer classes			1,094,832.93

Fiscal Impact: Rate reduction of .03 to \$0.1238 will refund approximately \$1,094,832.93 to all customer classes through September 2025.

Environmental Impact: None

Recommended Action: Power Purchase Cost Adjustment (PCA) for April 2025 and continue the over-hydro rate of \$0.1238 as established June 1, 2025

Submitted By: Rainie Torrance, Utility Manager



City of Needles, California Request for Commission Action

City Manager Approval: Patrick J. Martinez

Date: 6/24/2025

Other Department Approval (when required): _____

Date: _____

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: _____