



# City of Needles, California Request for Board Action

CITY COUNCIL       NPUA       BOARD OF PUBLIC UTILITIES  
 Regular       Special

**Meeting Date:** January 18, 2022

**Title:** Report of the Power Purchase Cost Adjustment for October – November 2021

**Background:** The City purchased July and August term purchases In June 2021 that ranged from \$264 MW on-peak and roughly \$80 off-peak. When WAPA went to the market to transact prices were higher than estimated, \$300 MWh for on peak and \$100 MWh for off peak. For July / August the total was \$2,261,373, plus \$44,000 for transmission to get to load. This is \$457,873 more than the estimates, which were based on the forwards. The City also added \$322,940 in spot funds the trust fund for additional protection during these high market prices. The total budget for fiscal year is \$2,500,000 and due to the high market prices the budget for FY 22 is over by \$128,813.

In June the Board authorized the reduction of the PCA fund to \$750,000 and over-hydro rate increase from \$.0860 to \$0.1279 effective July 1, 2021. The PCA balancing fund is at a negative \$162,163 as of September 30, 2021, however, continuing the over hydro rate of .1285 the fund is expected to recover.

**Recommended Action:** Continue the electric over hydro rate at .1285 as established October 1, 2021.

**Submitted By:** Rainie Torrance, Assistant Utility Manager

**City Management Review:** Rkt

**Date:** 1/12/22

Approved: <input type="checkbox"/>	Not Approved: <input type="checkbox"/>	Tabled: <input type="checkbox"/>	Other: <input type="checkbox"/>
			Agenda Item: <u>6.</u>

# NEEDLES PUBLIC UTILITY AUTHORITY

## POWER COST ADJUSTMENT CALCULATION

21-Oct

### UPCOMING PURCHASE PERIOD CALCULATION

Actual Over-Hydro Purchased Kwhr	5,388,151	**
Actual Over-Hydro Purchased Dollars	\$242,352	**
Over-Hydro Annual Base Rate Component	\$0.0855	
Line Loss Percentage	9.50	
Current Over-Hydro Rate	\$0.1285	
Non-Power Expense Rate Component	\$0.0430	

Over-Hydro with Line Losses	4,876,277
Over-Hydro Cost/Kwhr	\$0.0497
Difference from Base Rate	-\$0.0358
Revenue Expected from Base Rate	\$416,922
Revenue Difference from Base	\$174,570
.0419 PCA Fund Adjustment ( <i>started July 2021</i> )	\$50,000
Amount to off set New PCA Fund Balance	\$224,570

### OVER-HYDRO RATE

New Over-Hydro Rate Component	\$0.0497
New Over-Hydro Rate	\$0.0927

Upcoming Term: November  
 Total Over-Hydro Kwhr  
 Total Over-Hydro Purchase + Spot Estimate

5,388,151
\$ 242,352.00

### PREVIOUS PERIOD REVENUE GENERATED

Actual Over-Hydro KWH	1,198,774
Actual Over-Hydro Dollars	\$362,497
Over-Hydro Prior Period Rate Power Component	\$0.0594

Over-Hydro KWH w/ Line Loss  
 Over-Hydro Revenue Generated for the Period  
 Revenue Difference from Required

1,084,890
\$64,435
-\$298,063

### PREVIOUS PERIOD REVENUE ACTUAL BASE RATE

Over-Hydro with Line Losses	1,084,890
Over-Hydro Cost/Kwhr	\$0.3341
Difference from Base Rate	\$0.2486
Revenue Expected from Base Rate	\$92,758
Revenue Difference from Base	-\$269,739

### BALANCING FUND

Previous PCA Period Balance	-\$162,163
PCA Collected	\$50,229
** New PCA Fund Balance	-\$409,997

Previous Period Consumption:  
 October Over-Hydro Consumption : 1,198,774  
 Cost:  
 Term Purchase: \$293,248 Spot Purchase: \$54,413 Exchanges: \$0.00  
 Transmission & Regulation Cost: (88% over hydro)  
 Total Over Hydro Costs: \$362,497.05

### October 2021 Activity

		MWh	MW	
Direct Bill	Term Purchase	\$0.00	0	
Advanced	Term Purchase	\$293,248.00	4,048	
Advanced	Spot Purchase	\$54,413.00	922	
	Exchanges From WMK/YCWUA	\$0.00	0	
Direct Bill	Needles PDP	\$30,797.53	1,409	
Direct Bill	Agua Caliente PDP	\$18,200.00	350	
Advanced	Oasis Transmission	\$0.00	0	
Direct Bill	Network Transmission	\$16,155.00	14.12	Needles Non-Coincidental Peak Load
Direct Bill	Regulation	\$771.97	14.22	
	<b>Total Expended</b>	<b>\$413,585.50</b>		
	Exchanges to WMK/YCWUA	\$0.00	0	
	Net	\$413,585.50		
	<b>Total Load</b>	<b>6,317.08</b>		
	<b>\$/Mw</b>	<b>\$65.47</b>		

Not Applicable

Estimated total

Calculated-Direct Billed to Needles

# NEEDLES PUBLIC UTILITY AUTHORITY

## POWER COST ADJUSTMENT CALCULATION

### UPCOMING PURCHASE PERIOD CALCULATION

Actual Over-Hydro Purchased Kwhr	4,778,506
Actual Over-Hydro Purchased Dollars	\$220,000
Over-Hydro Annual Base Rate Component	\$0.0855
Line Loss Percentage	9.50
Current Over-Hydro Rate	\$0.1285
Non-Power Expense Rate Component	\$0.0430

Over-Hydro with Line Losses	4,324,548
Over-Hydro Cost/Kwhr	\$0.0509
Difference from Base Rate	-\$0.0346
Revenue Expected from Base Rate	\$369,749
Revenue Difference from Base	\$149,749
.0419 PCA Fund Adjustment ( <i>started July 2021</i> )	\$50,000
Amount to off set New PCA Fund Balance	\$199,749

### OVER-HYDRO RATE

New Over-Hydro Rate Component	\$0.0509
New Over-Hydro Rate	\$0.0939

Upcoming Term: December  
 Total Over-Hydro Kwhr 4,778,506  
 Total Over-Hydro Purchase + Spot Estimate \$ 220,000.00

## November

### PREVIOUS PERIOD REVENUE GENERATED

Actual Over-Hydro KWH	5,388,151
Actual Over-Hydro Dollars	\$242,352
Over-Hydro Prior Period Rate Power Component	\$0.0594

Over-Hydro KWH w/ Line Loss 4,876,277  
 Over-Hydro Revenue Generated for the Period \$289,615  
 Revenue Difference from Required \$47,263

### PREVIOUS PERIOD REVENUE ACTUAL BASE RATE

Over-Hydro with Line Losses	4,876,277
Over-Hydro Cost/Kwhr	\$0.0497
Difference from Base Rate	-\$0.0358
Revenue Expected from Base Rate	\$416,922
Revenue Difference from Base	174,570

### BALANCING FUND

Previous PCA Period Balance	-\$409,997
PCA Collected	\$225,764
** New PCA Fund Balance	-\$136,970

Previous Period Consumption:  
 November Over-Hydro Consumption : 1,198,774  
 Cost:  
 Term Purchase: \$156,320 Spot Purchase: \$72,108.84 Exchanges: \$0.00  
 Transmission & Regulation Cost: (83% over hydro)  
 Total Over Hydro Costs: \$242,351.54

### November 2021 Activity

		MWh	MW	
Direct Bill	Term Purchase	\$0.00	0	
Advanced	Term Purchase	\$156,320.00	2,880	
Advanced	Spot Purchase	\$72,108.84	1,330	
	Exchanges From WMK/YCWUA	\$0.00	0	
Direct Bill	Needles PDP	\$30,114.29	1,333	
Direct Bill	Agua Caliente PDP	\$17,576.00	338	
Advanced	Oasis Transmission	\$0.00	0	
Direct Bill	Network Transmission	\$16,298.00		11.29
Direct Bill	Regulation	\$531.42		14.22
	<b>Total Expended</b>	<b>\$292,948.55</b>		
	Exchanges to WMK/YCWUA	\$0.00	0	
	Net	\$292,948.55		
	<b>Total Load</b>	<b>5,653.00</b>		
	<b>\$/Mw</b>	<b>\$51.82</b>		

Needles Non-Coincidental Peak Load

Not Applicable

Estimated total

Calculated-Direct Billed to Needles