



# City of Needles, California Request for Board Action

CITY COUNCIL       NPUA       BOARD OF PUBLIC UTILITIES  
 Regular       Special

**Meeting Date:** August 2, 2022

**Title:** Report of the Power Purchase Cost Adjustment May – June 2022

**Background:** 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. In April 2022 the Board adopted a revised Statement of Policies increased in the PCA Fund Balance from \$750,000 to \$1,040,000 which was established on April 12, 2022 to be twenty percent (20%) of the yearly over-hydro budgeted power costs.

Since July 2021 the PCA fund has gone negative and returned to a positive cash flow of \$956,936 as of April 30, 2022. May and June have increased that amount to \$1,167,599.

**Recommended Action:** The electric over hydro rate shall remain at \$0.1285 as established October 1, 2021

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

**City Management Review:** *Rick*      **Date:** 7/25/22

Approved: <input type="checkbox"/>	Not Approved: <input type="checkbox"/>	Tabled: <input type="checkbox"/>	Other: <input type="checkbox"/>
			Agenda Item: _____

## NEEDLES PUBLIC UTILITY AUTHORITY POWER COST ADJUSTMENT CALCULATION

22-May

### UPCOMING PURCHASE PERIOD CALCULATION

Actual Over-Hydro Purchased Kwhr	6,414,000
Actual Over-Hydro Purchased Dollars	\$500,000
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	5,804,670
Over-Hydro Cost/Kwhr	\$0.0861
Difference from Base Rate	\$0.0006
Revenue Expected from Base Rate	\$496,299
Revenue Difference from Base	-\$3,701
.0419 PCA Fund Adjustment ( <i>started July 2021</i> )	\$250,000
Amount to off set New PCA Fund Balance	\$246,299

### OVER-HYDRO RATE

New Over-Hydro Rate Component	\$0.0861
New Over-Hydro Rate	\$0.1291

Upcoming Term: June  
 Total Over-Hydro Kwhr 6,414,000  
 Total Over-Hydro Purchase + Spot Estimate \$ 500,000.00

### PREVIOUS PERIOD REVENUE GENERATED

Actual Over-Hydro KWH	4,067,598
Actual Over-Hydro Dollars	\$213,970
Over-Hydro Prior Period Rate Power Component	\$0.0594

Over-Hydro KWH w/ Line Loss	3,681,176
Over-Hydro Revenue Generated for the Period	\$218,635
Revenue Difference from Required	\$4,665

### PREVIOUS PERIOD REVENUE ACTUAL BASE RATE

Over-Hydro with Line Losses	3,681,176
Over-Hydro Cost/Kwhr	\$0.0581
Difference from Base Rate	-\$0.0274
Revenue Expected from Base Rate	\$314,741
Revenue Difference from Base	100,771

### BALANCING FUND

Previous PCA Period Balance	\$956,936
PCA Collected	\$170,432
** New PCA Fund Balance	\$1,132,034

Previous Period Consumption:  
 May Over-Hydro Consumption : 4,067,598  
 Cost:

Term Purchase: \$144,596.25 Spot Purchase: \$49,924.00 Exchanges: \$6,345.25  
 Transmission & Regulation Cost: (74% over hydro)  
 Total Over Hydro Costs: \$213,970

# NEEDLES PUBLIC UTILITY AUTHORITY

## POWER COST ADJUSTMENT CALCULATION

22-Jun

### UPCOMING PURCHASE PERIOD CALCULATION

Actual Over-Hydro Purchased Kwhr	**	6,700,000
Actual Over-Hydro Purchased Dollars	**	\$1,100,000
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	6,063,500
Over-Hydro Cost/Kwhr	\$0.1814
Difference from Base Rate	\$0.0959
Revenue Expected from Base Rate	\$518,429
Revenue Difference from Base	-\$581,571
.0419 PCA Fund Adjustment ( <i>started July 2021</i> )	\$350,000
Amount to off set New PCA Fund Balance	-\$231,571

### OVER-HYDRO RATE

New Over-Hydro Rate Component	\$0.1814
New Over-Hydro Rate	\$0.2244

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

6,700,000
<u>\$ 1,100,000.00</u>

### PREVIOUS PERIOD REVENUE GENERATED

Actual Over-Hydro KWH	6,414,880
Actual Over-Hydro Dollars	\$479,669
Over-Hydro Prior Period Rate Power Component	\$0.0594

Over-Hydro KWH w/ Line Loss	5,805,466
Over-Hydro Revenue Generated for the Period	\$344,802
Revenue Difference from Required	-\$134,867

### PREVIOUS PERIOD REVENUE ACTUAL BASE RATE

Over-Hydro with Line Losses	5,805,466
Over-Hydro Cost/Kwhr	\$0.0826
Difference from Base Rate	-\$0.0029
Revenue Expected from Base Rate	\$496,367
Revenue Difference from Base	16,698

### BALANCING FUND

Previous PCA Period Balance	\$1,132,034
PCA Collected	\$170,432
** New PCA Fund Balance	\$1,167,599

Previous Period Consumption:  
 June Over-Hydro Consumption : 6,414,880  
 Cost:  
 Term Purchase: \$343,816.00 Spot Purchase: \$120,725.70 Exchanges: \$0.00  
 Transmission & Regulation Cost: (87% over hydro)  
 Total Over Hydro Costs: \$479,669