

MEMORANDUM

TO: Water & Light Board

FROM: Sarah Talbert, Assistant Director Columbia Utilities

DATE: January 30, 2024

SUBJECT: Power Cost Adjustment Report – December 2023

The following is a summary of the power cost adjustment (PCA) determination for December 2023 and is intended to serve as the required quarterly update for the Water & Light board.

Projected Expenses

Staff are forecasting an increase of \$2,716,041 power cost over the forecasted FY24 (October 2023) level. This is mainly due to additional transmission costs that have occurred for Sikeston and will through at least May 2024 or beyond. In addition, the revenue we receive from MISO for transmission has decreased slightly compared to FY 2023 and the forecasted amount.

	Forecasted FY24 October 2023	December 2023	Difference
Purchased Power	\$69,265,689	\$69,433,794	\$168,105
Transmission Expenses	\$5,630,713	\$7,720,346	\$2,089,633
Natural Gas	\$2,436,216	\$2,450,661	\$14,445
Bal. & Trans. Revenue	\$(9,355,922)	\$(8,912,065)	\$443,857
Total	\$67,976,696	\$70,692,737	\$2,716,041

Projected Power Cost Recovery

As of January 2024, energy sales in FY24 are forecasting to be 3,780,207 kWh less than the October 2023 forecast. Mild temperatures in October through December resulted in less energy sold for the quarter. The PCA in October and November 2023 were credits to utility customer bills; however December was the first month that utility customers began seeing a charge. The main reason for this charge is for the utility to start recovering the transmission costs for Sikeston, in October and November transmission congestion was negative so we had to pay for financial transmission rights and the actual energy sold during the time period was slightly less than originally forecasted.

	Forecasted October 2023	December 2023	Difference
Energy Sold (kWh)	1,204,744,510	1,200,964,303	(3,780,207)
Base Rate Power Cost Recovery	\$68,309,014	\$68,094,676	(\$214,338)
YTD PCA Billings	-	\$146,710	\$146,710
Total Power Cost Recovery	\$68,309,014	\$68,241,386	(\$67,628)
Power Cost less Recovery	\$(332,318)	\$2,451,350	\$2,119,032

PCA Customer Impact

Below is a summary of the PCA's impact on each customer type through the current month. These impacts are based on class average monthly usage for the residential, small general service, large general service, and industrial customer classes.

FY24	PCA	RES	SM GEN	LG GEN	IND
	Avg kWh	756	1,353	28,245	822,043
October	\$(0.000276)	\$(0.21)	\$(0.37)	\$(7.80)	\$(226.88)
November	\$(0.000003)	\$(0.002)	\$(.004)	\$(.08)	\$(2.47)
December	\$0.001886	\$1.43	\$2.55	\$53.27	\$1,550.37
January					
February					
March					
April					
May					
June					
July					
August					
September					
Total		\$1.22	\$2.18	\$45.39	\$1,321.02

The calculated PCA for December 2023 is \$0.001886. This will result in a bill charge of \$1.43 for the average residential customer.