

MEMORANDUM

TO: Water & Light Board
FROM: Sarah Talbert, Assistant Director Columbia Utilities
DATE: September 1, 2024
SUBJECT: Power Cost Adjustment Report – August 2024

The following is a summary of the power cost adjustment (PCA) determination for August 2024 and is intended to serve as the required monthly update for the Water & Light board.

Projected Expenses

Staff is forecasting an increase of \$6,908,830 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 the remainder of the fiscal year, until May 2025. In addition, the purchase power costs continue to increase compared to the costs that were forecasted due to LMP prices in MISO being lower than anticipated.

	Forecasted FY24 October 2023	August 2024	Difference
Purchased Power	\$69,265,689	\$72,344,300	\$3,078,611
Transmission Expenses	\$5,630,713	\$8,709,990	\$3,079,277
Natural Gas	\$2,436,216	\$2,193,298	(\$242,918)
Bal. & Trans. Revenue	\$(9,355,922)	\$(8,362,062)	\$993,860
Total	\$67,976,696	\$74,885,526	\$6,908,830

Projected Power Cost Recovery

As of June 2024, energy sales in FY24 are forecasting to be 36,146,779 kWh less than the October 2023 forecast. Mild temperatures in October through June resulted in less energy sold for the first half of the fiscal year. The PCA in October and November 2023 were credits to utility customer bills; however, starting in December and for each month since the utility customers have been seeing a charge. The main reason for this charge is to recover the transmission costs for Sikeston for the entire fiscal year that were originally only in the forecast through December 2023, along with recouping larger than forecasted purchase power expenses due to LMP prices in MISO being lower.

	Forecasted October 2023	July 2024	Difference
Energy Sold (kWh)	1,204,744,510	1,168,597,731	(36,146,779)
Base Rate Power Cost Recovery	\$68,309,014	\$66,259,491	(\$2,049,523)
YTD PCA Billings	-	\$6,009,769	\$6,009,769
Total Power Cost Recovery	\$68,309,014	\$72,269,260	\$3,960,246
Power Cost less Recovery	\$(332,318)	\$2,616,266	\$2,283,948

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	\$0.002623	\$1.98	\$3.55	\$74.09	\$2,156.22
February	\$0.004511	\$3.41	\$6.10	\$127.41	\$3,708.23
March	\$0.009275	\$7.01	\$12.55	\$261.97	\$7,624.44
April	\$0.005246	\$3.96	\$7.10	\$148.17	\$4,312.44
May	\$0.012794	\$9.67	\$17.31	\$361.36	\$10,517.21
June	\$0.013335	\$10.08	\$18.04	\$376.65	\$10,961.94
July	\$0.013335	\$10.08	\$18.04	\$376.65	\$10,961.94
August					
September					
Total		\$47.408	\$77.77	\$1,771.69	\$51,563.44

The calculated PCA for July 2024 is \$0.013335, which is the cap. This will result in a bill charge of \$10.08 for the average residential customer.