Power Cost Adjustment Procedure

I. Applicability

This procedure is applicable to all kilowatt-hours (kWh) of energy supplied to Columbia Utilities customers with metered electric service sold effective October 1, 2023. That is, all Residential Service, Small General Service, Large General Service, Interruptible Service, Industrial Service, Standby and Supplemental Service, and Outdoor Lighting accounts as described in City code Sec 27-112 through 27-121.1.

Costs passed through this Power Cost Adjustment (PCA) Procedure reflect the difference between costs associated with fuel, transmission, and purchased power net of any related revenue. The Baseline Energy Costs represents the amount of fuel, transmission, and purchased power costs included in base rates. As determined through the most recent cost of service analysis the baseline cost per kWh is currently $0.0567.

The revenues and expenses related to fuel, transmission, and purchased power applicable to this procedure are found in the accounts shown in Table 1.

Table 1: Accounts Containing Fuel, Transmission and Purchased Power Revenues and Expenses

Account Number	Description	Account Number	Description
17560555-501040	ELEC TRANSMISSION	17550547-501036	NATURAL GAS
17560555-501045	ELEC TRANSMISSION	17510501-501036	EL PROD NAT GAS
17560575-501040	ELEC TRANSMISSION	17510547-501036	EL PROD NAT GAS
5510-448457	MISO TRANSMISSION	17540547-501036	EL LDF GAS NAT GAS
17560555-501049	PURCHASED POWER	5510-448447	EL BAL RESALE

II. PCA Determination

1. The PCA will be calculated on a monthly basis using the following formula:

$$PCA_n = \frac{C_n + T - B_n - P_n}{U_n}$$

Where:

n =   The month in the fiscal year, where October equals one and September equal 12.

U_n = The expected annual energy sales in kWh for month n that combines both actual usage through month n with forecasted usage through the end of the fiscal year. This is given through the following formula:

$$U_n = \begin{cases} \displaystyle\sum_{i=1}^{12} U_{i,forecast}, & n < 3 \\ \displaystyle\sum_{i=1}^{n-2} U_{i,actual} + \sum_{i=n-1}^{12} U_{i,forecast}, & n \geq 3 \end{cases}$$

Where:

    i = Summation index that indicates the month

    $U_{i,actual}$ = The actual monthly energy sales for month i.

    $U_{i,forecast}$ = The forecasted monthly energy sales for month i.

C_n = The expected annual sum of the revenues and expenses related to fuel, transmission, and purchased power as of month n. These revenues and expenses are found in the accounts shown in Table 1. C_n is calculated according to the following formula:

$$C_n = \begin{cases} \displaystyle\sum_{i=1}^{12} C_{i,forecast}, & n < 3 \\ \displaystyle\sum_{i=1}^{n-2} C_{i,actual} + \sum_{i=n-1}^{12} C_{i,forecast}, & n \geq 3 \end{cases}$$

Where:

    i = Summation index that indicates the month

    $C_{i,actual}$ = The actual monthly net expenses for month i.

    $C_{i,forecast}$ = The forecasted monthly net expenses for month i.

B_n = The expected annual baseline power cost recovered by base rates. This is determined by the formula:

$$B_n = \$0.0567 \cdot U_n$$

P_n = The total amount of expected revenue generated by the PCA through the current month. This is determined by the formula:

$$P_n = \sum_{i=1}^{n-1} PCA_i \cdot U_i$$

Where:

    i = Summation index that indicates the month

    PCA_i = The PCA rate in dollars per kWh for month i.

    U_i = The actual or forecasted energy sales for month i, depending on the availability of actual data.

T = The true-up amount in dollars for the previous fiscal year. This is determined using data from the previous fiscal year in the following formula:

$$T = C_{actual} + T_{prev} - B_{actual} - P_{actual}.$$

Where:

C_{actual}	=	The actual annual sum of revenues and expenses related to fuel, transmission, and purchased power.
T_{prev}	=	The true-up applied in the preceding fiscal year. For the first year the PCA is in effect, T_{prev} will be zero.
B_{actual}	=	The sum of the actual baseline power cost recovered by base rates.
P_{actual}	=	The total revenue generated by the PCA in the fiscal year.

2. At the beginning of the fiscal year, the PCA will be based on forecasted revenues and expenses for the accounts in Table 1. As actual monthly financial information becomes available, actual net costs, actual baseline energy costs, and actual usage will replace the forecasted monthly values.
3. The calculated PCA shall not exceed 15% of the residential first tier rate in any month.

III. Rules and Conditions

1. The PCA shall be assessed on energy as of October 1, 2023 and continue to be assessed in each month thereafter.
2. With each monthly update the PCA shall be effective as of the first of the month.
3. The PCA shall apply to all energy billed in the month regardless of when the meter is read.
4. The PCA shall be calculated to the nearest ten-thousandth of a cent ($0.000001).
5. When the monthly PCA is negative the customer will receive a credit equal to the PCA multiplied by their monthly billed energy usage in accordance with the rules contained in this procedure; when the monthly PCA is positive the customer will receive a charge equal to the PCA multiplied by their monthly billed energy usage in accordance with the rules contained in this procedure.
6. The PCA for October may include an anticipated true-up for the previous fiscal year as needed. The PCA for November and subsequent months shall include the full true-up for the previous fiscal year.
7. For the first fiscal year of implementation, FY24, there will be no true-up based on the prior fiscal year. The first true-up will occur in FY25.
8. For customers with net-metered solar:
   a. The PCA will apply to the net energy usage.
   b. For months when the customer's solar production exceeds the energy provided to the customer by the utility, the PCA charge shall be zero ($0.00).
   c. Existing solar credits shall apply to the PCA charge.
9. For community solar customers:
   a. The PCA shall apply to all energy provided by the utility.
   b. Energy credits generated from the community solar subscription shall be applied to the PCA charges.

10. For commercial customers receiving the primary metering discount, the PCA will be calculated after the 2% reduction in billed energy is applied.
11. For special outdoor lighting customers receiving the primary service discount, the PCA will be calculated after any reductions are applied.
12. For energy storage and industrial customers who qualify for the off-peak discount, the PCA will be based on the sum of the on-peak and off-peak energy.
13. The past values for the PCA will be provided on the City website https://www.como.gov/utilities/utility-rates/ and will be updated each month after the PCA is calculated.
14. CWL will provide a quarterly report to the Water & Light Board regarding the financial outcomes and issues relating to the PCA.