



REPORT TO: SUA

MEETING DATE: SEPTEMBER 13, 2021

<p>Agenda Item:</p>	<p>10 c. CC-21-180 6b. SUA-21-38</p>
<p>Prior Council Action/Related Items:</p>	<p>SUA-21-30</p>
<p>Background / Issue:</p>	<ul style="list-style-type: none"> • During the SUA meeting on August 2, 2021, the Trustees approved the recovery of 50% of Stillwater’s proportionate share of the winter storm energy costs from electric utility customers over a term of 36 months. • Stillwater’s proportionate share is \$7,138,352, meaning the SUA will recover \$3,569,176 from its electric customers. • The recovered funds will be placed in the electric Rate Stabilization Fund (RSF).
<p>Proposal/Solution:</p>	<p>Production Cost Adjustment (PCA) Winter Storm Recovery</p> <ul style="list-style-type: none"> • In order to facilitate the recovery, staff is proposing the creation of a temporary PCA Winter Storm Recovery. • This PCA will be a new line item on the customer bill that will specifically show the customer monthly cost. • It is anticipated that it will be labeled “PCA Storm Rec” for simplicity and will begin on the bill received in November. • Approximately \$99,143.78 per month is needed to recover 50% (\$3,569,176) of the cost in 36 months. • The PCA Winter Storm Recovery will equate to \$0.00200-\$0.0030 per kWh per month per customer. • Due to the variability in energy usage and customer count over the 36 month term, staff will monitor the PCA Winter Storm Recovery during the 36 month period and adjust to ensure recovery. • Staff requests flexibility to adjust the PCA Winter Storm Recovery rate between \$0.0020 and \$0.0030 per kWh per customer per month until the recovery amount is met.

Financial Impact/Funding Source(s):

- Once the target amount of \$3,569,176 has been recovered, PCA Winter Storm Recovery will be discontinued.
- As long as the SUA recovers the \$3,569,176 for the RSF, there will be no financial impact.
- If the funds are not fully recovered, future electric capital projects could be affected.

Strategic Plan Alignment:

#1 Effective Services & Accountable Government: To provide effective services and accountable government for all citizens by practicing fiscal responsibility, transparency, and outstanding customer service.

Recommended Action/Motion:

Resolutions CC-2021-28 and SUA-2021-10 establishing the PCA Winter Storm Recovery are on the City Council and SUA agendas for adoption.

Prepared By:

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Reviewed By:

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Submitted By:

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