

RESOLUTION 2024-18

A RESOLUTION ADOPTING A POWER COST ADJUSTMENT (OR PCA) TO ALL SPRING CITY POWER RATES

WHEREAS, Spring City maintains an electric power system; and

WHEREAS, Spring City Municipal Code 8-1-4 allows the City Council to establish electric power rates;

WHEREAS, in order to protect the health, safety, and welfare of all residents of Spring City and customers it serves, it is important that Spring City Power is being responsible financially and accepting the appropriate monies to maintain its services.

NOW THEREFORE, be it resolved Spring City City Council is adopting a PCA (Power Cost Adjustment) to all rate schedules for Spring City Power Department and shall be increased or decreased as a separate charge or credit to reflect the variations in power supply cost.

The PCA shall be applied to all kWh units sold under all rate schedules, shall be calculated as a rolling months average, shall be the sum of purchased power supply costs[1] based on actual data from the most recent available rolling-month period preceding the start of the billing month to which the adjustment is to be applied, less an average retail power supply base cost[3], which has been incorporated into all retail base rate schedules. Purchased power data and billing units are generally available to months prior to the month of calculated PCA due to timing of power supply invoices and retail billing cycles. As a result, the rolling-month period of available data is based on information typically from two months prior to the month of the calculated PCA. The PCA shall be calculated, adjusted, and implemented monthly based on the rolling-month calculation. Components of the adjustment are hereby adopted for all utility bills issued on and after _____, 2025, and are calculated as follows:

PCA CALCULATION

$$PCA = (((\text{Rolling-months power supply costs } \$ / \text{Rolling-months kWh units purchased})[1] / 1 - \text{loss adjustment})[2] - \text{Base PCA } \$)[3]$$

PCA =

$\frac{(((\text{Rolling-months P/S Cost } \$}{\text{Rolling-months p/s units / 1-loss adjustment}})$	$- \text{Base PCA } \$)$
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DEFINITION OF TERMS

[1] power supply costs: The power supply cost increment per kWh shall include all costs incurred in the procurement of adequate power supply, transmission of power supply, and adjustments required to reconcile previous over/under PCA Collections.

[2] Loss Adjustment: Adjustment for losses incurred through distribution system to retail sales units.

[3] Base PCA: \$ / retail kWh.

This resolution shall become effective _____.

Be it hereby resolved that **Council Member** _____ made the motion to approve this resolution. **Council Member** _____ seconded the motion.

APPROVED

Chris Anderson, Mayor

ATTEST:

Ruth Ann McCain, Recorder

Roll Call Vote:

	YES	NO	ABSENT	ABSTAIN
Randy Strate	_____	_____	_____	_____
Marty McCain	_____	_____	_____	_____
Ken Krogue	_____	_____	_____	_____
Courtney Syme	_____	_____	_____	_____
Paul Penrod	_____	_____	_____	_____