

Power Cost Adjustment (PCA) Update

The Electric Division updates its PCA every six months, to address changes in the cost of wholesale power, and to “true up” with customers any over collection or under collection of monies needed to pay for wholesale power costs.

At the regular meeting of the Public Utilities Commission (PUC) on July 2, 2024, Electric Division Staff reported that, based on the calculation described in WED Rate 12 (Power Cost Adjustment Clause) the PCA should be increased, from \$0.00 per kWh, to \$0.013551 (just over 1.3 cents) per kWh. Staff noted for the PUC that the impact of this calculated PCA on a typical residential customer using 750 kWh in a month would be \$10.16. When added to an already PUC-approved rate increase of 4.9% (\$4.50 for 750 kWh) to the retail cost of Residential energy, this change in the PCA would raise the typical Residential electric bill by \$14.66 per month, a calculated increase of 12.92%.

At this meeting, the PUC approved a recommendation to use approximately \$1.9 million of WED unallocated cash above minimum reserve requirements to reduce the calculated PCA for the next six months by 50%, and voted to set the PCA at \$0.006776 (or, just under 0.7 cents per kWh) for the period from July 1 through December 31, 2024. This adjustment to the calculated PCA will result in an actual increase for typical residential customers of \$9.58 per month. This is an increase of 8.44% (vs. the 12.92% increase described above) and is \$5.08 less than what this monthly bill would have been had the PUC not taken this action to reduce the PCA.