

PUBLIC UTILITIES ADVISORY BOARD AGENDA ITEM

ACTION REQUESTED:

Receive the Electric Utility Rate Study Presentation

DEPARTMENT: Electric Utility

SUBMITTED BY: Brian Groth, Director

BACKGROUND:

Serving more than 60,000 customers with a population over 145,000, Naperville's Electric Utility provides reliable, cost efficient electrical service to our community. Detailed financial planning is needed to ensure continuity of services and sustainable capital investment. This financial planning involves annual budget development and periodic rate studies.

Utility Financial Systems (UFS) has been retained to prepare a rate study for the Electric Utility which will include rates and fixed fees for the 2022 through 2024 calendar years. UFS completed a rate study in 2018 for the Utility and finances, including the 30 day cash reserve, have tracked well against the models created.

DISCUSSION:

The July 15th presentation is intended to provide a review and to seek feedback from PUAB on the assumptions and inputs used in the model. Major goals of this rate study include continuing to support the capital and operating requirements of the Utility as well as ensuring that each of the Utility's seven rate classes are supporting their share of infrastructure and energy charges required to provide reliable service. The Purchased Power Adjustment (PPA) will also be reviewed based upon energy price projections.

Feedback received from PUAB will be combined with feedback received from City Council and incorporated in a draft report. This report along with staff-suggested changes will be reviewed by PUAB at the September meeting, with recommendations provided to City Council for their consideration during the budget process later this year.