



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 2022-041

City Council

4/14/2022

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

SUPPLEMENTAL BUDGET RESOLUTION NO. 2022-041 - PENSACOLA ENERGY - ADDITIONAL FUNDING FOR BUDGETED NATURAL GAS COST

RECOMMENDATION:

That City Council adopt Supplemental Budget Resolution No. 2022-041.

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022; PROVIDING FOR AN EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

Pensacola Energy's budget for purchasing natural gas is being impacted by two trends. First, the federal Energy Information Administration (EIA) forecast that rising exports will continue to elevate natural gas prices this year. Second, PE is experiencing a positive trend in customer growth and increased sales, mainly due to the addition of a large industrial customer. PE and Finance have evaluated the associated impact and have determined the need for additional funding to cover natural gas costs for Fiscal Year 2022.

Estimated Gas Cost Increase \$16,800,600

PRIOR ACTION:

None.

FUNDING:

N/A

FINANCIAL IMPACT:

The cost of natural gas is recouped through PE's rates and charges. Therefore, appropriations to the

Gas Utility Inventory of Stores for Resale in Pensacola Energy's budget resolution is offset by the same increase in revenues. Approval of the supplemental budget resolution provides for a balanced budget for Fiscal Year 2022.

LEGAL REVIEW ONLY BY CITY ATTORNEY: Yes

3/23/2022

STAFF CONTACT:

Kerrith Fiddler, City Administrator

Amy Miller, Deputy City Administrator, Administration & Enterprise

Don J. Suarez, Pensacola Energy Director

ATTACHMENTS:

- 1) Supplemental Budget Resolution No. 2022-041
- 2) Supplemental Budget Explanation No. 2022-041

PRESENTATION: No