



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 2022-080

City Council

8/18/2022

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

SUPPLEMENTAL BUDGET RESOLUTION NO. 2022-080 - PENSACOLA ENERGY - ADDITIONAL FUNDING FOR BUDGETED NATURAL GAS COST

RECOMMENDATION:

That City Council adopt Supplemental Budget Resolution No. 2022-080.

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 (PE) budget for purchasing natural gas is being impacted by increased natural gas prices. This increase is due to below-average inventory levels in the market, increasing growth in demand, and lagging growth in domestic production. PE and Finance have evaluated the associated impacts and have determined the need for additional funding to cover natural gas costs for Fiscal Year 2022.

Estimated Gas Cost Increase \$8,100,000

PRIOR ACTION:

None

FUNDING:

N/A

FINANCIAL IMPACT:

The cost of natural gas is recouped through Pensacola Energy'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

7/26/2022

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. 2022-080
- 2) Supplemental Budget Explanation No. 2022-080

PRESENTATION: No