

REQUEST TO ESTABLISH DOCKET  
(PLEASE TYPE)

Date September 16, 1997

Docket No. 971240-GU

1. Division Name/Staff Name EAG/Elisabeth Draper
2. OPR \_\_\_\_\_
3. OCR \_\_\_\_\_
4. Suggested Docket Title Petition for Approval of new Business Partners Rate Discount Rider by the City of Gainesville

5. Suggested Docket Mailing List (attach separate sheet if necessary)

- A. Provide NAMES ONLY for regulated companies or ACRONYMS ONLY regulated industries, as shown in Rule 25-22.104, F.A.C.
- B. Provide COMPLETE name and address for all others. (Match representatives to clients.)

1. Parties and their representatives (if any)

|  |  |
|--|--|
| <u>Berdell Knowles, Managing Utility Analyst</u> | <u>Gainesville Regional Utilities</u>                            |
| _____  | <u>P.O. Box 147117, Station A136, Gainesville, FL 32614-7117</u> |
| _____  | _____  |
| _____  | _____  |
| _____  | _____  |
| _____  | _____  |

2. Interested Persons and their representatives (if any)

|       |       |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

6. Check one:

- Documentation is attached.  
 Documentation will be provided with recommendation.

I:\PSC\RAR\WP\ESTDKT.

PSC/RAR 10 (Revised 01/96)

DOCUMENT NUMBER-DATE

09410 SEP 16 97

FISCAL RECORDS/REPORTING

August 28, 1997

Ms. Elizabeth Draper  
Division of Electric and Gas  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

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Dear Ms. Draper:

Gainesville Regional Utilities (GRU) is hereby submitting proposed tariff sheet revisions for approval by the Public Service Commission (PSC). A single copy is being provided herewith in legislative format, when appropriate, and four (4) copies are being provided in final format. The tariff revisions supplied will be adopted by the Gainesville City Commission during the month of September, 1997. Residential rates will have an effective date of October 1, 1997 while the new Load Engagement Service (LES) Rider (discount for term) for nonresidential customers will have an effective date of November 1, 1997. The tariff sheets proposed for revision and attached hereto are listed below.

**Current Sheet**

Second Revised Sheet No. 6.5  
Second Revised Sheet No. 6.6

**Proposed Sheet**

Third Revised Sheet No. 6.5  
Third Revised Sheet No. 6.6  
Original Sheet No. 6.13

The proposed changes are to reduce residential revenue by 0.50% and to offer rate discounts of 7% and to the General Service rate classes (Demand and Non-demand) and 10% to the Large Power rate class in exchange for ten year term exclusive contracts for service. Except for the apparent need to increase residential rates, the Cost-of-Service Study generally supports all the other recommendations for rate relief. The Study is attached for your review.

The City's Regional Utilities Committee, which is wholly comprised of two City Commissioners, recommended to the full City Commission that the 0.50% of budgeted residential rate relief be applied entirely to the lower consumption block (1-750 kWh per month) of the City's inverted block rate residential rate. The higher consumption block (all over 750 kWh per month) will remain unchanged. This recommendation is encompassed within the proposed changes.

As you may notice from reviewing the enclosed *Pro Forma* statements of income and expense for the Electric System, substantial rate relief is being budgeted over the next few years. This rate relief is accommodated by projected withdrawals from the Electric System's Rate Stabilization Fund (RSF) and by moderating the increases in prospective operating costs. You should also note that the amount of revenue reductions (4.50%) shown for nonresidential customers for fiscal year 1998 probably does not reflect the full impact of implementing the

LES Rider. Even though we are not able to project the revenue impact of implementing the Rider at this time, we expect that the Rider will cause revenue to be decreased by considerably more than 4.50%. Any and all additional revenue shortages in excess of the 4.50% will be offset by additional withdrawals from the RSF. To the extent that the additional withdrawals (to offset revenue reductions in excess of 4.50%) are necessary in 1998, the projected RSF withdrawals subsequent to 1998 will be decreased from the levels shown for those years as will be the projected rate decreases. Projected use of the RSF is shown on the enclosed *Pro Forma* statements of income and expense.

The RSF was authorized and initiated by the City in 1983. Its purpose is to mitigate the rate shock that could stem from unanticipated revenue shortfalls or from drastic cost increases. The RSF was initially funded from the proceeds of a liquidated debt security fund that was no longer needed as pledged security. Since its implementation in 1983, the RSF has increased, even though, in some years, withdrawals have been necessary due to unanticipated revenue shortfalls. The source of increase to the RSF has been previous unanticipated revenue exceedences.

Service under the new LES Rider will be available to all customers in the covered rate classes. The contracts we propose to engage customers for service under this Rider are also enclosed.

Should you have any questions or comments, please contact me at (352) 334-3400, extension 1273.

Respectfully submitted,



Berdell Knowles  
Managing Utility Analyst

Attachments

cc. Skip Manasco, A138  
Frederick M. Bryant, FMEA General Counsel

September 8, 1997

Ms. Elizabeth Draper  
Division of Electric and Gas  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

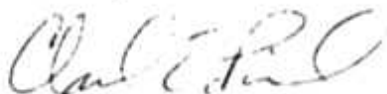
SEP 11 1997

Dear Ms. Draper:

Gainesville Regional Utilities (GRU) is hereby submitting the revised tariff sheet revisions that you and I previously discussed by telephone. We are renaming the Load Engagement Service Rider to the Business Partners Rate Discount Rider. Four (4) copies are being provided herewith in legislative format and four (4) copies are being provided in final format. Specifically, sheets 6.0 and 6.13 are attached. Additionally, a copy of GRU's Electric Cost of Service Study for fiscal year 1996 is also attached.

Should you have any questions or comments, please contact me at (352) 334-3400, extension 1285.

Respectfully submitted,



Claude E. Pinder  
Utility Analyst

Attachments

cep  
PSC-997.tr

cc. B. Knowles

File: PSC Tariff Book



INDEX OF RATE SCHEDULES

| <u>Designation</u> | <u>Description</u>                                      | <u>Sheet Number</u> |
|--------------------|---|---------------------|
| GS                 | General Service Non-Demand .....                        | 6.1                 |
| N/A                | Reserved for Future Use .....                           | 6.2                 |
| GS-D               | General Service-Demand .....                            | 6.3                 |
| N/A                | Reserved for Future Use .....                           | 6.4                 |
| RS                 | Residential Service .....                               | 6.5                 |
| RS-T               | Residential Time-of-Use .....                           | 6.6                 |
| LP                 | Large Power Service .....                               | 6.7                 |
| N/A                | Reserved for Future Use .....                           | 6.8                 |
| T                  | Transmission Service .....                              | 6.9                 |
| INT                | Interruptible-Curtailable Service Rider .....           | 6.10                |
| N/A                | Reserved for Future Use .....                           | 6.11                |
| REAL               | Retained Expanded or Attracted Load Service Rider ..... | 6.12                |
| BPD                | Business Partners Rate Discount Rider .....             | 6.13                |
| FA                 | Retail Fuel Adjustment .....                            | 6.14                |
| GRT                | Gross Receipts Tax Recovery .....                       | 6.15                |
| PSL                | Public Streetlight Service .....                        | 6.16                |
| RL                 | Rental Outdoor Light Service .....                      | 6.17                |



Sec. 27-27 Retail Rates --RESIDENTIAL SERVICE (Non-Time-Differentiated)

AVAILABILITY [Sec. 27-27(d)]

This service is available to consumers both within and outside the corporate limits of the city.

APPLICABILITY [Sec. 27-21]

*Residential Service.* Service to a single living unit located in a single-family or multiple-family dwelling or a living unit consisting of a sorority, fraternity, cooperative housing unit of a college or university or other non-profit group living unit. A living unit shall be a place where people reside on a non-transient basis containing a room or rooms comprising the essential elements of a single housekeeping unit. Each separate facility for the preparation, storage and keeping of food for consumption within the premises shall cause a housekeeping unit to be construed as a single living unit. All energy supplied shall be through a single meter at a single point of delivery.

CHARACTER OF SERVICE [Sec. 27-21]

*Service.* The term "service" shall include in addition to all electric energy required by consumer the readiness and ability on the part of the city to furnish electric energy to the consumer; thus, the maintenance by the city at the point of delivery of approximately the agreed voltage and frequency shall constitute the rendering of service irrespective of whether consumer makes any use thereof.

LIMITATIONS OF SERVICE

See "Resale of Electricity Prohibited" on Sheet 4.8.

RATES [Appendix A, UTILITIES, (1)(f)]

*Base rate.* The rates to be charged and collected for electric energy furnished by the city to consumers for residential service are hereby fixed as follows:

(i) *Non-time-differentiated rate.* All residential customers may elect service at this rate.

|   |           |           |
|---|-----------|-----------|
| (A) Customer charge .....                       | \$ 4.90   | per month |
| (B) First 750 kilowatt hours per month .....    | \$ 0.0498 | per kWh   |
| (C) All kilowatt hours per month over 750 ..... | \$ 0.0544 | per kWh   |

MINIMUM CHARGE [Appendix A, UTILITIES, (1)(f)]

*Minimum monthly bill.* The minimum monthly bill shall be equal to the customer charge.

(Continued on Sheet No. 6.5.1)



Sec. 27-27 Retail Rates--RESIDENTIAL SERVICE (Optional Time-of-Use)

AVAILABILITY [Sec. 27-27(d)]

This service is available to consumers both within and outside the corporate limits of the city.

APPLICABILITY [Sec. 27-21]

*Residential Service.* Service to a single living unit located in a single-family, detached, permanent dwelling both owned and occupied by the applicant. A living unit shall be a place where people reside on a non-transient basis containing a room or rooms comprising the essential elements of a single housekeeping unit. Each separate facility for the preparation, storage and keeping of food for consumption within the premises shall cause a housekeeping unit to be construed as a single living unit. All energy supplied shall be through a single meter at a single point of delivery.

CHARACTER OF SERVICE [Sec. 27-21]

*Service.* The term "service" shall include in addition to all electric energy required by consumer the readiness and ability on the part of the city to furnish electric energy to the consumer, thus, the maintenance by the city at the point of delivery of approximately the agreed voltage and frequency shall constitute the rendering of service irrespective of whether consumer makes any use thereof.

LIMITATIONS OF SERVICE

See "Resale of Electricity Prohibited" on Sheet 4.8.

RATES [Appendix A, UTILITIES, (1)(f)]

*Base rate.* The rates to be charged and collected for electric energy furnished by the city to consumers for residential service are hereby fixed as follows:

(ii) *Time-of-use base rate.* All residential customers may elect service at this rate, except that the city may, at its option, limit the number of customers and type of residences which will be served at this rate.

(A) Customer Charge ..... \$ 8.27\* per month

\*Note: This time-of-use rate customer charge includes a base customer charge of \$4.90 per month and an additional charge of \$3.37 per month time-of-use meter charge.

(B) Energy Charge

All Energy Used On-Peak ..... \$ 0.1047\* per kWh  
 All Energy Used Off-Peak ..... \$ 0.0305\* per kWh

\*Note: To calculate the true ratio of on-peak to off-peak energy costs, the fuel adjustment per kWh should be added to the above-stated energy charges. Peak periods shall be as follows

(Continued on Sheet No. 6.6.1)





Sec. 27-27 Retail Rates—BUSINESS PARTNERS RATE DISCOUNT RIDER

AVAILABILITY

Service under this Rider is available to consumers both within and outside the corporate limits of the city.

APPLICABILITY

Nonresidential electric service provisions whereunder the rates normally applicable to the retail rate schedules listed below are discounted pursuant to a contract between the customer and the city. The rider shall be applicable to the following retail rate schedules: General Service Non-Demand, General Service Demand, Large Power, or Transmission Service.

GENERAL PROVISIONS

(A) Customer must make application to the city for service under this Rider and the city must approve such application before service hereunder commences.

(B) Conditions pertaining to any application of this Rider shall be stipulated to by contract between the city and the customer receiving service hereunder. Such contract shall be for a minimum term of ten (10) years.

(C) All terms and conditions under the normally applicable Schedule, either General Service Non-Demand, General Service Demand, Large Power, or Transmission Service, shall apply to service supplied to the customer except as modified by this Rider.

APPLICATION OF DISCOUNT

For service hereunder, a percentage discount shall be applied to the normally applicable Customer Charge, Demand (kW) Charge and Energy (kWh) Charge, inclusive of any other applicable discounts. The discount applicable hereunder for customers in the General Service Non-Demand and General Service Demand rate classes shall be 7.0%. The discount applicable hereunder for customers in the Large Power or Transmission Service rate classes shall be 10.0%. Discounts are not applicable beyond the one hundred twentieth (120th) billing period.

CONTRACT PERIOD

Customers requesting service hereunder must enter into a contract designating the city as the customer's exclusive supplier of electricity for a minimum initial term of ten (10) years. Either party may terminate the contract at the end of the initial term or at the end of any subsequent term, pursuant to provisions stipulated to in the contract. At the sole discretion of the city, discounts available under this Rider may be withdrawn or adjusted if a change occurs to the customer's normally applicable Rate Schedule, resulting from either the customer's request or from the city's reclassification of the customer due to changes in the customer's load. If the customer violates any terms and conditions of this Rider or of the contract under this Rider, the city may discontinue service under this Rider. In the event of early termination of any contract under this Rider, the customer will be required to pay the city any costs due to such early termination, including reimbursement of discounts granted to the extent stipulated to in the contract.