



Florida Municipal Power Agency

Jody Lamar Finklea, B.C.S.
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Board Certified City, County and Local Government Lawyer

VIA Electronic Filing

April 14, 2016

Florida Public Service Commission
Carlotta S. Stauffer, Commission Clerk
Office of the Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: City of Homestead, Florida – Revised Tariff Sheets

Dear Ms. Stauffer:

This letter is submitted on behalf of the City of Homestead pursuant to Rules 25-9.051 through 25-9.071 of the *Florida Administrative Code*.

Electronically filed are the following revisions to the City of Homestead's tariff sheets in legislative and final filing formats:

- (a) Fifth Revised Sheet No. 12.0 – *Schedule of Electric Rates*, and,
- (b) Sixth Revised Sheet No. 12.1 – *Schedule of Electric Rates to include a Local Historical Landmark Preservation (LHLP) Rate Rider*.

Also enclosed for information and supportive purposes are copies of the following:

- 1) Background information on the new rate class (2 pages);
- 2) Meeting minutes addressing the rate additions (2 pages), and,
- 3) Signed ordinance number 2016-02-05 creating the new rate class (5 pages).

If you have any questions or need clarification, please do not hesitate to contact our office.

Very truly yours,

/s/

Jody Lamar Finklea
Deputy General Counsel and Manager of Legal Affairs

SCHEDULE OF ELECTRIC RATES

Any person, firm, corporation, agency or entity of the local, Miami-Dade County, State of Florida or U.S. Government, receiving electrical services of the city for residential, commercial, industrial or any other such use shall be required to pay for such service on the basis of the following rates as may be applicable:

(1) *Residential rate.* Residential rates shall be applicable to any single-family dwelling unit served individually through a single electrical meter and computed on KWH consumed per month:

Customer facilities charge...	\$ 5.60
Energy allowance not included.	\$/KWH
ENERGY	\$0.0720
All KWH.....	per KWH
Plus power cost adjustment	
Minimum bill.....	\$ 5.60

(2) *General service non-demand rate; commercial.* Applicable to utility customers other than residential and lighting services with an electrical demand requirement of less than (20) KW.

Customer facilities charge.....	\$ 7.64
Energy allowance not included.	\$/KWH
ENERGY	\$0.0797
All KWH.....	per KWH
Plus power cost adjustment	
Minimum bill.....	\$ 7.64

(3) *General service demand rate; industrial.* Applicable to utility customers other than residential and lighting service with an electrical demand requirement for service of twenty (20) KW or more. If a customer reaches twenty (20) KW or more in any month, this rate becomes applicable. If a customer is on this rate and their demand for twelve (12) consecutive months is under twenty (20) KW, they shall then be placed on non-demand rate, if they so request.

<u>Customer facilities charge...</u>	<u>\$ 35.67</u>
<u> Energy allowance not included.</u>	

(Continued to Sheet No. 12.1)

ISSUED BY: Mike A. Shehadeh, P.E. Barbara Quinones
~~28, 2008~~ — Date of FPSC Approval
August 28, 2008

EFFECTIVE: August
~~City Manager~~Director of Utilities

SCHEDULE OF ELECTRIC RATES

Any person, firm, corporation, agency or entity of the local, Miami-Dade County, State of Florida or U.S. Government, receiving electrical services of the city for residential, commercial, industrial or any other such use shall be required to pay for such service on the basis of the following rates as may be applicable:

(1) *Residential rate (RS)*. Residential rates shall be applicable to any single-family dwelling unit served individually through a single electrical meter and computed on KWH consumed per month:

Customer facilities charge...	\$ 5.60
Energy allowance not included.	\$/KWH
ENERGY	\$0.0720
All KWH.....	per KWH
Plus power cost adjustment	
Minimum bill.....	\$ 5.60

(2) *General service non-demand rate; commercial (GS-ND-C)*. Applicable to utility customers other than residential and lighting services with an electrical demand requirement of less than (20) KW.

Customer facilities charge.....	\$ 7.64
Energy allowance not included.	\$/KWH
ENERGY	\$0.0797
All KWH.....	per KWH
Plus power cost adjustment	
Minimum bill.....	\$ 7.64

(3) *General service demand rate; industrial (GSD-I)*. Applicable to utility customers other than residential and lighting service with an electrical demand requirement for service of twenty (20) KW or more. If a customer reaches twenty (20) KW or more in any month, this rate becomes applicable. If a customer is on this rate and their demand for twelve (12) consecutive months is under twenty (20) KW, they shall then be placed on non-demand rate, if they so request.

Customer facilities charge.....	\$ 35.67
Energy allowance not included.	

(Continued to Sheet No. 12.1)

ISSUED BY: Barbara Quinones
Director of Utilities

EFFECTIVE: Date of FPSC Approval

~~((1)Continued)~~ General service demand rate; Industrial.

~~General service demand rate; industrial. Applicable to utility customers other than residential and lighting service with an electrical demand requirement for service of twenty (20) KW or more. If a customer reaches twenty (20) KW or more in any month, this rate becomes applicable. If a customer is on this rate and their demand for twelve (12) consecutive months is under twenty (20) KW, they shall then be placed on non-demand rate, if they so request.~~

Customer facilities charge...	\$ 35.67
Energy allowance not included.	
DEMAND	\$/ K <u>k</u> W
All K <u>k</u> W of billing demand per month.....	\$ 6.37
ENERGY	\$/ K <u>k</u> W <u>Hh</u>
All K <u>k</u> W <u>Hh</u>	\$ 0.0571 <u>Per kWh</u>
	<u>Per-KWH</u>

Plus power cost adjustment

Minimum bill.....\$35.67

(4) Local Historical Landmark Preservation (LHLP) rate rider. Applicable to those utility customers, whether residential, industrial, or commercial, who receive service at a building which has received an official designation from the Homestead Historical Preservation Board as a "Locally Designated Historical Landmark."

Customer facilities charge will be the same charge as others in the rate class to which the customer typically belongs. Energy allowance is not included in the customer facilities charge.

DEMAND – This charge, if applicable, will be the same charge as others in the rate class to which the customer would typically belong.

ENERGY –

<u>Residential LHLP</u>	<u>All kWh \$0.0375 per kWh</u>
<u>General service non-demand; Commercial LHLP.....</u>	<u>All kWh \$0.0375 per kWh</u>
<u>General service demand; Industrial LHLP.....</u>	<u>All kWh \$0.030 per kWh</u>

All kWh charges will be in addition to the Power Cost Adjustment.

Minimum LHLP bill:

<u>Residential LHLP.....</u>	<u>\$5.60</u>
<u>General service non-demand; Commercial LHLP.....</u>	<u>\$7.64</u>
<u>General service demand; Industrial LHLP.....</u>	<u>\$35.67</u>

Power Factor. Customers shall maintain a minimum of 0.85 power factor lagging at the point of service. In the event a customer's load imposes a power factor less than 0.85, the kW demand shall be converted to a KVA value based on the actual power factor and converted to a billing demand at 0.85 established factor.

ISSUED BY: Mike A. Shehadeh, P.E. Barbara Quinones EFFECTIVE: August 28, 2008 Date of FPSC Approval

City ManagerDirector of Utilities August 28, 2008

General service demand rate (GSD-I); Industrial.

DEMAND	\$/kW
All kW of billing demand per month.....	\$ 6.37
ENERGY	\$/kWh
All kWh.....	\$ 0.0571 Per kWh
Plus power cost adjustment	
Minimum bill.....	\$35.67

- (4) *Local Historical Landmark Preservation (LHLP) rate rider.* Applicable to those utility customers, **whether residential, industrial, or commercial**, who receive service at a building which has received an official designation from the Homestead Historical Preservation Board as a “Locally Designated Historical Landmark.”

Customer facilities charge will be the same charge as others in the rate class to which the customer typically belongs. Energy allowance is not included in the customer facilities charge.

DEMAND – This charge, if applicable, will be the same charge as others in the rate class to which the customer would typically belong.

ENERGY –

Residential LHLP	All kWh \$0.0375 per kWh
General service non-demand; Commercial LHLP.....	All kWh \$0.0375 per kWh
General service demand; Industrial LHLP.....	All kWh \$0.030 per kWh

All kWh charges will be in addition to the Power Cost Adjustment.

Minimum LHLP bill:

Residential LHLP.....	\$5.60
General service non-demand; Commercial LHLP.....	\$7.64
General service demand; Industrial LHLP.....	\$35.67

Power Factor. Customers shall maintain a minimum of 0.85 power factor lagging at the point of service. In the event a customer’s load imposes a power factor less than 0.85, the kW demand shall be converted to a KVA value based on the actual power factor and converted to a billing demand at 0.85 established factor.

ISSUED BY: Barbara Quinones
Director of Utilities

EFFECTIVE: FPSC DATE OF APPROVAL



BACKGROUND INFORMATION

“Local Historical Landmark Preservation Rate”

Councilman Shelley requested that staff investigate the disparity in consumption between locally designated historical landmarks and similar corresponding modern buildings; and asked staff to provide information on a potentially different electric rate for buildings designated as “Local Historical Landmarks”.

Staff determined that the Locally Designated Historical Landmarks (“Historic Landmarks”) in Homestead have a significantly higher electric consumption than corresponding similar types of modern buildings. (Ranging from 15% - 50% higher consumption for the Historical Landmarks.)

To encourage the preservation of Homestead’s rich history and to help even the playing field between the designated Historical Landmark buildings and more modern buildings, a discount electric rate, which offsets the additional energy consumption by the historical buildings, was researched and analyzed.

Providing a discount electric rate to these buildings would have an extraordinarily small cost impact in comparison to overall revenues. The impact would be approximately 0.1% of the overall Electric Utility Revenues. Staff believes this small impact could be absorbed in the operational costs to the City and would not affect other utility customers.

The preservation of Historical Landmark buildings is a key component to the re-vitalization of the downtown area and will ultimately benefit all customers and the entire community through increased utilization and designation of Historical Landmark buildings resulting in greater overall economic growth and development within the City.

Process to Implement an Additional “Rate Rider”

1. Direction from Council to move forward
2. Staff and attorneys to craft an ordinance change adopting a “Historical Preservation” rate rider and a corresponding electric tariff book amendment
3. First Reading of the Ordinance
4. Second Reading of the Ordinance and final adoption
5. If the Second Reading passes,
 - a. the tariff book amendment to implement the rate rider would be filed with the Florida Public Service Commission (FPSC) at least 30 days in advance of the

proposed effective date. A copy of the ordinance will also be submitted to the FPSC for its information.

- b. the rate rider effective date would permit the FPSC at least 30 days to review, as required by FPSC rules
6. Approval by the FPSC
 7. If approved by the FPSC, or the FPSC has not responded with an objection to the tariff filing within its permitted 30 days, the rate rider becomes effective on its effective date.

Vice Mayor Fairclough replied that they could not go to HUD if the applicant did not agree with the terms.

Mayor Porter agreed with Vice Mayor Fairclough and reminded everyone there was a motion on the table.


Roll Call:

Councilman Maldonado	Yes
Councilman Shelley	No
Councilman Burgess	No
Councilman Roth	Yes
Vice Mayor Fairclough	Yes
Mayor Porter	Yes
Councilman Williams	Absent

Motion carried.

Councilman Maldonado left the meeting at 8:06 p.m.

At this time, Council moved to CAR #1668, Sponsorship for Homestead Main Street.

 b. CAR #1667 – LOCALLY DESIGNATED HISTORICAL LANDMARK RATE

City Attorney Weiss read the above.

Councilman Shelley stated that, as the Historic Preservation Board liaison, this was one of two items he asked to be brought forward for discussion. This item deals with an incentive program to encourage home and business owners to designate their properties as historic, assuming they meet all the criteria, which is quite rigorous. The concept is that historical buildings typically are not built as well or are not as insulated as well as modern-day buildings and, in order to encourage history to be maintained as the City goes through the downtown revitalization and not leave the buildings that tell the City's story behind, one of the ideas was to encourage an economic use of the historic buildings with a different electric rate, or an incentive electric rate, to even out what it would cost if they were to own the same building in a modern form versus the historic form. There are a couple of buildings that the Historic Preservation Board is currently trying to encourage the owners to designate as historic, but they have been resistant because, as buildings are designated as historic, there are restrictions placed on what you can and cannot do with the building. The idea is that, hopefully, this would overcome some of those limitations and help someone decide that it is worth the trade-off.

Mayor Porter commented that it was a fabulous concept because he knew that when they are required to reconstruct to historical standards, there is a severe penalty on what they can do with current technology.

Councilman Maldonado stated that he had seen where some historical buildings have been upgraded by the owners in a business district. For instance, in Coral Gables, there are historical buildings that have obviously been brought up to code and are even LED certified to bring them up to par. He inquired if that would be something that would disqualify an owner from receiving the discount.

Councilman Shelley replied that even when energy efficient windows, air conditioners, or heating systems are installed, due to the type of the materials the building was built with originally, it is still not as efficient as a modern day building.

Councilman Maldonado asked if the buildings were in a certain area of the City.

Councilman Shelley responded that they were spread throughout the City.

City Manager Gretsas added that there were less than thirty (30) properties City-wide.

Councilman Maldonado inquired if the historical status had to remain with the building or if it could be removed if it changed ownership.

Yvonne Knowles, of 43 North Krome Avenue, Homestead, explained that the historical designation continues from generation to generation, but the property could lose the designation by request presented to the Board or by appeal to Council to have the designation lifted, however, the Historic Preservation Board's goal is to save the buildings. There are only seven (7) buildings in the historic district and they have a total of twenty-two (22) in their inventory; the rest are outside of the district. They are looking at some homes in the northwest district, but the owners are concerned about the restrictions.

Councilman Maldonado expressed concern about what the future owners of a historical building would have to go through to get the designation lifted if they so desired.

Mayor Porter asked if there was any opposition to the concept of giving historically designated buildings an opportunity to get a discounted rate on their electric utilities and there was none.

c. CAR #1674 - HISTORIC MARKERS, MONUMENTS AND PLAQUES IN HOMESTEAD

Yvonne Knowles stated that she was proposing that the Historic Preservation Board put together a spreadsheet identifying the number and location of monuments, plaques, and markers throughout the City so that they could apply for a grant in the future in order to put together a brochure depicting a walking tour of those monuments.

Mayor Porter asked if there was any opposition to the proposal and there was none.

At 8:33 p.m., Mayor Porter asked if everyone was in favor of extending the meeting for ten (10) minutes, saying that CAR #1644, Workforce/Elderly/Veteran Housing, CAR #1645, Southwest Master Plan, CAR #1646, Ordinance No. 2009-06-15 Regarding Abutting Property,

CITY OF HOMESTEAD, FLORIDA

ORDINANCE NO. 2016-02-05

AN ORDINANCE OF THE CITY OF HOMESTEAD, FLORIDA, AMENDING THE CITY CODE OF ORDINANCES BY AMENDING CHAPTER 28 "UTILITIES" ARTICLE III "ELECTRICITY" DIVISION 2 "DEPOSITS, RATES AND CHARGES" SECTION 251, TO ESTABLISH A "LOCAL HISTORICAL LANDMARK PRESERVATION" OR "LHLP" RATE RIDER; PROVIDING FOR PUBLIC PURPOSE; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council deems the designation and preservation of local historical landmarks to be a key component of the re-vitalization of the downtown area; and

WHEREAS, the City Council believes that designation and preservation of local historical landmarks will help incentivize increased utilization and designation of local historical landmark properties and stimulate economic growth in areas surrounding those landmarks and thus provide an overall benefit to the entire community; and

WHEREAS, the City Council desires to take an active role in promoting Homestead's rich history by encouraging these landmarks to earn a "Local Historical Landmark" designation; and

WHEREAS, the City Council understands there is a significant discrepancy in energy consumption between historical landmark buildings and corresponding similar types of modern buildings, resulting in higher operating costs for the locally designated landmarks versus their more modern counterparts; and

WHEREAS, the City Council realizes the higher operating costs and the associated restrictions on alterations which might reduce those operating costs for buildings designated as local historical landmarks act to discourage the building owners from obtaining the historical landmark designation; and

WHEREAS, the City Council wishes to provide incentives to true historical landmark properties in order to preserve current historic resources and to achieve the "Local Historical Landmark" designation through the use of a discounted electrical rate rider for a small population of buildings which are or may be formally designated as "Local Historical Landmarks"; and

WHEREAS, the City Council understands the financial cost impact of such electrical rate rider would be extraordinarily small in comparison to the overall electrical revenues and would not impact other customers; and

WHEREAS, Section 166.021(8), Florida Statutes expressly states that "[t]he governing body of a municipality may expend public funds to attract and retain business enterprises, and the use of public funds toward the achievement of such economic development goals constitutes a public purpose. The provisions of this chapter which confer powers and duties on the governing body of a municipality, including any powers not specifically prohibited by law which can be exercised by the governing body of a municipality, shall be liberally construed in order to effectively carry out the purposes of this subsection"; and

WHEREAS, Article VIII, Sec. 2 of the Florida Constitution expressly grants municipalities all governmental, corporate and proprietary powers to enable them to conduct municipal government, perform municipal functions and render municipal service

and provides municipalities the authority to exercise any power for municipal purposes except as otherwise provided by law; and

WHEREAS, Florida Courts have held that the question of what constitutes a public purpose is a question for the legislative body to determine and that the opinion of the legislative body should be given great weight, (*Jackson Lumber Co. v. Walton County*, 116 So. 771 (Fla.1928)); and

WHEREAS, Florida Courts have further held that a legislative declaration of public purpose is presumed to be valid, and should be deemed correct unless so clearly erroneous as to be beyond the power of a legislature (*State v Housing Finance Authority of Polk County*, 376 So.2d 1158 (Fla. 1979)); and

WHEREAS, the City Council desires to make a legislative determination that the use of a discounted electric rate to incentivize historic properties which are or may be formally designated as "Local Historical Landmarks" serves a vital public purpose by stimulating economic growth in areas surrounding those landmarks and thus providing an overall benefit throughout the entire City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOMESTEAD, FLORIDA, AS FOLLOWS:

Section 1. Recitals Adopted. That the preceding "Whereas" clauses are ratified and incorporated as the legislative intent of, and factual basis for, this Ordinance.

Section 2. Determination of Public Purpose. That the use of a discounted electrical rate for locally designated historical landmarks will serve a vital public purpose by helping to re-vitalize the downtown area, preserve historic resources, incentivize

increased utilization of locally designated historical landmarks, and stimulate economic growth.

Section 3. City Code Amended. That City Code Chapter 28 "Utilities", at Article VIII "Electricity", Division 2 "Deposits, Rates and Charges", Section 28-251. "Schedule of electrical rates" is hereby amended by adding the language at the end of this section to read, as follows:

(4) Local Historical Landmark Preservation (LHLP) rate rider. Applicable to those utility customers who receive service at a building which have received an official designation from the Homestead Historical Preservation Board as a "Locally Designated Historical Landmark".

Customer facilities charge This charge will be the same charge as others in the rate class to which these customers would typically belong. Energy allowance is not included in the customer facilities charge.

DEMAND \$/KWD This charge, if applicable, will be the same charge as others in the rate class to which these customers would typically belong

ENERGY \$/KWH

Residential LHLP

All KWH\$0.0375

.....per KWH

Plus power cost adjustment

General service non-demand; commercial LHLP

All KWH\$0.0375

.....per KWH

Plus power cost adjustment

General service demand; industrial LHLP

All KWH\$0.030

.....per KWH

Plus power cost adjustment

Minimum LHL P bill:

Residential LHL P\$5.60

General service non-demand; commercial LHL P\$7.64

General service demand; industrial LHL P\$35.67


Section 3. Severability. That the provisions of this Ordinance are declared to be severable and if any section, sentence, clause or phrase of this Ordinance shall for any reason be held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining sections, sentences, clauses, and phrases of this Ordinance but they shall remain in effect, it being the legislative intent that this Ordinance shall stand notwithstanding the invalidity of any part.

Section 4. Conflicts. That the all ordinances or parts of ordinances, resolution or parts of resolutions, in conflict herewith, are repealed to the extent of such conflict.

Section 5. Effective Date. That this Ordinance shall become effective immediately upon both approval by the Florida Public Service Commission and adoption by the City on second reading.

PASSED on first reading this 20th day of January, 2016.

PASSED AND ADOPTED on second reading this 17th day of February, 2016.



JEFF PORTER,
Mayor

ATTEST:


ELIZABETH SEWELL, MPA, MMC
City Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:


WEISS SEROTA HELFMAN COLE & BIERMAN, P.L.
City Attorney

Motion to adopt by Councilman Larry Roth, seconded by Councilman Jimmie L. Williams, III.

FINAL VOTE AT ADOPTION

<i>Mayor Jeff Porter</i>	<u>YES</u>
<i>Vice Mayor Patricia Fairclough</i>	<u>ABSENT</u>
<i>Councilman Jon Burgess</i>	<u>YES</u>
<i>Councilman Elvis Maldonado</i>	<u>YES</u>
<i>Councilman Larry Roth</i>	<u>YES</u>
<i>Councilman Stephen Shelley</i>	<u>YES</u>
<i>Councilman Jimmie L. Williams, III</i>	<u>YES</u>