

REQUEST TO ESTABLISH DOCKET

(Please Type)

Date:	9/13/2006	Docket No.:	060616-EM
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1. Division Name/Staff Name:	Ecr/Baxter
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2. OPR:	Baxter
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3. OCR:	
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4. Suggested Docket Title:	Petition for approval of revised rate schedules by the City of Blountstown
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5. Suggested Docket Mailing List (attach separate sheet if necessary)

A. Provide NAMES OR ACRONYMS ONLY if a regulated company.

B. Provide COMPLETE NAME AND ADDRESS for all others. (Match representatives to companies.)

1. Parties and their representatives (if any):

City of Blountstown	

2. Interested persons and their representatives (if any):

Florida Municipal Power Agency	

6. Check one:

Documentation is attached.

Documentation will be provided with recommendation.

DOCUMENT NUMBER-DATE
08351 SEP 13 08

Mailing addresses for Parties on the Blountstown Docket:

City of Blountstown
Attn: Jimmy Hand
20591 Central Avenue West
Blountstown, Florida 32424

Florida Municipal Power Agency
Attn: Daniel O'Hagan
P.O. Box 3209
Tallahassee, FL 32315-3209

IS JUST NATURALLY BETTER



VIA FACSIMILE
ORIGINAL TO FOLLOW VIA U.S. MAIL

CITY OF BLOUNTSTOWN

20591 CENTRAL AVENUE
BLOUNTSTOWN, FLORIDA 32009
PHONE: (850) 674-5111
FAX: (850) 674-8289
EMAIL: cityhall@blountstown.org

KEEP PRICE ELECTRICALLY



August 29, 2006

Ms. Connie Kummer
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: City of Blountstown Tariff Filings

Dear Ms. Kummer:

We would like to thank you and others of the PSC staff for your assistance and patience with the City of Blountstown's filing of our revised tariff rate sheets. As mentioned in our recent discussions, Blountstown is currently in negotiations with Gulf Power Company over a new wholesale energy contract that we expect to be in effect on or about January 1, 2007. We will thereafter be revising our rates to reflect the new wholesale contract rates.

Pursuant to our August 24, 2006, discussion, the City of Blountstown hereby commits to improving the rate relationship between our commercial and residential rates as a part of that upcoming rate adjustment.

Sincerely,

A handwritten signature in black ink, appearing to read "Jimmy W. Hand".

Jimmy W. Hand
City Manager/Engineer
City of Blountstown

cc: John Baxter
FMEA General & Regulatory Counsel

City of Blountstown

City of Blountstown
20591 Central Avenue West
Blountstown, Florida 32424

Phone 850-674-5488
Fax 850-674-8289

June 16, 2006

Florida Public Service Commission
Division of Economic Regulation Rate Section
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
Attention: John Baxter

Re: Your communications regarding City of Blountstown Electric Rates

Dear Sir:

Your inquiry was turned over to our City Attorney for closure. As you suggested, contact was made with FMEA for assistance in responding to your inquiry. City Attorney House communicated with FMEA's attorneys who were to respond to your inquiry.

I understand they have not responded; I apologize for any confusion in the response.

However as previously stated the City of Blountstown, presently, has electric utility rates 40 to 50 % lower than the average of investor owned utilities in Florida and all local COOP's. We have the lowest rates of any municipality in the State of Florida.

Our council works diligently to assure fairness and reasonableness in any rate changes. Our community is a small rural community with one investor owned electrical supplier, and two electric COOP's nested in and around the city.

Our community is a community of approximately 30 % senior citizens within the city limits. It is a community experiencing very minimal growth as you see from the state's residential census data.

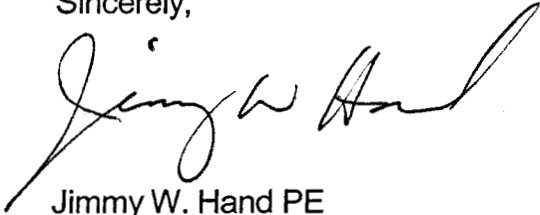
Our community does serve the majority of the county with required commercial needs as it is the county seat having the court house and the other state constitutional offices as well as the grocery stores and other commercial stores.

Over the years the commercial electric needs have risen as we are a service community in part, to other parts of Calhoun County and to Liberty County. Approximately 1 residential kwh for ever 2 commercial kwh is now the ratio of usage. As you can see the ratio of maintenance and operational cost shifted toward the commercial entities that we serve. As you know the electric loads of the commercial entities have greater extremes than does the residential entities. While Calhoun County and Liberty County have seen modest growth the services to non-residents in our city has risen due to commercial entities such as School, Courthouse, Jail, Shopping activities. All these activities not only require electrical maintenance and operational service they require streets to drive on, they require school resource officers, they require Police services, they require fire services etc.

In summary, costs of maintenance and operational services to and for the commercial entities are higher than residential. The commercial customers require more services from the city that are not related to the residential customer. Hence the slightly higher increase to commercial entities than to residential entities.

This should answer your questions and suffice to eliminate your concerns. If you have any questions please feel free to contact City Attorney David House at 850-674-4227.

Sincerely,

A handwritten signature in black ink, appearing to read "Jimmy W. Hand". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

Jimmy W. Hand PE
City Manager/Engineer

c: David House-City Attorney, Barry Moline-FMEA

COMMISSIONERS:
LISA POLAK EDGAR, CHAIRMAN
J. TERRY DEASON
ISILIO ARRIAGA
MATTHEW M. CARTER II
KATRINA J. TEW

STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

April 19, 2006

City of Blountstown
Attn: Jimmy Hand, Manager
20591 Central Avenue West
Blountstown, FL 32424

Re: Approval of submitted tariff sheets 6.0 and 7.0

Dear Mr. Hand:

As indicated during the recent discussions I had with city staff, more information is necessary before I can complete analysis on the City of Blountstown's filing. Pursuant to section 366.04(2)(b) Florida Statutes, the Commission has authority to prescribe a rate structure for municipal utilities. Rules 25-9.052 and 25-9.053, Florida Administrative Code, implement that statutory language. Rule 25-9.053 allows two options for review of a City's proposed rates. The City may submit utility specific data to justify the proposed rates or, staff will use an existing rate structure approved by the Commission to determine if the rate change is consistent with Commission policy. Based on Staff's preliminary comparison, the proposed rate structure worsens the relationship between commercial and residential customers which is contrary to Commission approved policy. Please submit all work papers used by the City to justify the difference in the increase allocated to residential and commercial customers by May 5, 2006. If you have any questions, please do not hesitate to contact me at (850) 413-6646.

Sincerely,

A handwritten signature in black ink that reads "John W. Baxter Jr.".

John W. Baxter Jr.
Regulatory Analyst II
Division of Economic Regulation

JB:kb

cc: Division of Economic Regulation (Kummer)

Name of Utility: City of Blountstown

Residential Service
Rate Schedule RS

AVAILABILITY – Available throughout the area served by the utility.

APPLICABILITY – Applicable for service to a single-family dwelling unit occupied by one family or household. Service provided hereunder shall not be shared with or resold to others.

LIMITATIONS – Subject to all of the rules and regulations of this tariff and general rules and regulation of the utility. Standby or resale service not permitted.

RATE

Customer Charge: \$3.50

Energy Charge: \$.07528 Per KWH

MINIMUM CHARGE - \$3.50

TERMS OF PAYMENT - All Bills due on 1ST. 10% penalty if not paid by 10th. Service discontinued without notice if not paid by 15th. Reconnection fee is \$30.00.

FUEL ADJUSTMENT – N/A

06 MAR 16 AM 10:46
COUNTY OF BLOUNT

ISSUED BY: Jimmy W. Hand
City Manager

Effective: October 01, 2005

Name of Utility: City of Blountstown

Commercial Service
Rate Schedule CS

AVAILABILITY – Available throughout the area served by the utility.

APPLICABILITY – Applicable for all premises except single family dwellings. Service provided hereunder shall not be shared with or resold to others.

LIMITATIONS – Subject to all of the rules and regulations of this tariff and general rules and regulation of the utility. Standby or resale service not permitted.

RATE

Customer Charge: \$7.00

Energy Charge: \$.08816 Per KWH

MINIMUM CHARGE - \$7.00

TERMS OF PAYMENT - Bill due on 1st. 10% penalty if not paid by 10th. Service discontinued without notice if not paid by 15th. Reconnection fee is \$30.00.

FUEL ADJUSTMENT – N/A

ISSUED BY: Jimmy W. Hand
City Manager

Effective: October 01 , 2005

MINUTES

The City Council, City of Blountstown, County of Calhoun, State of Florida, met in Budget Workshop on Tuesday, August 30, 2005 at 6:00 P.M. at the City Council meeting room with the following members of the City Council present: Mayor R.W. Deason; Councilwoman Janie Boyd, Councilman Clifford Jackson, and Councilman John Tomlinson Jr. Councilman Steve Bailey was not present.

Also present were City Manager/Engineer Jimmy Hand, Police Chief Glenn Kimbrel and City Attorney David House.

Others present included Cissy Barfield, Marc Tomlinson, Ben Hall, Rodney Smith, and Kim Tanner.

Mayor Deason called the meeting to order at 6:00 P.M.

Fire Chief Ben Hall led the invocation and Mayor Deason led the Pledge of Allegiance.

The purpose of this meeting was to hold a workshop to develop a Budget for Fiscal Year 05-06. The Council is working on Draft #2 of the Budget for Fiscal Year 05-06.

City Manager/Engineer Jimmy Hand addressed the Council regarding the clean-up efforts for Hurricane Katrina. The City Manager/Engineer suggested sending a crew from the City to help with the clean up efforts from Hurricane Katrina. After a brief discussion, it was the consensus of the Council to allow a crew from the City to help where needed.

The Council reviewed the utility rates. After a lengthy discussion, it was the consensus of the Council to increase the Electric rates by 10% for residential customers and increase commercial Electric rates by 15%.

The Council then discussed water rates. After a lengthy discussion, it was the consensus of the Council to increase the water rates by 21.21%, from \$1.65 per 1,000 gallons to \$2.00 per 1,000 gallons.

The Council briefly discussed a surcharge for customers who only have water services through the City. The City Attorney is to look into this item and address the Council at a future date.

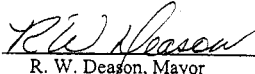
Next, the Council discussed the sewer rates. After a brief discussion, it was the consensus of the Council to increase the sewer rates by 2.97%, to \$3.00 per 1,000 gallons.

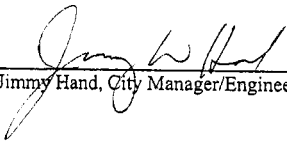
The Council also agreed to raise the garbage rates for Senior Citizens from \$10.00 to \$11.00 a month. Residential garbage rates will change from \$14.00 to \$15.00 a month. Small

Minutes
Budget Workshop
August 30, 2005
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commercial will increase from \$25.00 to \$27.50 a month. Large commercial garbage rates will increase 19%.

There being no further business, the meeting adjourned at 7:45 p.m.

BY: 
R. W. Deason, Mayor

ATTEST: 
Jimmy Hand, City Manager/Engineer