



**Jody Lamar Finklea, B.C.S.**  
General Counsel and Chief Legal Officer  
Board Certified City, County and Local Government Lawyer

FILED 3/2/2018  
DOCUMENT NO. 02035-2018  
FPSC - COMMISSION CLERK

**VIA Electronic Filing**

March 2, 2018

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 Quincy, Florida – Revised Tariff Sheets***

Dear Ms. Stauffer:

This letter is submitted on behalf of the City of Mount Dora, Florida pursuant to Rules 25-9.05 through 25-9.071 of the *Florida Administrative Code*.

Submitted for electronic filing are the city's following tariff sheets in legislative and final filing formats:

- a) Ninth Revised Sheet No. 7.0 – *Regular Residential Service*;
- b) Tenth Revised Sheet No. 8.0 – *Regular General Service*;
- c) Tenth Revised Sheet No. 9.0 – *Regular General Demand Service*, and,
- d) Eighth Revised Sheet No. 10.0 – *Regular General Large Demand Service*.

Also included are copies of the following supporting documents:

- A) Supporting memorandum of Electric Rate Review from Fred Wilson & Associates, Inc., dated September 17, 2015;
- B) City of Quincy Ordinance No. 1073-2015.

Please contact our office if there are any questions.

Very truly yours,

/s/

Jody Lamar Finklea  
General Counsel and Chief Legal Officer

**REGULAR GENERAL SERVICE - LARGE DEMAND**  
**RATE SCHEDULE - GSLD**

AVAILABILITY – This schedule is applicable to electric service throughout the entire territory served by the city to those customers having a billing demand of 2,000 kW or more, and who have requested service at a primary distribution voltage of 7.2/12.47 kV. Service is to be provided at the option of the city.

MONTHLY RATE:

Customer Charge	\$ <del>60.45</del> <u>120.90</u> per meter
Demand Charge	\$ <del>4.00</del> <u>7.50</u> per kW of demand
Energy Charge	
Flat Rate Kilowatt-hour charge	\$0. <del>0539280</del> <u>4938</u> per kW of demand

MINIMUM CHARGE:

\$~~60.45~~120.90 per meter, plus the currently effective demand charge

TERMS AND CONDITIONS OF SERVICE:

Service under this rate shall be for a minimum initial term of twelve (12) months from commencement of service.

Customer taking service under another city rate schedule who elects to transfer to this rate must remain on this rate for a minimum term of twelve (12) months unless disconnected by the city under applicable rules.

Where special equipment to serve the customer is required, the city may require a specified term of service contract or a nonrefundable contribution in aid of construction.

Service shall be at available at 7.2/12.4y kV, 3-phase, 4-wire ~~W~~wye, 60-hertz, at the option of the city.

(Continued on Sheet No. 10.1)

Issued By: ~~Jack McLean Jr.~~Mike Wade  
City Manager

Effective Date: ~~January 26, 2010~~November 1, 2015

**REGULAR RESIDENTIAL SERVICE**  
**RATE SCHEDULE - RS**

AVAILABILITY – This schedule is applicable to electric service throughout the entire territory serviced by the city to individual (single-family) residences, apartments, farms or city service. This rate is not applicable to business houses, licensed boarding houses or rooming houses, or when advertised as such, educational institutions or apartment houses, except when the latter is served by a meter for each apartment. Single-phase motors used for residential purposes and rated at more than 7.5 hp may be connected only at the option of the city. All of the electrical appliances to be served under this rate are subject to approval by the city.

CHARACTER OF SERVICE – Energy delivered under this schedule shall be alternating current, 60-hertz, single-phase, at a nominal 120/240 volts. The city may, at its option, provide three-phase, 120/240 volt service if and when readily available, but only where individual motors rated at 7.5 hp or larger are connected.

MONTHLY RATE:

Customer Charge	\$6.00 per meter
Flat Kilowatt-hour Charge	\$0. <del>087353</del> <u>09241</u> per kWh

MINIMUM CHARGE:

\$6.00 per meter, per month

PURCHASED POWER COST ADJUSTMENT – The energy charge shall be increased ~~0.0103~~0106 cents/kWh for each increase of 0.100 cents/kWh or fraction thereof that is more than 3.8 cents per kWh in the average wholesale cost of purchased power to the City from all sources, including any fuel or other special adjustments. The energy adjustment shall be computed each month by the city and rounded to the nearest 0.01 cent/kWh.

TAX ADJUSTMENT – The rate and charges set forth herein shall be subject to proportional increases to compensate for any applicable new taxes or increases in existing taxes which may hereinafter be imposed by any state or federal taxing body.

Issued By: ~~Jack McLean Jr.~~Mike Wade  
~~2010~~November 1, 2015  
City Manager

Effective Date: ~~January 26,~~

**REGULAR GENERAL SERVICE**  
**RATE SCHEDULE – GS**

AVAILABILITY – This schedule is applicable to electric service at a single metering point throughout the entire territory served by the city for all service other than residential service and security lights.

CHARACTER OF SERVICE – Service to be furnished under this schedule shall be alternating current, 60-hertz, single-phase, 120/240 volts, or three-phase at nominal 120/208, 120/240, or 277/480 volts, at the option of the city, depending upon the class of service available.

MONTHLY RATE:

Customer Charge	\$16.62 per meter
Flat Kilowatt-hour Charge	\$0. <del>08799</del> <u>09319</u> per kWh

MINIMUM CHARGE:

\$16.62 per meter, per month

PURCHASED POWER COST ADJUSTMENT – The energy charge shall be increased 0.0106 cents/kWh for each increase of 0.100 cents/kWh or fraction thereof that is more than 3.8 cents per kWh in the average wholesale cost of purchased power to the city from all sources, including any fuel or other special adjustments. The energy adjustment shall be computed each month by the city and rounded to the nearest 0.01 cent/kWh.

TAX ADJUSTMENT – The rate and charges set forth herein shall be subject to proportional increases to compensate for any applicable new taxes or increases in existing taxes which may hereinafter be imposed by any state or federal taxing body.

**REGULAR GENERAL SERVICE DEMAND**  
**RATE SCHEDULE - GSD**

AVAILABILITY – This schedule is applicable to electric service throughout the entire territory served by the city to those customers having billing demands not less than 50kW when, but only when, all electric service on a given customer’s premises, other than security lights, is taken and paid for under this rate schedule at a single metering point.

MONTHLY RATE:

Customer Charge	\$60.45 per meter
Demand Charge	\$ <del>4.00</del> <sup>7.50</sup> per kW of demand
Energy Charge	
Flat Rate kWh charge	\$0. <del>05963</del> <sup>05574</sup> per kW of demand

MINIMUM CHARGE:

\$60.45 per meter, plus the currently effective demand charge

TERMS AND CONDITIONS OF SERVICE:

Service under this rate shall be for a minimum initial term of twelve (12) months from commencement of service.

Customers taking service under another city rate schedule who elect to transfer to this rate must remain on this rate for a minimum term of twelve (12) months unless disconnected by the city under applicable rules.

Where special equipment to serve the customer is required, the city may require a specified term of service contract or a non-refundable contribution in aid of construction.

Service will be available at a single voltage 60-hertz, normally 120/240 volts, three-phase, open delta, 240 volts three-phase, 120/208 volts three-phase, or 277/480 volts three-phase, at the option of the city. Loads may be served at other three-phase voltages, at the option of the city.

(Continued on Sheet No. 9.1)

Issued By: ~~Jaek McLean Jr.~~<sup>Mike Wade</sup>  
November 1, 2015

Effective Date: ~~January 26, 2010~~  
City Manager

**REGULAR GENERAL SERVICE - LARGE DEMAND**  
**RATE SCHEDULE - GSLD**

AVAILABILITY – This schedule is applicable to electric service throughout the entire territory served by the city to those customers having a billing demand of 2,000 kW or more, and who have requested service at a primary distribution voltage of 7.2/12.47 kV. Service is to be provided at the option of the city.

MONTHLY RATE:

Customer Charge	\$120.90 per meter
Demand Charge	\$ 7.50 per kW of demand
Energy Charge	
Flat Rate Kilowatt-hour charge	\$0.04938 per kW of demand

MINIMUM CHARGE:

\$120.90 per meter, plus the currently effective demand charge

TERMS AND CONDITIONS OF SERVICE:

Service under this rate shall be for a minimum initial term of twelve (12) months from commencement of service.

Customer taking service under another city rate schedule who elects to transfer to this rate must remain on this rate for a minimum term of twelve (12) months unless disconnected by the city under applicable rules.

Where special equipment to serve the customer is required, the city may require a specified term of service contract or a nonrefundable contribution in aid of construction.

Service shall be at available at 7.2/12.4y kV, 3-phase, 4-wire wye, 60-hertz, at the option of the city.

(Continued on Sheet No. 10.1)

Issued By: Mike Wade  
City Manager

Effective Date: November 1, 2015

**REGULAR RESIDENTIAL SERVICE**  
**RATE SCHEDULE - RS**

AVAILABILITY – This schedule is applicable to electric service throughout the entire territory serviced by the city to individual (single-family) residences, apartments, farms or city service. This rate is not applicable to business houses, licensed boarding houses or rooming houses, or when advertised as such, educational institutions or apartment houses, except when the latter is served by a meter for each apartment. Single-phase motors used for residential purposes and rated at more than 7.5 hp may be connected only at the option of the city. All of the electrical appliances to be served under this rate are subject to approval by the city.

CHARACTER OF SERVICE – Energy delivered under this schedule shall be alternating current, 60-hertz, single-phase, at a nominal 120/240 volts. The city may, at its option, provide three-phase, 120/240-volt service if and when readily available, but only where individual motors rated at 7.5 hp or larger are connected.

MONTHLY RATE:

Customer Charge	\$6.00 per meter
Flat Kilowatt-hour Charge	\$0.09241 per kWh

MINIMUM CHARGE:

\$6.00 per meter, per month

PURCHASED POWER COST ADJUSTMENT – The energy charge shall be increased 0.0106 cents/kWh for each increase of 0.100 cents/kWh or fraction thereof that is more than 3.8 cents per kWh in the average wholesale cost of purchased power to the City from all sources, including any fuel or other special adjustments. The energy adjustment shall be computed each month by the city and rounded to the nearest 0.01 cent/kWh.

TAX ADJUSTMENT – The rate and charges set forth herein shall be subject to proportional increases to compensate for any applicable new taxes or increases in existing taxes which may hereinafter be imposed by any state or federal taxing body.

Issued By: Mike Wade  
City Manager

Effective Date: November 1, 2015

**REGULAR GENERAL SERVICE**  
**RATE SCHEDULE – GS**

AVAILABILITY – This schedule is applicable to electric service at a single metering point throughout the entire territory served by the city for all service other than residential service and security lights.

CHARACTER OF SERVICE – Service to be furnished under this schedule shall be alternating current, 60-hertz, single-phase, 120/240 volts, or three-phase at nominal 120/208, 120/240, or 277/480 volts, at the option of the city, depending upon the class of service available.

MONTHLY RATE:

Customer Charge	\$16.62 per meter
Flat Kilowatt-hour Charge	\$0.09319 per kWh

MINIMUM CHARGE:

\$16.62 per meter, per month

PURCHASED POWER COST ADJUSTMENT – The energy charge shall be increased 0.0106 cents/kWh for each increase of 0.100 cents/kWh or fraction thereof that is more than 3.8 cents per kWh in the average wholesale cost of purchased power to the city from all sources, including any fuel or other special adjustments. The energy adjustment shall be computed each month by the city and rounded to the nearest 0.01 cent/kWh.

TAX ADJUSTMENT – The rate and charges set forth herein shall be subject to proportional increases to compensate for any applicable new taxes or increases in existing taxes which may hereinafter be imposed by any state or federal taxing body.

Issued By: Mike Wade  
City Manager

Effective Date: November 1, 2015



**REGULAR GENERAL SERVICE DEMAND**  
**RATE SCHEDULE - GSD**

AVAILABILITY – This schedule is applicable to electric service throughout the entire territory served by the city to those customers having billing demands not less than 50kW when, but only when, all electric service on a given customer’s premises, other than security lights, is taken and paid for under this rate schedule at a single metering point.

MONTHLY RATE:

Customer Charge	\$60.45 per meter
Demand Charge	\$ 7.50 per kW of demand
Energy Charge	
Flat Rate kWh charge	\$0.05574 per kW of demand

MINIMUM CHARGE:

\$60.45 per meter, plus the currently effective demand charge

TERMS AND CONDITIONS OF SERVICE:

Service under this rate shall be for a minimum initial term of twelve (12) months from commencement of service.

Customers taking service under another city rate schedule who elect to transfer to this rate must remain on this rate for a minimum term of twelve (12) months unless disconnected by the city under applicable rules.

Where special equipment to serve the customer is required, the city may require a specified term of service contract or a non-refundable contribution in aid of construction.

Service will be available at a single voltage 60-hertz, normally 120/240 volts, three-phase, open delta, 240 volts three-phase, 120/208 volts three-phase, or 277/480 volts three-phase, at the option of the city. Loads may be served at other three-phase voltages, at the option of the city.

(Continued Sheet No. 9.1)

Issued By: Mike Wade  
City Manager

Effective Date: November 1, 2015

**ORDINANCE NO. 1073-2015**

**AN ORDINANCE AMENDING THE CODE OF ORDINANCES, CITY OF QUINCY, FLORIDA, RELATING TO UTILITY BILLING, RATES AND CHARGES; AMENDING CODE OF ORDINANCES SECTION 74-1 RELATING TO PENALTY AND DISCONNECTION OF SERVICE FOR NONPAYMENT OF CHARGES; AMENDING CODE OF ORDINANCES SECTIONS 74-177, 74-178, 74-179 AND 74-180 PERTAINING TO ELECTRIC LIGHT AND POWER RATES AND REGULATIONS FOR RESIDENTIAL COMMERCIAL AND DEMAND ELECTRICITY SOLD BY THE CITY OF QUINCY; PROVIDING FOR FINDINGS; PROVIDING FOR ADJUSTMENT OF THE NUMBER OF DAYS AFTER MONTHLY BILLING THAT A MONTHLY UTILITY BILL IS CONSIDERED PAST DUE FOR PURPOSES OF PENALTY AND DISCONNECTION; PROVIDING FOR ADJUSTMENT OF THE GENERAL SERVICE AND ENERGY CHARGE RATES; PROVIDING FOR SEVERABILITY; PROVIDING FOR COPY ON FILE; AND PROVIDING AN EFFECTIVE DATE.**

**SECTION 1. Findings.**

**Whereas**, the City of Quincy City Commission has determined that it is necessary and advisable to adjust the days after monthly billing that a customer's monthly utility bill is considered past due for purposes of applying a penalty and disconnecting service; and

**Whereas**, the City of Quincy budget for fiscal year 2013 established a rate stabilization component to the electric rates to aid in meeting bond obligations and stabilizing retail rates for electricity; and

**Whereas**, the mechanism for collecting the rate stabilization funds was included as a component of the monthly power cost adjustment; and

**Whereas**, the City Commission has determined that to continue to meet bond obligations and other lawful needs the appropriate charges that were previously established for rate stabilization should be removed from the power cost adjustment and should be made a part of the base rate; and

**Whereas**, the City has conducted a rate review demonstrating that when compared to the typical monthly bill from the previous year, transitioning charges from rate stabilization to the base rate will provide a nearly neutral to slightly lower rate for most ratepayers, including the residential class; and

**Whereas**, the City Commission has determined that the rate adjustment as effectuated hereby will result in rates which are reasonable, equitable and in the public interest.

**NOW THEREFORE BE IT ENACTED BY THE CITY COMMISSION OF THE CITY OF QUINCY:**

**Section 2. Amendment to City of Quincy Code of Ordinances Chapter 74, Utilities, Article I, In General.**

City of Quincy Code of Ordinances Chapter 74, Utilities, Article I, In General, is hereby amended as follows:

Sec. 74-1. - Disconnection of service for nonpayment of charges.

(a) The term "monthly utility bill" as used in this section means the monthly utility bill rendered by the city to each of its customers for electric, gas, water, sewer, and refuse collection and disposal services and facilities.

(b) If any part of any monthly utility bill shall be unpaid after the ~~tenth~~ 15th day following the date of such bill, a penalty of five percent of the bill shall be imposed and shall be added to and collected with the bill.

(c) If any part of any monthly utility bill shall be unpaid after the ~~15th~~ 20th day following the date of such bill, all electric, gas, water and sewer connections to the premises involved shall be discontinued and disconnected and shall not be reconnected and all refuse collection and disposal services to the premises involved shall be discontinued and shall not be again commenced until the monthly utility bill is paid in full, together with the penalties imposed in this section and such reconnecting charges as may be charged by the city therefor.

(d) In addition to the provisions of this section, where the customer has his own private water supply, the city may disconnect and cut off such water supply to the plumbing system of the premises, and the customer, owner or user shall have no right to reconnect his own private water supply thereto until the monthly utility bill, with penalties and reconnection charges, has been paid in full.

(e) It shall be unlawful for any person to reconnect such private water supply to such plumbing system or any part thereof while any part of any monthly utility bill with penalties shall be unpaid, and upon conviction thereof such person shall be punished as provided by section 1-6.

Sec. 74-2 – 74-5, no change.

**Section 3. Amendment to City of Quincy Code of Ordinances Chapter 74, Article VI, Electric System, Division 2, Rates and Charges.**

City of Quincy Code of Ordinances Chapter 74, Article VI, Electric System, Division 2, Rates and Charges, is hereby amended as follows:

Sec. 74-177. Residential electric service rate schedule.

(a) Availability. This section establishes the residential electric rate schedule. The schedule is applicable to electric service throughout the entire territory served by the city to individual (single-family) residences, apartments, farms or city service. This rate is not applicable to business houses, licensed boardinghouses or roominghouses or, when advertised as such, educational institutions or apartment houses, except when latter is served by meters for each apartment. Single-phase motors used for residential purposes and rated at more than 7.5 hp may be connected only at the option of the city. All of the electrical appliances to be served under this rate are subject to approval by the city.

(b) Character of service. Energy delivered under this schedule shall be alternating current, 60-hertz, single-phase, at a nominal 120/240 volts. The city may, at its option, provide three-phase, 120/240 volt service if and when readily available, but only where individual motors rated at 7.5 hp or larger are connected.

(c) Monthly rate.

Customer charge, per meter . . . \$6.00

Flat rate, per kwh . . . ~~0.087353~~0.09241

(d) Minimum charge.

Per meter per month . . . \$6.00

(e) Purchased power cost adjustment. The energy charge shall be increased by 0.0106 cent per kwh for each \$0.100 cent per kwh or fraction thereof increase above 3.8 cents per kwh in the average wholesale cost of purchased power to the city from all sources, including any fuel or other special adjustment. The energy adjustment shall be computed each month by the city and rounded to the nearest 0.01 cent per kwh.

(f) Tax adjustment. The rates and charges set forth in this section shall be subject to proportional increases to compensate for any applicable new taxes or increases in existing taxes which may be imposed by any state or federal taxing body.

Sec. 74-178. General service electric rate schedule.

(a) Availability. This section establishes the general service electric rate schedule. The schedule is applicable to electric service at a single metering point throughout the entire territory served by the city for all service other than residential service and security lights.

(b) Character of service. Service to be furnished under this schedule shall be alternating current, 60-hertz, single-phase, 120/240 volts, or three-phase at nominal 120/208, 120/240 or 277/480 volts, at the option of the city, depending upon the class of service available.

(c) Monthly rate.

Customer charge, per meter . . . \$16.62

Flat rate, per kwh . . . ~~0.08799~~ .09319

(d) Minimum charge.

Per meter per month . . . \$16.62

(e) Purchased power cost adjustment. The energy charge shall be increased by 0.0106 cent per kwh for each 0.100 cent per kwh or fraction thereof increase above 3.8 cents per kwh in the average wholesale cost of purchased power to the city from all sources, including any fuel or other special adjustment. The energy adjustment shall be computed each month by the city and rounded to the nearest 0.01 cent per kwh.

(f) Tax adjustment. The rates and charges set forth in this section shall be subject to proportional increases to compensate for any applicable new taxes or increases in existing taxes which may be imposed by any state or federal taxing body.

Sec. 74-179. Regular general service demand rate schedule.

(a) Availability. This schedule is applicable to electric service throughout the entire territory served by the city to those customers having billing demands not less than 50 kw when, but only when, all electric service on a given customer's premises, other than security lights, is taken and paid for under this rate schedule at a single metering point.

(b) Monthly rate.

(1) Customer charge, per meter . . . \$60.45

(2) Demand charge, per kw of demand . . . ~~4.00~~ 7.50

(3) Energy charge, flat rate per kilowatt-hour charge, per kw of demand . . . ~~0.05963~~ .05574

(c) Minimum charge.

Per meter, plus the currently effective demand charge . . . 60.45

(d) Terms and conditions of service.

(1) Service under this rate shall be for a minimum initial term of 12 months from commencement of service.

(2) Customers taking service under another city rate schedule who elect to transfer to this rate must remain on this rate for a minimum term of 12 months unless disconnected by the city under applicable rules.

(3) Where special equipment to serve the customer is required, the city may require a specified term of service contract or a nonrefundable contribution in aid of construction.

(e) Terms and conditions of service. Service will be available at a single voltage 60-hertz, normally 120/240 volts, three-phase, open delta, 240 volts three-phase, 120/208 volts three-phase, or 277/480 volts three-phase, at the option of the city. Loads may be served at other three-phase voltages, at the option of the city.

(f) Determination of billing demand. The billing demand shall be the maximum 15-minute kw demand established during the current billing period, but not less than 35 kw for customers electing to take service hereunder. Customers whose demand is less than 50 kw for more than six months out of 12 months shall be converted to receive service at the GS rate and shall continue to receive service on the GS rate for 12 months and shall establish a demand at 50 kw or more for six out of 12 months before converting back to the GSD rate.

(g) Purchased power cost adjustment. The energy charge shall be increased 0.0106 cent/kwh for each 0.100 cent/kwh or fraction thereof increase above 3.8 cents kwh in the average wholesale cost of purchased power to the city from all sources including any fuel or other special adjustments. The energy adjustment shall be computed each month by the city and rounded to the nearest 0.01 cent/kwh.

(h) Tax adjustment. The rates and charges set forth herein shall be subject to proportional increases to compensate for any applicable new taxes or increases in existing taxes which may hereinafter be imposed by any state or federal taxing body.

Sec. 74-180. Regular general service demand, large demand rate schedule.

(a) Availability. This schedule is applicable to electric service throughout the entire territory served by the city to those customers having a billing demand of 2,000 kw or more who have requested service at primary distribution voltage of 7.2/12.47 kv, service to be provided at the option of the city.

(b) Monthly rate.

(1) Customer charge, per meter . . . \$ ~~60.45~~ 120.90

(2) Demand charge, per kw of demand . . . ~~4.00~~ 7.50

(3) Energy charge, flat rate per kilowatt-hour charge, per kw of demand . . . ~~0.053928~~ .04938

(c) Minimum charge.

Per meter, plus the currently effective demand charge . . . ~~60.45~~ 120.90

(d) Terms and conditions of service.

(1) Service under this rate shall be for a minimum initial term of 12 months from commencement of service.

(2) Customers taking service under another city rate schedule who elect to transfer to this rate must remain on this rate for a minimum term of 12 months unless disconnected by the city under applicable rules.

(3) Where special equipment to serve the customer is required, the city may require a specified term of service contract or a nonrefundable contribution in aid of construction.

(4) Service shall be at 7.2/12.47 kv, three-phase, four-wire wye, 60-hertz at the option of the city.

(5) Metering voltage will be at the option of the city. When the city meters at a voltage above distribution secondary a one percent reduction factor shall apply to the base energy and demand charges hereunder.

(6) When a customer takes service under this rate at standard distribution primary voltage and provides its own transformation and related protection equipment the demand charge hereunder shall be subject to a credit of \$0.34 per kw of billing demand.

(f) Determination of billing demand. The billing demand shall be the maximum 15-minute kw demand established for the current billing period, but not less than 1,000 kw for any billing period.

(g) Purchased power cost adjustment. The energy charge shall be increased 0.0106 cent/kwh for each 0.100 cent/kwh or fraction thereof increase above 3.8 cents kwh in the average wholesale cost of purchased power to the city from all sources including any fuel or other special adjustments. The energy adjustment shall be computed each month by the city and rounded to the nearest 0.01 cent/kwh.

(h) Tax adjustment. The rate and charges set forth herein shall be subject to proportional increases to compensate for any applicable new taxes or increases in existing taxes which may hereinafter be imposed by any state or federal taxing body.

#### **SECTION 4. Severability.**

If any portion of this ordinance is deemed by any court of competent jurisdiction to be void, unconstitutional, or unenforceable, then the remaining provisions and portions shall remain in full force and effect.

#### **SECTION 5. Copy on File.**

A certified copy of this Ordinance shall be filed with the City Clerk of the City of Quincy.

**SECTION 6. Effective Date.**

This ordinance shall take effect upon passage.

**INTRODUCED** in open session of the City Commission of the City of Quincy, Florida on first reading on the 13<sup>th</sup> day of October, 2015.

**PASSED** in open session of the City Commission of the City of Quincy, Florida on second reading on the 27<sup>th</sup> day of October, 2015.

---

**Derrick D. Elias**  
Presiding Officer of the City  
Commission of the City of Quincy, Florida

ATTEST:

---

**Sylvia Hicks**  
Clerk of the City of Quincy and  
Clerk of the City Commission thereof



**City of Quincy  
City Commission  
Agenda Request**

Date of Meeting: September 22, 2015

Date Submitted: September 18, 2015

To: Honorable Mayor and Members of the Commission

From: Mike Wade, City Manager  
Ted Beason, Finance Director

Subject: Electric Rate Review

---

**Statement of Issue**

The City of Quincy budget for fiscal year 2013 established a rate stabilization component to the electric rates to aid in meeting bond obligations and stabilizing retail rates for electricity. The initial fund target was set at \$875,000 and was later reduced to \$675,000. Staff is of the opinion that to continue to meet bond obligations and other lawful needs the appropriate charges that were previously established for rate stabilization should be removed from the power cost adjustment and should be made a part of the base rate.

**Analysis**

After the rate stabilization fund was established and charges implemented it became apparent that revenue generated from rate stabilization was needed to meet financial obligations and effectively stabilize electric rates while maintaining some of the lowest rates in the state. The mechanism for collecting the rate stabilization funds was included as a component of the monthly power cost adjustment. Staff is proposing that the equivalent revenue generated from rate stabilization is removed from the power cost adjustment and incorporated into the base rate. Recently a rate review was performed by Fred Wilson & Associates which provides detail of the impact to rate payers if the proposed change is made. The attached rate review report demonstrates that when compared to the typical monthly bill from the previous year, transitioning charges from rate stabilization to the base rate will provide a nearly neutral to slightly lower rate for most ratepayers, including the residential class. Staff recommends

accepting the proposed changes identified in the report memorandum from Fred Wilson & Associates.

- Option 1:** Move to
- 1) Accept the Fred Wilson & Assoc. Letter Report
  - 2) Approve the proposed changes in unit electric charges
  - 3) Direct staff to bring the proposed changes back to the commission in Ordinance format for formal approval
  - 4) Direct staff to file revised sheets with the Florida Public Service Commission and implement the revised changes

**Option 2:** Move to not accept the proposed changes.

**Staff Recommendation:**

**Option 1**

**Attachments:**

F W & A Letter Report Memorandum



Fred Wilson & Associates, Inc.  
Consulting Engineers

# MEMORANDUM

DATE: September 17, 2015  
FILE NO: 1401-4

TO: City Commission  
City of Quincy, Florida

FROM: Ed Wisser

RE: Electric Rate Review

---

## **GENERAL:**

FW&A is pleased to present this letter report of findings and recommendations from a review of the retail electric rates of the City of Quincy, as requested and authorized by City staff. We understand the revised rates will be put in place as soon as possible for Fiscal Year 2015-2016.

The primary objective of this electric rate review was to adjust the base electric charges such that there will be a net increase of \$675,000 in annual City revenues from retail electric sales. We understand these revenues will replace a similar level of revenues which the City had obtained in recent years by applying a rate stabilization fund adjustment to the Purchased Power Cost Adjustment (PCA) portion of the monthly power bills. Further, we understand these revenues will be used for electric utility renewal and replacement, rate stabilization, and/or other lawful purpose.

A secondary objective was to adjust the rate schedules applicable to demand customers to reflect changes in the wholesale demand charges that will become effective in January 2016, under the new power supply contract with Florida Power & Light Company.

## **EXISTING ANALYSIS:**

One required element of an electric rate review is to compare both the existing rate structure and the proposed rate structure with that of the nearest electric utility whose retail rates are regulated by the Florida Public Service Commission (FPSC). Duke Energy Florida was selected as the comparison utility.

The first step in the rate review analysis was to select a Test Year and compile the associated data. Fiscal Year 2013-2014 was selected as the Test Year.

The unit rates applicable to the Test Year were obtained from City ordinances and from tariff sheets on file with the Florida Public Service Commission for each of the defined rate schedules. City rate schedules are as follows: RS = Residential Service; GS = General Service; GSD = General Service Demand; GSLD = General Service Large Demand. The equivalent Duke rate schedules are as follows: RS-1, GS-1 (secondary), GSD-1 (secondary), and GSD-1 (primary).

Per the rate ordinance language, the base energy charges include a factor of 3.8 cents per kWh for wholesale power purchases. The PCA recovers the portion of wholesale power costs which are above this threshold, and is adjusted by a 6% factor to account for distribution system losses.

For the City, we determined the average of the monthly PCA in effect during the Test Year. For Duke, we determined the average of the various Billing Adjustments in effect during the Test Year.



Fred Wilson & Associates, Inc.  
Consulting Engineers

# MEMORANDUM

Complete rate information is tabulated on Attachment 1 "Rates". Existing City rates are shown below.

EXISTING CITY RATES	Schedule ->	RS	GS	GSD	GSLD
Customer Charge	\$	6.00	16.62	60.45	60.45
Energy Charge	\$ / kWh	0.087353	0.08799	0.05963	0.053928
Demand Charge	\$ / kW	--	--	4.00	4.00
Pwr Cost Adj (PCA)	\$ / kWh	0.02488	0.02488	0.02488	0.02488

The usage data for customers under each rate schedule was obtained from the City, and was sorted and compiled into billing determinants for the Test Year. These billing determinants represent the monthly electric usage of a typical customer under each rate schedule, and are shown below.

BILLING DETERMINANTS	Schedule ->	RS	GS	GSD	GSLD
Energy	kWh	1034	3775	82443	1576200
Demand	kW	--	--	213.9	5152
Customer Count	meters	3940	842	19.4	1

The existing City unit rates were applied to the billing determinants to compute a typical electric bill for a typical customer, including PCA and State of Florida Gross Receipts Tax (GRT) recovery. Complete usage data and typical bills are tabulated on Attachment 2 "Usage". The typical electric bills and equivalent cost per kWh are shown below.

TEST YEAR BILL EXISTING RATES	Schedule ->	RS	GS	GSD	GSLD
Base Charges	\$	96.32	348.78	5832.13	102879.51
Incl PCA + GRT	\$	125.09	453.75	8079.97	145639.68
Equivalent Cost	\$ / kWh	0.12098	0.12020	0.09801	0.09240

The next step was to perform the comparison for the existing rate structure. This is accomplished by first comparing the Equivalent Cost values under each rate schedule to the residential (RS) rate schedule, to determine Rate Schedule Ratio values. The Rate Schedule Ratio values for the City and for Duke are then compared to determine Rate Structure Ratio values. These values are tabulated below.

RATE STRUCTURE EXISTING RATES	Schedule ->	RS RS-1	GS GS-1	GSD GSD-1(sec)	GSLD GSD-1(pri)
City Equiv Cost	\$ / kWh	0.12098	0.12020	0.09801	0.09240
Rate Schedule Ratio		--	0.9936	0.8101	0.7638
Duke Equiv Cost	\$ / kWh	0.12891	0.12158	0.09758	0.10176
Rate Schedule Ratio		--	1.0050	0.8066	0.8412
Rate Structure Ratio	City / Duke	--	0.9886	1.0044	0.9080

Notice that the City equivalent cost is lower than the Duke equivalent cost for all rate schedules except GSD. This is an indicator of how well the City has been doing in keeping down power supply costs, operating costs, and general fund transfers.



Fred Wilson & Associates, Inc.  
Consulting Engineers

## MEMORANDUM

### ISSUES FOR CONSIDERATION:

Rate Structure- For an electric rate review (that is, not for a cost-of-service rate study) the FPSC prefers for the Rate Structure Ratios to fall within a bandwidth of 0.90 to 1.10. The Rate Structure Ratios for the existing City rates indicate that the GS and GSD rate structure follows the Duke rate structure very closely (1.0000 would be a perfect match). The City GSLD rate structure is somewhat lower than Duke.

The FPSC prefers any rate changes to result in a Rate Structure Ratio closer to unity. Therefore, the rate structure comparison indicates that any City rate changes should affect the GSLD rate schedule to a greater degree than the other rate schedules. A differential change of approximately 2% is generally considered reasonable and should be considered.

Customer Charge- The City customer charge for GSD and GSLD customers are identical. Both types of customers require demand meters, but the cost to install primary metering for a GSLD customer is higher than the cost to install secondary metering for a GSD customer. This differential can be observed in the equivalent Duke rates. An increase in the GSLD customer charge should be considered.

Demand Charges- In our opinion, retail demand charges should mirror the wholesale demand (capacity) charge paid by the City. When that is the case, the City is essentially indifferent to whether a demand customer takes action to increase or decrease their demand. The present demand charge of \$4.00/kW is \$1.00 less than what is being paid under the present power supply contract. A new power supply contract will be going into effect in January 2016. Charges under that contract are weighted even more heavily to capacity and less to energy. In the same way, we believe increases in the demand portion and decreases in the energy portion of the GSD and GSLD rates should be considered.

Gross Receipts Tax Recovery- The City pays an amount of 2.50% of all electric revenues to the State of Florida as a Gross Receipts Tax. The City is entitled to recover this amount from all customers, and applies a recovery factor of 2.50% to all electric bills. This recovery factor is not considered a tax per the Department of Revenue. However, the factor applied by the City does not fully recover the amount that must be remitted to the State. For example, GRT recovery on \$1,000,000 in sales is \$25,000. The City then must pay the state 2.50% of \$1,025,000, or \$25,625. The correct factor to use is 2.5641% as shown in the Duke BA-1 rate schedule. A change of this factor should be considered.

Purchased Power Cost Adjustment- The PCA methodology of the City is very simple and easy to implement. However, it is not clear to FW&A whether all purchased power costs are recovered through the PCA, nor whether excess costs are recovered. Review of the PCA methodology was not included within the scope of this electric rate review. However, the City may want to consider reviewing the performance of the PCA methodology, and possibly implementing some type of true-up process if necessary.

### PROPOSED CHANGES:

The GSLD customer charge was increased as described in the Issues discussion. During the first five years of the new wholesale power supply contract, the capacity charge will range from \$6.95 to \$8.00 per kW, so a median value was selected as new revised City demand charge, as described in the Issues discussion. GSD and GSLD energy charges were reduced to offset the increase in the demand charge. Finally, the PCA for FY13-14 was re-calculated to remove the rate stabilization fund adjustment dollars (about \$842,000). Complete rate information is tabulated on Attachment 1 "Rates". Proposed City unit rates are shown below (changes in **BOLD**).



Fred Wilson & Associates, Inc.  
Consulting Engineers

# MEMORANDUM

PROPOSED CITY RATES	Schedule ->	RS	GS	GSD	GSLD
Customer Charge	\$	6.00	16.62	60.45	<b>120.90</b>
Energy Charge	\$ / kWh	<b>0.09241</b>	<b>0.09319</b>	<b>0.05574</b>	<b>0.04938</b>
Demand Charge	\$ / kW	--	--	<b>7.50</b>	<b>7.50</b>
Pwr Cost Adj (PCA)	\$ / kWh	0.01798	0.01798	0.01798	0.01798

The proposed City unit rates were applied to the billing determinants to compute a typical electric bill for a typical customer, including PCA and GRT recovery. The GRT value was updated for the proposed rate scenario as described in the Issues discussion. Complete typical bills are tabulated on Attachment 2 "Usage". The typical electric bills and equivalent cost per kWh are shown below.

TEST YEAR BILL PROPOSED RATES	Schedule ->	RS	GS	GSD	GSLD
Base Charges	\$	101.55	368.41	6260.07	113694.77
Incl PCA + GRT	\$	123.22	447.49	7941.20	145682.15
Equivalent Cost	\$ / kWh	0.11917	0.11854	0.09632	0.09243

Rate Structure Ratio values were calculated for the proposed City rates, and are shown below. Duke values are not repeated. As compared to the ratios for the existing rates, the values for schedules GS and GSD were moved slightly closer to unity, and the value for GSLD was increased by slightly less than 2% as described in the Issues discussion.

RATE STRUCTURE PROPOSED RATES	Schedule ->	RS RS-1	GS GS-1	GSD GSD-1(sec)	GSLD GSD-1(pri)
City Equiv Cost	\$ / kWh	0.11917	0.11854	0.09632	0.09243
Rate Schedule Ratio		--	0.9947	0.8083	0.7756
Rate Structure Ratio	City / Duke	--	0.9898	1.0021	0.9220

## **REVENUES AND BILL IMPACT:**

Based on the usage data for the Test Year, the proposed City rates will produce an increase in net revenues of just over \$675,000. This value excludes revenues from PCA and GRT, since those costs are simply passed through. A summary of the revenue analysis is shown below.

SUMMARY OF NET REVENUES	Schedule ->	RS	GS	GSD	GSLD	TOTALS
Customer Count	meters	3940	842	19.4	1	4802
Annual Sales	MWh	48,890	38,119	19,209	18,914	125,134
Test Year Revenues	\$					10,669,719
Proposed Revenues	\$					11,344,726
Revenue Increase	\$					675,007

While the rate structure analysis was performed for the FY13-14 Test Year, it is important to know the impact on typical electric bills in 2015. Complete bill impact and revenue information is tabulated on Attachment 3 "Revenues". Typical bill values and the amount of change are shown below.



Fred Wilson & Associates, Inc.  
 Consulting Engineers

# MEMORANDUM

BILL IMPACT PROPOSED RATES	Schedule ->	RS	GS	GSD	GSLD
Total Monthly 2015	\$	123.40	447.57	7944.82	143055.68
Total Bill Proposed	\$	123.22	447.49	7941.20	145682.15
Change from Existing	\$	-0.18	-0.08	-3.62	2626.47
Change from Existing	%	-0.15%	-0.02%	-0.05%	1.84%

**SUMMARY:**

The proposed changes resulting from the electric rate review analysis accomplish the two objectives as described in the General discussion.

1. Net revenues from base charges are increased by an annual amount of \$675,000.
2. Relative demand and energy charges in the demand rate schedules are adjusted in anticipation of the wholesale costs which will go into effect in January 2016.

Further, the proposed changes accomplish the following:

3. Rate Structure Ratios are improved.
4. Gross Receipts Tax recovery is improved.
5. City rates still compare favorably to equivalent Duke retail rates.

FW&A has also prepared “red-line” and “clean” versions of the proposed revised rate tariff sheets for City use in filing with the FPSC.

**COMMISSION ACTION:**

FW&A understands City staff will request the following action from the City Commission:

- Accept the FW&A Letter Report Memorandum and its Attachments as presented;
- Approve the proposed changes in unit electric charges and in the GRT recovery calculation; and
- Direct City staff to update the City rate ordinance, file the proposed revised rate tariff sheets with the FPSC, and implement the revised electric charges.



Fred Wilson & Associates, Inc.  
Consulting Engineers

# MEMORANDUM

It has been our pleasure to assist the City in this effort.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'C. Edward Wisser'. The signature is fluid and cursive, with a prominent initial 'C'.

---

C. Edward Wisser, PE

## ATTACHMENTS

COPY TO: Mike Wade  
Master File  
Job File



RATES

	Schedule	Existing City Rates				Duke Florida Rates				Proposed City Rates			
		RS	GS	GSD	GSLD	RS-1	GS-1(sec)	GSD-1(sec)	GSD-1(pri)	RS	GS	GSD	GSLD
Customer Charge	\$	6.00	16.62	60.45	60.45	8.76	11.59	11.59	146.56	6.00	16.62	60.45	120.90
Energy Charge	\$/ kWh	0.087353	0.08799	0.05963	0.053928	0.04974	0.05403	0.02256	0.02256	0.09241	0.09319	0.05574	0.04938
Energy > 1000	\$/ kWh					0.06336							
Minimum Energy	kWh/yr							24000	24000				
Demand Charge	\$/ kW			4.00	4.00			5.06	4.66			7.50	7.50
Minimum Demand	kW			35	1000							35	1000
Pri Mtr Discount	%												1%
TX Own Discount	\$/ kW												0.34
Pwr Cost Adj	\$/ kWh	0.02488	0.02488	0.02488	0.02488					0.01798	0.01798	0.01798	0.01798
FCRF + ECRC	\$/ kWh					0.04212	0.04498	0.04518	0.04475				
FCRF + ECRC > 1000	\$/ kWh					0.05212							
ECCR + CCR	\$/ kWh					0.02046	0.01647						
ECCR + CCR Demand	\$/ kW							5.446	5.191				

Adjustment Factors		Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	FY13-14
Quincy All Classes														
Pwr Cost Adj	\$/ kWh	0.0223	0.0228	0.0200	0.0214	0.0257	0.0327	0.0270	0.0277	0.0296	0.0265	0.0236	0.0192	0.02488
PCA- No Rate Stab	\$/ kWh	0.0157	0.0125	0.0141	0.0196	0.0252	0.0189	0.0199	0.0227	0.0206	0.0175	0.0148	0.0143	0.01798
Pwr Cost Base	\$/ kWh													0.00380
Duke RS-1														
Fuel Cost Recovery	\$/ kWh	0.03393	0.03393	0.03393	0.04077	0.04077	0.04077	0.04077	0.04077	0.04077	0.04077	0.04077	0.04077	0.039060
FCRF > 1000	\$/ kWh	0.04393	0.04393	0.04393	0.05077	0.05077	0.05077	0.05077	0.05077	0.05077	0.05077	0.05077	0.05077	0.049060
ECCR	\$/ kWh	0.00306	0.00306	0.00306	0.00402	0.00402	0.00402	0.00402	0.00402	0.00402	0.00402	0.00402	0.00402	0.003780
CCR	\$/ kWh	0.01738	0.01738	0.01738	0.01644	0.01644	0.01644	0.01644	0.01644	0.01644	0.01644	0.01644	0.01644	0.016675
ECRC	\$/ kWh	0.00494	0.00494	0.00494	0.00243	0.00243	0.00243	0.00243	0.00243	0.00243	0.00243	0.00243	0.00243	0.003058
Duke GS-1 (sec)														
Fuel Cost Recovery	\$/ kWh	0.03703	0.03703	0.03703	0.04364	0.04364	0.04364	0.04364	0.04364	0.04364	0.04364	0.04364	0.04364	0.041988
ECCR	\$/ kWh	0.00265	0.00265	0.00265	0.00345	0.00345	0.00345	0.00345	0.00345	0.00345	0.00345	0.00345	0.00345	0.003250
CCR	\$/ kWh	0.01379	0.01379	0.01379	0.01303	0.01303	0.01303	0.01303	0.01303	0.01303	0.01303	0.01303	0.01303	0.013220
ECRC	\$/ kWh	0.00490	0.00490	0.00490	0.00235	0.00235	0.00235	0.00235	0.00235	0.00235	0.00235	0.00235	0.00235	0.002988
Duke GSD-1(sec)														
Fuel Cost Recovery	\$/ kWh	0.03703	0.03703	0.03703	0.04408	0.04408	0.04408	0.04408	0.04408	0.04408	0.04408	0.04408	0.04408	0.042318
ECCR	\$/ kW	0.90	0.90	0.90	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.110
CCR	\$/ kWh	0.01184	0.01184	0.01184										
CCR	\$/ kW	4.563	4.563	4.563	4.26	4.26	4.26	4.26	4.26	4.26	4.26	4.26	4.26	4.336
ECRC	\$/ kWh	0.00485	0.00485	0.00485	0.00220	0.00220	0.00220	0.00220	0.00220	0.00220	0.00220	0.00220	0.00220	0.002863
Duke GSD-1(pri)														
Fuel Cost Recovery	\$/ kWh	0.03666	0.03666	0.03666	0.04364	0.04364	0.04364	0.04364	0.04364	0.04364	0.04364	0.04364	0.04364	0.041895
ECCR	\$/ kW	0.89	0.89	0.89	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.100
CCR	\$/ kWh	0.01172	0.01172	0.01172										
CCR	\$/ kW	3.586	3.586	3.586	4.26	4.26	4.26	4.26	4.26	4.26	4.26	4.26	4.26	4.091
ECRC	\$/ kWh	0.00480	0.00480	0.00480	0.00220	0.00220	0.00220	0.00220	0.00220	0.00220	0.00220	0.00220	0.00220	0.002850

USAGE

TEST YEAR: FY13-14

Determinants	Schedule	City (Existing)				Duke				City (Proposed)			
		RS	GS	GSD	GSLD	RS-1	GS-1(sec)	GSD-1(sec)	GSD-1(pri)	RS	GS	GSD	GSLD
Customer Charge	Meter	1	1	1	1	1	1	1	1	1	1	1	1
Energy	kWh	1034	3775	82443	1576200	1000	3775	82443	1576200	1034	3775	82443	1576200
Energy > 1000	\$ / kWh					34							
Demand	kW			213.9	5152			213.9	5152			213.9	5152
Typical Bill													
Customer Charge	\$	6.00	16.62	60.45	60.45	8.76	11.59	11.59	146.56	6.00	16.62	60.45	120.90
Energy Charge	\$ / kWh	90.32	332.16	4916.08	84151.30	49.74	203.96	1859.91	35203.48	95.55	351.79	4595.37	77054.43
Energy > 1000	\$ / kWh					2.15							
Demand Charge	\$ / kW			855.60	18667.76			1082.33	23768.24			1604.25	36519.44
Subtotal 1		96.32	348.78	5832.13	102879.51	60.65	215.55	2953.83	59118.28	101.55	368.41	6260.07	113694.77
Pwr Cost Adj	\$ / kWh	25.72	93.90	2050.77	39207.98					18.59	67.89	1482.60	28345.33
FCRF + ECRC	\$ / kWh					42.12	169.78	3724.77	70527.07				
FCRF + ECRC > 1000	\$ / kWh					1.77							
ECCR + CCR	\$ / kWh					21.15	62.17						
ECCR + CCR Demand	\$ / kW							1164.87	26746.11				
Subtotal 2		122.04	442.68	7882.90	142087.49	125.69	447.50	7843.47	156391.46	120.14	436.30	7742.67	142040.10
Gross Receipts Tax	\$	3.05	11.07	197.07	3552.19	3.22	11.47	201.11	4010.03	3.08	11.19	198.53	3642.05
Total	\$	125.09	453.75	8079.97	145639.68	128.91	458.97	8044.58	160401.49	123.22	447.49	7941.20	145682.15
Equivalent Cost	\$ / kWh	0.12098	0.12020	0.09801	0.09240	0.12891	0.12158	0.09758	0.10176	0.11917	0.11854	0.09632	0.09243
Rate Schedule Ratio			0.9936	0.8101	0.7638		1.0050	0.8066	0.8412		0.9947	0.8083	0.7756
Rate Structure Ratio			0.9886	1.0044	0.9080						0.9898	1.0021	0.9220

REVENUES

2015	Schedule	City (Existing)					City (Proposed)				
		RS	GS	GSD	GSLD	Total	RS	GS	GSD	GSLD	Total
Average Monthly Bill (from Base Rates)	\$	96.32	348.78	5832.13	102879.51		101.55	368.41	6260.07	113694.77	
Number of Customers		3940	842	19.4	1	4802	3940	842	19	1	4802
Sales	kWh	48890622	38119950	19209219	18914400	125,134,191					
Net Revenues (excluding PCA, GRT)	\$	4,554,299	3,521,980	1,358,886	1,234,554	10,669,719	4,801,589	3,720,204	1,458,596	1,364,337	11,344,726
Revenue Increase	\$						247,290	198,224	99,710	129,783	675,007
Pwr Cost Adj	\$	24.07	87.87	1918.91	36687.01		18.59	67.89	1482.60	28345.33	
Gross Receipts Tax	\$	3.01	10.92	193.78	3489.16		3.08	11.19	198.53	3642.05	
Total Monthly Bill	\$	123.40	447.57	7944.82	143055.68		123.22	447.49	7941.20	145682.15	
Change (Dollars)							-0.18	-0.08	-3.62	2626.47	
Change (Percent)							-0.15%	-0.02%	-0.05%	1.84%	