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October 15, 2024

VIA E-FILING

Mr. Adam Teizman, Commission Clerk
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Revised Electric Tariff Sheets, City of Wauchula, Docket #2024-0000

Dear Mr. Teizman:

The enclosed filing includes (1) a strike-through and underlined version of the revised electric tariff for the City of Wauchula; (2) a clean version of the revised electric tariff for the City of Wauchula; (3) Ordinance 2023-14; and (4) the Rate Study. This filing replaces the filing on October 1, 2024 for the City of Wauchula's revised electric tariff, Doc. No. 09323-2024. Please call if you have any questions.

Respectfully submitted,



Kristie Hatcher-Bolin, Esquire

KHB/la

Enclosures

cc: Olivia Minshew, City Manager, City of Wauchula

**City of Wauchula,
Florida**

**SECOND REVISED SHEET No. 1.00
Cancels First Revised Sheet No. 1.00**

CITY OF WAUCHULA, FLORIDA

**RATES FOR ELECTRIC SERVICE
AND GENERAL RULES AND REGULATIONS
GOVERNING ELECTRIC SERVICE**

Issued By: Terry Atchley, City Manager
Effective Date: May 1, 2014

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Issued By: Terry Atchley, City Manager
Effective Date: May 1, 2014

City of Wauchula,
Florida

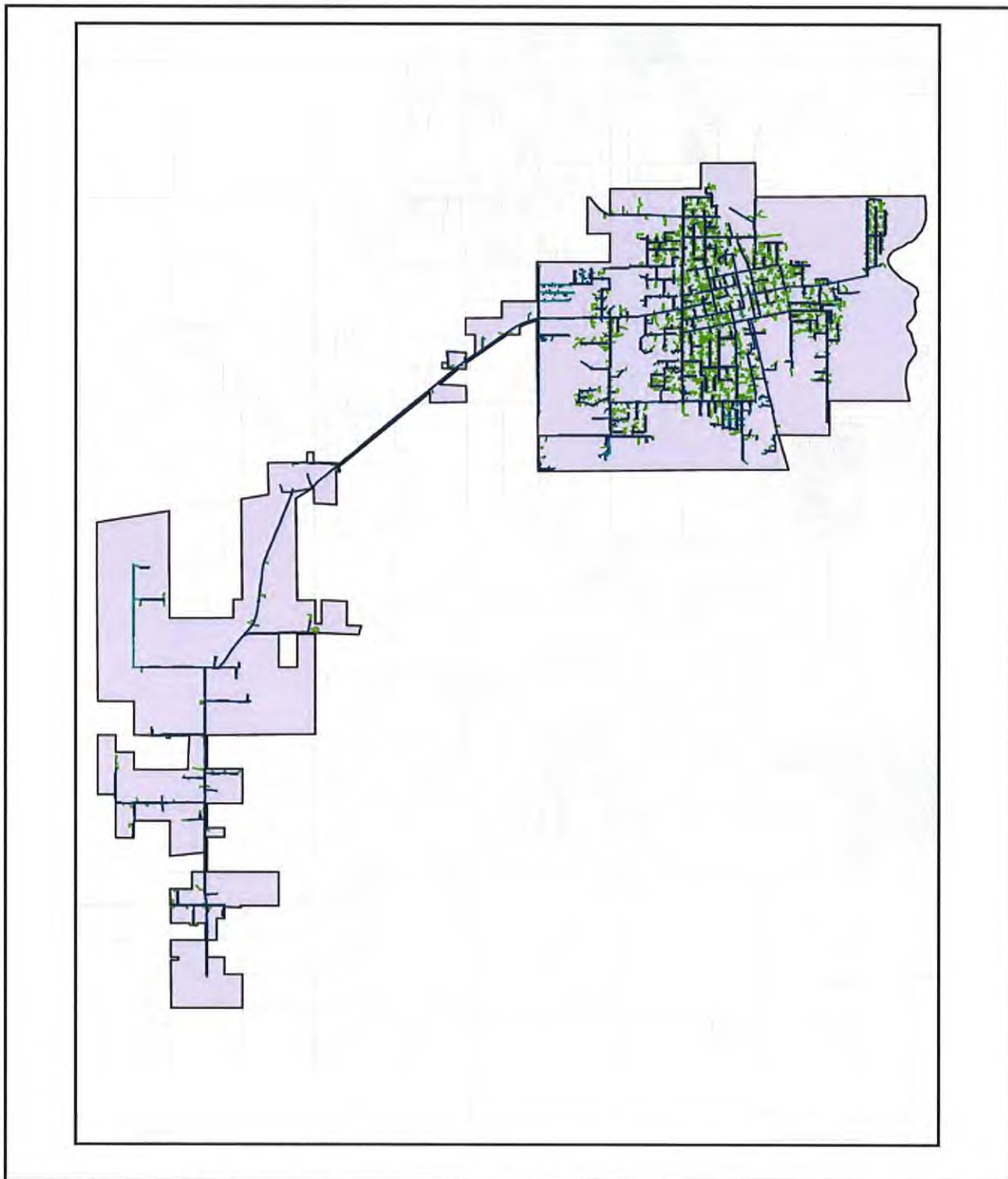
THIRD SECOND-REVISED SHEET NO. 3.00
Cancels Second First- Revised Sheet No. 3.00

DESCRIPTION OF TERRITORY SERVED

The electric distribution system of the City of Wauchula, Florida, serves the area within the boundary line shown on the map of the electric service area, FIRST REVISED SHEET NO. 4.00.

As of October 1, 2023 ~~2013~~, there were 2,697 ~~2,623~~ customers consisting of 2,205 ~~2,105~~ residential, 451 ~~466~~ commercial and 41 ~~52~~ other or special.

Issued By: Olivia Minshew ~~Terry Atehley~~, City Manager
Effective Date: September 16, 2024 ~~May 1, 2014~~



Issued By: Terry Atchley, City Manager
Effective Date: May 1, 2014

City of Wauchula, FL



GENERAL RULES AND REGULATIONS GOVERNING ELECTRIC SERVICE

Issued By: Terry Atchley, City Manager
Effective Date: May 1, 2014

General Rules and Regulations
Governing Electric Service

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**GENERAL RULES AND REGULATIONS
GOVERNING ELECTRIC SERVICE**

INTRODUCTION

This section of the *City's Tariff* contains the rules and regulations governing electric service.

PART I

DEFINITIONS AND CLASSIFICATIONS

1.01 Definitions:

The following definitions set forth standard interpretations of certain terms used in these Rules and Regulations:

- | | |
|------------------------------|---|
| (1) City: | The City of Wauchula, Florida |
| (2) Customer: | The user of the City's electric service. |
| (3) Service: | The supply by the City of electricity to the Customer, including the readiness and availability of electrical energy at the Customer's Point of Delivery at the required voltage and frequency whether or not utilized by the Customer. |
| (4) Service Drop: | That portion of the City's facilities, between the pole or underground cable and the point of attachment at the service entrance, which brings the service from the City's supply lines to the Customer. |
| (5) Service Entrance: | Wires and enclosures owned by the Customer and connecting the Customer's installation to the service drop. |
| (6) Customer's Installation: | Wires, enclosures, switches, appliances and other apparatus, including the service entrance, forming the Customer's facilities utilizing service for any purpose on the Customer's side of the point of delivery. |

- (7) Point of Delivery: The point of attachment where the City's service drop is connected to the Customer's service entrance.
- (8) Connected Load: The total rated capacity in horsepower (H.P.), and/or kilowatts (kw), and/or kilovolt amperes (kVA), of all electric equipment, appliances, apparatus and other current consuming devices which are connected in and to the Customer's installation and which may utilize service.
- (9) Maximum Demand: Highest integrated reading of Customer's electrical power requirements measured in kilowatts during the interval of time specified in the Rate Schedules.
- (10) Temporary Service: The supply of electricity by the City to the Customer for construction purposes; or for fairs, displays, exhibits and similar services; and for other services which will be in use for less than a year.
- (11) Rate Schedules: The applicable schedules of rates and charges for service rendered which, are on file with the Florida Public Service Commission.

1.02 Service Classifications:

Service is classified for rate application purposes according to one of the following which best describes the Customer's electric service requirements:

- (1) Residential Service (RS-1): Applicable to residential Customer's in a single dwelling house, a mobile home, or individually metered single apartment unit or other unit having housekeeping facilities, occupied by one family or household as a residence. The premises of such single dwelling may include an additional apartment with separate housekeeping facilities, as well as a garage and other separate structures where they are occupied or used solely by the members or servants of such family or household. The incidental power service that will be supplied under this rate is normally limited to single phase motors with starting currents that do not exceed the following amounts:

	<u>115V</u>	<u>230V</u>
Frequently (automatic) starting motors:	20 amps	55 amps
Infrequently (manual) started motors:	40 amps	110 amps

Where three-phase service is available, air-conditioning loads up to ten (ten) hp will be permitted hereunder. The residential rate shall not apply to service to institutions such as clubs, hotels, boardinghouses, tourist facilities and all other commercial establishments.

Also, for energy used in commonly owned facilities in condominium and cooperative apartment buildings subject to the following criteria:

- (a) 100% of the energy is used exclusively for the co-owner's benefit.
 - (b) None of the energy is used in any endeavor, which sells or rents a commodity or provides service for a fee.
 - (c) Each point of delivery will be separately metered and billed.
 - (d) A responsible legal entity is established as the Customer to whom the City can render its bill(s) for said service.
- (2) General Service Non-Demand: General service non-demand shall be available to all commercial and church customers served from existing distribution lines of the City whose average monthly consumption for the preceding twelve (12) calendar months is less than 20,000 kWh. It is applicable to all commercial business for lighting, heating, cooking, refrigeration, air-conditioning and power service. Applicability shall include retail stores, filling stations, garages, boardinghouses, hotels, motels, restaurants, cafes, theaters, laundries, dry cleaners, apartment houses, offices, etc.
- (3) General Service Demand: General service demand shall be available to all customers, where the average monthly use for the preceding twelve (12) calendar months is 20,000 kWh or greater. It is applicable to industrial customers engaged in the manufacture of a finished product, the extraction, fabrication or processing of a raw material, or the transportation or preservation of raw material or a finished product for use as a motive power, or for other power requirements where the average monthly use is 20,000 kWh or more. The character of serve to be A-C, sixty (60) cycles, three phase, at a voltage availability in the vicinity. At the utility's option, energy may be metered at secondary voltage.
- (4) Outdoor Lighting Service: Outdoor light service shall be available to all classes of electric customers. ~~It is applicable by application of electric customers to City for area lighting service and to exchange present mercury vapor lights in area service to high pressure sodium vapor lights.~~ The City furnishes, installs and maintains all the materials, poles, fixtures, and lights on a non-metered electric service for a monthly rental service fee which is then included on the customer's monthly electric service billing.
- (5) Temporary Service: Applicable to any customer for temporary service such as construction, fairs, displays, exhibits and similar temporary purposes.

1.03 Rate Applications:

The Customer shall be billed in accordance with the regular rate schedule applicable to the Customer class for which service is rendered. The City will, upon request, advise any Customer as to the rate schedule most advantageous to his service requirements but does not assume responsibility for its selection in the event of changes in the Customer's requirements. All rate schedules are contained in the City's Rate Tariffs and are available for inspection at the City. A Customer shall, upon request, be furnished a copy of the rate schedule applicable to his service.

PART II

AVAILABILITY AND ESTABLISHMENT OF SERVICE

2.01 Application for Service:

Information may be obtained from the City as to the availability of service at the location where it is desired, and application for such service should be made by the Customer at the earliest possible time so that details for furnishing service may be determined. Unless otherwise agreed in writing by the City, and except as provided in Part III hereof, applications will be accepted only upon the condition that the City shall be under no obligation to render service other than that character of service then available at the proposed Point of Delivery. Any such application or agreement shall be subject to all the provisions of these Rules and Regulations and of the Rate Schedules, and the terms and conditions thereof shall be binding upon the City as well as upon the Customer. In order to insure that capacity is available in City equipment to provide satisfactory service to the Customer, load data must be submitted with the application for service. Load data should include the anticipated Connected Load and the anticipated Maximum Demand.

2.02 Service Available:

The City's standards service voltage are as follows:

- 120v. 1 Ø
- 120/240 v. 1 Ø
- 120/208 v. 3 Ø 4w.
- 277/480 v. 3 Ø4w

Any request for non-standard service requires the express approval of the electric department.

2.03 Temporary Service:

The City will, where it has a source of supply readily available, furnish service for temporary installations as provided for in the City Rate Schedule TS-1.

PART III

**NEW SERVICE EXTENSIONS AND UNDERGROUND RESIDENTIAL
DISTRIBUTION**

3.01 Contribution In Aid of Construction:

Where an extension to existing distribution facilities is required to provide service to a Customer the City shall require a Contribution in Aid of Construction (CIAC).

3.02 Route and Easement

In making line extensions hereunder, the City shall select the point of service and route. The City will not use private property for any such extension unless an easement suitable to the City is granted by the owner of such private property to the City, without cost, in accordance with the following provisions:

- (1) Private Property of Customer: Where more than one pole or primary u.g. circuit is located on a customer's property for the sole purpose of supplying service to such customer, an easements for all such poles and for any related facilities, including guys, overhead distribution circuits and overhang, must be furnished by the Customer, and the route of the service line across the Customer's property must be cleared of uses, undergrowth, and other obstructions to access by the City's vehicles and equipment, prior to installation of the service line by the City.
- (2) Private Property of Third Party: Where, in order to provide service to a customer, City facilities are to cross over or be located upon private property not owned by such customer, or where service to such customer is to be provided from existing City facilities so situated, an easement for all such facilities involved, including poles, guys, overhead distribution circuits, as well as conduits substructures and underground distribution circuits will be required.

- (3) Acquisition, Form and Cost: All such grants shall be obtained by the Customer upon a form acceptable to the City, properly executed by the grantor, and shall be made without cost to the City.

3.03 Installation by Customer:

The Customer's installation shall, in its entirety, be installed and maintained in accordance with the requirements of local ordinances pertaining thereto, or of authorities having jurisdiction thereover, or in the absence of such local ordinances or authorities in accordance with the requirements of the National Electrical Safety Code as set forth in Handbook H-43 of the National Bureau of Standards in its present form, or as subsequently revised, amended or superseded; provided, however, that service to any customer over lines and facilities not owned by the City shall be at the sole option of the City. Customer installations shall be in accordance with the following provisions:

- (1) Inspection by City: The City requires that all wiring installations be inspected and approved by an authorized electrical inspector. The City will not render service until such inspection has been made and formal notice from the inspecting authority of its approval has been received by the City Electric Services Department.

3.04 Special Service Requirements:

Where the Customer requests a more costly service arrangement than that provided by the City in accordance with its standard design, such as a remote point of delivery, excess transformer capacity, or any other special requirements, the City will provide such service if feasible and the Customer shall pay the cost in excess of the estimated cost of the standard design.

3.05 Relocation or Modification of Existing Facilities:

When, in the judgment of the City a change in the use or layout of the Customer's premises makes the relocation or modification of the City's existing facilities necessary, or when such relocation or modification is requested by the Customer and is consistent with sound utility practices, the City will relocate or modify such facilities in a manner acceptable to the City.

City of Wauchula,
Florida

FIRST REVISED SHEET NO. 5.032
 Cancels Original Sheet No. 5.032

The Customer shall pay the City for all cost associated with any such relocation or modification based on an invoice prepared by the City in accordance with standard estimation procedures, and if the relocation or modification is made at the Customer's request, such payment shall be made in advance.

PART IV

TERMS AND CONDITIONS OF SERVICE

4.01 Service Connection:

The City's connection with the Customer's service entrance shall be made with such service drop and shall be backed up by such transformers and related facilities and equipment as may be necessary to supply adequate electric service to the Customer in accordance with the load data furnished by the Customer at the time of applying for service.

4.02 Access to Customer Premise:

The duly authorized agents of the City shall have access at all hours to the premise of the Customer for the purpose of inspecting the Customer's installation; for installing, maintaining, inspecting or removing the City's property; for reading meters; and for other purposes incident to the rendition or termination of service to the Customer. In acting hereunder, neither the City nor its authorized agents shall be liable for trespass.

4.03 Protection of City Equipment:

The Customer shall provide proper protection for the City's equipment and facilities located on the Customer's premise, and shall permit no one but the City's agents or persons authorized by law, to have access to the City's equipment or facilities.

4.04 Continuity of Service:

The City will use reasonable diligence at all times to provide continuous service at the agreed nominal voltage, and shall not be liable to the Customer for the complete or partial failure or interruption of service, or for fluctuations in voltage, resulting from causes beyond its control or through the ordinary negligence of its employees, servants, or agents. The City shall not be liable for any act or omission caused directly or indirectly by strikes, labor troubles, accidents, litigation, shutdowns for repairs or adjustments, interference by Federal or State Governments, acts of God, or other causes beyond its control. The City shall not guarantee an uninterrupted supply of electricity and shall have the right to shut off the electricity at any time for the purpose of making repairs or extensions or for other purposes incidental to the electric supply, and will not be responsible for any damage resulting therefrom. The City shall have the right to turn off electric service at the main for the protection of the City where the consumer has been found to be using electricity illegally and to assess the regular schedule of fees for restoration of service.

- (1) **Priority of Curtailment:** In an emergency, the City may interrupt, curtail, or suspend electric service to all or some of its Customers; provided the City is acting in good faith and exercising reasonable care and diligence. The selection by the City of the Customers to be interrupted, curtailed, or suspended shall be conclusive on all parties concerned, and the City shall not be held liable with respect to any such interruption, curtailment, or suspension.
- (2) **Restoration of Service:** In the event of an interruption, curtailment or suspension of electric service from any cause, the City reserves the right to solely determine the method of restoration of service and in establishing the priority of restoration within the shortest time practicable consistent with safety. The City shall not be held to be in default of rendering adequate electric service because of the City's preservation of system integrity for priority in the restoration of customer service.
- (3) **Notification of Interruptions:** Whenever service is interrupted, curtailed, or suspended for the purpose of performing planned construction work on lines or equipment, the work shall be done at a time, if at all practicable, which will cause the least inconvenience to the Customers, and the City shall attempt to notify in advance (except in cases of emergency) those Customers who the City knows may be affected.

4.05 Indemnification by Customer:

The Customer shall indemnify, hold harmless and defend the City from and against any and all liability, proceedings, suits, costs or expense for loss, damage, death or injury to persons or property, in any manner directly or indirectly connected with, or growing out of the use or disposition of electricity by the Customer at or on the Customer's side of the Point of Delivery, unless such loss, damage, death or injury shall result from the sole negligence of the City.

4.06 Connection to Electric System After Disconnection From Such System or Other Utilities:

No applicant for electric service from the electric system of the City who has previously been disconnected from the electric system for nonpayment of electric charges or any other utility service shall be permitted to have a connection with the electric system until all such delinquent charges have been paid to the City, together with the amount of the applicable connection or reconnection charges as prescribed by ordinance, except as set forth in this section.

PART V

METERS

5.01 Installation and Maintenance of Meters:

The City shall have the right to connect and install or set meters of such sizes as the superintendent may determine, after consideration of all services to be served by the electric system of the City. All meters so installed shall be and remain the property of the City and shall be maintained and kept in repair by the department without cost to the user. All temporary electric service shall be metered and all charges imposed by this section shall apply thereto.

5.02 Meter Location, Etc.:

The meter location shall be as designated by the City. If a meter area is later enclosed the consumer shall, at his expense, have the meter facilities moved to an outside location. Meters for residents shall be outdoors. The City will provide meter ~~and meter base~~ for single-phase services of 200 amps or less. Charges will apply for meter, meter base and instrument transformers, if required, on all single-phase service above 200 amps and all three-phase services regardless of service size. The consumer shall furnish and install meter boards, meter base, service switches, and other equipment to form a complete wiring system. The number of meters shall be as determined by the electric department.

5.03 Maintenance of Meters:

The department shall maintain the proper operation of all meters. No repairs to meters shall be made other than by the electric department.

5.04 Meter Testing:

Upon written authorization for the testing, a City electric meter will be tested by the city and in the event the meter, when tested, is found to be not more than two percent fast, the expense of the test shall be paid by the customer in accordance with Section 22-34(e), Code of Ordinances~~Rate Schedule RS-1~~. The meter testing fee shall be paid at the time of application or, at the option of the City, may be billed with the next regular monthly electric bill submitted to the customer.

5.05 Meter Seals:

All meters will be sealed by a representative of the City. Such meter seals must not be removed, destroyed or tampered with by any person other than an authorized representative of the City.

5.06 Tampering with Meters:

Unauthorized connections to and tampering with the City's meters or metering equipment, or indications or evidences thereof, shall subject the Customer to prosecution under the laws of the State of Florida, to adjustment of prior bills for services rendered and liability for payment of the adjusted amount, and to liability for reimbursement to the City of all extra expenses incurred by the City as a result thereof, and to discontinuance of service until such indebtedness has been paid.

PART VI

CUSTOMER UTILIZATION EQUIPMENT

6.01 General Principles:

The facilities of the City are designed and maintained to supply adequate service to all Customers using normal appliances and equipment included in the load data furnished by the Customers, and the City specifies only such requirements in respect of utilization equipment as are necessary to safeguard both the Customer and the City to the end that service may be rendered to all Customers with a maximum of safety and with a minimum of interruption or disturbance. Since the appliances and equipment installed or used by one Customer may very materially affect the adequacy and continuity of service to other Customers, and because the misuse of such appliances or equipment might constitute a fire hazard or endanger life, the Customer shall consult the City concerning the attachment of any special or heavy use appliances or equipment to the Customer's installation.

6.02 Protecting Customer Installation:

The Customer's installation shall be adequately protected with approved type fuses or circuit breakers in accordance with the requirements of local ordinances pertaining thereto, or of authorities having jurisdiction thereover or, in the absence of such local ordinances or authorities, the requirements of the National Electrical Safety Code; and, in order to safeguard both the property of the Customer and that of the City, the Customer shall not overload or overfuse any service or branch circuit thereof.

6.03 Limitations on Customer's Installation:

Customer utilization equipment should be selected and used with the view of obtaining the highest practicable power factor; and no appliance or device which, in the opinion of the City, is not properly constructed, controlled or protected, or may adversely affect the City's service to other Customers, shall be connected to the Customer's installation.

- (1) Voltage Fluctuation: All utilization equipment attached to the Customer's installation shall be such that starting and operating characteristics will not cause an instantaneous voltage drop of more than four percent of the standard voltage or cause objectionable flicker in other Customer's lighting.

- (2) Motor Regulation: All motors connected to the Customer's installation shall be equipped with satisfactory starting devices to prevent abnormal voltage fluctuations, and shall be provided with devices which will protect the motor installation against under-voltage, over-load, phase failure and short-circuit,
- (3) Power Factor Correction: Customers shall provide power factor correction apparatus satisfactory to the City on all low power factor lighting equipment, air conditioning equipment, and electric welding equipment.

6.04 Change in Customer's Installation:

Changes which in the opinion of the City would adversely affect the normal operation of the City's system or facilities shall not be made in the Customer's installation; and the Customer shall be liable for any damage resulting from a violation of this rule. Accordingly, the Customer shall give due notice to the City of any proposed changes in the Customer's installation involving substantial increases or changes in the Customer's electrical requirements since failure to do so may affect the quality of the Customer's service as well as that of the other Customers supplied from the same facilities.

6.05 Limiting Connected Load:

Where desirable or advisable, the Customer may arrange his wiring in such a manner that only a portion of the load may be served at one time. In such cases, the connected load to be used for the computation of charges shall be the largest load which can be served.

6.06 Accidental Grounds:

City assumes no responsibility for accidental grounds upon the Customer's installation, but the City will undertake, where practicable, to notify the Customer of such accidental grounds whenever the same are discovered by, or come to the attention of, the City.

PART VII

DEPOSITS

7.01 Deposit Requirement:

(a) Except as otherwise provided herein, prior to providing electric service, the City will require, and, at any time after commencement of service, the City may require, that the customer make a cash deposit to the City for the purpose of assuring the City for the payment of utility service(s). The City shall provide receipt for such deposit and any refund of deposit shall be to the person named in the receipt, or as the same may be lawfully assigned. The City will not pay interest on any deposit.

(b) The deposit for utility services described in subsection (a) above to be collected from a customer shall be calculated by doubling the average of the last 12 months of service for the customer or the account. If a new account is established, the City may estimate the twelve month average. An existing utility account shall become subject to the deposit requirement when the account is delinquent in payment for two billing cycles within the preceding 12 billing cycles for the account. If a deposit is currently held for such an account which is lower than the deposit required for new accounts, then the incremental increase in deposit shall be collected. The payment of the additional deposit as assessed herein is required for continued service.

(c) The deposit for residential rental and commercial accounts may be held by the City until final settlement of the customer's account. For any residential account, the deposit shall be held by the City until final settlement of the customer's account or until the customer's credit has been established. Twenty-four months of timely payment is prima facie evidence of satisfactory credit.

(d) A deposit shall be collected for each separate unit for which a deposit is required pursuant to this section. A deposit for a rental unit shall be refunded when the account is settled, or the deposit may be credited to tenant's final service bill.

(e) A deposit for an account may be waived in whole or in part for a customer if the customer of record for the new account has good credit.

(f) A recipient of a Main Street Wauchula, Inc., "one-half utility deposit" grant may choose to pay the balance of its utility deposit in 12 installments as an "add-on" to its monthly utility bill over the next 12 months, including the month of the "one-half utility deposit" grant award.

PART VIII

BILLING

8.01 Billing Period and Collection Procedure:

(1) Bills for electric service shall be rendered monthly by the City, payable on or before the due date as stated on the bill, without discount for prompt payment. If any bill shall not be paid on or before the due date, such bill shall become delinquent. Any payment on such bill made thereafter, except as otherwise described in this section, shall be subject to a collection fee of \$30.00. Such bills shall include the electric customer charges applicable to the month preceding the month in which the bills are rendered, all delinquent charges and all other charges due. Such exemption shall also apply to duly documented recipients of permanent and total Social Security disability benefits for the account holder. In all cases it shall be incumbent on the customer to so advise the city as to eligibility for such exemptions. Should such request be made but inadequate documentation be presented, upon such subsequent proof of age all late charges applied in the interim shall be forgiven and credited back to the customer.

(2) All bills shall be paid at City Hall, or the drop off locations provided by the City.

(3) The City shall have the right to transfer a delinquent electric bill at one address to the account of the same consumer at another address, and shall have the right to refuse to furnish electric service or to discontinue furnishing electric service at the latter address for nonpayment of the transferred bill.

(4) Where the meter cannot be accessed by the meter reader, the City may estimate the customer's bill.

(5) Notwithstanding anything in this section to the contrary, each City user of electricity that has an electric meter shall be billed the applicable charge for each billing period.

8.02—Prorated Monthly Bills:

~~A normal monthly bill will be prorated (based on actual number of days vs. thirty (30)) if the meter reading date is advanced or postponed more than five (5) days from the scheduled read date.~~

~~All other types of bills (including initial, final, or reroute) will be prorated if they cover more or less than a regular monthly billing period (including the five (5) day reading range).~~

8.02 8.03 Measurement and Evidence of Consumption:

Power and energy shall be measured for each point of delivery by one meter for each type of service rendered; and the City's readings and records thereof shall be accepted and received, at all times and places as prima facia evidence of the quantity of electricity used by the Customer at the point of delivery.

- (1) **Conjunctive Billing:** The City does not permit conjunctive billing. Each point of delivery to the same customer constitutes a separate service, and bills for two (2) or more points of delivery to the same customer shall be calculated separately for each point of delivery; however, where more than one (1) meter is used to measure the same type of service, although only one point of delivery is involved, each such meter shall be calculated and billed separately, as though it were a separate service, until such time as the Customer rearranges his facilities to take all of the same type of service through a single meter.
- (2) **Unread Meters:** When the City is unable to read a meter due to circumstances beyond the control of the City, such as inaccessibility of meters because of flood or stormy conditions, the City may render a minimum or estimated bill.

8.03 8.04 Delinquent Bills:

Bills for utility services shall be considered due and payable when mailed and shall be considered delinquent as specified in the bill and service shall be subject to disconnection after the delinquent date.

If the account information is maintained by the City, or if the City has actual knowledge of a user other than the customer of record, the City shall provide a pre-termination notice by mail or hand delivery notifying the actual user, if known to the City, that utility service shall be discontinued.

A customer of record shall notify the City at least three working days prior to a requested disconnection of any utility service.

8.04 8.05-Vacating or Change of Occupancy:

In the event of any change of ownership or occupancy of any premises served by the electric system of the City, such new owner or occupant shall immediately notify the City of such change in writing. If any such new owner or occupant shall fail to give such notice, or shall fail to apply for electric service, and if the prior owner or occupant shall have failed to terminate his contract with the City for electric service, then the use of the electric service of the electric system of the City shall be deemed to be an acceptance by such new owner or occupant of all of the contract obligation of the prior owner or occupant to the City, and such new owner or occupant shall continue to be subject to all of the provisions of this article as fully and completely as if such new owner or occupant had applied for electric service and such application had been accepted by the City.

PART IX

LIMITATIONS OF SERVICE

9.01 Confinement of Customer's Use:

Electric service furnished to a customer shall be rendered directly to the Customer through the City's individual meter and shall be solely for the Customer's own use.

9.02 Resales Prohibited:

The City shall not be required to sell electricity to any customer for resale and, no customer shall be permitted to resell any electric energy purchased from the City.

9.03 Sub-Metering:

Where individual metering is not required and master metering is used in lieu thereof, reasonable apportionment methods, including sub-metering, may be used by the customer solely for the purpose of allocating the cost of the electricity billed by the City. Any fees or charges collected by a customer for electricity billed to the customer's account by the City, whether based on the use of sub-metering or any other allocation method, shall be determined in a manner which reimburses the customer for no more than the customer's actual cost of the electricity billed by the City.

9.04 Crossing Public Ways Prohibited — Exception:

No customer shall extend electric lines or facilities across or under a street or other public way in order to make electric energy available through one meter to a structure or facility on an adjacent track of land, except under the following conditions:

- (1) said structure or facility on adjacent land is at all times operated and utilized by the same customer for the same business or enterprise;
- (2) electric service through such single meter is utilized solely by such customer;
- (3) such single-meter electric service is otherwise permissible under applicable City rules and regulations and applicable rate schedule;
- (4) customer obtains written approval from the City on plans, and any extension or revision thereof, for such single-meter service arrangement; and

- (5) customer obtains and keeps currently effective any and all required permits from required public authorities for crossing of public ways with Customer's electric facilities.

9.05 Attachments to Poles Prohibited:

Customers and others are forbidden to use the City's poles or other facilities for the purpose of fastening or supporting wires, signs, or things of any nature, or to locate any such things in such proximity to the City's facilities as to cause, or to be likely to cause, interference with the City's operations or a dangerous condition, The City shall have the right to remove any unauthorized attachments without notice and without liability for damages arising from such removal.

PART X

DISCONTINUANCE AND WITHHOLDING OF SERVICE

10.01 Grounds for Discontinuance or Withholding of Service:

The City may refuse or discontinue service to a customer under any of the conditions provided for under Section 25-6.105 of the Rules of the Florida Public Service Commission applicable to public utilities which are regulated by the Commission, and may refuse or discontinue service for the following additional reasons:

- (1) For misrepresentation or concealment in the application as to the premises, or fixtures to be furnished with electric service, or the use to be made of such service.
- (2) For waste or excessive use of electricity through improper or imperfect wiring, fixtures or appliances or in any other manner.
- (3) For refusal or neglect to comply with any requirement of the department as to meter or service connection maintenance alteration or renewal or other requirement relating to the electric services of the City.
- (4) For the use of electric services for or in connection with or for the benefit of any other user or purpose than that in the application.
- (5) For any interference or tampering, whether by act of commission or omission, with the meter measuring the electric supply, or with seals of any meter, or with any other portion of the electric system which was or is required by the department for controlling or regulating the electric service.
- (6) Where meter reader is consistently annoyed by vicious dogs.
- (7) The City shall have the right to discontinue electric service in cases where an illegal connection is found and to assess an average electric bill for such period as it has been established that the user has been receiving electric service without payment for such service. In addition, the customer shall pay a tampering fee of \$300.00 plus the reconnection fee and any other applicable charges and/or damage.

10.02 Notice of Discontinuance:

The City will give the Customer as much written notice of discontinuance of service as may be reasonably practical.

10.03 Liability for Discontinuance:

Whenever the City shall have the right to discontinue service to a customer, such right may be exercised without any liability for loss, damage, or injury resulting directly or indirectly from lack of electric service; and the City shall be under no obligation or duty to ascertain whether such discontinuance would be likely to result in any such loss, damage, or injury.

10.04 Reconnection:

Service may be reconnected after those conditions which caused service to be discontinued have been corrected. A service charge may be applicable as provided for under City Ordinance.

10.05 Customer's Deposit:

Where valid conditions exist, service may be discontinued whether or not the amount of the Customer's deposit is sufficient to cover the Customers bill; and, where said deposit has been applied toward the settlement of such bill, service will not be reconnected until a satisfactory deposit is restored.

RESALE SERVICE

There shall be no resale, or delivery to another, of electrical energy by any customer of the City of Wauchula, Florida.

CONTINUITY OF SERVICE

The City will use reasonable diligence at all times to provide continuous service at the agreed nominal voltage, and shall not be liable to the customer or any other party for complete or partial failure or interruption of service, or for fluctuations in voltage, resulting from causes beyond its control, or through the ordinary negligence of its employees, servants, or agents, nor shall the City be liable for the direct or indirect consequences of interruptions or curtailments made in accordance with the provisions of its rate schedules for interruptible, curtailable, and load management service. The City shall not be liable for any act or omission caused directly or indirectly by strikes, labor troubles, accidents, litigation, shutdowns, or repairs or adjustments, interference by federal, state, or municipal governments, acts of God, or other causes beyond its control.

CRITERIA AND CHARGES FOR FURNISHING SERVICE

(a) Service extension criteria. Where an extension to existing City facilities (other than a service drop) is required to provide electrical service to a customer, the City shall not be required to make such extension unless, in its judgment, the estimated revenues to be derived from such applying customer, together with such additional revenues as may be reasonably anticipated from other prospective customers to be served from such extension, shall be sufficient to afford a fair and reasonable return on the cost of making such extension; and, for the purposes hereof, the cost-to-revenue ratios specified below shall be deemed sufficient to provide such a return.

Subject to the terms and conditions in this chapter, the City will, at its own cost and expense, make any necessary overhead line extension to provide service to a customer under the conditions stated below.

(1) Residential: Where the cost of such extension does not exceed three (3) times the estimated annual revenue, i.e., revenue for three (3) years, to be derived from the customer.

(2) Commercial: Where the cost of such extension does not exceed three (3) times the estimated annual revenue, i.e., revenue for three (3) years, to be derived from the customer.

(3) Industrial: Where the cost of such extension does not exceed three (3) times the estimated annual revenue, i.e., revenue for three (3) years, to be derived from the customer.

(b) Payment of guarantee of extension by customer. Where the cost of any overhead line extension exceeds the cost-to-revenue ratio stipulated in subsection (a) above, the City may require the customer, as a condition precedent to making such extension, either to advance the City a sum of money in cash for construction costs, or to guarantee the City certain annual minimum revenues, sufficient in amount to make up the deficiency in meeting the criteria specified in subsection (a) above.

(c) Service drops which are not covered in subsection (a) above shall mean any single phase three (3) wire service of standard 120/240 volt service. The customer shall pay to the City the sum provided by section 22-34 for all such new services to any new installation.

RETURNED CHECKS

When a check is returned to the City which has been dishonored by a bank, there shall be a fee for collection of the returned check as allowed by statute; and the service of the customer for whose account the check was rendered shall be subject to disconnection in the same manner as outlined in section 22-20. If a check or bank draft has been dishonored by a bank on the same utility account or from the same customer, payment by check may no longer be accepted.

METER READING AND BILLING

The complete control of the meter reading and the billing department shall be vested in the City Manager. Charges for City utility services shall be billed to each customer on substantially a monthly basis, and may be consolidated on a single bill. The City Manager is authorized to adopt a billing schedule which will facilitate the orderly billing and collection of such charges.

DOMESTIC MOTOR LOADS

Domestic users of electrical energy that use motors rated five (5) horsepower (HP) or less are entitled to be connected to their domestic meters. Domestic customers using motors rated larger than five (5) horsepower (HP) shall pay a General Service Non-Demand rate for such use.

NEW BUSINESS CONTRACTS

The City Commission is hereby authorized and empowered to enter into contracts with new business enterprises to furnish electricity, water, sewer, or solid waste at a lower rate than herein specified provided that such electricity, water, sewer, or solid waste shall be for a limited and definite period of time.

LIST OF COMMUNITIES SERVED

The electric distributions system of the City of Wauchula, Florida, serves the City of Wauchula, Florida and the territory outside the Corporate City Limits of the City of Wauchula, Florida, within the Boundary Line shown on the map of the electric service area, FIRST REVISED SHEET NO. 4.00.

All rate schedules offered by the City of Wauchula, Florida, are available to all customers within the service area.

INDEX OF RATE SCHEDULES

<u>Description</u>	<u>Sheet No.</u>
Residential	11.01
Small Commercial Service	11.015
General Service Non-Demand	11.02-11.03
General Service Demand	11.04
Irrigation	11.05
Special Rates	11.06

RESIDENTIAL SERVICE

AVAILABILITY: Available throughout the area served by the utility.

APPLICABILITY: Applicable to any single family dwelling unit served individually through a single electrical meter and computed on the kWh consumed per month.

CHARACTER OF SERVICE: As available at the option of the utility.

LIMITATIONS: All service shall be through one meter. Standby or resale service not permitted.

RESIDENTIAL RATE:

Minimum

Customer Service Charge

\$9.10

\$16.50 (effective Jan. 1, 2024)

\$18.00 (effective Oct. 1, 2024)

Energy

\$/kWh

All kWh

0.0784

All kWh below 1,000 kilowatt/hours

0.09950 (effective Jan. 1, 2024)

0.10600 (effective Oct. 1, 2024)

All kWh above and including 1,000 kilowatt/hours

0.11200 (effective Jan. 1, 2024)

0.12100 (effective Oct. 1, 2024)

MINIMUM BILL: Customer Service Charge

TERMS OF PAYMENT: See ORIGINAL SHEET NO. 14.00

POWER COST ADJUSTMENT: See ORIGINAL SHEET 12.00

CITY UTILITY TAX AND OUTSIDE CITY SURCHARGE: See ORIGINAL SHEET NO. 16.00.

RESERVED FOR FUTURE USE

SMALL COMMERCIAL SERVICE

AVAILABILITY: — Available throughout the area served by the utility.

APPLICABILITY: — Applicable to any small commercial customer whose preceding 12 month average monthly energy consumption does not exceed 100 kWh, or any customary home-occupation customer, and whose principal business is the sale of products or service without materially changing the composition, appearance or character of the goods or service sold.

CHARACTER OF SERVICE: — As available at the option of the utility.

LIMITATIONS: — All service shall be through one meter. Standby or resale service not permitted.

RESIDENTIAL RATE:

— <u>Minimum</u>	
— Customer Service Charge	\$9.10
— <u>Energy</u>	
— All kWh	\$/kWh
	0.0784

MINIMUM BILL: — Customer Service Charge

TERMS OF PAYMENT: — See ORIGINAL SHEET NO. 14.00

POWER COST ADJUSTMENT: — See ORIGINAL SHEET NO. 12.00

SALES AND USAGE TAX: See ORIGINAL SHEET NO. 15.00

CITY UTILITY TAX AND OUTSIDE CITY SURCHARGE: — See ORIGINAL SHEET NO. 16.00.

GENERAL SERVICE NON-DEMAND

AVAILABILITY: Available throughout the area served by the utility.

APPLICABILITY: Applicable to any commercial customer not eligible for general service demand rates.

CHARACTER OF SERVICE: As available at the option of the utility.

LIMITATIONS: All service shall be through one meter. Standby or resale service not permitted.

COMMERCIAL RATE:

Minimum

Customer Service Charge

\$26.60

\$28.30 (effective Jan. 1, 2024)

\$30.00 (effective Oct. 1, 2024)

Energy

All kWh

\$/kWh

0.0794

0.10700 (effective Jan. 1, 2024)

0.12100 (effective Oct. 1, 2024)

MINIMUM BILL: Customer Service Charge

TERMS OF PAYMENT: See ORIGINAL SHEET NO. 14.00

POWER COST ADJUSTMENT: See ORIGINAL SHEET 12.00

SALES AND USAGE TAX: See ORIGINAL SHEET 15.00

CITY UTILITY TAX AND OUTSIDE CITY SURCHARGE: See ORIGINAL SHEET
16.00

GENERAL SERVICE NON-DEMAND (CONT'D)

TRANSFORMER CHARGE: Customers whose service is essentially seasonal in nature shall, in addition to the General Service Non-Demand Rate, pay a monthly Transformer Charge equivalent to 14% per annum of the cost of transformers and necessary equipment in connection therewith, payable monthly, except in those cases where transformers are used jointly, in which case, the cost of the transformers and pertinent equipment shall be computed in proportion to the share each such user has in said transformers. In lieu of this charge, a user may purchase or repay the City for the transformers used at the current market price.

IRRIGATION SERVICE CHARGE: Customers requiring service for irrigation purposes who require the installation of poles, lines, transformers and other necessary equipment, shall pay for the costs of such installations if the projected revenue return for providing service to such customer over the following 36 months after installation is estimated by the City, in its judgment, to be less than the cost of installing such equipment. The title to all such poles, lines and equipment to furnish electricity to the user shall vest in the City of Wauchula. Where more than one user is connected to a line at the time of installation, the cost of such installation shall be prorated among the users.

GENERAL SERVICE DEMAND RATES

AVAILABILITY: Available throughout the area served by the utility.

APPLICABILITY: General service demand rates shall apply to any non-residential customer of the utility with a measured demand in excess of 20kW in at least three of the prior 12 months and who has an operable demand meter installed. Any customer eligible for General Service Demand rates but does not have, as determined by the City, an operable demand meter in place, shall be billed under the General service Non-Demand rate category until such time as an operable demand meter can be installed.

CHARACTER OF SERVICE: As available at the option of the utility.

LIMITATIONS: All service shall be through one meter. Standby or resale service not permitted.

GENERAL SERVICE DEMAND WITH PRIMARY METERING:

<u>Minimum</u>	
Customer Service Charge	\$65.00 <u>\$35.00</u>
<u>Demand</u>	
All kW*	<u>\$/kW</u> <u>\$5.47</u> <u>\$6.85 per kW (effective Jan. 1, 2024)</u> <u>\$7.60 per kW (effective Oct. 1, 2024)</u>
<u>Energy</u>	
All kWh	<u>\$/kWh</u> <u>\$0.065</u> <u>\$0.06850 (effective Jan. 1, 2024)</u> <u>\$0.07200 (effective Oct. 1, 2024)</u>

GENERAL SERVICE DEMAND WITH SECONDARY METERING:

<u>Minimum</u>	
Customer Service Charge	\$65.00 <u>\$35.00</u>
<u>Demand</u>	
All kW*	<u>\$/kW</u> <u>\$5.53</u> <u>\$6.95 per kW (effective Jan. 1, 2024)</u> <u>\$7.70 per kW (effective Oct. 1, 2024)</u>
<u>Energy</u>	
All kWh	<u>\$/kWh</u> <u>\$0.066</u> <u>\$0.06900 (effective Jan. 1, 2024)</u> <u>\$0.07300 (effective Oct. 1, 2024)</u>

*Demand Ratchet Clause: Demand shall be charged at ~~\$5.47~~ \$6.85 (effective Jan. 1, 2024)/\$7.60 (effective Oct. 1, 2024) per kW for primary metering and ~~\$5.53~~ \$6.95 (effective Jan. 1, 2024)/\$7.70 (effective Oct. 1, 2024) per kW for secondary metering for the present billing month's highest kW demand or 75% of the highest monthly kW demand in the preceding 11 months, whichever is greatest.

City of Wauchula,
Florida

Original Sheet No. 11.041

MINIMUM BILL: Customer Service Charge plus 20 times the demand charge

TERMS OF PAYMENT: See ORIGINAL SHEET NO. 14.00

POWER COST ADJUSTMENT: See ORIGINAL SHEET NO. 12.00

SALES AND USAGE TAX: See ORIGINAL SHEET NO. 15.00

CITY UTILITY TAX AND OUTSIDE CITY SURCHARGE: See ORIGINAL SHEET
NO. 16.00.

RESERVED FOR FUTURE USE

IRRIGATION SERVICE

Minimum:

Customer Service Charge \$26.60

Energy:

All kWh \$/kWh
\$ 0.078

~~Installation Charge: Users of electrical energy for irrigation purposes who require the installation of poles, lines, transformers and other necessary equipment, shall pay for the costs of such installations if the projected revenue return for providing service to such customer over the following 36 months after installation is estimated by the City, in its judgment, to be less than the cost of installing such equipment. The title to all such poles, lines and equipment to furnish electricity to the user shall vest in the City of Wauchula. Where more than one user is connected to a line at the time of installation, the cost of such installation shall be prorated among the users.~~

~~MINIMUM BILL: Customer Service Charge~~

~~TERMS OF PAYMENT: See ORIGINAL SHEET NO. 14.00~~

~~POWER COST ADJUSTMENT: See ORIGINAL SHEET NO. 12.00~~

~~SALES AND USAGE TAX: See ORIGINAL SHEET NO. 15.00~~

~~CITY UTILITY TAX: See ORIGINAL SHEET NO. 16.00.~~

SPECIAL RATES

SECURITY LIGHTS:

There shall be a monthly charge for yard lights as set by ordinance for:

100 watt	\$ 13.50
250 watt	\$ 18.00
350 watt	\$ 23.00
1000 watt	\$ 40.00

(2) When there is an existing pole, there shall be an installation charge for yard light fixtures of \$75.00.

(3) When it is necessary to install a pole for a yard light, there shall be an installation charge for pole and yard lights and fixtures of \$250.00.

POWER COST ADJUSTMENT

A Power Cost Adjustment shall be applied to each and every electric customer within and without the city limits of the City of Wauchula and shall be applied to each kilowatt hour supplied. The Power Cost Adjustment (PCA) will be determined each month by the City. This factor is designed to recover the cost of bulk power supply and related expenses actually incurred by the City to provide electric service to its customers. If the PCA under-recovers the actual costs of bulk power supply and related expenses, the City will increase the PCA to collect the under recovery. If the PCA over-recovers actual costs of bulk power supply and related expenses, the City will decrease the PCA to credit back to customers the over-recovery. In order to stabilize fluctuations in the PCA, the City Manager may determine to phase in such increases or decreases over time. In no case, however, will cumulative under or over collections be allowed to exceed 10% of the fiscal year's annual Bulk Power Supply Budget (account number 410 555-54960) without appropriate adjustments to the PCA.

CHARGES FOR ELECTRIC SERVICE CONNECTION AND DISCONNECTION

INSTALLATION CHARGE: There shall be an installation charge for electric service as follows:

Temporary Service	\$250.00
Permanent Service	\$150.00

COLLECTION FEE: If a collector calls on an account for collection purposes, the account may be settlement by payment of account plus a Thirty Dollar (\$30.00) collection fee.

DISCONNECT FEE: \$45.00

RECONNECTION CHARGE: There shall be a reconnection charge of Sixty Dollars (\$60.00) for services which have been disconnected for nonpayment of utilities bill.

AFTER-HOURS CHARGE: There shall be a charge of One Hundred Dollars (\$100.00) for all connections made after regular working hours.

TERMS OF PAYMENT

Bills for utility services shall be considered due and payable when mailed and shall be considered delinquent as specified in the bill and service shall be subject to disconnection after the delinquent date.

SALES AND USAGE TAX

There shall be collected on commercial accounts Sales and Usage Tax, as required by the Florida Department of Revenue, Chapter 212 of the Florida Statutes or any amendments which may be added to Chapter 212 of the Florida Statutes.

FLORIDA GROSS RECEIPTS TAX

There shall be collected on all charges for electricity, Florida Gross Receipts tax in accordance with Florida Statutes.

CITY UTILITY TAX AND OUTSIDE CITY SURCHARGE

There shall be collected as required by Chapter 18, Article III, of this Code, a City utility tax on all charges for electrical energy and water used inside the City limits. There shall also be collected a surcharge on all charges for electrical energy used outside the City limits, which shall be ten percent (10%) on all charges for electrical energy.

QUALIFYING FACILITY TRANSMISSION TARIFF

1. AVAILABILITY

1.1 Transmission service hereunder is available over the City of Wauchula (the "City") transmission and distribution facilities to or from existing points of delivery and such other points as may be established on the City's system. Firm and nonfirm transmission service is available where and so long as the City's facilities have adequate capacity to permit the transmission requested by the Qualifying Facility ("QF") on a technically feasible basis without adversely affecting the adequacy, reliability, or cost of providing electric service to the City's retail and other customers.

1.2 Firm transmission service for capacity and energy shall be provided on a continuous basis for a specified quantity of power to be transmitted for the duration of an agreed upon commitment period so long as there is sufficient unused capacity on the City's system to provide such service.

1.3 Nonfirm transmission service for as-available energy shall be provided on a when-, as-, and if-available basis and such service is interruptible at the sole option of the City. The City will provide notification of interruptions of nonfirm transmission service at least one hour prior to such interruption, to the extent possible.

1.4 In the event the QF fails to interrupt or curtail its use of Nonfirm transmission service within one hour upon notification to do so by the City, ~~then such service shall for billing purposes only be considered as~~ Firm transmission service and billed as such by the City for the current and succeeding eleven billing months, but shall in all other respects still be considered as Nonfirm transmission service. Nonfirm service is not available for transmission of firm power.

1.5 A Letter of Commitment shall be required between the QF and the City specifying the quantity of power to be transmitted (the "Contract Demand"), the period of time for which such deliveries are requested, and the type of service requested (i.e., firm or nonfirm). Prior to entering

into such Letter of Commitment, the City may perform or may have performed, at the expense of the QF, load flow and stability studies of its system to determine whether or not the requested service will adversely affect the adequacy, reliability, or cost of providing electric service to the City's retail and other customers. If the requested transmission service would require the City to install new facilities, would cause it to install facilities significantly earlier than it would otherwise do, or otherwise cause it to incur exceptional expense, the City reserves the right to decline to provide service under this tariff and, at its option, may offer transmission service under a compensatory contract. Such compensatory contract would, to the extent appropriate in the circumstances, follow the provisions of this transmission service tariff and its associated terms and conditions.

2. APPLICABILITY

2.1 This tariff shall apply to transmission service for any QF to which the City is directly or indirectly electrically interconnected for delivery of power generated by the QF to another electric utility. For purposes of this tariff, Qualifying Facility ("QF") means a cogeneration or small power production facility which is a qualifying facility under Subpart B of the Federal Energy Regulatory Commission's regulations under the Public Utilities Regulatory Policies Act of 1978, Section 201, with regard to cogeneration and small power production.

2.2 Service under this tariff is not available for the transmission of electrical power generated by the QF at one location to the facilities of the QF at another location or for transmission to any entity that is not an electric utility.

3. CHARACTER OF SERVICE

The service under this tariff is 60 cycle, alternating current of the phase and nominal voltage desired by the QF, provided that the electric service of the voltage desired by the QF is available in the area in which service is desired.

4. LIMITATION OF SERVICE

4.1 For both firm and nonfirm transmission service provided hereunder, the City maintains the right at any time to deny, curtail, or discontinue transmission service:

4.1.1 For interruptions or reductions due to Force Majeure;

4.1.2 For interruptions or reductions due to action instituted by automatic or manual control resulting in disconnection for the purpose of maintaining overall reliability and continuity of the City's electric system or for the purpose of protecting the City's generation or distribution facilities;

4.1.3 For temporary interruptions or reductions which, in the sole opinion of the City, are necessary or desirable for the purpose of maintenance, repairs, replacements, or installation of equipment, or investigation and inspection;

4.1.4 For intentional failure of the QF to comply with the provisions of this Agreement; or

4.1.5 If the City determines that the provision of such service would adversely affect the adequacy, reliability, or cost of providing electric service to the City's retail or other customers.

4.2 Prior to entering into a Letter of Commitment for transmission service under this tariff, should the QF be located within the City's electric system, the City and the QF shall have executed a Parallel Operation Agreement covering the interconnected operations of the City's and the QF's resources. Such agreement shall include, but not be limited to, the following topics:

4.2.1 Cost of interconnecting with the QF including specifically assigned costs to be paid by the QF, and any additional administrative and general expenses incurred by the City to be paid by the QF,

4.2.2 Safety and Technical Standards for Parallel Operation,

4.2.3 Automatic and manual disconnection requirements,

4.2.4 Output compatibility,

4.2.5 Inadvertent energy flows,

4.2.6 Protective equipment requirements,

4.2.7 Metering provisions, including type, ownership, location, access and testing,

4.2.8 Indemnification, force majeure, insurance and term, and

4.2.9 Reactive power penalty clause.

4.3 Prior to entering into a Letter of Commitment for transmission service under this tariff, if a QF is not located within the City's electric system and requires transmission services over the City's electric system, the QF shall provide the City a copy of all executed agreements required to transmit capacity and energy for the QF's generating facilities to and from the City's electric system and execute an agreement with the City addressing the above listed items as appropriate. The execution of an agreement under this tariff shall not create an obligation by the City with respect to other parties.

5. TRANSMISSION RATES

5.1 Firm and nonfirm transmission rates shall be developed when service is initially requested by a QF based on the City's projected revenue requirements associated with providing transmission service including the expense accounts 560-573, 580-584, 588-595, and 598 (or accounts with similar contents) and/or other appropriate accounts, if any, plus an allocable portion of administrative and general expenses, including insurance expense, debt service on indebtedness allocable to the distribution or transmission system, applicable taxes, and a transfer to the City's General Fund, and any other applicable costs.

5.2 For developing the monthly rate per kW for firm transmission service, projected revenue requirements shall be divided by the sum of the projected monthly peak kW demands placed on the City's distribution and transmission system (which would include for each month a QF's Contract Demand in kW as established in its Letter of Commitment) for the period for which the projected revenue requirements were developed. For developing the rate per kWh for nonfirm transmission service, projected revenue requirements shall be divided by the total projected generation level kWh of energy transmitted by the City's system for the period for which the projected revenue requirements were developed.

6. LOSSES

The City shall receive power from the QF for delivery and shall deliver at the City's interconnection points with other utilities such amount received less an amount attributable to losses. These losses will

be based on the City's most recent annual data for the applicable system average loss percentage factor. If, in the City's sole judgement, the use of average losses would not result in equitable compensation for losses incurred, incremental losses attributed to the transaction may be used. When incremental losses are to be used, the QF shall be so advised at least 30 days prior to the transaction.

7. VOLTAGE LEVEL ADJUSTMENTS

Transmission rates developed in Section 5 under this tariff shall be calculated to account for voltage level adjustments, if any.

8. DETERMINATION OF BILLING DEMAND

Monthly charges for firm transmission service shall be based on the monthly rate per kW determined in Section 5 multiplied by the Contract Demand in kW established in the Letter of Commitment. Monthly charges for nonfirm transmission service shall be based on the rate per kWh determined in Section 5 multiplied by the QF's scheduled or metered, as appropriate, transmission service for the month.

9. TERMS OF PAYMENT

Bills for transmission service shall be rendered monthly. All such bills shall be due and payable within ten (10) days from the date of mailing. Any amount due and unpaid after the due date shall be termed delinquent and there shall be added interest of one percent (1%) per month and an additional one percent (1%) for each month thereafter. Any amounts including interest unpaid sixty (60) days after due date shall be subject to such collection procedures including legal action as may be considered appropriate by the City in its sole opinion, and all costs associated with such collection efforts including but not limited to Attorney's Fees shall be paid by the QF.

10. POWER FACTOR

It shall be the responsibility of the QF receiving transmission services to supply enough reactive power to maintain the power factor of transmitted power as near unity as practicable.

11. SCHEDULED DELIVERIES

It shall be the responsibility of the QF to arrange a satisfactory schedule for transmitted power and energy, up to the level of the Contract Demand, and to notify the City of such schedule prior to commencement of the transaction. The QF shall furnish the City a 24-hour schedule by noon of the prior day. The amount scheduled to be delivered will be rounded to the nearest whole kW for dispatching purposes only.

12. CONTINUITY OF TRANSMISSION SERVICE

The City does not guarantee that the transmission service delivered hereunder will be free from interruption or impairment, and the City shall not be liable for damages resulting therefrom.

13. NO DEDICATION OF FACILITIES

Any undertaking by one party to the other party under any provision of this tariff shall not constitute the dedication of the system or any portion thereof, of any party to the public or to the other party, and it is understood and agreed that any such undertaking by any party shall cease upon termination of this tariff.

14. LIABILITY

Each party hereto expressly agrees to indemnify and save harmless and defend the other against all claims, demands, costs, or expense for loss, damage or injury to persons or property in any manner directly or indirectly connected with or growing out of, the generation, transmission, distribution, or use of electric capacity and energy on its own side of the point of delivery hereunder, unless such claim or demand shall arise out of or result from the negligence or willful misconduct of the other party, its agents, servants, or employees provided, however, that neither party hereby assumes responsibility for damage or injury to employees of the other party whenever said other party's employees are on first party's premises. Further, this agreement in no way creates a contractual relationship of one party with the customer of another party; neither does it create a duty thereto.

15. TRANSMISSION BY THIRD PARTIES AND BACKUP GENERATION SERVICES

The QF is responsible for all necessary transmission arrangements with any third parties and for backup generation services and shall also be responsible for all costs associated with transmission by other parties and for backup generation services.

16. CHANGES IN TARIFF

The City may change the provisions of this transmission tariff, including the rates and associated terms and conditions, by notifying the QF in writing of such changes at least sixty (60) days in advance.

17. NOTICE

Any notice, demand, or request required or authorized by this tariff shall be deemed properly given if mailed, postage prepaid to the Superintendent of Public Works, City Hall, P.O. Box 818, Wauchula, Florida 33873. Such notice, demand, or request must then be acknowledged and consented to by the City in writing, or by phone call to (designated person and title). The designation of the person to be notified or the address of such person may be changed by the City at any time, or from time to time by similar notice.

**City of Wauchula,
Florida**

**SECOND REVISED SHEET No. 1.00
Cancels First Revised Sheet No. 1.00**

CITY OF WAUCHULA, FLORIDA

**RATES FOR ELECTRIC SERVICE
AND GENERAL RULES AND REGULATIONS
GOVERNING ELECTRIC SERVICE**

Issued By: Terry Atchley, City Manager
Effective Date: May 1, 2014

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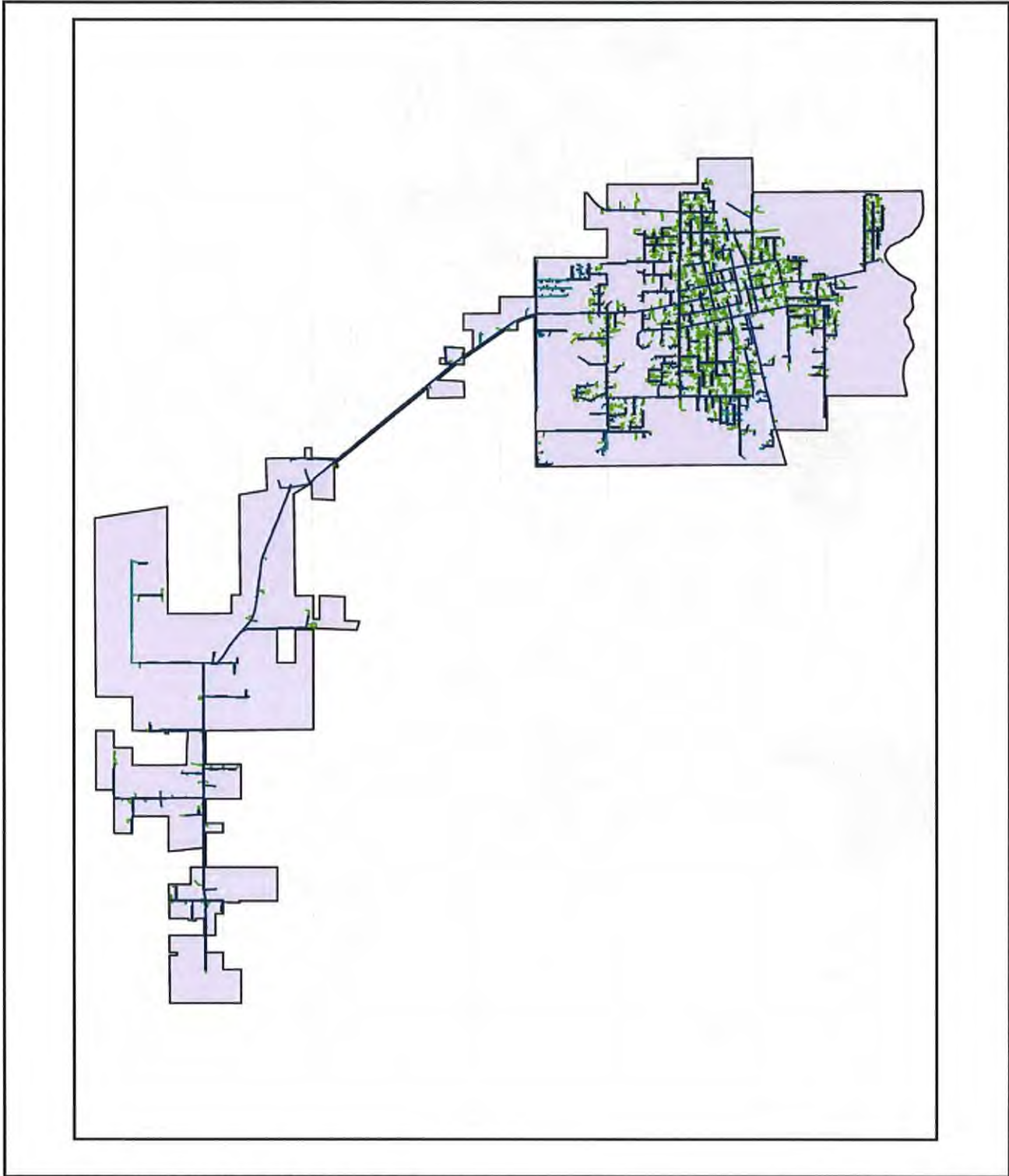
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Issued By: Terry Atchley, City Manager
Effective Date: May 1, 2014

DESCRIPTION OF TERRITORY SERVED

The electric distribution system of the City of Wauchula, Florida, serves the area within the boundary line shown on the map of the electric service area, FIRST REVISED SHEET NO. 4.00.

As of October 1, 2023, there were 2,697 customers consisting of 2,205 residential, 451 commercial and 41 other or special.



Issued By: Terry Atchley, City Manager
Effective Date: May 1, 2014

Original Sheet No. 5.000

City of Wauchula, FL



GENERAL RULES AND REGULATIONS GOVERNING ELECTRIC SERVICE

Issued By: Terry Atchley, City Manager
Effective Date: May 1, 2014

**General Rules and Regulations
Governing Electric Service**

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**GENERAL RULES AND REGULATIONS
GOVERNING ELECTRIC SERVICE**

INTRODUCTION

This section of the *City's Tariff* contains the rules and regulations governing electric service.

PART I

DEFINITIONS AND CLASSIFICATIONS

1.01 Definitions:

The following definitions set forth standard interpretations of certain terms used in these Rules and Regulations:

- | | |
|------------------------------|---|
| (1) City: | The City of Wauchula, Florida |
| (2) Customer: | The user of the City's electric service. |
| (3) Service: | The supply by the City of electricity to the Customer, including the readiness and availability of electrical energy at the Customer's Point of Delivery at the required voltage and frequency whether or not utilized by the Customer. |
| (4) Service Drop: | That portion of the City's facilities, between the pole or underground cable and the point of attachment at the service entrance, which brings the service from the City's supply lines to the Customer. |
| (5) Service Entrance: | Wires and enclosures owned by the Customer and connecting the Customer's installation to the service drop. |
| (6) Customer's Installation: | Wires, enclosures, switches, appliances and other apparatus, including the service entrance, forming the Customer's facilities utilizing service for any purpose on the Customer's side of the point of delivery. |

- (7) Point of Delivery: The point of attachment where the City's service drop is connected to the Customer's service entrance.
- (8) Connected Load: The total rated capacity in horsepower (H.P.), and/or kilowatts (kw), and/or kilovolt amperes (kVA), of all electric equipment, appliances, apparatus and other current consuming devices which are connected in and to the Customer's installation and which may utilize service.
- (9) Maximum Demand: Highest integrated reading of Customer's electrical power requirements measured in kilowatts during the interval of time specified in the Rate Schedules.
- (10) Temporary Service: The supply of electricity by the City to the Customer for construction purposes; or for fairs, displays, exhibits and similar services; and for other services which will be in use for less than a year.
- (11) Rate Schedules: The applicable schedules of rates and charges for service rendered which, are on file with the Florida Public Service Commission.

1.02 Service Classifications:

Service is classified for rate application purposes according to one of the following which best describes the Customer's electric service requirements:

- (1) Residential Service (RS-1): Applicable to residential Customer's in a single dwelling house, a mobile home, or individually metered single apartment unit or other unit having housekeeping facilities, occupied by one family or household as a residence. The premises of such single dwelling may include an additional apartment with separate housekeeping facilities, as well as a garage and other separate structures where they are occupied or used solely by the members or servants of such family or household. The incidental power service that will be supplied under this rate is normally limited to single phase motors with starting currents that do not exceed the following amounts:

	<u>115V</u>	<u>230V</u>
Frequently (automatic) starting motors:	20 amps	55 amps
Infrequently (manual) started motors:	40 amps	110 amps

Where three-phase service is available, air-conditioning loads up to ten (ten) hp will be permitted hereunder. The residential rate shall not apply to service to institutions such as clubs, hotels, boardinghouses, tourist facilities and all other commercial establishments.

Also, for energy used in commonly owned facilities in condominium and cooperative apartment buildings subject to the following criteria:

- (a) 100% of the energy is used exclusively for the co-owner's benefit.
 - (b) None of the energy is used in any endeavor, which sells or rents a commodity or provides service for a fee.
 - (c) Each point of delivery will be separately metered and billed.
 - (d) A responsible legal entity is established as the Customer to whom the City can render its bill(s) for said service.
- (2) General Service Non-Demand: General service non-demand shall be available to all commercial and church customers served from existing distribution lines of the City whose average monthly consumption for the preceding twelve (12) calendar months is less than 20,000 kWh. It is applicable to all commercial business for lighting, heating, cooking, refrigeration, air-conditioning and power service. Applicability shall include retail stores, filling stations, garages, boardinghouses, hotels, motels, restaurants, cafes, theaters, laundries, dry cleaners, apartment houses, offices, etc.
- (3) General Service Demand: General service demand shall be available to all customers, where the average monthly use for the preceding twelve (12) calendar months is 20,000 kWh or greater. It is applicable to industrial customers engaged in the manufacture of a finished product, the extraction, fabrication or processing of a raw material, or the transportation or preservation of raw material or a finished product for use as a motive power, or for other power requirements where the average monthly use is 20,000 kWh or more. The character of serve to be A-C, sixty (60) cycles, three phase, at a voltage availability in the vicinity. At the utility's option, energy may be metered at secondary voltage.
- (4) Outdoor Lighting Service: Outdoor light service shall be available to all classes of electric customers. The City furnishes, installs and maintains all the materials, poles, fixtures, and lights on a non-metered electric service for a monthly rental service fee which is then included on the customer's monthly electric service billing.
- (5) Temporary Service: Applicable to any customer for temporary service such as construction, fairs, displays, exhibits and similar temporary purposes.

1.03 Rate Applications:

The Customer shall be billed in accordance with the regular rate schedule applicable to the Customer class for which service is rendered. The City will, upon request, advise any Customer as to the rate schedule most advantageous to his service requirements but does not assume responsibility for its selection in the event of changes in the Customer's requirements. All rate schedules are contained in the City's Rate Tariffs and are available for inspection at the City. A Customer shall, upon request, be furnished a copy of the rate schedule applicable to his service.

PART II

AVAILABILITY AND ESTABLISHMENT OF SERVICE

2.01 Application for Service:

Information may be obtained from the City as to the availability of service at the location where it is desired, and application for such service should be made by the Customer at the earliest possible time so that details for furnishing service may be determined. Unless otherwise agreed in writing by the City, and except as provided in Part III hereof, applications will be accepted only upon the condition that the City shall be under no obligation to render service other than that character of service then available at the proposed Point of Delivery. Any such application or agreement shall be subject to all the provisions of these Rules and Regulations and of the Rate Schedules, and the terms and conditions thereof shall be binding upon the City as well as upon the Customer. In order to insure that capacity is available in City equipment to provide satisfactory service to the Customer, load data must be submitted with the application for service. Load data should include the anticipated Connected Load and the anticipated Maximum Demand.

2.02 Service Available:

The City's standards service voltage are as follows:

- 120v. 1 Ø
- 120/240 v. 1 Ø
- 120/208 v. 3 Ø 4w.
- 277/480 v. 3 Ø4w

Any request for non-standard service requires the express approval of the electric department.

2.03 Temporary Service:

The City will, where it has a source of supply readily available, furnish service for temporary installations as provided for in the City Rate Schedule TS-1.

PART III

**NEW SERVICE EXTENSIONS AND UNDERGROUND RESIDENTIAL
DISTRIBUTION**

3.01 Contribution In Aid of Construction:

Where an extension to existing distribution facilities is required to provide service to a Customer the City shall require a Contribution in Aid of Construction (CIAC).

3.02 Route and Easement

In making line extensions hereunder, the City shall select the point of service and route. The City will not use private property for any such extension unless an easement suitable to the City is granted by the owner of such private property to the City, without cost, in accordance with the following provisions:

- (1) Private Property of Customer: Where more than one pole or primary u.g. circuit is located on a customer's property for the sole purpose of supplying service to such customer, an easements for all such poles and for any related facilities, including guys, overhead distribution circuits and overhang, must be furnished by the Customer, and the route of the service line across the Customer's property must be cleared of uses, undergrowth, and other obstructions to access by the City's vehicles and equipment, prior to installation of the service line by the City.
- (2) Private Property of Third Party: Where, in order to provide service to a customer, City facilities are to cross over or be located upon private property not owned by such customer, or where service to such customer is to be provided from existing City facilities so situated, an easement for all such facilities involved, including poles, guys, overhead distribution circuits, as well as conduits substructures and underground distribution circuits will be required.

- (3) Acquisition, Form and Cost: All such grants shall be obtained by the Customer upon a form acceptable to the City, properly executed by the grantor, and shall be made without cost to the City.

3.03 Installation by Customer:

The Customer's installation shall, in its entirety, be installed and maintained in accordance with the requirements of local ordinances pertaining thereto, or of authorities having jurisdiction thereover, or in the absence of such local ordinances or authorities in accordance with the requirements of the National Electrical Safety Code as set forth in Handbook H-43 of the National Bureau of Standards in its present form, or as subsequently revised, amended or superseded; provided, however, that service to any customer over lines and facilities not owned by the City shall be at the sole option of the City. Customer installations shall be in accordance with the following provisions:

- (1) Inspection by City: The City requires that all wiring installations be inspected and approved by an authorized electrical inspector. The City will not render service until such inspection has been made and formal notice from the inspecting authority of its approval has been received by the City Electric Services Department.

3.04 Special Service Requirements:

Where the Customer requests a more costly service arrangement than that provided by the City in accordance with its standard design, such as a remote point of delivery, excess transformer capacity, or any other special requirements, the City will provide such service if feasible and the Customer shall pay the cost in excess of the estimated cost of the standard design.

3.05 Relocation or Modification of Existing Facilities:

When, in the judgment of the City a change in the use or layout of the Customer's premises makes the relocation or modification of the City's existing facilities necessary, or when such relocation or modification is requested by the Customer and is consistent with sound utility practices, the City will relocate or modify such facilities in a manner acceptable to the City.

**City of Wauchula,
Florida**

**FIRST REVISED SHEET NO. 5.032
Cancels Original Sheet No. 5.032**

The Customer shall pay the City for all cost associated with any such relocation or modification based on an invoice prepared by the City in accordance with standard estimation procedures, and if the relocation or modification is made at the Customer's request, such payment shall be made in advance.

PART IV

TERMS AND CONDITIONS OF SERVICE

4.01 Service Connection:

The City's connection with the Customer's service entrance shall be made with such service drop and shall be backed up by such transformers and related facilities and equipment as may be necessary to supply adequate electric service to the Customer in accordance with the load data furnished by the Customer at the time of applying for service.

4.02 Access to Customer Premise:

The duly authorized agents of the City shall have access at all hours to the premise of the Customer for the purpose of inspecting the Customer's installation; for installing, maintaining, inspecting or removing the City's property; for reading meters; and for other purposes incident to the rendition or termination of service to the Customer. In acting hereunder, neither the City nor its authorized agents shall be liable for trespass.

4.03 Protection of City Equipment:

The Customer shall provide proper protection for the City's equipment and facilities located on the Customer's premise, and shall permit no one but the City's agents or persons authorized by law, to have access to the City's equipment or facilities.

4.04 Continuity of Service:

The City will use reasonable diligence at all times to provide continuous service at the agreed nominal voltage, and shall not be liable to the Customer for the complete or partial failure or interruption of service, or for fluctuations in voltage, resulting from causes beyond its control or through the ordinary negligence of its employees, servants, or agents. The City shall not be liable for any act or omission caused directly or indirectly by strikes, labor troubles, accidents, litigation, shutdowns for repairs or adjustments, interference by Federal or State Governments, acts of God, or other causes beyond its control. The City shall not guarantee an uninterrupted supply of electricity and shall have the right to shut off the electricity at any time for the purpose of making repairs or extensions or for other purposes incidental to the electric supply, and will not be responsible for any damage resulting therefrom. The City shall have the right to turn off electric service at the main for the protection of the City where the consumer has been found to be using electricity illegally and to assess the regular schedule of fees for restoration of service.

- (1) **Priority of Curtailment:** In an emergency, the City may interrupt, curtail, or suspend electric service to all or some of its Customers; provided the City is acting in good faith and exercising reasonable care and diligence. The selection by the City of the Customers to be interrupted, curtailed, or suspended shall be conclusive on all parties concerned, and the City shall not be held liable with respect to any such interruption, curtailment, or suspension.
- (2) **Restoration of Service:** In the event of an interruption, curtailment or suspension of electric service from any cause, the City reserves the right to solely determine the method of restoration of service and in establishing the priority of restoration within the shortest time practicable consistent with safety. The City shall not be held to be in default of rendering adequate electric service because of the City's preservation of system integrity for priority in the restoration of customer service.
- (3) **Notification of Interruptions:** Whenever service is interrupted, curtailed, or suspended for the purpose of performing planned construction work on lines or equipment, the work shall be done at a time, if at all practicable, which will cause the least inconvenience to the Customers, and the City shall attempt to notify in advance (except in cases of emergency) those Customers who the City knows may be affected.

4.05 Indemnification by Customer:

The Customer shall indemnify, hold harmless and defend the City from and against any and all liability, proceedings, suits, costs or expense for loss, damage, death or injury to persons or property, in any manner directly or indirectly connected with, or growing out of the use or disposition of electricity by the Customer at or on the Customer's side of the Point of Delivery, unless such loss, damage, death or injury shall result from the sole negligence of the City.

4.06 Connection to Electric System After Disconnection From Such System or Other Utilities:

No applicant for electric service from the electric system of the City who has previously been disconnected from the electric system for nonpayment of electric charges or any other utility service shall be permitted to have a connection with the electric system until all such delinquent charges have been paid to the City, together with the amount of the applicable connection or reconnection charges as prescribed by ordinance, except as set forth in this section.

PART V

METERS

5.01 Installation and Maintenance of Meters:

The City shall have the right to connect and install or set meters of such sizes as the superintendent may determine, after consideration of all services to be served by the electric system of the City. All meters so installed shall be and remain the property of the City and shall be maintained and kept in repair by the department without cost to the user. All temporary electric service shall be metered and all charges imposed by this section shall apply thereto.

5.02 Meter Location, Etc.:

The meter location shall be as designated by the City. If a meter area is later enclosed the consumer shall, at his expense, have the meter facilities moved to an outside location. Meters for residents shall be outdoors. The City will provide meter for single-phase services of 200 amps or less. Charges will apply for meter, meter base and instrument transformers, if required, on all single-phase service above 200 amps and all three-phase services regardless of service size. The consumer shall furnish and install meter boards, meter base, service switches, and other equipment to form a complete wiring system. The number of meters shall be as determined by the electric department.

5.03 Maintenance of Meters:

The department shall maintain the proper operation of all meters. No repairs to meters shall be made other than by the electric department.

5.04 Meter Testing:

Upon written authorization for the testing, a City electric meter will be tested by the city and in the event the meter, when tested, is found to be not more than two percent fast, the expense of the test shall be paid by the customer in accordance with Section 22-34(e), Code of Ordinances. The meter testing fee shall be paid at the time of application or, at the option of the City, may be billed with the next regular monthly electric bill submitted to the customer.

5.05 Meter Seals:

All meters will be sealed by a representative of the City. Such meter seals must not be removed, destroyed or tampered with by any person other than an authorized representative of the City.

5.06 Tampering with Meters:

Unauthorized connections to and tampering with the City's meters or metering equipment, or indications or evidences thereof, shall subject the Customer to prosecution under the laws of the State of Florida, to adjustment of prior bills for services rendered and liability for payment of the adjusted amount, and to liability for reimbursement to the City of all extra expenses incurred by the City as a result thereof, and to discontinuance of service until such indebtedness has been paid.

PART VI

CUSTOMER UTILIZATION EQUIPMENT

6.01 General Principles:

The facilities of the City are designed and maintained to supply adequate service to all Customers using normal appliances and equipment included in the load data furnished by the Customers, and the City specifies only such requirements in respect of utilization equipment as are necessary to safeguard both the Customer and the City to the end that service may be rendered to all Customers with a maximum of safety and with a minimum of interruption or disturbance. Since the appliances and equipment installed or used by one Customer may very materially affect the adequacy and continuity of service to other Customers, and because the misuse of such appliances or equipment might constitute a fire hazard or endanger life, the Customer shall consult the City concerning the attachment of any special or heavy use appliances or equipment to the Customer's installation.

6.02 Protecting Customer Installation:

The Customer's installation shall be adequately protected with approved type fuses or circuit breakers in accordance with the requirements of local ordinances pertaining thereto, or of authorities having jurisdiction thereover or, in the absence of such local ordinances or authorities, the requirements of the National Electrical Safety Code; and, in order to safeguard both the property of the Customer and that of the City, the Customer shall not overload or overfuse any service or branch circuit thereof.

6.03 Limitations on Customer's Installation:

Customer utilization equipment should be selected and used with the view of obtaining the highest practicable power factor; and no appliance or device which, in the opinion of the City, is not properly constructed, controlled or protected, or may adversely affect the City's service to other Customers, shall be connected to the Customer's installation.

- (1) Voltage Fluctuation: All utilization equipment attached to the Customer's installation shall be such that starting and operating characteristics will not cause an instantaneous voltage drop of more than four percent of the standard voltage or cause objectionable flicker in other Customer's lighting.

- (2) Motor Regulation: All motors connected to the Customer's installation shall be equipped with satisfactory starting devices to prevent abnormal voltage fluctuations, and shall be provided with devices which will protect the motor installation against under-voltage, over-load, phase failure and short-circuit,
- (3) Power Factor Correction: Customers shall provide power factor correction apparatus satisfactory to the City on all low power factor lighting equipment, air conditioning equipment, and electric welding equipment.

6.04 Change in Customer's Installation:

Changes which in the opinion of the City would adversely affect the normal operation of the City's system or facilities shall not be made in the Customer's installation; and the Customer shall be liable for any damage resulting from a violation of this rule. Accordingly, the Customer shall give due notice to the City of any proposed changes in the Customer's installation involving substantial increases or changes in the Customer's electrical requirements since failure to do so may affect the quality of the Customer's service as well as that of the other Customers supplied from the same facilities.

6.05 Limiting Connected Load:

Where desirable or advisable, the Customer may arrange his wiring in such a manner that only a portion of the load may be served at one time. In such cases, the connected load to be used for the computation of charges shall be the largest load which can be served.

6.06 Accidental Grounds:

City assumes no responsibility for accidental grounds upon the Customer's installation, but the City will undertake, where practicable, to notify the Customer of such accidental grounds whenever the same are discovered by, or come to the attention of, the City.

PART VII

DEPOSITS

7.01 Deposit Requirement:

- (a) Except as otherwise provided herein, prior to providing electric service, the City will require, and, at any time after commencement of service, the City may require, that the customer make a cash deposit to the City for the purpose of assuring the City for the payment of utility service(s). The City shall provide receipt for such deposit and any refund of deposit shall be to the person named in the receipt, or as the same may be lawfully assigned. The City will not pay interest on any deposit.
- (b) The deposit for utility services described in subsection (a) above to be collected from a customer shall be calculated by doubling the average of the last 12 months of service for the customer or the account. If a new account is established, the City may estimate the twelve month average. An existing utility account shall become subject to the deposit requirement when the account is delinquent in payment for two billing cycles within the preceding 12 billing cycles for the account. If a deposit is currently held for such an account which is lower than the deposit required for new accounts, then the incremental increase in deposit shall be collected. The payment of the additional deposit as assessed herein is required for continued service.
- (c) The deposit for residential rental and commercial accounts may be held by the City until final settlement of the customer's account. For any residential account, the deposit shall be held by the City until final settlement of the customer's account or until the customer's credit has been established. Twenty-four months of timely payment is prima facie evidence of satisfactory credit.
- (d) A deposit shall be collected for each separate unit for which a deposit is required pursuant to this section. A deposit for a rental unit shall be refunded when the account is settled, or the deposit may be credited to tenant's final service bill.
- (e) A deposit for an account may be waived in whole or in part for a customer if the customer of record for the new account has good credit.
- (f) A recipient of a Main Street Wauchula, Inc., "one-half utility deposit" grant may choose to pay the balance of its utility deposit in 12 installments as an "add-on" to its monthly utility bill over the next 12 months, including the month of the "one-half utility deposit" grant award.

PART VIII

BILLING

8.01 Billing Period and Collection Procedure:

(1) Bills for electric service shall be rendered monthly by the City, payable on or before the due date as stated on the bill, without discount for prompt payment. If any bill shall not be paid on or before the due date, such bill shall become delinquent. Any payment on such bill made thereafter, except as otherwise described in this section, shall be subject to a collection fee of \$30.00. Such bills shall include the electric customer charges applicable to the month preceding the month in which the bills are rendered, all delinquent charges and all other charges due. Such exemption shall also apply to duly documented recipients of permanent and total Social Security disability benefits for the account holder. In all cases it shall be incumbent on the customer to so advise the city as to eligibility for such exemptions. Should such request be made but inadequate documentation be presented, upon such subsequent proof of age all late charges applied in the interim shall be forgiven and credited back to the customer.

(2) All bills shall be paid at City Hall, or the drop off locations provided by the City.

(3) The City shall have the right to transfer a delinquent electric bill at one address to the account of the same consumer at another address, and shall have the right to refuse to furnish electric service or to discontinue furnishing electric service at the latter address for nonpayment of the transferred bill.

(4) Where the meter cannot be accessed by the meter reader, the City may estimate the customer's bill.

(5) Notwithstanding anything in this section to the contrary, each City user of electricity that has an electric meter shall be billed the applicable charge for each billing period.

8.02 Measurement and Evidence of Consumption:

Power and energy shall be measured for each point of delivery by one meter for each type of service rendered; and the City's readings and records thereof shall be accepted and received, at all times and places as prima facia evidence of the quantity of electricity used by the Customer at the point of delivery.

- (1) **Conjunctive Billing:** The City does not permit conjunctive billing. Each point of delivery to the same customer constitutes a separate service, and bills for two (2) or more points of delivery to the same customer shall be calculated separately for each point of delivery; however, where more than one (1) meter is used to measure the same type of service, although only one point of delivery is involved, each such meter shall be calculated and billed separately, as though it were a separate service, until such time as the Customer rearranges his facilities to take all of the same type of service through a single meter.
- (2) **Unread Meters:** When the City is unable to read a meter due to circumstances beyond the control of the City, such as inaccessibility of meters because of flood or stormy conditions, the City may render a minimum or estimated bill.

8.03 Delinquent Bills:

Bills for utility services shall be considered due and payable when mailed and shall be considered delinquent as specified in the bill and service shall be subject to disconnection after the delinquent date.

If the account information is maintained by the City, or if the City has actual knowledge of a user other than the customer of record, the City shall provide a pre-termination notice by mail or hand delivery notifying the actual user, if known to the City, that utility service shall be discontinued.

A customer of record shall notify the City at least three working days prior to a requested disconnection of any utility service.

8.04 Vacating or Change of Occupancy:

In the event of any change of ownership or occupancy of any premises served by the electric system of the City, such new owner or occupant shall immediately notify the City of such change in writing. If any such new owner or occupant shall fail to give such notice, or shall fail to apply for electric service, and if the prior owner or occupant shall have failed to terminate his contract with the City for electric service, then the use of the electric service of the electric system of the City shall be deemed to be an acceptance by such new owner or occupant of all of the contract obligation of the prior owner or occupant to the City, and such new owner or occupant shall continue to be subject to all of the provisions of this article as fully and completely as if such new owner or occupant had applied for electric service and such application had been accepted by the City.

PART IX

LIMITATIONS OF SERVICE

9.01 Confinement of Customer's Use:

Electric service furnished to a customer shall be rendered directly to the Customer through the City's individual meter and shall be solely for the Customer's own use.

9.02 Resales Prohibited:

The City shall not be required to sell electricity to any customer for resale and, no customer shall be permitted to resell any electric energy purchased from the City.

9.03 Sub-Metering:

Where individual metering is not required and master metering is used in lieu thereof, reasonable apportionment methods, including sub-metering, may be used by the customer solely for the purpose of allocating the cost of the electricity billed by the City. Any fees or charges collected by a customer for electricity billed to the customer's account by the City, whether based on the use of sub-metering or any other allocation method, shall be determined in a manner which reimburses the customer for no more than the customer's actual cost of the electricity billed by the City.

9.04 Crossing Public Ways Prohibited — Exception:

No customer shall extend electric lines or facilities across or under a street or other public way in order to make electric energy available through one meter to a structure or facility on an adjacent track of land, except under the following conditions:

- (1) said structure or facility on adjacent land is at all times operated and utilized by the same customer for the same business or enterprise;
- (2) electric service through such single meter is utilized solely by such customer;
- (3) such single-meter electric service is otherwise permissible under applicable City rules and regulations and applicable rate schedule;
- (4) customer obtains written approval from the City on plans, and any extension or revision thereof, for such single-meter service arrangement; and

- (5) customer obtains and keeps currently effective any and all required permits from required public authorities for crossing of public ways with Customer's electric facilities.

9.05 Attachments to Poles Prohibited:

Customers and others are forbidden to use the City's poles or other facilities for the purpose of fastening or supporting wires, signs, or things of any nature, or to locate any such things in such proximity to the City's facilities as to cause, or to be likely to cause, interference with the City's operations or a dangerous condition, The City shall have the right to remove any unauthorized attachments without notice and without liability for damages arising from such removal.

PART X

DISCONTINUANCE AND WITHHOLDING OF SERVICE

10.01 Grounds for Discontinuance or Withholding of Service:

The City may refuse or discontinue service to a customer under any of the conditions provided for under Section 25-6.105 of the Rules of the Florida Public Service Commission applicable to public utilities which are regulated by the Commission, and may refuse or discontinue service for the following additional reasons:

- (1) For misrepresentation or concealment in the application as to the premises, or fixtures to be furnished with electric service, or the use to be made of such service.
- (2) For waste or excessive use of electricity through improper or imperfect wiring, fixtures or appliances or in any other manner.
- (3) For refusal or neglect to comply with any requirement of the department as to meter or service connection maintenance alteration or renewal or other requirement relating to the electric services of the City.
- (4) For the use of electric services for or in connection with or for the benefit of any other user or purpose than that in the application.
- (5) For any interference or tampering, whether by act of commission or omission, with the meter measuring the electric supply, or with seals of any meter, or with any other portion of the electric system which was or is required by the department for controlling or regulating the electric service.
- (6) Where meter reader is consistently annoyed by vicious dogs.
- (7) The City shall have the right to discontinue electric service in cases where an illegal connection is found and to assess an average electric bill for such period as it has been established that the user has been receiving electric service without payment for such service. In addition, the customer shall pay a tampering fee of \$300.00 plus the reconnection fee and any other applicable charges and/or damage.

10.02 Notice of Discontinuance:

The City will give the Customer as much written notice of discontinuance of service as may be reasonably practical.

10.03 Liability for Discontinuance:

Whenever the City shall have the right to discontinue service to a customer, such right may be exercised without any liability for loss, damage, or injury resulting directly or indirectly from lack of electric service; and the City shall be under no obligation or duty to ascertain whether such discontinuance would be likely to result in any such loss, damage, or injury.

10.04 Reconnection:

Service may be reconnected after those conditions which caused service to be discontinued have been corrected. A service charge may be applicable as provided for under City Ordinance.

10.05 Customer's Deposit:

Where valid conditions exist, service may be discontinued whether or not the amount of the Customer's deposit is sufficient to cover the Customers bill; and, where said deposit has been applied toward the settlement of such bill, service will not be reconnected until a satisfactory deposit is restored.

RESALE SERVICE

There shall be no resale, or delivery to another, of electrical energy by any customer of the City of Wauchula, Florida.

CONTINUITY OF SERVICE

The City will use reasonable diligence at all times to provide continuous service at the agreed nominal voltage, and shall not be liable to the customer or any other party for complete or partial failure or interruption of service, or for fluctuations in voltage, resulting from causes beyond its control, or through the ordinary negligence of its employees, servants, or agents, nor shall the City be liable for the direct or indirect consequences of interruptions or curtailments made in accordance with the provisions of its rate schedules for interruptible, curtailable, and load management service. The City shall not be liable for any act or omission caused directly or indirectly by strikes, labor troubles, accidents, litigation, shutdowns, or repairs or adjustments, interference by federal, state, or municipal governments, acts of God, or other causes beyond its control.

CRITERIA AND CHARGES FOR FURNISHING SERVICE

(a) Service extension criteria. Where an extension to existing City facilities (other than a service drop) is required to provide electrical service to a customer, the City shall not be required to make such extension unless, in its judgment, the estimated revenues to be derived from such applying customer, together with such additional revenues as may be reasonably anticipated from other prospective customers to be served from such extension, shall be sufficient to afford a fair and reasonable return on the cost of making such extension; and, for the purposes hereof, the cost-to-revenue ratios specified below shall be deemed sufficient to provide such a return.

Subject to the terms and conditions in this chapter, the City will, at its own cost and expense, make any necessary overhead line extension to provide service to a customer under the conditions stated below.

(1) Residential: Where the cost of such extension does not exceed three (3) times the estimated annual revenue, i.e., revenue for three (3) years, to be derived from the customer.

(2) Commercial: Where the cost of such extension does not exceed three (3) times the estimated annual revenue, i.e., revenue for three (3) years, to be derived from the customer.

(3) Industrial: Where the cost of such extension does not exceed three (3) times the estimated annual revenue, i.e., revenue for three (3) years, to be derived from the customer.

(b) Payment of guarantee of extension by customer. Where the cost of any overhead line extension exceeds the cost-to-revenue ratio stipulated in subsection (a) above, the City may require the customer, as a condition precedent to making such extension, either to advance the City a sum of money in cash for construction costs, or to guarantee the City certain annual minimum revenues, sufficient in amount to make up the deficiency in meeting the criteria specified in subsection (a) above.

(c) Service drops which are not covered in subsection (a) above shall mean any single phase three (3) wire service of standard 120/240 volt service. The customer shall pay to the City the sum provided by section 22-34 for all such new services to any new installation.

RETURNED CHECKS

When a check is returned to the City which has been dishonored by a bank, there shall be a fee for collection of the returned check as allowed by statute; and the service of the customer for whose account the check was rendered shall be subject to disconnection in the same manner as outlined in section 22-20. If a check or bank draft has been dishonored by a bank on the same utility account or from the same customer, payment by check may no longer be accepted.

METER READING AND BILLING

The complete control of the meter reading and the billing department shall be vested in the City Manager. Charges for City utility services shall be billed to each customer on substantially a monthly basis, and may be consolidated on a single bill. The City Manager is authorized to adopt a billing schedule which will facilitate the orderly billing and collection of such charges.

DOMESTIC MOTOR LOADS

Domestic users of electrical energy that use motors rated five (5) horsepower (HP) or less are entitled to be connected to their domestic meters. Domestic customers using motors rated larger than five (5) horsepower (HP) shall pay a General Service Non-Demand rate for such use.

NEW BUSINESS CONTRACTS

The City Commission is hereby authorized and empowered to enter into contracts with new business enterprises to furnish electricity, water, sewer, or solid waste at a lower rate than herein specified provided that such electricity, water, sewer, or solid waste shall be for a limited and definite period of time.

LIST OF COMMUNITIES SERVED

The electric distributions system of the City of Wauchula, Florida, serves the City of Wauchula, Florida and the territory outside the Corporate City Limits of the City of Wauchula, Florida, within the Boundary Line shown on the map of the electric service area, FIRST REVISED SHEET NO. 4.00.

All rate schedules offered by the City of Wauchula, Florida, are available to all customers within the service area.

INDEX OF RATE SCHEDULES

<u>Description</u>	<u>Sheet No.</u>
Residential	11.01
General Service Non-Demand	11.02-11.03
General Service Demand	11.04
Special Rates	11.06

RESIDENTIAL SERVICE

AVAILABILITY: Available throughout the area served by the utility.

APPLICABILITY: Applicable to any single family dwelling unit served individually through a single electrical meter and computed on the kWh consumed per month.

CHARACTER OF SERVICE: As available at the option of the utility.

LIMITATIONS: All service shall be through one meter. Standby or resale service not permitted.

RESIDENTIAL RATE:

Minimum

Customer Service Charge	\$16.50 (effective Jan. 1, 2024)
	\$18.00 (effective Oct. 1, 2024)

Energy

\$/kWh

All kWh below 1,000 kilowatt/hours	0.09950 (effective Jan. 1, 2024)
	0.10600 (effective Oct. 1, 2024)

All kWh above and including 1,000 kilowatt/hours	0.11200 (effective Jan. 1, 2024)
	0.12100 (effective Oct. 1, 2024)

MINIMUM BILL: Customer Service Charge

TERMS OF PAYMENT: See ORIGINAL SHEET NO. 14.00

POWER COST ADJUSTMENT: See ORIGINAL SHEET 12.00

CITY UTILITY TAX AND OUTSIDE CITY SURCHARGE: See ORIGINAL SHEET NO. 16.00.

RESERVED FOR FUTURE USE

GENERAL SERVICE NON-DEMAND

AVAILABILITY: Available throughout the area served by the utility.

APPLICABILITY: Applicable to any commercial customer not eligible for general service demand rates.

CHARACTER OF SERVICE: As available at the option of the utility.

LIMITATIONS: All service shall be through one meter. Standby or resale service not permitted.

COMMERCIAL RATE:

Minimum

Customer Service Charge

\$28.30 (effective Jan. 1, 2024)

\$30.00 (effective Oct. 1, 2024)

Energy

All kWh

\$/kWh

0.10700 (effective Jan. 1, 2024)

0.12100 (effective Oct. 1, 2024)

MINIMUM BILL: Customer Service Charge

TERMS OF PAYMENT: See ORIGINAL SHEET NO. 14.00

POWER COST ADJUSTMENT: See ORIGINAL SHEET 12.00

SALES AND USAGE TAX: See ORIGINAL SHEET 15.00

CITY UTILITY TAX AND OUTSIDE CITY SURCHARGE: See ORIGINAL SHEET
16.00

GENERAL SERVICE NON-DEMAND (CONT'D)

TRANSFORMER CHARGE: Customers whose service is essentially seasonal in nature shall, in addition to the General Service Non-Demand Rate, pay a monthly Transformer Charge equivalent to 14% per annum of the cost of transformers and necessary equipment in connection therewith, payable monthly, except in those cases where transformers are used jointly, in which case, the cost of the transformers and pertinent equipment shall be computed in proportion to the share each such user has in said transformers. In lieu of this charge, a user may purchase or repay the City for the transformers used at the current market price.

IRRIGATION SERVICE CHARGE: Customers requiring service for irrigation purposes who require the installation of poles, lines, transformers and other necessary equipment, shall pay for the costs of such installations if the projected revenue return for providing service to such customer over the following 36 months after installation is estimated by the City, in its judgment, to be less than the cost of installing such equipment. The title to all such poles, lines and equipment to furnish electricity to the user shall vest in the City of Wauchula. Where more than one user is connected to a line at the time of installation, the cost of such installation shall be prorated among the users.

GENERAL SERVICE DEMAND RATES

AVAILABILITY: Available throughout the area served by the utility.

APPLICABILITY: General service demand rates shall apply to any non-residential customer of the utility with a measured demand in excess of 20kW in at least three of the prior 12 months and who has an operable demand meter installed. Any customer eligible for General Service Demand rates but does not have, as determined by the City, an operable demand meter in place, shall be billed under the General service Non-Demand rate category until such time as an operable demand meter can be installed.

CHARACTER OF SERVICE: As available at the option of the utility.

LIMITATIONS: All service shall be through one meter. Standby or resale service not permitted.

GENERAL SERVICE DEMAND WITH PRIMARY METERING:

Minimum

Customer Service Charge \$35.00

Demand

All kW* \$/kW
\$6.85 per kW (effective Jan. 1, 2024)
\$7.60 per kW (effective Oct. 1, 2024)

Energy

All kWh \$/kWh
\$0.06850 (effective Jan. 1, 2024)
\$0.07200 (effective Oct. 1, 2024)

GENERAL SERVICE DEMAND WITH SECONDARY METERING:

Minimum

Customer Service Charge \$35.00

Demand

All kW* \$/kW
\$6.95 per kW (effective Jan. 1, 2024)
\$7.70 per kW (effective Oct. 1, 2024)

Energy

All kWh \$/kWh
\$0.06900 (effective Jan. 1, 2024)
\$0.07300 (effective Oct. 1, 2024)

*Demand Ratchet Clause: Demand shall be charged at \$6.85 (effective Jan. 1, 2024) / \$7.60 (effective Oct. 1, 2024) per kW for primary metering and \$6.95 (effective Jan. 1, 2024) / \$7.70 (effective Oct. 1, 2024) per kW for secondary metering for the present billing month's highest kW demand or 75% of the highest monthly kW demand in the preceding 11 months, whichever is greatest.

MINIMUM BILL: Customer Service Charge plus 20 times the demand charge

TERMS OF PAYMENT: See ORIGINAL SHEET NO. 14.00

POWER COST ADJUSTMENT: See ORIGINAL SHEET NO. 12.00

SALES AND USAGE TAX: See ORIGINAL SHEET NO. 15.00

CITY UTILITY TAX AND OUTSIDE CITY SURCHARGE: See ORIGINAL SHEET
NO. 16.00.

RESERVED FOR FUTURE USE

SPECIAL RATES

SECURITY LIGHTS:

There shall be a monthly charge for yard lights as set by ordinance for:

100 watt	\$ 13.50
250 watt	\$ 18.00
350 watt	\$ 23.00
1000 watt	\$ 40.00

(2) When there is an existing pole, there shall be an installation charge for yard light fixtures of \$75.00.

(3) When it is necessary to install a pole for a yard light, there shall be an installation charge for pole and yard lights and fixtures of \$250.00.

POWER COST ADJUSTMENT

A Power Cost Adjustment shall be applied to each and every electric customer within and without the city limits of the City of Wauchula and shall be applied to each kilowatt hour supplied. The Power Cost Adjustment (PCA) will be determined each month by the City. This factor is designed to recover the cost of bulk power supply and related expenses actually incurred by the City to provide electric service to its customers. If the PCA under-recovers the actual costs of bulk power supply and related expenses, the City will increase the PCA to collect the under recovery. If the PCA over-recovers actual costs of bulk power supply and related expenses, the City will decrease the PCA to credit back to customers the over-recovery. In order to stabilize fluctuations in the PCA, the City Manager may determine to phase in such increases or decreases over time. In no case, however, will cumulative under or over collections be allowed to exceed 10% of the fiscal year's annual Bulk Power Supply Budget (account number 410 555-54960) without appropriate adjustments to the PCA.

CHARGES FOR ELECTRIC SERVICE CONNECTION AND DISCONNECTION

INSTALLATION CHARGE: There shall be an installation charge for electric service as follows:

Temporary Service	\$250.00
Permanent Service	\$150.00

COLLECTION FEE: If a collector calls on an account for collection purposes, the account may be settlement by payment of account plus a Thirty Dollar (\$30.00) collection fee.

DISCONNECT FEE: \$45.00

RECONNECTION CHARGE: There shall be a reconnection charge of Sixty Dollars (\$60.00) for services which have been disconnected for nonpayment of utilities bill.

AFTER-HOURS CHARGE: There shall be a charge of One Hundred Dollars (\$100.00) for all connections made after regular working hours.

TERMS OF PAYMENT

Bills for utility services shall be considered due and payable when mailed and shall be considered delinquent as specified in the bill and service shall be subject to disconnection after the delinquent date.

SALES AND USAGE TAX

There shall be collected on commercial accounts Sales and Usage Tax, as required by the Florida Department of Revenue, Chapter 212 of the Florida Statutes or any amendments which may be added to Chapter 212 of the Florida Statutes.

FLORIDA GROSS RECEIPTS TAX

There shall be collected on all charges for electricity, Florida Gross Receipts tax in accordance with Florida Statutes.

CITY UTILITY TAX AND OUTSIDE CITY SURCHARGE

There shall be collected as required by Chapter 18, Article III, of this Code, a City utility tax on all charges for electrical energy and water used inside the City limits. There shall also be collected a surcharge on all charges for electrical energy used outside the City limits, which shall be ten percent (10%) on all charges for electrical energy.

QUALIFYING FACILITY TRANSMISSION TARIFF

1. AVAILABILITY

1.1 Transmission service hereunder is available over the City of Wauchula (the "City") transmission and distribution facilities to or from existing points of delivery and such other points as may be established on the City's system. Firm and nonfirm transmission service is available where and so long as the City's facilities have adequate capacity to permit the transmission requested by the Qualifying Facility ("QF") on a technically feasible basis without adversely affecting the adequacy, reliability, or cost of providing electric service to the City's retail and other customers.

1.2 Firm transmission service for capacity and energy shall be provided on a continuous basis for a specified quantity of power to be transmitted for the duration of an agreed upon commitment period so long as there is sufficient unused capacity on the City's system to provide such service.

1.3 Nonfirm transmission service for as-available energy shall be provided on a when-, as-, and if-available basis and such service is interruptible at the sole option of the City. The City will provide notification of interruptions of nonfirm transmission service at least one hour prior to such interruption, to the extent possible.

1.4 In the event the QF fails to interrupt or curtail its use of Nonfirm transmission service within one hour upon notification to do so by the City, then such service shall for billing purposes only be considered as Firm transmission service and billed as such by the City for the current and succeeding eleven billing months, but shall in all other respects still be considered as Nonfirm transmission service. Nonfirm service is not available for transmission of firm power.

1.5 A Letter of Commitment shall be required between the QF and the City specifying the quantity of power to be transmitted (the "Contract Demand"), the period of time for which such deliveries are requested, and the type of service requested (i.e., firm or nonfirm). Prior to entering

into such Letter of Commitment, the City may perform or may have performed, at the expense of the QF, load flow and stability studies of its system to determine whether or not the requested service will adversely affect the adequacy, reliability, or cost of providing electric service to the City's retail and other customers. If the requested transmission service would require the City to install new facilities, would cause it to install facilities significantly earlier than it would otherwise do, or otherwise cause it to incur exceptional expense, the City reserves the right to decline to provide service under this tariff and, at its option, may offer transmission service under a compensatory contract. Such compensatory contract would, to the extent appropriate in the circumstances, follow the provisions of this transmission service tariff and its associated terms and conditions.

2. APPLICABILITY

2.1 This tariff shall apply to transmission service for any QF to which the City is directly or indirectly electrically interconnected for delivery of power generated by the QF to another electric utility. For purposes of this tariff, Qualifying Facility ("QF") means a cogeneration or small power production facility which is a qualifying facility under Subpart B of the Federal Energy Regulatory Commission's regulations under the Public Utilities Regulatory Policies Act of 1978, Section 201, with regard to cogeneration and small power production.

2.2 Service under this tariff is not available for the transmission of electrical power generated by the QF at one location to the facilities of the QF at another location or for transmission to any entity that is not an electric utility.

3. CHARACTER OF SERVICE

The service under this tariff is 60 cycle, alternating current of the phase and nominal voltage desired by the QF, provided that the electric service of the voltage desired by the QF is available in the area in which service is desired.

4. LIMITATION OF SERVICE

4.1 For both firm and nonfirm transmission service provided hereunder, the City maintains the right at any time to deny, curtail, or discontinue transmission service:

4.1.1 For interruptions or reductions due to Force Majeure;

4.1.2 For interruptions or reductions due to action instituted by automatic or manual control resulting in disconnection for the purpose of maintaining overall reliability and continuity of the City's electric system or for the purpose of protecting the City's generation or distribution facilities;

4.1.3 For temporary interruptions or reductions which, in the sole opinion of the City, are necessary or desirable for the purpose of maintenance, repairs, replacements, or installation of equipment, or investigation and inspection;

4.1.4 For intentional failure of the QF to comply with the provisions of this Agreement; or

4.1.5 If the City determines that the provision of such service would adversely affect the adequacy, reliability, or cost of providing electric service to the City's retail or other customers.

4.2 Prior to entering into a Letter of Commitment for transmission service under this tariff, should the QF be located within the City's electric system, the City and the QF shall have executed a Parallel Operation Agreement covering the interconnected operations of the City's and the QF's resources. Such agreement shall include, but not be limited to, the following topics:

4.2.1 Cost of interconnecting with the QF including specifically assigned costs to be paid by the QF, and any additional administrative and general expenses incurred by the City to be paid by the QF,

4.2.2 Safety and Technical Standards for Parallel Operation,

4.2.3 Automatic and manual disconnection requirements,

4.2.4 Output compatibility,

4.2.5 Inadvertent energy flows,

4.2.6 Protective equipment requirements,

4.2.7 Metering provisions, including type, ownership, location, access and testing,

4.2.8 Indemnification, force majeure, insurance and term, and

4.2.9 Reactive power penalty clause.

4.3 Prior to entering into a Letter of Commitment for transmission service under this tariff, if a QF is not located within the City's electric system and requires transmission services over the City's electric system, the QF shall provide the City a copy of all executed agreements required to transmit capacity and energy for the QF's generating facilities to and from the City's electric system and execute an agreement with the City addressing the above listed items as appropriate. The execution of an agreement under this tariff shall not create an obligation by the City with respect to other parties.

5. TRANSMISSION RATES

5.1 Firm and nonfirm transmission rates shall be developed when service is initially requested by a QF based on the City's projected revenue requirements associated with providing transmission service including the expense accounts 560-573, 580-584, 588-595, and 598 (or accounts with similar contents) and/or other appropriate accounts, if any, plus an allocable portion of administrative and general expenses, including insurance expense, debt service on indebtedness allocable to the distribution or transmission system, applicable taxes, and a transfer to the City's General Fund, and any other applicable costs.

5.2 For developing the monthly rate per kW for firm transmission service, projected revenue requirements shall be divided by the sum of the projected monthly peak kW demands placed on the City's distribution and transmission system (which would include for each month a QF's Contract Demand in kW as established in its Letter of Commitment) for the period for which the projected revenue requirements were developed. For developing the rate per kWh for nonfirm transmission service, projected revenue requirements shall be divided by the total projected generation level kWh of energy transmitted by the City's system for the period for which the projected revenue requirements were developed.

6. LOSSES

The City shall receive power from the QF for delivery and shall deliver at the City's interconnection points with other utilities such amount received less an amount attributable to losses. These losses will

be based on the City's most recent annual data for the applicable system average loss percentage factor. If, in the City's sole judgement, the use of average losses would not result in equitable compensation for losses incurred, incremental losses attributed to the transaction may be used. When incremental losses are to be used, the QF shall be so advised at least 30 days prior to the transaction.

7. VOLTAGE LEVEL ADJUSTMENTS

Transmission rates developed in Section 5 under this tariff shall be calculated to account for voltage level adjustments, if any.

8. DETERMINATION OF BILLING DEMAND

Monthly charges for firm transmission service shall be based on the monthly rate per kW determined in Section 5 multiplied by the Contract Demand in kW established in the Letter of Commitment. Monthly charges for nonfirm transmission service shall be based on the rate per kWh determined in Section 5 multiplied by the QF's scheduled or metered, as appropriate, transmission service for the month.

9. TERMS OF PAYMENT

Bills for transmission service shall be rendered monthly. All such bills shall be due and payable within ten (10) days from the date of mailing. Any amount due and unpaid after the due date shall be termed delinquent and there shall be added interest of one percent (1%) per month and an additional one percent (1%) for each month thereafter. Any amounts including interest unpaid sixty (60) days after due date shall be subject to such collection procedures including legal action as may be considered appropriate by the City in its sole opinion, and all costs associated with such collection efforts including but not limited to Attorney's Fees shall be paid by the QF.

10. POWER FACTOR

It shall be the responsibility of the QF receiving transmission services to supply enough reactive power to maintain the power factor of transmitted power as near unity as practicable.

11. SCHEDULED DELIVERIES

It shall be the responsibility of the QF to arrange a satisfactory schedule for transmitted power and energy, up to the level of the Contract Demand, and to notify the City of such schedule prior to commencement of the transaction. The QF shall furnish the City a 24-hour schedule by noon of the prior day. The amount scheduled to be delivered will be rounded to the nearest whole kW for dispatching purposes only.

12. CONTINUITY OF TRANSMISSION SERVICE

The City does not guarantee that the transmission service delivered hereunder will be free from interruption or impairment, and the City shall not be liable for damages resulting therefrom.

13. NO DEDICATION OF FACILITIES

Any undertaking by one party to the other party under any provision of this tariff shall not constitute the dedication of the system or any portion thereof, of any party to the public or to the other party, and it is understood and agreed that any such undertaking by any party shall cease upon termination of this tariff.

14. LIABILITY

Each party hereto expressly agrees to indemnify and save harmless and defend the other against all claims, demands, costs, or expense for loss, damage or injury to persons or property in any manner directly or indirectly connected with or growing out of, the generation, transmission, distribution, or use of electric capacity and energy on its own side of the point of delivery hereunder, unless such claim or demand shall arise out of or result from the negligence or willful misconduct of the other party, its agents, servants, or employees provided, however, that neither party hereby assumes responsibility for damage or injury to employees of the other party whenever said other party's employees are on first party's premises. Further, this agreement in no way creates a contractual relationship of one party with the customer of another party; neither does it create a duty thereto.

15. TRANSMISSION BY THIRD PARTIES AND BACKUP GENERATION SERVICES

The QF is responsible for all necessary transmission arrangements with any third parties and for backup generation services and shall also be responsible for all costs associated with transmission by other parties and for backup generation services.

16. CHANGES IN TARIFF

The City may change the provisions of this transmission tariff, including the rates and associated terms and conditions, by notifying the QF in writing of such changes at least sixty (60) days in advance.

17. NOTICE

Any notice, demand, or request required or authorized by this tariff shall be deemed properly given if mailed, postage prepaid to the Superintendent of Public Works, City Hall, P.O. Box 818, Wauchula, Florida 33873. Such notice, demand, or request must then be acknowledged and consented to by the City in writing, or by phone call to (designated person and title). The designation of the person to be notified or the address of such person may be changed by the City at any time, or from time to time by similar notice.

ORDINANCE 2023-14

AN ORDINANCE OF THE CITY OF WAUCHULA, FLORIDA; MODIFYING PORTIONS OF CHAPTER 22 OF THE CODE OF ORDINANCES OF THE CITY OF WAUCHULA, FLORIDA (THE "CODE"); MODIFYING RATES RELATED TO THE CITY'S ELECTRIC UTILITY; MODIFYING THE CITY'S FRANCHISE REGULATIONS; AMENDING SECTION 22-32, CODE OF ORDINANCES; MODIFYING ELECTRIC USER RATES; MODIFYING THE TARIFF AND AUTHORIZING ITS FILING WITH THE FLORIDA PUBLIC SERVICE COMMISSION; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF WAUCHULA, FLORIDA THAT:

SECTION 1. LEGISLATIVE FINDINGS AND INTENT. The City hereby makes and declares the following findings and statements of legislative intent:

- (1) The City owns, operates, and manages an electric distribution system both within and without the City limits pursuant to its governmental powers.
- (2) As a municipal electric utility, the City has the authority and duty to establish and modify electric user rates for the City's electric utility system.
- (3) The City purchases power pursuant to contract from the Florida Power & Light Company ("FPL").
- (4) As a part of its continuing duty to set and collect rates, fees, and charges to prudently operate the utility, the City employed William Herrington, (the "City Rate Consultant") to analyze existing charges, and assure adequate revenues to cover the costs of the City's electric utility system.
- (5) The City Rate Consultant made recommendations to the City Commission regarding the City's monthly rates, fees, and charges (the "2023 Rate Study").
- (6) The 2023 Rate Study found that the City's current rates are very competitive; however the revenues are insufficient to fund the pro forma expenses of the City's electric utility.
- (7) The Rate Study recommendations include the following:
 - a. Increase in the residential monthly customer charge from \$15.00 per month to \$18.00 per month. The City Rate Consultant proposes a phased-in increase in the customer charge over a two-year period. The increase in

customer charge has strategic implications that are discussed at length in the report.

b. Increase the non-demand commercial class monthly customer charge from \$26.60 to \$30.00. The City Rate Consultant proposes a phased-in increase in the customer charge over a two-year period.

c. Increase the energy charge for all customer classes. The City Rate Consultant recommends that the proposed increases be phased-in over a two-year period.

d. Increase the demand charge for the large commercial customer class phased in over a two-year period.

SECTION 2. AMENDMENT TO SECTION 22-32, CODE OF ORDINANCES OF THE CITY OF WAUCHULA. Section 22-32 of the Code is hereby amended to read as follows:

“Sec. 22-32. - Rates and charges.

No free service shall be furnished or rendered to any person or to the State, or any public agency or instrumentality. The following schedule of rates and charges to be imposed, assessed and collected by the City for electric energy, facilities and service furnished by the City to its customers, including the initial deposit, and other connection and service charges, is hereby adopted and established:

Electric rates:

Residential electric rates:

Residential:

Minimum:

Customer service charge	\$ 12.75 (Effective October 1, 2019)
	\$ 14.00 (Effective October 1, 2020)
	\$ 15.00 (Effective October 1, 2021)
	<u>\$16.50 (Effective January 1, 2024)</u>
	<u>\$18.00 (Effective October 1, 2024)</u>

Energy:\$/kWh

All kWh below 1,000 kilowatt/hours	\$0.08290 (Effective October 1, 2019)
	\$0.08740 (Effective October 1, 2020)
	\$0.09300 (Effective October 1, 2021)
	<u>\$0.09950 (Effective January 1, 2024)</u>
	<u>\$0.10600 (Effective October 1, 2024)</u>

All kWh above and including 1,000 kilowatt/hours	\$0.09290 (Effective October 1, 2019)
	\$0.09740 (Effective October 1, 2020)
	\$0.10300 (Effective October 1, 2021)
	<u>\$0.11200 (Effective January 1, 2024)</u>
	<u>\$0.12100 (Effective October 1, 2024)</u>

General service non-demand electric rates:

Commercial non-demand:

Minimum:

Customer service charge \$26.60 Current
\$28.30 (Effective January 1, 2024)
\$30.00 (Effective October 1, 2024)

Energy:\$/kWh

All kWh ~~\$0.08540 (Effective October 1, 2019)~~
~~\$0.08940 (Effective October 1, 2020)~~
\$0.09300 (Effective October 1, 2021)
\$0.10700 (Effective January 1, 2024)
\$0.12100 (Effective October 1, 2024)

Applicability: General service non-demand rates shall apply to any commercial customer not eligible for general service demand rates.

General service demand with primary metering:

Minimum:

Customer service charge\$ 35.00

Demand charge:\$/kW

All kW ~~\$5.68 per kW (Effective October 1, 2019)~~
~~\$5.89 per kW (Effective October 1, 2020)~~
\$6.10 per kW (Effective October 1, 2021)
\$6.85 per kW (Effective January 1, 2024)
\$7.60 per kW (Effective October 1, 2024)

Energy:\$/kWh

All kWh ~~\$0.06200 (Effective October 1, 2019)~~
~~\$0.06300 (Effective October 1, 2020)~~
\$0.06400 (Effective October 1, 2021)
\$0.06850 (Effective January 1, 2024)
\$0.07200 (Effective October 1, 2024)

General service demand with secondary metering:

Minimum:

Customer service charge\$ 35.00

Demand charge:\$/kW

All kW ~~\$5.75 per kW (Effective October 1, 2019)~~
~~\$5.98 per kW (Effective October 1, 2020)~~
\$6.20 per kW (Effective October 1, 2021)
\$6.95 per kW (Effective January 1, 2024)
\$7.70 per kW (Effective October 1, 2024)

Energy:\$/kWh

All kWh ~~\$0.06300 (Effective October 1, 2019)~~

~~\$0.06400 (Effective October 1, 2020)~~
\$0.06500 (Effective October 1, 2021)
\$0.06900 (Effective January 1, 2024)
\$0.07300 (Effective October 1, 2024)

Minimum bill: Customer service charge plus 20 times the demand charge.

Applicability: General service demand rates shall apply to any non-residential customer of the utility with a measured demand in excess of 20 kW in at least three of the prior 12 months and who has an operable demand meter installed. Any customer eligible for general service demand rates but does not have, as determined by the City, an operable demand meter in place, shall be billed under the general service non-demand rate category until such time as an operable demand meter can be installed."

SECTION 3. AUTHORIZATION TO FILE MODIFIED TARIFF SHEETS WITH FLORIDA PUBLIC SERVICE COMMISSION. So as to ensure compliance with FPSC rules, the City Commission authorizes the City Attorney to file the necessary modified Tariff Sheets with the Florida Public Service Commission. The modified Tariff Sheets are intended to reflect the rates, fees, and charges contained in this Ordinance.

SECTION 4. REPEAL OF PRIOR RESOLUTIONS AND ORDINANCES; EFFECT UPON PRIOR RELATED ORDINANCES. All provisions of any ordinance or resolution previously adopted by the City Commission that is inconsistent with or at variance with the provisions of this Ordinance are hereby repealed. Except as expressly repealed, superseded, or amended by this Ordinance, Ordinance Numbers 634, 702, 766, 740, 782, 822, 2013-05, 2014-14, 2016-15 and 2019-15 remain in full force and effect as amended by this Ordinance.

SECTION 5. SEVERABILITY. If any provision of this ordinance is for any reason held to be invalid or unconstitutional by any court of competent jurisdiction, such provision and such holding shall not affect the validity of any other provision, and to that end the provisions of this ordinance are hereby declared severable.

SECTION 6. EFFECTIVE DATE. This Ordinance shall take effect immediately upon adoption. The rates adopted hereunder that are specified to take effect on January 1, 2024, shall apply to all electric service rendered after December 31, 2023, and shall be included in the first billing cycle and each subsequent cycle and all statements generated therefrom after December 31, 2023. All subsequent increased rates set to take effect on October 1, 2024, and shall apply to all electric service rendered after September 30, 2024, and shall be included in the first billing cycle and each subsequent cycle and all statement generated therefrom after October 1, 2024.

INTRODUCED AND PASSED on first reading in regular session of the City Commission of the City of Wauchula, this 13th day of November, 2023.

ATTEST:

CITY OF WAUCHULA, FLORIDA

Stephanie Camacho
Stephanie Camacho, City Clerk

By: Richard Keith Nadaskay, Jr.
Richard Keith Nadaskay, Jr., Mayor

PASSED on second and final reading by the City Commission of the City of Wauchula, Florida, at regular session this 11th day of December, 2023. This ordinance was moved for approval by Commissioner Cobb. The motion was seconded by Commissioner Albritton, and upon being put to a vote, the vote was as follows:

Commissioner Neda Cobb Yes insert yes or no
Commissioner Russell Graylin Smith Yes insert yes or no
Commissioner Keith Nadaskay, Jr Yes insert yes or no
Commissioner Dr. Sherri Albritton Yes insert yes or no
Commissioner Gary Smith Yes insert yes or no

(SEAL)

ATTEST:

CITY OF WAUCHULA, FLORIDA

Stephanie Camacho
Stephanie Camacho, City Clerk

By: Richard Keith Nadaskay, Jr.
Richard Keith Nadaskay, Jr., Mayor

APPROVED AS TO FORM AND LEGALITY:

Thomas A. Cloud
Thomas A. Cloud, City Attorney

**Electric System
Base Rate Review**

City of Wauchula, Florida



August 2023

Prepared by

WHH ENTERPRISES, INC.

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0. Executive Summary.

- A. Electric Base Rates were reviewed by WHH in 2019 and 2021. 2021 Rate Review concluded that rate increases were not necessary at that time.
- B. Wauchula’s current rates are very competitive. Among the five member peer group Wauchula’s residential rates second lowest for the residential customer class and the small commercial class and the lowest for the large commercial class based on the most recent six month average.
- C. This rate review (2023 Base Rate Review) concluded that current rates are not sufficient fund FY 2024 Budgeted expenses. Based on current rates, there will be a revenue shortfall of \$1,149,994 relative to budgeted expenses in FY 2024.
- D. WHH has proposed the following rate increases:

Rate Component	Current Rate	Proposed Rate FY 2025
Residential Customer Charge	\$15.00	\$18.00
Non-Demand Commercial Customer Charge	\$26.00	\$30.00
Residential energy Charge <1,000 kW-hrs	\$0.09300	\$0.10600
Residential energy Charge >1,000 kW-hrs	\$0.10300	\$0.12100
Non-Demand Commercial Energy Charge	\$0.09300	\$0.12100
Demand Commercial Energy Charge	\$0.06400	\$0.07200
Primary Commercial Demand Charge	\$6.10 per kW	\$7.60 per kW

- E. Given the current favorable rate comparison, the City should consider additional investment opportunities that will lower costs and improve service in the future in order to maintain their competitive advantage.

1. Introduction.

WHH was engaged to review the current retail electric rates by the City Manager in June 2023. The current rates have been in effect since 2021. WHH had been previously engaged to review Base Rates in 2006, 2011, 2015, 2019 and 2021 so WHH is familiar with the City's electric rates, accounting and budgeting procedures. Periodic rate reviews maintain a close relationship between rates and costs thereby avoiding dramatic rate increases.

Properly designed electric rates will achieve the following objectives:

1. Establish rates such that all costs associated with the electric enterprise, including the appropriate allocation of City overheads are recovered.
2. Allocate costs to the appropriate customer classes such that revenues from each class offset the costs associated with providing service to each class.
3. Allocate costs between the energy charges and demand charges such that the correct price signal is communicated to customers.
4. Provide for sufficient revenues that allow for an appropriate transfer to the General Fund.

WHH reiterates that the primary purpose of any rate review is to insure that the rates recover the full cost of providing electric service, including appropriate allocation of overheads and reasonable transfers to the General Fund. WHH notes that if enterprise functions cannot recover the full cost of providing services and provide a transfer to the General Fund to reflect the risks and uncertainties associated with operation of the enterprise at competitive rates and levels of service, the City should consider the sale of the enterprise function to a third party.

Electric system costs and associated revenues for distribution utilities can be broadly classified into two categories; 1) those related to the cost of electric power supply and 2) all other costs. The cost of purchased power represents approximately 50 percent of the total revenues of the electric utility enterprise. Currently, the City procures its bulk power supply from Florida Power and Light (FPL) and purchases transmission services from Duke Energy Florida (DEF) and FPL. All bulk power costs are recovered through the Purchase Power Adjustment Clause, which is adjusted periodically to reflect changes in the cost of bulk power, and the inclusion of \$0.050 per kW-hr in the base rates. Base rates are adjusted only infrequently, typically as a result of a rate review; therefore, bulk power supply costs are not considered in a review of base rates.

Base rates recover **all other costs** of operating the City's electric utility. The base rates are designed to recover the following costs:

1. Operation and maintenance costs of the electric distribution system,
2. Allocated portion of customer service related costs (billing, meter reading, customer service, customer accounting, etc.) and the allocated portion of City provided administrative and general common services (legal, accounting, human resources, City Manager, City Council, etc.),
3. Capital expenditures for the electric distribution enterprise,
4. Transfers to the General Fund (profit from the electric utility enterprise).

Generally, these costs are relatively stable and therefore, base rates need to be reviewed only periodically. As previously noted, base rates were last reviewed in 2021 so it is appropriate that the City review the costs of providing electric service and assess whether the current rates are recovering these costs.

This rate review will first compare the existing electric rates for the City to a peer group of other electric utilities. The comparison of the City's current electric rates with peer utilities provides some insight into a review of rates plus serves as an important indicator electric system performance.

Then a sales forecast for FY 2024 and FY 2025 will be developed based on historical sales for each class and projected growth rates. The study will then establish the revenue requirements of the electric system based on an analysis of the City's budgets, planned capital expenditures, costs of City provided common services and General Fund Transfers. WHH has used rate comparisons from larger utilities that have performed extensive cost of service studies as guidance in the adjustment of existing rates to recover the cost of providing service. Based on budgeted costs and the sales forecast, WHH will determine if existing rates are sufficient to generate the revenues to fund the budgeted expenses. If not, WHH will recommend adjustments to existing rates. Finally, the new rates will be compared with existing City rates and rates from a peer group of electric utilities. Based on these comparisons, WHH will propose a plan to implement the new rates if adjustments to existing rates are necessary.

2. Existing Rates and Peer Group Rate Comparison

Introduction. Comparison of electric rates for a properly selected peer group serves several purposes. From a customer’s perspective, this comparison answers the question “Are the City’s rates for electrical service competitive with the rates of other similarly situated electric utilities?” From the City’s perspective, the comparison serves as a management tool in evaluating budgets and serving as a performance benchmark.

WHH believes that the results of peer group rate comparisons should provide guidance to the City’s executives regarding strategic choices for the electric utility enterprise. WHH suggests that the following matrix be helpful.

Table 2.1
Rate Study Results Matrix

	CURRENT RATES BELOW PEER GROUP	CURRENT RATES ABOVE PEER GROUP
RATE STUDY SUGGESTS RATE INCREASE	<ol style="list-style-type: none"> 1. IMPLEMENT RATE INCREASE 2. EVALUATE INVESTMENT OPPORTUNITIES TO PRESERVE COMPETITIVE ADVANTAGE 	<ol style="list-style-type: none"> 1. REVIEW REVENUE REQUIREMENTS 2. CONSIDER BENCHMARKING STUDY WITH SELECTED PEER GROUP MEMBERS
RATE STUDY SUGGESTS RATE DECREASE	<ol style="list-style-type: none"> 1. INVESTIGATE INVESTMENT OPPORTUNITIES TO PRESERVE COMPETITIVE ADVANTAGE 	<ol style="list-style-type: none"> 1. IMPLEMENT RATE DECREASE

Rate Comparisons. There are 54 providers of retail electric service in Florida. Obviously, the comparison of electric rates among all providers is not practical or necessarily useful. WHH proposes that the selection of the peer group electric utilities involve several considerations.

1. Proximity to the City
2. Florida market considerations

3. Organizational type

Based on these considerations, WHH suggests that the peer group include:

Peace River Electric Cooperative. Peace River Electric Cooperative (PRECO) provides electric service to the area surrounding the City boundary. Therefore, City customers can readily compare their electric rates and charges with those of neighbors that are served by PRECO. Significant disparities in rates can influence the decisions of customers to locate business or purchase residences. WHH believes that the inclusion of contiguous electric service providers is necessary to develop a credible rate comparison.

Duke Energy Florida. Duke Energy Florida (DEF) is one of the two dominant electric utilities in Florida serving about 25 percent of Florida's electric residents. WHH believes that any comparison of electric utility performance of utilities in Florida must include one or both of the "gorillas in the room." Additionally, DEF serves retail customers in close proximity to Wauchula, serving some customers in Hardee County and Polk County and all of Highlands County.

City of Bartow. WHH believes it is appropriate to include another municipal utility in the peer group rate comparison. The closest municipal electric utilities are the cities of Ft. Meade, Lakeland and Bartow. Although Bartow is about four times larger than Wauchula, WHH believes that it is the most appropriate municipal to include in the peer group. Ft. Meade is a participant in the FMPA All Requirements Project and because of high bulk power costs, Ft. Meade's rates are not as representative. The only other municipal utility near to Wauchula other than Bartow, is the City of Lakeland. Lakeland is one of the larger municipal utilities in Florida and it generates its own bulk power supply as opposed to purchasing it and therefore, WHH believes that it is less comparable to Wauchula which purchases its bulk power supply.

Florida Power and Light. FPL (the other gorilla) is the largest utility in Florida serving approximately 50 percent of the entire state's electrical requirements. Although FPL's service area is not contiguous to the City's, FPL does serve just south and west of the City. Both proximity and market considerations justify FPL's inclusion in the peer group

The rates used in the comparison do not include municipal service taxes nor gross receipt taxes which are applicable to all electric utilities providing service within the corporate boundaries of cities. Additionally, these rate comparisons do not include sales taxes which are applied to commercial electric sales generally at a rate of 6 or 7 percent.

WHH has compared the rates for each member of the peer group with the rates for the City of Wauchula's three rate classes. The rate classes are Residential, Non-demand Commercial and Demand Commercial. Franchise fees have been included for PRECO, DEF and FPL since these

fees are added for service provided inside a municipal boundary. This maintains comparability with the rates charged by Bartow and Wauchula which do not impose franchise fees.

Residential Customer Class Peer Group Rate Comparison. WHH has used the average of the rates for the six month period ending in June 2023. Using the average over several months lessens the impact of the accounting of purchase power costs and fuel costs for generating utilities as each utility accounts for these costs over different periods of time.

Rate comparison for the residential class was considered first.

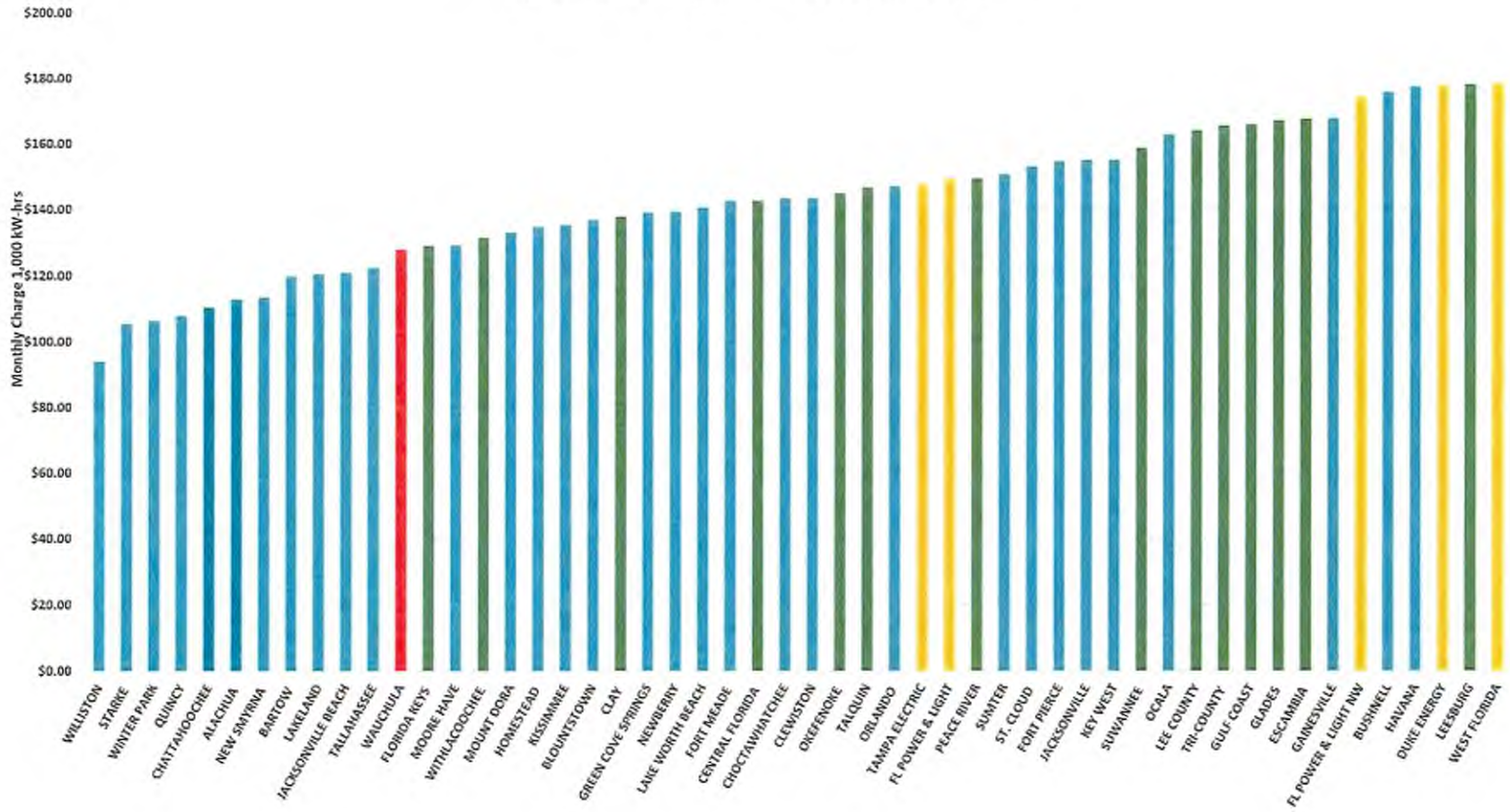
**Table 2.2
Residential Rate Comparison for 1,000 kW-hrs**

	Wauchula	PRECO	Bartow	DEF	FPL
January	\$149.00	\$153.70	\$145.55	\$182.84	\$133.84
February	\$149.00	\$152.64	\$135.80	\$182.84	\$134.20
March	\$145.00	\$152.64	\$130.44	\$170.98	\$133.84
April	\$139.00	\$149.46	\$125.72	\$177.47	\$149.11
May	\$129.00	\$149.46	\$120.46	\$177.47	\$149.11
June	\$113.00	\$144.16	\$104.99	\$177.47	\$149.11
AVERAGE	\$137.33	\$150.34	\$127.16	\$178.18	\$141.53

WHH notes that Wauchula’s current residential rates are competitive to the peer group at the 1,000 kW-hr consumption level. The average for the peer group excluding Wauchula for 1,000 kW-hr consumption is \$149.95 and Wauchula’s rate for 1,000 kW-hr consumption is \$137.33, which is nine percent below the average of the peer group and sixteen percent below the average of PRECO and DEF, the two contiguous utilities. WHH concludes that the current residential rates are very competitive to the average residential rates of the peer group which is consistent with prior rate studies.

The comparative analysis presented above was based on the previously defined peer group. However, there are 54 providers of electric service in Florida and WHH believes that comparison of residential rates for all providers would be informative. WHH has presented this data in the chart on the following page for rates in effect as of May 2023. Note that a franchise fee has been included for all investor-owned utilities and electric cooperatives since the franchise fee would be applied to all electric service within the corporate limits of cities such as Wauchula. Note that ranking of Wauchula’s residential rate is number 12. This confirms the conclusion of the peer group rate comparison that Wauchula’s residential rates are VERY competitive.

FLORIDA RETAIL UTILITIES Charge for 1,000 kW-hr Consumption May 2023
(6 % Franchise fee equivalent added for IOU and Coops)



Small Commercial Customer Class Peer Group Rate Comparison. WHH next reviewed the comparison of the rates of the peer group for the small commercial class. WHH used a consumption level of 1,500 kW-hrs per month which is typically used when comparing small commercial class rates.

**Table 2.4
Small Commercial Class Peer Group Rate Comparison 1,500 kW-hrs**

	Wauchula	PRECO	Bartow	DEF	FPL
January	\$227.60	\$228.43	\$232.73	\$263.09	\$194.42
February	\$227.60	\$230.02	\$218.10	\$263.09	\$218.46
March	\$221.60	\$230.02	\$210.06	\$262.07	\$206.09
April	\$212.50	\$225.25	\$202.98	\$272.27	\$227.31
May	\$197.60	\$225.25	\$195.09	\$272.27	\$227.31
June	\$182.60	\$225.25	\$171.89	\$272.27	\$227.31
AVERAGE	\$211.58	\$227.37	\$205.14	\$267.51	\$218.76

WHH notes that Wauchula’s current non-demand commercial rates are very competitive since they are the second lowest of the five-member peer group utilities at 1,500 kW-hrs. consumption. The average for the peer group excluding Wauchula for 1,500 kW-hr consumption is \$229.70 and Wauchula’s rate is \$211.58 which is seven percent below the peer group excluding Wauchula average. Wauchula’s rates for this customer class are 15 percent below the average of the two contiguous utilities, (PRECO and DEF). WHH concludes that the non-demand commercial rates for Wauchula are very competitive for the small commercial class.

Large Commercial Customer Class Peer Group Rate Comparison. WHH next reviewed the comparison of the rates of the peer group for the demand commercial class. Rates are compared for each peer utility at the 75 kW demand and 30,000 kW-hr consumption level.

**Table 2.5
Demand Commercial Class Peer Group Rate Comparison**

	Wauchula	PRECO	Bartow	DEF	FPL
January	\$3,642.50	\$3,603.47	\$3,960.10	\$3,986.74	\$3,212.26
February	\$3,642.50	\$3,603.47	\$3,667.60	\$3,986.74	\$3,212.26
March	\$3,533.50	\$3,603.47	\$3,506.80	\$3,969.25	\$3,212.26
April	\$3,342.50	\$3,508.07	\$3,365.50	\$4,057.50	\$3,401.78
May	\$3,042.50	\$3,508.07	\$3,207.40	\$4,057.50	\$3,401.78
June	\$2,742.50	\$3,508.07	\$2,743.30	\$4,057.50	\$3,264.41
AVERAGE	\$3,324.33	\$3,555.77	\$3,408.83	\$4,017.75	\$3,307.02

Wauchula has the lowest rates for this customer class as compared to the peer group. The average of the peer group is \$3,579.34 versus the Wauchula average rate for this customer class of \$3,324.33 over the six-month period. This is 8 percent below the peer group average excluding Wauchula and fourteen percent below the average of the contiguous utilities (PRECO and DEF). Therefore, WHH concludes that Wauchula’s current demand commercial rates are very competitive for this customer class

The above tables present much data. To facilitate the analysis and simplify the presentation and understanding of the data, WHH has summarized the above analysis in the next table.

**Table 2.6
Average Rate Comparison Summary Prior Six Months**

	Residential Class 1,000 kW-hrs Consumption	Non-Demand Commercial Class 1,500 kW-hrs Consumption	Demand Commercial Class 75 kW and 30,000 kW-hrs Consumption
Average Charges for Peer Group excluding Wauchula	\$149.95	\$299.70	\$3,579.34
Current Wauchula Charges	\$138.33	\$211.58	\$3,260.70
Percent Difference	-8.4%	-8.5%	-7.7%

As is evident, Wauchula’s current rates are competitive for all customer classes. As noted in prior rate studies, WHH derives some comfort in that rate comparisons for all customer classes are consistent at about 8 percent below the peer group. This suggests that there isn’t any subsidization across customer classes.

3. Sales Forecast

In order to perform a rate review, it is necessary that revenues from an electric enterprise be estimated. Since revenues are equal to rates multiplied by kilowatt-hour sales, a kilowatt-hour sales forecast is necessary. In this section, WHH has developed a kilowatt-hour sales forecast for each class of customers.

Traditionally, when a sales forecast is developed, historical sales are reviewed and projected forward with some consideration of the number of customers, current economic forecast plus other inputs such as unusual weather, the price elasticity effects on consumption and planned developments within the electric service area. Weather data is used primarily to adjust historical sales to account for unusual weather and is not used to forecast sales since one can only assume normal weather during the future periods.

The number of customers for each class of service for the past five years is tabulated below.

**Table 3.1
Number of Customers**

Fiscal Year	Residential	General Service Non-Demand	General Service Demand	Total
2019	2,249	524	28	2,802
2020	2,250	542	28	2,821
2021	2,285	537	30	2,852
2022	2,294	539	29	2,862

The customer count for the residential class has remained virtually constant during the past five years. The City had 2,249 residential customers in 2019 and currently the City has 2,294 residential customers, an increase of 45 residential customer in six years. This equates to an annual growth rate of 0.6 percent. The number of commercial customers (total non-demand commercial and demand commercial) totaled 552 customers in 2019 and currently total 568 customers which is equal to about five new commercial customers per year, which is equal to an annual growth rate of 0.9 percent.

The number of electric customers is highly correlated with population. The Bureau of Economic and Business Research at the University of Florida is forecasting that there will not be any increase in the population of Hardee County in the five-year period ending 2025. Based on these two indicators, WHH is forecasting customer growth rate of 0.3 percent per year.

WHH has tabulated total retail sales for recent years in the following table.

Table 3.2
Annual Retail Sales

Fiscal Year	Retail Sales kW-hrs
FY 2016	60,093,913
FY 2017	59,615,557
FY 2018	60,563,494
FY 2019	62,533,103
FY 2020	61,092,560
FY 2021	60,899,882
FY 2022	61,652,797
12 Months ending May 2023	60,639,747

WHH examined that sales data for underlying secular trend and concluded that the data did not support any meaningful statistical correlation. WHH suspects that the pandemic years may have undermined any correlation.

To order to evaluate underlying trends in sales, weather impacts on the sales were considered. WHH has reviewed weather data for the most recent five years and statistically compared the weather data with the sales data.

The industry uses degree-days to measure the impact of temperature on energy consumption. A degree day is the number of degrees that the average temperature of each day differs from 65 °F. The daily average temperature is normally determined by averaging the high and low temperature of the day. If the average temperature is less than 65° F, then the difference is a heating degree day (HDD). If the average is less than 65° F, then the low is likely in the range of the mid-fifties and the customer probably used some space heating, therefore the name heating degree days. Alternatively, if the average temperature is above 65° F, the difference is a cooling degree day (CDD) suggesting that the customer used some air conditioning during the warmer periods of the day. Total heating or cooling degree days for a given month is equal to the number of degrees of temperature difference from a base of 65 degrees summed over the entire month. For example, assume a day had a high temperature of 92 degrees and a low temperature of 76 degrees. The average temperature for the day would be 84 degrees. Subtracting the base of 65 degrees from the daily average results in the number of degree days for that day which would be 19 degree days. In this example these would be cooling degree days since the customers would be using air conditioning for cooling. This calculation is performed for each day of the month and totaled for the month. The result is the number of degree days for that month.

The sum of cooling and heating degree days is the total degree days (TDD). WHH has concluded from previous assignments with Florida’s electric utilities, that the impact of energy consumption from a heating degree day is approximately equal to the impact from a cooling degree day.

Therefore, in this analysis, WHH has used total degree days (the sum of CDD and HDD) to quantify the impact of weather on energy consumption.

WHH tabulated annual Cooling and Heating Degree Day data for 2017 through the twelve months ending May 2023. Surprisingly, the correlation was very low (only 37 percent) which doesn't allow a robust estimate of the impact of weather on sales. WHH notes that from the prior assignments in Wauchula the data was much more consistent and WHH concluded that each degree day was equivalent to approximately 2,800 kW-hrs of retail sales.

Using this data plus the previously noted forecast of customer growth of 0.3 per cent annually future sales are forecasted in the following table.

**Table 3.3
Annual Retail Sales Forecast**

Fiscal Year	Retail Sales kW-hrs
FY 2023	61,064,000
FY 2024	61,247,000
FY 2025	61,431,000

Based on the most recent twelve-month period of actual sales, the sales forecast was segmented by customer class for fiscal years 2023 through 2025 in the following table.

**Table 3.4
FY 2024 Retail Sales Forecast by Customer Class kW-hrs x 1,000**

Customer Class	FY 2023	FY 2024	FY 2025
Residential	28,554	28,640	28,725
Small Commercial	14,210	14,253	14,295
Demand Commercial Primary Metered	3,236	3,246	3,255
Demand Commercial Secondary Metered	15,064	15,109	15,155
Total Retail Sales	61,064	61,247	61,431

This forecast of retail sales plus existing rates, will permit the estimate of electric revenues for future years.

4. Revenue Requirements

The primary objective of reviewing the existing rates is to determine if the expected revenues from the electric enterprise are sufficient to recover the expected cost of operating that enterprise plus provide some benefit to the City commensurate with the risks and opportunity cost assumed by the City in owning and operating the electric enterprise.

Revenue requirements for the electric enterprise can be separated into the following components.

1. Bulk Power Supply Expenses
2. Electric Enterprise Operating and Maintenance Expenses
3. Electric Enterprise Capital Expenses
4. Allocation of Support Services and Overheads
5. General Fund Transfer

Each component of revenue requirements is discussed below.

Bulk Power Supply Expenses. This is the largest component of costs for the electric enterprise typically representing about 45-55 percent of total revenue requirements for the electric enterprise. However, since these costs are recovered separately in the Bulk Power Cost Adjustment component of rates, these costs do not impact the base rates and therefore are not considered when reviewing base rates.

Although not used in the determination of base rates, WHH has tabulated historical expenditures for bulk power supply for informational purposes in the following table.

**Table 4.1
Historical Bulk Power Supply Expense**

Year	Bulk Power Supply Expense \$	Retail Sales kW-hrs	Bulk Power Supply Expense per MW-hr
FY 2018	\$3,737,185	60,563,494	\$61.71
FY 2019	\$3,696,153	62,533,018	\$59.11
FY 2020	\$3,407,159	61,092,560	\$55.78
FY 2021	\$3,740,301	61,140,308	\$61.18
FY 2022	\$5,122,555	60,868,301	\$84.16
12 months ending May 2023	\$5,059,591	61,111,640	\$82.79

Note the anomaly in bulk power cost per MW-hr in FY 2022 and in the twelve months ending May 2023 when bulk power costs increased substantially. Natural gas costs represent a large component of bulk power costs. During the months of April through September 2022, the price

of natural gas dramatically increased. This impacted the cost of bulk power in FY 2022 and in the twelve months ending May 2023 in the above tables. Natural gas prices have declined since then and the current price of bulk power supply for April through June 2023 have averaged about \$56.00 per MW-hr, consistent with prior year's costs of bulk power supply.

The City has budgeted \$4,276,800 for bulk power supply costs in FY 2024 which is equal to \$69.83 per MW-hr. and this amount is used in the rate study.

Electric Enterprise Operating and Maintenance Expenses. This component represents all other costs of the electric enterprise except for outlays associated with capital expenses, overhead allocations and general fund transfers. Typical costs include cost of electric distribution personnel, material and supplies, vehicle costs and miscellaneous contractual services such as tree trimming. The City aggregates these costs in the Personnel Services (accounts 593-51200 thru 593-52450) and Operating Expenses (accounts 593-53100 thru 593-55910) categories for budgeting purposes.

Historical data for Operating and Maintenance Expenses is presented below.

**Table 4.2
Electric Enterprise Historical Operating and Maintenance Expenses**

	Actual FY 2021	Actual FY 2022	FY 2023 Budget	Preliminary FY 2024 Budget
Electric Distribution O&M	\$954,507	\$1,378,962	\$1,131,883	\$1,309,647

WHH has used the FY 2024 budget amount of \$1,309,647 in the determination of revenue requirements.

Electric Enterprise Capital Expenses. The City has made considerable progress in its capital budgeting process. WHH believes that the current capital budget for the electric enterprise is reasonable and generally consistent with the capital expenses of other distribution utilities.

WHH includes the following comments from the prior rate reviews as City officials need to be reminded of the importance of capital budgeting and avoid the danger associated with deferrals.

Publicly owned utilities such as the City's electric distribution business face additional challenges with regard to capital budgeting. Since most small electric distribution systems do not periodically issue debt, annual outlays for both O&M and capital expenditures are funded from system revenues. Additionally, municipal systems typically set rates based on the annual cash flow budgets. In the case of investor-owned utilities, which establish rates using a return-on-investment

methodology, capital expenditures are not funded solely from cash revenues but also from the proceeds of bond sales and equity sales. Availability of funds from these sources for investor-owned utilities tends to decouple the capital budgeting process from the annual sales revenues and therefore the volatility in capital budgets does not significantly impact rates. The result is that capital expenditures on projects can be more objectively evaluated on the merits of each project without undue influence from cash needs of the utility or the immediate impact on electric rates.

However, in municipal systems, capital planning, typically involving the consideration of investments with 30 year economic lives, are subjected to the vagaries of the annual city budgeting process. As is well known by all public employees, the annual budgeting process is subject to numerous pressures ranging from tax revenue shortfalls, local politics, state revenue allocations in addition to the impacts related to the general economy. This environment is not conducive to the rational and objective evaluation of capital projects for an enterprise. Due to the nature of capital expenditures, they are subject to deferral. For example, the replacement of a truck or the upgrade of a distribution circuit can always be deferred one more year. Therefore, during the annual budgeting process that all cities face, capital expenditures, as opposed to other budget categories, are more subject to reductions as cities strive to balance a budget.

Given the capital intensity of the electric distribution business, deferral of capital expenditures is much like a slow growing cancer, with little immediate impact, but slowly over time, the condition of the system is eroded and service levels decline. The backlog in system improvements become larger and eventually the system is in a crisis mode, requiring either large scale capital improvements or the sale of the system. Recent national reporting of the failures of city owned water distribution systems can be directly attributable to the deferral of capital expenses.

WHH has reviewed the data for Florida’s largest electric utilities (Florida power and Light and Duke Energy Florida) to provide some guidance as to the appropriate level of distribution capital expenses per customer. Note data below for years 2021 and 2022. Data was obtained from filings each utility submitted to the Federal Energy Regulatory Commission (FERC).

**Table 4.3
Historical Operating and Maintenance Expenses**

	FPL 2022	FPL 2021	DEF 2022	DEF 2021
Capital Expenses Distribution Plant x\$1,000	\$2,514,265	\$2,064,841	\$764,781	\$633,484
Number of Customers	5,775,823	5,591,917	1,933,053	1,943,012
Capital Expenditures per Customer	\$435	\$361	\$395	\$326
AVERAGE	\$379			

Wauchula has 2,862 customers, so the above data suggest that a comparable estimate of capital expenditures on distribution plant is about \$1,090,000. WHH notes that Florida Power and Light and Duke Energy Florida have strong financial incentives to invest in the distribution plant since the FPSC allowed profitability is based on the amount of investment. Therefore, WHH suggests that amount derived above (\$379 per customer) may be on the high side.

WHH also reviewed data presented by the Energy Information Administration of the Department of Energy. The EIA reported in 2021 that electric utilities in the US spent \$31.4 billion for distribution capital expenses. There were 158.4 million electric customers in 2021. These statistics equate to distribution plant capital expenses of \$198 per customer.

Historical budgets for distribution plant capital outlays are depicted below;

**Table 4.4
Wauchula Electric Enterprise Historical Capital Budgets**

	FY 2021 Budget (net of Substation Expansion	FY 2022 Budget	FY 2023 Budget	Preliminary FY 2024 Budget
Electric Distribution Capital	\$337,000	\$225,000	\$650,000	\$1,309,647
Capital Expenses per Customer	\$117	\$78	\$227	\$457
Four Year Average Capital Expense per Customer	\$220			

Note that the FY 2024 Capital Budget includes \$975,000 for the upgrade of the 6 mile circuit extending along SR 636 to SR 64. The FY 2024 budget net of this project is \$334,647 or \$117 per customers which is reasonably consistent with prior year outlays and with industry trends.

Considering the City’s historical capital expenditures, experience of Florida’s two largest utilities and the industry average as surveyed by the Department of Energy, WHH suggests that the long terms average of capital expenditure should be about \$275 per customer or \$787,000 for the purposes of this rate study which is used in this rate study.

Allocation of Support Services and Overheads. The City has three departments which provide direct services to the City’s enterprises and a portion of these costs should be allocated to the electric enterprise. These are the (1) Meter Reading Department, (2) Customer Service Department and (3) Utility Administrative and General. In addition, a portion of City Administrative and General Expenses (different from the budget category Utility Administrative

and General) should be allocated to the electric enterprise. This area includes the budget categories of City Council and City Manager, City Administration, Finance and Admin, Legal and Planning and Development. Each is addressed separately.

The Meter Reading Department has budgeted \$153,043 in FY 2024. These costs should be allocated between the electric enterprise and the water enterprise, the only two utility functions with meters. Currently, the electric enterprise has 2,862 customers and the water enterprise has 2,739 customers. Allocating these costs based on the number of meters is a reasonable methodology. Based on a pro rata allocation, the portion of costs allocated to the electric enterprise is 51.10 percent of total meter reading expenses or \$78,205. The remaining costs should be allocated to the water department.

The Customer Service/Collections Department has budgeted \$609,505 in FY 2024. The Customer Service Department provides support to all utility functions (electric, water, wastewater and garbage). WHH proposes to allocate the costs of the Customer Service Department based on enterprise revenues. This is developed in the table below.

Table 4.5
Allocation of Customer Service Expenses

Utility	FY 2024 Sales Budget	Percent of Total Utility Budget	Customer Service Allocation
Electric	\$7,842,000	60.78%	\$370,457
Water	\$1,209,000	9.37%	\$57,110
Wastewater	\$2,502,000	19.39%	\$118,456
Sanitary	\$1,350,000	10.46%	\$76,661
Total	\$12,903,000	100.00%	\$609,505

The next support service to be allocated is that of Utility Administrative and General Expenses. WHH has developed the allocation to the electric enterprise in the table below.

Table 4.6
Allocation of Utility Administrative and General Expenses

Account 539 Utility A&G 2024 Budget	\$2,966,895
Adjustments	
Transfer to General Fund	\$1,454,987
Debt Service	\$395,481
Total Adjustments	\$1,850,468
Net Utility A&G	\$1,116,427
Electric Revenues % of Total Utility Revenues	60.78%
Utility A&G Allocation to Electric	\$678,564

The only remaining allocation is that of City A&G expense. As noted above, this area includes the budget categories of City Council and City Manager, City Administration, Finance and Admin, Legal and Planning and Development and Other General Government. The City has budgeted \$1,976,691 for these departments in FY 2024.

WHH proposes that the City A&G be allocated based of enterprise revenues. Revenues can serve as a reasonable proxy for the A&G effort required to manage each enterprise. However, in the case of electric enterprise, WHH suggests that electric revenues be adjusted for purchased power costs since these costs require less A&G effort.

The City has budgeted \$1,976,691 for A&G costs in FY 2024. The allocation of A&G costs to each enterprise is developed below.

Table 4.7
Allocation of City Administrative and General Expenses

Utility Revenues	FY 2024 Sales Budget	Percent of Total Utility Budget
Electric (net of Bulk Power Exp)	\$4,102,000	29.09%
Water	\$1,209,000	8.57%
Wastewater	\$2,502,000	17.74%
Garbage	\$1,350,000	9.57%
General Fund Revenues	\$4,939,337	35.02%
Total	\$14,102,337	100.00%

Table 4.8
City General and Administrative Expense Allocation

G&A	FY 2024 Budget
City Council & Mayor 511	\$139,788
City Admin 512	\$170,316
Finance & Administration 513	\$301,330
Legal 514	\$30,000
Planning & Development 515	\$160,560
Other General Government 519	\$1,174,697
Total G&A	\$1,676,691
Percent Allocation to Electric	29.09%
G&A Allocation to Electric	\$575,019

General Fund Transfer. General Fund Transfer essentially represents the profit from the City's operation of an enterprise. This transfer is often confused with the allocation of common services provided by the City. These common services typically include support in the areas of finance, human resources and legal, customer services that are provided to all enterprise functions and A&G services provided by the City management and governance team (City Manager and City Council). Allocation of the costs of these services to each department within the City benefiting from these services is appropriate but should be separated from the General Fund transfers. The previous section developed the allocation of the overhead and common services to electric. This section develops an appropriate amount for General Fund Transfers from the electric enterprise to the City's general fund.

Some would suggest that the City should provide enterprise functions on a cost basis without any profit. WHH opposes this suggestion as with any enterprise, the provision of services involves some risk. Revenues can vary as a result of economic conditions and expenses cannot be forecasted with absolute accuracy. These uncertainties represent risk that the City is incurring and everyone generally agrees that one should be compensated for the assumption of risk. Additionally, there is an opportunity cost associated with each enterprise. The City is entitled to a return on that opportunity cost. One can disagree as to the appropriate level of general fund transfer but WHH strongly believes that a profit or general fund transfer is appropriate for all enterprise type functions.

The amount of the General Fund Transfer can be debated. It is not unusual that enterprise budgets become the object of additional scrutiny during the annual City budgeting process. During periods of when tax revenues decline or costs are increasing for the City, the general transfer amount in an enterprise budget becomes a tempting target for City administrators and elected officials. In an effort to avoid ad valorem tax increases or the reduction of services in other areas, some cities have raised the General Fund Transfer amounts from enterprise functions such as utilities. In an effort to provide some objectivity to determination of the appropriate general fund transfer amount and avoid manipulation of the enterprise fund budget, WHH advocates a formulaic approach to the determination of the transfer amounts. This objective approach reviewed only periodically avoids the annual battle between city administration and utility staff to determine the transfer amount. Additionally, this provides accountability to utility personnel that utility rates are a result of the management of costs and revenues by the utility staff and are not unduly influenced by widely varying General Fund Transfer amounts.

WHH has considered several independent methods to determine the appropriate General Fund Transfer. These two approaches are discussed below.

1. General Fund transfer policies of other municipal electric systems. The median General Fund Transfer of other Florida municipalities is approximately 8.8 percent

of electric revenues. Based on budgeted electric revenues of \$7,842,000, this equates to a General Fund Transfer of \$680,000

2. Equivalent General Fund benefits upon the sale of the electric enterprise. Based on a sales price of approximately \$10 million, the sales proceeds could be invested in Treasury bonds at 3.5 percent which would yield about \$230,000 per year escalating at 2 percent per year. The purchaser of the electric system would be required to pay the City a franchise fee of 6 percent of revenues which based on the FY 2024 budget equals \$470,000. The total annual revenues from the sale would be equal to \$700,000 which is 8.9 percent of electric revenues. Therefore, this approach suggests that the minimum general fund transfer should be about 8.9 percent or it would be more beneficial to sell the system and invest the proceeds.

The results are consistent. WHH concludes that the appropriate level of general fund transfers for Wauchula is about 9 percent of revenues. WHH notes that presently the City does not budget General Fund Transfers separately for each utility enterprise but combines the budgeted General Fund Transfer amount for all utility systems (electric, water, wastewater and sanitary). In FY 2024 the City is budgeting 15.2 percent of utility revenues as General Fund Transfers. WHH has only included 9 percent of electric revenues in the Revenue Requirements for the purposes of rate setting. This is equal to \$706,000

Revenue Requirements Summary. The revenue requirements as developed in the previous paragraphs are summarized in the table below. This amount is the revenue that must be realized from the electric enterprise. The question now is, "Are current rates sufficient to generate this amount of revenue?" This will be analyzed in the next section.

Table 4.9
Revenue Requirements Summary

Budget Category	FY 2024 Budget
Bulk Power Supply Expenses	\$4,276,800
Electric Distribution	\$1,309,647
Electric Enterprise Capital Expenses	\$787,000
Debt Service	\$37,900
Allocation of Meter Reading	\$78,205
Allocation of Customer Service	\$370,457
Allocation of Utility A&G	\$678,564
Allocation of City A&G	\$575,019
General Fund Transfer	\$706,000
Total Revenue Requirements	\$8,819,592

5. Revenue Sufficiency

As developed in the previous section, the revenue requirement for the electric enterprise in FY 2024 is **\$8,819,592**. However as previously noted, bulk power costs are recovered in the Purchase Power Cost Adjustment provision. Bulk power costs are estimated to be \$4,276,800 in FY 2024. Subtracting this amount from the Revenue Requirements results in **\$4,542,792** that must be recovered from base electric rates and other charges. Each category of electric revenues is discussed in the following analysis.

Other Revenues. The City has budgeted the following Other Revenues for the electric enterprise for FY 2024.

**Table 5.1
Other Revenues**

Revenue Category	FY 2024 Budgeted Amount
Service Connections	\$6,000
Security Lights	\$180,000
Surcharge Revenues	\$96,000
Pole Contract Fees and Tower Rental	\$29,000
Total	\$311,000

Customer Charge Revenues. Customer charge revenues are based on the customer count used to develop the FY 2021 sales forecast and assumes that current customer charges are maintained. As developed in the table below, WHH forecasts customer charge revenues in FY 2024 at \$568,462.

**Table 5.2
Customer Charge Revenues**

Customer Class	Number Customers	Customer Charge	Annual Customer Charge Revenues
Residential	2,294	\$15.00	\$412,920
Commercial Non-Demand	539	\$26.60	\$172,048
Demand Class Commercial	29	\$35.00	\$12,180
Total			\$597,148

Energy Charge Revenues. The bulk of electric enterprise revenues are derived from the energy charge. This charge includes a portion of bulk power supply costs which have been removed from this portion of the analysis. The following table develops the forecasted revenues that are expected

in FY 2021 from the energy charge. Note that the total kW-hr sales equal the amount forecasted in the Sales Forecast Section of this report. Therefore, WHH forecasts that under the existing rates, the energy charge will yield \$1,876,716.

**Table 5.3
Energy Charge Revenues**

Customer Class	Forecasted Sales FY 2024	Energy Charge	Bulk Power Cost included in Energy Charge	Energy Charge less BPCA	Annual Energy Charge Revenues for Base Rates
Residential <1,000 kWhrs	20,558,310	\$0.09300	\$0.05000	\$0.04300	\$884,007
Residential >1,000 kWhrs	8,081,690	\$0.10300	\$0.05000	\$0.05300	\$428,330
Small Commercial	14,253,000	\$0.09300	\$0.05000	\$0.04300	\$612,879
Demand Class Commercial Primary	3,246,000	\$0.06400	\$0.05000	\$0.01400	\$45,444
Demand Class Commercial Secondary	15,109,000	\$0.06500	\$0.05000	\$0.01500	\$226,635
Total	61,247,000				\$2,197,295

Demand Charge Revenues. The only remaining revenues from electric sales are from demand class commercial customers. The City only has 28 demand class commercial customers of which two are City facilities (City Water Plant and City Wastewater Plant).

Demand charges are based on the peak usage during each month. The current rates are \$6.10 per kW for primary metered customers and \$6.20 per kW for secondary metered customers.

**Table 5.4
Demand Charge Revenues**

Customer Class	Forecasted Monthly Demand FY 2024	Demand Charge	Annual Demand Charge Revenues for Base Rates
Demand Class Commercial Primary	11,289	\$6.10	\$68,863
Demand Class Commercial Secondary	35,255	\$6.20	\$218,581
Total Demand Revenues			\$287,444

The forecasted revenues from the electric enterprise are summarized in the following table.

**Table 5.5
FY 2021 Electric Revenues Summary**

Other Revenues	\$311,000
Customer Charge Revenues	\$597,148
Energy Charge Revenues	\$2,197,295
Demand Charges Revenues	\$287,444
Total Electric Revenues	\$3,392,887

As developed in the previous section, the electric enterprise has a revenue requirement from base rates of \$4,542,881. In other words, at current rates, revenues generated by the electric enterprise will be \$1,149,994 less than the revenue requirement as developed in the previous section. This is equivalent to a rate increase of 9 percent of total electric revenues (base revenues plus bulk power supply costs).

This analysis is based on the current FY 2023 electric rates. WHH proposes that the rate increase necessary to generate the shortfall in revenues of \$1,149,994 be implemented over a two year period.

Additionally, WHH notes the potential of new large customer (Hardee Fresh) which has not been included in this analysis. The inclusion of the additional revenues associated with this customer will provide some margin this analysis.

6. Proposed Rate Revisions.

WHH proposes the following changes in the current base rates.

1. **Increase Residential Customer Charge.** The current Customer Charge for the peer group utilities is depicted in the following table.

Table 6.1
Residential Customer Charge

Wauchula	\$15.00
Bartow	\$8.70
DEF	\$12.51
FPL	\$9.48
PRECO	\$28.00
Average	\$14.74

WHH has concerns that with the advent of self-generation alternatives available to residential customers such as solar and energy storage, the customer charge does not appropriately reflect the cost and value of the distribution system necessary to support these self-generation alternatives. Based on Florida Public Service Commission net metering methodology, a residential customer could install solar panels that generate the entire monthly electrical needs of the customer and the customer would only pay the monthly customer charge. Yet connection and access to the distribution system is required to accommodate the intermittent nature of solar facilities. Traditionally, the customer charge only included the cost of metering, billing, the distribution transformer and low voltage service lines necessary to serve the subject customer. These costs are in the \$9.00 to \$12 range.

This issue is well known in the industry. The investor-owned utilities are somewhat constrained in their rate setting by the FPSC. Florida's electric cooperatives have addressed this issue and generally their customer charges are comparable to that of PRECO. Note that the PRECO customer charge is \$28.00 per month. Of course, the electric cooperatives like municipalities are not under FPSC jurisdiction for rates. Also, although not a member of the peer group, Tampa Electric residential customer charge is \$21.50. City staff is familiar with the issue and it has been a topic of discussion with FMPA.

Therefore, WHH has recommended in the past and continues to recommend that the residential customer charge be increased to allocate a greater portion of the costs of the distribution system necessary to serve all customers. If 100 percent of the costs of the distribution system was allocated to the customer charge, the customer charge would be about \$70. However, this would not be equitable as customers with low usage would be unduly penalized.

Therefore, WHH recommends increasing the residential customer charge for Wauchula to \$18.00 per month with a two-year phase in period as depicted the table below.

Table 6.2
Proposed Residential Class Customer Charge Revisions

Current Customer Charge	\$15.00
Proposed Customer Charge effective FY 2024	\$16.50
Proposed Customer Charge effective FY 2025	\$18.00

2. **Increase in the Non-Demand Class Customer Charge.** The current Customer Charge for the peer group utilities is depicted in the following table.

Table 6.3
Non Demand Commercial Customer Charge

Wauchula	\$26.60
Bartow	\$8.70
DEF	\$15.55
FPL	\$12.68
PRECO	\$28.00
Average	\$18.31

WHH has similar concerns that, with the advent of self-generation alternatives available to small commercial customers such as solar and energy storage, the customer charge does not appropriately allocate the costs of the distribution system.

WHH proposes that the customer charge for non-demand commercial class be increased from \$26.60 to \$30.00 over a two year period. This equals to increases of \$1.70 per year.

3. **Increase Residential Class Energy Charge.** As noted in the prior section, the current electric rates will not generate the required revenue reflected in the current budget. Since most electric revenues are generated by the energy charge, this rate component must be increased. WHH has determined that an increase in the residential customer class energy charge of \$0.0120 per kW-hr is necessary to generated the revenues required by the current budget. WHH proposes a two-year phase-in as shown in the table below.

Table 6.4
Proposed Residential Class Energy Charge Revisions

	Energy Charge Consumption < 1,000	Energy Charge Consumption > 1,000
Current Energy Charge	\$0.09300	\$0.10300
Proposed Energy Charge effective FY 2024	\$0.09950	\$0.11200
Proposed Energy Charge effective FY 2025	\$0.10600	\$0.12100

4. **Increase Non-Demand Commercial Class Energy Charge.** As previously noted, since the majority of electric revenues are generated by the energy charge, this charge must also be increased to achieve the revenues necessary to support the current budget. WHH proposes an increase in the Non Demand Commercial customer similar to that proposed in the residential class. Wauchula is most competitive in this rate class relative to the peer group utilities and neighboring utilities therefore this increase, on a percentage basis, is slightly higher than that of other rate classes.

Table 6.5
Proposed Non-Demand Commercial Class Energy Charge Revisions

	Energy Charge
Current Energy Charge	\$0.09300
Proposed Energy Charge effective FY 2024	\$0.10700
Proposed Energy Charge effective FY 2025	\$0.12100

5. **Increase Demand Commercial Class Energy Charge.** For similar reasons as noted above, WHH proposes an increase in the Demand commercial customer similar to that proposed in the residential class.

Table 6.6
Proposed Demand Commercial Class Energy Charge Revisions

	Energy Charge Primary Metered	Energy Charge Secondary Metered
Current Energy Charge	\$0.06400	\$0.06500
Proposed Energy Charge effective FY 2024	\$0.06850	\$0.06900
Proposed Energy Charge effective FY 2025	\$0.07200	\$0.07300

6. **Increase Demand Commercial Class Demand Charge.** WHH has proposed an increase in the demand charge for the larger commercial customers to partially correct an anomaly that is the result of Wauchula’s purchase power cost being recovered as an energy charge where in fact a

large portion of purchased power costs are based on demand. Therefore, WHH has proposed a smaller percentage increase in the demand class customer energy charge (see above) and a larger percentage increase in demand costs. Additionally, Wauchula’s demand costs are below peer group comparisons. For example, current demand charges for the peer group utilities (PRECO, Bartow, FPL and DEF) range from \$8.66 per kW to \$11.24 per kW. The proposed adjustments will result in demand rates still below all other members of the peer group utilities.

**Table 6.7
Proposed Demand Commercial Class Demand Charge Revisions**

	Demand Charge Primary Metered	Demand Charge Secondary Metered
Current Demand Charge	\$6.10 per kW	\$6.20 per kW
Proposed Demand Charge effective FY 2024	\$6.85 per kW	\$6.95 per kW
Proposed Demand Charge effective FY 2025	\$7.60 per kW	\$7.70 per kW

In the following table, WHH has compared the all-in costs for commercial demand class customers compared to residential all-in costs.

**Table 6.8
Difference in All-In Rates between Commercial Demand Class and Residential Class**

	Wauchula	Bartow	PRECO	DEF	FPL
Residential 1,000 kW-hr consumption \$/kW-hr	\$0.11300	\$0.12046	\$0.14416	\$0.17747	\$0.14911
Commercial Demand Class 75 kW and 30,000 kW-hr consumption \$/kW-hr	\$0.09116	\$0.09144	\$0.11693	\$0.13525	\$0.10881
Difference %	-24.8%	-11.2%	-17.1%	-23.8%	-24.0%

Note that in the case of PRECO, DEF and FPL the commercial rates are about 17 to 24 percent below residential rates. WHH notes that the cost of providing service to these large customers is less than the cost of providing service to residential customers, primarily due to economy of scale considerations. PRECO, DEF and FPL are all large utilities that commit substantial resources to accurately determine cost allocations between customer classes. In the case of DEF and FPL, their rate studies are carefully scrutinized by the Florida Public Service Commission. Therefore, it is reasonable to conclude that the cost of service for commercial demand class customer is about 17 to 24 percent less than the cost of service to the residential customer. WHH derives some comfort in that the results of rate study for Wauchula are within the range of the results for the larger utilities in the peer group. WHH has been addressing this disparity for some time and notes the

2016 rate study the differential between these two classes was only 5.3 percent, well outside the peer group comparison.

The impact of these recommendations is summarized in the table below.

Table 6.9
Summary of Impact of Rate Changes

Recommendation	Annual Revenue Change
Revised Customer Charges	+\$104,576
Increases in Energy Charges All Customer Classes	+\$968,120
Increased Commercial Demand Class Demand Charge	+\$69,816
Total Impact of Recommended Changes	+\$1,142,512

WHH notes that in the previous section it was determined that the current rates would result in a revenue deficiency of \$1,149,994, so with the implementation of the proposed changes, the projected revenues from the electric enterprise will be almost exactly equal to the revenue requirements as established in Section 4.

7. Peer Group Comparisons with Proposed Rates.

Note the following tables compare the latest available rate for the peer group utilities (June 2023) with the proposed FY 2025 rates for Wauchula. Therefore, in the current environment of low sales growth and 3-4 percent inflation, the peer group utilities will likely implement rate increases between now and FY 2025, and therefore the comparisons below probably understate the competitiveness of Wauchula’s rates. WHH believes that the peer group utilities will likely implement rate increases of about 5 percent between now and 2025.

**Table 7.1
Residential Rate Comparison for 1,000 kW-hrs**

	Wauchula	PRECO	Bartow	DEF	FPL
June 2023 Rate	\$113.00	\$144.16	\$104.99	\$177.47	\$149.11
Proposed New 2025 Rates	\$124.00				

**Table 7.2
Small Commercial Rate Comparison for 1,500 kW-hrs**

	Wauchula	PRECO	Bartow	DEF	FPL
June 2023 Rate	\$182.60	\$225.25	\$171.99	\$272.27	\$227.31
Proposed New Rates	\$211.50				

**Table 7.3
Demand Class Commercial Rate Comparison for 75 kW and 30,000 kW-hrs**

	Wauchula	PRECO	Bartow	DEF	FPL
June 2023 Rate	\$2,742.50	\$3,508.07	\$2,743.30	\$4,057.50	\$3,264.41
Proposed New Rates	\$2,835.00				

As is evident from the above tables, Wauchula’s retail rates will remain very competitive even with the proposed increases.