

Proposed Rate Changes for FY 2019

City Commission & UAB Workshop
July 9, 2018

Terminology

- **Revenue Requirements**
 - The amount of revenue required to operate the system
- **Rates & Prices**
 - Customer Charge, Usage Charge, Demand Charge, Fuel Adjustment Charge
 - Usage Charge applies to Billing Blocks or Tiers
- **Bill Amounts**
 - Total dollar cost when applying prices to usage levels
 - We typically use industry standard usage levels

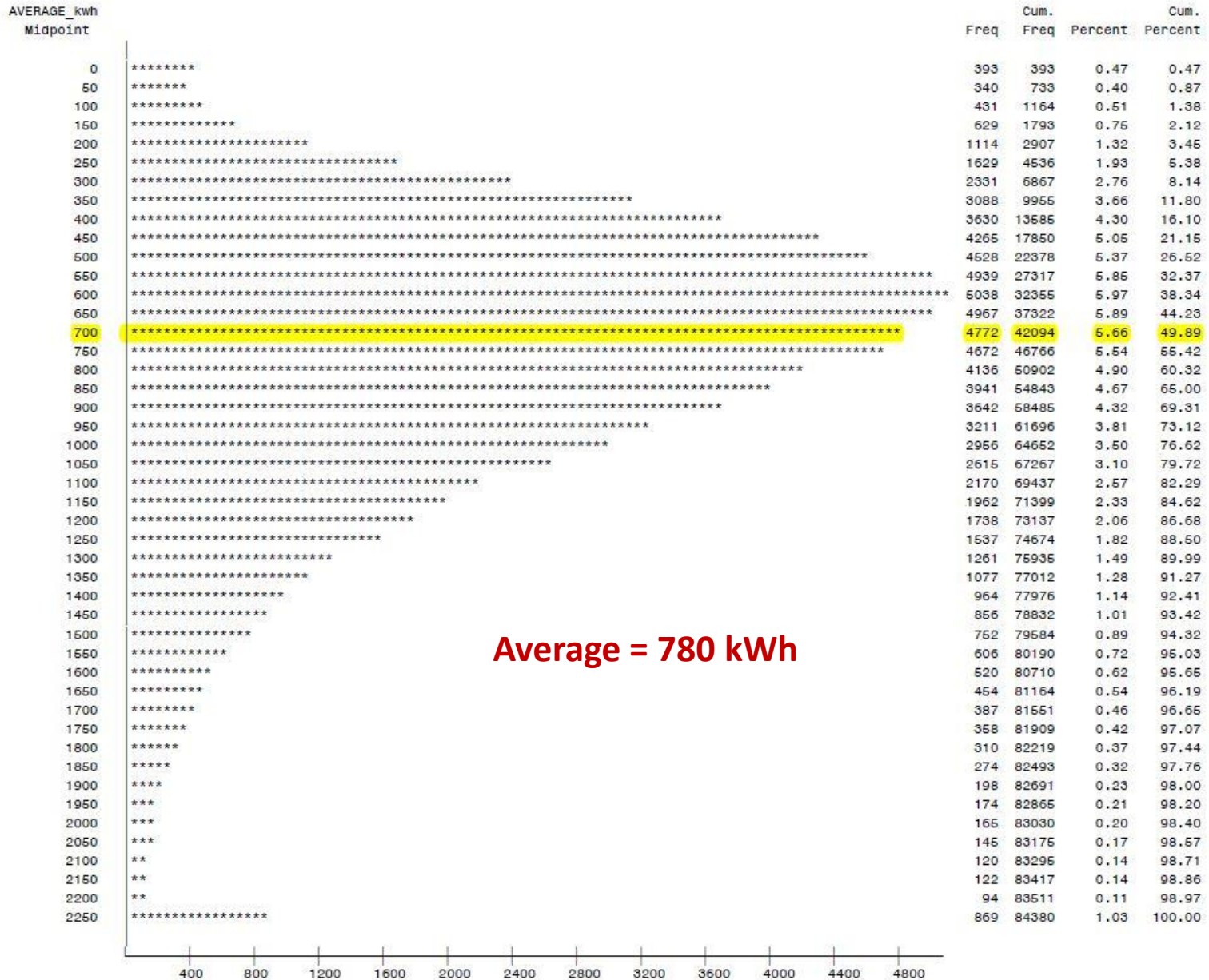
Approach to Electric Rate Options

- No changes are proposed for customer charges, demand charges or fuel adjustment charges
- Identify a consistent and logical approach for setting 1st and 2nd block prices for the three scenarios
- Increased revenue requirement is applied across the board to all four rate categories

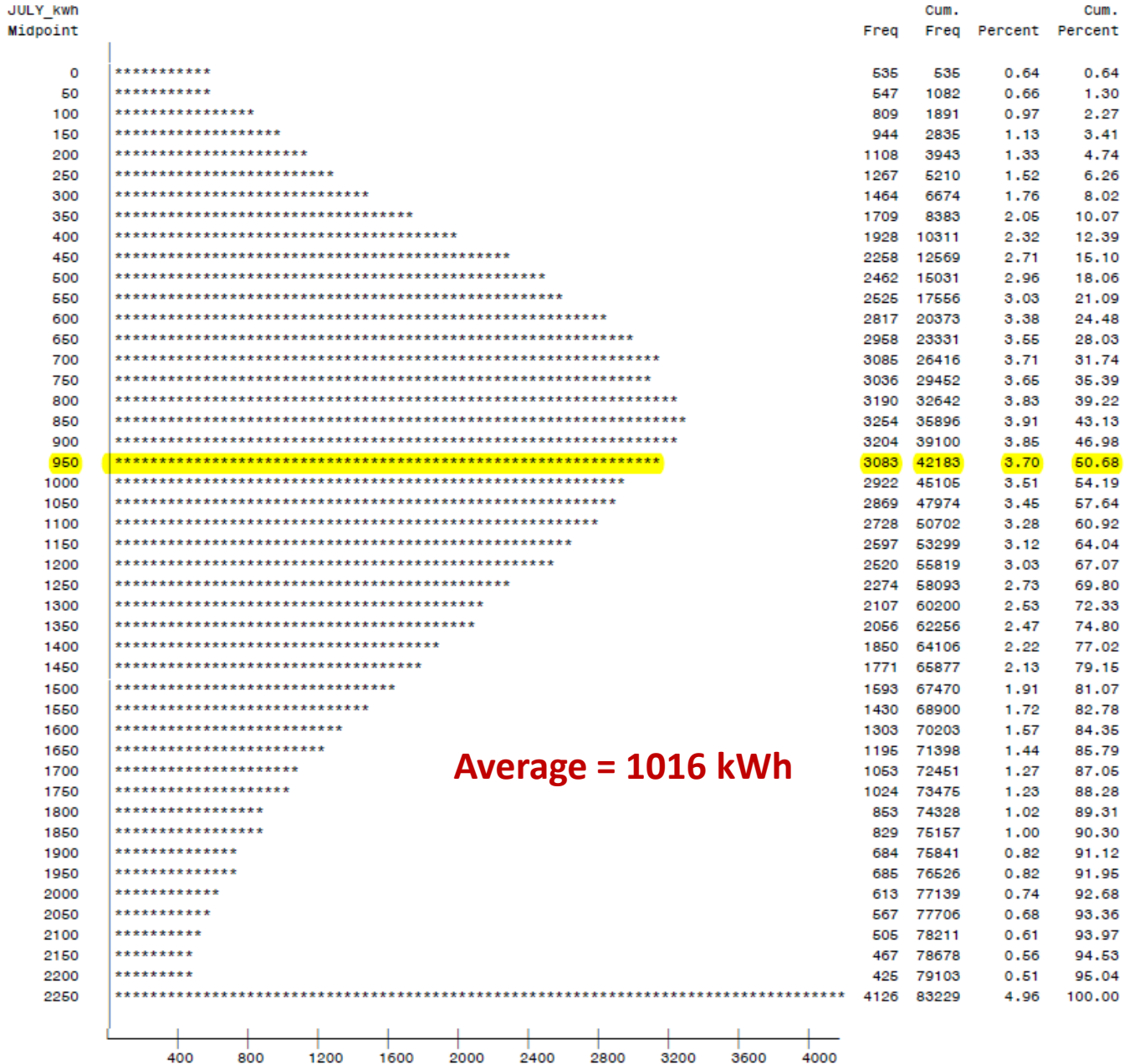
Residential Rate Structures

Utility	Rate Structure	Customer Charge	Inversion Differential	Number of Customers
JEA	flat rate	\$5.50		453,703
OCA	flat rate	\$9.33		52,456
OUC	1000	\$8.00	16%	231,229
TAL	flat rate	\$7.59		114,573
LAK	1000/1500	\$9.50	11%	127,153
FTP	750	\$6.01	10%	28,306
KIS	1000	\$10.17	10%	69,905
VER	1000	\$8.33	57%	35,216
FPL	1000	\$8.01	17%	4,840,240
DEF	1000	\$8.82	20%	1,743,136
TEC	1000	\$16.62	21%	730,504
GPC	flat rate	\$19.20		453,139
CLY	1000	\$23.00	26%	171,777
GRU	850	\$14.25	37%	95,161
<i>median</i>	<i>1000</i>	<i>\$9.08</i>	<i>19%</i>	<i>149,465</i>

Distribution of Residential Electric Bills – CY2017 Average Month



Distribution of Residential Electric Bills – July 2017



Residential Electric Customers by Home Type and Fuel Source

<u>Home Type</u>	Total Electric <i>n = 84,000</i>		Electric with Gas <i>n = 30,000</i>	
	<u>% Homes</u>	<u>Avg kWh</u>	<u>% Homes</u>	<u>Avg kWh</u>
Unattached	44.5%	970	83.6%	930
Attached	52.9%	670	15.0%	530
Mobile Home	2.6%	850	1.4%	620

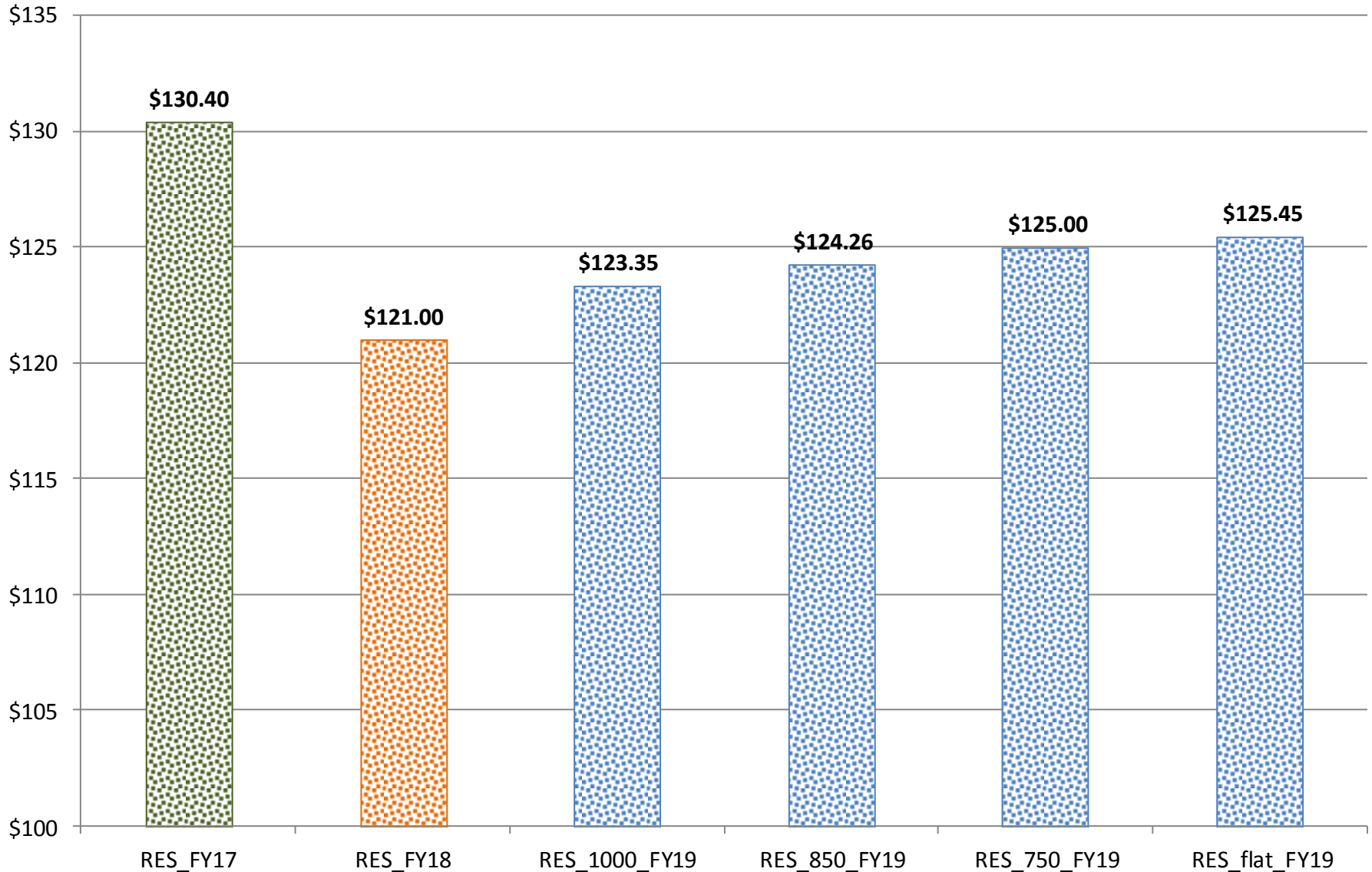
notes: 84,000 Total Residential Electric Customers
 30,000 Residential Electric Customers with Gas Service
 67% of Customers in Unattached Homes also have Gas Service
 10% of Customers in Attached Homes also have Gas Service
 20% of Customers in Mobile Homes also have Gas Service

Inverted Block Rates

- Objective
 - Incentivize Efficient Use of Resources
 - Collect Incremental Revenue During High Use Periods
- Cautions
 - Accommodate Different Customer Profiles
 - Appliance Mix, Home Type, Home Size, Occupancy
 - Number of Days in Billing Cycle
 - Revenue at Risk
 - Customer Understanding

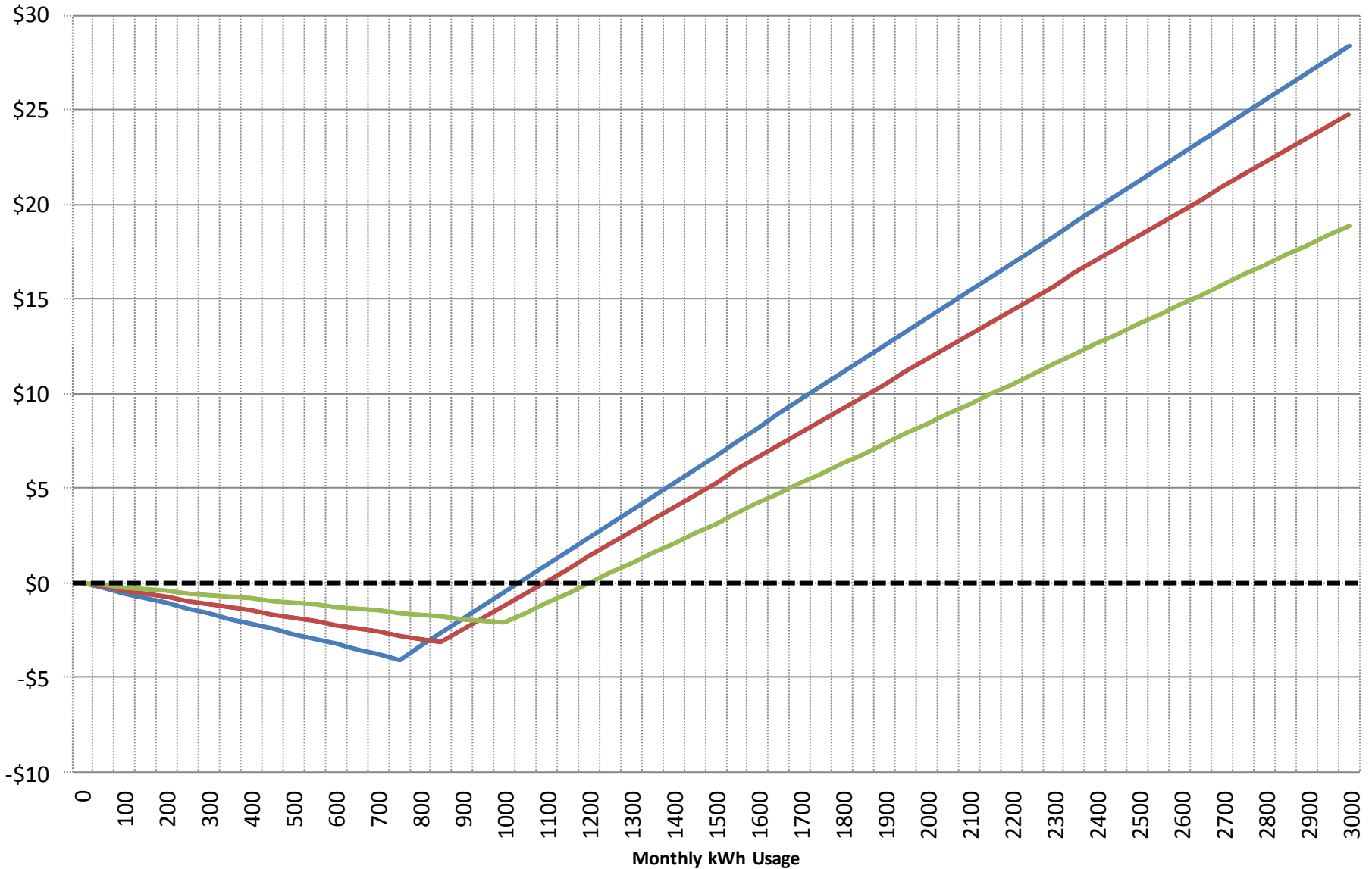
Residential Electric Bill for 1000 kWh

3.1% Base Rate Revenue Requirement in FY2019



Flat Rate Bill minus Inverted Block Rate Bill

750 kWh Break 850 kWh Break 1000 kWh Break



Proposed Electric Pricing

To Meet 3.1% Base Rate Revenue Requirement

Existing	Residential 850 kWh Break	GS Non-Demand 1500 kWh Break	GS Demand	Large Power
Customer Charge (\$/month)	\$14.25	\$29.50	\$100.00	\$350.00
Block 1 Energy Charge (\$/kWh)	\$0.0680	\$0.0890	\$0.0601	\$0.0563
Block 2 Energy Charge (\$/kWh)	\$0.0930	\$0.1220	N/A	N/A
Demand Charge (\$/kW)	N/A	N/A	\$9.50	\$9.75
Proposed	Residential 850 kWh Break	GS Non-Demand 1500 kWh Break	GS Demand	Large Power
Customer Charge (\$/month)	\$14.25	\$29.50	\$100.00	\$350.00
Block 1 Energy Charge (\$/kWh)	\$0.0725	\$0.0937	\$0.0627	\$0.0585
Block 2 Energy Charge (\$/kWh)	\$0.0892	\$0.1246	N/A	N/A
Demand Charge (\$/kW)	N/A	N/A	\$9.50	\$9.75

Proposed Residential Electric Pricing

To Meet 3.1% Base Rate Revenue Requirement

FY2018	750 kWh Break	850 kWh Break	1000 kWh Break	Flat Rate
Customer Charge (\$/month)		\$14.25		
Block 1 Energy Charge (\$/kWh)		\$0.0680		
Block 2 Energy Charge (\$/kWh)		\$0.0930		
Fuel Adjustment Charge (\$/kWh)		\$0.0350		
FY2019	750 kWh Break	850 kWh Break	1000 kWh Break	Flat Rate
Customer Charge (\$/month)	\$14.25	\$14.25	\$14.25	\$14.25
Block 1 Energy Charge (\$/kWh)	\$0.0708	\$0.0725	\$0.0741	\$0.0762
Block 2 Energy Charge (\$/kWh)	\$0.0906	\$0.0892	\$0.0867	N/A
Fuel Adjustment Charge (\$/kWh)	\$0.0350	\$0.0350	\$0.0350	\$0.0350

Proposed Wastewater Changes

- We have Identified an Increased Revenue Requirement of 2.4%
 - Increase the Customer Charge from: \$9.10/month to \$9.35/month
 - Increase the kGal Volume Charge from: \$6.30/kgal to \$6.45/kgal
 - 7 kGal Residential Bill Increases from: \$53.20/month to \$54.50/month

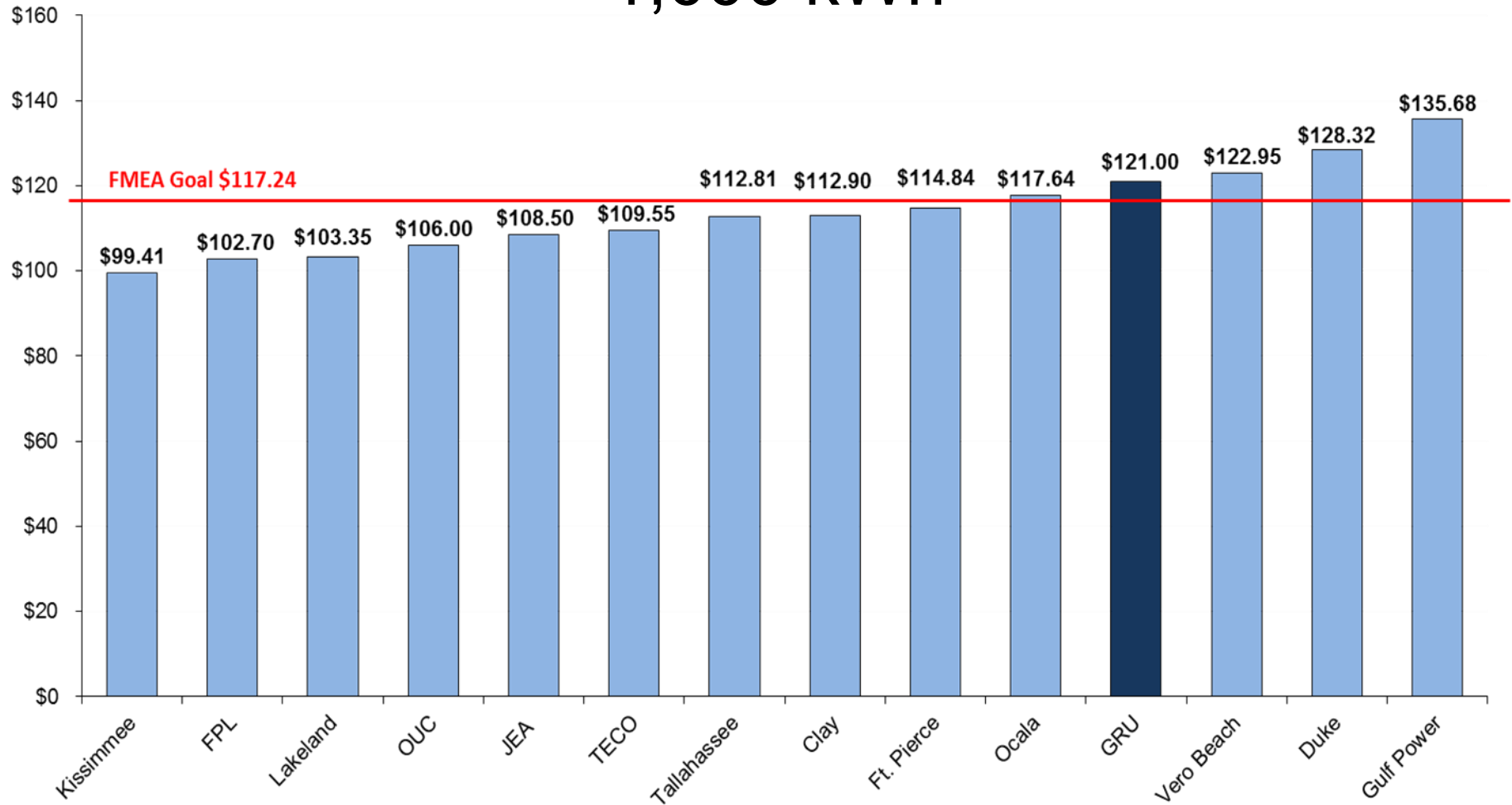
Remaining Systems

- We are proposing no rate increases for the Water System
 - Water and Wastewater Connection Charges are determined separately
- We are proposing no rate increases for the Gas System

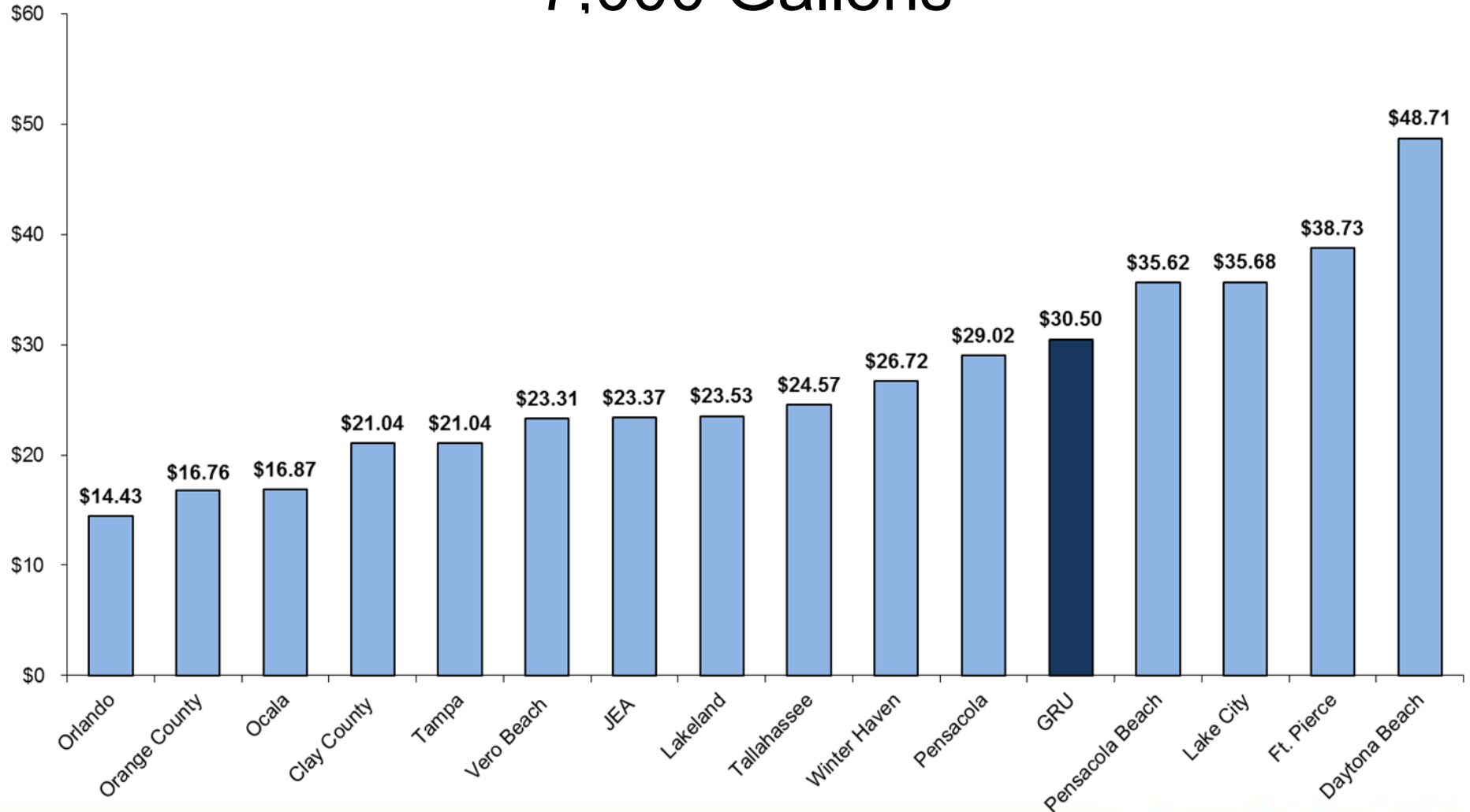
Appendices

Bill Comparison Charts for May 2018

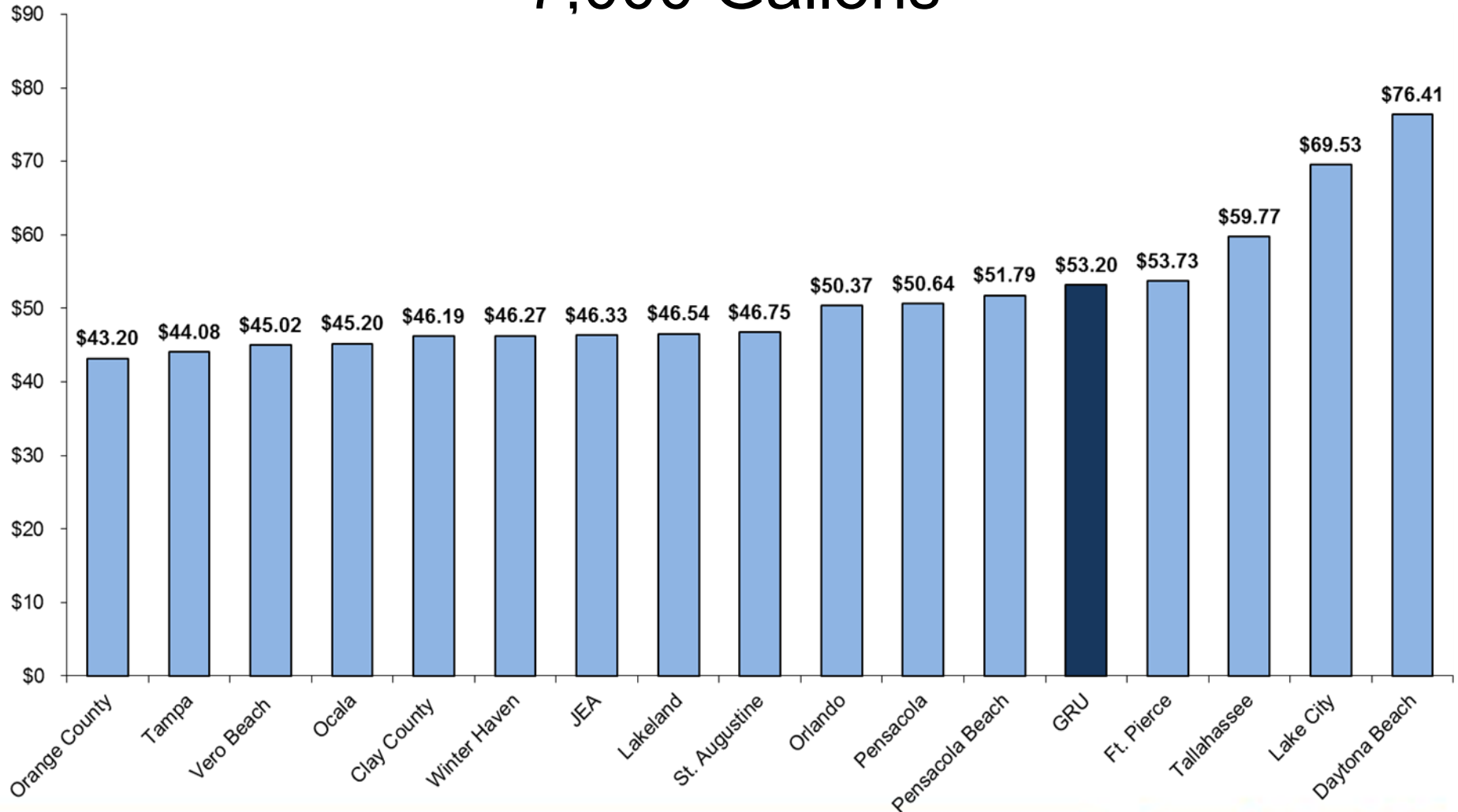
Residential Electric 1,000 kWh



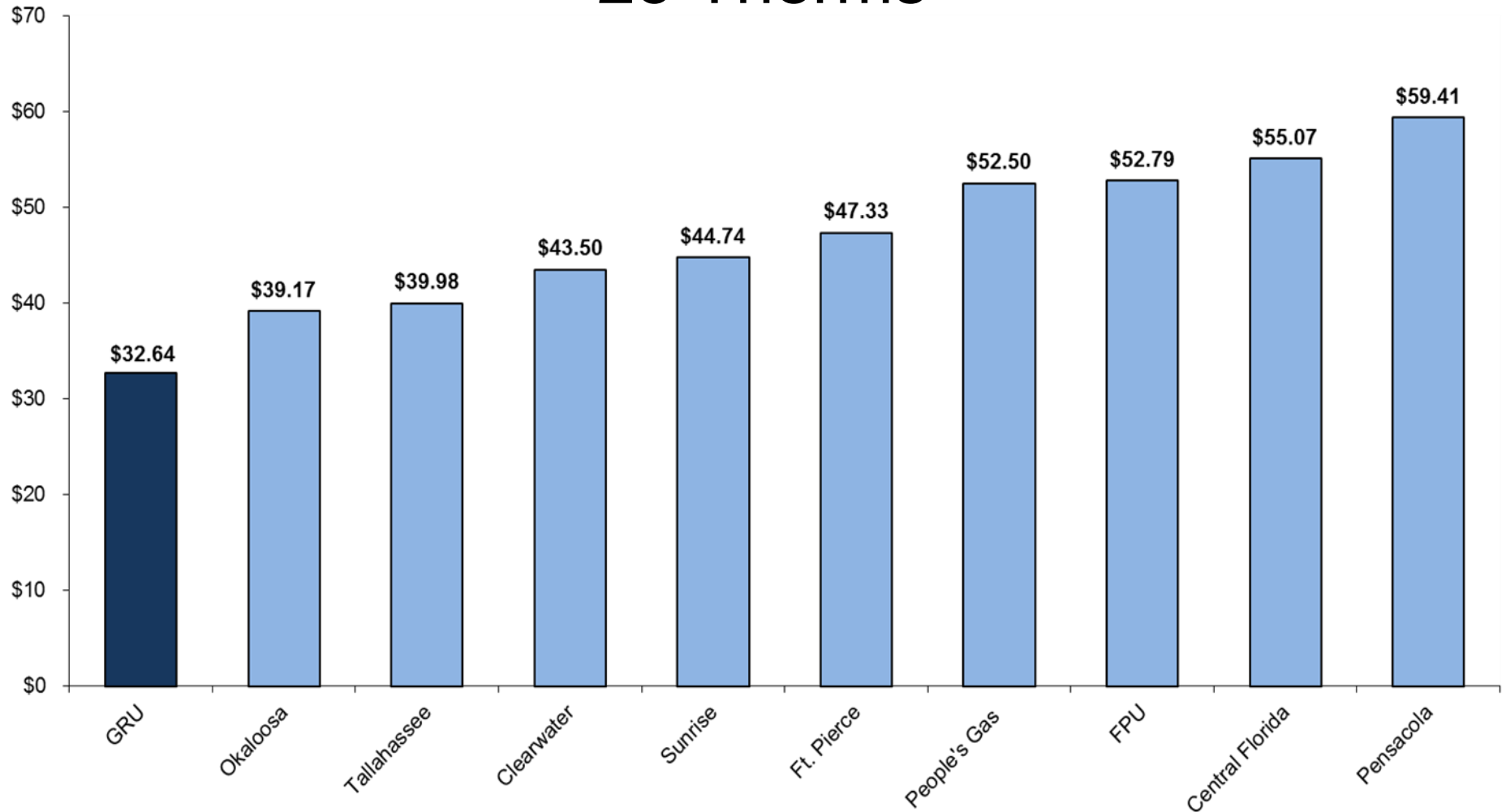
Residential Water 7,000 Gallons



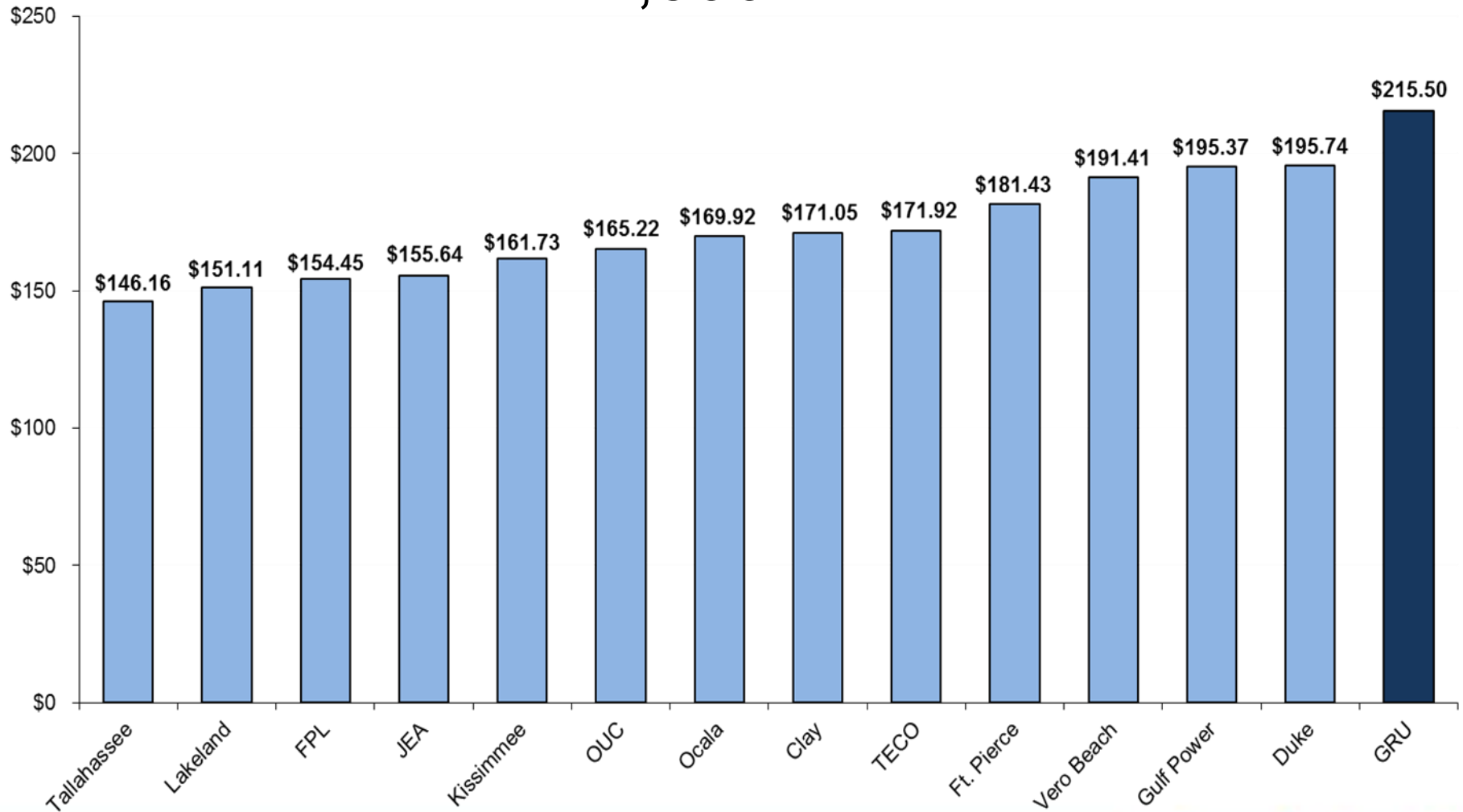
Residential Wastewater 7,000 Gallons



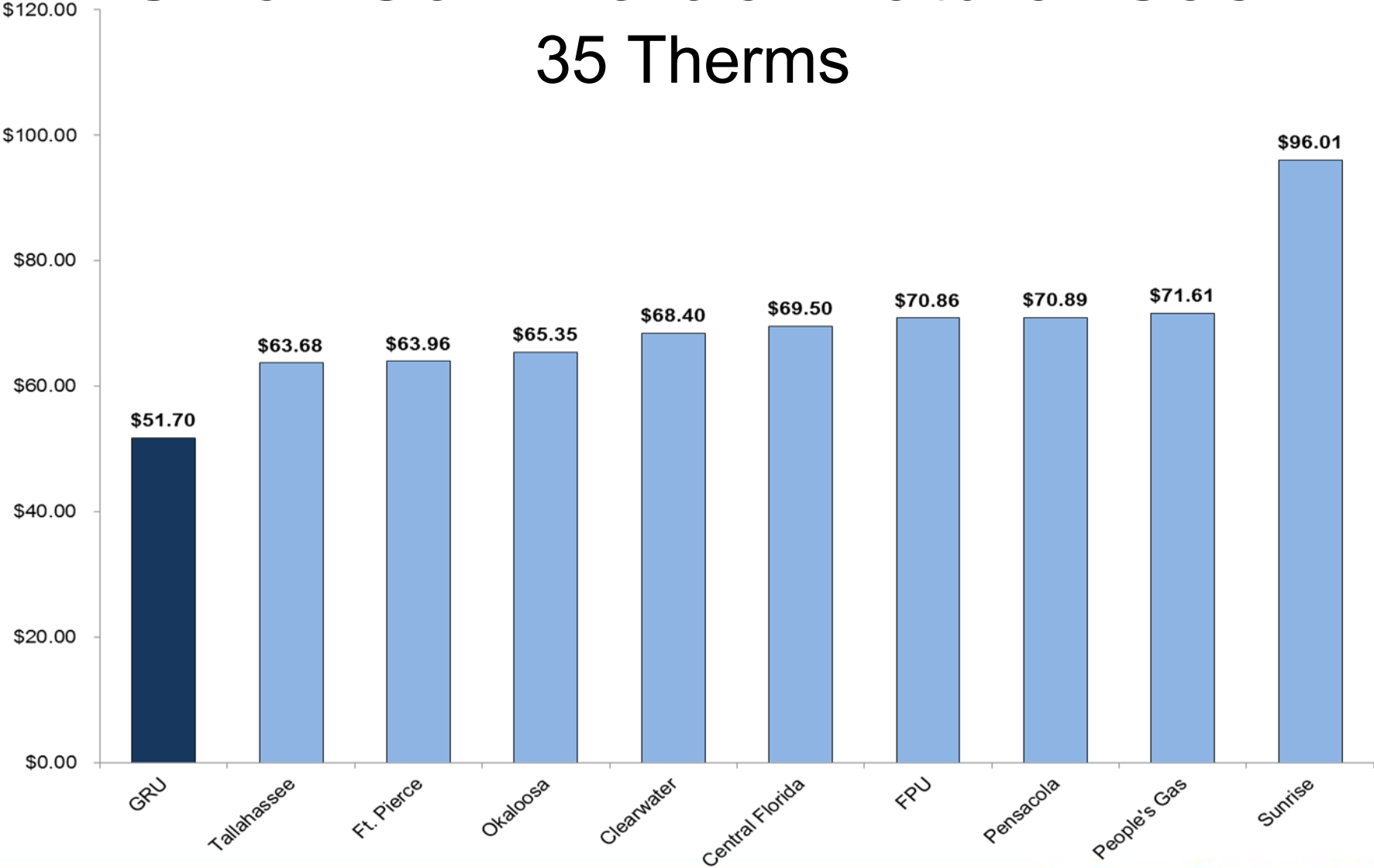
Residential Natural Gas 25 Therms



GS Non-Demand Electric 1,500 kWh

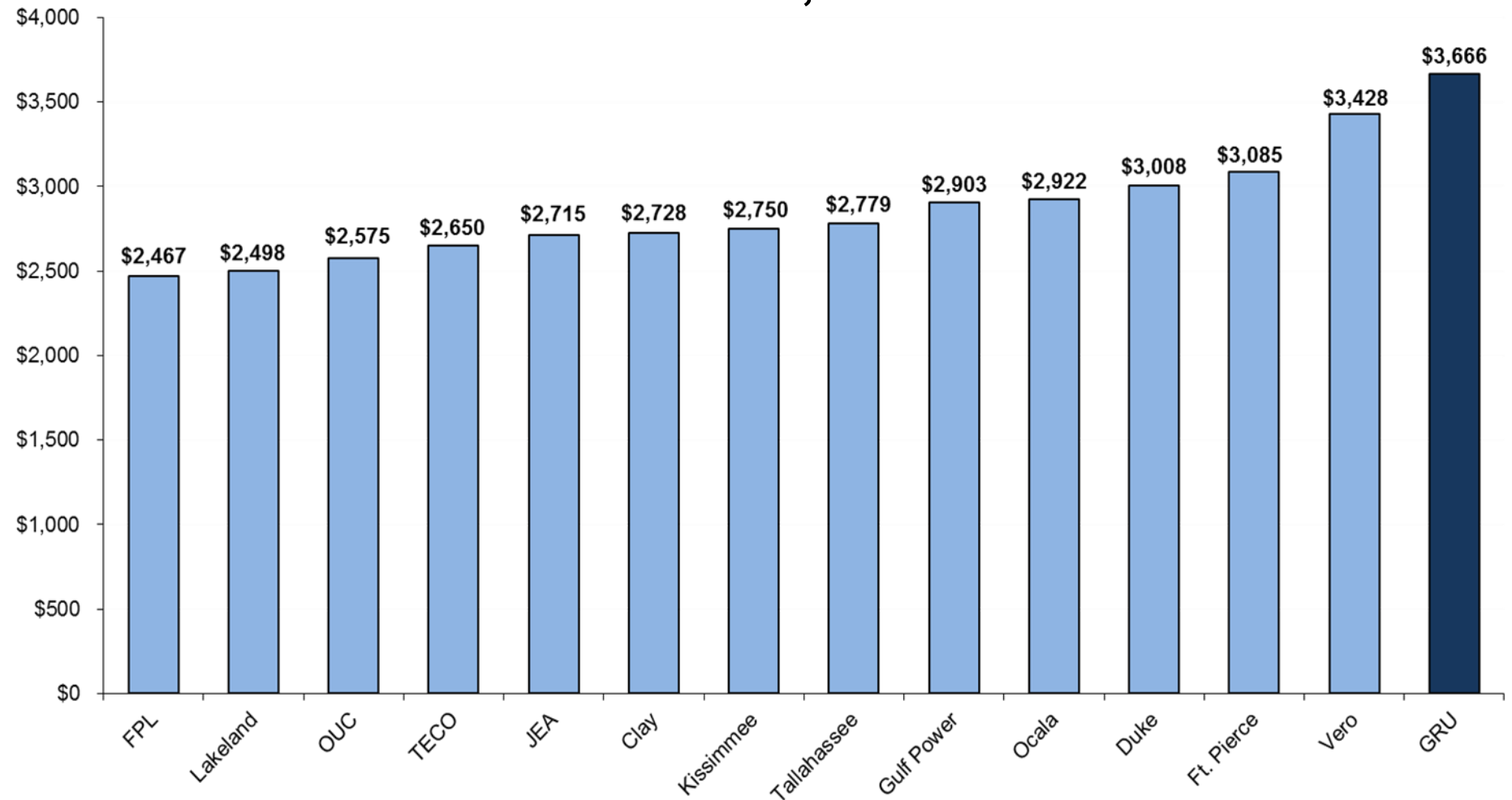


Small Commercial Natural Gas 35 Therms

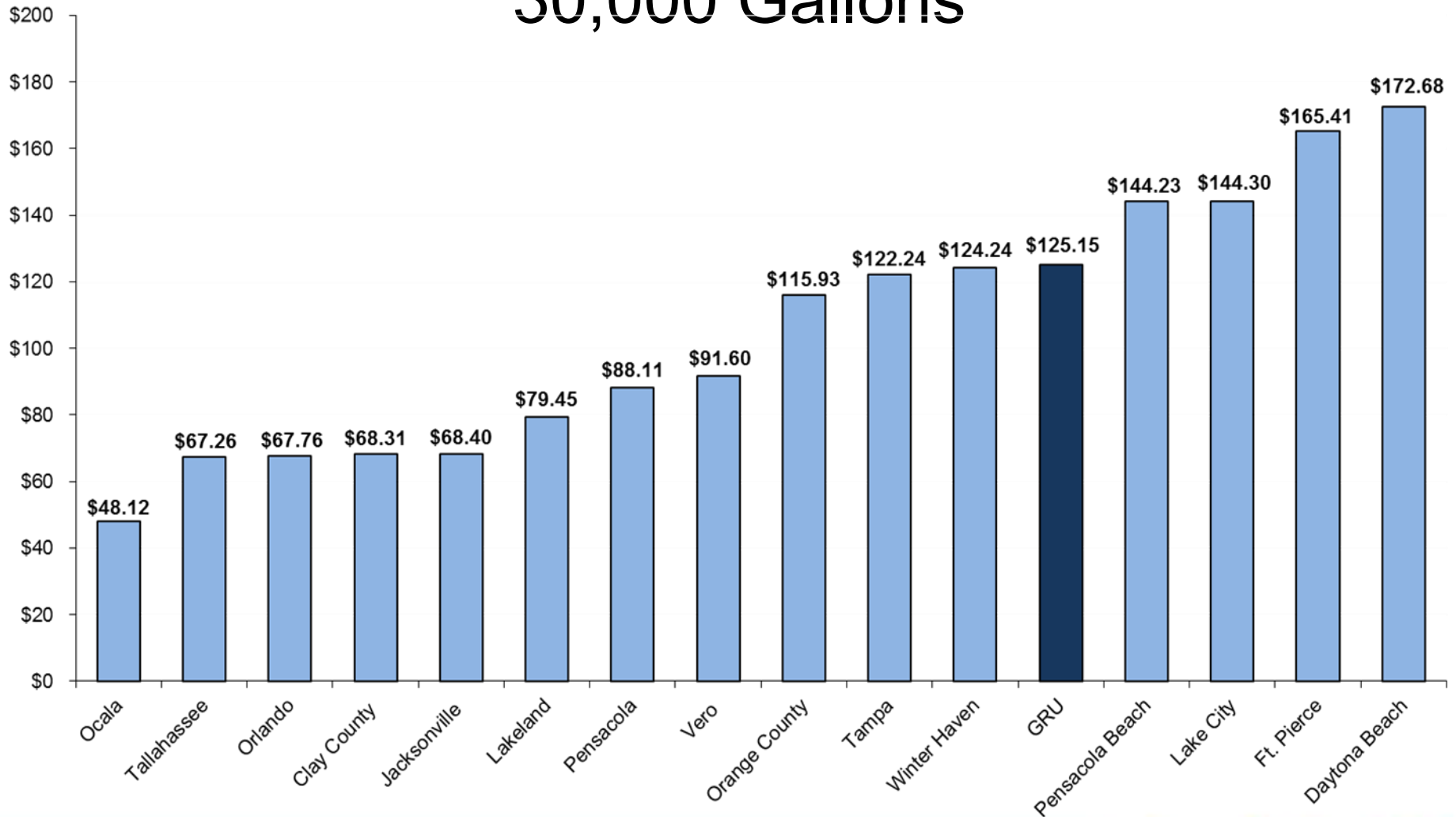


GS Demand Electric

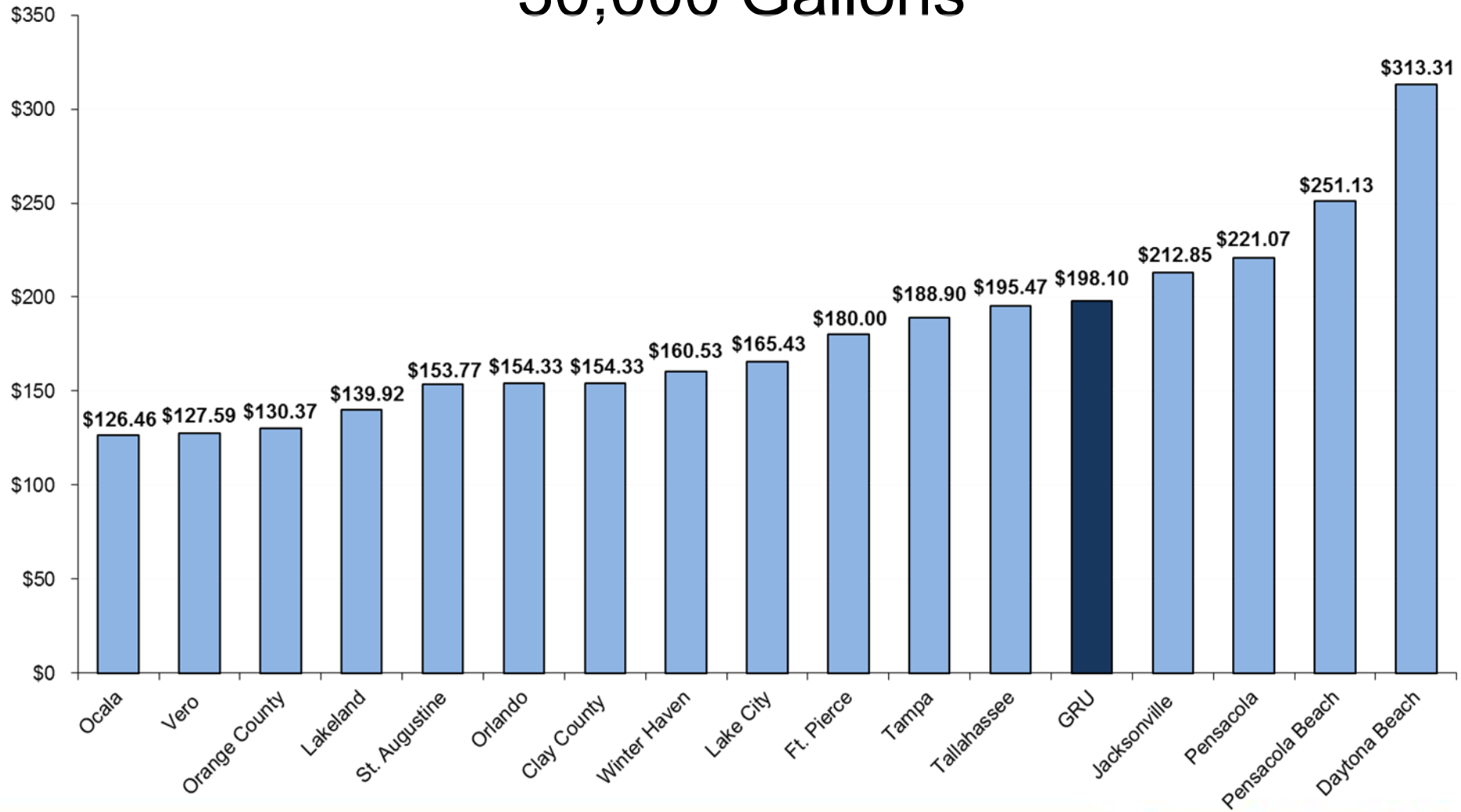
75 kW / 30,000 kWh



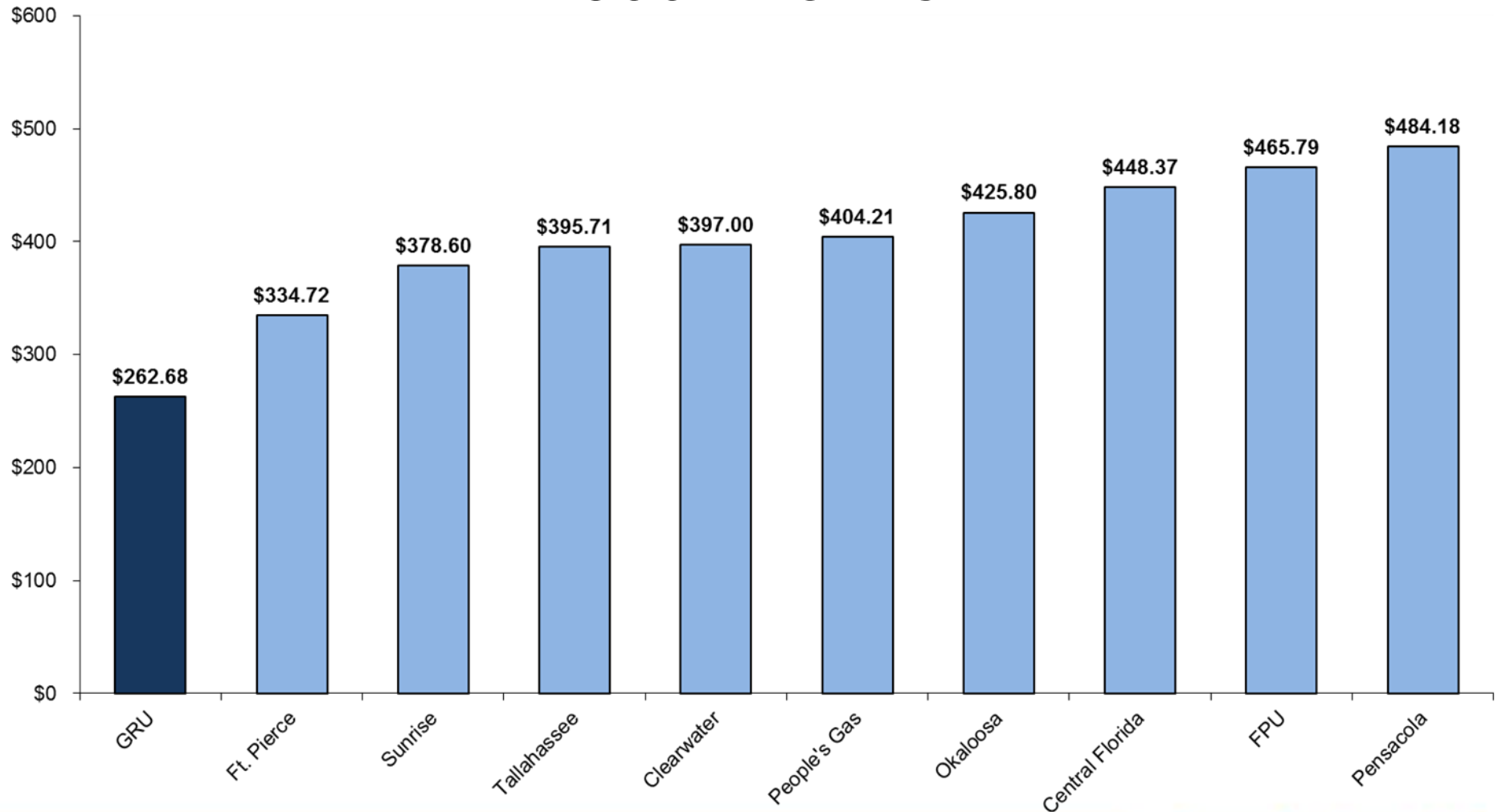
Non-Residential Water 30,000 Gallons



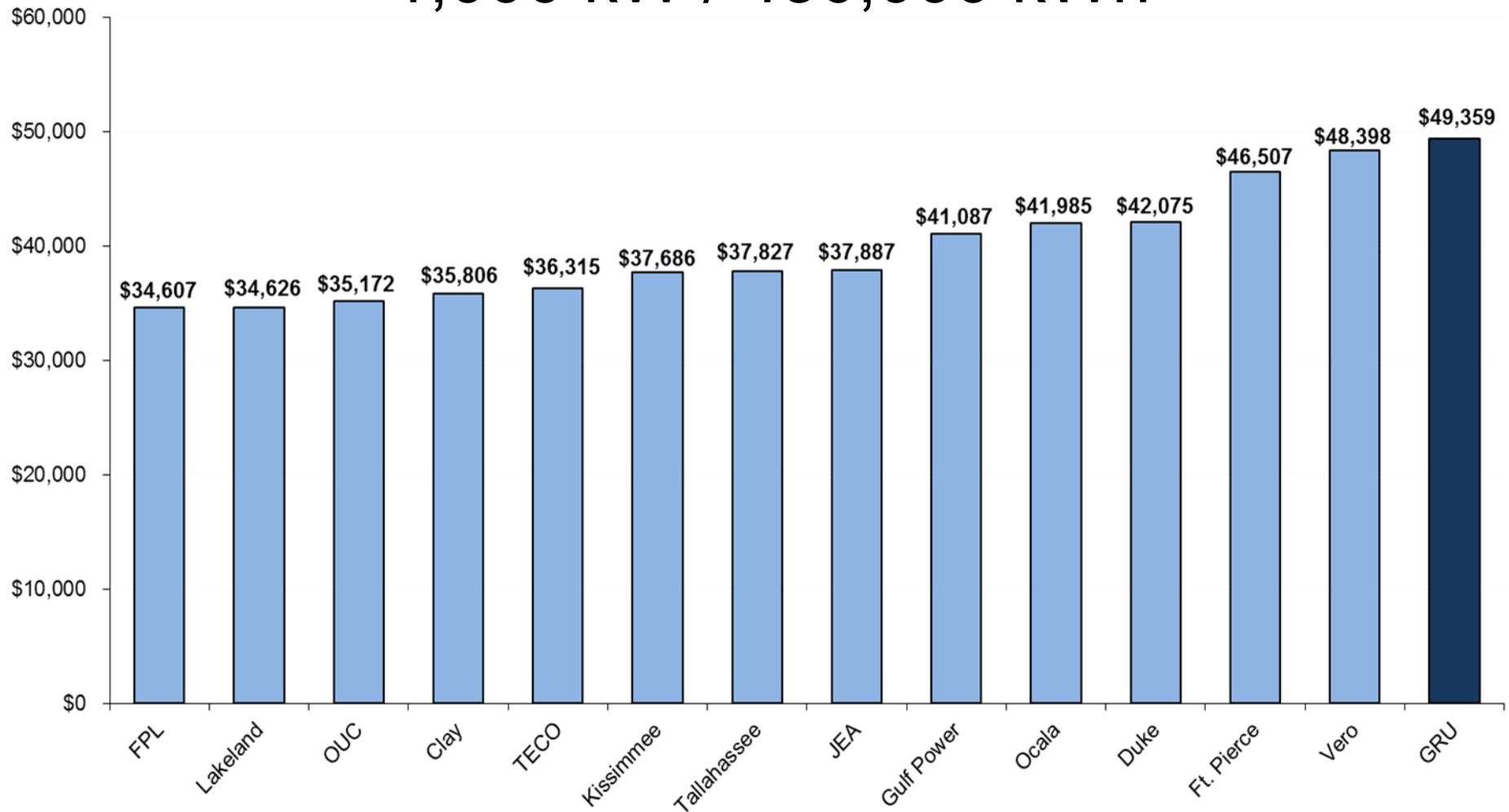
Non-Residential Wastewater 30,000 Gallons



Commercial Natural Gas 300 Therms



GS Large Demand 1,000 kW / 430,000 kWh



Large Volume Natural Gas 30,000 Therms

