

001839

# Summary of Proposed Electric Rate Changes

Presentation to the  
Gainesville City Commission  
March 25, 2002



# Our Position

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- We Have Reduced Costs
- We Want to Return Savings to Our Customers
- We Want to Retain Value From Our Savings
  - Customer Retention
  - Achieve Other Public Policy Objectives

# The Proposed Plan Will

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- Promote Conservation
- Improve Rate Equity
- Benefit Smaller Users the Most
- Promote Customer Retention
- Improve GRU's Competitive Ranking

# Presentation Overview

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- Review Key Fundamentals
  - Customer Categories
  - Cost of Service and Market Targets
- Explore Each Rate Class
  - The New Rate Structure
  - The History of Rates and Cost of Service
  - Effects on Base Rates
  - Effects on Customer Bills
- Summarize

# Our Rate Classes

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RES - Residential      Kilowatt-Hour Meter

GSND - General Service  
Non-Demand      Kilowatt-Hour Meter

GSD - General Service      Demand Meter  
Demand      -Peak Draw  
   -Cumulative Energy

LP - Large Power      Demand Meter  
   -Peak Draw  
   -Cumulative Energy<sup>5</sup>

# Billing Elements Can Get Confusing

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- Base Rate
  - Monthly Service Charge
  - Energy and Demand Charges
- Fuel Adjustment
- Customer Bill
  - All of the Above

# Revenues and Customers By Rate Class - FY 2001

Rate Class	Number of Customers	Percent of Revenue
RES	71,975	52.2%
GSND	7,613	12.6%
GSD	944	27.5%
LP	17	7.7%
<b>TOTAL</b>	<b>80,549</b>	<b>100.0%</b>

# Balancing Base Rate Objectives

Rate Class	Market Based	Cost-Based
RES	-2.50%	+0.91%
GSND	-8.33%	+3.53%
GSD	-17.01%	-23.64%
LP	0.00%	-11.80%

Percentage Change to Base Rate Revenue From Each Class



# RESIDENTIAL BASE RATE PROPOSAL

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- Reduce 1st Block 5.0% (0-750 KWH)
- Reduce Customer Service Charge 5.0%
- Increase 2nd Block 2.5% (>750 KWH)

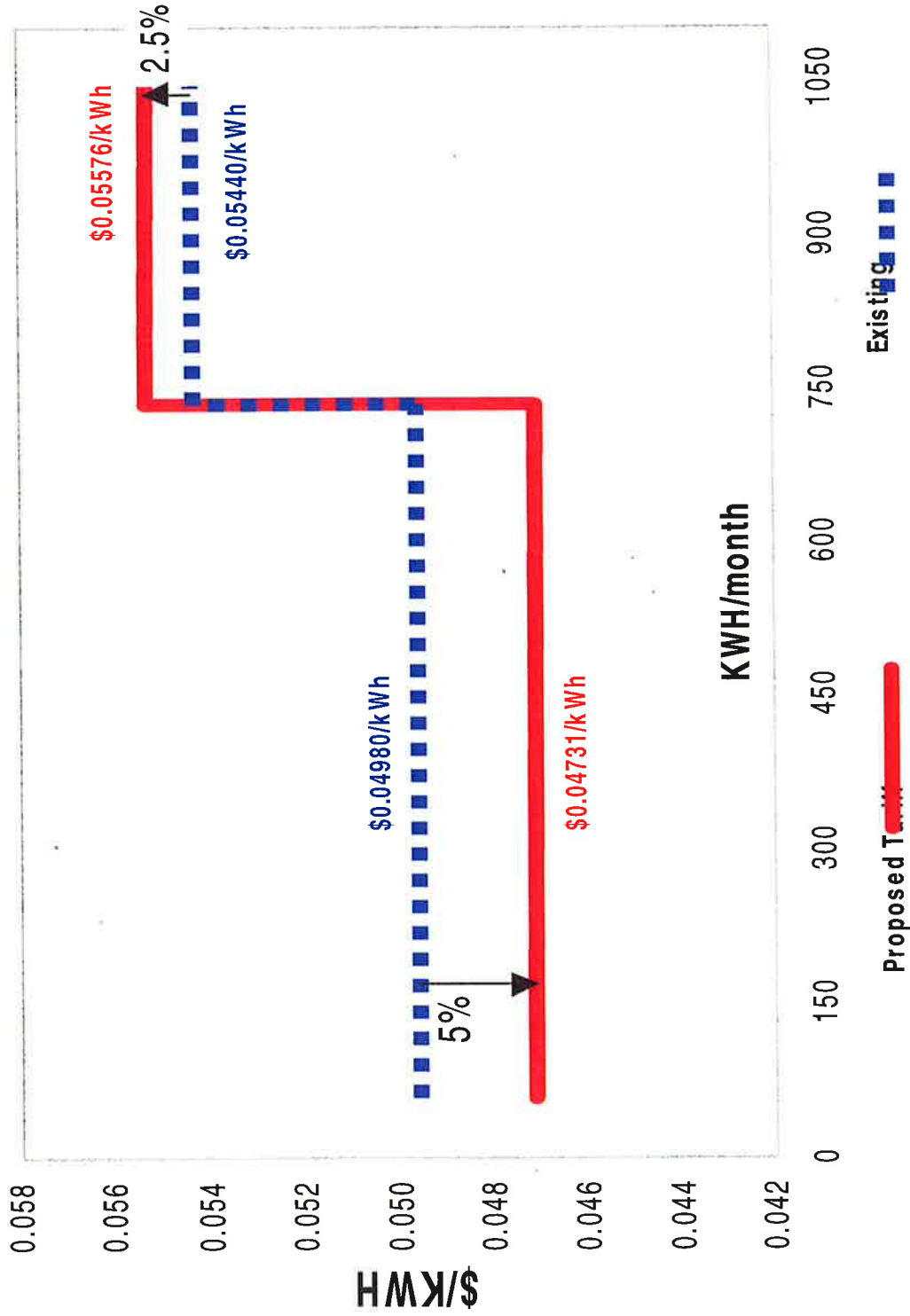
# RES BASE RATE & COST OF SERVICE HISTORY



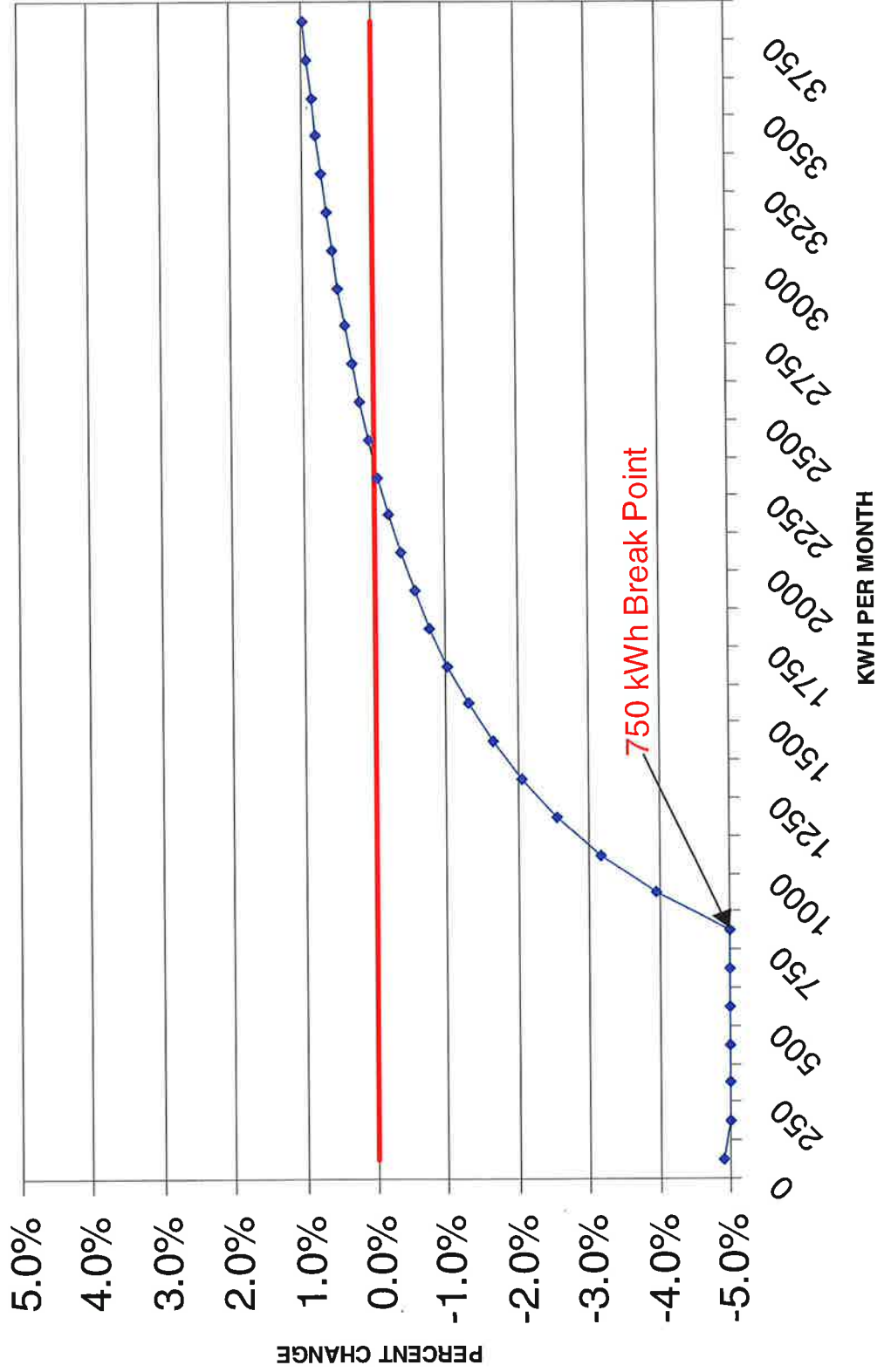
	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
% Rev. Req. Collected	85.77				86.69	88.33	93.57	97.93	99.90				96.33	93.83	92.77	100.10	97.30	99.09		
% Base Rate Change	0.00	0.00	0.00	2.00	0.00	0.00	2.90	3.00	3.00	0.00	2.10	1.00	0.00	0.00	-0.40	-0.40	0.00	0.00	0.00	-2.40
% Cum. Rate Change	0.00	0.00	0.00	2.00	2.00	2.00	4.96	8.11	11.35	11.35	13.69	14.83	14.83	14.83	14.37	13.91	13.91	13.91	13.91	11.17

Year

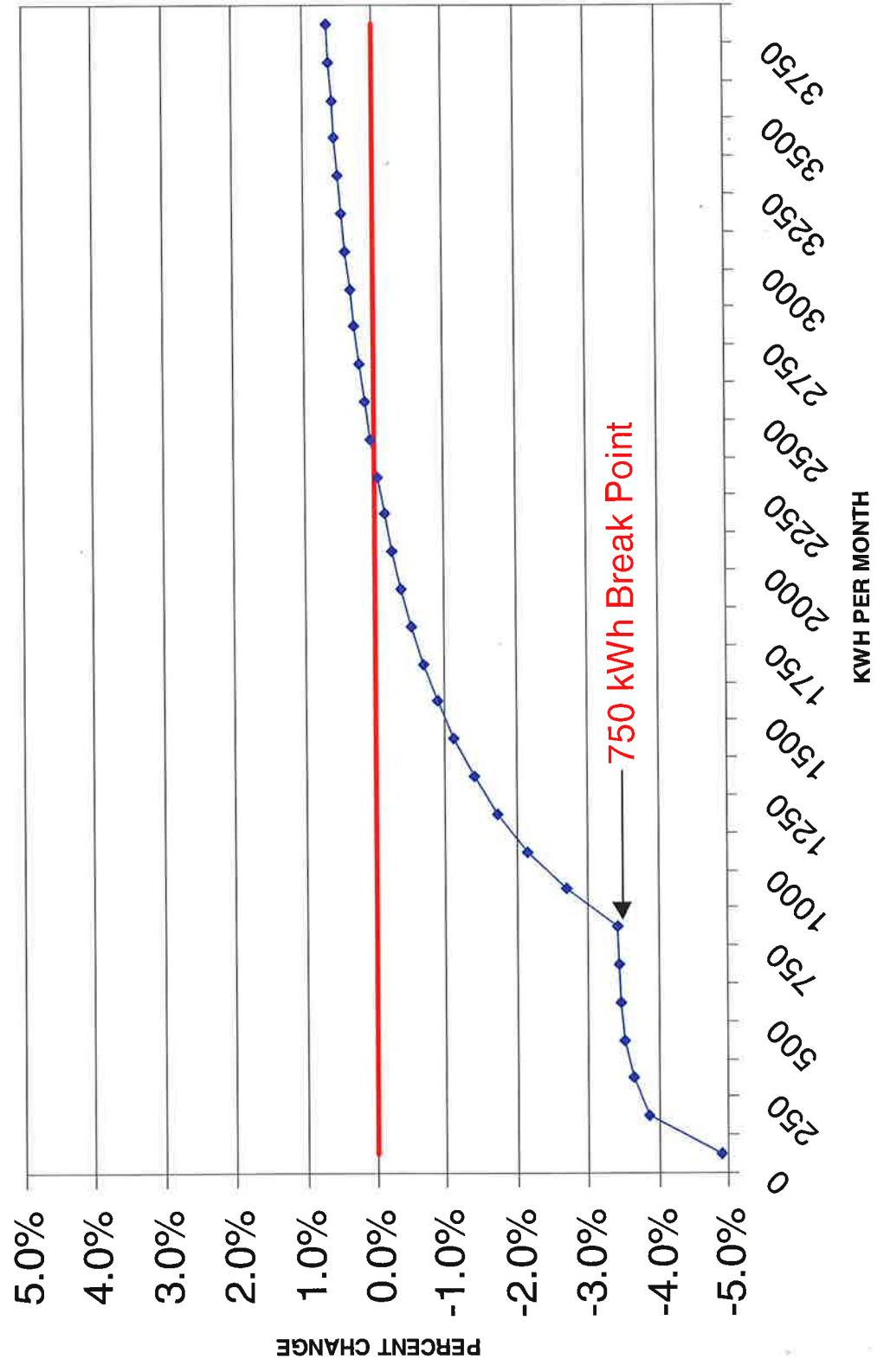
# Comparison of Existing and Proposed Residential Electric Rate Structure



# EFFECTS ON RESIDENTIAL BASE RATES AS A PERCENT BY USAGE LEVEL EXCLUDING FUEL ADJUSTMENT



# EFFECTS ON RESIDENTIAL BILLS AS A PERCENT BY USAGE LEVEL (26.29 MILL FUEL ADJUSTMENT)



## RESIDENTIAL

	<u>Existing Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$4.90	\$4.66
Energy Charge, 0-750 kWh	\$0.04980	\$0.04731
Energy Charge, >750 kWh	\$0.05440	\$0.05576

<u>Monthly kWh Usage</u>	<b>Base Rate Charges</b>			<u>% Difference</u>	<u>Percentage of Customers</u>
	<u>Existing</u>	<u>Proposed</u>	<u>\$ Difference</u>		
500	\$29.80	\$28.32	(\$1.49)	-5.0%	27.7%
750	\$42.25	\$40.14	(\$2.11)	-5.0%	23.3%
<b>1,000</b>	<b>\$55.85</b>	<b>\$54.08</b>	<b>(\$1.77)</b>	<b>-3.2%</b>	<b>18.8%</b>
1,250	\$69.45	\$68.02	(\$1.43)	-2.1%	12.2%
1,500	\$83.05	\$81.96	(\$1.09)	-1.3%	7.5%
1,750	\$96.65	\$95.90	(\$0.75)	-0.8%	4.2%
2,000	\$110.25	\$109.84	(\$0.41)	-0.4%	2.5%
2,250	\$123.85	\$123.78	(\$0.07)	-0.1%	1.4%
2,500	\$137.45	\$137.72	\$0.27	0.2%	0.8%
2,750	\$151.05	\$151.66	\$0.61	0.4%	1.5%
					<u>100.0%</u>

Fiscal Year 2001 System Averages: 950 kWh; 71,975 Customers

Industry Rate Comparison Level Shown in ***Italics***

Base Rate Charges Include \$0.0065/kWh Embedded Fuel

## RESIDENTIAL

	<u>Existing Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$4.90	\$4.66
Energy Charge, 0-750 kWh	\$0.04980	\$0.04731
Energy Charge, >750 kWh	\$0.05440	\$0.05576
Fuel Adjustment, all kWh	\$0.02629	\$0.02629

<u>Monthly kWh Usage</u>	<u>Billing Amounts</u>			<u>Percentage of Customers</u>
	<u>Existing</u>	<u>Proposed</u>	<u>\$ Difference</u>	
500	\$42.95	\$41.46	(\$1.49)	-3.5%
750	\$61.97	\$59.86	(\$2.11)	-3.4%
<b>1,000</b>	<b>\$82.14</b>	<b>\$80.37</b>	<b>(\$1.77)</b>	<b>-2.2%</b>
1,250	\$102.31	\$100.89	(\$1.43)	-1.4%
1,500	\$122.49	\$121.40	(\$1.09)	-0.9%
1,750	\$142.66	\$141.91	(\$0.75)	-0.5%
2,000	\$162.83	\$162.42	(\$0.41)	-0.3%
2,250	\$183.00	\$182.94	(\$0.07)	0.0%
2,500	\$203.18	\$203.45	\$0.27	0.1%
2,750	\$223.35	\$223.96	\$0.61	0.3%
				<b>100.0%</b>

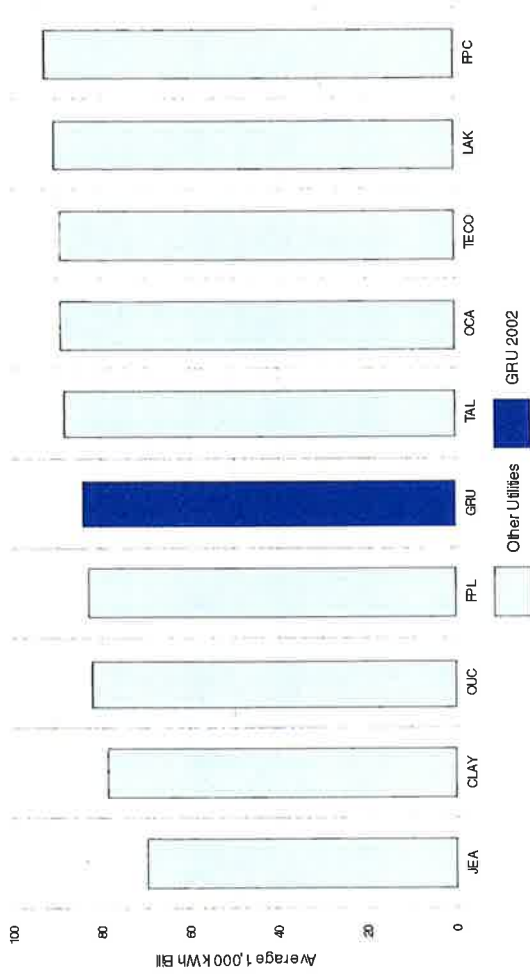
Fiscal Year 2001 System Averages: 950 kWh; 71,975 Customers

Industry Rate Comparison Level Shown in ***italics***

Base Rate Charges Include \$0.0065/kWh Embedded Fuel Plus \$0.02629/kWh Fuel Adjustment

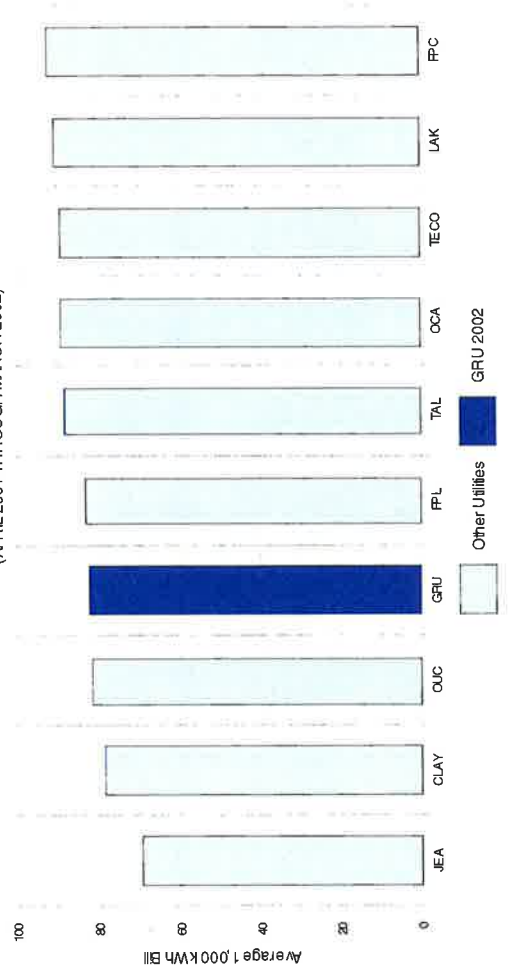
## Existing Rates

### GAINESVILLE REGIONAL UTILITIES ELECTRIC RESIDENTIAL RATE COMPARISON (APRIL 2001 THROUGH MARCH 2002)



## Proposed Rates Without Loyalty Incentives

### GAINESVILLE REGIONAL UTILITIES ELECTRIC RESIDENTIAL RATE COMPARISON (APRIL 2001 THROUGH MARCH 2002)





# RESIDENTIAL LOYALTY PROGRAM (PHASE 2)

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- Institute Loyalty Programs Equivalent to a 2.5% Base Rate Decrease\*
- Program Design Pending

\* 50% Participation Assumed

## RESIDENTIAL

	<u>Proposed Rates</u>	<u>With Loyalty Incentives</u>
Customer Charge	\$4.66	\$4.54
Energy Charge, 0-750 kWh	\$0.04731	\$0.04613
Energy Charge, >750 kWh	\$0.05576	\$0.05437
Fuel Adjustment, all kWh	\$0.02629	\$0.02629

<u>Monthly kWh Usage</u>	<u>Billing Amounts</u>			<u>% Difference</u>	<u>Percentage of Customers</u>
	<u>Proposed</u>	<u>w/Loyalty</u>	<u>\$ Difference</u>		
500	\$41.46	\$40.75	(\$0.71)	-1.7%	27.7%
750	\$59.86	\$58.86	(\$1.01)	-1.7%	23.3%
<b>1,000</b>	<b>\$80.37</b>	<b>\$79.02</b>	<b>(\$1.35)</b>	<b>-1.7%</b>	<b>18.8%</b>
1,250	\$100.89	\$99.19	(\$1.70)	-1.7%	12.2%
1,500	\$121.40	\$119.35	(\$2.05)	-1.7%	7.5%
1,750	\$141.91	\$139.52	(\$2.40)	-1.7%	4.2%
2,000	\$162.42	\$159.68	(\$2.74)	-1.7%	2.5%
2,250	\$182.94	\$179.85	(\$3.09)	-1.7%	1.4%
2,500	\$203.45	\$200.01	(\$3.44)	-1.7%	0.8%
2,750	\$223.96	\$220.18	(\$3.78)	-1.7%	1.5%
					<u>100.0%</u>

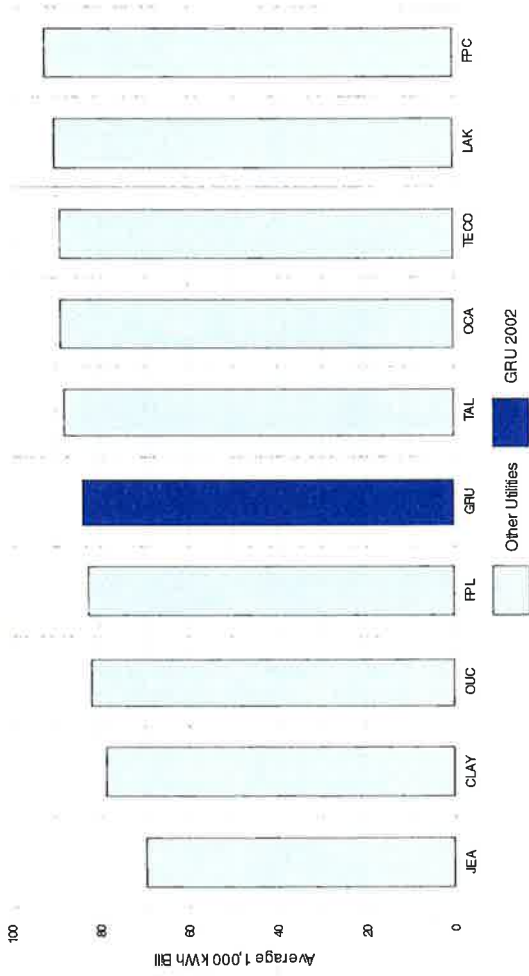
Fiscal Year 2001 System Averages: 950 kWh; 71,975 Customers

Industry Rate Comparison Level Shown in ***Italics***

Base Rate Charges Include \$0.0065/kWh Embedded Fuel Plus \$0.02629/kWh Fuel Adjustment

## Existing Rates

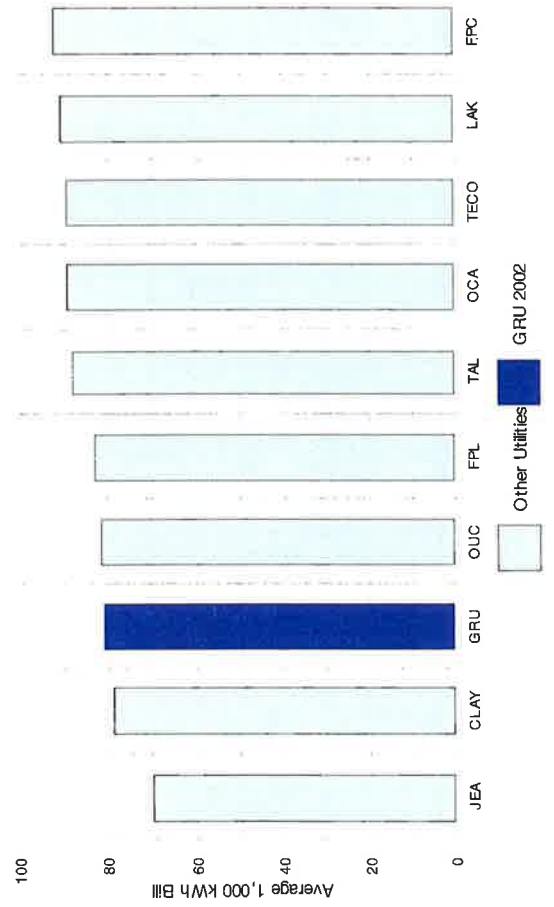
### GAINESVILLE REGIONAL UTILITIES ELECTRIC RESIDENTIAL RATE COMPARISON (APRIL 2001 THROUGH MARCH 2002)



## Proposed Rates

### With New Tariff and Loyalty Incentives

### GAINESVILLE REGIONAL UTILITIES ELECTRIC RESIDENTIAL RATE COMPARISON (APRIL 2001 THROUGH MARCH 2002)

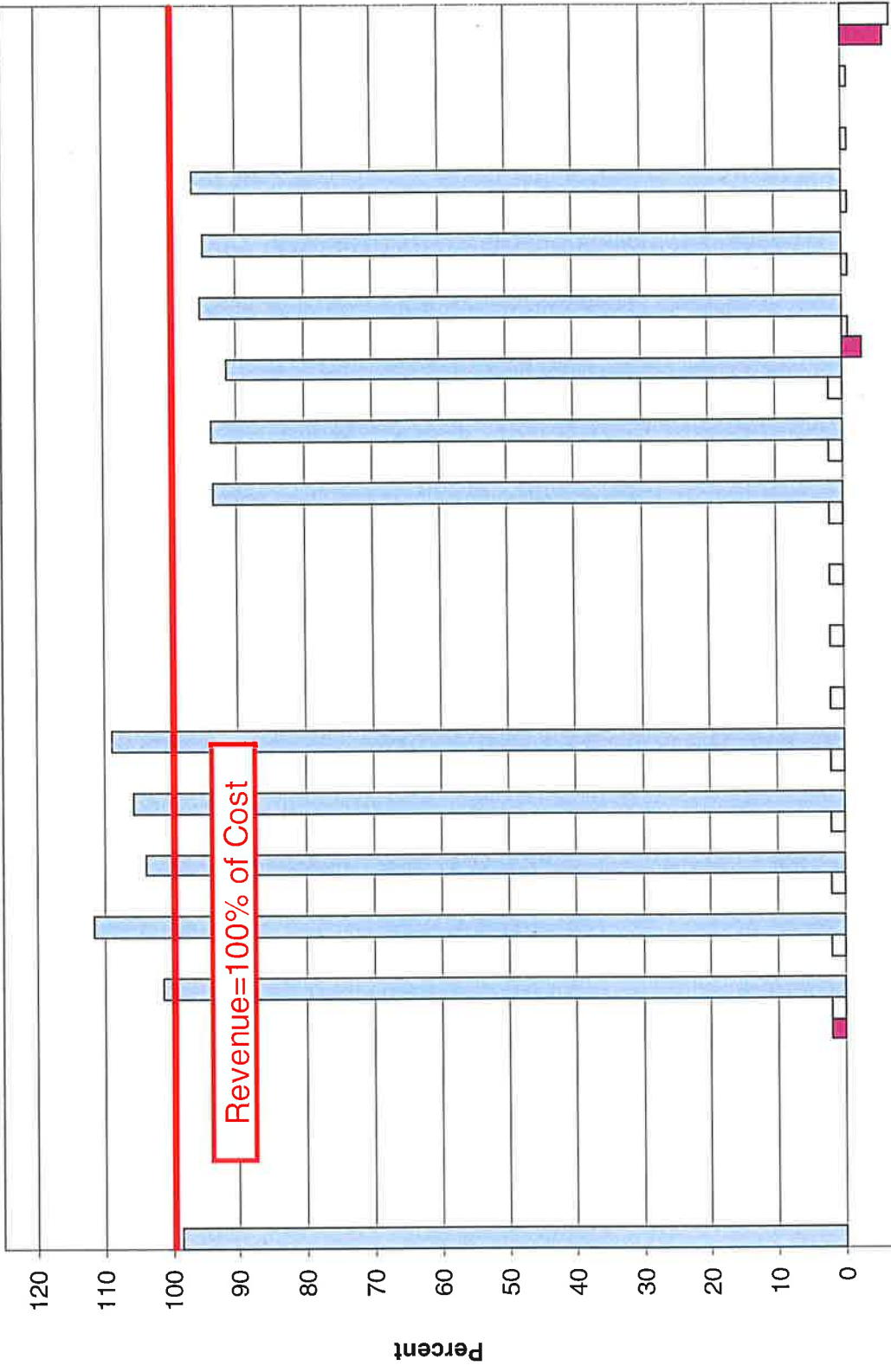


# General Service Non-Demand Proposed Base Rate

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- Establish a Two-Block Rate Structure
- Set 1st Block, 8.33% Lower (0-1500 KWH)
- Increase 2nd Block 4.0% (>1500 KWH)

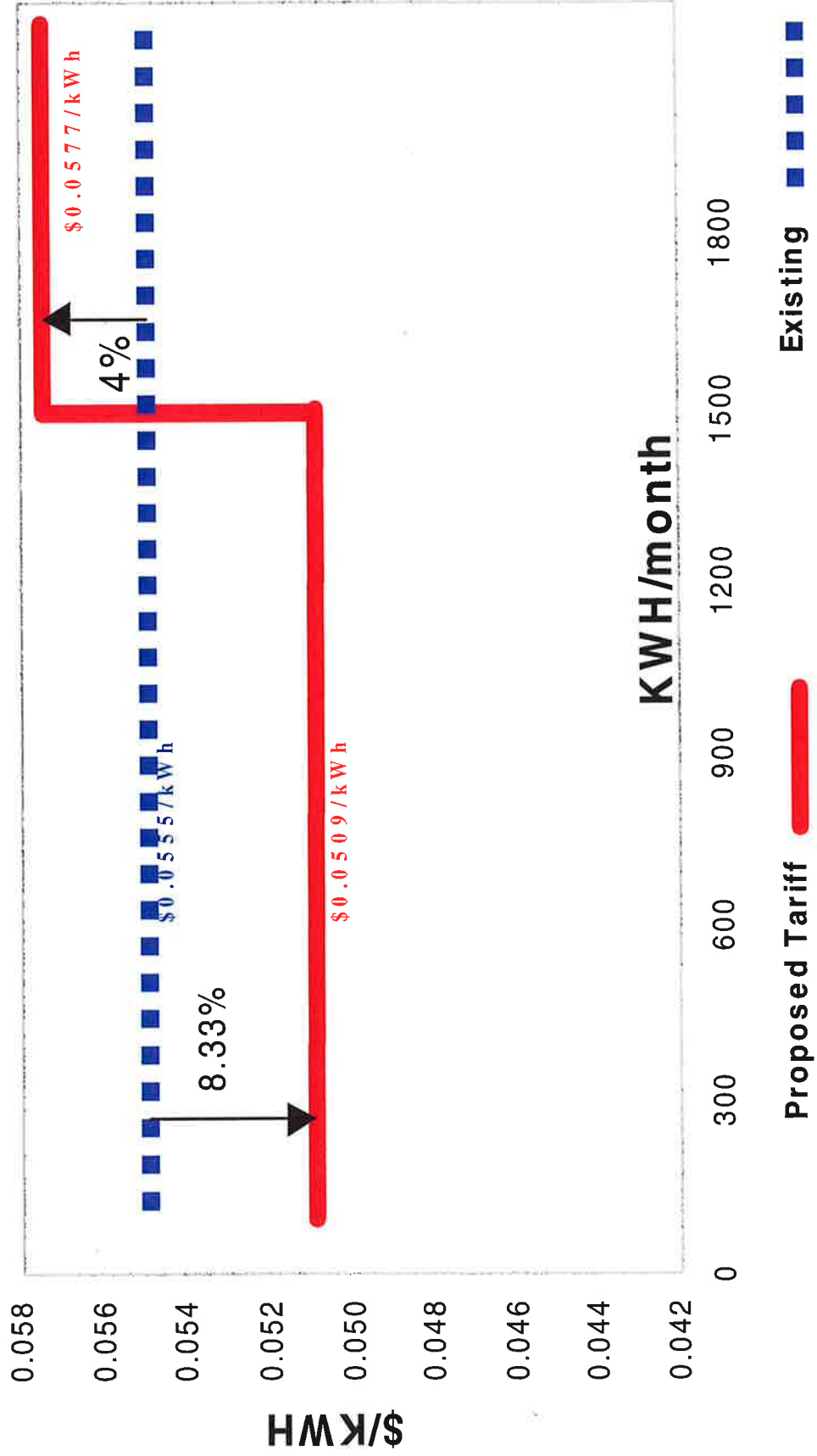
# GSND BASE RATE AND COST OF SERVICE HISTORY



	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
□ % Rev Req Collected	98.6				101.3	111.3	103.8	105.6	108.9				93.5	93.7	91.5	95.5	94.9	96.5		
■ % Base Rate Change	0.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.9	0.0	0.0	0.0	0.0	-6.4
□ % Cum. Rate Change	0.0	0.0	0.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	-1.0	-1.0	-1.0	-1.0	-1.0	-7.3

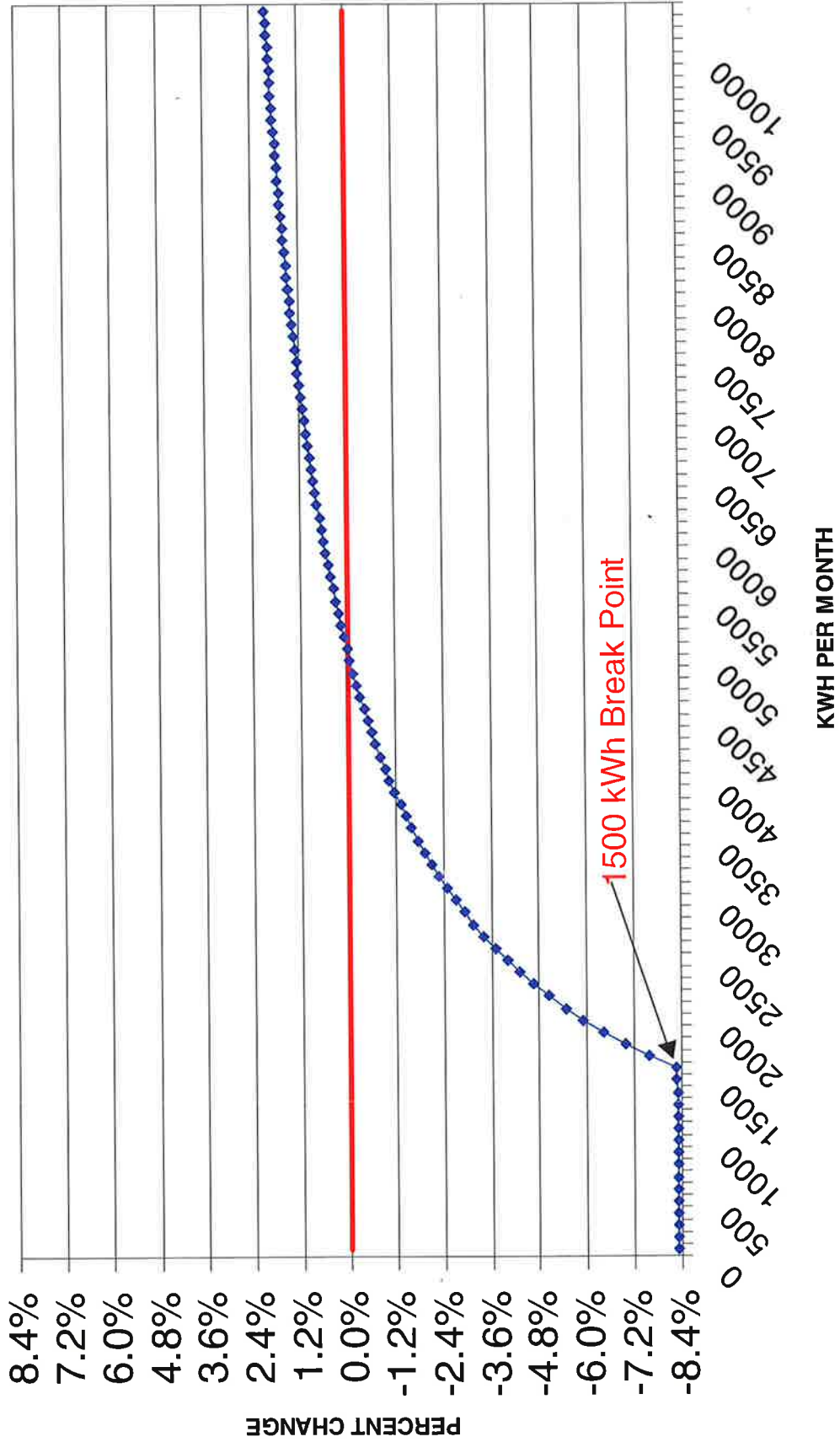
Year

# Comparison of Existing and Proposed General Service Non-Demand Electric Rate Structure

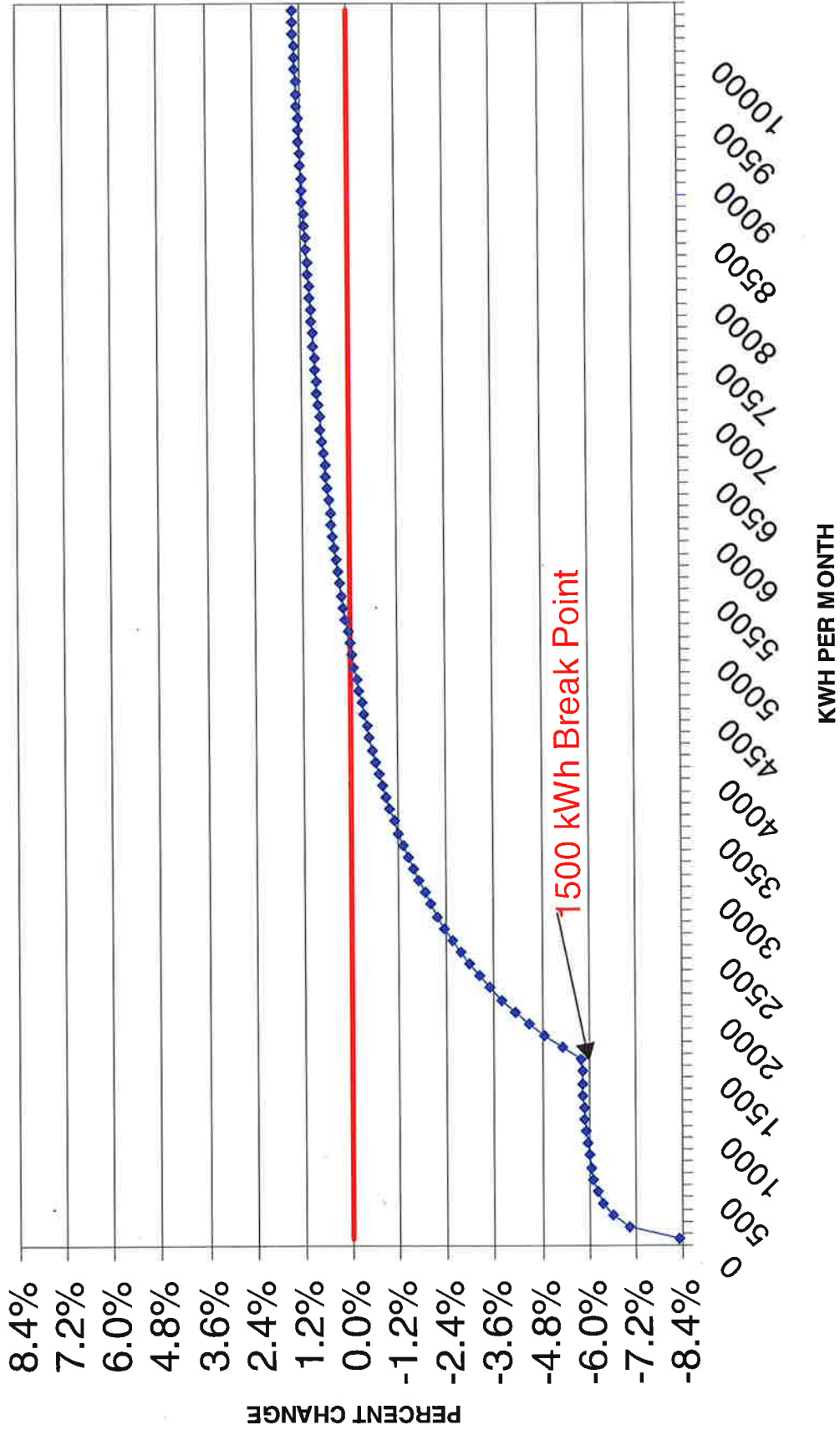


# EFFECTS ON GENERAL SERVICE NON-DEMAND BILL

AS A PERCENT BY USAGE LEVEL  
EXCLUDING FUEL ADJUSTMENT



# EFFECTS ON GENERAL SERVICE NON-DEMAND BILL AS A PERCENT BY USAGE LEVEL (26.29 MILL. FUEL ADJUSTMENT)





**GENERAL SERVICE NON-DEMAND**

	<b>Existing Rates</b>	<b>Proposed Rates</b>
Customer Charge	\$9.13	\$8.37
Energy Charge, 0-1500 kWh	\$0.05550	\$0.05090
Energy Charge, >1500 kWh	\$0.05550	\$0.05770

<u>Monthly kWh Usage</u>	<b>Base Rate Charges</b>				<u>Percentage of Customers</u>
	<u>Existing</u>	<u>Proposed</u>	<u>\$ Difference</u>	<u>% Difference</u>	
500	\$36.88	\$33.82	(\$3.06)	-8.3%	39.1%
1,000	\$64.63	\$59.27	(\$5.36)	-8.3%	13.5%
<b>1,500</b>	<b>\$92.38</b>	<b>\$84.72</b>	<b>(\$7.66)</b>	<b>-8.3%</b>	<b>10.0%</b>
2,000	\$120.13	\$113.57	(\$6.56)	-5.5%	7.6%
2,500	\$147.88	\$142.42	(\$5.46)	-3.7%	5.3%
3,000	\$175.63	\$171.27	(\$4.36)	-2.5%	3.8%
3,500	\$203.38	\$200.12	(\$3.26)	-1.6%	3.3%
4,000	\$231.13	\$228.97	(\$2.16)	-0.9%	2.6%
4,500	\$258.88	\$257.82	(\$1.06)	-0.4%	2.2%
5,000	\$286.63	\$286.67	\$0.04	0.0%	<u>12.7%</u>
					<b>100.0%</b>

Fiscal Year 2001 System Averages: 2,130 kWh; 7,613 Customers

Industry Rate Comparison Level Shown in ***Italics***

Base Rate Charges Include \$0.0065/kWh Embedded Fuel

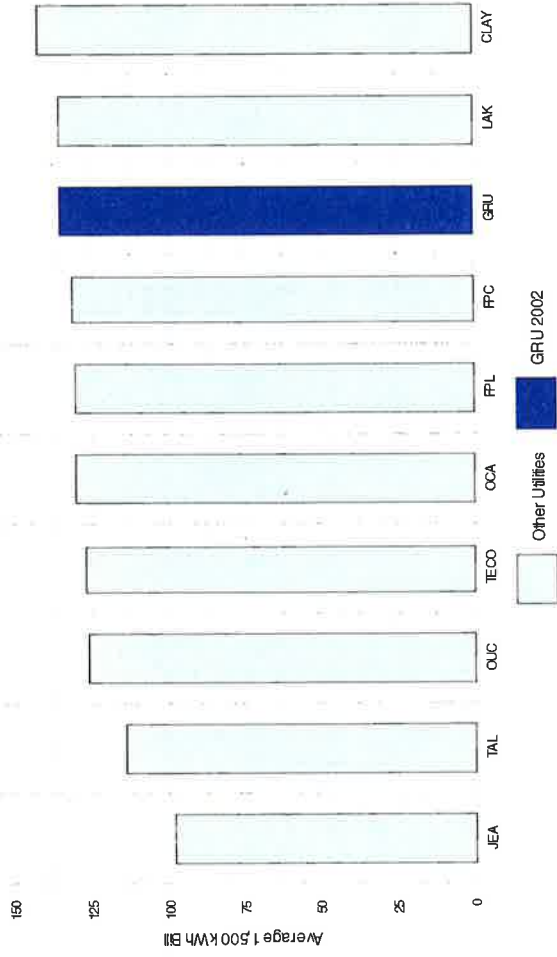
**GENERAL SERVICE NON-DEMAND**

	<u>Existing Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$9.13	\$8.37
Energy Charge, 0-1500 kWh	\$0.05550	\$0.05090
Energy Charge, >1500 kWh	\$0.05550	\$0.05770
Fuel Adjustment, all kWh	\$0.02629	\$0.02629

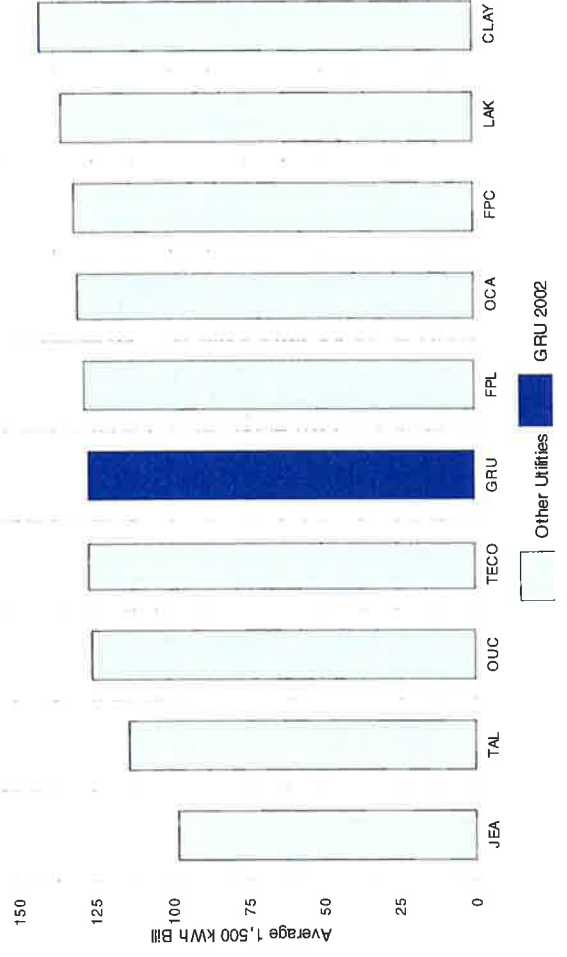
<u>Monthly kWh Usage</u>	<u>Billing Amounts</u>			<u>% Difference</u>	<u>Percentage of Customers</u>
	<u>Existing</u>	<u>Proposed</u>	<u>\$ Difference</u>		
500	\$50.03	\$46.97	(\$3.06)	-6.1%	39.1%
1,000	\$90.92	\$85.56	(\$5.36)	-5.9%	13.5%
<b>1,500</b>	<b>\$131.82</b>	<b>\$124.16</b>	<b>(\$7.66)</b>	<b>-5.8%</b>	<b>10.0%</b>
2,000	\$172.71	\$166.15	(\$6.56)	-3.8%	7.6%
2,500	\$213.61	\$208.15	(\$5.46)	-2.6%	5.3%
3,000	\$254.50	\$250.14	(\$4.36)	-1.7%	3.8%
3,500	\$295.40	\$292.14	(\$3.26)	-1.1%	3.3%
4,000	\$336.29	\$334.13	(\$2.16)	-0.6%	2.6%
4,500	\$377.19	\$376.13	(\$1.06)	-0.3%	2.2%
5,000	\$418.08	\$418.12	\$0.04	0.0%	<u>12.7%</u>
					<u>100.0%</u>

Fiscal Year 2001 System Averages: 2,130 kWh; 7,613 Customers  
 Industry Rate Comparison Level Shown in ***Italics***  
 Base Rate Charges Include \$0.0065/kWh Embedded Fuel Plus \$0.02629/kWh Fuel Adjustment

**Existing Rates**  
**GAINESVILLE REGIONAL UTILITIES**  
**ELECTRIC NON-DEMAND RATE COMPARISON**  
 (APRIL 2001 THROUGH MARCH 2002)



**Proposed Rates**  
**GAINESVILLE REGIONAL UTILITIES**  
**Without Loyalty Incentives**  
**ELECTRIC NON-DEMAND RATE COMPARISON**  
 (APRIL 2001 THROUGH MARCH 2002)



**GENERAL SERVICE NON-DEMAND (with Business Partners Participation)**

	<b>Existing with 7% B.P.</b>	<b>Proposed with 7% B.P.</b>
Customer Charge	\$8.49	\$7.78
Energy Charge, 0-1500 kWh	\$0.05162	\$0.04734
Energy Charge, >1500 kWh	\$0.05162	\$0.05366
Fuel Adjustment, all kWh	\$0.02629	\$0.02629

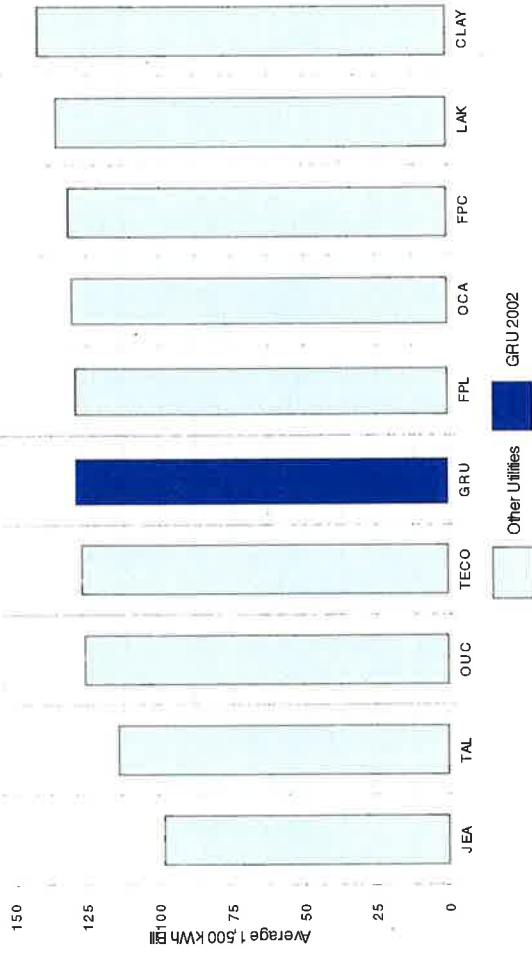
<u>Monthly kWh Usage</u>	<b>Billing Amounts</b>			<u>% Difference</u>	<u>Percentage of Customers</u>
	<u>Exist. (7%)</u>	<u>Prop. (7%)</u>	<u>\$ Difference</u>		
500	\$47.45	\$44.60	(\$2.85)	-6.0%	39.1%
1,000	\$86.40	\$81.41	(\$4.99)	-5.8%	13.5%
<b>1,500</b>	<b>\$125.36</b>	<b>\$118.23</b>	<b>(\$7.13)</b>	<b>-5.7%</b>	<b>10.0%</b>
2,000	\$164.31	\$158.20	(\$6.11)	-3.7%	7.6%
2,500	\$203.27	\$198.18	(\$5.09)	-2.5%	5.3%
3,000	\$242.22	\$238.15	(\$4.07)	-1.7%	3.8%
3,500	\$281.18	\$278.13	(\$3.05)	-1.1%	3.3%
4,000	\$320.13	\$318.10	(\$2.03)	-0.6%	2.6%
4,500	\$359.09	\$358.08	(\$1.01)	-0.3%	2.2%
5,000	\$398.04	\$398.05	\$0.01	0.0%	<u>12.7%</u>
					<u>100.0%</u>

Fiscal Year 2001 System Averages: 2,130 kWh; 7,613 Customers  
 Industry Rate Comparison Level Shown in ***italics***  
 Base Rate Charges Include \$0.0065/kWh Embedded Fuel Plus \$0.02629/kWh Fuel Adjustment

# Existing Rates

## With 7% GRU Business Partners Discount

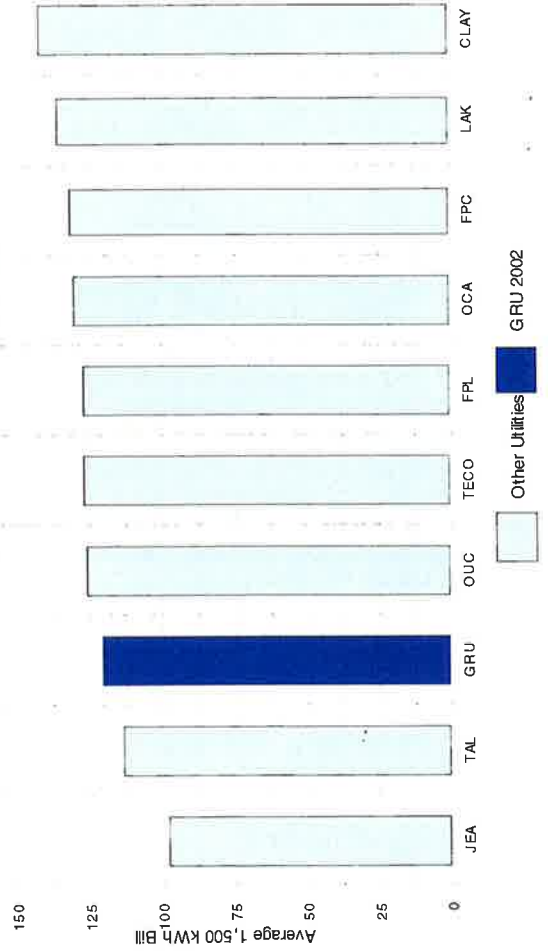
GAINESVILLE REGIONAL UTILITIES  
ELECTRIC NON-DEMAND RATE COMPARISON  
(APRIL 2001 THROUGH MARCH 2002)



# Proposed Rates

## With 7% GRU Business Partners Discount

GAINESVILLE REGIONAL UTILITIES  
ELECTRIC NON-DEMAND RATE COMPARISON  
(APRIL 2001 THROUGH MARCH 2002)



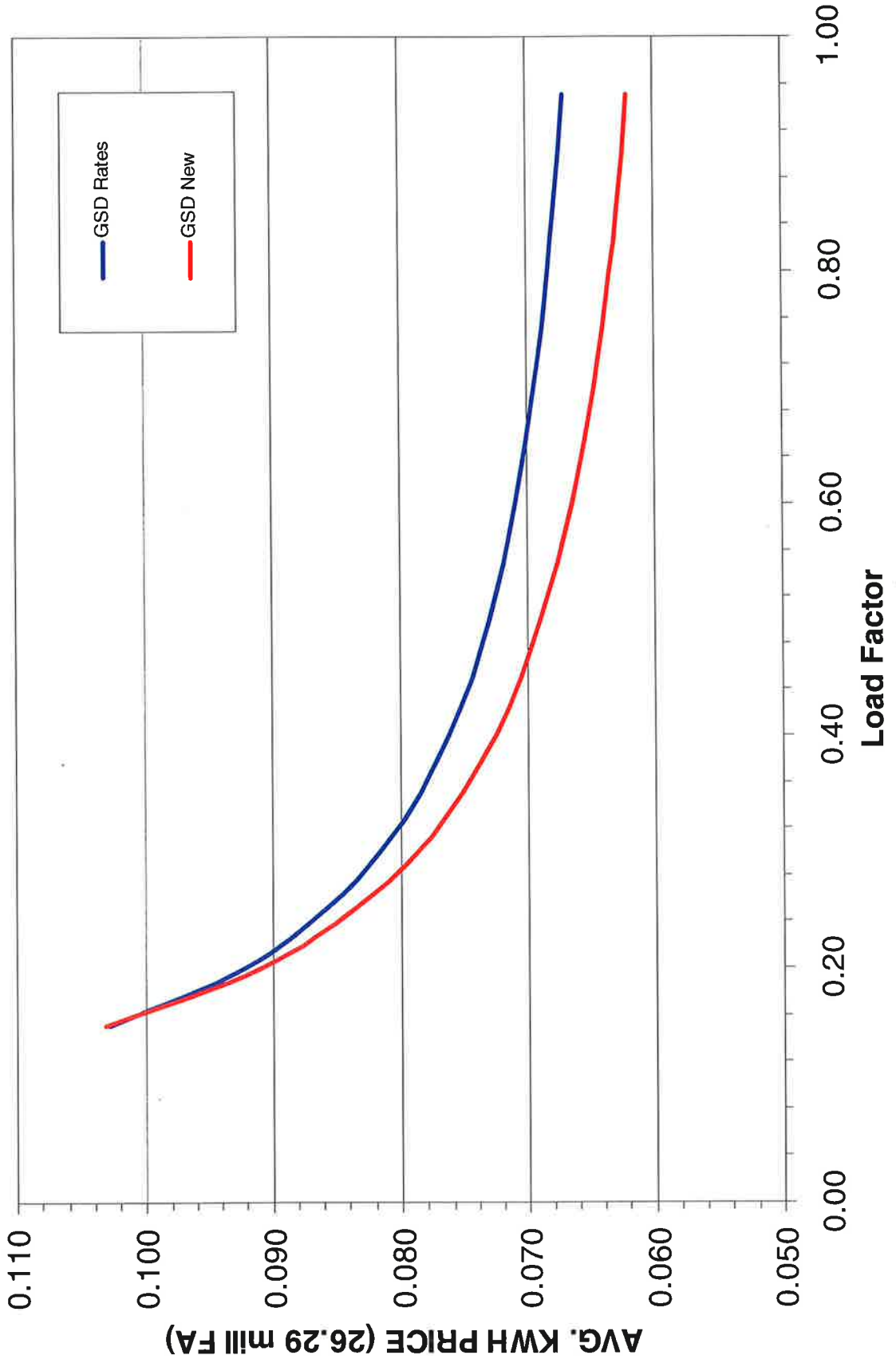
# GENERAL SERVICE DEMAND: Base Rate Proposal Phase 1

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- Decrease Base Rates 9.5% As Follows:
  - \$/KWD 4.66 To 5.35 (14.8%)
  - \$/KWH 0.0340 To .0280 (-17.6%)
- Increase Business Partners Discount From 7% to 10% In Exchange For Additional Term



# AVERAGE GSD KWH COST FOR DIFFERENT LOAD FACTORS (PHASE 1)





**GENERAL SERVICE DEMAND  
Phase 1**

	<b>Existing Rates</b>	<b>Proposed Rates</b>
Customer Charge (\$/month)	\$15.82	\$15.82
Demand Charge (\$/kW/month)	\$4.66	\$5.35
Energy Charge (\$/kWh)	\$0.03400	\$0.02800

Monthly kW	Monthly kWh	Base Rate Charges			% Difference	Load Factor
		Existing	Proposed	\$ Difference		
55	30,000	\$1,292.12	\$1,150.07	(\$142.05)	-11.0%	74.7%
65	30,000	\$1,338.72	\$1,203.57	(\$135.15)	-10.1%	63.2%
<b>75</b>	<b>30,000</b>	<b>\$1,385.32</b>	<b>\$1,257.07</b>	<b>(\$128.25)</b>	<b>-9.3%</b>	<b>54.8%</b>
85	30,000	\$1,431.92	\$1,310.57	(\$121.35)	-8.5%	48.3%
95	30,000	\$1,478.52	\$1,364.07	(\$114.45)	-7.7%	43.3%
105	30,000	\$1,525.12	\$1,417.57	(\$107.55)	-7.1%	39.1%
115	30,000	\$1,571.72	\$1,471.07	(\$100.65)	-6.4%	35.7%
125	30,000	\$1,618.32	\$1,524.57	(\$93.75)	-5.8%	32.9%
135	30,000	\$1,664.92	\$1,578.07	(\$86.85)	-5.2%	30.4%
145	30,000	\$1,711.52	\$1,631.57	(\$79.95)	-4.7%	28.3%

Fiscal Year 2001 System Averages: 44,587 kWh; 115 kW; 944 Customers

GRU Cost of Service Load Factor = 57.0%

Industry Rate Comparison Level Shown in ***italics***

Base Rate Charges Include \$0.0065/kWh Embedded Fuel

**GENERAL SERVICE DEMAND  
Phase 1**

	<b>Existing Rates</b>	<b>Proposed Rates</b>
Customer Charge (\$/month)	\$15.82	\$15.82
Demand Charge (\$/kW/month)	\$4.66	\$5.35
Energy Charge (\$/kWh)	\$0.03400	\$0.02800
Fuel Adjustment (\$/kWh)	\$0.02629	\$0.02629

Monthly kW	Monthly kWh	Billing Amounts		\$ Difference	% Difference	Load Factor
		Existing	Proposed			
55	30,000	\$2,080.82	\$1,938.77	(\$142.05)	-6.8%	74.7%
65	30,000	\$2,127.42	\$1,992.27	(\$135.15)	-6.4%	63.2%
<b>75</b>	<b>30,000</b>	<b>\$2,174.02</b>	<b>\$2,045.77</b>	<b>(\$128.25)</b>	<b>-5.9%</b>	<b>54.8%</b>
85	30,000	\$2,220.62	\$2,099.27	(\$121.35)	-5.5%	48.3%
95	30,000	\$2,267.22	\$2,152.77	(\$114.45)	-5.0%	43.3%
105	30,000	\$2,313.82	\$2,206.27	(\$107.55)	-4.6%	39.1%
115	30,000	\$2,360.42	\$2,259.77	(\$100.65)	-4.3%	35.7%
125	30,000	\$2,407.02	\$2,313.27	(\$93.75)	-3.9%	32.9%
135	30,000	\$2,453.62	\$2,366.77	(\$86.85)	-3.5%	30.4%
145	30,000	\$2,500.22	\$2,420.27	(\$79.95)	-3.2%	28.3%

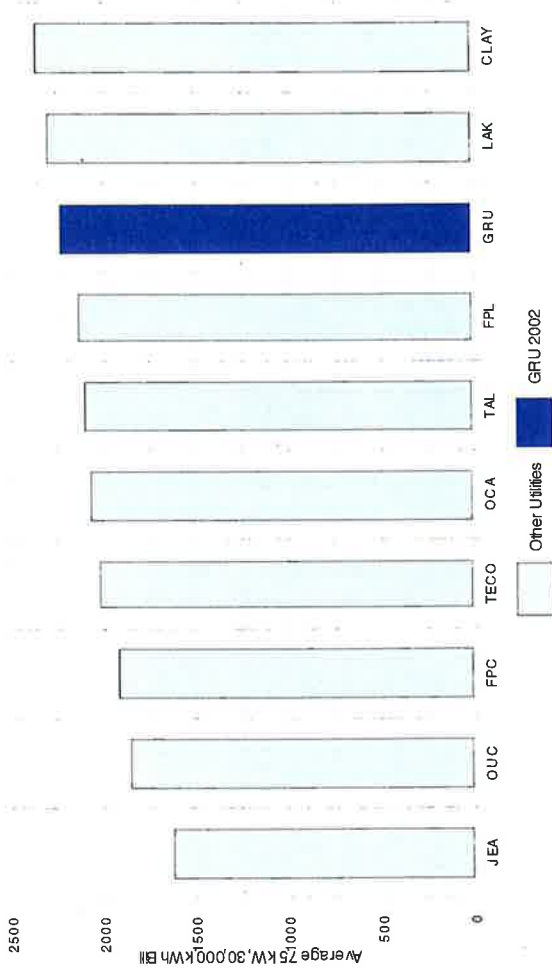
Fiscal Year 2001 System Averages: 44,587 kWh; 115 kW; 944 Customers  
 GRU Cost of Service Load Factor = 57.0%  
 Industry Rate Comparison Level Shown in ***Italics***  
 Base Rate Charges Include \$0.0065/kWh Embedded Fuel Plus \$0.02629/kWh Fuel Adjustment

# Existing Rates

## GAINESVILLE REGIONAL UTILITIES

### ELECTRIC DEMAND RATE COMPARISON

(APRIL 2001 THROUGH MARCH 2002)



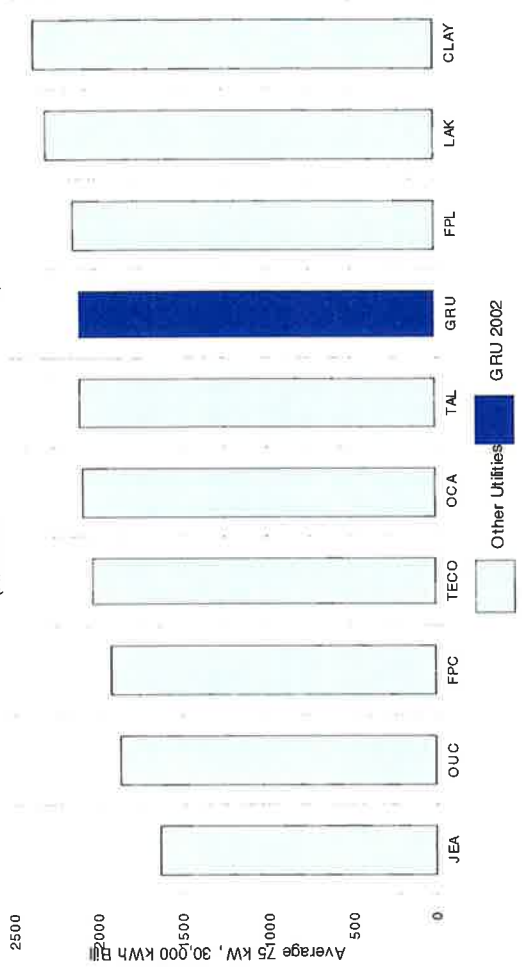
# Proposed Rates Phase 1

## Without Loyalty Incentives

### GAINESVILLE REGIONAL UTILITIES

### ELECTRIC DEMAND RATE COMPARISON

(APRIL 2001 THROUGH MARCH 2002)



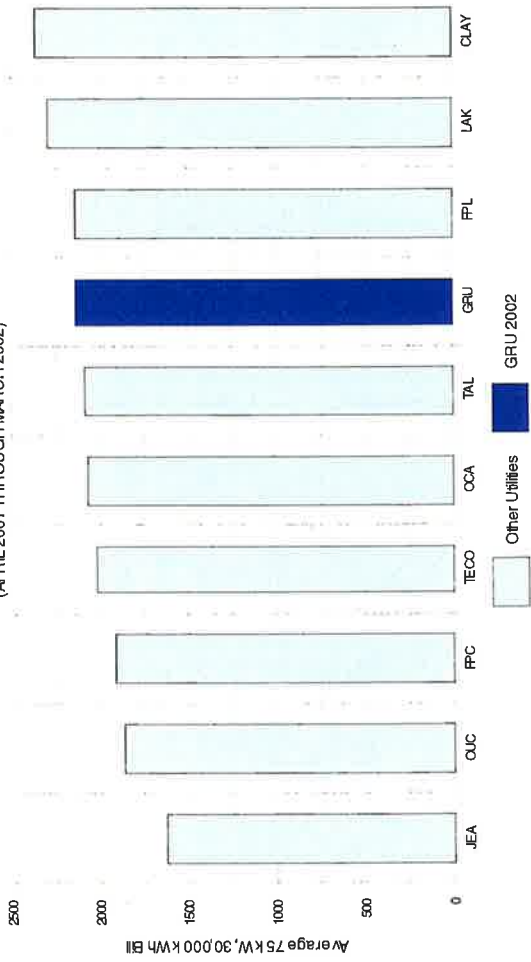
**GENERAL SERVICE DEMAND (with Business Partners Participation)  
Phase 1**

	<u>Existing with 7% B.P.</u>	<u>Proposed with 7% B.P.</u>
Customer Charge (\$/month)	\$14.71	\$14.71
Demand Charge (\$/kW/month)	\$4.33	\$4.98
Energy Charge (\$/kWh)	\$0.03162	\$0.02604
Fuel Adjustment (\$/kWh)	\$0.02629	\$0.02629

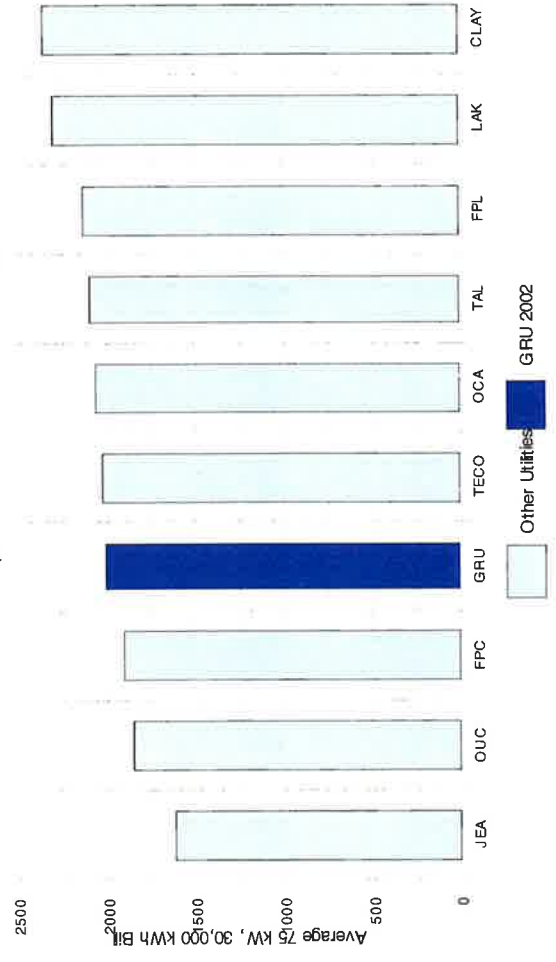
Monthly kW	Monthly kWh	Billing Amounts			% Difference	Load Factor
		Exist. (7%)	Prop. (7%)	\$ Difference		
55	30,000	\$1,990.16	\$1,858.51	(\$131.65)	-6.6%	74.7%
65	30,000	\$2,033.46	\$1,908.31	(\$125.15)	-6.2%	63.2%
<b>75</b>	<b>30,000</b>	<b>\$2,076.76</b>	<b>\$1,958.11</b>	<b>(\$118.65)</b>	<b>-5.7%</b>	<b>54.8%</b>
85	30,000	\$2,120.06	\$2,007.91	(\$112.15)	-5.3%	48.3%
95	30,000	\$2,163.36	\$2,057.71	(\$105.65)	-4.9%	43.3%
105	30,000	\$2,206.66	\$2,107.51	(\$99.15)	-4.5%	39.1%
115	30,000	\$2,249.96	\$2,157.31	(\$92.65)	-4.1%	35.7%
125	30,000	\$2,293.26	\$2,207.11	(\$86.15)	-3.8%	32.9%
135	30,000	\$2,336.56	\$2,256.91	(\$79.65)	-3.4%	30.4%
145	30,000	\$2,379.86	\$2,306.71	(\$73.15)	-3.1%	28.3%

Fiscal Year 2001 System Averages: 44,587 kWh; 115 kW; 944 Customers  
 GRU Cost of Service Load Factor = 57.0%  
 Industry Rate Comparison Level Shown in **Italics**  
 Base Rate Charges Include \$0.0065/kWh Embedded Fuel Plus \$0.02629/kWh Fuel Adjustment

**Existing Rates**  
**With 7% GRU Business Partners Discount**  
**GAINESVILLE REGIONAL UTILITIES**  
**ELECTRIC DEMAND RATE COMPARISON**  
 (APRIL 2001 THROUGH MARCH 2002)



**Proposed Rates Phase 1**  
**With 7% GRU Business Partners Discount**  
**GAINESVILLE REGIONAL UTILITIES**  
**ELECTRIC DEMAND RATE COMPARISON**  
 (APRIL 2001 THROUGH MARCH 2002)



**GENERAL SERVICE DEMAND (with Business Partners Participation)  
Phase 1**

	<b>Existing with 7% B.P.</b>	<b>Proposed with 10% B.P.</b>
Customer Charge (\$/month)	\$14.71	\$14.24
Demand Charge (\$/kW/month)	\$4.33	\$4.82
Energy Charge (\$/kWh)	\$0.03162	\$0.02520
Fuel Adjustment (\$/kWh)	\$0.02629	\$0.02629

Monthly kW	Monthly kWh	Billing Amounts			Load Factor
		Exist. (7%)	Prop. (10%)	\$ Difference	
55	30,000	\$1,990.16	\$1,824.04	(\$166.12)	74.7%
65	30,000	\$2,033.46	\$1,872.24	(\$161.22)	63.2%
<b>75</b>	<b>30,000</b>	<b>\$2,076.76</b>	<b>\$1,920.44</b>	<b>(\$156.32)</b>	<b>54.8%</b>
85	30,000	\$2,120.06	\$1,968.64	(\$151.42)	48.3%
95	30,000	\$2,163.36	\$2,016.84	(\$146.52)	43.3%
105	30,000	\$2,206.66	\$2,065.04	(\$141.62)	39.1%
115	30,000	\$2,249.96	\$2,113.24	(\$136.72)	35.7%
125	30,000	\$2,293.26	\$2,161.44	(\$131.82)	32.9%
135	30,000	\$2,336.56	\$2,209.64	(\$126.92)	30.4%
145	30,000	\$2,379.86	\$2,257.84	(\$122.02)	28.3%

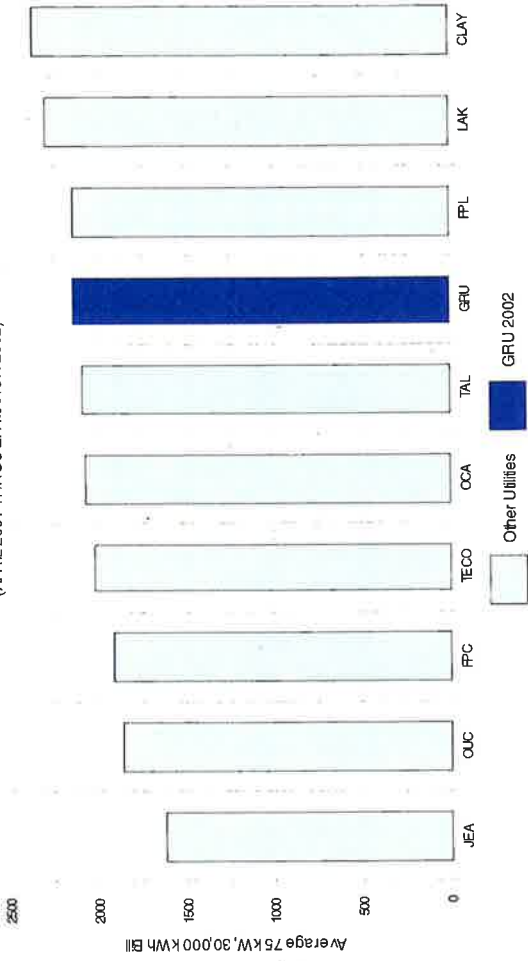
Fiscal Year 2001 System Averages: 44,587 kWh; 115 kW; 944 Customers

GRU Cost of Service Load Factor = 57.0%

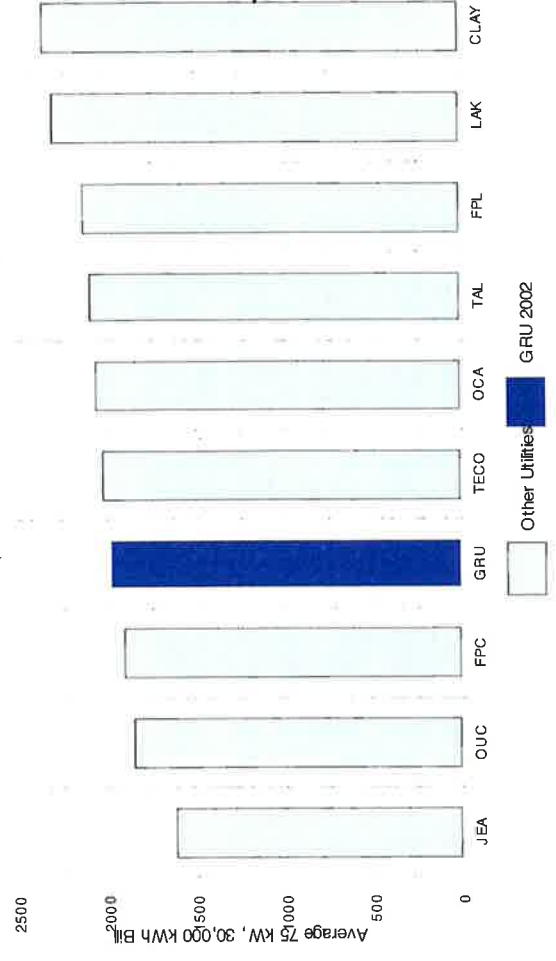
Industry Rate Comparison Level Shown in ***italics***

Base Rate Charges Include \$0.0065/kWh Embedded Fuel Plus \$0.02629/kWh Fuel Adjustment

**Existing Rates**  
**With 7% GRU Business Partners Discount**  
**GAINESVILLE REGIONAL UTILITIES**  
**ELECTRIC DEMAND RATE COMPARISON**  
 (APRIL 2001 THROUGH MARCH 2002)



**Proposed Rates Phase 1**  
**With 10% GRU Business Partners Discount**  
**GAINESVILLE REGIONAL UTILITIES**  
**ELECTRIC DEMAND RATE COMPARISON**  
 (APRIL 2001 THROUGH MARCH 2002)



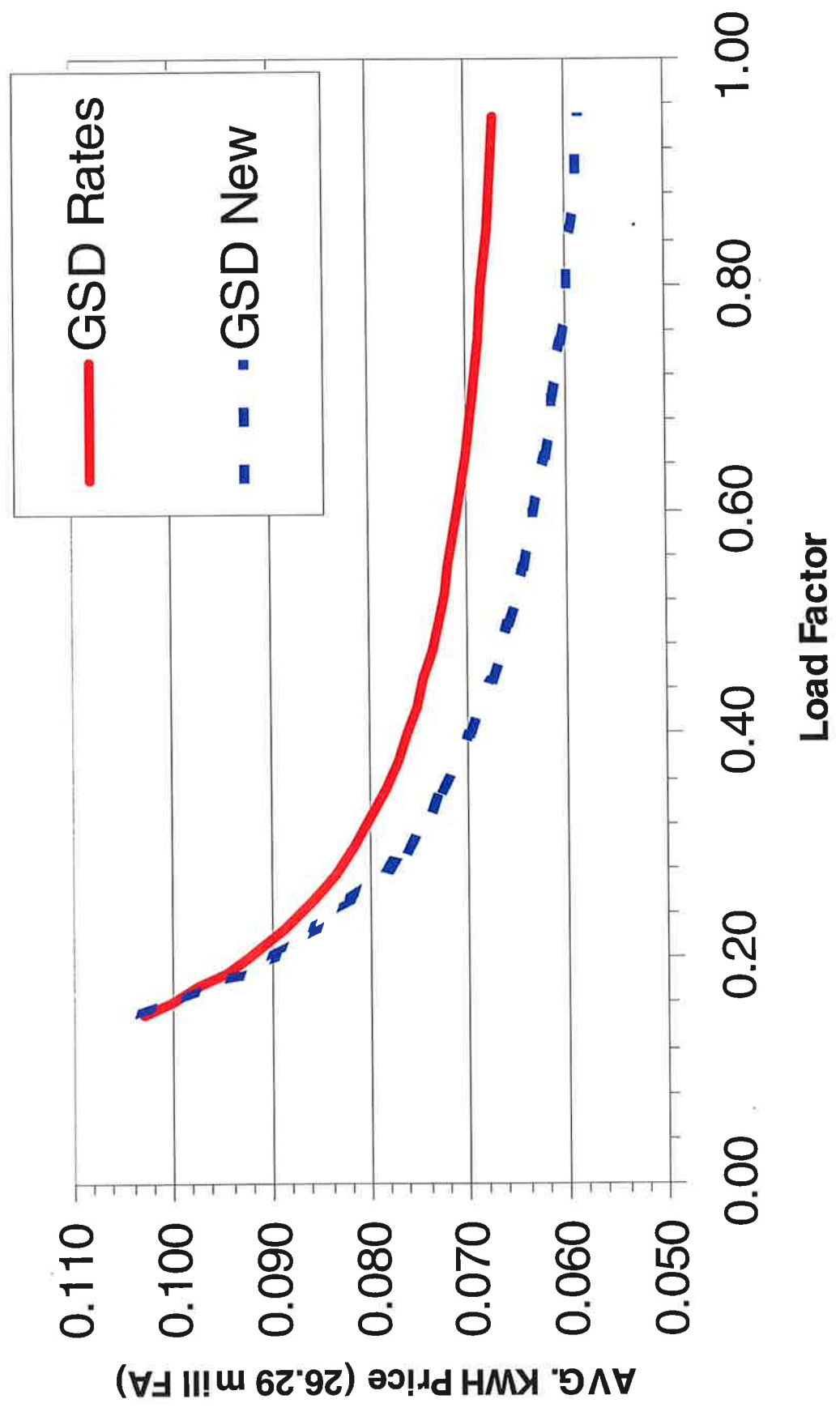
# GENERAL SERVICE DEMAND: Base Rate Proposal Phase 2

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- Additional Rate Changes
  - \$/KWD 5.35 to 5.75 (+7.5%)
  - \$/KWH .0280 to .0240 (-14.2%)



# AVERAGE GSD KWH COST FOR DIFFERENT LOAD FACTORS (PHASE 2)



**GENERAL SERVICE DEMAND  
Phase 2**

	<u>Phase 1 Rates</u>	<u>Phase 2 Rates</u>
Customer Charge (\$/month)	\$15.82	\$15.82
Demand Charge (\$/kW/month)	\$5.35	\$5.75
Energy Charge (\$/kWh)	\$0.02800	\$0.02400

Monthly kW	Monthly kWh	Base Rate Charges			
		Phase 1	Phase 2	\$ Difference	% Difference
55	30,000	\$1,150.07	\$1,052.07	(\$98.00)	-8.5%
65	30,000	\$1,203.57	\$1,109.57	(\$94.00)	-7.8%
<b>75</b>	<b>30,000</b>	<b>\$1,257.07</b>	<b>\$1,167.07</b>	<b>(\$90.00)</b>	<b>-7.2%</b>
85	30,000	\$1,310.57	\$1,224.57	(\$86.00)	-6.6%
95	30,000	\$1,364.07	\$1,282.07	(\$82.00)	-6.0%
105	30,000	\$1,417.57	\$1,339.57	(\$78.00)	-5.5%
115	30,000	\$1,471.07	\$1,397.07	(\$74.00)	-5.0%
125	30,000	\$1,524.57	\$1,454.57	(\$70.00)	-4.6%
135	30,000	\$1,578.07	\$1,512.07	(\$66.00)	-4.2%
145	30,000	\$1,631.57	\$1,569.57	(\$62.00)	-3.8%
					Load Factor
					74.7%
					63.2%
					54.8%
					48.3%
					43.3%
					39.1%
					35.7%
					32.9%
					30.4%
					28.3%

Fiscal Year 2001 System Averages: 44,587 kWh; 115 kW; 944 Customers

GRU Cost of Service Load Factor = 57.0%

Industry Rate Comparison Level Shown in ***Italics***

Base Rate Charges Include \$0.0065/kWh Embedded Fuel

**GENERAL SERVICE DEMAND**  
**Phase 2**

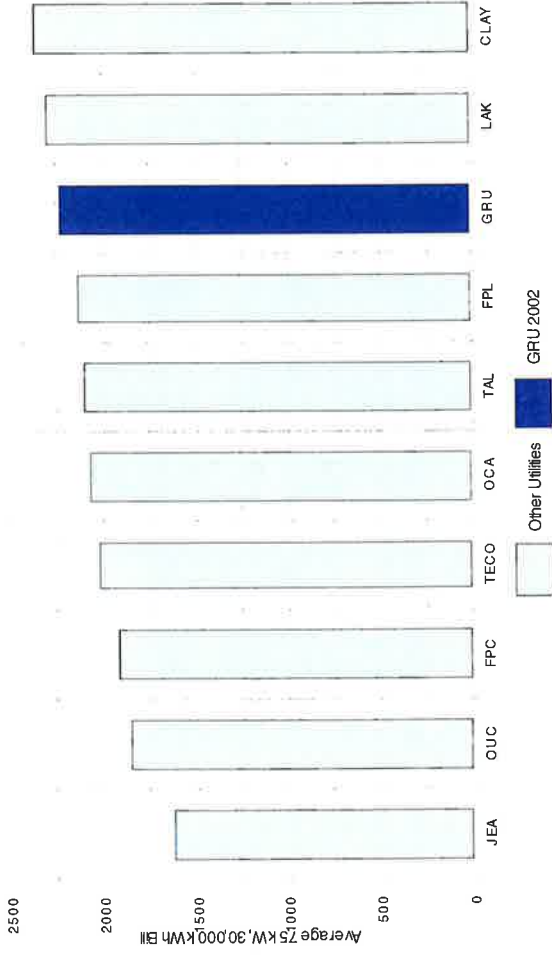
	<b>Phase 1</b>	<b>Phase 2</b>
	<b><u>Rates</u></b>	<b><u>Rates</u></b>
Customer Charge (\$/month)	\$15.82	\$15.82
Demand Charge (\$/kW/month)	\$5.35	\$5.75
Energy Charge (\$/kWh)	\$0.02800	\$0.02400
Fuel Adjustment (\$/kWh)	\$0.02629	\$0.02629

Monthly kW	Monthly kWh	Billing Amounts			% Difference	Load Factor
		Phase 1	Phase 2	\$ Difference		
55	30,000	\$1,938.77	\$1,840.77	(\$98.00)	-5.1%	74.7%
65	30,000	\$1,992.27	\$1,898.27	(\$94.00)	-4.7%	63.2%
<b>75</b>	<b>30,000</b>	<b>\$2,045.77</b>	<b>\$1,955.77</b>	<b>(\$90.00)</b>	<b>-4.4%</b>	<b>54.8%</b>
85	30,000	\$2,099.27	\$2,013.27	(\$86.00)	-4.1%	48.3%
95	30,000	\$2,152.77	\$2,070.77	(\$82.00)	-3.8%	43.3%
105	30,000	\$2,206.27	\$2,128.27	(\$78.00)	-3.5%	39.1%
115	30,000	\$2,259.77	\$2,185.77	(\$74.00)	-3.3%	35.7%
125	30,000	\$2,313.27	\$2,243.27	(\$70.00)	-3.0%	32.9%
135	30,000	\$2,366.77	\$2,300.77	(\$66.00)	-2.8%	30.4%
145	30,000	\$2,420.27	\$2,358.27	(\$62.00)	-2.6%	28.3%

Fiscal Year 2001 System Averages: 44,587 kWh; 115 kW; 944 Customers  
 GRU Cost of Service Load Factor = 57.0%  
 Industry Rate Comparison Level Shown in ***italics***  
 Base Rate Charges Include \$0.0065/kWh Embedded Fuel Plus \$0.02629/kWh Fuel Adjustment

## Existing Rates

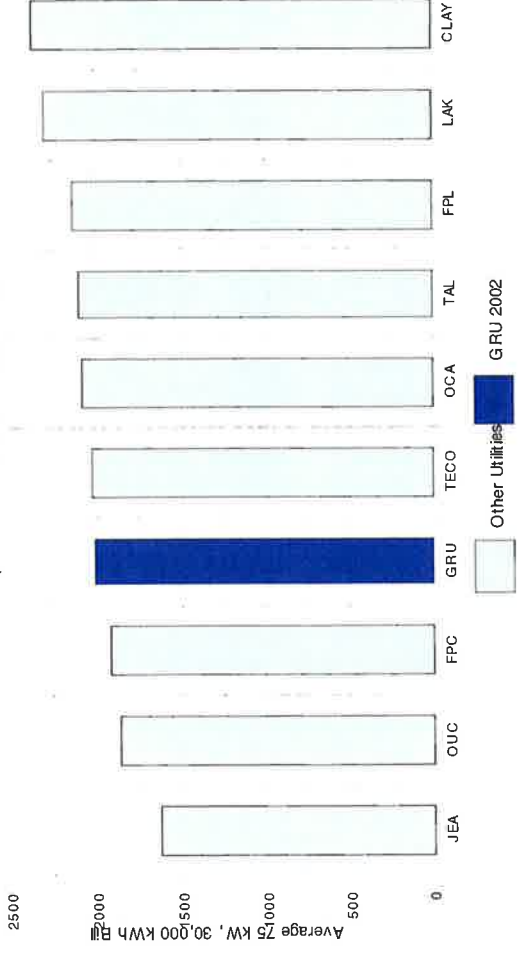
### GAINESVILLE REGIONAL UTILITIES ELECTRIC DEMAND RATE COMPARISON (APRIL 2001 THROUGH MARCH 2002)



## Proposed Rates Phase 2

### Without Loyalty Incentives

### GAINESVILLE REGIONAL UTILITIES ELECTRIC DEMAND RATE COMPARISON (APRIL 2001 THROUGH MARCH 2002)



**GENERAL SERVICE DEMAND (with Business Partners Participation)  
Phase 2**

	<b>Phase 1 with 7% B.P.</b>	<b>Phase 2 with 7% B.P.</b>
Customer Charge (\$/month)	\$14.71	\$14.71
Demand Charge (\$/kW/month)	\$4.98	\$5.35
Energy Charge (\$/kWh)	\$0.02604	\$0.02232
Fuel Adjustment (\$/kWh)	\$0.02629	\$0.02629

Monthly kW	Monthly kWh	Billing Amounts			% Difference	Load Factor
		Phase1 (7%)	Phase2 (7%)	\$ Difference		
55	30,000	\$1,858.51	\$1,767.26	(\$91.25)	-4.9%	74.7%
65	30,000	\$1,908.31	\$1,820.76	(\$87.55)	-4.6%	63.2%
<b>75</b>	<b>30,000</b>	<b>\$1,958.11</b>	<b>\$1,874.26</b>	<b>(\$83.85)</b>	<b>-4.3%</b>	<b>54.8%</b>
85	30,000	\$2,007.91	\$1,927.76	(\$80.15)	-4.0%	48.3%
95	30,000	\$2,057.71	\$1,981.26	(\$76.45)	-3.7%	43.3%
105	30,000	\$2,107.51	\$2,034.76	(\$72.75)	-3.5%	39.1%
115	30,000	\$2,157.31	\$2,088.26	(\$69.05)	-3.2%	35.7%
125	30,000	\$2,207.11	\$2,141.76	(\$65.35)	-3.0%	32.9%
135	30,000	\$2,256.91	\$2,195.26	(\$61.65)	-2.7%	30.4%
145	30,000	\$2,306.71	\$2,248.76	(\$57.95)	-2.5%	28.3%

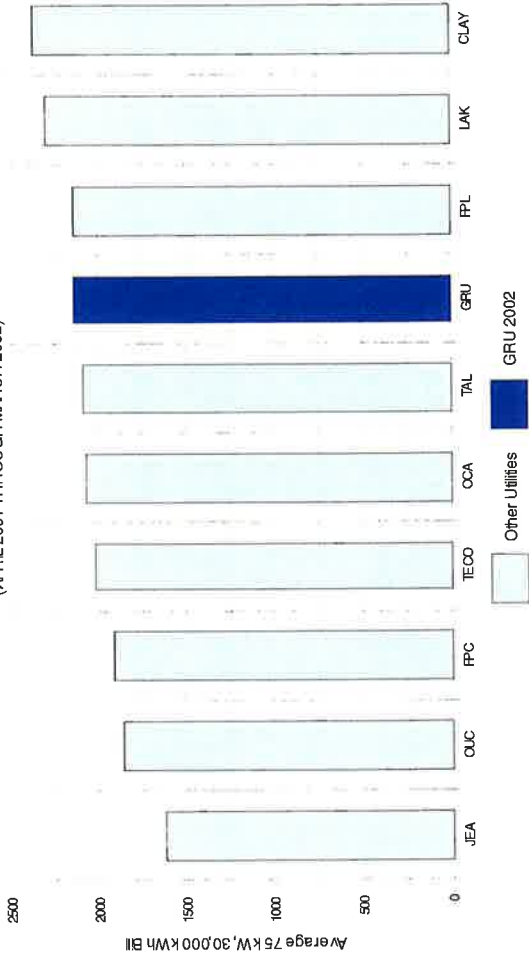
Fiscal Year 2001 System Averages: 44,587 kWh; 115 kW; 944 Customers

GRU Cost of Service Load Factor = 57.0%

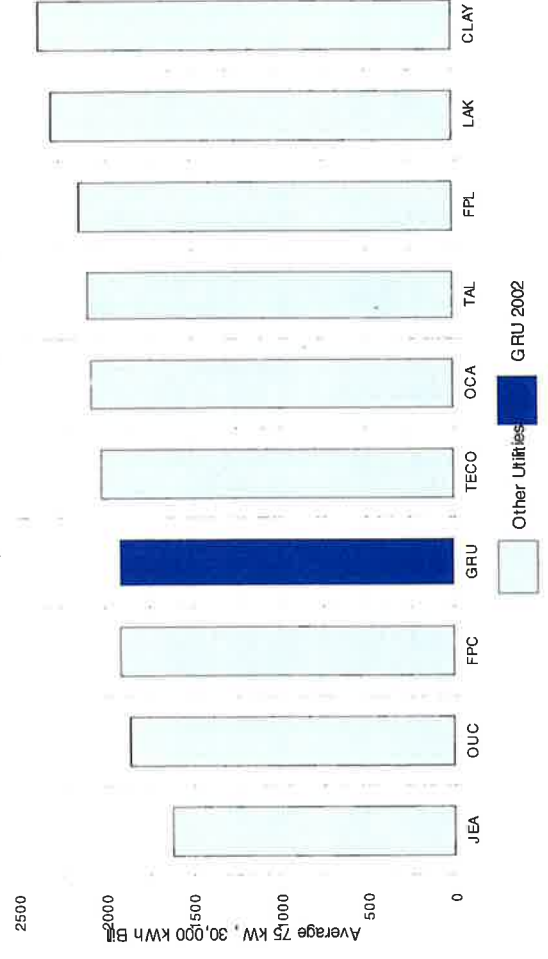
Industry Rate Comparison Level Shown in ***italics***

Base Rate Charges Include \$0.0065/kWh Embedded Fuel Plus \$0.02629/kWh Fuel Adjustment

**Existing Rates**  
 With 7% GRU Business Partners Discount  
**GAINESVILLE REGIONAL UTILITIES**  
**ELECTRIC DEMAND RATE COMPARISON**  
 (APRIL 2001 THROUGH MARCH 2002)



**Proposed Rates**  
 With 7% GRU Business Partners Discount  
**GAINESVILLE REGIONAL UTILITIES**  
**ELECTRIC DEMAND RATE COMPARISON**  
 (APRIL 2001 THROUGH MARCH 2002)



**GENERAL SERVICE DEMAND (with Business Partners Participation)  
Phase 2**

	<b>Phase 1</b>	<b>Phase 2</b>
	<b>with 10% B.P. with 10% B.P.</b>	
Customer Charge (\$/month)	\$14.24	\$14.24
Demand Charge (\$/kW/month)	\$4.82	\$5.18
Energy Charge (\$/kWh)	\$0.02520	\$0.02160
Fuel Adjustment (\$/kWh)	\$0.02629	\$0.02629

Monthly kW	Monthly kWh	Billing Amounts			% Difference	Load Factor
		Phase1 (10%)	Phase2 (10%)	\$ Difference		
55	30,000	\$1,824.04	\$1,735.84	(\$88.20)	-4.8%	74.7%
65	30,000	\$1,872.24	\$1,787.64	(\$84.60)	-4.5%	63.2%
<b>75</b>	<b>30,000</b>	<b>\$1,920.44</b>	<b>\$1,839.44</b>	<b>(\$81.00)</b>	<b>-4.2%</b>	<b>54.8%</b>
85	30,000	\$1,968.64	\$1,891.24	(\$77.40)	-3.9%	48.3%
95	30,000	\$2,016.84	\$1,943.04	(\$73.80)	-3.7%	43.3%
105	30,000	\$2,065.04	\$1,994.84	(\$70.20)	-3.4%	39.1%
115	30,000	\$2,113.24	\$2,046.64	(\$66.60)	-3.2%	35.7%
125	30,000	\$2,161.44	\$2,098.44	(\$63.00)	-2.9%	32.9%
135	30,000	\$2,209.64	\$2,150.24	(\$59.40)	-2.7%	30.4%
145	30,000	\$2,257.84	\$2,202.04	(\$55.80)	-2.5%	28.3%

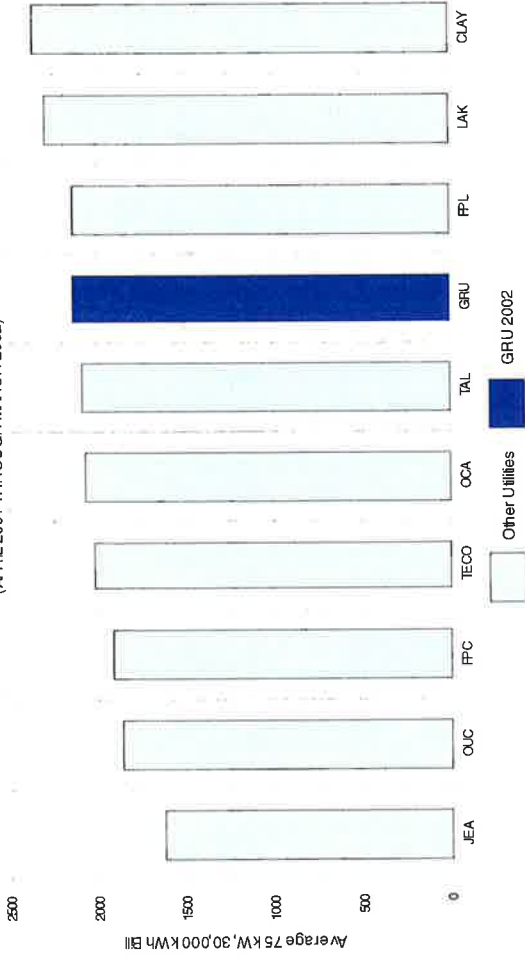
Fiscal Year 2001 System Averages: 44,587 kWh; 115 kW; 944 Customers

GRU Cost of Service Load Factor = 57.0%

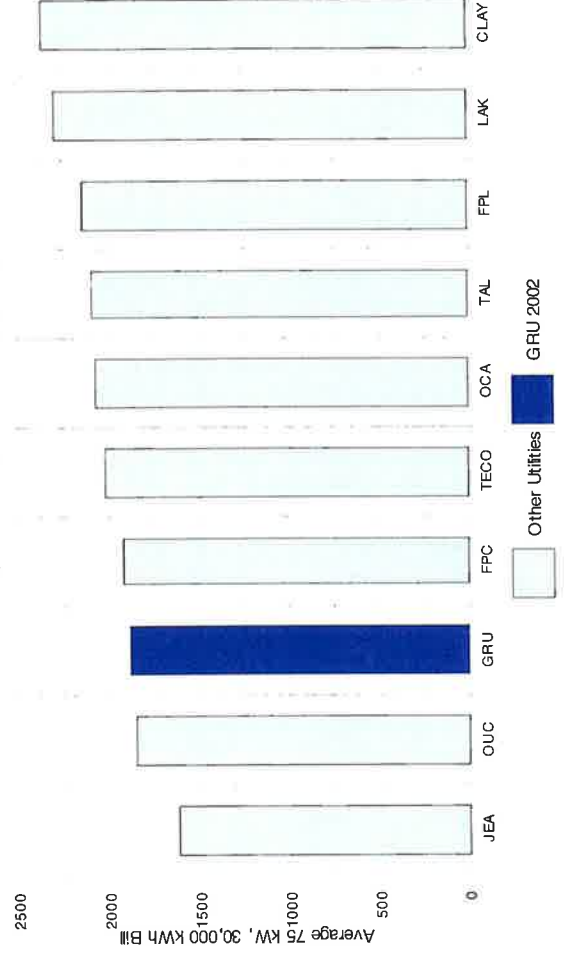
Industry Rate Comparison Level Shown in ***Italics***

Base Rate Charges Include \$0.0065/kWh Embedded Fuel

**Existing Rates**  
**With 7% GRU Business Partners Discount**  
**GAINESVILLE REGIONAL UTILITIES**  
**ELECTRIC DEMAND RATE COMPARISON**  
 (APRIL 2001 THROUGH MARCH 2002)



**Proposed Rates**  
**With 10% GRU Business Partners Discount**  
**GAINESVILLE REGIONAL UTILITIES**  
**ELECTRIC DEMAND RATE COMPARISON**  
 (APRIL 2001 THROUGH MARCH 2002)



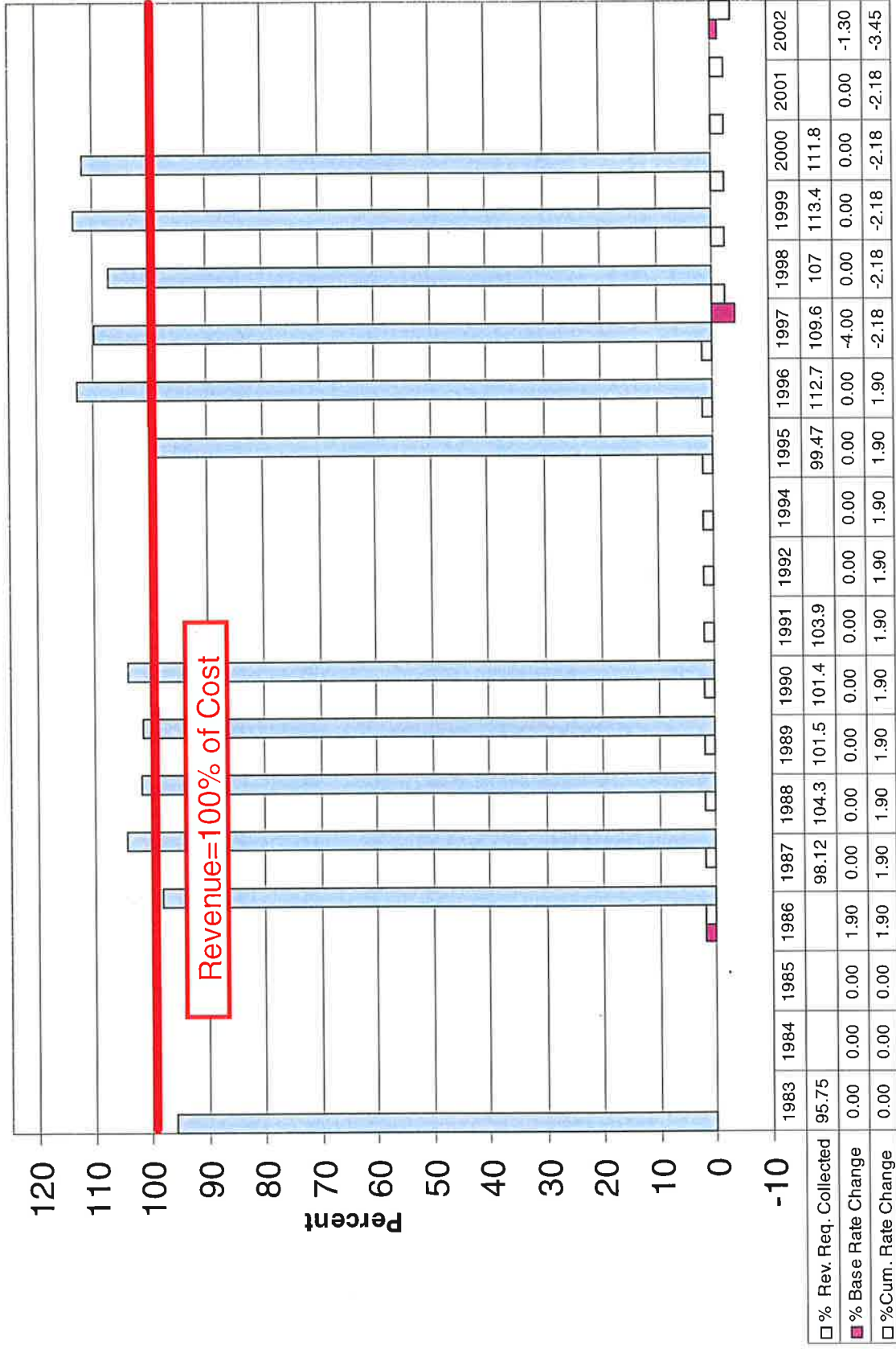


# LARGE POWER: BASE RATE PROPOSAL

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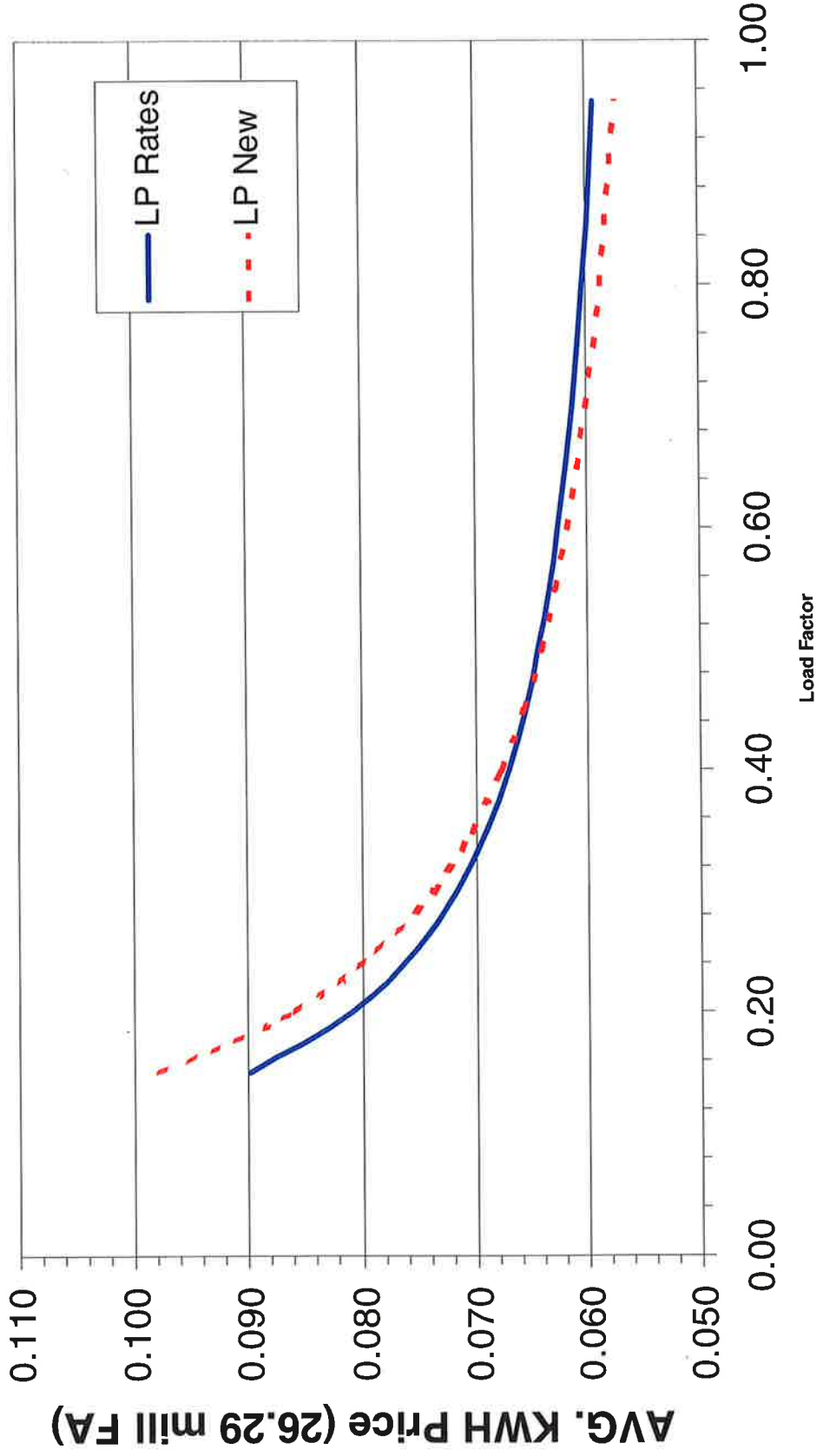
- Increase Base Rates As Follows:
  - \$/KWD 4.00 To 5.25 (31.25%)
  - \$/KWH 0.271 To .0235 (-13.3%)
- Increase Business Partners Discount From 10% to 13% In Exchange For Additional Term

# LP BASE RATE & COST OF SERVICE HISTORY

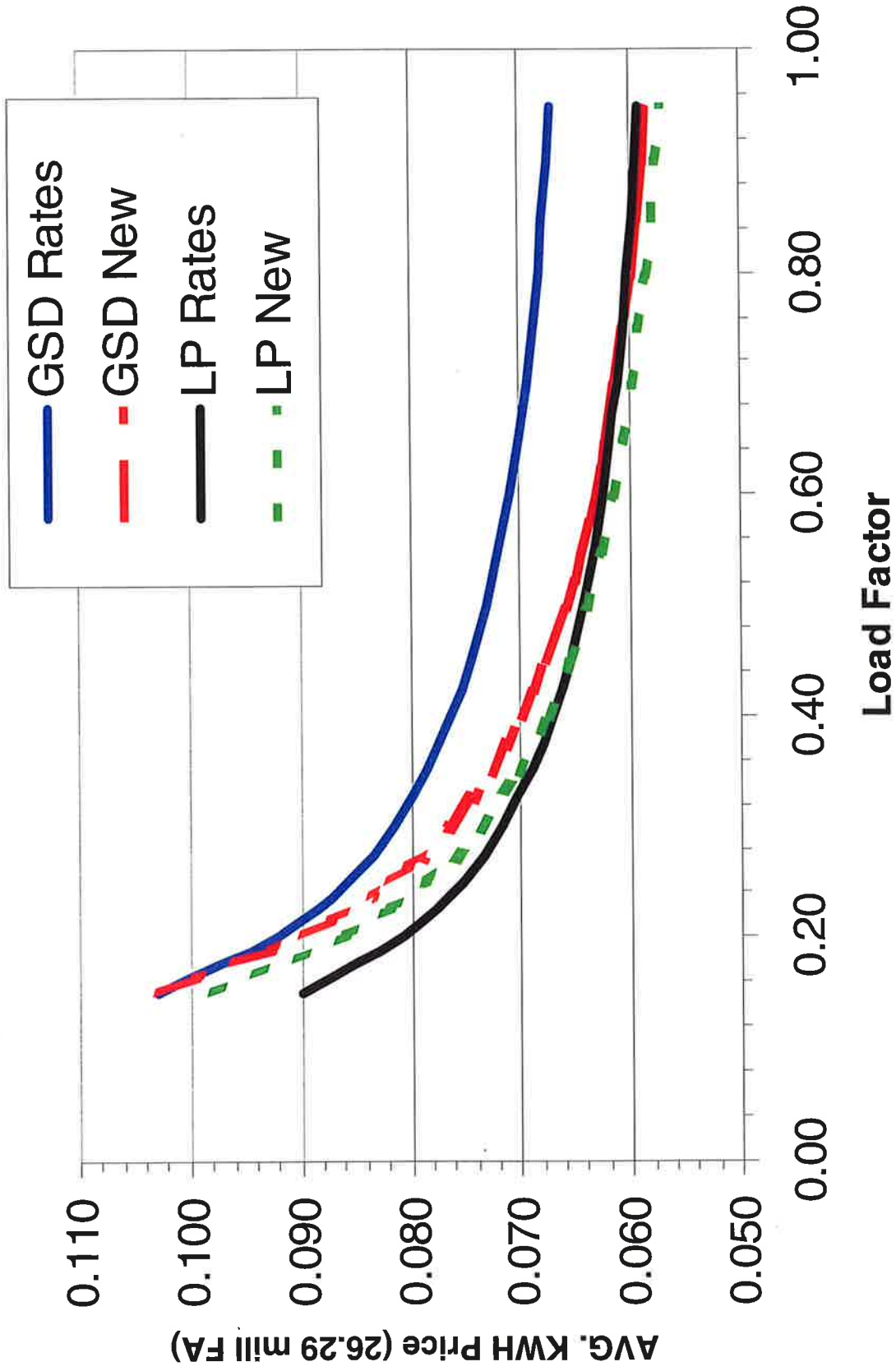


Year

# AVERAGE LP COST FOR DIFFERENT LOAD FACTORS



# GSD AND LP RATE CURVE COMPARISONS



## LARGE POWER

	<u>Existing Rates</u>	<u>Proposed Rates</u>
Customer Charge (\$/month)	\$60.84	\$60.84
Demand Charge (\$/kW/month)	\$4.00	\$5.25
Energy Charge (\$/kWh)	\$0.02710	\$0.02350
Fuel Adjustment (\$/kWh)	\$0.02629	\$0.02629

Monthly kW	Monthly kWh	Billing Amounts			% Difference	Load Factor
		Existing	Proposed	\$ Difference		
700	430,000	\$25,818.54	\$25,145.54	(\$673.00)	-2.6%	84.1%
800	430,000	\$26,218.54	\$25,670.54	(\$548.00)	-2.1%	73.6%
900	430,000	\$26,618.54	\$26,195.54	(\$423.00)	-1.6%	65.4%
<b>1,000</b>	<b>430,000</b>	<b>\$27,018.54</b>	<b>\$26,720.54</b>	<b>(\$298.00)</b>	<b>-1.1%</b>	<b>58.9%</b>
1,100	430,000	\$27,418.54	\$27,245.54	(\$173.00)	-0.6%	53.5%
1,200	430,000	\$27,818.54	\$27,770.54	(\$48.00)	-0.2%	49.1%
1,300	430,000	\$28,218.54	\$28,295.54	\$77.00	0.3%	45.3%
1,400	430,000	\$28,618.54	\$28,820.54	\$202.00	0.7%	42.1%
1,500	430,000	\$29,018.54	\$29,345.54	\$327.00	1.1%	39.3%
1,600	430,000	\$29,418.54	\$29,870.54	\$452.00	1.5%	36.8%

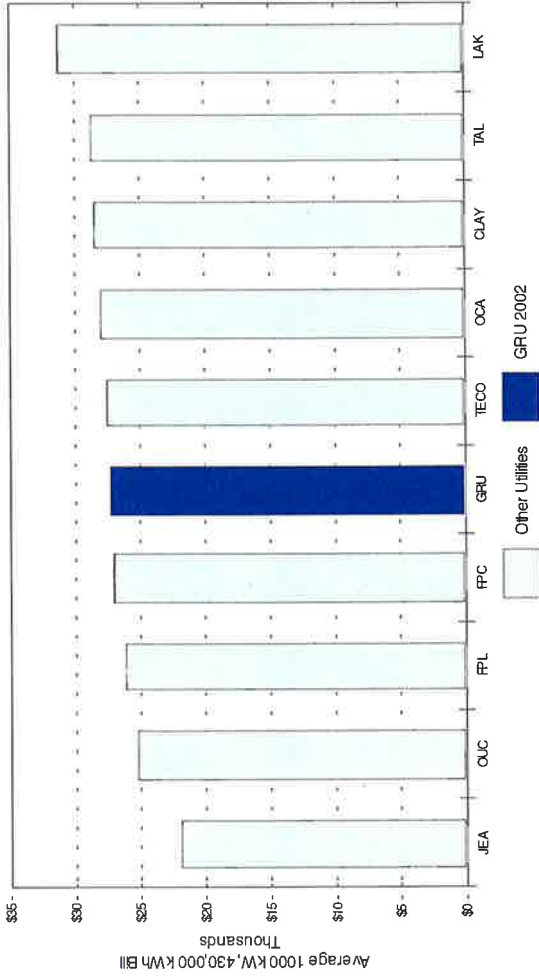
Fiscal Year 2001 System Averages: 844,264 kWh; 1,661 kW; 17 Customers

GRU Cost of Service Load Factor = 63.8%

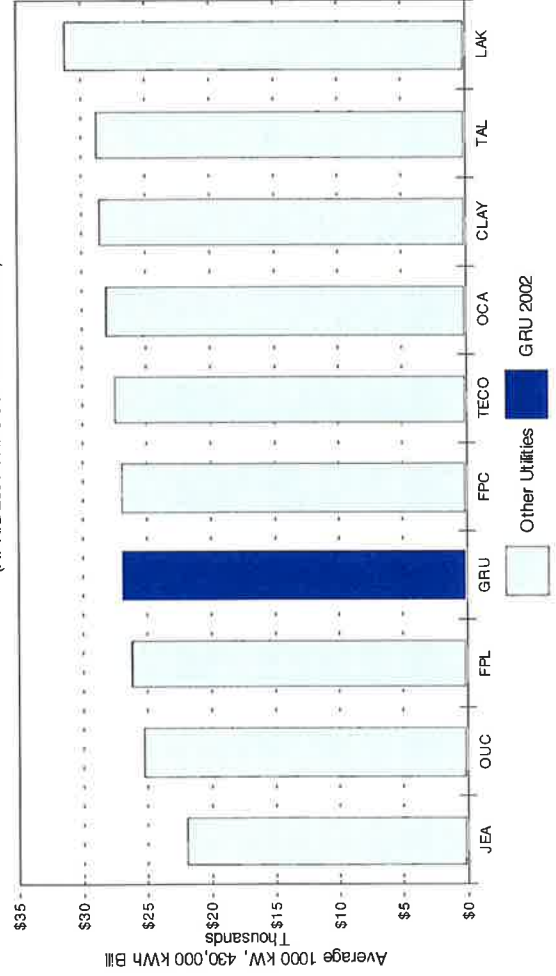
Industry Rate Comparison Level Shown in ***Italics***

Base Rate Charges Include \$0.0065/kWh Embedded Fuel Plus \$0.02629/kWh Fuel Adjustment

**Existing Rates**  
**GAINESVILLE REGIONAL UTILITIES**  
**ELECTRIC LARGE POWER RATE COMPARISON**  
 (APRIL 2001 THROUGH MARCH 2002)



**Proposed Rates**  
**Without Loyalty Incentives**  
**GAINESVILLE REGIONAL UTILITIES**  
**ELECTRIC LARGE POWER RATE COMPARISON**  
 (APRIL 2001 THROUGH MARCH 2002)



**LARGE POWER (with Business Partners Participation)**

	<b>Existing</b>	<b>Proposed</b>
	<b>with 10% B.P.</b>	<b>with 10% B.P.</b>
Customer Charge (\$/month)	\$54.76	\$54.76
Demand Charge (\$/kW/month)	\$3.60	\$4.73
Energy Charge (\$/kWh)	\$0.02439	\$0.02115
Fuel Adjustment (\$/kWh)	\$0.02629	\$0.02629

Monthly kW	Monthly kWh	Billing Amounts				Load Factor
		Exist. (10%)	Prop. (13%)	\$ Difference	% Difference	
700	430,000	\$24,367.16	\$23,761.46	(\$605.70)	-2.5%	84.1%
800	430,000	\$24,727.16	\$24,233.96	(\$493.20)	-2.0%	73.6%
900	430,000	\$25,087.16	\$24,706.46	(\$380.70)	-1.5%	65.4%
<b>1000</b>	<b>430,000</b>	<b>\$25,447.16</b>	<b>\$25,178.96</b>	<b>(\$268.20)</b>	<b>-1.1%</b>	<b>58.9%</b>
1100	430,000	\$25,807.16	\$25,651.46	(\$155.70)	-0.6%	53.5%
1200	430,000	\$26,167.16	\$26,123.96	(\$43.20)	-0.2%	49.1%
1300	430,000	\$26,527.16	\$26,596.46	\$69.30	0.3%	45.3%
1400	430,000	\$26,887.16	\$27,068.96	\$181.80	0.7%	42.1%
1500	430,000	\$27,247.16	\$27,541.46	\$294.30	1.1%	39.3%
1600	430,000	\$27,607.16	\$28,013.96	\$406.80	1.5%	36.8%

Fiscal Year 2001 System Averages: 844,264 kWh; 1,661 kW; 17 Customers

GRU Cost of Service Load Factor = 63.8%

Industry Rate Comparison Level Shown in ***italics***

Base Rate Charges Include \$0.0065/kWh Embedded Fuel Plus \$0.02629/kWh Fuel Adjustment

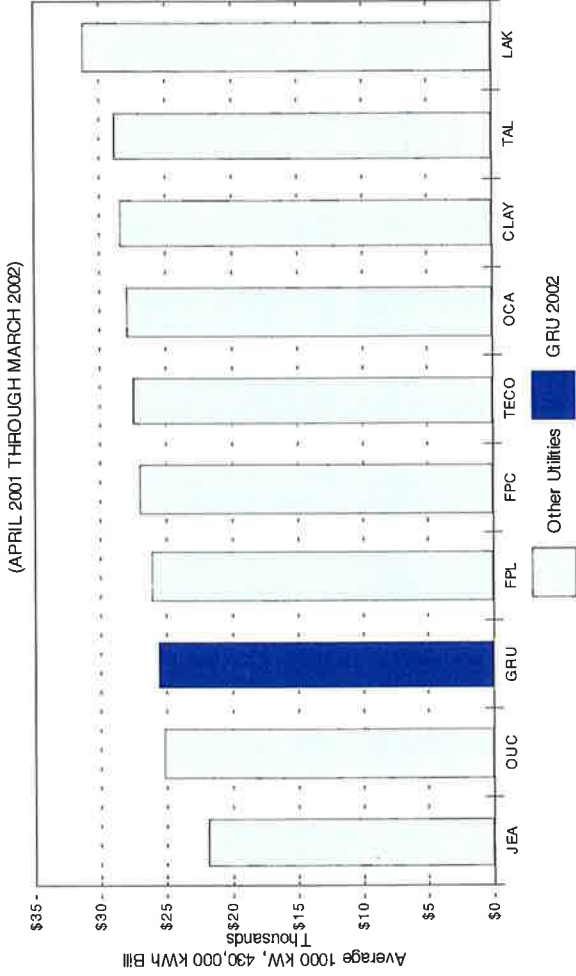
# Existing Rates

## With 10% GRU Business Partners Discount

### GAINESVILLE REGIONAL UTILITIES

#### ELECTRIC LARGE POWER RATE COMPARISON

(APRIL 2001 THROUGH MARCH 2002)



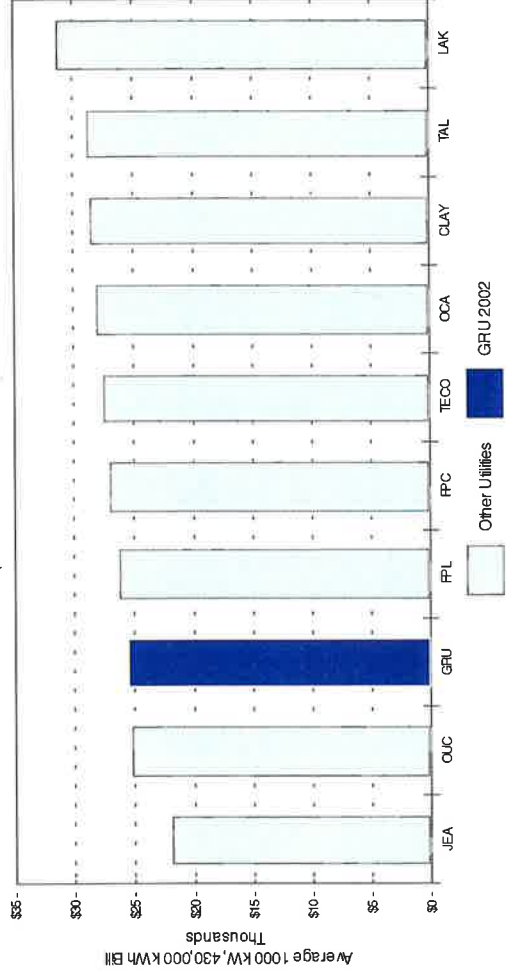
# Proposed Rates

## With 10% GRU Business Partners Discount

### GAINESVILLE REGIONAL UTILITIES

#### ELECTRIC LARGE POWER RATE COMPARISON

(APRIL 2001 THROUGH MARCH 2002)





**LARGE POWER (with Business Partners Participation)**

	<b>Existing</b>	<b>Proposed</b>
	<b>with 10% B.P.</b>	<b>with 13% B.P.</b>
Customer Charge (\$/month)	\$54.76	\$52.93
Demand Charge (\$/kW/month)	\$3.60	\$4.57
Energy Charge (\$/kWh)	\$0.02439	\$0.02045
Fuel Adjustment (\$/kWh)	\$0.02629	\$0.02629

Monthly kW	Monthly kWh	Billing Amounts			% Difference	Load Factor
		Exist. (10%)	Prop. (13%)	\$ Difference		
700	430,000	\$24,367.16	\$23,348.38	(\$1,018.78)	-4.2%	84.1%
800	430,000	\$24,727.16	\$23,805.13	(\$922.03)	-3.7%	73.6%
900	430,000	\$25,087.16	\$24,261.88	(\$825.28)	-3.3%	65.4%
<b>1000</b>	<b>430,000</b>	<b>\$25,447.16</b>	<b>\$24,718.63</b>	<b>(\$728.53)</b>	<b>-2.9%</b>	<b>58.9%</b>
1100	430,000	\$25,807.16	\$25,175.38	(\$631.78)	-2.4%	53.5%
1200	430,000	\$26,167.16	\$25,632.13	(\$535.03)	-2.0%	49.1%
1300	430,000	\$26,527.16	\$26,088.88	(\$438.28)	-1.7%	45.3%
1400	430,000	\$26,887.16	\$26,545.63	(\$341.53)	-1.3%	42.1%
1500	430,000	\$27,247.16	\$27,002.38	(\$244.78)	-0.9%	39.3%
1600	430,000	\$27,607.16	\$27,459.13	(\$148.03)	-0.5%	36.8%

Fiscal Year 2001 System Averages: 844,264 kWh; 1,661 kW; 17 Customers

GRU Cost of Service Load Factor = 63.8%

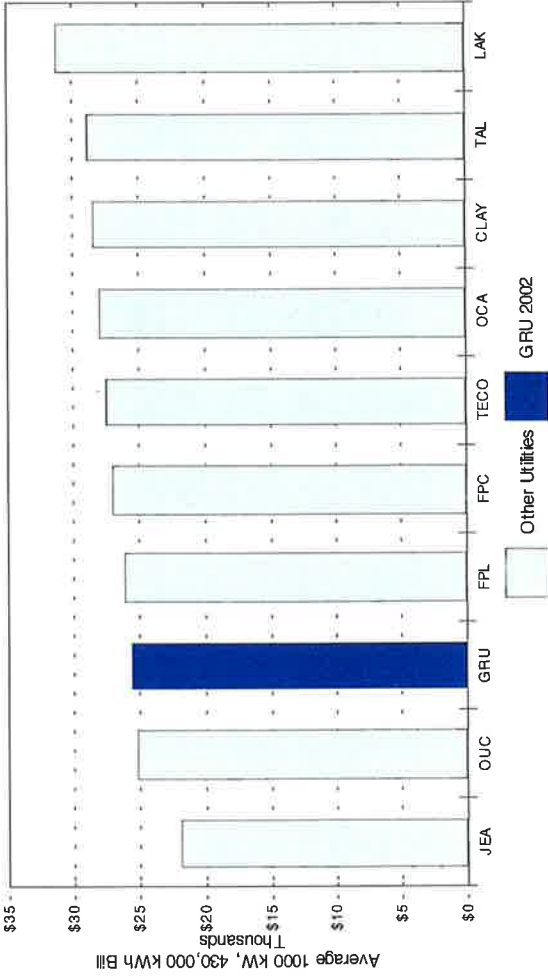
Industry Rate Comparison Level Shown in **Italics**

Base Rate Charges Include \$0.0065/kWh Embedded Fuel Plus \$0.02629/kWh Fuel Adjustment

## Existing Rates With 10% GRU Business Partners Discount

### GAINESVILLE REGIONAL UTILITIES

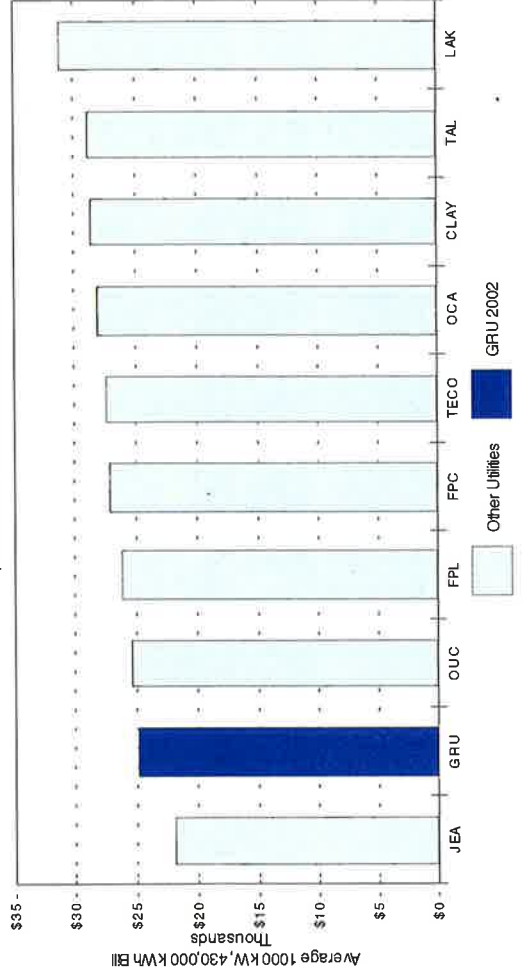
ELECTRIC LARGE POWER RATE COMPARISON  
(APRIL 2001 THROUGH MARCH 2002)



## Proposed Rates With 13% GRU Business Partners Discount

### GAINESVILLE REGIONAL UTILITIES

ELECTRIC LARGE POWER RATE COMPARISON  
(APRIL 2001 THROUGH MARCH 2002)



# Summary of Base Rate Reductions

Rate Class	Phase 1 Tariff	Phase 2 Tariff	Total Plan
RES	2.63%	0.00%	2.63%
GSND	1.67%	0.00%	1.67%
GSD	9.51%	7.37%	16.88%
LP	<u>2.56%</u>	<u>0.00%</u>	<u>2.56%</u>
<b>Total</b>	<b>4.25%</b>	<b>1.78%</b>	<b>5.96%</b>

# Summary of Business Partners Program

Rate Class	Current BP Discount	Percent of Revenue March '01	Current Percent of Revenue	Target Percent of Revenue
RES	0%	0%	0%	50%
GSND	7%	26%	29%	50%
GSD	7%	58%	77%	75%
LP	10%	100%	100%	100%

# SUMMARY

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- Return Cost Savings To Customers With A Plan That Will:
  - Promote Conservation
  - Improve Rate Equity
  - Benefit Smaller Users The Most
  - Promote Customer Retention
  - Improve GRU's Ranking In Rate Comparisons

# THE END

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