



34 Native load fuel expenses shall mean the total fuel and purchased power cost or expense  
35 to supply all retail and wholesale customers and shall not include the cost or expense to supply  
36 interchange sales.

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38 Natural gas fuel expenses shall mean the total expense of purchased gas volumes, as  
39 received by the local distribution system for delivery to end use customers.

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41 Other fuel revenues shall mean revenues received from the sale of renewable energy  
42 credits (RECs), environmental attributes, contractual fuel recovery, other non-retail, and/or  
43 wholesale fuel as identified by the general manager or his/her designee.

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45 **Section 2.** Section 27-28 of the Code of Ordinances of the City of Gainesville is

46 amended to read as set forth below:

47 **Sec. 27-28. – ~~Retail Electric system F~~fuel and purchased power adjustment.**

48 (a) An electric system fuel and purchased power adjustment shall be added to the base rate  
49 for electric service to all ~~retail~~ customer rate classifications as specified in the schedule set out in  
50 Appendix A. The electric system fuel and purchased power adjustment shall be computed to the  
51 nearest ~~one/one hundredth of a mill (\$.0001)-whole mill (\$0.001)~~ per kilowatt hour (kWh) of  
52 energy consumed in accordance with the formula specified in subsection (c) of this section. The  
53 purposes of the electric system fuel and purchased power adjustment calculation are to allocate  
54 to ~~each retail customer classification~~ the appropriate amount of system fuel cost(s) associated  
55 with the electric service to ~~each kWh sold; such customer classification;~~ to specify the amount of  
56 such costs that have resulted from increases in the cost of fuel subsequent to October 1, 1973;  
57 and, to segregate ~~the remaining fuel recovery that portion of charges that is~~ are exempt from  
58 utility tax and surcharge. ~~For the purpose of this section, system fuel costs shall be the following:~~  
59 the cost of fuel consumed in the city's generating plants, which may include adjustments to  
60 reflect extraordinary fuel related expenses or credits, plus the fuel cost portion of interchange  
61 purchases, less the fuel cost portion of interchange sales. In addition, until September 30, 2002,  
62 system fuel costs shall include costs associated with the settlement of the contract with Island  
63 Creek Coal Sales Company to the extent deemed appropriate by the general manager for utilities  
64 or his/her designee.

65 (b) The electric system fuel and purchased power adjustment for each billing month shall be  
66 based on fuel cost and energy sales which are estimated by the general manager for utilities or  
67 his/her designee. When applicable, a fuel levelization fund amount and a true-up correction  
68 factor, which shall be based on the actual system performance in the second month preceding the  
69 billing month, as certified by independent certified public accountants, shall be added to the  
70 electric system fuel and purchased power adjustment before applying to customer(s) bills.

71 (c) The following formula shall be used in computing the monthly electric system fuel and  
72 purchased power adjustment:

(1)	Projected system fuel cost attributed to wholesale and retail sales <sup>1</sup>	=	\$ _____
(2)	Projected MWh of retail sales <sup>1</sup>	=	_____ MWh
(3)	Projected MWh of wholesale sales <sup>1</sup>	=	_____ MWh
(4)	System fuel cost attributed to retail sales: <sup>2</sup>		
	$\frac{\text{Item (2)} \times [\text{Item (1)} - \text{ICP}]}{\text{Item (2)} + [\text{Item (3)} \times 0.912]}$	+ ICP =	\$ _____
(5)	True-up calculation from second month preceding the billing month:		
	a. Retail fuel revenues from second month preceding the billing month:		
	—1. Retail fuel adjustment revenues <sup>3</sup> .....	=	\$ _____
	—2. Plus 6.5 mills; $\times$ _____ MWh retail sales <sup>3,7</sup> .....	=	\$ _____
	—3. Total retail fuel revenues .....	=	\$ _____
	b. Net system fuel cost for retail sales from second month preceding the billing month:		
	—1. System fuel cost <sup>4</sup> .....	=	\$ _____
	—2. Plus fuel cost portion of interchange purchases <sup>5</sup> .....	=	\$ _____
	—3. Minus fuel cost portion of interchange sales <sup>5</sup> .....	=	\$ _____
	—4. Net system fuel cost: Item (5)b1 + Item (5)b2 - Item (5)b3 .....	=	\$ _____
	—5. MWh of retail sales <sup>3</sup> .....	=	_____ MWh
	—6. MWh of wholesale sales <sup>3</sup> .....	=	_____ MWh
	—7. Net system fuel cost for retail sales from second month preceding the billing month: <sup>2</sup>		
	$\frac{-\text{Item (5)b5} \times [\text{Item (5)b4} - \text{ICA}]}{\text{Item (5)b5} + [\text{Item (5)b6} \times 0.912]}$	+ ICA =	\$ _____
	e. True-up included in second preceding month's fuel adjustment .....	=	\$ _____
	d. Levelization amount included in second preceding month's fuel adjustment .....	=	\$ _____
	e. True-up to be included in projected bill:		
	Item (5)b7 + Item (5)e - [Item (5)a3 - Item (5)d] .....	=	\$ _____
(6)	Calculation of retail fuel adjustment:		
	a. Projected fuel revenues required:		
	—1. Projected system fuel cost [Item (4)] .....	=	\$ _____
	—2. Plus True-up [Item (5)e] .....	=	\$ _____
	—3. Minus 6.5 mills $\times$ Item (2) .....	=	\$ _____
	—4. Levelization amount <sup>6,7</sup> .....	=	\$ _____
	—5. Total fuel adjustment revenue requirement for retail sales:		
	Item (6)a1 + Item (6)a2 - Item (6)a3 + Item (6)a4 .....	=	\$ _____
	b. Fuel adjustment to be applied to bills rendered in the billing month:		

Item (6)a5 / Item (2)	=	_____
		mills/kwh

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- 76 (1) Projected electric system fuel and purchased power expense  
77 for billing month<sup>1</sup>
- 78 (2) Projected wholesale fuel revenue for billing month<sup>1</sup>
- 79 (3) Projected other fuel revenue for billing month<sup>1</sup>
- 80 (4) Projected fuel costs to be recovered by retail sales for  
81 billing month  
82 Item 1 - Item 2 - Item 3
- 83 (5) “True-up” calculation from second month preceding  
84 the billing month
- 85 a. Native load fuel expense for sales from the second  
86 preceding month
- 87 1. System generation fuel<sup>3</sup>
- 88 2. Purchases from interchange and purchased  
89 power agreements<sup>4</sup>
- 90 3. Fuel portion of interchange sales<sup>4</sup>
- 91 4. Native load fuel expense  
92 Item 5a1 + Item 5a2 - Item 5a3
- 93 b. Total fuel revenue from the second preceding month
- 94 1. Electric system fuel and purchased power adjustment  
95 revenue<sup>2</sup>
- 96 2. Embedded fuel<sup>2,6</sup>
- 97 3. Wholesale fuel revenue<sup>2</sup>
- 98 4. Total fuel revenue  
99 Item 5b1 + Item 5b2 + Item 5b3
- 100 c. True-up from second preceding month
- 101 d. Fuel levelization amount from second preceding month
- 102 e. True-up for billing month  
103 Item 5a4 - Item 5b4 + Item 5c + Item 5d
- 104 (6) Calculation of electric system fuel and purchased power  
105 adjustment for billing month
- 106 a. Projected retail sales MWh
- 107 b. Projected fuel costs to be recovered by retail sales
- 108 1. Projected fuel costs<sup>1</sup>  
109 Item 4
- 110 2. True-up for billing month  
111 Item 5e
- 112 3. Embedded fuel<sup>6</sup> projected for billing month
- 113 4. Fuel levelization amount used or added for  
114 billing month<sup>5</sup>
- 115 5. Total fuel adjustment revenue requirement for  
116 retail sales  
117 Item 6b1 + Item 6b2 - Item 6b3 + Item 6b4

c. Fuel adjustment for billing month (mills, \$/MWh)

Item 6b5/Item 6a

Footnotes:

<sup>1</sup> Electric System fuel and purchased power adjustment expenses, costs, retail sales, and wholesale sales, and other revenues are to be estimated for the billing month by the general manager for utilities or his/her designee. For the purposes of this section, wholesale sales are total requirements sales for resale that are not interchange sales.

<sup>2</sup> ~~Due to estimated differences in delivery losses between retail and wholesale customers, wholesale sales are reduced by a factor of 91.2%. ICP represents projected recovery of Island Creek settlement costs for retail sales. ICA represents actual recovery of Island Creek settlement costs for retail sales.~~

~~Retail fuel and purchased power adjustment revenues, other fuel revenues, and retail, and/or wholesale sales from the second month preceding the billing month shall be actual data as billed to the city's electric customers.~~

<sup>34</sup> ~~System fuel costs for the second month preceding the billing month shall be based on actual system fuel costs, except that it may be necessary to estimate nuclear fuel expenses based on kilowatt hour energy production from the city's nuclear generating plants.~~

<sup>45</sup> The fuel cost portion of interchange sales for the second month preceding the billing month shall be the cost of fuel applicable to such sales as determined by the general manager for utilities or his/her designee. The fuel cost portion of interchange purchases for the second month preceding the billing month is determined from invoice(s) received for such purchases. In the case of economy interchange purchases, the entire cost including transmission charges, if any, will be included in the fuel cost for such transactions.

<sup>56</sup> The fuel levelization fund balance may be used each month to levelize the monthly electric system fuel and purchased power adjustment. At any given point in time, the fuel levelization fund balance shall be no greater than ten percent (10%) of the annual fuel budget and no less than negative five percent (-5%) of the annual fuel budget. In the event that the fuel levelization fund balance varies from the above-identified range, the General Manager or his/her delegate will present an information item to the City Commission as soon as practicable. The levelization amount shall be zero unless the city commission shall determine that it is in the public interest to offset fluctuation in the fuel adjustment whereupon the general manager for utilities or his/her designee shall calculate and apply a levelization amount which will achieve the desired objective.

<sup>67</sup> Six and one-half mills (\$0.0065) per kWh was the cost of fuel, imbedded within base rates for retail service, on October 1, 1973, making it subject to taxation.

**Section 3.** It is the intention of the City Commission that the provisions of Sections 1 and 2 of this ordinance shall become and be made a part of the Code of Ordinances of the City of Gainesville, Florida, and that the Sections and Paragraphs of this Ordinance may be renumbered or relettered in order to accomplish such intentions.

156           **Section 4.** If any word, phrase, clause, paragraph, section or provision of this ordinance  
157 or the application hereof to any person or circumstance is held invalid or unconstitutional, such  
158 finding shall not affect the other provisions or applications of the ordinance which can be given  
159 effect without the invalid or unconstitutional provisions or application, and to this end the  
160 provisions of this ordinance are declared severable.


161           **Section 5.** All ordinances, or parts of ordinances, in conflict herewith are to the extent of  
162 such conflict hereby repealed.

163           **Section 6.** This ordinance shall take effect immediately upon adoption; provided  
164 however, the rates and charges as provided for herein shall be applicable to all monthly bills  
165 which are for the first time rendered and postmarked after 12:01 A.M. on September 1, 2014.

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**PASSED AND ADOPTED** this 21<sup>st</sup> day of August, 2014.

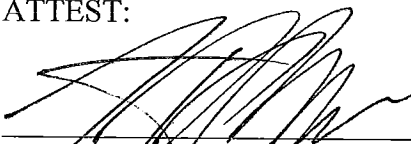
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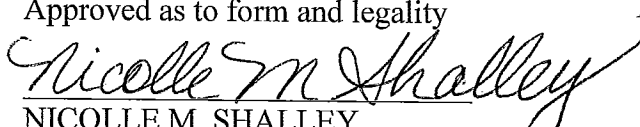
  
EDWARD BRADDY  
MAYOR

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ATTEST:

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KURT M. LANNON  
CLERK OF THE COMMISSION

Approved as to form and legality  
  
NICOLLE M. SHALLEY  
CITY ATTORNEY

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185 This Ordinance passed on first reading this 7<sup>th</sup> day of August, 2014.  
186 This Ordinance passed on second reading this 21<sup>st</sup> day of August, 2014.  
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