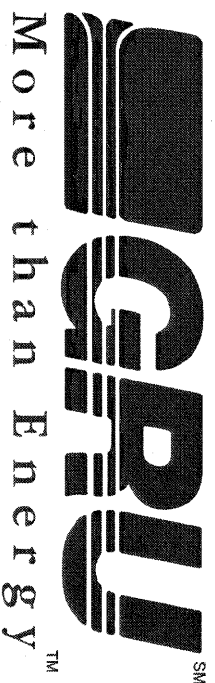


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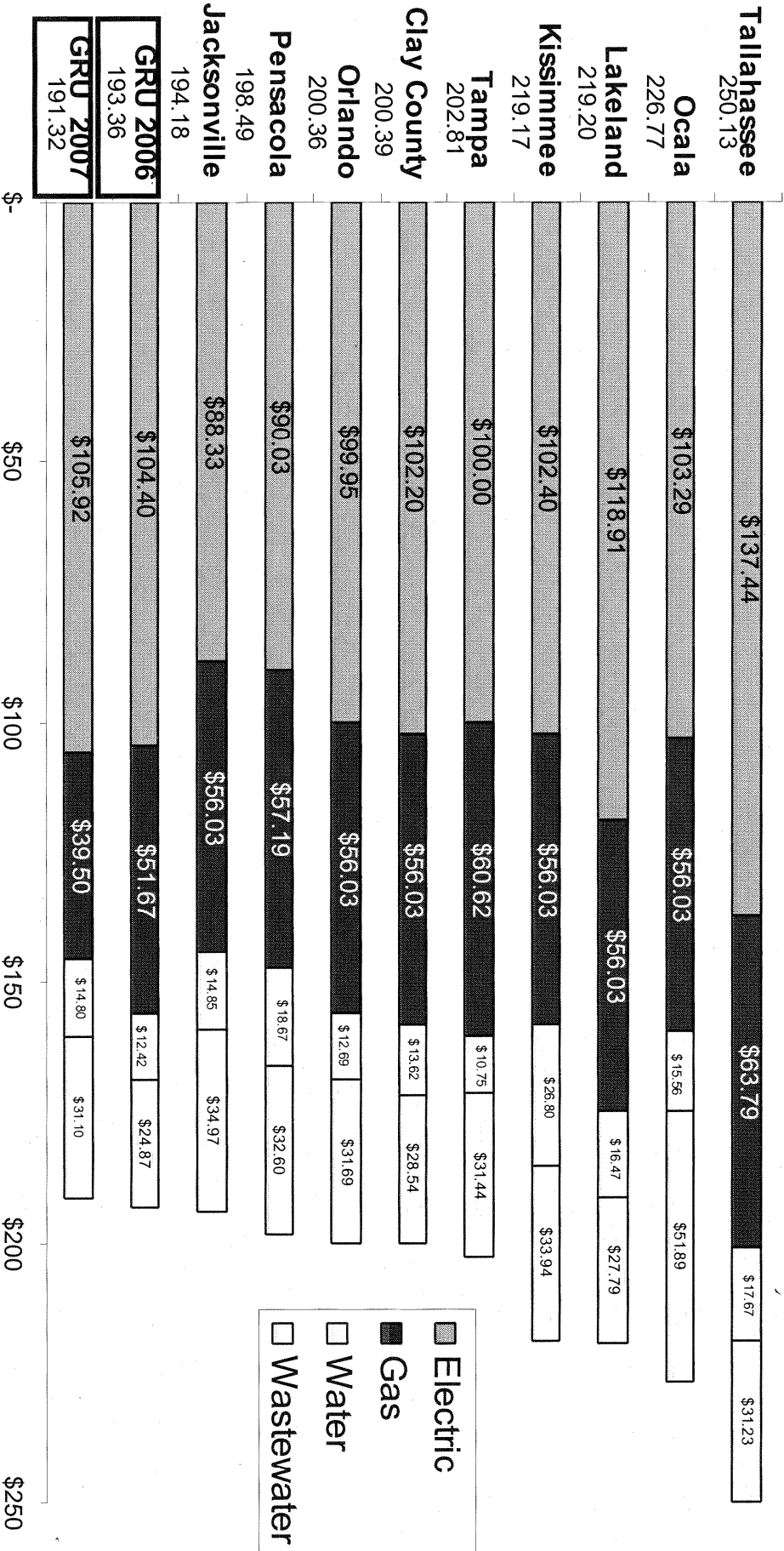
10/9/06

2007 Final Rate Comparisons and Impacts of Fuel Costs

October 9, 2006



Basket of Services, Oct. 2007

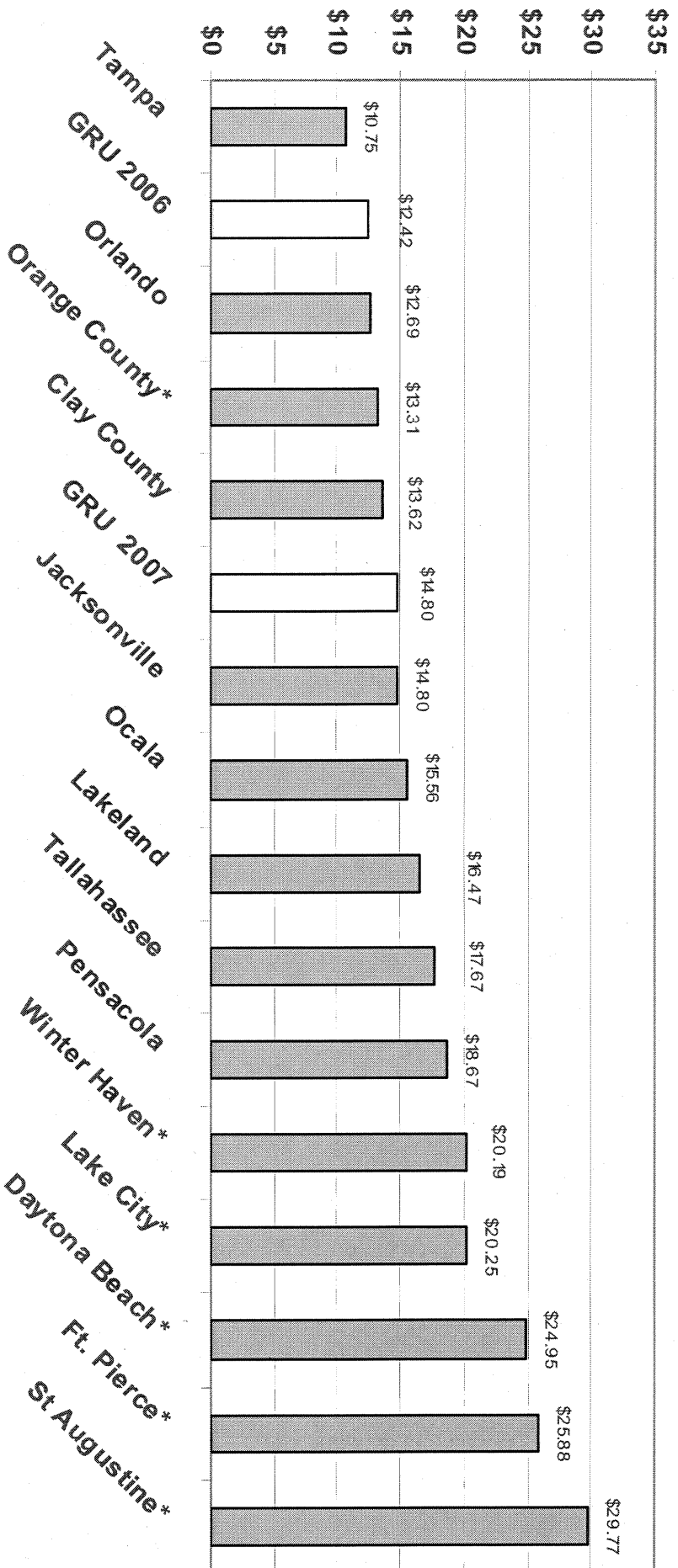


Monthly Bill for All Services

* Excludes taxes and surcharges

Residential Water Bill

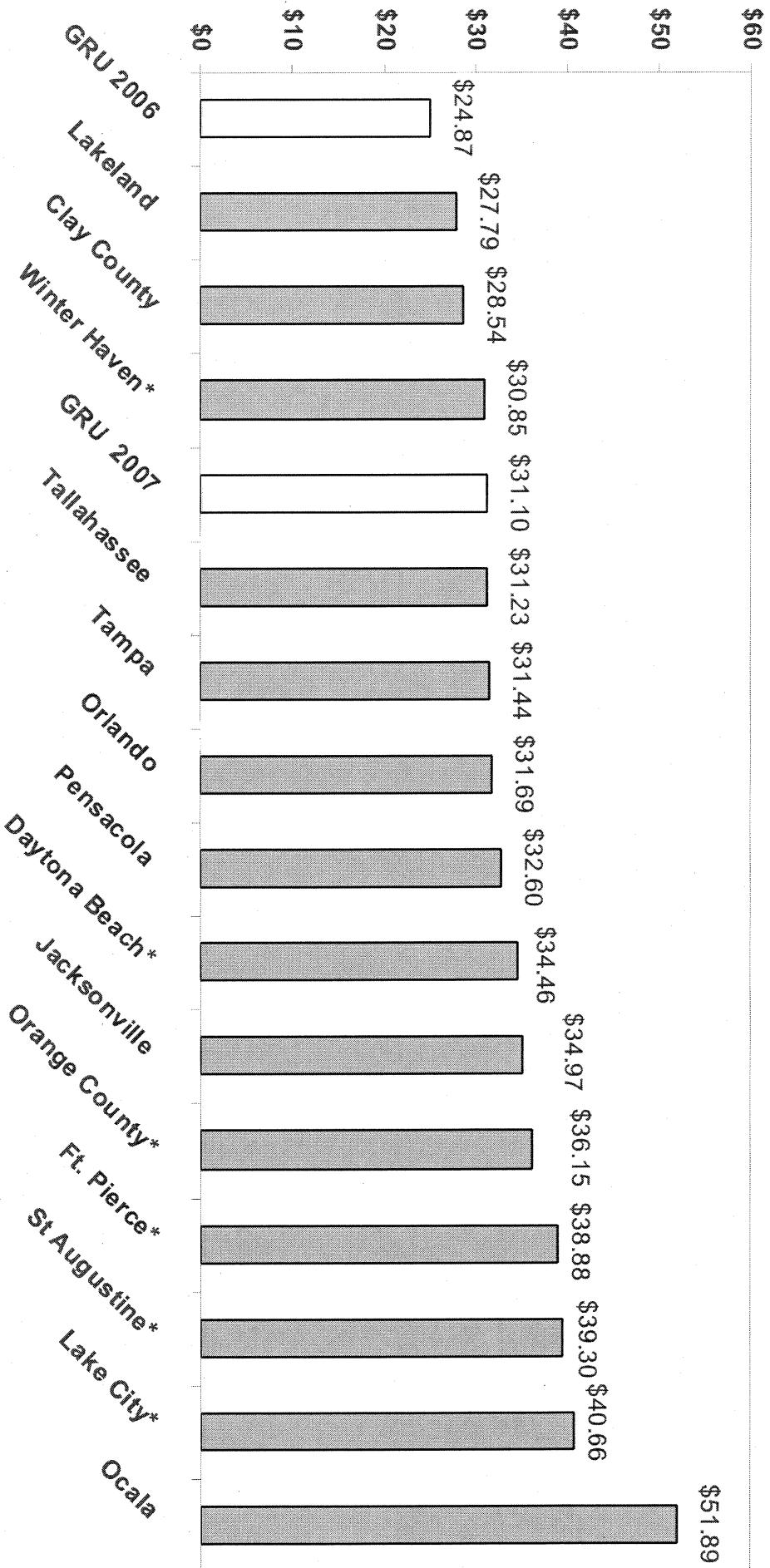
Adopted FY 2007 Rates - 7,000 Gallons



* Not updated for 2007, Excludes taxes and surcharges

Residential Wastewater Bill

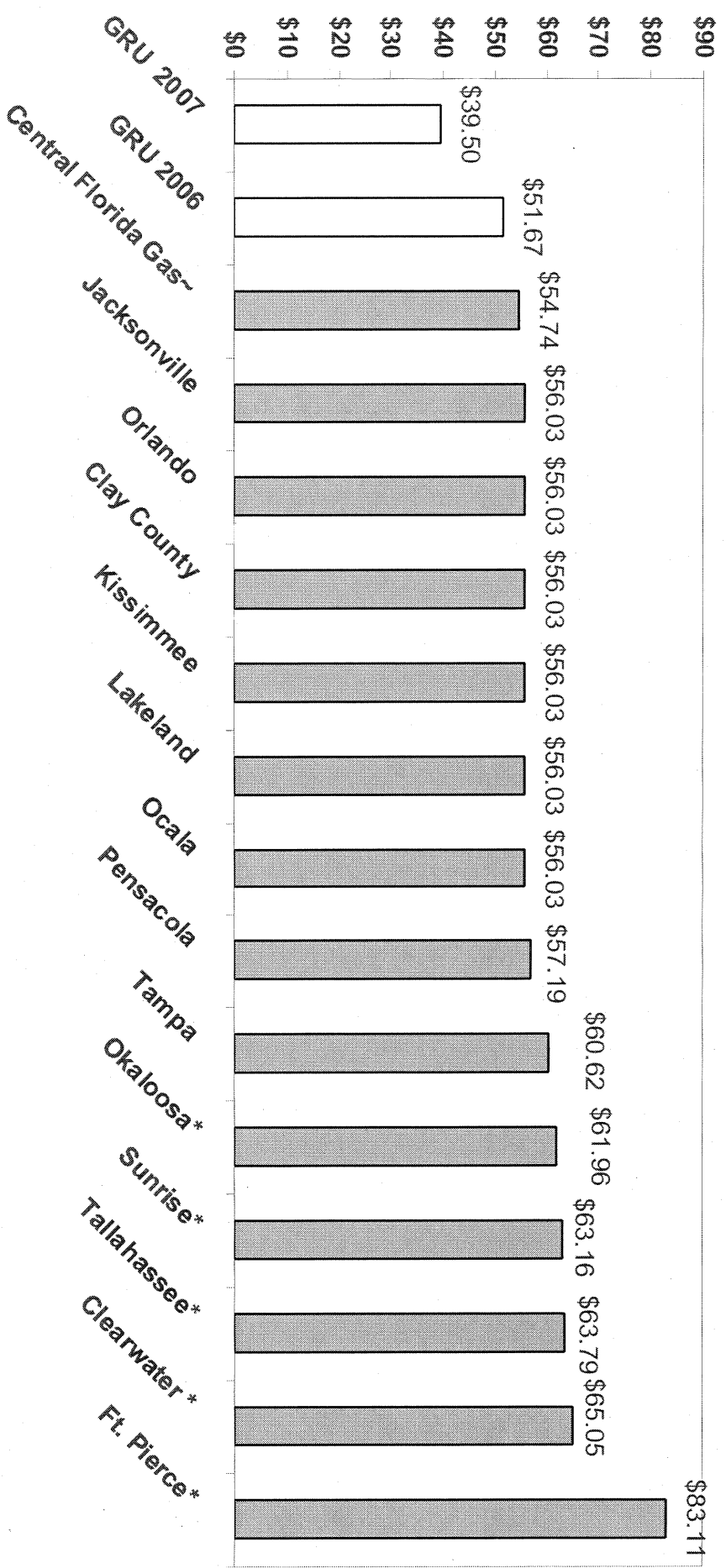
Adopted FY 2007 Rates – 7,000 Gallons



* Not updated for 2007, excludes taxes and surcharges

Residential Natural Gas Bill

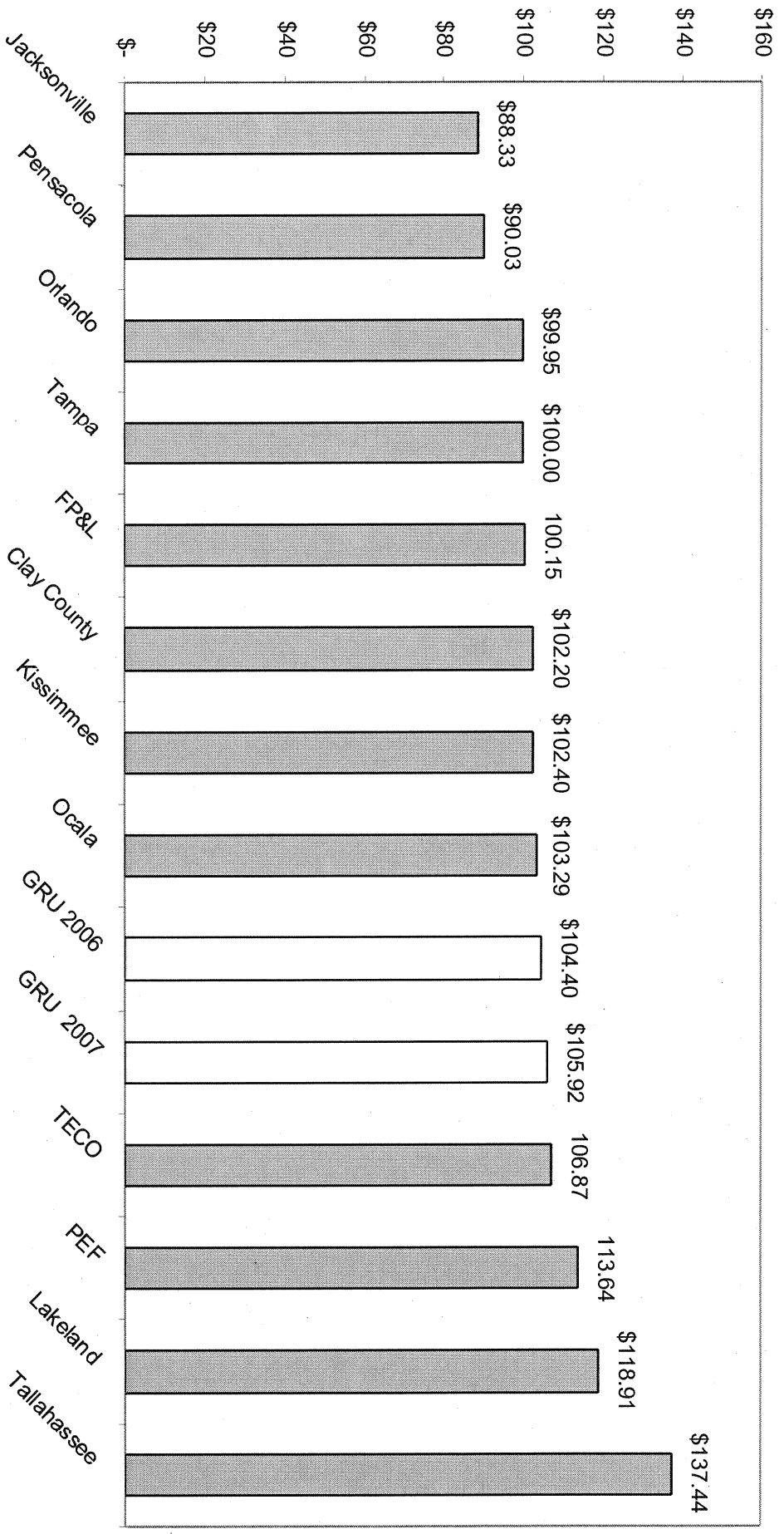
Adopted FY 2007 Rates – 35 Therms



•Not updated for 2006, excludes taxes and surcharges
 ~*Central Florida Gas provides transportation and fuel may be purchased from many sources.
 GRU's PGA is used with Central Florida's transportation rates in this comparison.

Residential Electric Bill

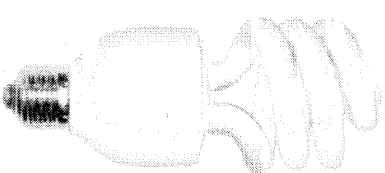
Adopted 2007 Rates - (1,000 kWh)



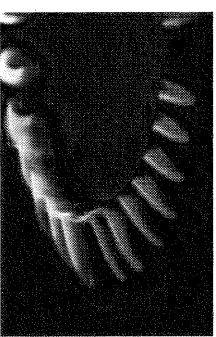
Excludes taxes and surcharges

IMPACT OF FUEL CHARGES

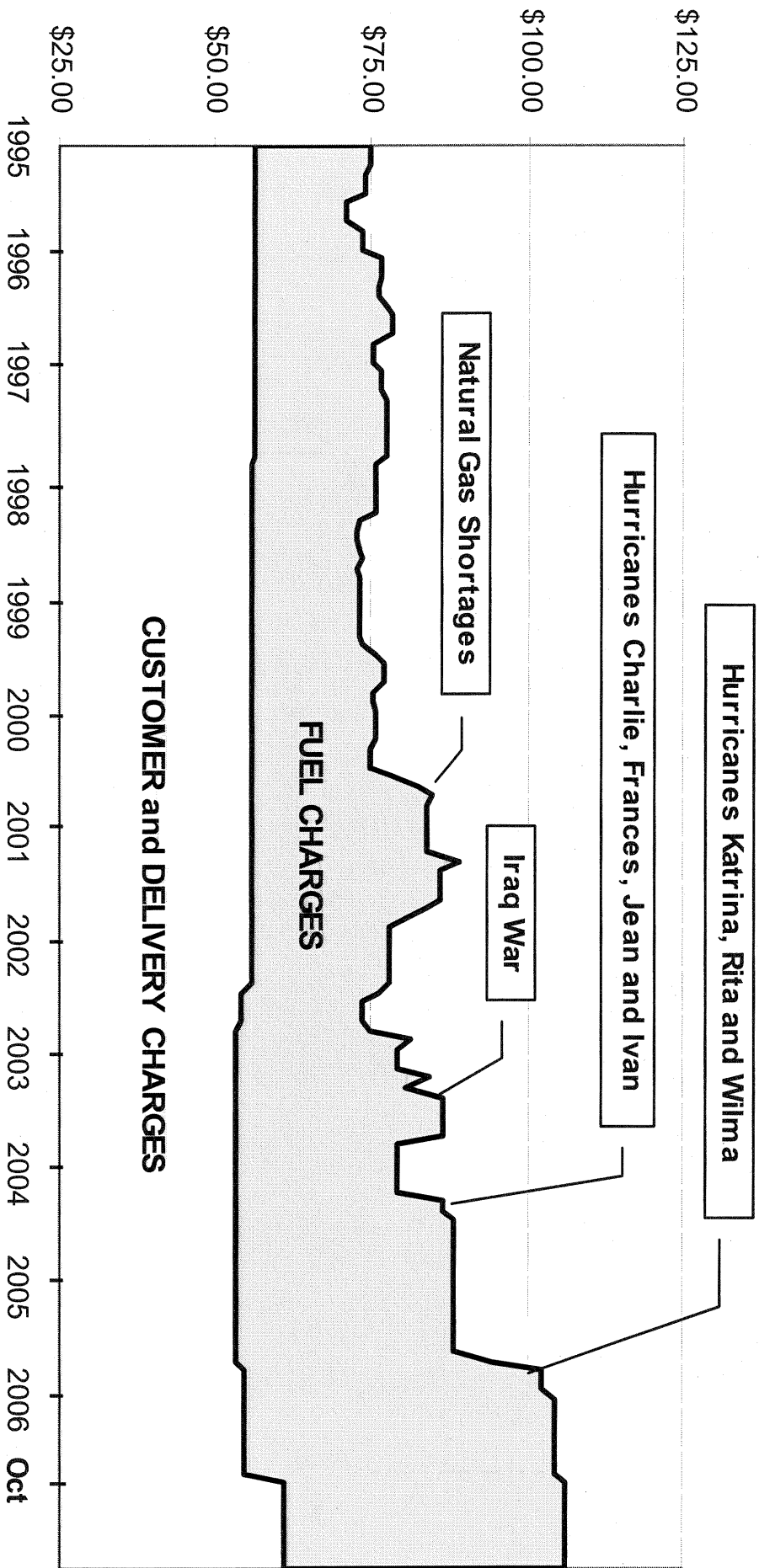
- Fuel Adjustment – fuel for production of electricity & purchased power



- Purchased Gas Adjustment – fuel for the natural gas distribution system (heating, cooking, hot water, etc.)



Residential Electric Bill (1995-2006) 1,000 kWh



* Excludes taxes and surcharges

Factors Affecting the Fuel Adjustment

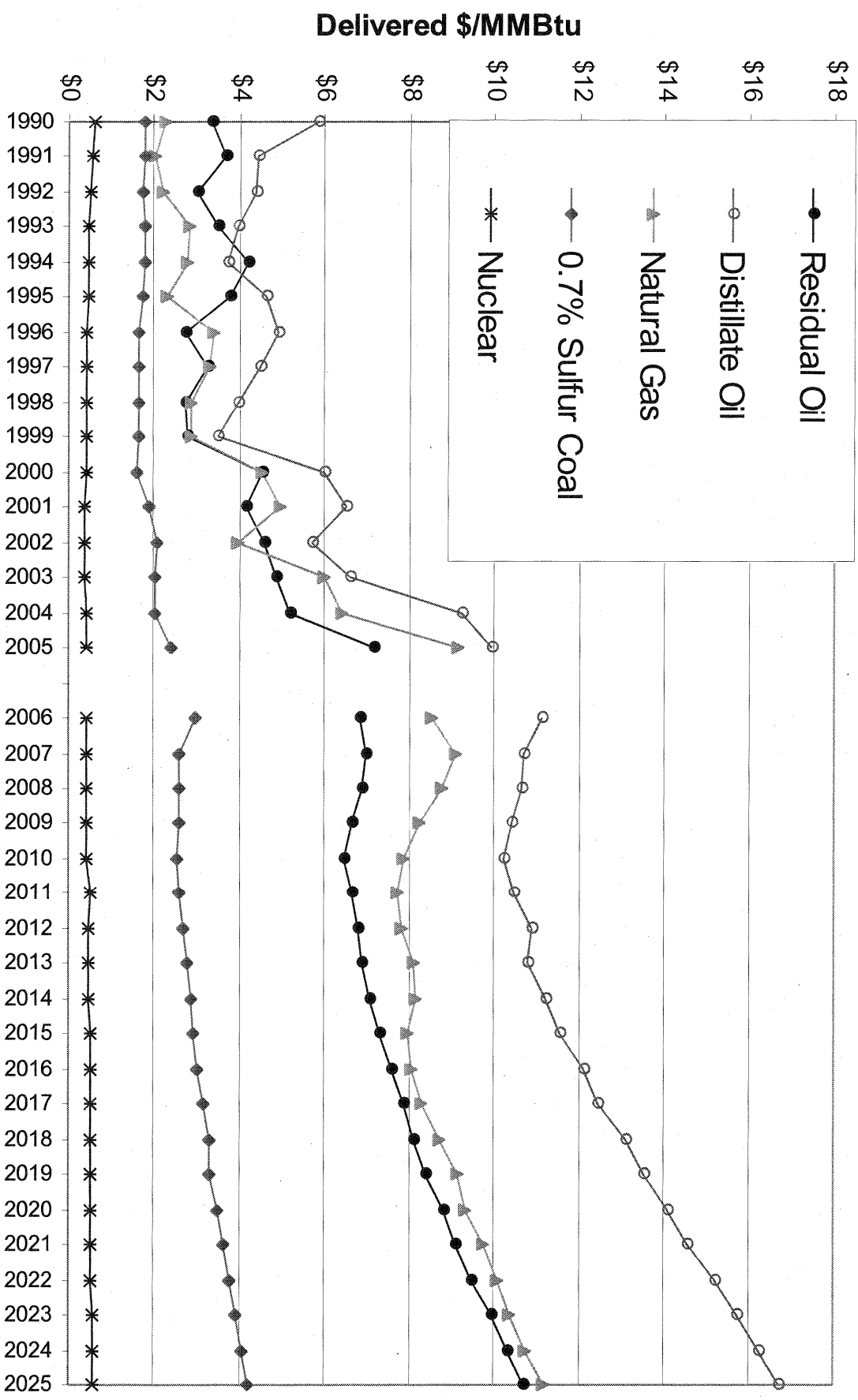
INTERACTING COMPONENTS

- Accuracy of Projections (sales, fuel price)
- Monthly Fuel Mix and Cost of Fuel
- Monthly Sales and Weather
- Frequency of Fuel Adjustment Change
- Unit Outages

OBJECTIVE

- Level bills for customers, reduced volatility and maintain a zero balance

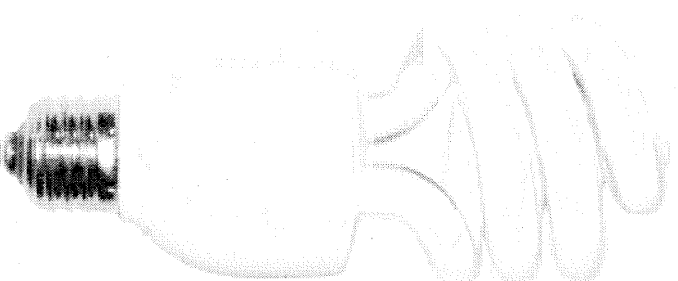
2006 Fuel Price Forecast





Fuel Adjustment

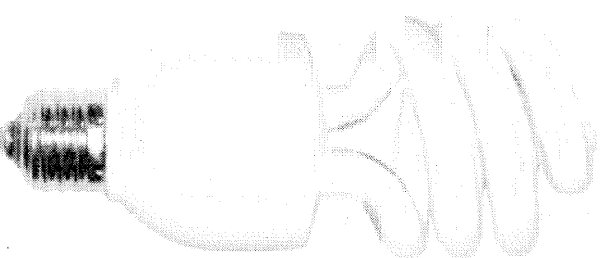
- Reflects the costs for fuel for electric generation & purchased power
- Purpose: “allocate each retail customer the appropriate amount of system fuel cost associated with the electric service” (Section 27-28, Code of Ordinances)
- Calculated and audited monthly





Fuel Adjustment

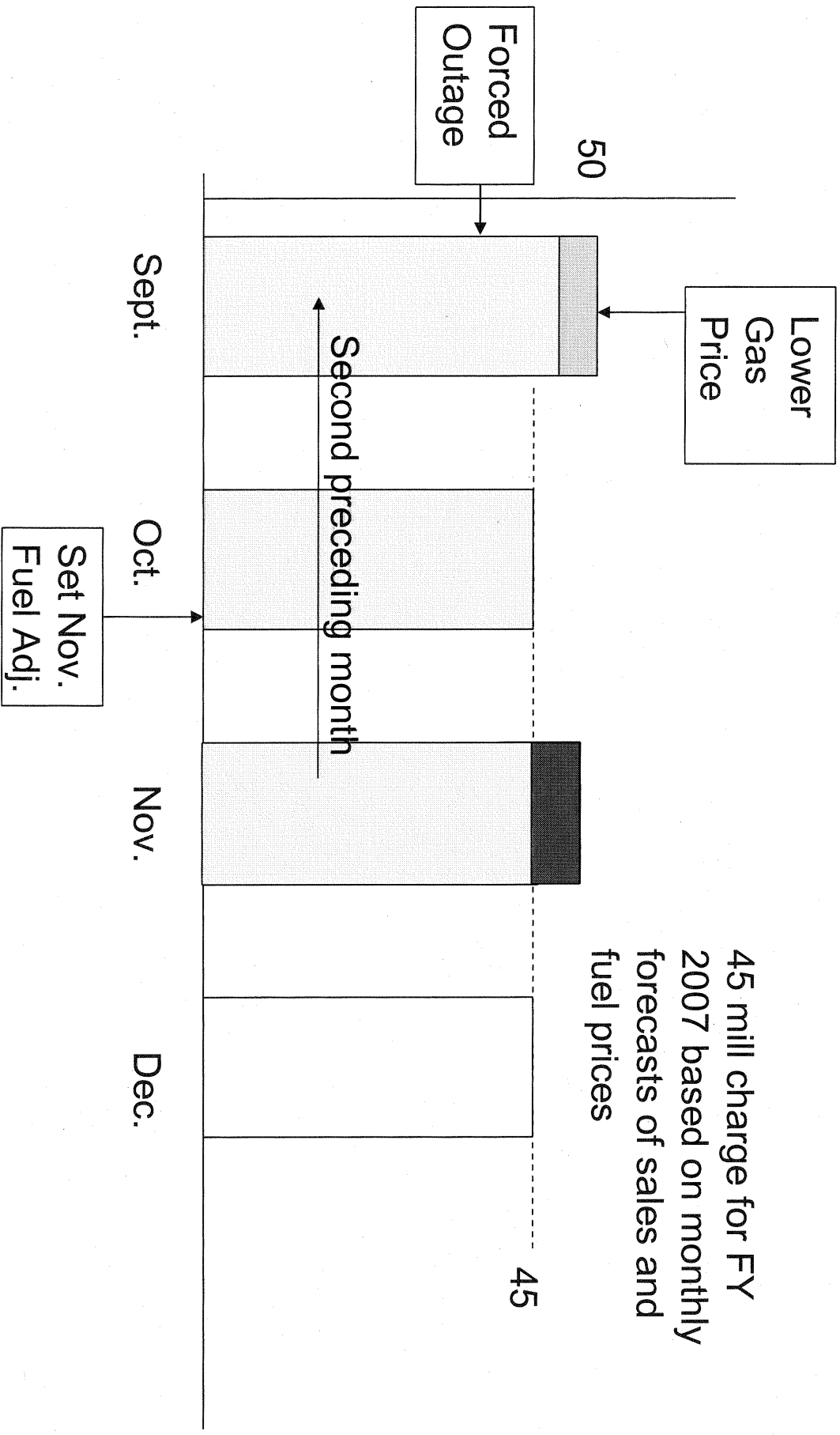
- Set in advance with a true-up
- Projected fuel cost +/- second prior month over/under collection
- Varies due to weather, hurricanes, fuel availability and the outages for GRU units.
- Levelized to reduce volatility of electric production costs



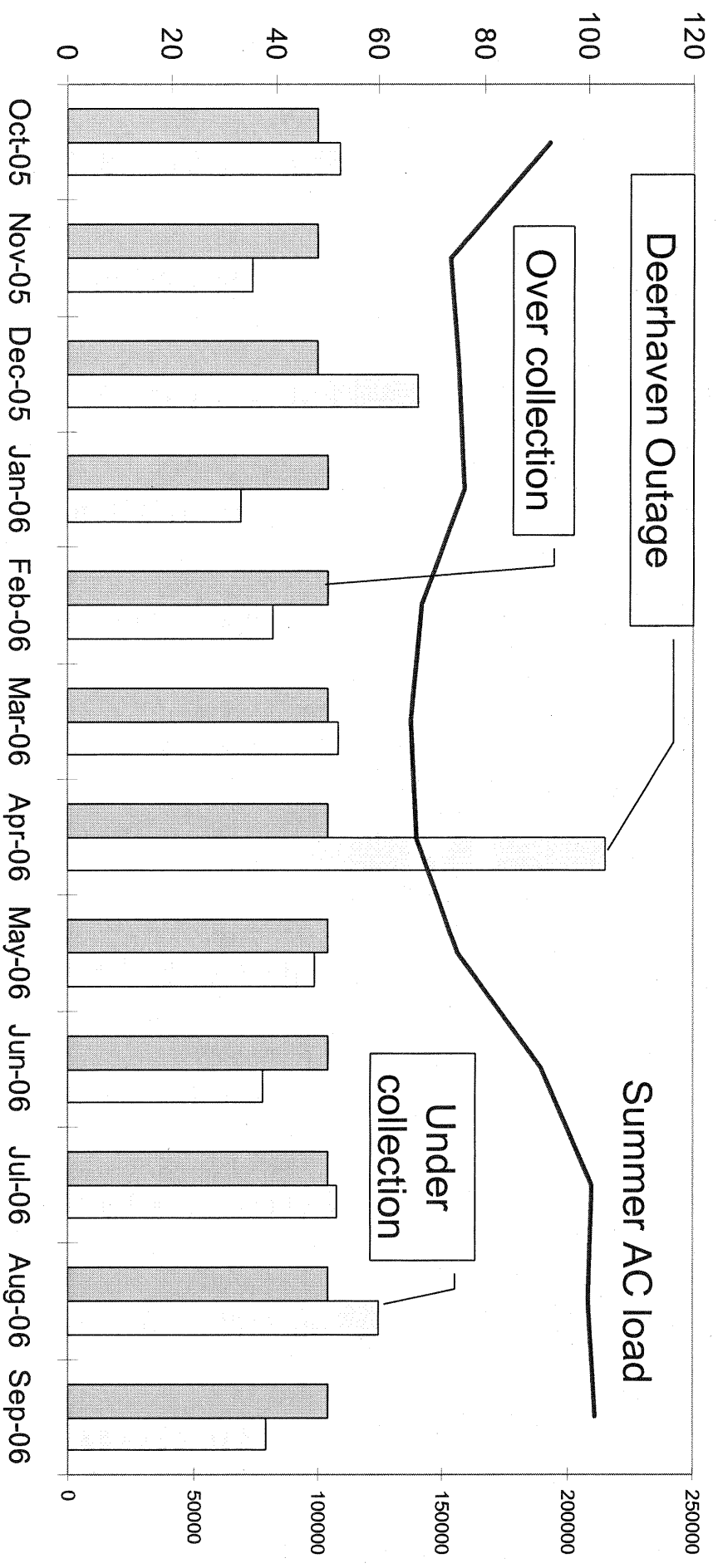
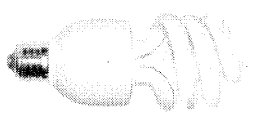
Fuel Adjustment



4.5 mill charge for FY
2007 based on monthly
forecasts of sales and
fuel prices

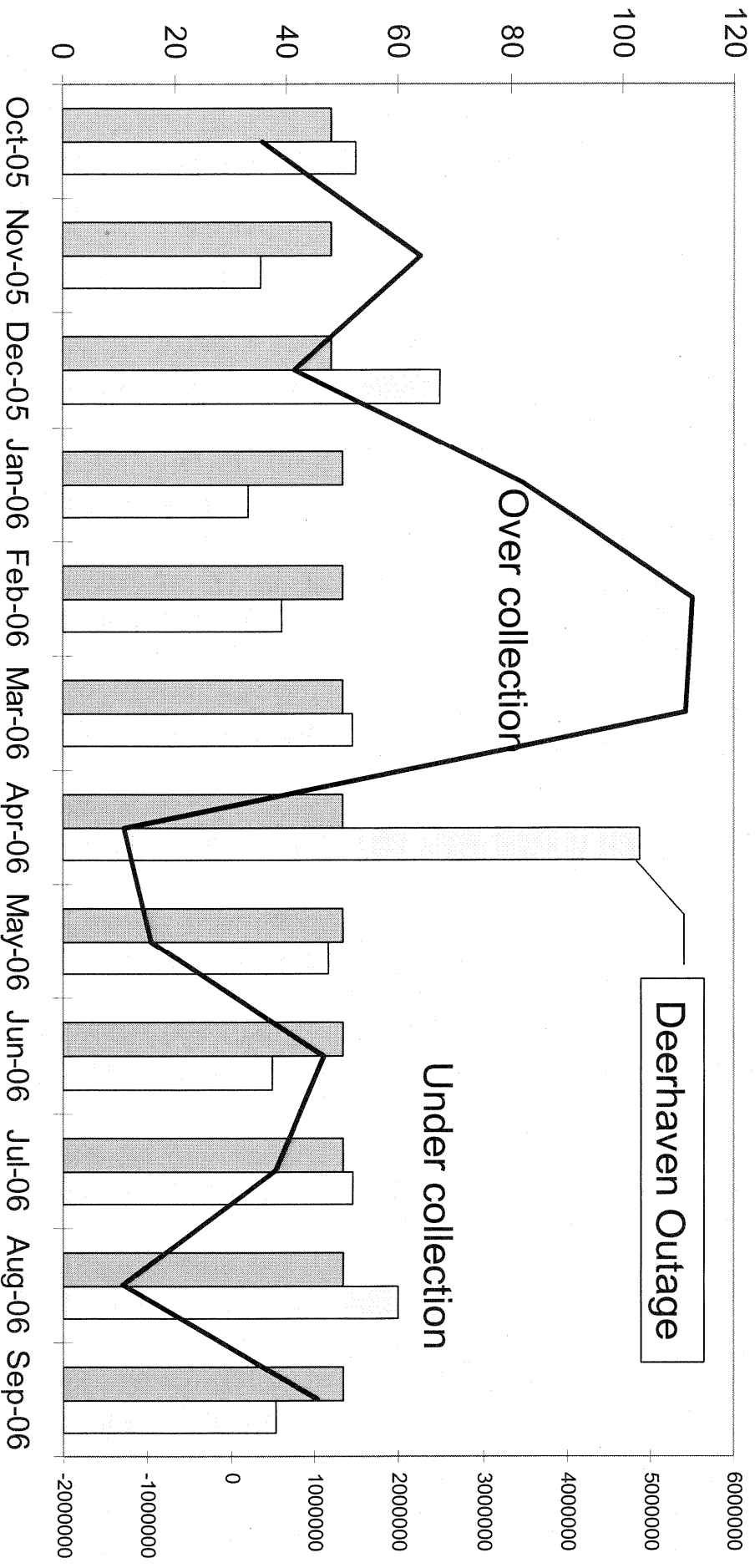


FY 2006 Fuel Adjustment and Sales

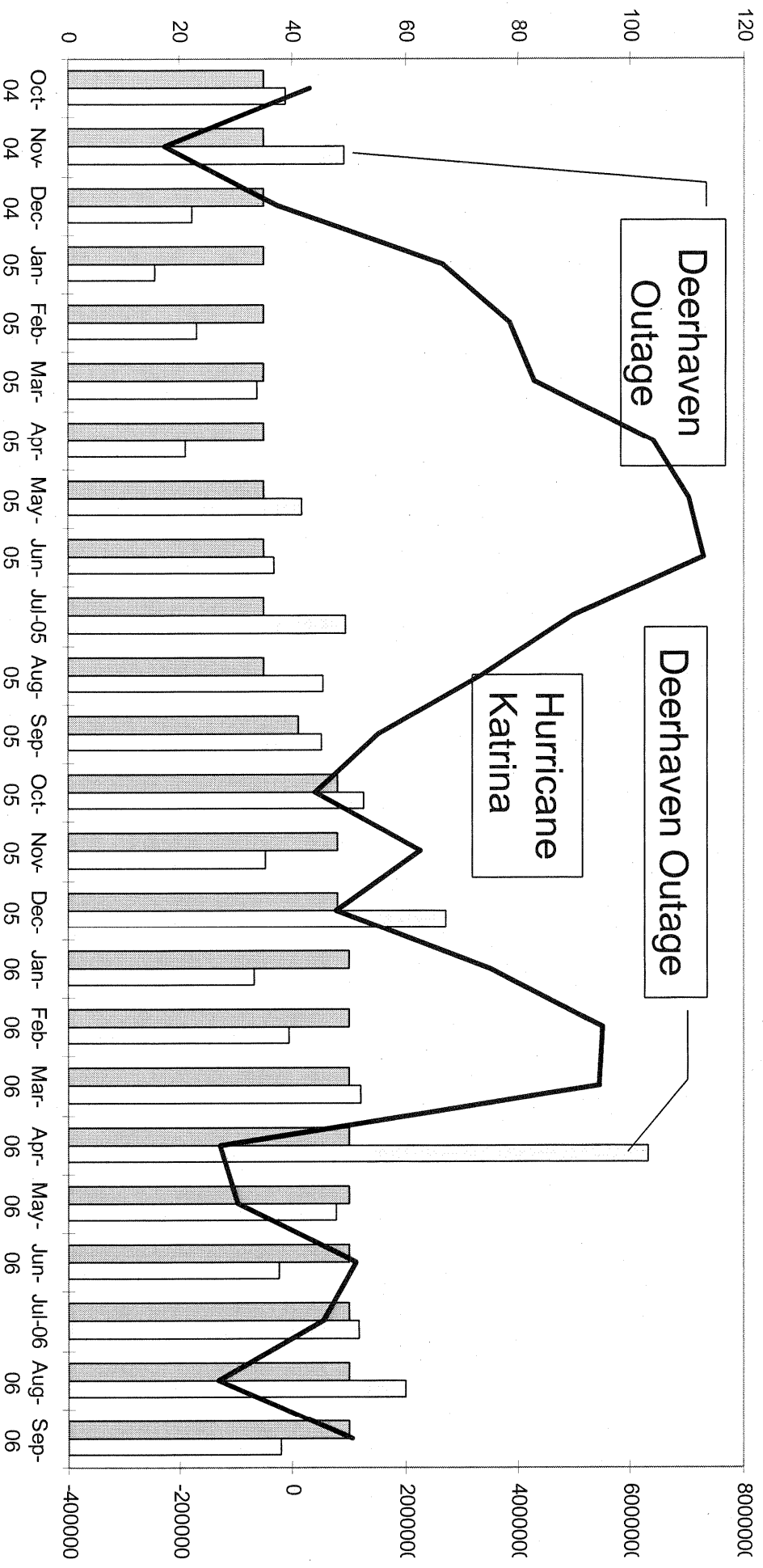


FY 2006 Fuel Adjustment and Levelization Balance

Levelized Unlevelized Levelization Balance



Levelization Balance and Fuel Adjustment





Purchased Gas Adjustment

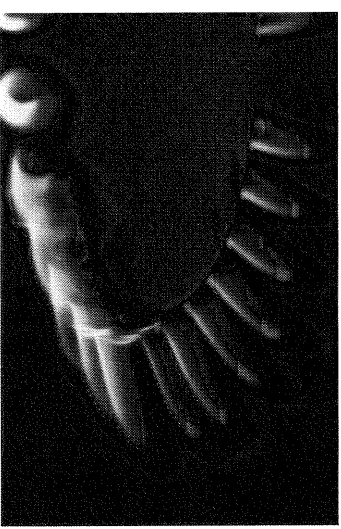
- Cost of fuel for the natural gas distribution system - gas purchased for business and residential uses, such as cooking and heating.
- Calculated and audited monthly
- Not levelized, varies each month. Future consideration of levelization due to price volatility



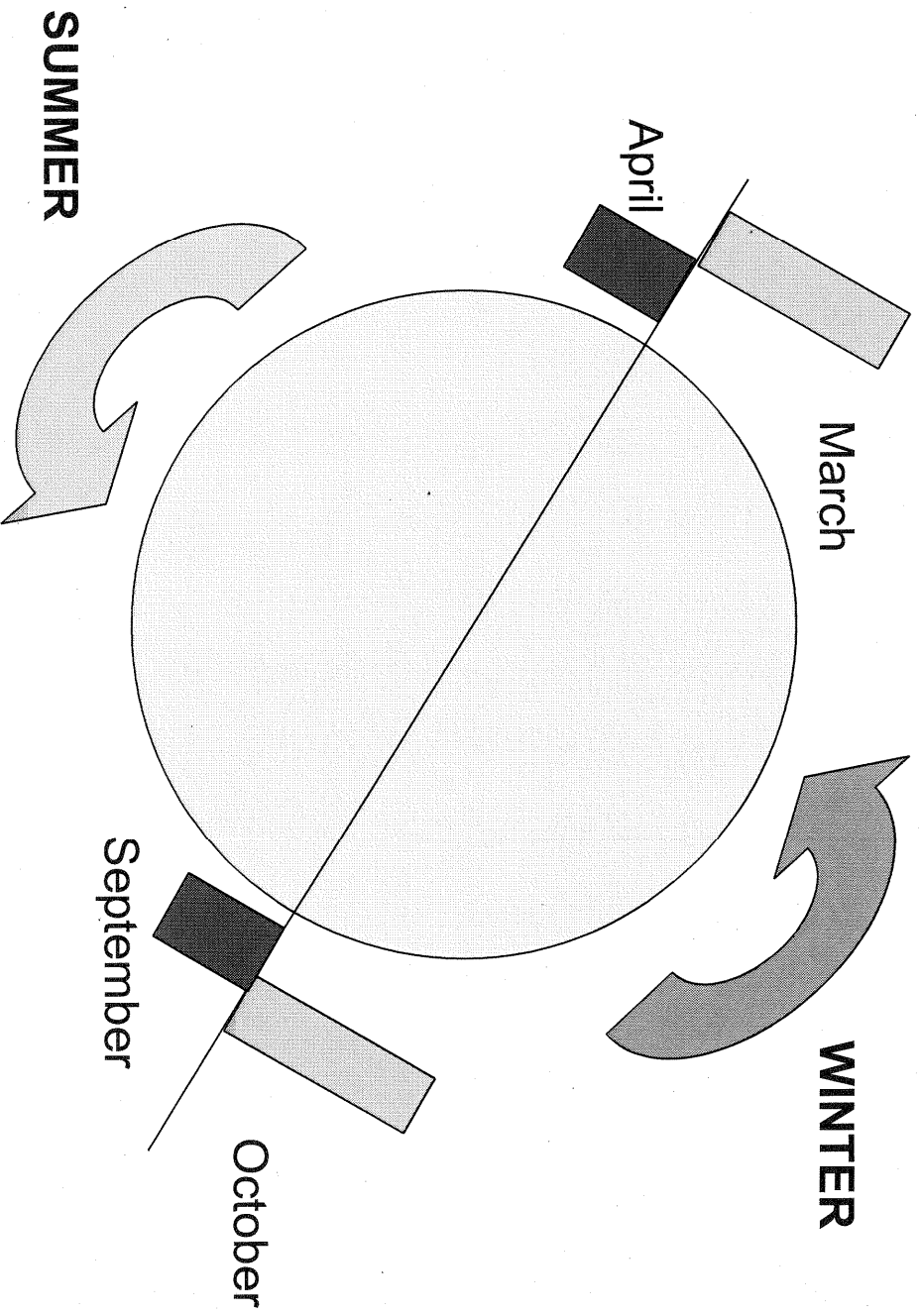


Purchased Gas Adjustment

- Divided into two seasons, Winter (October to March) and Summer (April to September).
- Two types of customers;
 - Gas heat in the winter, and
 - Year round use
- Gas penetration efforts increased cooking, drying, and water heating uses. Historically higher number of customers with gas heat only

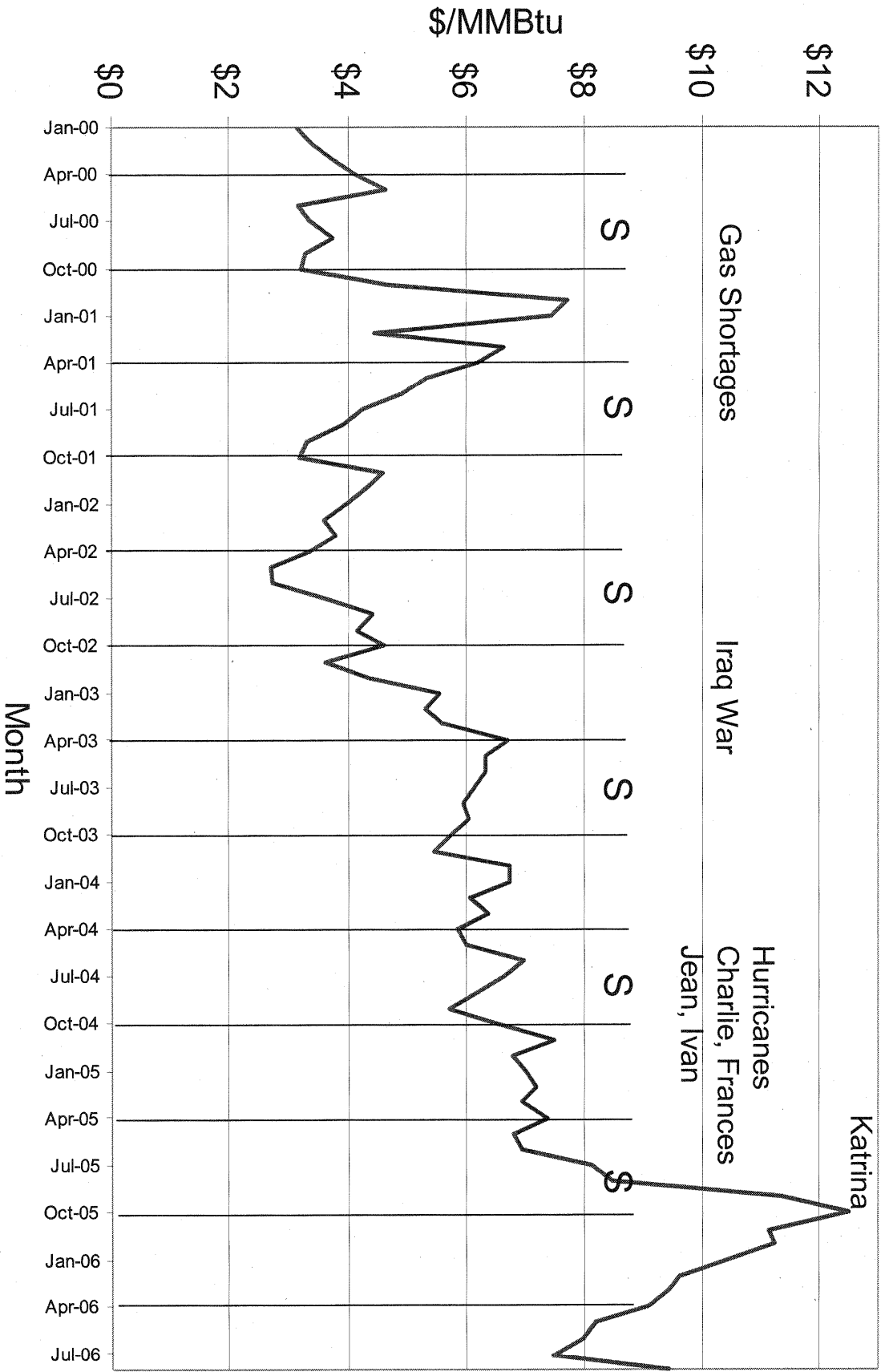


Purchased Gas Adjustment

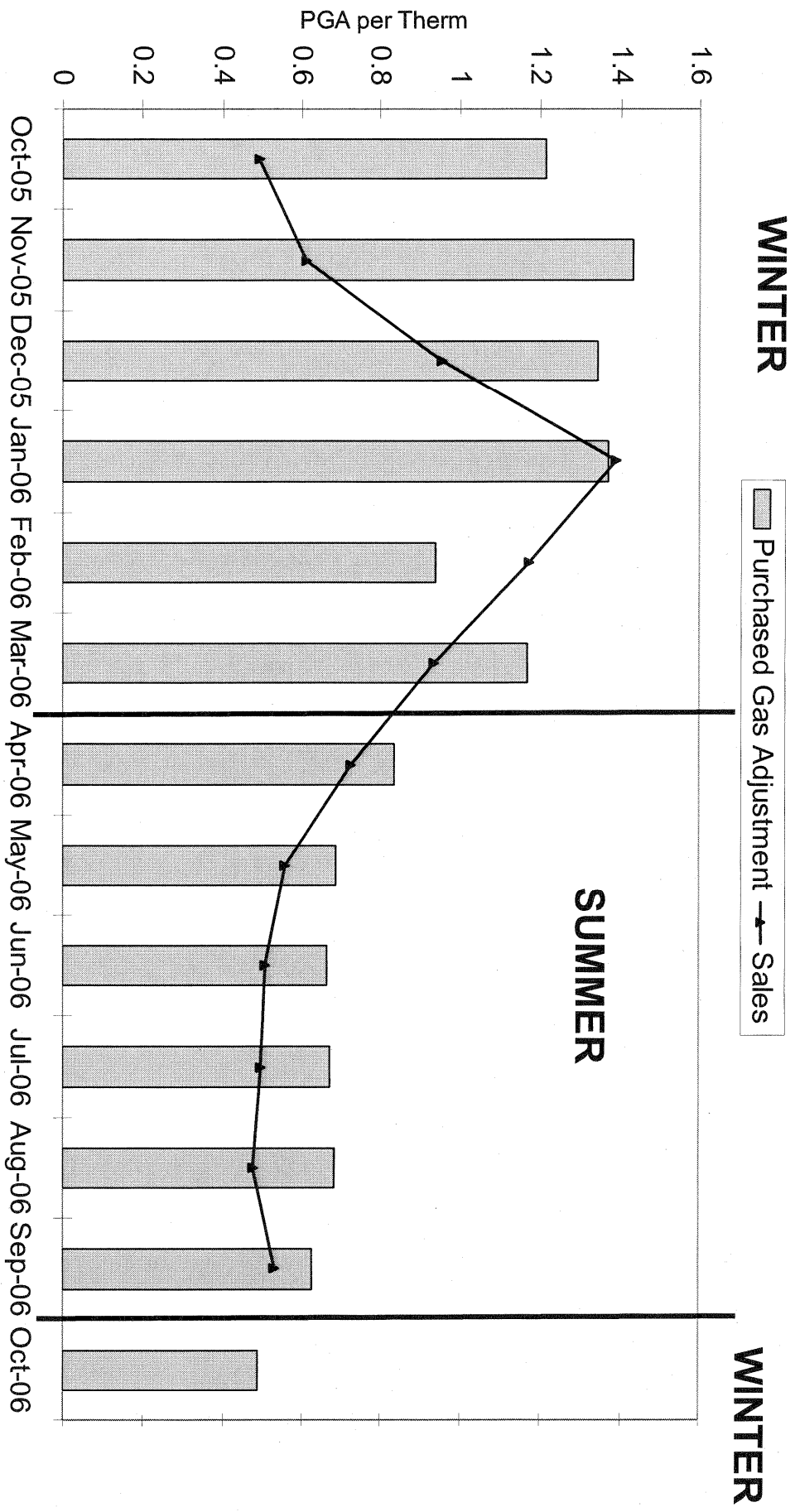


Natural Gas Cost

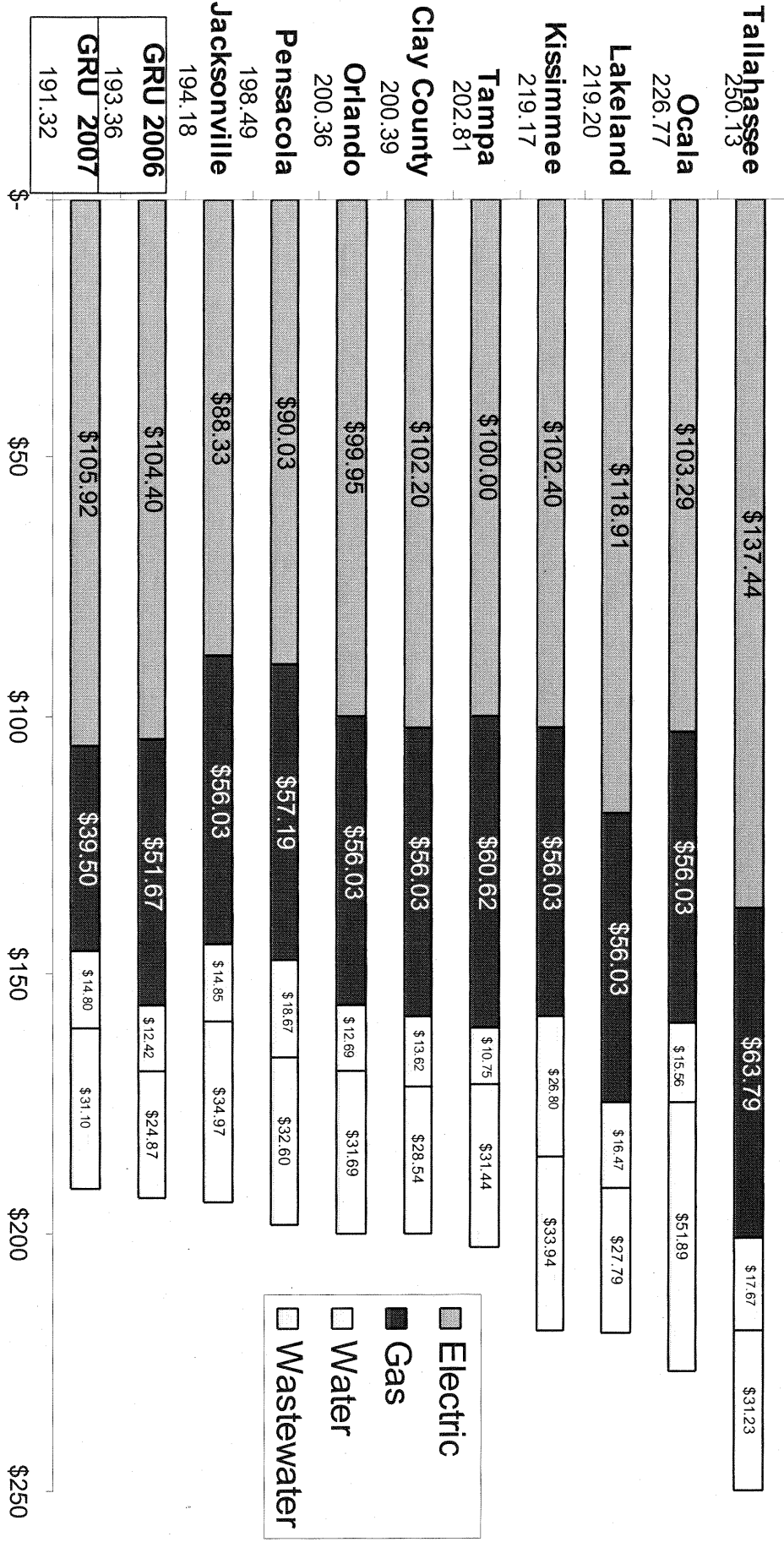
(Delivered Includes Transportation)



Purchase Gas Adjustment and Sales



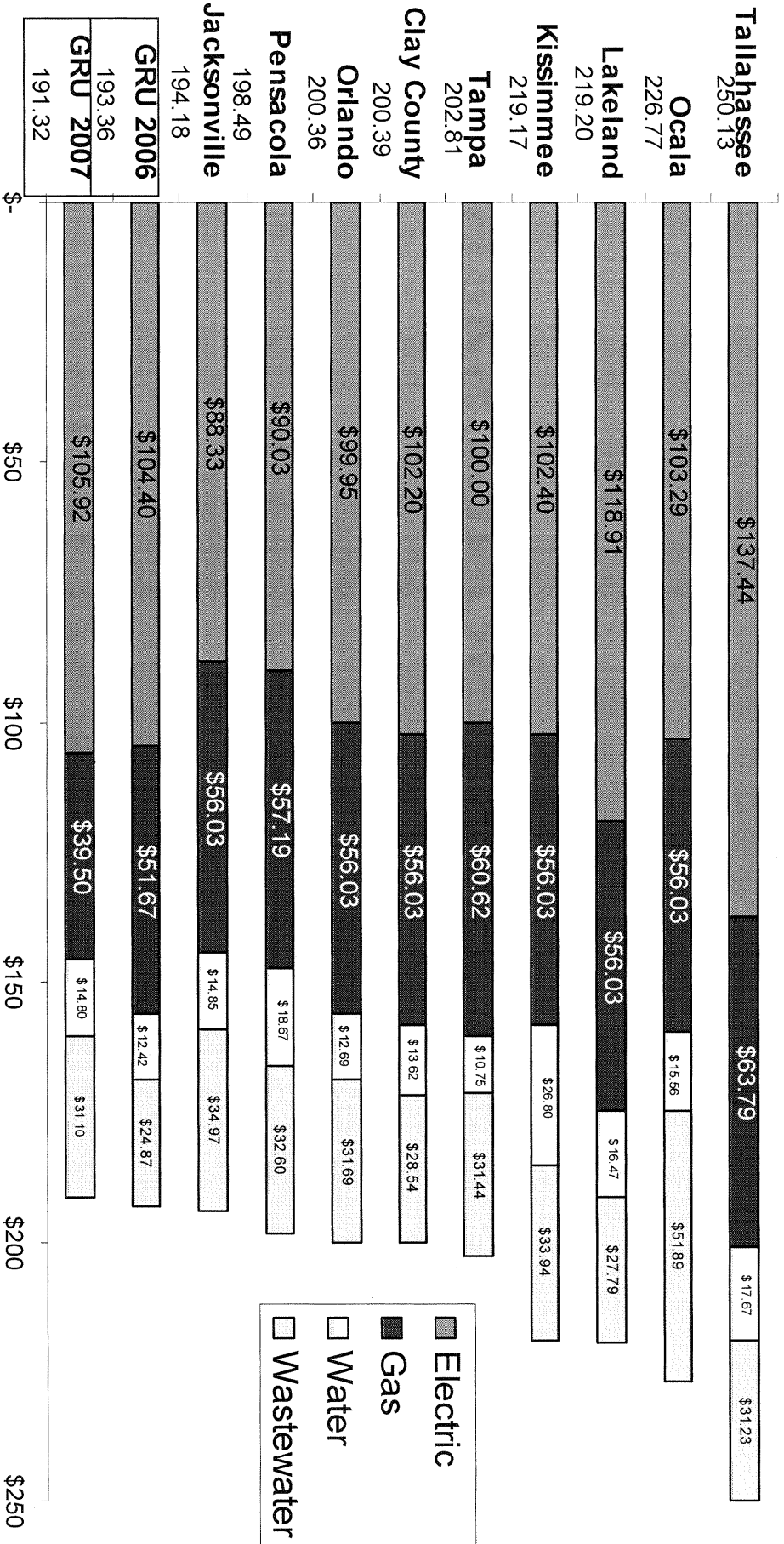
Basket of Services, Oct. 2007



Monthly Bill for All Services

* Excludes taxes and surcharges

Basket of Services, Oct. 2007



Monthly Bill for All Services

* Excludes taxes and surcharges