

General Manager Regular Item #080168

Proposed Annual
Operating Budget 2009 and 2010
July 21, 2008



FY09-10 Proposed Budget

- Agenda
 - Follow up from July 10
 - Voluntary Time-of-Use Rates
 - Revised Residential Gas Rate Proposal
 - Net Metering Credit
 - Basket of Services
 - Ordinance Change Request Summary
 - Questions/Comments
 - Recommendation

Follow up from July 10

- Home Energy Audits
 - Retain in some form (staff is researching)
- LEEP – target the same number as current year – 118
- Customer Communication
 - Community meetings
 - Print and electronic tools

Voluntary Time of Use Rates

- Recommendation from City Commission discussion on PURPA standards in July 2007
- Currently offer only residential
- Begin offering to all customers October 1
- Purpose is to shift peak to lower use time
- Modifications in future depending upon customer behavior and success
- TOU rates set by class:
 - Customer charge includes cost of upgraded meter
 - Energy Charge:
 - Off peak at $\frac{1}{2}$ average energy cost
 - On peak twice average energy cost

Voluntary Time of Use Rates

On Peak Hours:

6 am to 10 pm, week days, excludes

weekends and holidays. All other hours billed at off-peak.

Customer Class	on-peak price per kWh *	off-peak price per kWh*	Customer Charge
Residential	\$0.139	\$0.035	\$17.60
GSN	\$0.169	\$0.042	\$26.00
GSD	\$0.064	\$0.016	\$50.00
LP	\$0.062	\$0.016	\$305.00

*plus retail fuel adjustment

Residential Natural Gas Revised Rates

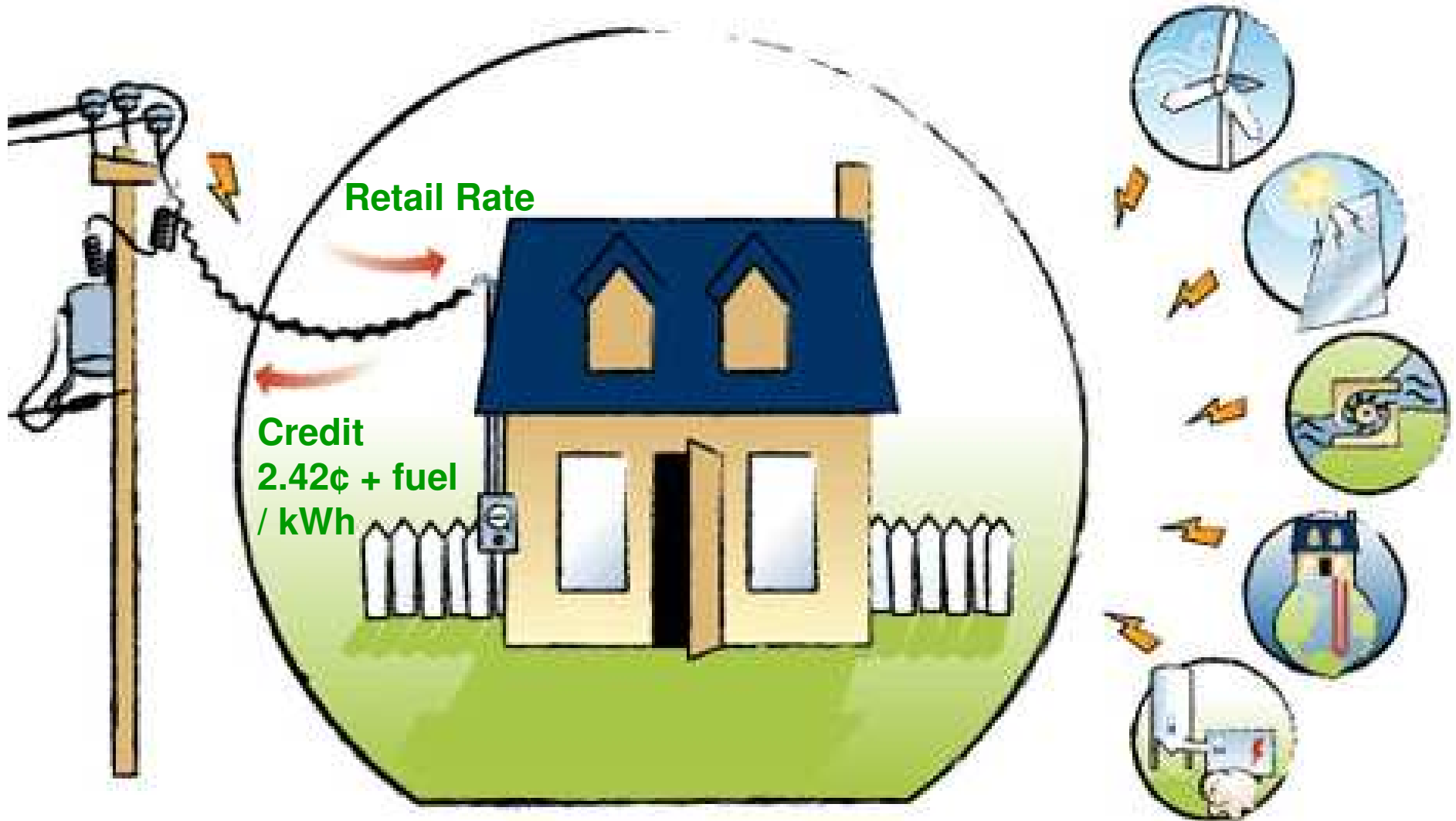
Rate Components:	2008	Proposed 2009	Revised 2009
Customer Charge	\$7.15	\$11.00	\$9.52
Energy Charge	42.4 ¢	42.4 ¢	48.3 ¢
MGPCRF	3.21¢	3.7¢	3.7¢

Residential Natural Gas Revised Rates

Usage/Bills:	Current July 2008	Proposed 2009 Bill	Revised 2009 Bill
10 therms	\$23.57	\$27.47	\$26.58
25 therms	\$48.21	\$52.18	\$52.18
40 therms	\$72.84	\$76.89	\$77.77

Sample bills include PGA of \$1.1862/therm

Current Practice Avoided Generation Credit



Customer Examples

Residential Customers

- High User 17,112 kWh / year (1,426 / month)
- Average User 11,465 kWh / year (955 / month)
- PV System Sizes
 - 2.5 kW 3,630 kWh / year
 - 5 kW 7,261 kWh / year
- Only affects portion of energy sold to the grid

Sell Back Examples						
Customer Type	2.5 kW PV System Generation			5 kW PV System Generation		
	Used in Home	Sold to Grid	Sold %	Used in Home	Sold to Grid	Sold %
High User	3454	176	5%	5441	1820	25%
Avg User	3118	512	14%	4196	3065	42%



City of Gainesville
Gainesville Regional Utilities
 301 S.E. 4 Avenue
 Gainesville, Florida 32601
 www.gru.com

ACCOUNT NUMBER
 CUSTOMER NAME
 SERVICE ADDRESS

BILL DATE 07/15/2008
 RES

UTILITY SERVICE	METER NUMBER	METER READING DATES		DAYS SERVICE	AVERAGE DAILY CONSUMPTION		
		FROM	TO		THIS MONTH	LAST MONTH	12 MOS AGO
PHOTOVOLTAIC ELECTRIC METER							
ELECTRIC		6/10/2008	7/9/2008	30	30.97	30.75	64.13
GAS		6/10/2008	7/9/2008	30	0.63	0.59	0.73
WATER		6/10/2008	7/9/2008	30	0.37	0.75	0.40

YOUR WINTER MAXIMUM FOR WASTEWATER BILLING IS 12 KGALS

2.42¢ / kWh + fuel adj

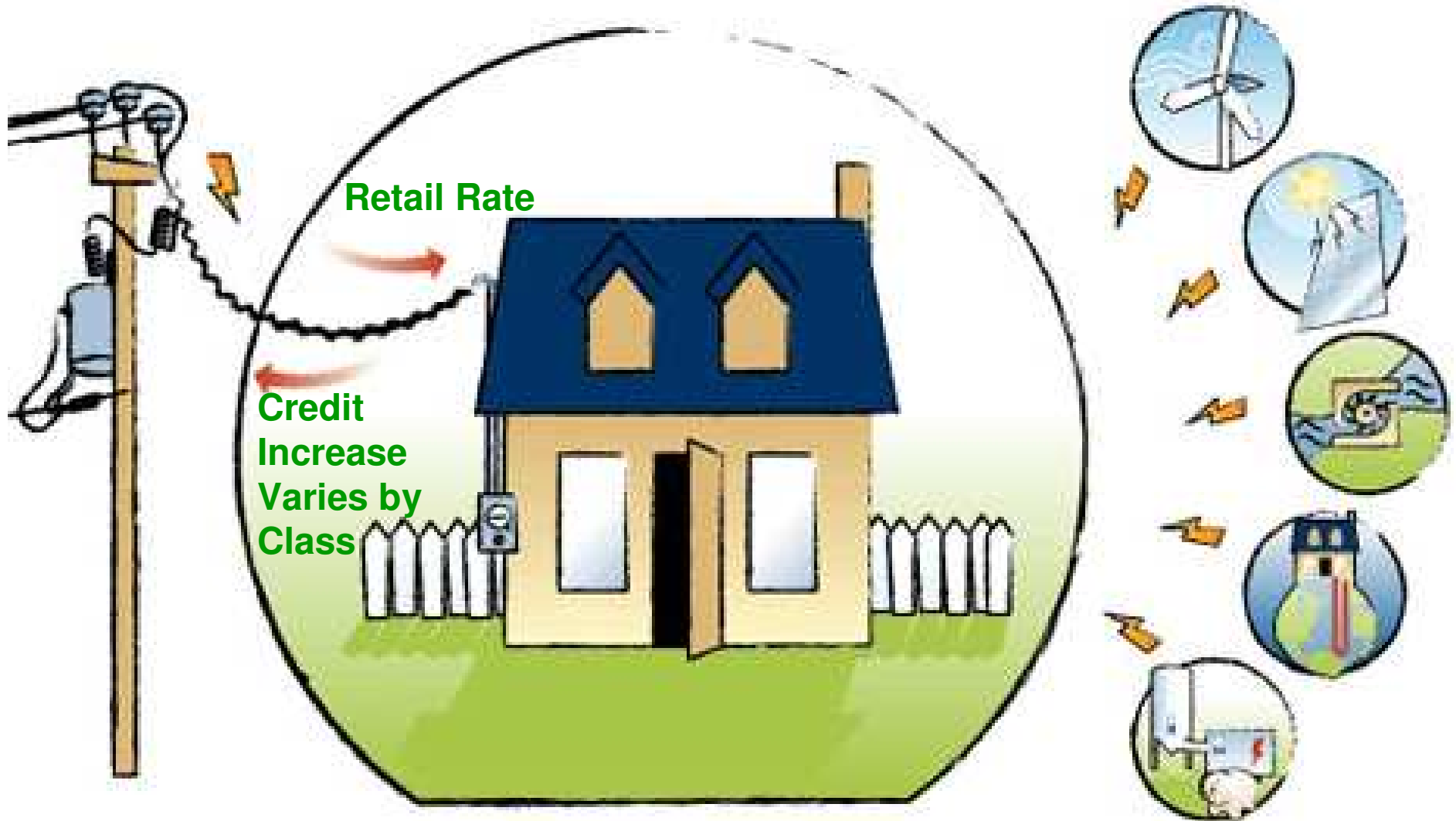
UTILITY CHARGES	METER READINGS			CONSUMPTION	AMOUNT DUE
	PREVIOUS	CURRENT	TYPE		
ELECTRIC CHARGE	2843	3772	ACTUAL	929 KWH	\$ 117.40
PHOTOVOLTAIC SYSTEM CREDIT				59 KWH	\$ 1.43
PV SYSTEM FUEL ADJ CREDIT					\$ 3.54
GAS CHARGE	67	85	ACTUAL	19 THERMS	\$ 38.35
WATER CHARGE	749	760	ACTUAL	11 KGALS	\$ 25.03
WASTEWATER CHARGE			ACTUAL	11 KGALS	\$ 54.93

\$ 55.74 OF YOUR ELECTRIC CHARGE IS EXEMPT FROM UTILITY TAX
 \$ 22.54 OF YOUR NATURAL GAS CHARGE IS EXEMPT FROM UTILITY TAX

STATE & LOCAL CHARGES (SEE REVERSE SIDE OF BILL FOR EXPLANATION)		AMOUNT DUE
ELECTRIC SURCHARGE		\$ 6.46
GAS SURCHARGE		\$ 1.58
WATER SURCHARGE		\$ 6.26
WASTEWATER SURCHARGE		\$ 13.73
FLORIDA GROSS RECEIPTS TAX		\$ 4.15
COUNTY UTILITY TAX		\$ 12.00
JUL 2008 CHARGES	PLEASE PAY BY 7 P.M. ON 08/15/2008 TO AVOID LATE FEE	\$ 274.92

Net Metering

October 1, 2008





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~~2.42¢~~ ^{6.2¢} / kWh + fuel adj

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	PREVIOUS	CURRENT	TYPE		
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Proposed Credits Beginning October 1, 2008

- Calculation performed for each customer class

$$\frac{\text{Forecasted Revenue}^*}{\text{Sales (kWh)}}$$

Proposed Credits

<u>Class</u>	<u>Credit</u>	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 3</u>
Residential	6.2¢	2.6¢	6.6¢	9.8¢
Non-Demand	7.7¢	6.8¢	9.5¢	N/A
<u>Class</u>	<u>Credit</u>	<u>Energy Charge</u>		
Demand	3.2¢	3.2¢		
Large Power	3.1¢	3.1¢		

*Includes embedded fuel. Excludes customer charge, demand charge and fuel adjustment.

Sample Bills Impacts FY09 Proposed

User Type	kWh Purchased	Cost*	Cost / kWh	kWh Sent to Grid	Proposed Credit	Credit / kWh	Current Credit	Credit / kWh
Residential - Average	1,000	\$124.00	\$0.12	300	\$36.60	\$0.12	\$25.26	\$0.08
GSN - Average	1,500	\$192.00	\$0.13	300	\$41.10	\$0.14	\$25.26	\$0.08
GSD	30,000	\$2,760.00	\$0.09	300	\$27.60	\$0.09	\$25.26	\$0.08
LP	430,000	\$39,130.00	\$0.09	300	\$27.30	\$0.09	\$25.26	\$0.08

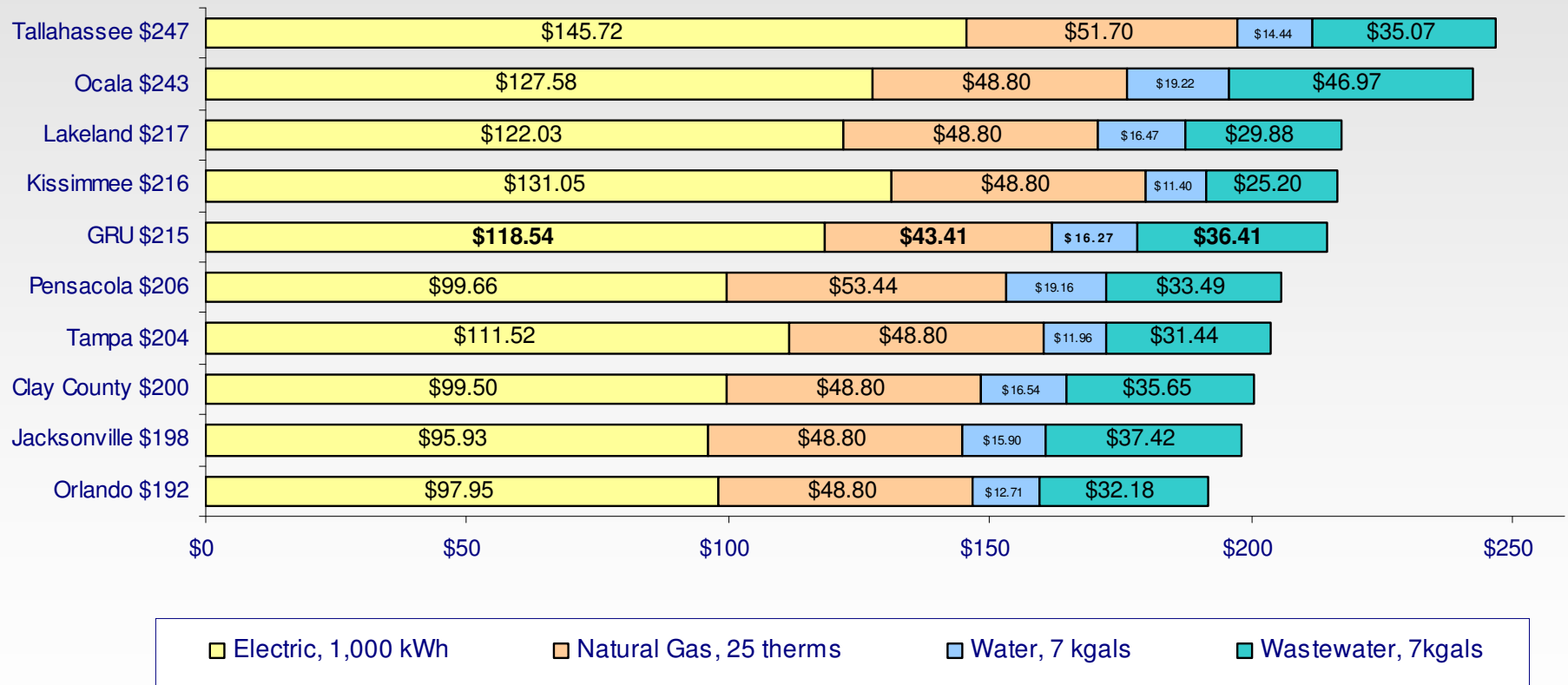
*Cost does not include customer charges, demand charges or business partner discounts
– includes 6¢ fuel adjustment

Solar Results

- Rebates make a difference
- Solar photovoltaic (electric)
 - Over 253 kW installed in FY07 & 08
 - \$374,000 in rebates
 - Comparing results against the state
 - Over 17 percent of solar electric rebates from the state
 - GRU customers represent only 1 percent of state's population
- Working with local business leaders to install 14 new systems (300+ kW)



Residential Basket of Services April 2008



GRU's Electric bills include Fuel Adjustment of 50 mills and PGA of \$0.9942

Residential Base Rate Changes

System	Current July 2008 Bill	Proposed Base Rate Increase	Proposed 2009 Bill
Electric 1000 kWh	\$128.54*	3.06	\$131.60*
Gas 25 Therms	\$48.21**	3.97	\$52.18**
Water 7 kGals	\$16.27	1.86	\$18.13
Wastewater 7 kGals	\$36.41	4.17	\$40.58
TOTAL	\$229.43	13.06	\$242.49

*Based on the 60 mil Fuel Adjustment effective July 1, 2008

**Based on the \$1.1862 Purchased Gas Adjustment effective July 1, 2008

Ordinance Change Request Summary

- **Electric System**

- Increase Residential, GSN, GSD and Large Power Base Rates (customer, energy and demand charges, where applicable)
- Increase Street and Rental Lighting Rates
- Establish Voluntary Time of Use Energy Rates for all Classes
- Revise Net Metering Rate

- **Gas System**

- Increase turn-on charge
- Increase Residential, Commercial and Interruptible Base Rates (customer, energy charges and mpg cost recovery factor)
- Establish Annual Calorific Value

Ordinance Change Request Summary

- **Water System**
 - Increase Turn-on/Turn off Charge
 - Residential, Commercial and Irrigation Base Rates (customer and usage charges)
 - Connection, Inspection and Tapping Fees
- **Wastewater System**
 - Change Reclaimed Water Billing Structure
 - Customer and Usage Charges (one rate for all customers)
 - Connection, Inspection and Tapping Fees
 - Supported Fire Hydrant Monthly Charge
 - Backflow Preventer Testing Fees
- Decrease Late fee from 2 to 1.5 percent of unpaid balance

Recommendation

- The City Commission direct the Attorney to draft, and the Clerk to advertise, ordinances to adopt the recommended rates and charges for water, wastewater, electricity and gas