

NATURAL GAS Inverted Block Rate Discussion

Regional Utilities Committee
June 26, 2002



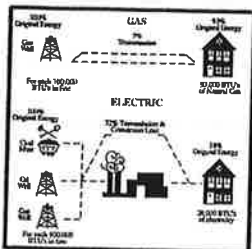
INVERTED BLOCK RATES

- Stress the importance of efficient use of resources
- Encourage conservation
- Establish a threshold for what is considered non-essential usage



FACTS ABOUT NATURAL GAS

- Cleanest burning fossil fuel
- Domestically abundant
- Extremely efficient



RATE STRUCTURE COMPARISON

11 Florida Gas Utilities

- 10 - uniform rate structure
- 1 - declining block rate



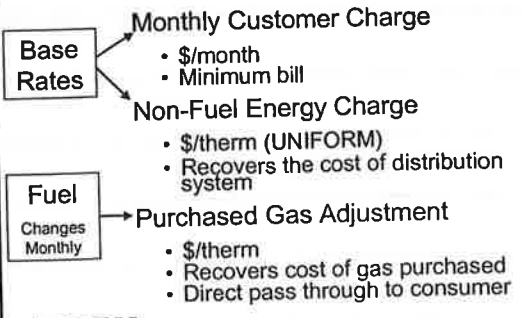
Natural Gas Rates and Charges for Florida Gas Utilities

Rates listed are for residential customers and do not include billing adjustments such as the FGA and are other items as noted.

GRU Strategic Planning Department October 2011

UTILITY	FIXED MONTHLY CHARGE in \$	NON-FUEL ENERGY CHARGE (\$/unit)
Central Florida Gas (Chesapeake)	10.00	0.44073/therm
City of Perry	0.00	1.36480/ccf
City of Sunrise	9.00	rate 1.03000 from 0 to 75 ccf then 0.85000 from 76 to 750 ccf then 0.75000 from 751 & 5,000 ccf
City of Tallahassee	7.00	1.32436/ccf
Cleawater Gas System	7.00	0.64000/therm
Energy Service of Pensacola	6.00	0.83300/ccf
Florida Public Utilities	8.00	0.38873/therm
FL Pierce Utility Authority	6.50	0.84500/ccf
Gainesville GRU	6.80	0.38742 therm
NLI City Gas of Florida	7.50	0.48387/therm
Peoples Gas Ocala	7.00	0.32525/therm
Peoples Gas System	7.00	0.41117/therm

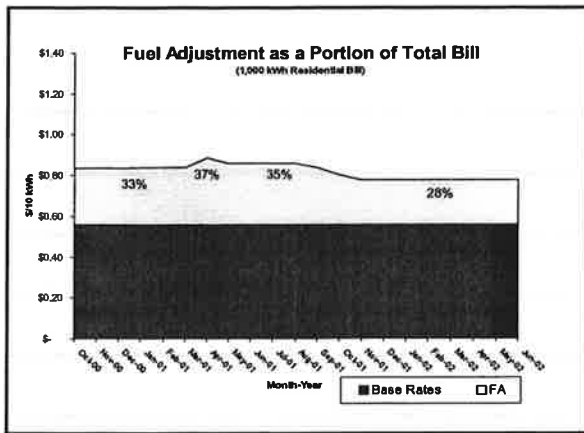
CURRENT RATE STRUCTURE

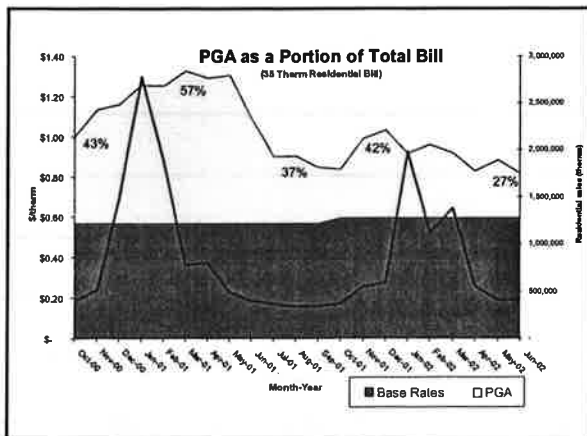


THE PURCHASED GAS ADJUSTMENT

Adjusted monthly
 Based on projected prices for the next month
 Sends price signal to consumer quickly
 Can comprise large portion of bill







NATURAL GAS IN GAINESVILLE

47.8% of single-family homes heat with natural gas

46.5% of single-family use natural gas for water heating

- Non-discretionary
- What is essential?

GRU promotes electric to gas conversion through natural gas rebates



SUMMARY

Natural gas is an efficient fuel

Purchased gas adjustment sends strong price signal to promote efficient use of resource

Use of natural gas tends to be non-discretionary and varies by consumer based on natural gas appliances

Use of natural gas is encouraged

- By US DOE to meet environmental goals
- By GRU



RECOMMENDATIONS

An inverted block rate not be pursued for the natural gas system

This item be removed from the referral list