



Utility Transfer

- Intention is to serve as proxy for what GRU would pay if it were an Investor Owned Utility
 - Property tax
 - Franchise fees, and
 - Return on investment to shareholders
- From FY87 through FY10 transfer based on variations of formulas
 - % of revenues
 - Retail kilowatt hours delivered

Legislative ID #130852E
Prepared by: Mark Benton



Utility Transfer FY01 – FY10

- Electric System

- Base portion - growth in base transfer of 3% if three year rolling average of retail kilowatt hours delivered is 0 or positive
- Incentive portion – 3% of net interchange sales & one-half of percentage growth in retail kilowatt hours delivered in excess of 3% times the base amount

- Other systems

- Water – 14.65% of gross revenues (less sales to UF), plus surcharges
- Wastewater – 14.65% of gross revenues, plus surcharges
- Gas – 14.65% of gross revenue less fuel, plus surcharges
- GRUCom – negotiated dollar amount



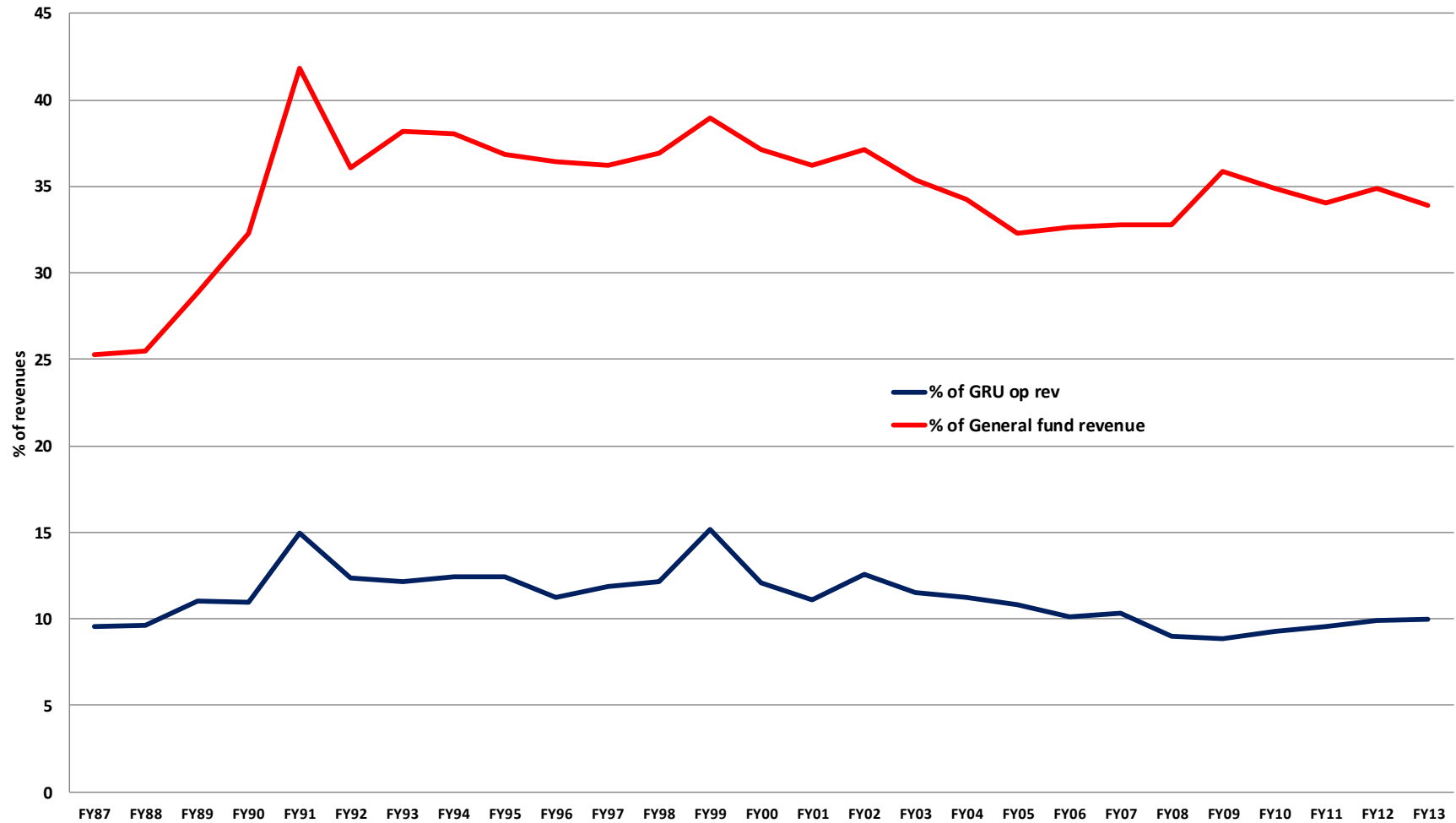
Utility Transfer FY11 – FY14

- Formula methodology suspended in lieu of four year fixed dollar transfer FY11 – FY14
 - Predictability & stability
 - Guaranteed growth for General Government
 - Flexibility regarding which system funds transfer for GRU

FY11 - FY14 GFT AGREEMENT	
FY11	35,154,463
FY12	36,222,989
FY13	36,666,551
FY14	38,101,425



Transfer as a % of Revenues





Utility Transfer Proposed FY15 – FY19

- Utility Transfer
 - Base equals FY14 GFT level as determined by prior GFT formula methodology
 - Growth @ 1.5% per year
 - GFT reduced by biomass plant property tax revenue received



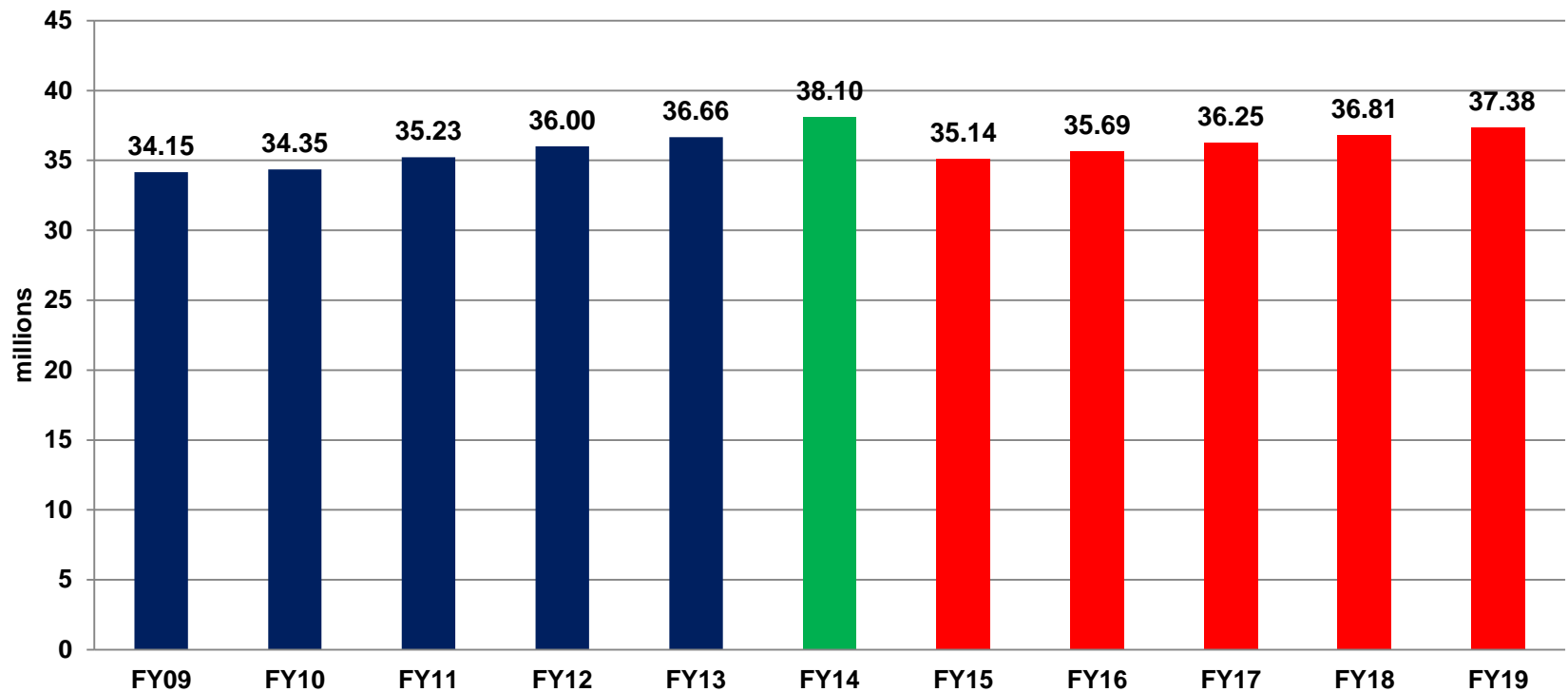
GENERAL GOVERNMENT GFT PROPOSAL: Base = FY14 under previous formula, growth @ 1.5%, net of biomass property tax, from any system

	FY14 receipt	Base = FY14 under previous formula	FY15 @ 1.5% base growth	FY16 @ 1.5% base growth	FY17 @ 1.5% base growth	FY18 @ 1.5% base growth	FY19 @ 1.5% base growth	Total GFT FY15 - FY19
Base GFT	38,101,425	36,002,389	36,542,425	37,090,561	37,646,920	38,211,623	38,784,798	188,276,327
Less biomass property tax*			(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)	(7,000,000)
Net transfer			35,142,425	35,690,561	36,246,920	36,811,623	37,384,798	181,276,327
Transfer per GRU budget/rate model			36,315,992	36,146,397	37,569,836	39,339,055	40,678,172	190,049,452
Rate relief vs GRU model			(1,173,567)	(455,836)	(1,322,916)	(2,527,432)	(3,293,374)	(8,773,125)
GRU projected revenues			437,636,173	452,596,571	464,576,769	474,006,444	479,450,179	
Transfer as a % of GRU revenues			8.03%	7.89%	7.80%	7.77%	7.80%	

* Reduction in GFT equal to actual City of Gainesville property tax revenue from biomass plant each year; \$1.4M is example figure only



Utility Transfer Projection





		GFT as a % of:	
		Operating Revenue	Operating Revenue Less Fuel
ACTUAL	FY08	8.99%	14.38%
	FY09	9.32%	15.07%
	FY10	9.27%	14.71%
	FY11	9.56%	14.40%
	FY12	10.32%	15.06%
	FY13	10.51%	14.49%
BUDGET	FY14	9.19%	14.80%
PROJECTED	FY15	8.03%	13.03%
	FY16	7.89%	12.63%
	FY17	7.81%	12.35%
	FY18	7.77%	12.19%
	FY19	7.80%	12.20%