



Legislation Text

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Final Rate and Fuel Costs Comparisons (B)

Staff will present a presentation on the purchased gas and fuel adjustments, their relationship to base rates, and receive updated rate comparisons with other utilities.

Once the fiscal year begins, rate increases and decreases for our comparison cities and utilities are available. Staff has revised the rate comparisons presented during the FY 2006-2007 budget to include final adopted rates. The presentation will show GRU rates compared to other Florida utilities.

In conjunction with adopted rates, utilities also pass on the cost of fuel to the customer. GRU calculates a monthly fuel adjustment and purchased gas adjustment. The Investor Owned Utilities in Florida have fuel adjustments approved by the Florida Public Service Commission. The fuel adjustment reflects the costs for fuel for generation. Fuel costs vary through the year due to weather, hurricanes, fuel availability and the scheduled outages for GRU units. The fuel adjustment is levelized to keep the cost of the spring Deerhaven 2 outage from negatively impacting customers.

The purchased gas adjustment is the calculation of the cost of fuel for the natural gas distribution system. It reflects natural gas purchased for business and residential uses, such as cooking and heating. The purchased gas adjustment is calculated monthly and divided into two seasons, winter (October to March) and summer (April to September). Staff will provide an explanation of fuel cost pass through in conjunction with the rate comparisons with other utilities.

The City Commission hear a presentation from staff on the purchased gas and fuel adjustments, their relationship to base rates, and receive updated rate comparisons with other utilities.

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