



## Legislation Text

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**File #:** 060775., **Version:** 2

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### Impact of Tiered Rates on People with Low Income Levels (NB) - 060775

The impact of tiered rates on people with low income levels was referred to the RUC on November 27, 2006. At the September 11, 2007 RUC meeting staff presented information on the evaluation of the impacts of the baseline rate, established in October 2006, in comparison to the prior rate structure. The baseline rate for residential customers is for energy use between 0 and 250 kWh per month. The next tier is at 750 kWh per month. The prior rate structure had one tier at 750 kWh per month.

The impact of the rate structure change was evaluated on the bills of 153 low income individuals. These individuals were determined as low income as part of the DEED survey. These impacts were compared to the impact on the entire GRU residential customer base. The sample shows that the baseline rate saves money for low income customers in lower usage months, but that increased energy use, in the higher tiers, increases the total bill.

As a result of the September 11 meeting the RUC agreed that the tiered rate structure is beneficial and takes into consideration the needs of low income customers. In addition, the Committee agreed to recommend to the City Commission that a letter be sent to Governor Crist promoting the tiered rate structure as a conservation tool and to remove item #060775 from the referral list.

The RUC also discussed requesting a separate referral to investigate a community goal for energy conservation. This request was made and approved at the September 24, 2007 City Commission meeting.

The Regional Utilities Committee (RUC) recommends that the City Commission send a letter to Governor Crist promoting the tiered rate structure as a conservation tool and remove item #060775 from the referral list.

Prepared and Submitted by Karen S. Johnson, General Manager on behalf of the RUC