



Legislation Text

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School Power Discount Rate - Referral Item #002495 (B)

On March 11, 2002 the City Commission heard a request from representatives of the School Board of Alachua County (SBAC) requesting a school power discount that would result in savings of \$210,000-\$350,000 (approx. 11% to 18% of base rates), and referred the issue to the Regional Utilities Committee (RUC). At the April 18, 2002 meeting, the RUC directed staff to work with representatives of the School Board of Alachua County and their consultants from Commercial Utility Econometrics and come back to the RUC with a report. On April 22, 2002 the City Commission approved an ordinance to restructure GRU's electric rates on second reading. These changes resulted in a base rate reduction for the SBAC of 13%.

On June 26, 2002 the RUC heard a report from staff regarding the issues and options that were identified, discussed, and evaluated jointly with SBAC staff and their consultants. SBAC staff's stated objective was to obtain the equivalent of an additional 15.5% reduction in base rates. In the report, GRU staff recommended a commitment to help the SBAC meet its' financial objectives in every way possible without changing policies and tariffs in a manner that would shift costs to other GRU customers or City operations. Alternatives related to bill levelization, curtailable service, and load factor improvement were identified. The first alternative would assist the SBAC's cash flow problems and the others were estimated to have a savings potential of up to 11% in addition to the rate discounts already received as part of the overall rate restructuring. The alternatives also meet the criteria identified above.

Although the SBAC staff declined these recommendations, the RUC's consensus was to support GRU staff's recommendations and requested the General Manager to extend to the SBAC Superintendent GRU's commitment to pursue the recommended alternatives if so desired.

The City Commission remove this item from the Regional Utilities Committee referral list.

Prepared by: Michael L. Kurtz

Submitted by: Mayor Tom Bussing, Chair, and RUC

Commissioner Tony Domenech, Member