



Public Resources Management Group, Inc.
Utility, Rate, Financial and Management Consultants

February 17, 2017

Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RECEIVED - FPSC
2017 MAR -2 AM 11:02
COMMISSION
CLERK

Subject: City of Vero Beach Electric Rate Tariff Changes for Review

The City of Vero Beach, Florida (the "City") has requested that the firm of Public Resources Management Group, Inc. (PRMG) submit the attached electric rate tariff changes for review by the Florida Public Service Commission (FPSC). The submittal includes: i) this cover letter that provides a brief narrative outlining the proposed changes to the schedules which do not change current monthly rates for service; ii) a memo from the City authorizing the submittal of the proposed tariffs; and iii) the proposed electric rate tariffs.

The City previously adopted electric rate tariffs based on a cost of service study, which were approved by the FPSC in 2009. These tariffs provided a schedule of monthly rates for service that were phased in over five (5) years with effective dates beginning on January 1, 2010 and ending on October 1, 2013. Subsequent to adopting the tariffs, the City suspended increasing the rates for electric service as of October 1, 2011, since actual expenditure needs were less than the projected amounts included in the cost of service study. After recently negotiating a new power supply agreement with OUC, the City requested that PRMG perform a rate and cost of service study.

On February 7, 2017, the City Council received a presentation of the rate and cost of service study results from PRMG that was also reviewed and approved by the City's Finance and Utilities Commissions. Both the Finance and Utilities Commissions are citizen's advisory groups. The presentation of the rate and cost of service study demonstrated that the existing monthly rates for service that became effective October 1, 2011 along with any future adjustments to the City's purchased power adjustment (PPA) should be adequate to meet the projected expenditure needs of the electric system through Fiscal Year 2021 and the cost of service results did not vary significantly from the revenues produced by existing rates. Therefore, the recommendation was made to maintain the existing rates, which was approved by the City Council. However, when looking at the individual base rate and purchased power adjustment components of the existing electric system rate structure, PRMG determined that the City's base rates were over collected and that the purchased power adjustment (PPA) was under collected by \$16.50 per MWh. Based upon the rate study results, PRMG recommended a "revenue neutral adjustment" to monthly rate tariffs for electric service that included an update to the Purchased Power Adjustment Clause (only) as shown in Tariff Sheet No. 18. The proposed update recognizes that \$16.50 per MWh of purchased power costs should be included in the

City's base rates for the purpose of calculating the PPA. In the current tariff there are no purchased power costs included in the City's base rates. This proposal will correct the under recover associated with the current PPA and the equivalent base rate over recovery without an impact on monthly bills. In addition, the remaining tariffs for monthly service to the City's various customer classes were revised to delete the rates included after October 1, 2011 that were never implemented by the City. The modifications to the tariffs also included updating the City's Outdoor Lighting service schedule shown in Tariff Sheet No. 13.1 to account for several new types of lighting service that were created subsequent to the adoption of the current tariffs. This update, along with the changes to the monthly rate schedules for service, including the adjustment clause to account for purchased power, will not impact existing customer bills for monthly service as approved by the City.

While monthly rates for service are projected to be adequate over the study period, PRMG and City staff have identified the need to make certain adjustments and changes to its miscellaneous fees and charges to reflect the current cost of providing these ancillary services. These changes generally increased miscellaneous fees, eliminated the electric impact fee, and addressed certain policy issues provided by the City's Attorney related to the City's access to property and meters, and indemnification of the City for certain service failures resulting on the customer's side of the point of delivery. Please refer to Tariff Sheets No. 4.0 through 5.2 and Sheet No. 14 that include the proposed adjustments to the miscellaneous service charges.

If you have any technical questions regarding the rate study and proposed tariff changes, please contact Mr. Henry Thomas at 407-628-2600.

Respectfully Submitted,
Public Resources Management Group, Inc.



Henry L. Thomas
Senior Vice President

Attachments

c: James R. O'Connor, City Manager, City of Vero Beach
Cynthia D. Lawson, Finance Director, City of Vero Beach

ATTACHMENT A

CITY MEMO

City of Vero Beach

1053 - 20th PLACE - P.O. BOX 1389
VERO BEACH, FLORIDA 32961-1389
Telephone: (772) 978-4700 • Fax: (772) 978-4790

OFFICE OF THE
MAYOR

February 13, 2017

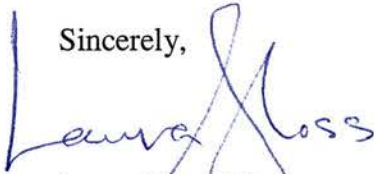
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: City of Vero Beach –Electric Utility Rate Study and Revised Tariff Sheets

On February 7, 2017 the City Council of the City of Vero Beach was presented with an electric utility rate and cost of service study by the City's rate consultant, Public Resources Management Group (PRMG). The City Council voted 5-0 to approve the study findings and to submit the associated revised tariff sheets to the Public Service Commission (PSC) for review and comment.

The City hereby submits the attached tariff changes for review by the Florida Public Service Commission in accordance with Chapter 366, F.S. If you have any questions regarding this submittal, please contact Ms. Cynthia Lawson, Finance Director at 772-978-4770.

Sincerely,

A handwritten signature in blue ink that reads "Laura Moss". The signature is written in a cursive style with a large, stylized initial "L".

Laura Moss, Mayor
City of Vero Beach

Cc: C. Lawson, Finance Director

Attachment: PRMG Rate Filing Package

ATTACHMENT B
PROPOSED TARIFFS

MISCELLANEOUS

STATE SALES TAX - State Sales Tax shall be applied to the total electric bill on all commercial and industrial accounts unless current state sales tax exemption certificate is on file with the Customer Service Department.

CITY UTILITY TAX - A City Utility Tax of ten percent (10%) shall be added to all rate schedules for service inside the city limits. The amount will not exceed the limitation established by Subsection 166.231, Florida Statutes.

OUTSIDE CITY SURCHARGE - A surcharge for service provided outside the corporate limits of the City is repealed with electric bills rendered on or after January 1, 2010.

HURRICANE RECOVERY FUND - A two percent (2%) Hurricane Recovery charge will be applied to residential, commercial, & industrial rates for a period of no more than 2 years.

TERMS OF PAYMENT - All bills are due when rendered and become delinquent twenty-one (21) days from billing date. After twenty-one (21) days, a delinquent notice is mailed allowing an additional ten (10) days. If not paid by date stated on delinquent notice, service may be discontinued without further notice.

At the option of the City, Electronic Payment of the customer's utility bill will be permitted.

COUNTY FEE-IN-LIEU-OF-FRANCHISE FEE - A six percent (6%) County fee-in-lieu-of-franchise fee shall be added to all rate schedules for electric, water, and/or sewer service provided to customers who reside in the unincorporated areas of Indian River County and receive service from the City and shall be applied to the total bill for such service pursuant to ordinance provisions of Indian River County.

STATE GROSS RECEIPTS TAX - A State Gross Receipts Tax in accordance with Section 203.01 of the Florida Statutes will be charged on electric sales at a factor of 2.5641percent.

DISCLAIMER OF LIABILITY - The City will use reasonable diligence at all times to provide continuous service at agreed normal voltage, and shall not be liable to the customer for complete or partial failure or interruption of service, or for fluctuations in voltage, resulting from causes beyond its control, or through the ordinary negligence of its employees, servants, or agents, nor shall the utility be liable for the direct or indirect consequences of interruptions or curtailments made in accordance with the provisions of its rate schedules for interruptible, curtailable, and load management service. The City shall not be liable for any act or omission caused directly or indirectly by strikes, labor troubles, accidents, litigation, shutdowns or repairs or adjustments, interference by federal, state, or county government, acts of God, or other causes beyond its control.

INDEMNITY TO CITY - The customer shall indemnify, hold harmless and defend the City from and against any and all liability, proceedings, suits, cost or expense for loss, damage or injury to persons or property, in any manner directly or indirectly connected with, or growing out of the transmission and use of electricity on the customers side if the point of delivery.

INDEMNITY TO CITY - GOVERNMENTAL - Notwithstanding anything to the contrary in the City's tariff, including these Miscellaneous provisions, the City's Rate Schedules, and its standard forms, any obligation of indemnification herein or therein required of a customer or applicant that is a governmental entity of the State of Florida or political subdivision thereof ("governmental entity"), shall be read to include the condition "to the extent permitted by applicable law."

MISCELLANEOUS

DEPOSITS

1) RESIDENTIAL -

a) Electric Service \$200.00

2) OTHER THAN (1) ABOVE - Three (3) times the average monthly bill.
Minimum of \$200.00

Deposits in excess of \$500.00 may be made by Surety Bond. Deposits in excess of \$10,000 may be made by a bank issued irrevocable standby letter of credit in a form approved by the City.

INTEREST ON DEPOSITS - interest from cash deposits will be applied annually as a credit on the July bill. The interest rate will be based on the actual average interest rate reported by the Florida State Board of Administration for the previous twelve (12) months.

REFUND OF DEPOSITS

1) RESIDENTIAL - Deposits may be refunded (applied to the customer's account as a credit) after a period of eighteen (18) months, provided service has not been discontinued for non-payment and the customer has maintained a prompt payment record for the last twelve (12) months.

2) OTHER THAN (1) ABOVE - Deposits may be held by the City until final settlement of the customer's account, at which time such deposit shall be applied against any electric bill due the City for such service and any unused balance shall be refunded when such account is settled and closed.

TRANSFER OF DEPOSITS - Deposits may be transferred from one location to another providing the service remains in the same name.

ACCESS TO PREMISES AND METERS - The duly authorized employees and agents of the City shall have safe access to the premises of the customer at all reasonable hours for the purpose of installing, maintaining, and inspecting or removing the City's property, reading meters, trimming trees within the City's easements and rights of way, and other purposes incident to performance under or termination of the City's service with the customer, and in such performance shall not be liable for trespass. The customer shall also keep the meter location clear of obstructions at all times in order that the meter may be read and the metering equipment may be maintained or replaced.

RIGHT OF WAY - The customer shall grant or cause to be granted to the City and without cost to the City all rights, easements, permits and privileges which, in the opinion of the City, are necessary for the rendering of service to the customer.

MISCELLANEOUS

SERVICE CHARGES -

a) Temporary Service Installation		\$115.00
b) New Customer Charge		\$30.00
	for first metered service, \$15.00 for each additional metered service (\$30.00 minimum)	
c) Initial Permanent Service Charge		
In addition to the New Customer Charge, a customer requesting initial permanent service (at a new location) shall pay the following charge:		
	<u>Initial Service Type</u>	<u>Initial Permanent Service Charge</u>
Residential and Commercial Nondemand:		
	Single Phase Service	\$145.00
	Three Phase Service	\$405.00
Commercial Demand and Industrial:		
	Secondary Service	\$935.00
	Primary Service	\$2,960.00
d) Service Transfers		\$30.00
	for first metered service, \$15.00 for each additional metered service (\$30.00 minimum)	
e) Service Change Outs - Service Relocations		
	Residential	\$65.00
	Commercial	\$185.00
	Three Phase Demand	\$310.00
f) After Hour Service		\$60.00
	for first metered service, \$30.00 for each additional metered service (\$60.00 minimum)	
g) Disconnect (non-payment)		\$30.00
	per metered service	
h) Reconnect (non-payment) - Next Day		\$30.00
	per metered service	
i) Reconnect (non-payment) - Same Day		\$60.00
	per metered service	
j) Late Payment Penalty	1.5% of the balance or \$5.00, whichever is greater	
k) Administrative Charge (non-payment)		\$15.00
l) Returned Check Charge: Florida Statutes 166.251		
	Greater of 5% or:	
	1) Check Amount <= \$50.00	\$25.00
	2) Check Amount > \$50.00 and <= \$300.00	\$30.00
	3) Check Amount > \$300.00	\$40.00
m) Meter Test Charge		\$60.00
	(only if tested within previous 12 months and found to be accurate +/- 2%)	

MISCELLANEOUS

UNDER GROUND SERVICE LATERALS FORM UNDERGROUND AND OVERHEAD ELECTRIC DISTRIBUTION SYSTEMS

AVAILABILITY - Throughout the service area when requested by the applicant, the City will install underground service laterals to new or existing residential buildings to accordance with City rules, regulations and specifications now or hereafter adopted.

APPLICABILITY - Residential buildings containing less than four (4) separate dwelling units.

CHARGES -

	<u>From Underground System</u>	<u>From Overhead System</u>
<u>New Construction</u>		
1 Complete installation	\$375.00	\$375.00
2 In owner provided trench and conduit	\$225.00	\$225.00
<u>Underground Replacement from Overhead or Underground</u>		
1 In owner provided trench and conduit	\$225.00	\$225.00

UNDERGROUND DISTRIBUTION FACILITIES OF RESIDENTIAL SUBDIVISIONS AND DEVELOPMENTS

AVAILABILITY - Throughout the service area when requested by the applicant, the City will provide underground electric distribution facilities in accordance with City rules, regulations and specifications now or hereafter adopted.

APPLICABILITY - All single and multiple occupancy residential subdivisions and developments.

CHARGES - The applicant shall pay the City the difference between the estimated installed cost of the underground distribution system and the estimated installed cost of an overhead system, payable prior to installation.

Issued by : James R. O'Connor
City Manager

Effective Date: May 1, 2017

VERO BEACH MUNICIPAL ELECTRIC SYSTEM

THIRD REVISED SHEET NO. 5.2
CANCELING SECOND REVISED SHEET NO. 5.2

MISCELLANEOUS

ELECTRIC SYSTEM IMPACT FEES - Repealed

Issued by : James R. O'Connor
City Manager

Effective Date: May 1, 2017

RESIDENTIAL SERVICE

RATE SCHEDULE - RS

AVAILABILITY - Available throughout the service area.

APPLICABILITY - Applicable for service to a single family dwelling unit occupied by one family or household. This rate is not applicable to business houses or licensed boarding or rooming houses if served by a single meter. Service provided hereunder shall not be shared with or resold to others.

LIMITATIONS - Subject to all of the rules and regulations of this tariff and general rules and regulations of the utility. Standby or resale service not permitted.

MONTHLY ELECTRIC RATE -

Customer Charge per month:	\$8.33
Energy Charge per kWh metered:	
0 - 1,000 kWh	\$0.0461
Above 1,000 kWh	\$0.0723

BILLING ADJUSTMENT - See " Power Cost Adjustment Clause " Sheet No. 18.0

TERMS OF PAYMENT - See " Miscellaneous " Sheet No. 4.0

CITY UTILITY TAX - See " Miscellaneous " Sheet No. 4.0

OUTSIDE CITY SURCHARGE - See " Miscellaneous " Sheet No. 4.0

HURRICANE RECOVERY FUND - See " Miscellaneous " Sheet No. 4.0

COUNTY FEE-IN-LIEU-OF-FRANCHISE FEE - See " Miscellaneous " Sheet No. 4.0

STATE GROSS RECEIPTS TAX - See " Miscellaneous " Sheet No. 4.0

DISCLAIMER OF LIABILITY - See " Miscellaneous " Sheet No. 4.0

MEDICALLY ESSENTIAL SERVICE CUSTOMER - See " Miscellaneous " Sheet No. 4.2

Issued by: James R. O'Connor
 City Manager

Effective Date: May 1, 2017

COMMERCIAL SERVICE - NON DEMAND

RATE SCHEDULE - GS

AVAILABILITY - Available throughout the service area.

APPLICABILITY - For lighting and power in establishments not classified as residential with a maximum annual demand of less than thirty (30) kW.

CHARACTER OF SERVICE - Single or 3 phase, 60 cycles and approximately 120 volts or higher, at utility's option.

LIMITATIONS - Subject to all of the rules and regulations of this tariff and general rules and regulations of the utility. Standby or resale service not permitted.

MONTHLY ELECTRIC RATE -

Customer Charge per month: \$9.43
Energy Charge per kWh metered: \$0.0528

TERMS OF PAYMENT - See " Miscellaneous " Sheet No. 4.0

BILLING ADJUSTMENT - See " Power Cost Adjustment Clause " Sheet No. 18.0

STATE SALES TAX - See " Miscellaneous " Sheet No. 4.0

CITY UTILITY TAX - See " Miscellaneous " Sheet No. 4.0

OUTSIDE CITY SURCHARGE - See " Miscellaneous " Sheet No. 4.0

HURRICANE RECOVERY FUND - See " Miscellaneous " Sheet No. 4.0

COUNTY FEE-IN-LIEU-OF-FRANCHISE FEE - See " Miscellaneous " Sheet No. 4.0

STATE GROSS RECEIPTS TAX - See " Miscellaneous " Sheet No. 4.0

DISCLAIMER OF LIABILITY - See " Miscellaneous " Sheet No. 4.0

Issued by: James R. O'Connor
City Manager

Effective Date: May 1, 2017

COMMERCIAL SERVICE - DEMAND

RATE SCHEDULE - GSD

AVAILABILITY - Available throughout the service area.

APPLICABILITY - For lighting and power in establishments not classified as residential with a maximum annual demand of thirty (30) kW or more.

CHARACTER OF SERVICE - Single or 3 phase, 60 cycles and approximately 120 volts or higher, at utility's option.

LIMITATIONS - Subject to all of the rules and regulations of this tariff and general rules and regulations of the utility. Standby or resale service not permitted.

Electric Rate -

Customer Charge per month: \$39.80

Demand Charge per kW of the maximum metered recorded demand during the month: \$4.45

Energy Charge per kWh: \$0.0333

DEMAND - The demand is the kW nearest the whole kW as determined from the City's demand meter for the thirty (30) minute period of customer's greatest use during the month but in no event shall the billing demand be less than 30 kW per month.

POWER FACTOR - The City may, at its option, install metering equipment to allow the determination of reactive components of power utilized by the customer. The customer's utilization of equipment shall not result in a power factor at the point of delivery of less than 90% lagging at the time of maximum demand. Should the power factor be less 90% lagging during any month, the City may adjust the readings taken to determine the demand by multiplying the kW obtained through such readings by 90% and by dividing the result by the power factor actually established at the time of the maximum demand during the current month. Such adjusted readings shall be used in determining the billing demand. The City reserves the right, at its option, to utilize kVA meters, RkVA meters, and/or other appropriate meters in those metering installations where the customer's power factor is believed to be unsatisfactory on a continuous basis according to the City standards. If such meters are installed, the billing demand in kW may be computed from such instruments.

(Continued on Sheet 10.1)

Issued by: James R. O'Connor
City Manager

Effective Date: May 1, 2017

INDUSTRIAL SERVICE - DEMAND

RATE SCHEDULE - GSLD

AVAILABILITY - Available throughout the service area.

APPLICABILITY - For power service for industrial, manufacturing or processing purposes. The use of energy for lighting purposes within and about buildings, structures and premises housing or enclosing the power driven and operated machinery and equipment used in or in connection with such industrial, manufacturing or processing purposes and incidental to the use of power supplied hereunder for such purposes is permissible under this schedule. The customer will provide and maintain all transformers and auxiliary appurtenances.

QUALIFICATION FOR SERVICE - For industrial, manufacturing, or processing purposes, which require power service with a measured demand of at least 500 kW as a minimum. Customers with demands of less than 500 kW may enter into an agreement for service under this schedule based on a minimum demand charge of 500 kW. This service will not be rendered for less and one (1) year.

CHARACTER OF SERVICE - Single or three phase, sixty (60) cycles and at any available standard distribution system primary voltage.

LIMITATIONS - All service required on premises by customer shall be furnished through one meter. Not applicable to service in stores, hotels, office buildings, theaters, apartments houses, restaurants, clubs, or in any other commercial establishments. Standby or resale service not permitted.

Electric Rate -

Customer Charge per month:	\$39.80
Demand Charge per kW of the maximum metered recorded	\$6.64
Energy Charge per kWh:	
For the first 400 kWh per kW	\$0.0300
Above 400 kW	\$0.0085

(Continued on Sheet 11.1)

Issued by: James R. O'Connor
City Manager

Effective Date: May 1, 2017

OUTDOOR LIGHTING SERVICE
MONTHLY RATE SCHEDULE OL
 (Continued from Sheet No.13.0)

LUMINAIRE TYPE	LAMP TYPE AND SIZE (WATT)	RATED LUMENS	KWH PER MONTH EST.	CITY-OWNED UNIT (\$)			CUSTOMER-OWNED UNIT (\$)	
				FACILITIES	ENERGY	TOTAL	RELAMPING /ENERGY	ENERGY ONLY
AREA	HPS 100	9,500	45	3.84	1.07	4.91	2.23	1.07
AREA	LED 70	6,200	30	4.22	0.71	4.93	1.99	0.71
FLOOD	HPS 250	27,500	100	7.66	2.36	10.02	3.92	2.36
FLOOD	HPS 400	50,000	156	7.95	3.68	11.63	5.28	3.68
FLOOD	MH 250	19,500	96	11.33	2.30	13.63	6.87	2.30
FLOOD	MH 400	32,000	152	9.19	3.59	12.78	5.79	3.59
ROADWAY*	HPS 70	5,800	30	5.93	0.31	6.24	3.06	0.31
ROADWAY	HPS 100	9,500	45	5.42	1.07	6.49	2.36	1.07
ROADWAY	HPS 150	16,000	63	6.25	1.48	7.73	2.87	1.48
ROADWAY	HPS 250	27,500	100	6.24	2.36	8.60	3.74	2.36
ROADWAY	HPS 400	50,000	156	6.98	3.68	10.66	5.15	3.68
POST TOP LIGHTS								
ACORN	HPS 100	9,500	42	14.79	1.00	15.79	3.21	1.00
ACORN	HPS 150	16,000	63	14.81	1.48	16.29	3.72	1.48
ACORN	MH 100	8,500	40	15.37	0.93	16.30	3.73	0.93
ACORN	MH 175	12,000	69	17.83	1.64	19.47	6.87	1.64
ANCESTRA	HPS 100	9,500	42	16.48	1.00	17.48	3.39	1.00
ANCESTRA	HPS 150	16,000	63	16.51	1.48	17.99	3.89	1.48
ANCESTRA	MH 100	8,500	40	17.06	0.93	17.99	3.90	0.93
ANCESTRA	MH 175	12,000	69	19.52	1.64	21.16	7.05	1.64
CANDELA	HPS 100	9,500	42	23.00	1.00	24.00	4.05	1.00
CANDELA	HPS 150	16,000	63	23.03	1.48	24.51	4.55	1.48
CANDELA	MH 100	15,000	40	23.58	0.93	24.51	4.55	0.93
CANDELA	MH 175	12,000	69	26.04	1.64	27.68	7.72	1.64
DOMUS	MH 175	12,000	69	26.04	1.64	27.68	7.72	1.64
SALEM	HPS 70	6,400	39	6.61	0.93	7.54	2.32	0.93
SALEM	HPS 100	9,500	42	6.59	1.00	7.59	2.36	1.00
SALEM	HPS 150	16,000	66	9.69	1.57	11.26	3.94	1.57
SALEM	HPS 175	19,000	69	13.71	1.64	15.35	7.08	1.64
SALEM	MH 100	8,500	40	7.17	0.93	8.10	2.88	0.93
SALEM	MH 175	12,000	69	9.62	1.64	11.26	6.04	1.64
SCROLL *	HPS 70	6,400	39	6.32	0.93	7.25	2.06	0.93
SCROLL *	HPS150	16,000	63	6.61	1.48	8.09	2.87	1.48

MH = Metal Halided HPS = High Pressure Sodium
 (*) Closed service schedule; available only to existing customers at existing locations as of October 1, 2011.

POLES AND MULTI-FIXTURE BRACKETS

30' Treated Wood Pole used only for the street/outdoor lighting system	2.82
35' Concrete Pole used only for the street/outdoor lighting system	8.41
45' Concrete Pole used only for the street/outdoor lighting system	9.35
*19' Fiberglass pole used only for the street/outdoor lighting system	3.21
*23' Fiberglass pole used only for the street/outdoor lighting system	4.07
18' Post Top Pole - black used only for the street/outdoor lighting system	7.14
*19' Post Top Pole - black used only for the street/outdoor lighting system	2.89
21' Post Top Pole - green used only for the street/outdoor lighting system	12.64
13' Post Top Pole - green-OOG used only for the street/outdoor light system	12.65
15' Post Top Pole - green-OOG used only for the street/outdoor light system	12.35
Arm - black - two fixtures	6.63
Arm - green - two fixtures	6.99

ELECTRIC POWER SURGE SUPPRESSION

Rate Schedule - ESS-1

AVAILABILITY - Throughout the service area when requested by the applicant, the City will install electric power surge suppression equipment to new or existing residential and small commercial buildings in accordance with City rules, regulations, and specifications now or hereafter adopted.

APPLICABILITY - Residential and commercial building with a single phase Electric service and service panel size of 200 amps or less.

TERMS OF SERVICE - Not less than two (2) years. If customer terminates service before the expiration date of the initial term of the agreement, the City will apply unbilled balance owed to the final bill.

INSTALLATION CHARGE - \$35.00

RATE - \$6.85 per month.

TERMS of PAYMENT - See "Miscellaneous" Sheet No. 4.0

STREET LIGHTING SERVICE

RATE SCHEDULE - SL-1

AVAILABILITY - Available throughout the service area.

APPLICABILITY - For lighting of private residential areas on customer owned and maintained street lighting system.

SERVICE - Energy only.

RATE - Based upon wattage of lamps installed, computed on an average of twelve (12) hours per day operation:

per kWh \$0.0386

TERMS OF PAYMENT - See " Miscellaneous " Sheet No. 4.0

STATE SALES TAX - See " Miscellaneous " Sheet No. 4.0

CITY UTILITY TAX - See " Miscellaneous " Sheet No. 4.0

OUTSIDE CITY SURCHARGE - See " Miscellaneous " Sheet No. 4.0

BILLING ADJUSTMENT - See "Power Cost Adjustment Clause" Sheet No. 18.0

COUNTY FEE-IN-LIEU-OF-FRANCHISE FEE - See " Miscellaneous " Sheet No. 4.0

STATE GROSS RECEIPTS TAX - See " Miscellaneous " Sheet No. 4.0

DISCLAIMER OF LIABILITY - See " Miscellaneous " Sheet No. 4.0

PURCHASED POWER ADJUSTMENT CLAUSEPPA

In addition to the schedule of electric retail rates and charges, the Purchased Power Adjustment Clause shall be applicable to all energy (kWh) sales. The monthly bill computed under the appropriate retail rate schedule will be increased or decreased by

$$\text{PPA} = \frac{F_m}{S_m} \text{ minus BPP}$$

Where:

1. BCPA = Bulk Power Cost Adjustment factor in dollars per kWh rounded to the nearest one-thousandth of a cent applicable to bills rendered during the current billing period defined as: initially January 1, 2010 through September 30, 2010 and under normal conditions to be revised for each subsequent six month period October 1 through March 31 and April 1 through September 30.
2. F_m = Total estimated fuel, purchased power and energy conservation costs applicable for the prospective billing period. Fuel, purchased power and energy conservation cost may include the following:
 - (a) total cost of fuel consumed in the City's generating units;
 - (b) the total cost of purchased power, fuel, and transmission costs associated with City's share of any jointly-owned generating units;
 - (c) the total costs of fuel, purchased power, any associated transmission costs, and any other allocated costs or fixed charges under any purchased power arrangements entered into by the City;
 - (d) less the revenue from interchange sales;
 - (e) plus or minus any over or under recovered bulk power costs from the prior six month period;
3. S_m = The prospective sales for the billing period.
4. BPP = The Base Purchased Power included in the Base Rates or \$0.0165 per kWh.