

Finance & Accounting

Kissimmee Utility Authority 1701 W. Carroll Street Kissimmee, Florida 34741 Phone: (407) 933-9803

June 9, 2022

Ms. Elisabeth Draper, Rates Section Division of Economic Regulation FLORIDA PUBLIC SERVICE COMMISSION 2540 Shumard Oak Blvd. Tallahassee, Florida 32399-0850

SUBJECT: Submittal of KUA tariffs

Dear Ms. Draper:

At the June 8, 2022 Kissimmee Utility Authority (KUA) regular monthly meeting, the KUA Board authorized staff to send tariff updates to the Florida Public Service Commission for review.

Please see the attached Agenda Item for details.

Enclosed are the Legislative and Clean tariffs for:

•	Table of Contents Sheet	2.0
•	Miscellaneous Sheet	6.1

• Long Term Large Demand Electric Service Agreement Sheets 16.0 to 16.4

If approved, the tariffs will be advertised and presented to the board at the July 6, 2022 Public Hearing and become effective August 1, 2022. If any further information is needed, please do not hesitate to contact me at (407) 933-7777, ext. 6210.

Sincerely,

/s/Noel Orraca

Noel Orraca Manager of Financial Analysis

cc: Kevin Crawford, KUA, VP of Finance & Accounting

Kissimmee Utility Authority

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Tenth-Eleventh Revised Sheet No. 2.0 Canceling Ninth-Tenth Revised Sheet No. 2.0

Effective: February August 1, 2019 2022

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Tenth Eleventh Revised Sheet 6.1 Canceling Ninth Tenth Revised Sheet 6.1

- G. If a check or similar instrument fails to clear the institution on which it is drawn, regardless of the reason, a surcharge will be accessed for the handling of the check or instrument. The fee will be accessed as follows:
 - 1. \$25 if the face value does not exceed \$50
 - 2. \$30 if the face value is more than \$50 but does not exceed \$300
 - 3. \$40 if the face value is more than \$300 or 5%, whichever is greater.
- H. Public Records Required by the Sunshine Law The following charges will be assessed if applicable:
 - 1. Programming Time charged in 15 minute increments with a minimum 15 minutes charged
 - 2. CPU time charged in increments of 1 second
 - 3. Technician/Operator time charged in 15 minute increments with a minimum 15 minutes charged

Miscellaneous Materials such as; Labels, Paper and CD's Made under Chapter 119, Florida Statutes, commonly known as Florida's 'Public Record Law' – Reimbursements for copies, materials, and applicable labor costs in fulfilling requests made to the utility and subject to recovery by the utility pursuant to Chapter 119, Florida Statutes.

I. Due Diligence

The utility will use reasonable diligence at all times to provide continuous service at the agreed nominal 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 utility 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 municipal governments, acts of God, or other causes beyond its control.

The following procedures provide for limitations of liability that shall be construed as additions to (and not in lieu of) the limitations of liability set forth above.

- A. Priority of Curtailment: In an emergency, at its sole discretion, KUA may interrupt, curtail, or suspend electric service to all or some of its customers. The selection by KUA of the customers to be interrupted, curtailed or suspended shall be conclusive on all parties concerned and KUA shall not be held liable with respect to any interruption, curtailment or suspension.
- B. Restoration of Service: In the event of an interruption, curtailment or suspension of electric service for any cause, KUA reserves the right to solely determine the method of restoration of service and in establishing the priority of restoration within the shortest time practicable, consistent with all safety concerns. KUA shall not be held liable for failure to render adequate electric service because of KUA's preservation of system integrity as a priority in the restoration of a customer, nor shall KUA be held liable for any other aspect of determining priority of restoration.
- C. Notification of Interruption: Whenever service is interrupted, curtailed or suspended for the purpose of performing planned work, the work shall be done at a time, if practicable, which will cause the least inconvenience to customers, and KUA shall attempt to notify in advance (except in cases of emergency or unplanned interruptions, curtailments or suspensions) those customers whom KUA knows will be affected; provided, however, that KUA shall not be liable in any way whatsoever for any failure to give such notice.

Issued by: James C. WelshBrian Horton Effective: February August 1, 20152022

Eleventh Revised Sheet 6.1 Canceling Tenth Revised Sheet 6.1

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Issued by: Brian Horton Effective: August 1, 2022

This agreement is no longer offered.

entered into this 1st day of April, 2008, by and between the Kissimmee Utility Authority, (hereinafter "KILA"), and
"KUA"), and (hereinafter the "Customer"), collectively referred to as the "Parties".
<u>WITNESSETH:</u>
WHEREAS, the Customer is not currently under any contractual obligation to purchase power with a provider other than the KUA and may not purchase electricity from another entity during the fifteen year period stated in this contract unless the contract is terminated in accordance with this agreement.
WHEREAS, the Customer qualifies as a General Service Large Demand (GSLD) Customer as defined under KUA's electric rate tariff 10.0; and
WHEREAS, service hereunder shall be subject to the Rules and Regulations of the Kissimmee Utility Authority; and
NOW, THEREFORE, in consideration of the mutual covenants contained herein, it is mutually agreed as follows:
Section I - Intent
It is the intent of this Agreement to provide the Customer a reliable supply of electric power at a competitively low rate and in return provide KUA a predictable demand for electric power over a minimum period of fifteen (15) years.
Section II Definitions
A. Banked Credits / Debits — In any billing where the GSLD Discount rate is less than 105% of the Competitive Mix (as defined below in "C"), the difference, a "credit" will be "banked" against the Customer's account. This banked amount will be accrued and may be applied to the difference in future billings in the event that the GSLD Discount rate is more than 105% of the Competitive Mix which would be a "debit". This provision shall not be implemented unless and until: (1) rules and regulations have been implemented which allow the KUA's retail customers to have a choice among alternative power supply resources, and (2) at least two such resources are available to customers who are provided service by the KUA under this tariff.

ISSUED BY: James C. WelshBrian Horton DATE EFFECTIVE: May August 1, 1999 2022

This agreement is no longer offered.

B. Rate Components - Rate components subject to the Discount Rate are Customer Charge, the Energy Charge, and the Demand Charge as defined in the KUA's GSLD tariff 10.0.

C. Competitive Mix — means, the average bill calculated under applicable tariffs for General Service Large Demand Customers (as defined in KUA's GSLD tariff 10.0) of Florida Power Corporation, Tampa Electric Company, and the Orlando Utilities Commission. The competitive mix shall be calculated using the same tariffs normally used to compute the FMEA monthly rate comparison for similar consumption patterns. The components of the mix calculation apply to the rate components identified and defined in Section II-B of this Agreement. This includes the base electric charge (customer charge, energy charge, demand charge). The discount does not apply to fuel and energy conservation adjustments, credits, penalties, service charges, Gross Receipts Tax or other applicable taxes including franchise fees. All credits, penalties, service charges, Gross Receipts Tax or other applicable taxes including franchise fees are based on the net discount rate.

D. Force Majeure – means any event or cause beyond the reasonable control of either party that cannot be prevented or eliminated by the exercise, in the case of KUA, of prudent utility practices or, in the case of the Customer, by due diligence, including but not limited to acts of God, strike, lockout or other labor dispute, sabotage, fire, storm, flood, war, riot or insurrection, explosion, accident, embargo, blockade, inability to secure supplies, fuel or government authorization or permit, unscheduled or forced outages at the generating plant, breakdown of or damage to machinery, plants, or equipment beyond reasonable control or not the fault of the party claiming Force Majeure.

Section III - Covenant to Purchase and Sell and Binding Effect

During the term hereof, the Customer agrees to purchase and use, and KUA agrees to sell and supply, all capacity and energy requirements for electric service to facilities, whether now or hereafter constructed, located within the area depicted on the attached Exhibit "A" (KUA Service Territory), in accordance with the terms and conditions hereof. Resale of energy purchased under this contract is not permitted unless specifically approved by the KUA.

ISSUED BY: James C. WelshBrian Horton DATE EFFECTIVE: May August 1, 1999 2022

This agreement is no longer offered.

This agreement shall be binding upon the Parties hereto, and their respective successors and permitted assigns. This agreement shall not be assigned by the customer to a third party without the prior written consent of the KUA.

Section IV General

All billing and payment transactions hereunder shall be in accordance with prevailing KUA policy and procedure for its commercial electric service customers. If there is a conflict between those rates, terms and conditions of service found in the KUA's tariffs, and those special rates, terms and conditions of service detailed in this Agreement, then the special rates, terms and conditions of service detailed in this Agreement shall govern and control.

Section V - Term and Termination

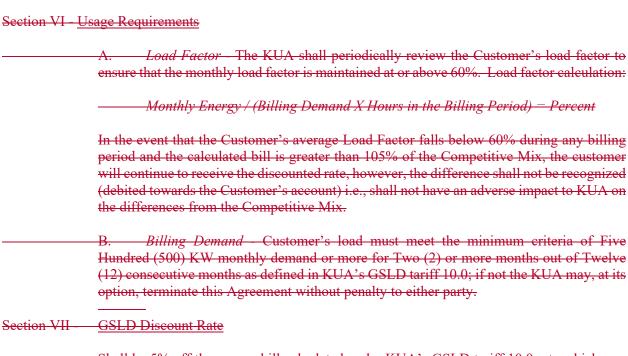
This Agreement shall commence on the first business day of the first full calendar month after final approval by the KUA. The term shall be a minimum of fifteen (15) years, except under the following conditions:

- (A) Anytime the Customer's load fails to meet the minimum criteria of a monthly demand of 500 kW or more for two (2) months out of twelve consecutive months as defined in KUA's GSLD tariff 10.0, KUA may, at it's option, terminate this Agreement without penalty to either party.
- (B) Anytime the Customer's bill as calculated under this Agreement is greater than 105% of the Competitive mix, net of banked credits, and KUA is unwilling or unable to refund the difference, then the Customer may terminate this agreement without penalty to either party. Due to the availability of information and the timeliness of billing, refunds will normally be applied towards subsequent bills. This provision shall not be implemented unless and until: (1) rules and regulations have been implemented which allow the KUA's retail customers to have a choice among alternative power supply resources, and (2) at least two such resources are available to customers who are provided service by the KUA under this tariff.
- (C) Upon written notice in advance to the Customer, KUA may terminate this agreement at any time if, in its sole judgment, this agreement creates an adverse impact on its tax exempt bond status.
- (D) In the event that there is an order issued by the Florida Public Service Commission disapproving this Agreement, this Agreement shall be terminated, and neither party shall have an action against the other arising under this Agreement.

ISSUED BY: James C. WelshBrian Horton DATE EFFECTIVE: May August 1, 1999 2022

This agreement is no longer offered.

This agreement is ongoing, but anytime after 12 years, if a customer wishes to transfer to KUA's standard GSLD 10.0 rate or, if allowed by law, to receive service from another electric service provider, the customer must give KUA at least 36 months notice.



Shall be 5% off the energy bill calculated under KUA's GSLD tariff 10.0 rate which was in place on May 1, 1999. In the event that the rates under the GSLD tariff 10.0 increase, the 5% discount shall apply to the corresponding revised GSLD tariff. Customers executing this contract shall receive a discount to their electric charge components only, which are defined in Section II B. All credits, penalties, service charges, Gross Receipts Tax or other applicable taxes including franchise fees are based on the net discount rate. The discount does not apply to fuel and energy conservation adjustments, credits, penalties, service charges, Gross Receipts Tax or other applicable taxes including franchise fees.

KUA guarantees that this electric charge (net of the 5% discount) will be within 5% of the aforementioned and defined "Competitive Mix" net of any cumulative credits/debits banked. Credits/debits banked for purposes of this contract, are defined as the differential between what the Customer's energy bill is under the GSLD Discount Rate and what the bill would be if calculated under the Competitive Mix for the same billing period. This

ISSUED BY: James C. WelshBrian Horton DATE EFFECTIVE: May August 1, 1999 2022

This agreement is no longer offered.

provision shall not be implemented unless and until: (1) rules and regulations have been implemented which allow the KUA's retail customers to have a choice among alternative power supply resources, and (2) at least two such resources are available to customers who are provided service by the KUA under this tariff.

Section VIII - Force Majeure Event

If, because of Force Majeure, either Party is unable in whole or in part to carry out any of its obligations under this Agreement, and if such Party promptly gives notice to the other Party of such Force Majeure, then the obligations of the Party giving such notice are suspended to the extent and for the period made reasonably necessary by such Force Majeure; provided, however, that the notifying Party proceeds with all reasonable dispatch and employs such diligence as is reasonably necessary to remedy the event causing such Force Majeure. Should the condition of Force Majeure continue for a period of thirty (30) days following notice by the experiencing Party of the event, and such condition prevents the experiencing Party from performing substantially all of its obligations under this Agreement, then either Party may terminate this Agreement without liability to the other following written notice to the non-terminating Party.

ISSUED BY: James C. WelshBrian Horton President & General Manager

This agreement is no longer offered.

ISSUED BY: Brian Horton

DATE EFFECTIVE: August 1, 2022



AGENDA ITEM REQUEST

Meeting Date: June 8, 2022

Requesting Department: Finance & Administration

Prepared By: Kevin Crawford, VP of Finance & Administration

Subject: Authorization to Initiate Updates to the Electric Service Tariffs

Explanation:

Staff will be recommending the following tariff changes to be sent to the Florida Public Service Commission for review and approval:

- <u>Miscellaneous Sheet 2.0</u> Update the Table of Contents
- <u>Miscellaneous Sheet 6.1</u> Update language related to public records requests reimbursements and reduce the need for future tariff changes as the Florida Statutes are revised over time.
- Long Term Large Demand Electric Service Agreement Sheets 16.0 to 16.4 Update to reflect this agreement is no longer offered.

Recommendation:

Authorize staff to send tariff sheets to the Florida Public Service Commission for review and advertise for a public hearing on July 6, 2022, with tariffs to be effective August 1, 2022 contingent on approval at the public hearing.

Agenda Category:

Awards Info. Old New Staff Consent Other Pres. Business Business Reports Agenda

President & General Manager Approval For The Agenda:

1st of wh

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Authorization to Initiate Updates to the Electric Service Tariffs (continued)

History/Background:

- Miscellaneous Sheet 6.1
 - Existing tariff has been in place since February 1, 2015.
- Long Term Large Demand Electric Service Agreement Sheet 16.0 to 16.4
 - Existing agreement has been in place since May 1, 1999.
 - The agreement was originally developed in response to the industry considering a shift to allow customers to choose their power producer in the late 1990's.
 - This was part of a broad-based, national movement away from the traditional rate base regulation of vertically integrated, monopoly public utilities. It eventually resulted in the deregulation of the electric industry in Texas beginning in 2002, but never took hold in the state of Florida.
 - The expectation was that by "locking in" large customers via long term service agreements KUA was guaranteeing load to be served.
 - There are 14 customers currently participating. These customers will continue to participate in the agreement until they withdraw or fail to meet the requirements of said agreement, or the agreement is otherwise terminated.
 - Staff no longer deems it necessary to offer this agreement to any more customers due to the lack of interest in deregulating the electric industry in the state of Florida.

Fiscal Impact:

- <u>Miscellaneous Sheet 6.1</u> Update language related to public records requests reimbursements and reduce the need for future tariff changes as the Florida Statutes are revised over time.
 - No financial impact expected.
- <u>Long Term Large Demand Electric Service Agreement Sheets 16.0 to 16.4</u> Update to reflect this agreement is no longer offered.
 - No financial impact expected.