

# City of Deltona

August 12, 2009

Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

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COMMISSION  
CLERK

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Dear Sir:

Enclosed please find a copy of the City of Deltona's Resolution No. 2009-23, supporting the Volusia League of Cities' recommendation opposing a proposed base rate increase by Florida Power & Light (FP&L) and Progress Energy. This Resolution was duly adopted by the Deltona City Commission at its Regular City Commission meeting held on August 3, 2009.

Given our current tough economic situation, we strongly encourage and appreciate your support in this matter.

If you should have any questions regarding this Resolution or related matter, please feel free to contact my office at (386) 878-8850.

Sincerely,

Faith G. Miller, MMC, MPA  
City Manager

fgm

Enclosure

DOCUMENT NUMBER - DATE

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## OFFICE OF THE CITY MANAGER

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**RESOLUTION NO. 2009-23**

**A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF DELTONA, FLORIDA SUPPORTING THE VOLUSIA LEAGUE OF CITIES RECOMMENDATION OPPOSING A PROPOSED BASE RATE INCREASE BY FLORIDA POWER AND LIGHT (FP&L) AND PROGRESS ENERGY; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

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**WHEREAS**, the City Commission supports the recommendation of the Volusia League of Cities which consists of all elected officials from the Cities of Daytona Beach, Daytona Beach Shores, DeBary, DeLand, Edgewater, Holly Hill, Lake Helen, New Smyrna Beach, Oak Hill, Orange City, Ormond Beach, Pierson, Ponce Inlet, Port Orange and South Daytona, and the County of Volusia; and

**WHEREAS**, FP&L and Progress Energy are the two largest privately held investor-owned electrical utilities in the State of Florida; and

**WHEREAS**, FP&L and Progress Energy are before the Public Service Commission for a substantial base rate increase; and

**WHEREAS**, FP&L and Progress Energy currently serves the majority of Volusia's cities, including a substantial area of Volusia County, as well as, the majority of cities and counties in Florida; and

**WHEREAS**, the municipalities currently under contract with FP&L and Progress Energy have no other option for electrical service due to the monopoly currently existing as a result of Federal Regulatory Commission's territorial actions; and

**WHEREAS**, the current fiscal status of all Florida cities is truly challenged due to the nation's economic recession and actions of the State Legislature which combined have caused severe revenue shortfalls; and

**WHEREAS**, every municipality has been forced to reduce employees, cut services and freeze personnel costs to balance their budgets during this recessionary period; and

**WHEREAS**, it has been indicated FP&L would give 12.5% and Progress Energy would give 12.54% rate of return to investors when many businesses and governments are barely

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surviving and that this amount of return for investors is not in tune with other investor-owned utilities nor major corporation stocks currently publicly traded; and

**WHEREAS**, the Office of Public Council has stated that the national average rate of return for investor-owned utilities is 10.25%; and

**WHEREAS**, FP&L and Progress Energy have indicated few increases in the base rate over the past two decades to justify this increase, yet they now directly pass the fuel cost, that was included in the base rate, onto the consumer separately, and at the same time, have retained the same base rate, thus increasing charges back to the consumer; and

**WHEREAS**, FP&L and Progress Energy have not asked for this rate increase to ensure that they are able to continue adequate electric power and that without this rate increase their ability to serve its current customers would be in jeopardy; and

**WHEREAS**, FP&L and Progress Energy should withdraw this rate increase and allow their customers to receive the benefit of a rate decrease due to the lower fuel costs rather than taking advantage of lower fuel costs to hide a significant rate increase for profit purposes.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF DELTONA, AS FOLLOWS:**

**SECTION 1.** The Deltona City Commission hereby objects to the proposed rate increase and hereby encourages FP&L and Progress Energy to withdraw the proposed increase at this time.

**SECTION 2.** If FP&L and Progress Energy refuse to withdraw this rate increase, the Deltona City Commission hereby requests the Florida Public Service Commission to deny their request to increase rates until the economic conditions affecting the Cities of Volusia County improve and both FP&L and Progress Energy can show a service delivery need for their request.

**SECTION 3.** This Resolution shall become effective immediately upon its adoption.


**ADOPTED BY** the City Commission of the City of Deltona, Florida this 3rd day of August, 2009.

CITY COMMISSION  
CITY OF DELTONA, FLORIDA

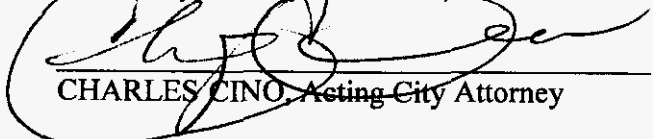
BY: 

DENNIS MULDER, Mayor

**ATTEST:**

  
FAITH G. MILLER, City Manager/City Clerk

Approved as to form and legality for use and  
reliance by the City of Deltona, Florida

  
CHARLES CINO, Acting City Attorney