

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: November 1, 2013
TO: Office of Commission Clerk
FROM: Martha Barrera, Office of General Counsel
RE: Complaint regarding electric rate structure for Gainesville Regional Utilities,
Docket No. 130188-EM

Please place the attached letter in the docket file, for the above listed docket. If you have any questions in reference to the attached please contact me, Martha Barrera at 850-413-6212.

RECEIVED-FPSC
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COMMISSION
CLERK

MFB/dml

Holland & Knight

315 South Calhoun Street, Suite 600 | Tallahassee, FL 32301 | T 850.224.7000 | F 850.224.8832
Holland & Knight LLP | www.hklaw.com

D. Bruce May, Jr.
(850) 425-5607
bruce.may@hklaw.com



October 31, 2013

Via E-mail

Nathan A. Skop, Esq.
420 NW 50th Boulevard
Gainesville, Florida 32607

*Re: In re: Complaint regarding electric rate structure for Gainesville Regional Utilities,
Docket No. 130188-EM*

Dear Nathan:

As you know, our law firm represents the City of Gainesville d/b/a Gainesville Regional Utilities in the above-referenced proceeding before the Florida Public Service Commission ("FPSC"). We are in receipt of a copy of your letter to the City Attorney dated October 28, 2013, which you filed with the FPSC on October 29, 2013. Your letter enclosed an "offer of settlement", the substance of which I previously discussed with you at length. During those discussions, I shared with you my opinion that your proposal had serious defects in that it was overreaching, overly-restrictive, had extra-jurisdictional implications, and compromised the utility's ability to meet its revenue requirement.

Although I do not believe that it is appropriate to rehash the details of the settlement discussions that have occurred thus far, I do want to clarify the third paragraph of your October 28 letter where you allege that on October 14 "the Parties made a verbal agreement between counsel that the proposed settlement would be presented to the Gainesville City Commission for consideration and discussion at the City Commission meeting on November 7, 2013." To be clear, counsel for the City did not agree to place a yet-to-be-received settlement proposal on the agenda for consideration at the City's meeting on November 7, nor could we. Rather, we agreed that if we received a timely settlement offer from your clients that Staff believed was in the best interest of the City, then the timing was such that the offer could potentially be shared with the City Commission in advance of its November 7 meeting. We have fulfilled that commitment. As you know, the City Attorney has shared your settlement proposal with the City Commission, and has recommended that it is problematic and does not warrant consideration by the City Commission at this time.

Nathan A. Skop, Esq.
October 31, 2013
Page 2

Please let me know if you have any questions.

Sincerely,

HOLLAND & KNIGHT LLP



D. Bruce May, Jr.

DBM:kjg

cc: Ann Cole, Commission Clerk
Jennifer Crawford, Esq.
✓ Martha Barrera, Esq.
Nicolle M. Shalley, Esq.
Shayla L. McNeil, Esq.

Holland & Knight

Holland & Knight LLP

315 South Calhoun Street, Suite 600

Tallahassee, FL 32301

Martha Berrera, Esq.

Office of the General Counsel

Florida Public Service Commission

2540 Shumard Oak Blvd.

Tallahassee, FL 32399-0850

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: August 16, 2013
TO: Ann Cole, Commission Clerk, Office of Commission Clerk
FROM: Martha F. Barrera, Senior Attorney, Office of the General Counsel
RE: Docket No. 130188-EM -- Complaint regarding electric rate structure for
Gainesville Regional Utilities.

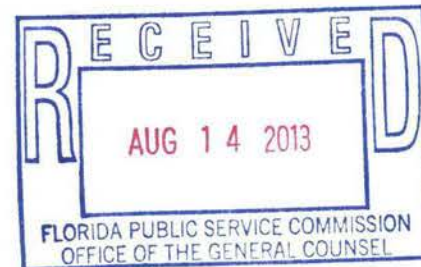
Please file the attached correspondence received in our office on August 14, 2013 in the above-referenced docket.

Thank you.

August 8, 2013

Deborah L. Martinez
2217 NW 16 Terrace
Gainesville, FL 32605

Eye Associates of Gainesville, LLC
William A. Newsom
2521 NW 41 Street
Gainesville, FL 32606-6630



Dear Ms. Martinez and Eye Associates of Gainesville, LLC,

On July 16, 2013, the City of Gainesville d/b/a Gainesville Regional Utilities (GRU) received your Petition filed with the Florida Public Service Commission (PSC). The Petition raises concerns about the rates that GRU charges its customers and asks the PSC to conduct an expedited formal evidentiary hearing to investigate GRU's wholesale and retail rate structures. On July 25, 2013, the PSC sent notice that your Petition had been classified as a customer complaint. Because the City Commission voted on July 25, 2013, to maintain the existing three-tier rate structure instead of the alternative two-tier structure challenged in your Petition, it appears that your principal concerns have already been addressed by the City. To the extent that you still have unresolved objections to GRU's rates and rate structure, please accept this response and invitation to continue participating in the public process which determines the rates and rate structure.

GRU values its customers' comments and welcomes customers to participate in the City's process for setting rates and rate structure; however, GRU does not believe that the PSC can address the concerns raised in your Petition. There are several reasons why this local matter cannot be resolved by the PSC, including the fact that the PSC lacks jurisdiction over municipal rate pricing levels and wholesale rate contracts, and the fact it would be premature to resolve disputes over a rate structure that is not yet finalized. These same reasons were discussed in more detail in GRU's Motion to Dismiss the Petition, which was filed with the PSC and provided to your counsel on August 2, 2013, and which GRU incorporates here by reference.

Even though the PSC cannot provide the relief you have requested, the local process through which GRU's rates and rate structure are developed and promulgated has been and remains fully open to you and the rest of the public. GRU believes that public participation and the continued dialogue with other citizens, GRU Staff, and the City Commission through this open process is the most effective way, and indeed the only proper way, to address the concerns raised in your Petition. Again, GRU encourages you to continue participating in this local deliberative process.

As you may know, the City of Gainesville's Charter requires that the GRU General Manager submit to the City Commission a yearly budget for the operation of the utility system. As part of that process, the City Commission holds public budget hearings each year to examine GRU's rates. This year the City of Gainesville Commission conducted public budget hearings on July 16, July 22, and July 25, 2013, to closely review and consider GRU's rates and its rate structure. These hearings were attended by members of the public, and all public attendees were provided multiple opportunities to comment. During the course of those public budget hearings, both you Ms. Martinez and your counsel, Mr. Nathan Skop, commented extensively on GRU's revenue requirements, its rates, and its rate structure.

At the conclusion of the public budget hearings on July 25, 2013, many comments from the public, GRU Staff, and City Commissioners were made regarding the Baker Tilly cost of service study referenced in your Petition. The City Commission then voted to maintain GRU's current three-tiered rate structure that has been in effect for the last six years and voted not to adopt the proposed two-tiered rate structure previously challenged in your Petition. The City Commission also approved a revenue requirement that will be noticed and published in accordance with law. The municipal ordinances related to GRU's rate structure and revenue requirement are still being developed and have not been finally adopted. The ordinances, if adopted, would continue GRU's current three-tiered rate structure. Given that the three-tiered model was approved on July 25, 2013, it appears that your previous concerns over the alternative two-tier model have been addressed through the City's public budget and rate setting process and are now moot.

Please note that there are two additional public hearings which are scheduled for September 9 and September 19, 2013, at which time the City Commission will take additional public comment and then consider for approval and adoption the budget resolutions and rate ordinances based on the rate structure and revenue requirement approved on July 25, 2013. To the extent that you want to participate and comment in those public hearings, your participation is welcome. Again, in light of the fact that the alternative two-tiered rate structure challenged in your Petition was not approved on July 25, 2013, we believe that your earlier concerns on that issue have been addressed and resolved by the ongoing process described above.

Should you have any additional questions, please do not hesitate to contact me.

Regards,



Robert E. Hunzinger
General Manager for Utilities

Copy:

Jennifer Crawford, Esq. and Martha Barrera, Esq.
Nathan Skop, Esq

GAINESVILLE REGIONAL UTILITIES
P.O. Box 147117, Gainesville, Florida 32614-7117



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13 AUG 14 AM 7: 10

MS. JENNIFER CRAWFORD, ESQ.
AND MS. MARTHA BARRERA, ESQ.
FLORIDA PUBLIC SERVICE COMMISSION
2540 SHUMARD OAK BLVD.
TALLAHASSEE, FL 32605



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Shawna Senko

From: Pamela Paultre
Sent: Friday, August 09, 2013 12:53 PM
To: Commissioner Correspondence
Cc: Braulio Baez; Lisa Harvey; Jim Dean
Subject: Docket no. 130188
Attachments: 08-09 Perry and Yoho #130188.pdf

Good afternoon,

Please place the attached letters addressed to Rep. Perry and Congressman Yoho in Docket Correspondence of Consumers and their representatives for docket no.130188-EM.

Thank you,

Pamela Paultre
Assistant to Chairman Ronald Brisé
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399
(850) 413-6036

STATE OF FLORIDA

RONALD A. BRISÉ
CHAIRMAN



Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
(850) 413-6046

Public Service Commission

August 9, 2013

The Honorable Keith Perry
Florida House of Representatives
2440 SW 76th Street, Suite 120
Gainesville, Florida 32609

Re: Docket No. 130188-FM, Petition for Expedited Review of Electric Rate Structure for Gainesville Regional Utilities

Dear Representative Perry:

Thank you for your letter in which you expressed your concerns about Gainesville Regional Utilities' rate structure and fuel charges. A docket has been opened in which the Commission will exercise its statutory jurisdiction, pursuant to Section 366.04(2), Florida Statutes, to review the merits of the case and take action if appropriate.

In response to the Petition, which was filed on July 16, 2013, The City of Gainesville filed its Motion to Dismiss on August 2, 2013. The petitioner will have an opportunity to respond to the Motion to Dismiss, after which the Commission will rule on the motions and determine the next steps in the case.

The concerns you have raised on behalf of your constituents will be included within the docket for further consideration by the Commission. I appreciate your interest in our proceedings.

Sincerely,

A handwritten signature in black ink, appearing to read "Ronald A. Brisé", with a long horizontal flourish extending to the right.

Ronald A. Brisé

STATE OF FLORIDA

RONALD A. BRISÉ
CHAIRMAN



Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
(850) 413-6046

Public Service Commission

August 9, 2013

The Honorable Ted S. Yoho, DVM
U. S. House of Representatives
5000 NW 27th Court, Suite E
Gainesville, Florida 32609

Re: Docket No. 130188-EM, Petition for Expedited Review of Electric Rate Structure for Gainesville Regional Utilities

Dear Congressman Yoho:

Thank you for your letter in which you expressed your concerns about Gainesville Regional Utilities' rate structure and fuel charges. A docket has been opened in which the Commission will exercise its statutory jurisdiction, pursuant to Section 366.04(2), Florida Statutes, to review the merits of the case and take action if appropriate.

In response to the Petition, which was filed on July 16, 2013, The City of Gainesville filed its Motion to Dismiss on August 2, 2013. The petitioner will have an opportunity to respond to the Motion to Dismiss, after which the Commission will rule on the motions and determine the next steps in the case.

The concerns you have raised on behalf of your constituents will be included within the docket for further consideration by the Commission. I appreciate your interest in our proceedings.

Sincerely,

A handwritten signature in black ink, appearing to read "Ronald A. Brisé", with a long horizontal flourish extending to the right.

Ronald A. Brisé

TED S. YOHO, DVM
3RD DISTRICT, FLORIDA



COMMITTEE ON AGRICULTURE
COMMITTEE ON FOREIGN AFFAIRS

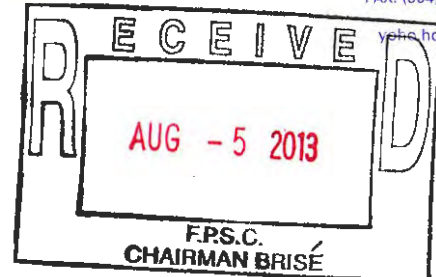
Congress of the United States
House of Representatives
Washington, DC 20515-0903

PRE-APPENDED
AUG 07, 2013 - 9:08 A.M.
DOCUMENT NO. 04212-13

WASHINGTON, DC 20515
PHONE: (202) 225-5744
FAX: (202) 225-3973

GAINESVILLE OFFICE
5000 NW 27TH COURT, SUITE E
GAINESVILLE, FL 32606
PHONE: (352) 505-0838
FAX: (352) 505-3511

ORANGE PARK OFFICE
1213 BLANDING BOULEVARD
ORANGE PARK, FL 32065
PHONE: (904) 276-9626
FAX: (904) 276-9336



The Honorable Ronald A. Brise
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 130188-EM; Petitions for Expedited Review of Electric Rate Structure for Gainesville Regional Utilities

Dear Chairman Brise,

I am writing to you on behalf of the substantial constituents who are GRU customers including myself, in support of the petition requesting the Florida Public Service Commission to exercise its statutory jurisdiction in order to ensure that GRU's existing and proposed rate structure is equal as well as nondiscriminatory to all customers.

Many constituents in Florida's 3rd Congressional District are extremely concerned about the price of the recent electric rate hikes proposed by GRU. These proposed electric rates put many GRU customers at a significant disadvantage when it comes to price competitiveness and overall tight budgets in this economy. Gainesville Regional Utilities also has recently put out new data showing that the fuel overcharges may increase up to \$31.8 million by October of 2013. I have been made aware that the Florida Public Service Commission does not have rate setting jurisdiction over municipal utilities, rate structure imbalances between and within customer classes.

The proposed rate changes are proposed to be implemented on October 1st, 2013. On behalf of all of my constituents who are customers of GRU, again, including myself, I join them in requesting the Florida Public Service Commission to exercise its oversight in order to ensure all GRU customers are given an equal and unbiased rate structure.

Sincerely,

Ted S. Yoho, DVM
Member of Congress
Proudly Representing Florida's 3rd District



Representative Keith Perry

Florida House of Representatives, District 21

2440 SW 76th Street, Suite 120
Gainesville, FL 32609
(352)313-6544 ~ (352)313-6546 (f)

City Hall-Cross City
99 Northeast 210th Avenue
Cross City, FL 32628

405 House Office Building
402 S. Monroe St. Tallahassee, FL 32399
(850) 717-5021

July 18, 2013

The Honorable Ronald A. Brisé, Chairman
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 130188-EM; Petition for Expedited Review of Electric Rate Structure for Gainesville Regional Utilities

Dear Chairman Brisé,

On behalf of the numerous constituents in my district who are GRU customers, I am writing you in support of the petition requesting the Florida Public Service Commission to exercise its statutory jurisdiction to ensure that GRU's existing and proposed rate structure is fair and nondiscriminatory to all GRU customers.

Many of my constituents are very concerned about affordability and the significant electric rate hikes proposed by GRU. High electric rates are a competitive and economic disadvantage for GRU customers in Alachua County. I have also received numerous complaints related to GRU's practice of overcharging its customers approximately \$26.2 million in excessive fuel charges over the past few years. Recent data released by GRU suggests that these fuel overcharges may actually increase to \$31.3 million by October 2013. Although the FPSC does not have rate setting jurisdiction over municipal utilities, inequities between, or within, customer classes further aggravates the problem of high electric rates.

GRU is proposing to implement rate structure changes on October 1, 2013. On behalf of my constituents, I would join in requesting that the Florida Public Service Commission exercise its statutory jurisdiction to ensure that GRU's existing and proposed rate structure is fair and nondiscriminatory to all GRU customers.

Sincerely,


W. Keith Perry, State Representative
District 21

Cc: Commissioner Balbis
Commissioner Brown
Commissioner Edgar
Commissioner Graham
Office of Public Counsel