



Florida Municipal Power Agency

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Jody Lamar Finklea, B.C.S.
Deputy General Counsel | Manager of Legal Affairs
Board Certified City, County and Local Government Lawyer

VIA Electronic Filing

February 9, 2017

Florida Public Service Commission
Carlotta S. Stauffer, Commission Clerk
Office of the Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: City of Ocala, Florida – Revised Tariff Sheets

Dear Ms. Stauffer:

This letter is submitted on behalf of the City of Ocala, Florida pursuant to Rules 25-9.05 through 25-9.071 of the *Florida Administrative Code*.

Electronically filed are the following revisions to the city's tariff sheets in legislative and final filing formats:

- a) Second Revised Sheet No. 6.1 (formerly 6A) – *Rate Schedule GSD-EDIR, General Service Demand – Economic Development Incentive Rider,*
- b) Second Revised Sheet No. 6.2 (formerly 6A1) – *Rate Schedule GSD-EDIR, General Service Demand – Economic Development Incentive Rider (continued), and,*
- c) Second Revised Sheet No. 6.3 (formerly 6A2) - *Rate Schedule GSD-EDIR, General Service Demand – Economic Development Incentive Rider (Service Agreement).*

Also enclosed for information and supportive purposes is a copy of the following:

- 1) The City of Ocala's CRA Agency Report by Karen White, and,
- 2) A signed copy of the City of Ocala's Resolution 2015-49 approving the new rate class with attachment.

If you have any questions or need clarification, please do not hesitate to contact our office.

Very truly yours,

/s/

Jody Lamar Finklea

Deputy General Counsel and Manager of Legal Affairs

**RATE SCHEDULE GSD-EDIR GENERAL SERVICE DEMAND -
ECONOMIC DEVELOPMENT INCENTIVE RIDER**

Availability:

This rider ("EDIR") is available to qualifying businesses throughout the entire territory served by Ocala Utility Services.

Applicable:

The rider is applicable to non-residential utility customers who meet the qualifying criteria set forth in this tariff through the establishment of a new business or the expansion of an existing business. This rate is available only for new, permanent load established on or after the effective date of this tariff. Customers must apply through the City's Economic Incentive Program ("EIP") and must enter into an EIP (or other agreement) with the City, and take service within three (3) years of approval (or during such other period as set forth in the agreement with the city). The EDIR is not available to existing customers or customers who relocate within the service territory unless the business expands to meet the qualifying criteria below in addition to its current operations and electric utility consumption.

Qualifying Criteria:

1. The customer must be classified in one of the State of Florida Qualified Targeted Industries and/or be located within one of the City's Business Assistance Targeted Locations.
2. Availability of this rate must be a significant factor in the business's location/expansion decision, as determined by the City in its reasonable discretion based on information provided by the customer and other information available to the City.
3. The minimum qualifying new or expanding load must be at least 500 kVA with a minimum load factor of 50 percent (50%) at a single point of delivery.
4. The new or expanding business must also meet at least one of the following two requirements at a project location:
 - a. The addition of 50 net new full-time equivalent (FTE) jobs; or
 - b. Make minimum new capital investments of \$1,000,000 in building construction, building renovations and/or machinery and equipment (the value of real property purchases and/or leases is excluded), and a net increase in FTE jobs.

Limitation of Service:

The total load served under this tariff shall not exceed 20 megawatts (20 MW) at any time. Standby or resale service is not permitted hereunder. Service under this tariff may not be combined with other rate riders. Service under the rate is subject to the Ocala Utility Services' Rules and Regulations for electric service. All provisions, terms and conditions of the otherwise applicable rate tariff shall apply.

(Continued on Sheet No. 6.2)

~~[RESERVED FOR FUTURE USE]~~

Rate Schedule:

Application of the EDIR results in a 20 percent (20%) rate reduction in demand and usage charges as follows:

<u>Rate Name</u>	<u>GSD-EDIR</u>
Demand (kVA)	Greater than 499
Customer Charge	\$24.45
Demand Charge	\$6.60
<u>Usage Charge:</u>	
Power Supply	\$0.03584
Transmission	\$0.00237
Distribution	\$0.00500
Subtotal Usage	\$0.04321

Terms of Service:

Service under this EDIR shall be limited to a term of five (5) years from the commencement of service of new load at which time the EDIR rate will terminate. Accounts will be reviewed to ensure that the new load is being maintained on average. If the customer's average annual load falls below the required threshold or the customer is not maintaining the new load, the customer's participation in this EDIR may be terminated upon notification by the City effective for the billing cycle beginning after the notice.

Penalty for Non-Compliance with Qualifying Criteria or Term of Service:

Except as otherwise set forth in the customer's EIP or other agreement with City: a default under the terms and conditions of the EIP or other agreement with the City (except concerning load requirements as set forth under Terms of Service above) will result in the discontinuation of the EDIR rate and the customer will be billed at the otherwise applicable rate tariff; and the customer shall be required to repay to the City the amount of the cumulative discounts received under this EDIR with interest at the Wall Street Journal prime rate in effect on the date that the City demands repayment plus three percent (3%).

(Continued on Sheet 6.3)

Issued by: ~~Paul K. Nugent~~Michael Poucher
City ManagerElectric Director

Effective: ~~September 1, 2005~~May 1, 2015

~~[RESERVED FOR FUTURE USE]~~
Economic Development Incentive Rider (EDIR)
Service Agreement

Customer Name: _____

Address: _____

Type of Business: _____

For a new establishment or an existing establishment with expanding load, the customer hereto agrees as follows:

1. To create _____ full-time jobs or new capital investment of \$ _____ and a net increase of full-time jobs.
2. That the quantity of new or expanded load shall be at least 500 kVA of demand with a 50 percent (50%) load factor.
3. The nature of this new or expanded load is _____.
4. To initiate service under this rider on _____, _____, and terminate service under this rider on _____, _____. This shall constitute a period of five (5) years.
5. In case of early termination by the customer, or an early discontinuation by the City for a violation of the terms and conditions of this rider, the customer shall be required to repay the City of Ocala the cumulative discount received to date under this rider plus interest. The repayment may be assessed against the customer's deposit for service.
6. If a change in ownership occurs after the customer contracts for service under this rider, the successor customer may be allowed to fulfill the balance of the contract under the rider and continue the schedule of rate reductions.
7. Customer must comply with reporting requirements, as required by the City.
8. Late payment is grounds for discontinuation of the EDIR rate.
9. All terms of the EDIR rate schedule apply to this agreement and are incorporated by reference herein.

By signing below, I hereby attest that the availability of this rider is a significant factor in this customer's location/expansion decision.

Signed: _____ Date: _____

Approved by: _____ Title/Date: _____

Issued by: ~~Paul K. Nugent~~Michael Poucher
City ManagerElectric Director

Effective: ~~September 1, 2005~~May 1, 2015

**RATE SCHEDULE GSD - EDIR GENERAL SERVICE DEMAND -
ECONOMIC DEVELOPMENT INCENTIVE RIDER**

Availability:

This rider (“EDIR”) is available to qualifying businesses throughout the entire territory served by Ocala Utility Services.

Applicable:

The rider is applicable to non-residential utility customers who meet the qualifying criteria set forth in this tariff through the establishment of a new business or the expansion of an existing business. This rate is available only for new, permanent load established on or after the effective date of this tariff. Customers must apply through the City’s Economic Incentive Program (“EIP”) and must enter into an EIP (or other agreement) with the City, and take service within three (3) years of approval (or during such other period as set forth in the agreement with the city). The EDIR is not available to existing customers or customers who relocate within the service territory unless the business expands to meet the qualifying criteria below in addition to its current operations and electric utility consumption.

Qualifying Criteria:

1. The customer must be classified in one of the State of Florida Qualified Targeted Industries and/or be located within one of the City’s Business Assistance Targeted Locations.
2. Availability of this rate must be a significant factor in the business’s location/expansion decision, as determined by the City in its reasonable discretion based on information provided by the customer and other information available to the City.
3. The minimum qualifying new or expanding load must be at least 500 kVA with a minimum load factor of 50 percent (50%) at a single point of delivery.
4. The new or expanding business must also meet at least one of the following two requirements at a project location:
 - a. The addition of 50 net new full-time equivalent (FTE) jobs; or
 - b. Make minimum new capital investments of \$1,000,000 in building construction, building renovations and/or machinery and equipment (the value of real property purchases and/or leases is excluded), and a net increase in FTE jobs.

Limitation of Service:

The total load served under this tariff shall not exceed 20 megawatts (20 MW) at any time. Standby or resale service is not permitted hereunder. Service under this tariff may not be combined with other rate riders. Service under the rate is subject to the Ocala Utility Services’ Rules and Regulations for electric service. All provisions, terms and conditions of the otherwise applicable rate tariff shall apply.

(Continued on Sheet No. 6.2)

Rate Schedule:

Application of the EDIR results in a 20 percent (20%) rate reduction in demand and usage charges as follows:

Rate Name	GSD-EDIR
Demand (kVA)	Greater than 499
Customer Charge	\$24.45
Demand Charge	\$6.60
Usage Charge:	
Power Supply	\$0.03584
Transmission	\$0.00237
Distribution	\$0.00500
Subtotal Usage	\$0.04321

Terms of Service:

Service under this EDIR shall be limited to a term of five (5) years from the commencement of service of new load at which time the EDIR rate will terminate. Accounts will be reviewed to ensure that the new load is being maintained on average. If the customer's average annual load falls below the required threshold or the customer is not maintaining the new load, the customer's participation in this EDIR may be terminated upon notification by the City effective for the billing cycle beginning after the notice.

Penalty for Non-Compliance with Qualifying Criteria or Term of Service:

Except as otherwise set forth in the customer's EIP or other agreement with City: a default under the terms and conditions of the EIP or other agreement with the City (except concerning load requirements as set forth under Terms of Service above) will result in the discontinuation of the EDIR rate and the customer will be billed at the otherwise applicable rate tariff; and the customer shall be required to repay to the City the amount of the cumulative discounts received under this EDIR with interest at the Wall Street Journal prime rate in effect on the date that the City demands repayment plus three percent (3%).

(Continued on Sheet 6.3)

Issued by: Michael Poucher
Electric Director

Effective: May 1, 2015

**Economic Development Incentive Rider (EDIR)
Service Agreement**

Customer Name: _____

Address: _____

Type of Business: _____

For a new establishment or an existing establishment with expanding load, the customer hereto agrees as follows:

1. To create _____ full-time jobs or new capital investment of \$ _____ and a net increase of full-time jobs.
2. That the quantity of new or expanded load shall be at least 500 kVA of demand with a 50 percent (50%) load factor.
3. The nature of this new or expanded load is _____.
4. To initiate service under this rider on _____, _____, and terminate service under this rider on _____, _____. This shall constitute a period of five (5) years.
5. In case of early termination by the customer, or an early discontinuation by the City for a violation of the terms and conditions of this rider, the customer shall be required to repay the City of Ocala the cumulative discount received to date under this rider plus interest. The repayment may be assessed against the customer's deposit for service.
6. If a change in ownership occurs after the customer contracts for service under this rider, the successor customer may be allowed to fulfill the balance of the contract under the rider and continue the schedule of rate reductions.
7. Customer must comply with reporting requirements, as required by the City.
8. Late payment is grounds for discontinuation of the EDIR rate.
9. All terms of the EDIR rate schedule apply to this agreement and are incorporated by reference herein.

By signing below, I hereby attest that the availability of this rider is a significant factor in this customer's location/expansion decision.

Signed: _____ Date: _____

Approved by: _____ Title/Date: _____

Issued by: Michael Poucher
Electric Director

Effective: May 1, 2015

CITY OF OCALA

CRA AGENCY REPORT

Meeting Date: 04/21/15

Subject: Economic Development Incentive Rate

Submitted By: Karen White

Department: Electric Utility

STAFF RECOMMENDATION (Motion Ready): Adopt Resolution 2015-49 a new electric utility rate schedule effective May 1, 2015 establishing an economic development incentive rate and replacing the existing rate schedule "A" that was previously adopted by Resolution No. 2012-38 on May 15, 2012

OCALA'S RELEVANT STRATEGIC GOALS: Economic Hub

PROOF OF PUBLICATION:

BACKGROUND:

In April, 2009, City Council established and subsequently revised the City's Economic Investment Program ("EIP") for the purpose of creating economic growth within the Ocala city limits and utility service areas through both the attraction of new business and encouragement of existing business to grow and expand. Under the EIP the City may, on a case-by-case basis, provide financial assistance to or on behalf of a company where a positive return on investment to the City and/or the community can be determined. The City may also create other special recurring or nonrecurring economic sustainability programs in response to changes in the local economy and may do so city-wide or on a site or area specific basis. An incentive that is currently being offered by some of our competitors in the utility industry is an economic development rate. This type of rate is being offered by Duke Energy, FP & L and GRU to attract customers. Offering an economic development rate would help Ocala be competitive when businesses are looking to locate in our area.

FINDINGS:

Given Council's desire to develop Ocala as an economic hub, the establishment of an economic development incentive rate would provide an economic incentive to prospective businesses considering locating or expanding operations in the electric service territory. The proposed Economic Development Incentive Rider to our existing general service demand rate would provide qualifying businesses a 20% reduction to their demand and usage charges for up to a 5-year period. The qualifying criteria are as follows:

1. Company must be classified in one of the State of Florida Qualified Targeted Industries and/or be located within one of the City's Business Assistance Targeted Locations.
2. Availability of this rate must be a significant factor in the business's location/expansion decision.
3. The minimum qualifying new or expanding load must be at least 500 kVa with a minimum load factor of 50% at a single point of delivery.
4. The new or expanding business must also meet at least one of the following two requirements at the project location:
 - a. The addition of 50 net new full time equivalent (FTE) jobs; or
 - b. Make minimum new capital investments of \$1,000,000 in building construction, building renovations and/or machinery and equipment (the value of real property purchases and/or leases is excluded) and a net increase in FTE jobs.

A qualifying company would be required to enter into an EIP agreement administered through the City of Ocala's Revitalization Strategies Department. The agreement will outline terms and conditions for repayment in case of a default.

CONCLUSIONS:

The establishment of an economic development incentive rate discount of 20% will provide an additional incentive to the City's Economic Investment Program. Based on a 70% load factor, this is the most revenue neutral rate.

FISCAL IMPACT:

It is projected that a 20% rate reduction to qualifying customers would enable the utility to cover the cost of the power needed to support the new or expanded load but will moderately reduce the amount of net revenue received by the City during the term of the applicable rider.

LEGAL REVIEW:

The rate tariff sheet and resolution are pending review by the Assistant City Attorney, James Gooding.

ALTERNATIVE:

City Council can choose to keep the rates unchanged or offer a different discounted rate.

SUPPORT MATERIALS:

Rate Schedule A May 2015 (PDF)

EDI Rider Tariff Draft (PDF)

RESOLUTION 2015-49

A RESOLUTION ADOPTING A NEW ELECTRIC UTILITY FEE SCHEDULE REPLACING THE EXISTING RATE SCHEDULE "A" THAT WAS PREVIOUSLY ADOPTED BY RESOLUTION NO. 2012-38 ON MAY 15, 2012

WHEREAS, a rate schedule for electric utility rates prior to August 21, 2007 was included in the City of Ocala, Florida Code of Ordinances Section 70-641; and

WHEREAS, Section 70-641 was amended on August 21, 2007 to provide for periodic changes to the rate schedule by adoption of resolutions by city council where the revised rate schedule would be set forth as Schedule A To Section 70-641 of the Code of Ordinances; and

WHEREAS, the rate Schedule "A" For electric utility rates is being amended herein to establish an economic development incentive rate; and

WHEREAS, the attached Schedule "A" sets forth the electric utility rates effective May 1, 2015.

This resolution adopted this 21 day of April, 2015.

CITY OF OCALA

By: Jay A. Musleh
Jay A. Musleh
President, Ocala City Council

ATTEST:
By: Angel B. Jacobs
Angel B. Jacobs
City Clerk

Approved as to form and legality:

By: Patrick G. Gilligan
Patrick G. Gilligan
City Attorney

W. James Gooding III
Assistant City Attorney

ELECTRIC UTILITY RATE SCHEDULE (SCHEDULE A)

Description	October 1, 2012	January 1, 2015	May 1, 2015
<u>Power Cost Adjustment (PCA)</u>	\$0.02500	\$0.02758	\$0.02758
<u>Residential</u>			
Customer Charge	\$9.33	\$9.33	\$9.33
Energy Charge	\$0.06485	\$0.06485	\$0.06485
Transmission Charge	\$0.00529	\$0.00529	\$0.00529
Distribution Charge	<u>\$0.01417</u>	<u>\$0.01417</u>	<u>\$0.01417</u>
Subtotal Usage Charge	\$0.08431	\$0.08431	\$0.08431
<u>General Services</u>			
Customer Charge	\$12.22	\$12.22	\$12.22
Energy Charge	\$0.06568	\$0.06568	\$0.06568
Transmission Charge	\$0.00499	\$0.00499	\$0.00499
Distribution Charge	<u>\$0.01346</u>	<u>\$0.01346</u>	<u>\$0.01346</u>
Subtotal Usage Charge	\$0.08413	\$0.08413	\$0.08413
<u>Large Power < 150 kVA</u>			
Customer Charge	\$24.45	\$24.45	\$24.45
Demand Charge	\$6.65	\$6.65	\$6.65
Energy Charge	\$0.04454	\$0.04454	\$0.04454
Transmission Charge	\$0.00270	\$0.00270	\$0.00270
Distribution Charge	<u>\$0.00877</u>	<u>\$0.00877</u>	<u>\$0.00877</u>
Subtotal Usage Charge	\$0.05601	\$0.05601	\$0.05601
<u>Large Power 150-499 kVA</u>			
Customer Charge	\$24.45	\$24.45	\$24.45
Demand Charge	\$7.30	\$7.30	\$7.30
Energy Charge	\$0.04652	\$0.04652	\$0.04652
Transmission Charge	\$0.00260	\$0.00260	\$0.00260
Distribution Charge	<u>\$0.00589</u>	<u>\$0.00589</u>	<u>\$0.00589</u>
Subtotal Usage Charge	\$0.05501	\$0.05501	\$0.05501
<u>Large Power > 499 kVa</u>			
Customer Charge	\$24.45	\$24.45	\$24.45
Demand Charge	\$8.25	\$8.25	\$8.25
Energy Charge	\$0.04480	\$0.04480	\$0.04480
Transmission Charge	\$0.00296	\$0.00296	\$0.00296
Distribution Charge	<u>\$0.00625</u>	<u>\$0.00625</u>	<u>\$0.00625</u>
Subtotal Usage Charge	\$0.05401	\$0.05401	\$0.05401
<u>Ec. Dev. Large Power > 499 kVa</u>			
Customer Charge			\$24.45
Demand Charge			\$6.60
Energy Charge			\$0.03584
Transmission Charge			\$0.00237
Distribution Charge			<u>\$0.00500</u>
Subtotal Usage Charge			\$0.04321
<u>Large Power Low Load Factor</u>			
Customer Charge	\$24.08	\$24.08	\$24.08
Demand Charge	\$0.00	\$0.00	\$0.00
Energy Charge	\$0.10885	\$0.10885	\$0.10885
Transmission Charge	\$0.00280	\$0.00280	\$0.00280
Distribution Charge	<u>\$0.01682</u>	<u>\$0.01682</u>	<u>\$0.01682</u>
Subtotal Usage Charge	\$0.12847	\$0.12847	\$0.12847

ELECTRIC UTILITY RATE SCHEDULE (SCHEDULE A)

<u>Description</u>	<u>October 1, 2012</u>	<u>January 1, 2015</u>	<u>May 1, 2015</u>
<u>Residential Time Of Use</u>			
Customer Charge	\$14.35	\$14.35	\$14.35
On-Peak Energy Charge	\$0.12651	\$0.12651	\$0.12651
Off-Peak Energy Charge	\$0.04934	\$0.04934	\$0.04934
<u>General Services Time Of Use</u>			
Customer Charge	\$17.24	\$17.24	\$17.24
On-Peak Energy Charge	\$0.12574	\$0.12574	\$0.12574
Off-Peak Energy Charge	\$0.04958	\$0.04958	\$0.04958
<u>Large Power < 150 kVA Time of Use</u>			
Customer Charge	\$40.00	\$40.00	\$40.00
On-Peak Demand Charge	\$8.60	\$8.60	\$8.60
Off-Peak Demand Charge	\$1.95	\$1.95	\$1.95
On-Peak Energy Charge	\$0.04504	\$0.04504	\$0.04504
Off-Peak Energy Charge	\$0.04504	\$0.04504	\$0.04504
<u>Large Power 150-499 kVA Time Of Use</u>			
Customer Charge	\$40.00	\$40.00	\$40.00
On-Peak Demand Charge	\$9.45	\$9.45	\$9.45
Off-Peak Demand Charge	\$1.82	\$1.82	\$1.82
On-Peak Energy Charge	\$0.04504	\$0.04504	\$0.04504
Off-Peak Energy Charge	\$0.04504	\$0.04504	\$0.04504
<u>Large Power > 499 kVA Time Of Use</u>			
Customer Charge	\$40.00	\$40.00	\$40.00
On-Peak Demand Charge	\$10.92	\$10.92	\$10.92
Off-Peak Demand Charge	\$1.96	\$1.96	\$1.96
On-Peak Energy Charge	\$0.04441	\$0.04441	\$0.04441
Off-Peak Energy Charge	\$0.04441	\$0.04441	\$0.04441
<u>Customer Service Fees</u>			
Initial Customer	\$40.00	\$40.00	\$40.00
Transfer (cut/recon)	\$25.00	\$25.00	\$25.00
Personal (Online) Credit Check	\$5.00	\$5.00	\$5.00
Re-read Charge	\$15.00	\$15.00	\$15.00
Pole Cut	\$45.00	\$45.00	\$45.00
Pole Reconnect	\$45.00	\$45.00	\$45.00
Late Fees	5% of Bal	5% of Bal	5% of Bal
Bad Check Fees	FL Statutes	FL Statutes	FL Statutes
Delinquent Cut/Recon	\$25.00	\$25.00	\$25.00
After Hours Recon	\$50.00	\$50.00	\$50.00
After Hours Pole Rec	\$160.00	\$160.00	\$160.00
After Hours Comm	\$160.00	\$160.00	\$160.00
After 2 Same Day	\$60.00	\$60.00	\$60.00
Apartment Transfer Program	\$9.00	\$9.00	\$9.00
Testing (No Change)	\$20.00	\$20.00	\$20.00
Temporary Service	\$100.00	\$100.00	\$100.00
Tampering (1)	\$262.50	\$262.50	\$262.50

(1) Plus the cost of repairs