



STAFF REPORT

CITY OF GREEN COVE SPRINGS, FLORIDA

TO: City Council, Regular Session

MEETING DATE: May 6, 2025

FROM: Mike Null, Asst. City Manager

SUBJECT: First Reading of Ordinance No. O-07-2025, amending City Code Chapter 90, Article III, Electric Utility, section 90-122 entitled “rate schedule for electricity furnished”; and section 90-123 entitled “fees for capital installation in the electric department”; and section 90-61, “security and night-lights”; and section 90-62 “meters, generally, a new service connection charge; temporary service, generally”. *Mike Null*

BACKGROUND

The Electric Department completed a rate study with Leidos in July 2024. Following the completion of the FY 2023 Audit report and the FY 24-25 budget process, staff felt it was best to immediately update the rate study with the most recent information as the rate study had used unaudited 2023 numbers as the base year. Over the last several months, city staff has worked closely with Leidos and staff from FMPA to update the July 2024 rate study as well as establishing certain assumptions to ensure the financial health of the Electric Department enterprise fund and the physical health of the electric system moving forward.

This update was presented to City Council in a Special Session on March 25, 2025. Council direction was to move forward with the study update recommendations which included implementing a 14% base rate increase now and an additional 6% base rate increase effective October 1, 2025. All city electric customers were mailed a notice of the proposed rate increases on April 17, 2025.

It is also necessary to increase the per lot fee paid by the developer of a subdivision. The fee was \$1,300 per lot from 2015 through 2024. In 2024, Council raised that fee to \$2,200. Given the continuing increase in material costs, it is now necessary to increase that fee to \$2,600. This fee is used to cover the cost of installation of wire and transformers in new developments where the developer has installed conduit and transformer pads. This helps to ensure that new development pays for itself instead of being funded by existing customers.

The next item this ordinance addresses is streetlights and area lights. The current fees for area lights were established in 2015. Since then, many streetlights and area lights have been converted to, or installed as, LEDs, which use less electricity. Additionally, the current city code does not address any policy regarding the installation of new streetlights. The proposed changes in this ordinance establish guidelines for installation of streetlights and area lights, as well as set rates that take into consideration LED lights.

The last item addressed in this ordinance is the new electric service connection fee. The current fee of \$125 was established in 2015. Since then, the cost of meters has increased significantly. Therefore, staff recommends increasing this fee to \$200. Again, this is another effort to ensure that new development pays its own way instead of the existing customers.

Navid Nowakhtar with FMPA will be here to present information related to the recommended rate increases. Based on Council direction, the Second and Final Reading for this ordinance will be scheduled for 6:00PM May 20, 2025.

FISCAL IMPACT

As described in the ordinance.

RECOMMENDATION

Approve on first reading as to form only Ordinance No. O-07-2025, to amend City Code Chapter 90, Article III, Electric Utility, and set May 20, 2025 at 6:00PM as the second and final reading..

ORDINANCE NO. O-07-2025

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GREEN COVE SPRINGS, FLORIDA, AMENDING CITY CODE CHAPTER 90, UTILITIES, ARTICLE III, ELECTRIC UTILITY, SECTION 90-122 ENTITLED “RATE SCHEDULE FOR ELECTRICITY FURNISHED”; AND SECTION 90-123 ENTITLED “FEES FOR CAPITAL INSTALLATION IN THE ELECTRIC DEPARTMENT”; AND SECTION 90-61, “SECURITY AND NIGHT-LIGHTS”; AND SECTION 90-62 “METERS, GENERALLY, A NEW SERVICE CONNECTION CHARGE; TEMPORARY SERVICE, GENERALLY.”; PROVIDING FOR REPEALER, SEVERABILITY, AND SETTING AN EFFECTIVE DATE.

WHEREAS, Chapter 90, Utilities, Article III, Electric Utility, Division 3 establishes rates and charges for electric service from the City’s Electric System; and

WHEREAS, the City hired an independent rate consultant to review and perform a rate study on the City’s electric service rates; and

WHEREAS, the City has now determined that it is necessary to make certain changes to its electric service rates effective June 1, 2025 and October 1, 2025; and

WHEREAS, the City intends to file its revised tariff sheets with the Florida Public Service Commission upon approval of this Ordinance, with an effective date of such revised tariff sheets of June 1, 2025 and October 1, 2025, subject to approval by the Florida Public Service Commission; and

WHEREAS, increases in material and construction costs necessitate an increase in the per lot fee paid by developers of subdivisions for installation of electric infrastructure to each lot; and

WHEREAS, conversion of some halogen area lights to LED lights necessitates an adjustment of the fees charged for area lights; and

WHEREAS, increases in the cost of electric meters and materials necessitate an increase in the new electric service connection fee; and

WHEREAS, in order to enact such rates, the City Council has proposed this Ordinance.

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF GREEN COVE SPRINGS, FLORIDA AS FOLLOWS:

SECTION 1. The City Council declares that changes are necessary to implement policy recommendations on the Electric Utility System. City Code Chapter 90, Article III, Electric Utility is hereby amended to read as follows:

Sec. 90-122. - Rate schedule for electricity furnished.

The following schedule of rates and charges to be imposed, assessed and collected by the city for electric energy, facilities and services furnished by the city to its customers, including the initial deposit, and other connection and service charges, is hereby adopted and established. Such rates shall be reviewed ~~bi~~-annually.

(1) Residential service, as defined in section 90-59, for the following:

a. *Character of service.* Alternating current; regulated frequency of 60 cycles; delivered at approximately 120/240 volts, single-phase; other phases and voltages as required when available.

b. *Available.* Within the service area of the electric utility of the city.

c. *Monthly meter reading.* All quantities of electrical energy shown by regular monthly watt-hour meter readings to have been delivered shall be charged the rate provided in subsection (1)d of this section.

d. *Rate per month.*

1. Customer service charge: ~~\$16.50~~ 18.81 (effective June 1, 2025); 19.94 (effective October 1, 2025).

2. Shall apply to each account whether or not there is consumption.

3. Energy charge for the first 1,000 kWh consumed in a billing month, per kWh: ~~0.11869~~ 0.13531 (effective June 1, 2025); 0.14343 (effective October 1, 2025).

4. Energy charge for each additional kWh above 1,000, per kWh: ~~0.12344~~ 0.14072 (effective June 1, 2025); 0.14916 (effective October 1, 2025).

(2) General service nondemand (commercial), as defined in section 90-59, for the following:

a. *Character of service.* Alternating current; regulated frequency of 60 cycles; delivered at approximately 120/240 volts, single-phase; other phases and voltages as required when available.

b. *Available.* Within the service area of the electric utility of the city.

c. *Rate per month.*

1. Customer service charge: ~~\$16.50~~ 18.81 (effective June 1, 2025); 19.94 (effective October 1, 2025).

2. Energy charge (all kWh), per kWh: ~~0.12617~~ 0.14383 (effective June 1, 2025); 0.15246 (effective October 1, 2025).

d. *Minimum monthly bill.* A minimum monthly electric bill shall be rendered to each customer whose application has been approved for general service nondemand service, for an amount equal to the customer service charge.

e. *Bulk power cost adjustment.* The bulk power cost adjustment shall be as provided in subsection (6)b of this section.

(3) General service demand (commercial), as defined in section 90-59, for the following:

a. *Character of service.* Alternating current; regulated frequency of 60 cycles, single-phase or three-phase, at voltages less than 600 volts line-to-line, as required when available.

b. *Available.* Within the service area of the electric utility of the city. Applicable to all customers who qualify for a demand rate who have an operable demand meter installed, as defined in section 90-59.

c. *Rate per month.*

1. Customer service charge: ~~\$66.00~~ 75.24 (effective June 1, 2025); 79.75 (effective October 1, 2025).

2. Demand charge (all kW), per kW: ~~\$9.91~~ 11.30 (effective June 1, 2025); 11.98 (effective October 1, 2025).

3. Energy charge (all kWh), per kWh: ~~\$0.09275~~ 0.10574 (effective June 1, 2025); 0.11208 (effective October 1, 2025).

d. *Minimum bill.* The minimum bill shall be the customer service charge, plus the demand charge times the minimum demand kW.

e. *Bulk power cost adjustment.* The bulk power cost adjustment shall be as provided in subsection (6)b of this section.

(4) General service large demand (industrial), as defined in section 90-59, for the following:

a. *Character of service.* Alternating current; regulated frequency of 60 cycles, single-phase or three-phase, at voltages less than 60 volts line-to-line, as required when available.

b. *Available.* Within the service area of the electric utility of the city. Applicable to all customers who qualify for a demand rate who have an operable demand meter installed, as defined in section 90-59.

c. *Rate per month.*

1. Customer service charge: ~~\$275.00~~ 313.50 (effective June 1, 2025); 332.31 (effective October 1, 2025).

2. Demand charge (all kW), per kW: ~~\$44.08~~ 12.63 (effective June 1, 2025); 13.39 (effective October 1, 2025).

3. Energy charge (all kWh), per kWh: ~~0.08142~~ 0.09282 (effective June 1, 2025); 0.09839 (effective October 1, 2025).

d. *Minimum bill.* The minimum bill shall be the customer service charge plus the demand charge times the minimum demand kW.

e. *Change of classification of account.* Any existing general service large demand customer who constructs additional facilities under a separate demand metered account may have such new account classed as general service large demand from the date of service connection, provided the following are met:

1. The existing large service demand account has maintained a minimum kilowatt demand of 1,000 kW or greater for each of the preceding 12 months; and

2. The new account, in the sole opinion of the city, is anticipated as attaining in not less than six months a monthly demand of 200 kW or greater and a load factor of greater than 70 percent. Should such new account not have met such criteria after 12 months of operation, the city shall allow such account to continue as general service large demand provided the customer's combined general service large demand accounts when summed together would qualify for such classification based on this section.

f. *Bulk power cost adjustment.* The bulk power cost adjustment shall be as provided in subsection (6)b of this section.

(5) Master-metered service, as defined in section 90-59, for the following:

a. *Character of service.* Alternating current; single or three-phase, regulated frequency of 60 cycles; at a locally-available system primary voltage.

b. *Available.* Within the service area of the electric utility of the city. This rate schedule is not available to residential subdivisions or individually metered residences or businesses, and resale of electric service is not permitted.

c. *Rate per month.*

1. Customer service charge: ~~\$58.85~~ 67.09 (effective June 1, 2025); 71.12 (effective October 1, 2025).

2. Energy charge (all kWh), per kWh: ~~\$0.12400~~ 0.13794 (effective June 1, 2025); 0.14622 (effective October 1, 2025).

d. *Minimum bill.* The minimum bill shall be the customer service charge.

e. *Bulk power cost adjustment.* The bulk power cost adjustment shall be as provided in subsection (6)b of this section.

(6) Rate stabilization; power cost adjustment.

a. *Rate stabilization fund.* An amount may be established from time to time by the city by resolution to be deposited (rate stabilization fund deposit or RSFD) in a rate stabilization fund which shall be used at the discretion of the city council to offset increases in the cost of power to the city (rate stabilization fund adjustment or RSFA) or for other lawful electric utility purposes, including, but not limited to, expansions, renewals and replacement of electric utility facilities. The rate stabilization fund deposit and rate stabilization fund adjustment, if any, may be included in the calculation of the bulk power cost adjustment in accordance with the provisions in subsection (6)b of this section, or may be handled in a similarly equitable manner as a separate billing line item.

b. *Bulk power cost adjustment.*

1. *Determined by city.* The bulk power cost adjustment (BPCA) will be determined each month by the city. This factor is designed to recover the cost of bulk power supply and related expenses actually incurred by the city to provide electric service to its customers. Bulk power supply costs shall include the following:

- (i) Cost of power purchased from any bulk power supplier for use in the city's electric system.
- (ii) The cost of transmission services to deliver bulk power to the city's substations.

(iii) The cost of any equipment owned or leased by the city to generate power.

(iv) The cost of operation including fuel and maintenance of city-owned or city-operated power generating equipment.

(v) Other costs directly related to securing bulk power supply for the city, such as professional services to issue, evaluate, and negotiate bulk power supply contracts, and regulatory fees associated with bulk power supply.

2. *Under recovery.* If the BPCA under recovers the actual costs of bulk power supply and related expenses, the city will increase the BPCA to collect the under recovery. If the BPCA over collects actual costs of bulk power supply and related expenses, the city will decrease the fuel adjustment to credit back to customers the over recovery. In order to stabilize fluctuations in the BPCA, the city manager may determine to phase in such increases or decreases over time. In no case, however, will cumulative under or over collections be allowed to exceed eight percent of the fiscal year's annual adopted bulk power supply budget without appropriate adjustments to the BPCA. All over recovered funds remaining at the end of a fiscal year would be carried over to the subsequent fiscal year to be applied to the BPCA calculation for future months.

3. *Definitions.* The following words, terms and phrases, when used in this subsection (6), shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Bulk power cost (BPC) means all electric energy costs during the calculation period related to the purchase of wholesale power and the capacity costs associated with the joint action agency ownership of generation.

Bulk power cost adjustment (BPCA) means the difference between the adjusted bulk power unit cost and the power cost base, stated in cost per kilowatt-hour, as determined by the calculation. This is also referred to as the purchased power/fuel adjustment factor.

Bulk power cost true-up (BPCT) means the difference between the bulk power cost actually incurred and the bulk power cost recovered through the power cost base and the bulk power cost adjustment that may be deposited in or removed from a true-up account, as applicable. The BPCT is that portion of the true-up account to be recovered from or returned to customers through the calculated BPCA.

Power cost base (PCB) means the bulk power-related cost that is embedded within the base retail rate, stated in cost per kilowatt-hour. The energy charge includes a power cost base of \$0.08015 per kWh in the base rate.

Rate stabilization fund adjustment (RSFA) means funds to offset sudden and/or temporary changes in the cost of power may be deposited in or removed from a rate stabilization fund, as applicable. The RSFA is that portion of the rate stabilization fund to be recovered from or returned to customers through the calculated BPCA.

System loss factor means the factor applied to adjust the bulk power unit cost from a basis of cost per kilowatt-hour of purchases to a basis of cost per kilowatt-hour of sales.

(7) Rates when demand history for a customer has not yet been established with the electric utility. All customers who initially request either the general service large demand (industrial) or general service demand (commercial) rate class will be billed under the general service nondemand (commercial) rate class until such time as an applicable consumption history with the electric utility justifies, and the customer requests, reclassification as a demand account based on the definitions contained in section 90-59 has been established. The city shall determine the appropriate rate class for the customer based on consumption history as defined in section 90-59.

(Code 1983, § 23-53.1; Code 2001, § 78-83; Ord. No. O-16-99, § 1(23-53.1), 4-27-1999; Ord. No. O-14-2000, § 1(23-53.1), 11-21-2000; Ord. No. O-08-2007, § 2, 6-5-2007; Ord. No. O-12-2008, § 1, 6-17-2008; Ord. No. O-12-2010, § 1, 10-19-2010; Ord. No. O-05-2013, § 1, 4-9-2013; Ord. No. O-10-2015, § 1, 8-4-2015; Ord. No. O-14-2015, § 1, 9-15-2015)

SECTION 2. AMENDMENT TO SECTION 90-123(e) OF THE GREEN COVE SPRINGS CITY CODE. The first two sentences of Chapter 90, Article III, Division 3, Section 90-123(e) of the Green Cove Springs City Code is hereby amended and restated as follows:

- (e) *Responsibilities of developer.* The developer shall be responsible for paying a capital installation fee of ~~\$2,200.00~~ \$2,600.00 per lot. The aforementioned fee amount may be increased by the city from time to time, upon posted notice at city hall, by not more than the increase in such amount as is required by cover all of the city's actual costs for capital installations. The fee shall be paid to the city within 30 days of the subdivision plat recording date. If any fee increase is posted by the city after the initial payment of the fee by a developer, the city will provide specific information to the developer evidencing its actual costs, and the developer shall have 30 days to pay such increased amount invoiced by the city.

SECTION 3. AMENDMENT TO SECTION 90-61 OF THE GREEN COVE SPRINGS CITY CODE. Chapter 90, Article III, Division 3, Section 90-61 of the Green Cove Springs City Code is hereby amended and restated as follows:

Sec. 90-61. Security and night lights.

- ~~(a) The city shall charge such owner or tenant a fee as follows for security or night lights. The city will install and maintain such lights. The city will only install new lights on existing poles.~~
 - ~~(1) 175 watt mercury vapor light or 100 watt high pressure sodium light or LED light monthly charge: \$10.25.~~
 - ~~(2) 400 watt mercury vapor light or 250 watt high pressure sodium light monthly charge: \$20.00.~~
 - ~~(3) Relocate light head, photo eye or lamp fee of \$25.00 during normal business hours.~~
- ~~(b) The requesting party shall agree in writing that any poles, lights, or accessories placed upon his property shall remain the sole property of the city, and the city shall have the right to remove such equipment at any time fees are delinquent.~~

Sec. 90-61. Streetlights and Area Lights.

A. Streetlights within the city limits of Green Cove Springs and Green Cove Springs Electric Utility Boundaries.

Existing streets with existing Green Cove Springs overhead utility poles:

1. The City of Green Cove Springs will provide, install, and maintain these streetlights on existing city rights-of-way.
2. These streetlights are provided at no additional charge to the public.

B. New streets within New Planned Developments with Underground Utilities.

On collector street rights-of-way within the city limits of Green Cove Springs.

1. The developer will purchase, build, and install the streetlight system. Green Cove Springs Electric will maintain these streetlights at no additional charge to the public.

Note: Green Cove Springs Electric will provide specifications for this system and approve the streetlight designs.

On residential street rights-of-way and all other rights-of-way locations within the service area of Green Cove Springs Electric:

1. The developer will purchase, build, and install the streetlight system that the HOA will own and maintain. These lights are charged a monthly fee, as follows, for the electric power used.
 - a. LED lights, 0 - 50-watt - \$4.00 each, per month
 - b. LED lights, 51-watt and above, \$8.00 each, per month
 - c. Alternatively, lights can be installed behind an electric service meter and have a monthly bill.
2. Existing streetlights in existing HOA developments, that are not LED lights, will remain available at the previous charge of \$10.25 each, per month.

C. Streetlights within the service area of Green Cove Springs Electric, but outside the City Limits of Green Cove Springs

1. The City of Green Cove Springs does not provide streetlights in this area.

D. Area Lights (night-light).

1. Green Cove Springs Electric will provide, install, and maintain area lights within its service area, only on existing Green Cove Springs Electric overhead utility poles.
 - a. 50-watt LED Dusk-to-Dawn, pole-mounted, \$10.25 each, per month.
2. Area lights require a minimum two-year contract.

SECTION 4. AMENDMENT TO SECTION 90-62 OF THE GREEN COVE SPRINGS CITY CODE. Chapter 90, Article III, Division 3, Section 90-62 of the Green Cove Springs City Code is hereby amended and restated as follows:

Sec. 90-62. Meters, generally, and new service connection charge; temporary service, generally.

The city shall have the right to connect and install or set meters of such sizes as the electric utility may determine, after consideration of all services to be served by the electric system of the city, and shall charge and collect in advance from the user, property owner, contractor, or agent a total of ~~\$125.00~~ \$200.00 as a new electric service connection fee, payable at the time that the building permits are let. All new connections will be done during normal business hours. All meters so installed shall be and remains the property of the city and shall be maintained and kept in repair by

the department without cost to the user. All temporary electric service shall be metered and all charges imposed by this section shall apply thereto. The city shall charge and collect in advance from the user, property owner, contractor, or agent a total of \$50.00 as a new temporary construction service connection fee or \$50.00 as a new temporary short-term service connection fee, payable at the time that the building permits are let. All temporary service connections will be done during normal business hours.

SECTION 5. REPEALER. Any Ordinances or parts thereof in conflict with the provisions of this Ordinance are hereby repealed to the extent of such conflict.

SECTION 6. SEVERABILITY. The various parts, sections, and clauses of this Ordinance are hereby declared severable. If any part, sentence, paragraph, section, or clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of the Ordinance shall not be affected thereby.

SECTION 7. EFFECTIVE DATE. This Ordinance shall become effective upon passage.

Ordinance No. O-07-2025
Page 11 of 11

**INTRODUCED AND APPROVED AS TO FORM ONLY ON THE FIRST
READING BY THE CITY COUNCIL OF THE CITY OF GREEN COVE
SPRINGS, FLORIDA, ON THIS 6TH DAY OF MAY, 2025.**

CITY OF GREEN COVE SPRINGS, FLORIDA

Steven R. Kelley, Mayor

ATTEST:

Erin West, City Clerk

**PASSED ON SECOND AND FINAL READING BY THE CITY COUNCIL OF
THE CITY OF GREEN COVE SPRINGS, FLORIDA, THIS 20TH DAY OF
MAY, 2025.**

CITY OF GREEN COVE SPRINGS, FLORIDA

Steven R. Kelley, Mayor

ATTEST:

Erin West, City Clerk

APPROVED AS TO FORM:

L. J. Arnold, III, City Attorney



Green Cove Springs Leidos Rate Study and Electric Rates Ordinance

Green Cove Springs

May 6, 2025

All 33 Florida Municipals Are Members of FMMPA

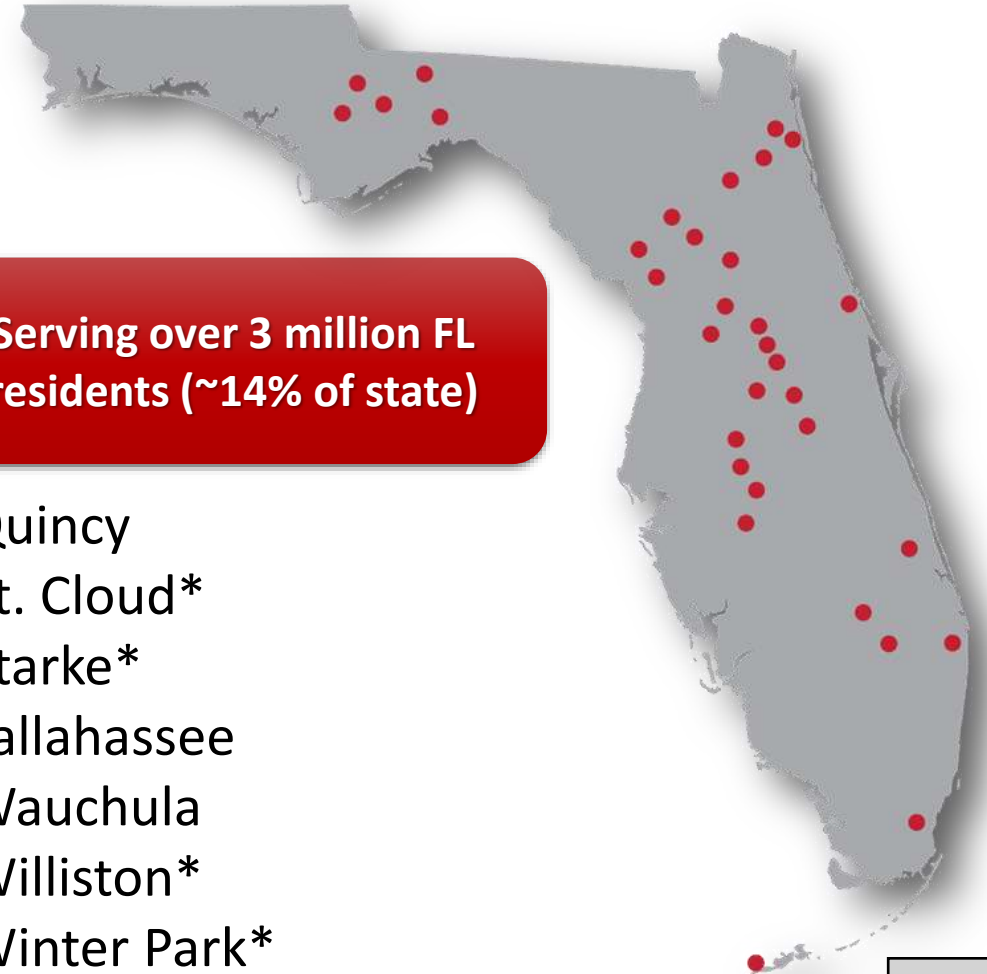
Provides Full Long-Term to 13 and Partial Power Supply to 12

Alachua*
Bartow
Blountstown
Bushnell*
CFTOD*
Chattahoochee
Clewiston*
Fort Meade*
Fort Pierce*
Gainesville
Green Cove Springs*
Town of Havana*
Homestead*

Jacksonville
Jacksonville Beach*
Key West*
Kissimmee*
Lake Worth Beach*
Lakeland*
Leesburg*
Moore Haven*
Mount Dora*
New Smyrna Beach*
Newberry*
Ocala*
Orlando*

Serving over 3 million FL
residents (~14% of state)

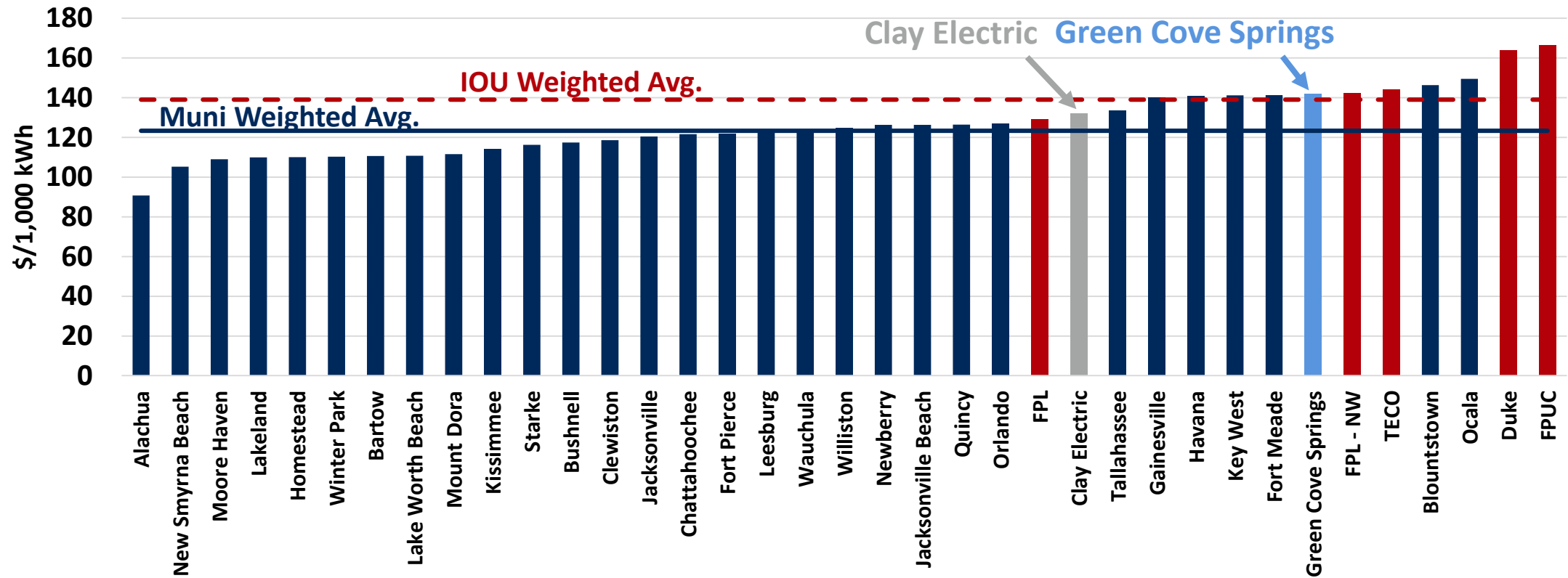
Quincy
St. Cloud*
Starke*
Tallahassee
Wauchula
Williston*
Winter Park*



Green Cove Springs Rates Competitive

Recent Rate Adjustments Completed, PCAs Vary Across State

1,000 kWh Residential Bill Comparison: 12-Month Weighted April 2024 – March 2025

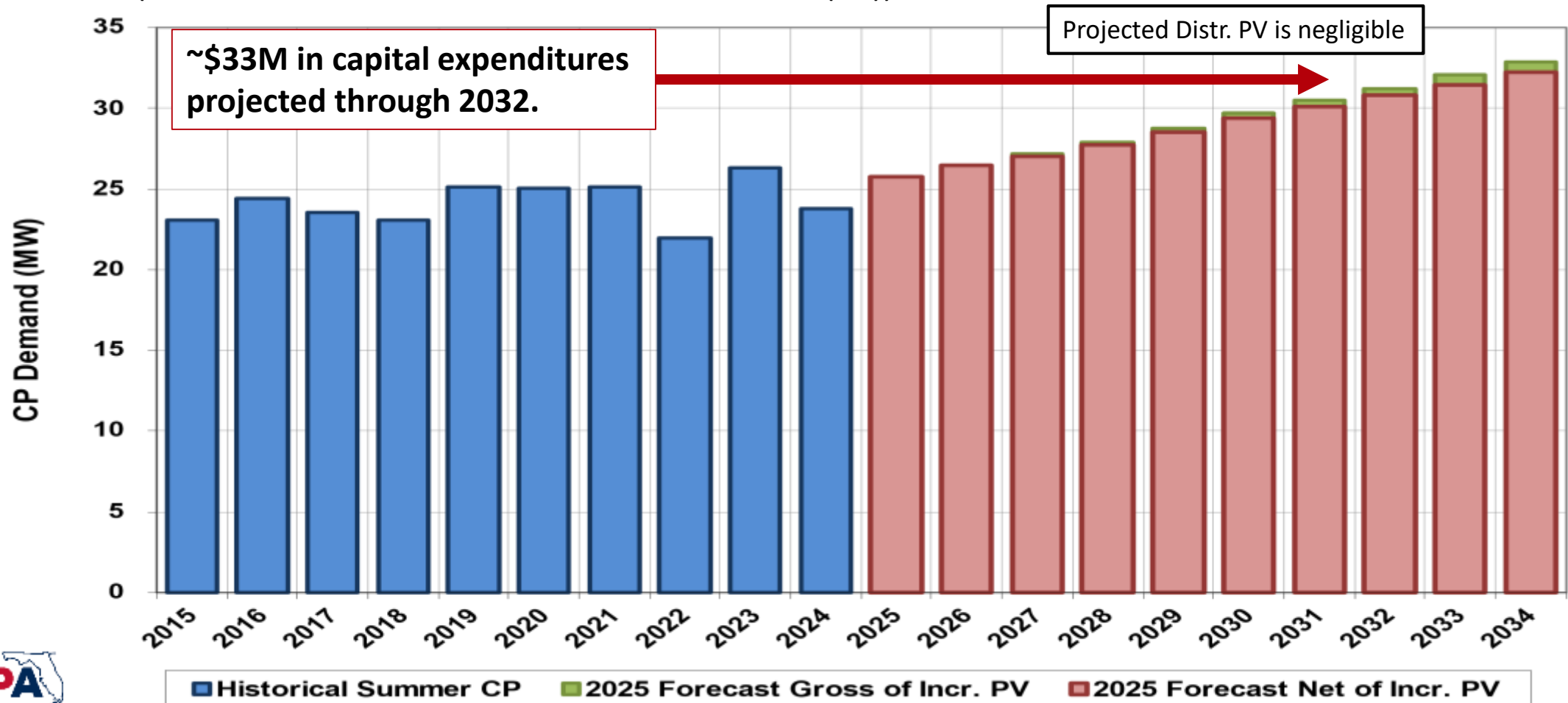


Future Load Growth Expectations Drive Investments

Must Proactively Plan Infrastructure To Support Needs

Projected GCS Delivered Summer Coincident Peak Demand

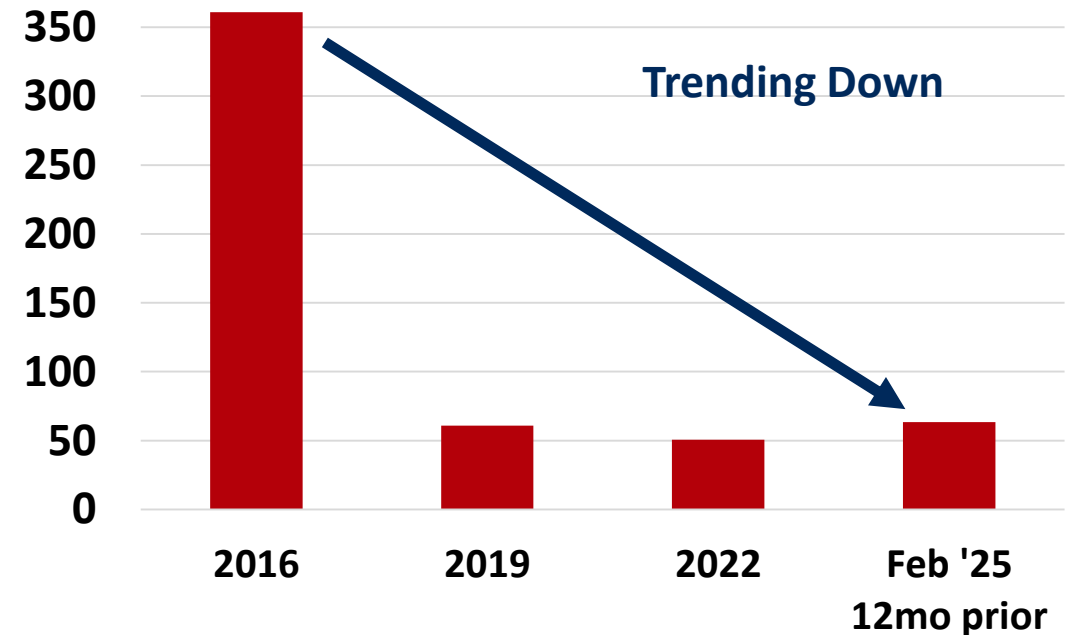
Base Case (Gross and Net of Incremental Distributed Solar (PV))



Reliability and Key Capital Projects Support Utility Growth and System Reliability Focused Efforts

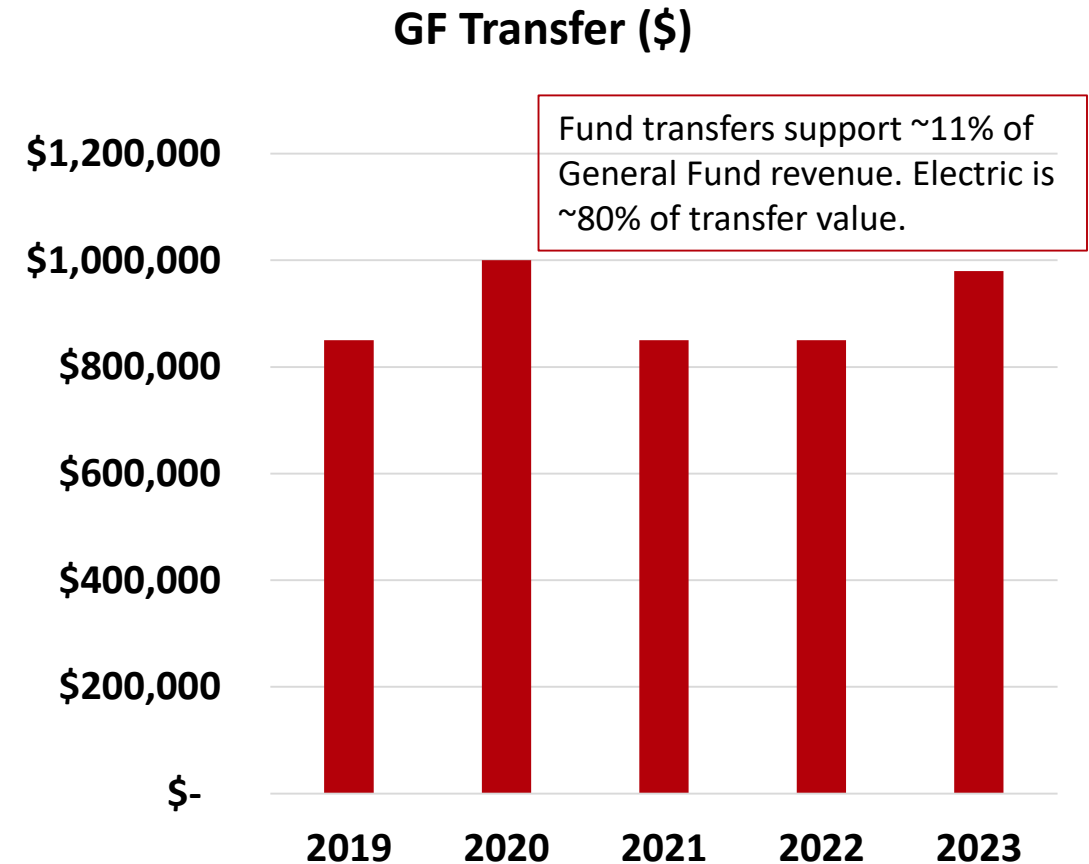
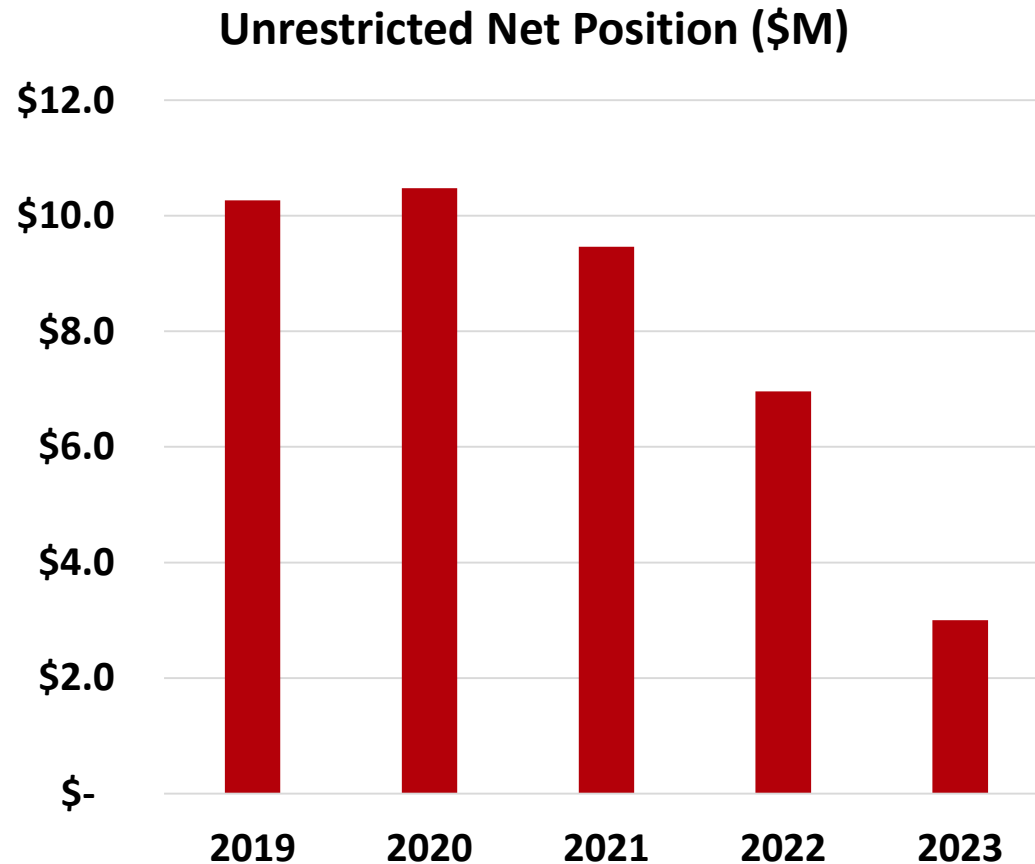
- Reliability capital improvements
 - Working to lower outage durations
 - North end of town voltage conversion
 - Replacing older transformers
- Preparing for growth
 - Rookery subdivision project
 - Magnolia Ave. North feed extension
- Continual improvement to the system benefits all current and new residents

Green Cove Springs Annual and Near-Term Rolling 12-Mo. Average SAIDI (Minutes)



Recent Revenues Insufficient To Cover Electric Cost

Net Position Declining, Electric Transfers ~80% of Total



Leidos Review of Rates Drives Revenue Sufficiency

Capital/O&M Plan With No “Plan of Finance” Rarely Gets Accomplished



Rate study looks across entire electric business to answer key questions to support prioritized plan with sufficient detail.



What are the crucial capital expenditure needs of the enterprise? How will funds be secured?



What new technologies do we want to deploy? Are they high priority?



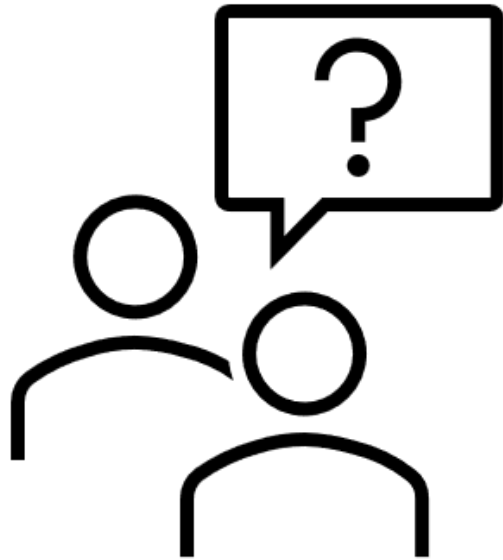
What are the administrative and general costs we expect?



Do we have enough revenue to accomplish our goals?

Impact On Rates Reviewed Iteratively in Leidos Model

Priorities, Timing, Customer Rate Impacts All Part of Equation



As wholesale power costs evolve, model adjusts to ensure break-even on power costs via PCA.



How do rates compare with neighbors? What can we afford, or can expenditures be smoothed?



Are strategic priorities part of adjusted rate structure?

Leidos Rate Study Sought Ideal State for Electric Utility

Key Driving Assumptions Impact Revenue Requirements

- **Retain Utility Value Delivery** - General Fund transfer modeled per electric tariff as 13% of prior year base revenues per year
- **Conservative Basis for Retail Sales** - flat load forecast
- **Accurate Starting Point for Modeling**
 - Capital improvement trust balance adjusted for FY'25
 - FY '24 trued up to reflect actual performance
- **Adequate Funding for Future Capital** - CIP/R&R Fund build modeled as 3% of base revenues in FY '26 – results in ~\$500k per year to R&R and capital reserve

Base Rate Revenue Needed Drives Rate Increases

Based on Modeling By Leidos Over Full Fiscal Year Periods

Projected Additional Base Rate Revenue Needed (\$M)



Base Rate Increase Possible While Staying Competitive

IOU Rate Increases Expected, PCA Strategy Varies By Entity

Utility & Period (Historical or Projected)	Residential Base Charges (\$/MWh) (1,000 kWh)	PCA (\$/MWh)	Total (\$/MWh) (1,000 kWh)
Clay Electric 12-Mo. Avg ³	\$116.00	\$16.00	\$132.00
FPL March 2025 ²	\$110.06	\$24.08	\$134.14
GCS March 2025	\$135.19	\$10.00	\$145.19
FPL NW March 2025 ¹	\$124.20	\$24.08	\$148.28
FPUC March 2025 ¹	\$86.61	\$76.26	\$162.87
GCS Proj. Summer 2025	\$154.12	\$10.00	\$164.12
DEF March 2025 ¹	\$148.13	\$36.30	\$184.43

1 – FMEA rate comparison

2 – FPL website

3 – Clay Electric based on the FKEC Board Book and other public information.

Additional Energy Saving Resources

Visit greencovesprings.com For A Comprehensive List

- Reduce electric usage to offset rate increases
 - Turn up your thermostat
 - Warm or cold water for washing clothes
 - Run dishwasher when it is fully loaded; turn off heated dry cycle
- Explore energy rebate options for qualifying ENERGY STAR® equipment and/or appliances
 - Details and documentation available at greencovesprings.com
- Budget Billing Program applications available
 - Applicants must be ages 65 and older, 100% military-disabled, or on permanent/total social security disability
 - Proof of age and disability are required to participate in this program



April 7, 2025

DRAFT

City of Green Cove Springs
321 Walnut Street
Green Cove Springs, Florida 32043

Florida Municipal Power Agency
8553 Commodity Circle
Orlando, Florida 32819

Subject: **Electric Rate Study Update**

Ladies and Gentleman:

In keeping with the provisions of the agreement between the Florida Municipal Power Agency (FMPA) on behalf of the City of Green Cove Springs, Florida (the City) and Leidos Engineering, LLC. (the firm) and the direction provided by the City management and staff and FMPA, the firm has completed our update of the City's electric rates. The study addresses the fiscal years ending September 30, 2025, 2026 and 2027. The firm has summarized its assumptions and the results of its analyses and conclusions in this report, which is submitted for your consideration. This report summarizes the updated projections of revenues and expenses since the July 2023 Electric Cost of Service Study and provides estimates of projected base rate increases.

In preparing the Electric Rate Study Update, the firm relied upon historical and projected data for the development of operating revenues, operating expenses and capital requirements. Historical data were obtained from various monthly reports, actual customer billing records, and analyses and discussions with members of the City staff and FMPA. Projected data were, in part, derived from the forecast of demand and energy requirements, the Electric Utility Department Operating Budget for Fiscal Year 2025 (the Budget), the most recent purchased power forecast, and detailed information and data compiled and provided by members of the City staff and FMPA.

The projected costs and revenues used in this study are for the fiscal year ending September 30, 2025 through 2027, and have been developed using the Budget as a base. Such costs and revenues, as initially reflected in the Budget, were adjusted for known or anticipated changes (e.g., changes in the cost of purchased power, and detailed projections of revenues).

It should be recognized that the projections contained herein have been based on numerous assumptions and considerations traditionally used in the ratemaking process, e.g., normal weather, accuracy of the Budget, uniform receipt and disbursement of revenues, etc. Thus, the projections are intended to develop unit costs and rates necessary to recover the projected cost of providing electric service over time and are not intended to be statements of actual operational performance.

The existing rates became effective October 1, 2024. The Budget revenues used in this study assume the existing base rates would remain in effect during Fiscal Year 2025.

Leidos Engineering, LLC

12901 Science Drive | Orlando, FL 32826 | tel: 407.648.3538 | leidos.com/engineering

ASSUMPTIONS

The major assumptions and considerations included in the development of the projected annual revenue requirements have been divided into two categories and are listed below:

GENERAL

1. The general economic activity will not have a major impact on the City's electric sales and the annual inflation rate will be approximately 3.0 percent.
2. Existing federal and state environmental laws, including the Clean Air Act Amendments of 1990, the Clean Air Interstate Rule and the Clean Air Mercury Rule, will continue to be implemented, applied and enforced, and no new laws, regulations, rules and interpretations will be imposed on the City or its wholesale suppliers resulting in more stringent environmental restrictions in the near term.
3. There will be no material change in the taxation of fuel used to produce electricity.
4. There will be no material change in the taxation of municipally-owned or municipally financed electric generation or purchased power, transmission and distribution systems.
5. There will be no material change in the level of federal, state or local regulation of municipally-owned utilities.
6. There will be no material change in the City's existing ability to import or export power over the transmission grid.
7. The existing form of governance and policies established by the City will continue throughout the study period.
8. The City will continue to be the exclusive owner and operator of the Electric Utility, including its transmission, distribution, and customer care facilities.

SPECIFIC

1. The fiscal year period ending September 30, 2024 through 2027 revenues and expenses for the Electric Utility and the underlying assumptions included therein provide a reasonable basis and reflect normalized system operation.
2. A No Growth Case sales forecast was the basis for the development of the projected retail energy and demand requirements. It should be recognized that (a) any meaningful variances in the load characteristics of existing or new customers, and/or (b) any differences in expected initiation of service for anticipated new customers, and/or (c) differences in the expected effectiveness of the various conservation programs initiated and contemplated by the City and/or (d) any changes in federal or state legislation that permit customers to select their energy service provider may result in a distortion and/or an over or under recovery of revenue requirements.
3. Power supply costs used herein are predicated in part on cost data provided by FMPA and on the continued purchase of power supply from its wholesale supplier.

4. Expenses for the fiscal years 2024 through 2027 have been increased based on the 2024 and 2025 Budgets and an assumed inflation rate of 3.0 percent per year, except where noted in Table No. 8.
5. Projected purchased power expenses have been estimated based on an analysis of purchased power expenses provided by FMPA and overall kWh usage based on the a No Growth Load Forecast.
6. Existing Debt Service has been projected based on information provided by the City, as shown on Table No. 6.
7. Future Debt Service beginning in fiscal year 2026 has been projected assuming 30-year loans with an annual interest rate of 5 percent.
8. Capital improvement expenditures have been estimated each year, based on a review of the City's Long Range Plan. Table No. 5 shows the detail of the planned capital expenditures and planned funding sources.
9. The amount for the Transfer to the General Fund has been based on 13 percent of base rate revenues, or \$1,844,039 in fiscal year 2025.
10. Projected revenues from existing rates (rates effective October 1, 2024) for fiscal years 2025, 2026, and 2027 are calculated based on a detailed analysis by customer class shown on Table No. 4.
11. Projected Revenues from the Bulk Power Cost Adjustment (BPCA) are based on projected costs shown on Table No. 3.
12. Other Revenue has been projected based on the adopted fiscal year ending September 30, 2025 Budget and is set forth in Table No. 7.
13. An allowance of approximately \$480,000 and \$509,000 for transfers to a Renewal and Replacement (R&R) Fund has been included in fiscal years 2026 and 2027..

SUMMARY OF FINDINGS

ADEQUACY OF EXISTING RATES

The projected number of customers and energy sales by class are based on a No Growth Case and are summarized on Table No. 1.

Table No. 2 shows the rates effective in fiscal years 2024 and 2025. Table No. 3 shows the calculations of the projected Bulk Power Cost Adjustment (BPCA). Table No. 4 shows the detailed calculations of the projected revenues by class based on the existing base rates and the projected BPCA for fiscal years 2025, 2026, and 2027. Table No. 5 sets forth the detailed capital improvement plan and projected funding sources. Table No. 6 shows the existing and projected future debt service payments. Table No. 7 shows the projected other revenues available. Table No. 8 shows the detailed calculations of the projected revenue requirements and projected revenues.

Based on the Base Case assumptions and projections shown on Table No. 8, the existing base rates and the associated revenues will result in a shortfall of approximately \$2.0 million in fiscal year 2025, \$2.9 million in fiscal year 2026, \$3.3 million in fiscal year 2027, projecting a need for base rate increases of 14%, 6%, and 2%, respectively. The results are summarized below:

Description	Projected Fiscal Year (\$000)		
	2025	2026	2027
Revenue Requirements	\$24,792	\$20,862	\$20,971
Existing Rate Revenue	15,591	15,635	15,942
Base Rate Increase 14% , 6% , 2%	1,964	2,924	3,263
Loan Proceeds	5,500	2,000	1,500
Capital Improvement Trust	1,412	0	0
Other Revenue	363	374	385
Difference	<u>\$38</u>	<u>\$71</u>	<u>\$119</u>

In addition to the Base Case assumptions, alternative cases were analyzed, including: (i) Transfers to the General Fund of \$870,000, \$1,000,000 and \$1,300,000 in fiscal years 2025, 2026, and 2027, respectively, (ii) deferral of approximately \$500,000 in reserve funding until fiscal year 2027, in addition to the above, and (iii) deferral of capital needs for the new facility until fiscal year 2027, in addition to the above.

CONCLUSIONS

Based upon the results of the firm's studies and analyses as summarized in this report, which should be read in its entirety in conjunction with the following, and upon the numerous underlying assumptions and considerations relied upon in making such analyses and incorporated by reference herein, and the data and information provided by the City's management and staff and others, the firm is of the opinion that:

- (i) The existing rates are projected to produce revenues that are less than the projected revenue requirements in the fiscal years ending September 30, 2025, 2026, and 2027;
- (ii) The City should consider increasing the base rates by 14 percent in the fiscal year ending September 30, 2025, followed by additional base rate increases in fiscal years 2026 and 2027; and
- (iii) The Electric Utility Department should continue to monitor the cost of purchased power and should make adjustments, if necessary, to its BPCA to reflect such costs and conditions and to minimize the potential to under recover or over recover its purchased power costs.

City of Green Cove Springs
Florida Municipal Power Agency
April 7, 2025
Page 5

The firm is prepared to assist the City in presenting its analyses and proposed rates to the City Council and to assist the City with public meetings, and with presentations in connection with the adoption and implementation of the proposed rates.

The firm wants to take this opportunity to express its appreciation for the spirited cooperation and valuable assistance given us throughout the course of this study by the City management and FMPA staff.

Respectfully submitted,

LEIDOS ENGINEERING, LLC

CITY OF GREEN COVE SPRINGS, FLORIDA
Electric Rate Study Update

Projected Customers and Energy Sales (MWh) [1]
Fiscal Years 2023-2027

Ln. No.	Customer Classes	2023	2024	2025	2026	2027
	(a)	(b)	(c)	(d)	(e)	(f)
<u>Average Number of Customers</u>						
1	Residential	3,746	3,751	3,751	3,751	3,751
Commercial						
2	General Service Non-Demand	558	564	564	564	564
3	General Service Demand	157	160	160	160	160
4	Subtotal Commercial	715	724	724	724	724
5	City	86	86	86	86	86
6	Subtotal Ultimate Customers	4,547	4,561	4,561	4,561	4,561
7	Resale	1	0	0	0	0
8	TOTAL NUMBER OF CUSTOMERS	4,548	4,561	4,561	4,561	4,561
<u>Energy Sales (MWh)</u>						
9	Residential	54,035	52,264	52,264	52,264	52,264
Commercial						
10	General Service Non-Demand	8,540	8,756	8,756	8,756	8,756
11	General Service Demand	40,245	42,593	42,593	42,593	42,593
12	Subtotal Commercial	48,785	51,349	51,349	51,349	51,349
13	City	3,731	4,168	4,168	4,168	4,168
14	Subtotal Sales to Ultimate Customers	106,551	107,781	107,781	107,781	107,781
15	Resale	3,306	0	0	0	0
16	TOTAL ENERGY SALES (MWh)	109,857	107,781	107,781	107,781	107,781

[1] Based on the FMPS 2025 Forecast and assumed no growth.

CITY OF GREEN COVE SPRINGS, FLORIDA
Electric Rate Study Update

Summary of Existing and Proposed Rates and Charges

Ln. No.	Rate Description (a)	Unit (b)	FY 2024 (c)	FY 2025 (d)
<u>Residential Service</u>				
1	Monthly Customer Charge	\$/Mo.	\$15.00	\$16.50
<u>Energy Charges</u>				
2	First 1,000 kWh	\$/kWh	\$0.10790	\$0.11869
3	Additional kWh	\$/kWh	\$0.11222	\$0.12344
<u>General Service Non-Demand</u>				
4	Monthly Customer Charge	\$/Mo.	\$15.00	\$16.50
5	Energy Charge	\$/kWh	\$0.11470	\$0.12617
<u>General Service Demand</u>				
6	Monthly Customer Charge	\$/Mo.	\$60.00	\$66.00
7	Demand Charge	\$/kW	\$9.01	\$9.91
8	Energy Charge	\$/kWh	\$0.08432	\$0.09275
<u>General Service Large Demand</u>				
9	Monthly Customer Charge	\$/Mo.	\$250.00	\$275.00
10	Demand Charge	\$/kW	\$10.07	\$11.08
11	Energy Charge	\$/kWh	\$0.07402	\$0.08142
<u>Bulk Power Cost Adjustment (BPCA)</u>				
12	Effective October 1	\$/kWh	\$0.00000	TBD

CITY OF GREEN COVE SPRINGS, FLORIDA
Electric Rate Study Update

Calculation of Bulk Power Cost Adjustment
Fiscal Year Ending September 30

Ln. No.	Description	2024	2025	2026	2027	2028	2029	2030	2031	2032
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
	<u>Bulk Power Costs (BPC) [1]</u>									
1	Purchase of Energy	\$8,039,667	\$9,550,000	\$9,574,996	\$9,862,246	\$10,158,113	\$10,462,857	\$10,776,742	\$11,100,045	\$11,433,046
2	St. Lucie Participation	\$592,131	\$650,000	\$669,500	\$689,585	\$710,273	\$731,581	\$753,528	\$776,134	\$799,418
3	Total Power Costs	<u>\$8,631,798</u>	<u>\$10,200,000</u>	<u>\$10,244,496</u>	<u>\$10,551,831</u>	<u>\$10,868,386</u>	<u>\$11,194,437</u>	<u>\$11,530,270</u>	<u>\$11,876,179</u>	<u>\$12,232,464</u>
4	Bulk Power Cost True-up (BPCT)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	Rate Stabilization Fund Adjustment (RSFA)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Adjusted Total Power Costs	<u>\$8,631,798</u>	<u>\$10,200,000</u>	<u>\$10,244,496</u>	<u>\$10,551,831</u>	<u>\$10,868,386</u>	<u>\$11,194,437</u>	<u>\$11,530,270</u>	<u>\$11,876,179</u>	<u>\$12,232,464</u>
7	Total Energy Purchased (kWh)	115,547,000	115,547,000	115,547,000	115,547,000	115,547,000	115,547,000	115,547,000	115,547,000	115,547,000
8	Total Cost Per kWh Purchased	<u>\$0.0747</u>	<u>\$0.0883</u>	<u>\$0.0887</u>	<u>\$0.0913</u>	<u>\$0.0941</u>	<u>\$0.0969</u>	<u>\$0.0998</u>	<u>\$0.1028</u>	<u>\$0.1059</u>
9	System Loss Factor	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07
10	Total Energy Sales (kWh)	107,781,000	107,781,000	107,781,000	107,781,000	107,781,000	107,781,000	107,781,000	107,781,000	107,781,000
11	Total Cost Per kWh Sold	<u>\$0.0801</u>	<u>\$0.0946</u>	<u>\$0.0950</u>	<u>\$0.0979</u>	<u>\$0.1008</u>	<u>\$0.1039</u>	<u>\$0.1070</u>	<u>\$0.1102</u>	<u>\$0.1135</u>
12	Power Cost Base (PCB)	0.06015	0.08015	0.08015	0.08015	0.08015	0.08015	0.08015	0.08015	0.08015
13	Bulk Power Cost Adjustment (BPCA)	<u>0.01994</u>	<u>0.01449</u>	<u>0.01490</u>	<u>0.01775</u>	<u>0.02069</u>	<u>0.02371</u>	<u>0.02683</u>	<u>0.03004</u>	<u>0.03334</u>

[1] Based on information provided by the City and FMPA.

CITY OF GREEN COVE SPRINGS, FLORIDA
Electric Rate Study Update
Projected Revenues at
EXISTING RATES
Fiscal Year Ending September 30, 2025

Ln. No.	Customer Class Description (a)	Existing Rate (b)	Billing Determinants (c)	Base Rate Revenue (d)	BPCA Revenue (e)	Total Revenue (f)
Residential						
1	Customer Charge	\$16.50	45,012	\$ 742,698	\$ -	\$ 742,698
2	Energy Charge < 1,000 kWh	\$ 0.11869	38,675,360	4,590,378	-	4,590,378
3	Energy Charge > 1,000 kWh	\$ 0.12344	13,588,640	1,677,382	-	1,677,382
4	Bulk Power Cost Adjustment	\$ 0.01449	52,264,000	-	757,305	757,305
5	Total Residential			\$ 7,010,458	\$ 757,305	\$ 7,767,764
Commercial						
General Service Non-Demand						
6	Customer Charge	\$16.50	6,768	\$ 111,672	\$ -	\$ 111,672
7	Energy Charge	\$ 0.12617	8,756,000	1,104,745	-	1,104,745
8	Bulk Power Cost Adjustment	\$ 0.01449	8,756,000	-	126,874	126,874
9	<i>Subtotal GSND</i>			\$ 1,216,417	\$ 126,874	\$ 1,343,291
General Service Demand						
10	Customer Charge	\$66.00	1,920	\$ 126,720	\$ -	\$ 126,720
11	Demand Charge	\$9.91	139,193	1,379,401	-	1,379,401
12	Energy Charge	\$ 0.09275	42,593,000	3,950,501	-	3,950,501
13	Bulk Power Cost Adjustment	\$ 0.01449	42,593,000	-	617,173	617,173
14	<i>Subtotal General Service Demand</i>			\$ 5,456,622	\$ 617,173	\$ 6,073,794
15	Total Commercial			\$ 6,673,038	\$ 744,047	\$ 7,417,085
16	City		4,168,000	\$ 345,501	\$ 60,394	\$ 405,895
17	Subtotal Ultimate Customers			\$ 14,028,997	\$ 1,561,747	\$ 15,590,744
18	Resale (Included in Residential)		-	\$ -	\$ -	\$ -
19	TOTAL SYSTEM 2025 REVENUES			\$ 14,028,997	\$ 1,561,747	\$ 15,590,744

CITY OF GREEN COVE SPRINGS, FLORIDA
Electric Rate Study Update
Projected Revenues at
EXISTING RATES
Fiscal Year Ending September 30, 2026

Ln. No.	Customer Class Description (a)	Existing Rate (b)	Billing Determinants (c)	Base Rate Revenue (d)	BPCA Revenue (e)	Total Revenue (f)
Residential						
1	Customer Charge	\$16.50	45,012	\$ 742,698	\$ -	\$ 742,698
2	Energy Charge < 1,000 kWh	\$ 0.11869	38,675,360	4,590,378	-	4,590,378
3	Energy Charge > 1,000 kWh	\$ 0.12344	13,588,640	1,677,382	-	1,677,382
4	Bulk Power Cost Adjustment	\$ 0.01490	52,264,000	-	778,734	778,734
5	Total Residential			\$ 7,010,458	\$ 778,734	\$ 7,789,192
Commercial						
General Service Non-Demand						
6	Customer Charge	\$16.50	6,768	\$ 111,672	\$ -	\$ 111,672
7	Energy Charge	\$ 0.12617	8,756,000	1,104,745	-	1,104,745
8	Bulk Power Cost Adjustment	\$ 0.01490	8,756,000	-	130,464	130,464
9	<i>Subtotal GSND</i>			\$ 1,216,417	\$ 130,464	\$ 1,346,881
General Service Demand						
10	Customer Charge	\$66.00	1,920	\$ 126,720	\$ -	\$ 126,720
11	Demand Charge	\$9.91	139,193	1,379,401	-	1,379,401
12	Energy Charge	\$ 0.09275	42,593,000	3,950,501	-	3,950,501
13	Bulk Power Cost Adjustment	\$ 0.01490	42,593,000	-	634,636	634,636
14	<i>Subtotal General Service Demand</i>			\$ 5,456,622	\$ 634,636	\$ 6,091,257
15	Total Commercial			\$ 6,673,038	\$ 765,100	\$ 7,438,138
16	City		4,168,000	\$ 345,501	\$ 62,103	\$ 407,604
17	Subtotal Ultimate Customers			\$ 14,028,997	\$ 1,605,937	\$ 15,634,934
18	Resale (Included in Residential)		-	\$ -	\$ -	\$ -
19	TOTAL SYSTEM 2026 REVENUES			\$ 14,028,997	\$ 1,605,937	\$ 15,634,934

CITY OF GREEN COVE SPRINGS, FLORIDA
Electric Rate Study Update
Projected Revenues at
EXISTING RATES
Fiscal Year Ending September 30, 2027

Ln. No.	Customer Class Description (a)	Existing Rate (b)	Billing Determinants (c)	Base Rate Revenue (d)	BPCA Revenue (e)	Total Revenue (f)
Residential						
1	Customer Charge	\$16.50	45,012	\$ 742,698	\$ -	\$ 742,698
2	Energy Charge < 1,000 kWh	\$ 0.11869	38,675,360	4,590,378	-	4,590,378
3	Energy Charge > 1,000 kWh	\$ 0.12344	13,588,640	1,677,382	-	1,677,382
4	Bulk Power Cost Adjustment	\$ 0.01775	52,264,000	-	927,686	927,686
5	Total Residential			\$ 7,010,458	\$ 927,686	\$ 7,938,144
Commercial						
General Service Non-Demand						
6	Customer Charge	\$16.50	6,768	\$ 111,672	\$ -	\$ 111,672
7	Energy Charge	\$ 0.12617	8,756,000	1,104,745	-	1,104,745
8	Bulk Power Cost Adjustment	\$ 0.01775	8,756,000	-	155,419	155,419
9	<i>Subtotal GSND</i>			\$ 1,216,417	\$ 155,419	\$ 1,371,836
General Service Demand						
10	Customer Charge	\$66.00	1,920	\$ 126,720	\$ -	\$ 126,720
11	Demand Charge	\$9.91	139,193	1,379,401	-	1,379,401
12	Energy Charge	\$ 0.09275	42,593,000	3,950,501	-	3,950,501
13	Bulk Power Cost Adjustment	\$ 0.01775	42,593,000	-	756,026	756,026
14	<i>Subtotal General Service Demand</i>			\$ 5,456,622	\$ 756,026	\$ 6,212,647
15	Total Commercial			\$ 6,673,038	\$ 911,445	\$ 7,584,483
16	City		4,168,000	\$ 345,501	\$ 73,982	\$ 419,483
17	Subtotal Ultimate Customers			\$ 14,028,997	\$ 1,913,113	\$ 15,942,110
18	Resale (Included in Residential)		-	\$ -	\$ -	\$ -
19	TOTAL SYSTEM 2027 REVENUES			\$ 14,028,997	\$ 1,913,113	\$ 15,942,110

CITY OF GREEN COVE SPRINGS, FLORIDA
Electric Rate Study Update

Summary of Capital Improvement Projects and Funding Sources

Line No.	Projects	2024	2025	2026	2027	2028	2029	2030	2031	2032	Estimated Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	<u>Proposed Long Range Plan Expenditures [1]</u>										
1	Distribution Line Project 1	-	\$2,800,000	-	-	-	-	-	-	-	\$2,800,000
2	Substation Project - Chapman T1	-	-	-	-	\$2,200,438	-	-	-	-	\$2,200,438
3	Distribution Line Project 2	-	-	\$1,880,000	-	-	-	-	-	-	\$1,880,000
4	Voltage Conversion Project 101	-	-	-	\$1,387,000	-	-	-	-	-	\$1,387,000
5	Voltage Conversion Project 102	-	-	-	-	\$1,532,000	-	-	-	-	\$1,532,000
6	Voltage Conversion Project 103	-	-	-	-	-	-	\$1,593,000	-	-	\$1,593,000
7	Substation Project - New Substation	-	-	-	-	\$6,349,840	-	-	-	-	\$6,349,840
8	Distribution Line Project 3	-	-	-	-	-	-	\$250,000	-	-	\$250,000
9	Distribution Line Project 4	-	-	-	-	-	-	-	-	\$368,000	\$368,000
10	Total Proposed Expenditures	\$0	\$2,800,000	\$1,880,000	\$1,387,000	\$10,082,278	\$0	\$1,843,000	\$0	\$368,000	\$18,360,278
	<u>Proposed Expenditures Including Inflation [2]</u>										
11	Distribution Line Project 1	-	\$3,028,480	-	-	-	-	-	-	-	\$3,028,480
12	Substation Project - Chapman T1	-	-	-	-	\$2,677,169	-	-	-	-	\$2,677,169
13	Distribution Line Project 2	-	-	2,114,744	-	-	-	-	-	-	\$2,114,744
14	Voltage Conversion Project 101	-	-	-	1,622,594	-	-	-	-	-	\$1,622,594
15	Voltage Conversion Project 102	-	-	-	-	1,863,912	-	-	-	-	\$1,863,912
16	Voltage Conversion Project 103	-	-	-	-	-	-	2,096,279	-	-	\$2,096,279
17	Substation Project - New Substation	-	-	-	-	7,725,551	-	-	-	-	\$7,725,551
18	Distribution Line Project 3	-	-	-	-	-	-	328,983	-	-	\$328,983
19	Distribution Line Project 4	-	-	-	-	-	-	-	-	523,779	\$523,779
20	Total Long Range Plan Expenditures	\$0	\$3,028,480	\$2,114,744	\$1,622,594	\$12,266,633	\$0	\$2,425,262	\$0	\$523,779	\$21,981,492
21	New Electric Department Complex		\$5,000,000	-	-	-	-	-	-	-	\$5,000,000
22	Other Capital Expenses	\$600,500	\$624,520	\$649,501	\$675,481	\$702,500	\$730,600	\$759,824	\$790,217	\$821,826	\$6,354,969
23	Total Capital Expenses	\$600,500	\$8,653,000	\$2,764,245	\$2,298,075	\$12,969,133	\$730,600	\$3,185,086	\$790,217	\$1,345,604	\$33,336,461
	<u>Funding Source</u>										
24	Existing Loans	-	-	-	-	-	-	-	-	-	-
25	Capital Improvement Trust	-	1,412,325	-	-	1,500,000	-	-	-	-	2,912,325
26	Future Loans or Bonds	-	5,500,000	2,000,000	1,500,000	10,000,000	-	2,000,000	-	-	21,000,000
27	Lot Fees	-	200,000	200,000	200,000	200,000	-	200,000	-	200,000	1,200,000
28	Electric System Revenues	600,500	1,540,675	564,245	598,075	1,269,133	730,600	985,086	790,217	1,145,604	8,224,136
29	Transfers from Reserves	-	-	-	-	-	-	-	-	-	-
30	Total Funding Sources	\$600,500	\$8,653,000	\$2,764,245	\$2,298,075	\$12,969,133	\$730,600	\$3,185,086	\$790,217	\$1,345,604	\$33,336,461

[1] Amounts shown are based on the 2022 Long Range Plan. Costs do not include inflation, cost of money or losses.

[2] Costs include inflation assumed at 4.0% per year.

CITY OF GREEN COVE SPRINGS, FLORIDA

Electric Rate Study Update

[Debt Service Detail \[1\]](#)

Fiscal Year Ending September 30

Ln. No.	Description	Projected									
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
<u>Electric Revenue Bonds</u>											
<u>Refunding Note Series 2021</u>											
1	Principal	\$ 708,000	\$ 720,000	\$ 733,000	\$ 746,000	\$ 758,000	\$ 771,000	\$ 784,000	\$ 797,000	\$ 812,000	\$ 825,000
2	Interest	<u>145,400</u>	<u>133,279</u>	<u>120,953</u>	<u>108,404</u>	<u>95,632</u>	<u>82,655</u>	<u>69,456</u>	<u>56,034</u>	<u>42,389</u>	<u>28,488</u>
3	Total Series 2021	\$ 853,400	\$ 853,279	\$ 853,953	\$ 854,404	\$ 853,632	\$ 853,655	\$ 853,456	\$ 853,034	\$ 854,389	\$ 853,488
4	Total Existing Debt Service	\$ 853,400	\$ 853,279	\$ 853,953	\$ 854,404	\$ 853,632	\$ 853,655	\$ 853,456	\$ 853,034	\$ 854,389	\$ 853,488
<u>Future Debt Service [2]</u>											
5	<u>Future Series 2025 [3]</u>	\$ -	\$ -	\$ -	\$ 357,783	\$ 357,783	\$ 357,783	\$ 357,783	\$ 357,783	\$ 357,783	\$ 357,783
6	<u>Future Series 2026 [4]</u>	\$ -	\$ -	\$ -	\$ 227,680	\$ 227,680	\$ 227,680	\$ 227,680	\$ 227,680	\$ 227,680	\$ 227,680
7	<u>Future Series 2028 [5]</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 650,514	\$ 650,514	\$ 650,514	\$ 650,514	\$ 650,514
8	<u>Future Series 2030 [6]</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 726,489</u>	<u>\$ 726,489</u>	<u>\$ 726,489</u>
9	Total Future Debt Service	\$ -	\$ -	\$ -	\$ 585,463	\$ 585,463	\$ 1,235,977	\$ 1,235,977	\$ 1,962,466	\$ 1,962,466	\$ 1,962,466
10	TOTAL DEBT SERVICE	<u>\$ 853,400</u>	<u>\$ 853,279</u>	<u>\$ 853,953</u>	<u>\$ 1,439,867</u>	<u>\$ 1,439,095</u>	<u>\$ 2,089,632</u>	<u>\$ 2,089,433</u>	<u>\$ 2,815,500</u>	<u>\$ 2,816,855</u>	<u>\$ 2,815,954</u>

[1] Amounts shown reflect the allocable share of accrued payments of principal and interest and exclude interest expense funded from bond proceeds.

[2] Estimated based on the projected capital expenditure based on the Long Term Plan.

[3] Assumes level debt service on \$5,500,000 for 30 years at 5%.

[4] Assumes level debt service on \$3,500,000 for 30 years at 5%.

[5] Assumes level debt service on \$10,000,000 for 30 years at 5%.

[6] Assumes level debt service on \$2,000,000 for 30 years at 5%.

CITY OF GREEN COVE SPRINGS, FLORIDA**Electric Rate Study Update****Summary of Other Electric Revenues***Fiscal Year Ending September 30*

Ln. No.	Description	Budget 2024	Adjustments to Budget	Adjusted Test Year Revenues	2025	2026	2027
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
<u>Other Electric Revenues</u>							
1	Night Lights	\$68,500	\$8,639	\$77,139	\$70,000	\$72,100	\$74,263
2	Electric Connection	10,000	(5,625)	4,375	5,000	5,150	5,305
3	Electric Department Services	0	20,494	20,494	13,000	13,390	13,792
4	Tempory Service Connection Fee	3,500	(100)	3,400	3,500	3,605	3,713
5	Pole Rental	51,600	(579)	51,021	51,600	53,148	54,742
6	Developers Agreement	0	0	0	0	0	0
7	Interest FSBA	100,000	115,206	215,206	107,049	110,260	113,568
8	Sale of Surplus	15,000	(8,470)	6,530	5,000	5,150	5,305
9	Bad Debts Collected	6,000	(3,929)	2,071	3,000	3,090	3,183
10	Miscellaneous Income	20,000	10,173	30,173	30,202	31,108	32,041
11	Miscellaneous / Late Fees	75,000	8,298	83,298	75,000	77,250	79,568
12	DSM Revenue	5,000	(2,012)	2,988	0	0	0
13	Total Other Electric Revenues	<u>\$354,600</u>	<u>\$142,095</u>	<u>\$496,695</u>	<u>\$363,351</u>	<u>\$374,252</u>	<u>\$385,479</u>

*Based on the 2024 Electric Budget provided by the City.

CITY OF GREEN COVE SPRINGS, FLORIDA

Electric Rate Study Update

Summary of Projected Revenue Requirements and Existing Rate Revenues - Base Case

Fiscal Year Ending September 30

Ln. No.	Description	Budget 2024 [1]	Adjustments to Budget 2024	2024 Revenue Requirements	Budget 2025 [1]	Adjustments to Budget 2025	2025 Revenue Requirements	2026 Revenue Requirements	2027 Revenue Requirements	2028 Revenue Requirements	2029 Revenue Requirements	2030 Revenue Requirements	2031 Revenue Requirements	2032 Revenue Requirements
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
1	Personal Services	\$1,592,722	\$64,110	\$1,656,832	\$1,702,527	\$0	\$1,702,527	\$1,753,603	\$1,806,211	\$1,860,397	\$1,916,209	\$1,973,695	\$2,032,906	\$2,093,893
	Operating Expenses													
2	Purchase of Energy	11,000,000	(2,915,855)	8,084,145	9,550,000	0	9,550,000	9,574,996	9,862,246	10,158,113	10,462,857	10,776,742	11,100,045	11,433,046
3	St. Lucie Participation	643,824	(51,693)	592,131	650,000	0	650,000	669,500	689,585	710,273	731,581	753,528	776,134	799,418
4	Materials and Supplies	425,000	(166,212)	258,788	425,000	0	425,000	437,750	450,883	464,409	478,341	492,691	507,472	522,696
5	Tree Trimming	225,000	(3,006)	221,994	275,000	0	275,000	283,250	291,748	300,500	309,515	318,800	328,364	338,215
6	Cost Recovery and Allocation	425,491	0	425,491	425,491	0	425,491	438,256	451,403	464,946	478,894	493,261	508,059	523,300
7	Customer Service Allocation	262,842	0	262,842	388,783	0	388,783	400,446	412,460	424,834	437,579	450,706	464,227	478,154
8	Other Operating Expenses	491,734	4,379	496,113	525,234	0	525,234	540,991	557,221	573,937	591,155	608,890	627,157	645,972
9	Total Operating Expenses	13,473,891	(3,132,387)	10,341,504	12,239,508	0	12,239,508	12,345,189	12,715,545	13,097,011	13,489,922	13,894,619	14,311,458	14,740,801
10	Capital Outlay	4,816,000	(4,534,423)	281,577	8,152,000	0	8,152,000	2,764,245	2,298,075	12,969,133	730,600	3,185,086	790,217	1,345,604
	Non Operating Expenses													
11	Transfer to General Fund	986,000	0	986,000	870,000	974,039	1,844,039	2,079,097	2,203,843	2,247,920	2,427,754	2,427,754	2,549,141	2,549,141
12	Existing Debt Service	853,300	(21)	853,279	853,953	0	853,953	854,404	853,632	853,655	853,456	853,034	854,389	853,488
13	Future Debt Service	0	0	0	0	0	0	585,463	585,463	1,235,977	1,235,977	1,962,466	1,962,466	1,962,466
14	R&R Fund	0	0	0	0	0	0	479,792	508,579	518,751	560,251	560,251	588,263	588,263
15	Total Non Operating Expenses	1,839,300	(21)	1,839,279	1,723,953	974,039	2,697,992	3,998,756	4,151,517	4,856,303	5,077,438	5,803,505	5,954,260	5,953,359
16	TOTAL REVENUE REQUIREMENTS	21,721,913	(7,602,721)	14,119,192	23,817,988	974,039	24,792,027	20,861,793	20,971,348	32,782,844	21,214,168	24,856,906	23,088,841	24,133,658
	Projected Revenue													
17	Power Cost Base Rate Revenues			6,483,027			8,638,647	8,638,647	8,638,647	8,638,647	8,638,647	8,638,647	8,638,647	8,638,647
18	Other Existing Base Rate Revenues			7,701,891			5,390,350	5,390,350	5,390,350	5,390,350	5,390,350	5,390,350	5,390,350	5,390,350
19	Total Existing Base Rate Revenues	17,250,000	(3,065,082)	14,184,918	16,489,000	(2,460,003)	14,028,997	14,028,997	14,028,997	14,028,997	14,028,997	14,028,997	14,028,997	14,028,997
20	Base Rate Increases [2]	0	0	0	0	0	1,964,060	2,923,643	3,262,696	4,646,031	4,646,031	5,579,783	5,579,783	6,168,046
21	Bulk Power Cost Adjustment Revenues	0	(1,500,000)	(1,500,000)	(34,363)	1,596,110	1,561,747	1,605,937	1,913,113	2,229,739	2,555,790	2,891,623	3,237,531	3,593,817
22	Rate Stabilization Fund	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Fund Balance	1,117,313	(1,117,313)	0	0	0	0	0	0	0	0	0	0	0
24	Capital Improvement Trust	0	855,919	855,919	2,000,000	(587,675)	1,412,325	0	0	1,500,000	0	0	0	0
25	Loan Proceeds	3,000,000	(3,000,000)	0	5,000,000	500,000	5,500,000	2,000,000	1,500,000	10,000,000	0	2,000,000	0	0
26	Grants	0	250,000	250,000	0	0	0	0	0	0	0	0	0	0
27	Other Revenue	354,600	142,095	496,695	363,351	0	363,351	374,252	385,479	397,043	408,955	421,223	433,860	446,876
28	TOTAL REVENUES	21,721,913	(7,434,381)	14,287,532	23,817,988	(951,568)	24,830,479	20,932,828	21,090,284	32,801,810	21,639,773	24,921,626	23,280,171	24,237,735
29	Revenue Surplus or (Deficiency)	\$0		\$168,340	\$0		\$38,452	\$71,035	\$118,937	\$18,966	\$425,604	\$64,720	\$191,330	\$104,077
	Surplus or (Deficiency) as a % of:													
30	Existing Base Rate Revenues	0.0%		1.2%	0.0%		0.3%	0.5%	0.8%	0.1%	3.0%	0.5%	1.4%	0.7%
31	Existing Base Rate and BPCA Revenues	0.0%		1.3%	0.0%		0.2%	0.5%	0.7%	0.1%	2.6%	0.4%	1.1%	0.6%
32	Operating Ratio (Line 9)/(Lines 17+18+19)						69.7%	66.5%	66.2%	62.7%	63.5%	61.8%	62.6%	62.0%

[1] Based on the 2024 and 2025 Budgets provided by the City.

[2] Base rate increases of 14% in 2025, 6% in 2026, 2% in 2027, 8% in 2028, 5% in 2030 and 3% in 2032.