

## **Section A – Budget Overview**

### System Overview

#### *Electric System*

The Energy Supply department operates the J.R. Kelly Generating Station with a net summer generation capability of 112 Megawatts (MW), the Deerhaven Generating Station with a total net summer generation capability of 417 MW, and the South Energy Center with a net summer capability of 3.5 MW. In addition, the System also has two Power Purchase Agreements (PPA): one for all of the available energy, delivered energy and environmental attributes from a 102.5 MW biomass fuel generating facility, Gainesville Renewable Energy Center (GREC), located on property leased from GRU and one for the entire output generated from landfill gas derived from the Baseline Landfill in Marion County, which has a net summer capability of 3 MW. The total combined generating and PPA resources for GRU are 638 MW.

The Energy Delivery department operates 120 miles of 138 Kilovolt (KV) and 230 KV transmission lines, 563 miles of 12 KV overhead distribution lines, 852 miles of 12 KV underground distribution lines, and 13 substations. The Department is also responsible for the construction and maintenance of all GRU-owned substations as well as all transmission and distribution infrastructure including: conductors, cables and wires, poles, protection devices, isolating and interrupting devices, voltage regulators, meters, control systems and lighting systems.

#### *Water System*

The Water System is responsible for operating and maintaining the Murphree Water Treatment Plant, which has a treatment capacity of 54 million gallons of water per day (MGD). The plant is responsible for providing safe, reliable, high-quality drinking water to customers at acceptable pressures and volumes. The System is also responsible for construction, operation and maintenance of over 1,130 miles of water transmission and distribution main, as well as the installation and maintenance of water meters, fire hydrants and backflow prevention devices.

#### *Wastewater System*

The Wastewater System operates and maintains the 14.9 MGD at Kanapaha Water Reclamation Facility, the 7.5 MGD at Main Street Water Reclamation Facility, 165 lift stations, 629 miles of gravity main and 139 miles of associated force main. Responsibilities include pumping, treating and discharging high-quality treated effluent that meets federal and state drinking water standards, and providing high-quality reclaimed water to residential and business customers primarily for irrigation. The Wastewater System also administers the utility's industrial pretreatment, biosolids, grease and backflow prevention programs.

#### *Gas System*

The Gas System covers approximately 115 square miles and provides service to 30 percent of Alachua County's population. The Energy Delivery Department is responsible for the construction, operation and maintenance of six natural gas gate stations, as well as all transmission and distribution system infrastructure, including: 766 miles of pipelines in various sizes and materials, valves, pressure regulators, protection devices, odorant injection systems, meters and control systems. The system also includes a number of propane gas distribution systems operated in developments where natural gas is not yet available.

## *GRUCom*

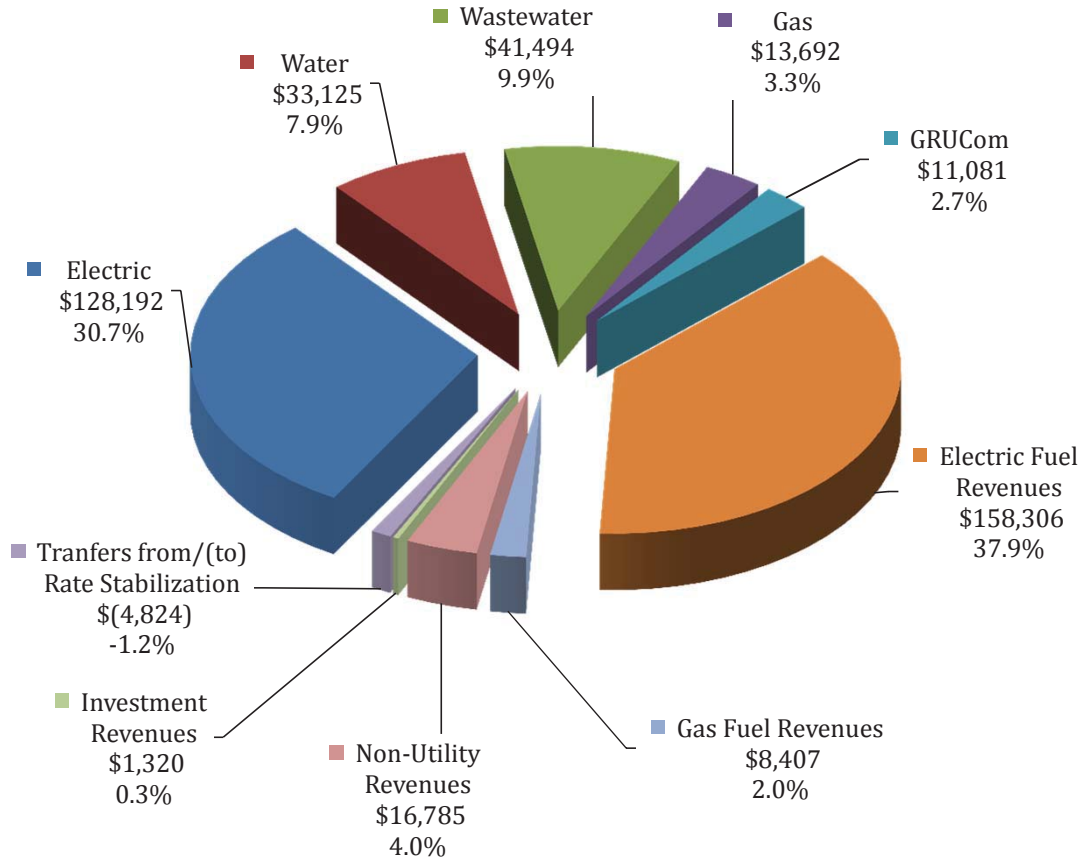
The Telecommunications System, GRUCom provides transport services utilizing a 448.9-mile fiber-optic network. GRUCom's four basic product lines include Telecommunication (data transport and carrier services), Public Safety Radio, Tower and Colocation Leasing and Internet Access. GRUCom is divided into several operating units, including Business Management, Engineering, Construction, Electronics, Network Operations, and Public Safety Radio System. The GRUCom fiber-optic network continues to expand, providing customers with unmatched service and reliability.

Through expansion of its product base or affiliation with other service providers to deliver bundled services, GRUCom continues its mission of bringing new communications technologies and services to Gainesville at affordable prices.

# Annual Operating Budget

## Budget Overview

**FY16 Revenues**  
Dollars in Thousands



\* BABs subsidies are shown net of debt service in Projection 2015 and Revised 2016 and not as Non-Utility Revenues.

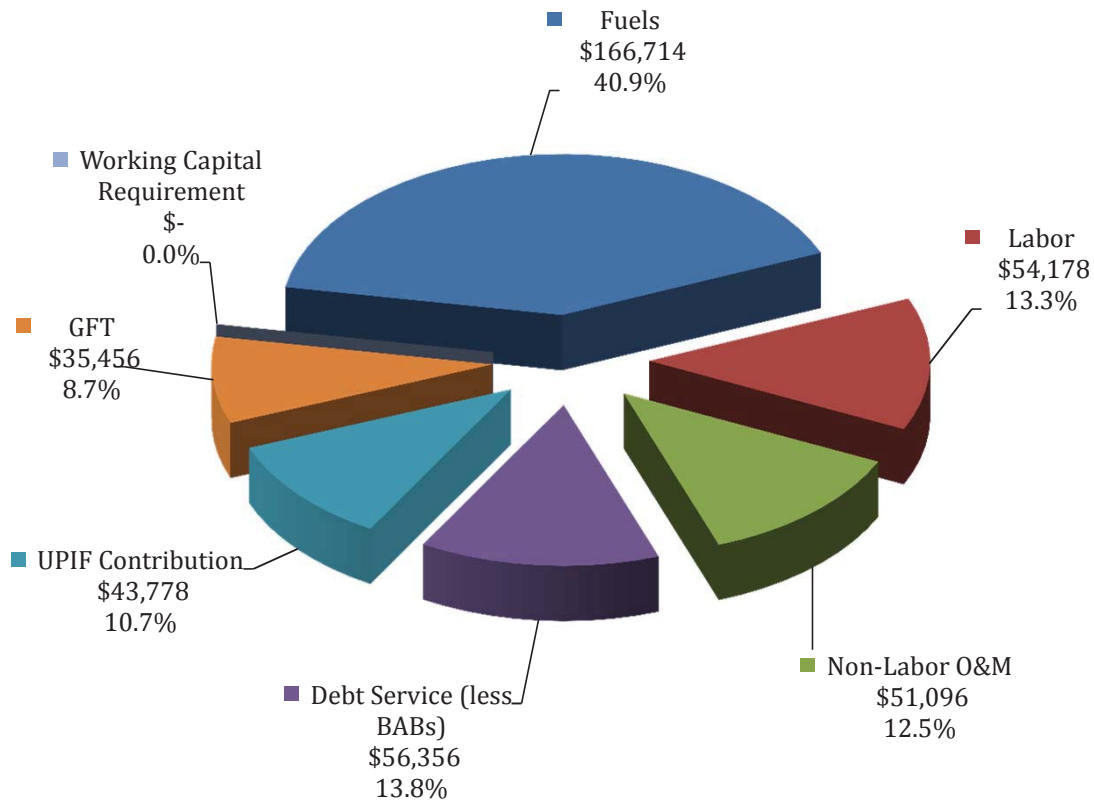
	Budget 2015	Projection 2015	Original Budget 2016	Revised Budget 2016
Revenues:				
Electric	\$ 130,894	\$ 126,006	\$ 138,146	\$ 128,192
Water	32,147	31,283	33,602	33,125
Wastewater	37,896	39,060	40,001	41,494
Gas	12,731	13,397	13,267	13,692
GRUCom	11,814	10,972	12,901	11,081
Electric Fuel Revenues	160,325	161,313	167,022	158,306
Gas Fuel Revenues	11,325	10,229	10,745	8,407
Non-Utility Revenues	13,724	11,098	15,309	16,785
Investment Revenues	1,526	1,606	1,497	1,320
Transfers from/(to) Rate Stabilization	1,152	(3,396)	(3,212)	(4,824)
<b>Total Revenues</b>	<b>\$ 413,534</b>	<b>\$ 401,568</b>	<b>\$ 429,278</b>	<b>\$ 407,578</b>

# Annual Operating Budget

## Budget Overview

### FY16 Expenses and Uses of Net Revenues

Dollars in Thousands



\* BABs subsidies are shown net of debt service in Projection 2015 and Revised 2016 and not as Non-Utility Revenues.

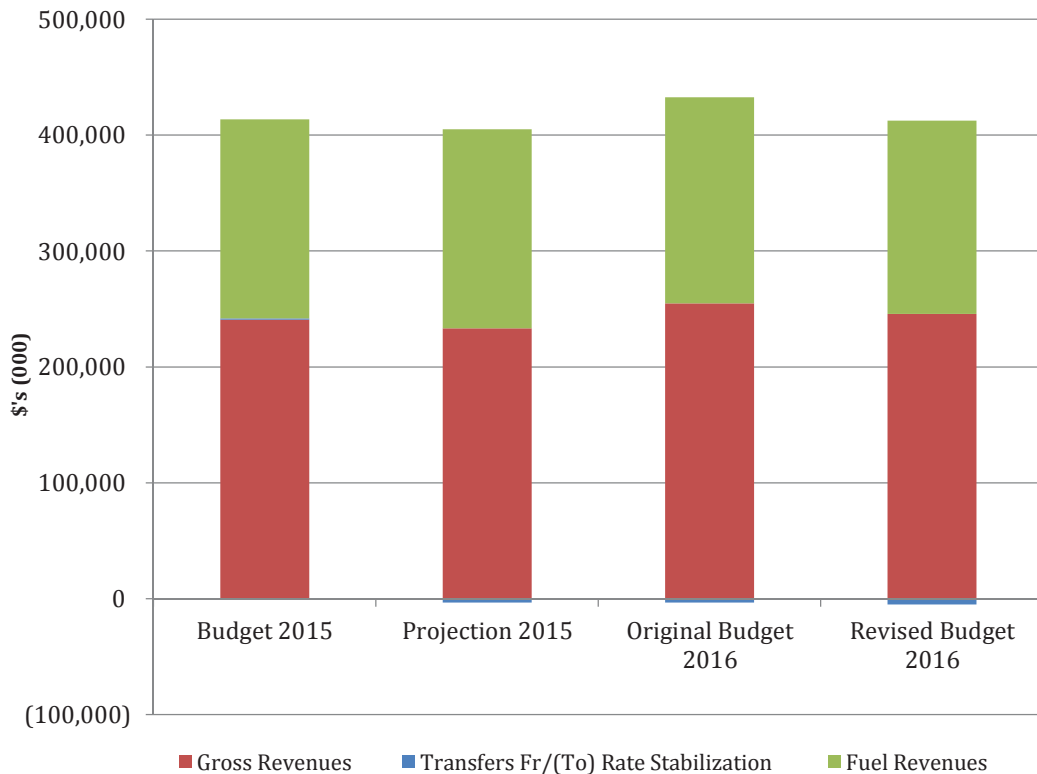
	Budget 2015	Projection 2015	Original Budget 2016	Revised Budget 2016
<b>Expenses and Use of Net Revenues:</b>				
Fuels	\$ 172,150	\$ 171,543	\$ 178,266	\$ 166,714
Labor	53,850	51,594	55,052	54,178
Non-Labor O&M	47,385	46,821	50,245	51,096
Debt Service (less BABs)	61,002	54,066	61,825	56,356
UPIF Contribution	43,605	42,734	46,949	43,778
GFT	34,892	34,660	35,691	35,456
Working Capital Requirement	650	150	1,250	-
<b>Total Expenses</b>	<b>\$ 413,534</b>	<b>\$ 401,568</b>	<b>\$ 429,278</b>	<b>\$ 407,578</b>

# Annual Operating Budget

## Budget Overview

### Revenues Trend

Fiscal Years Ending September 30



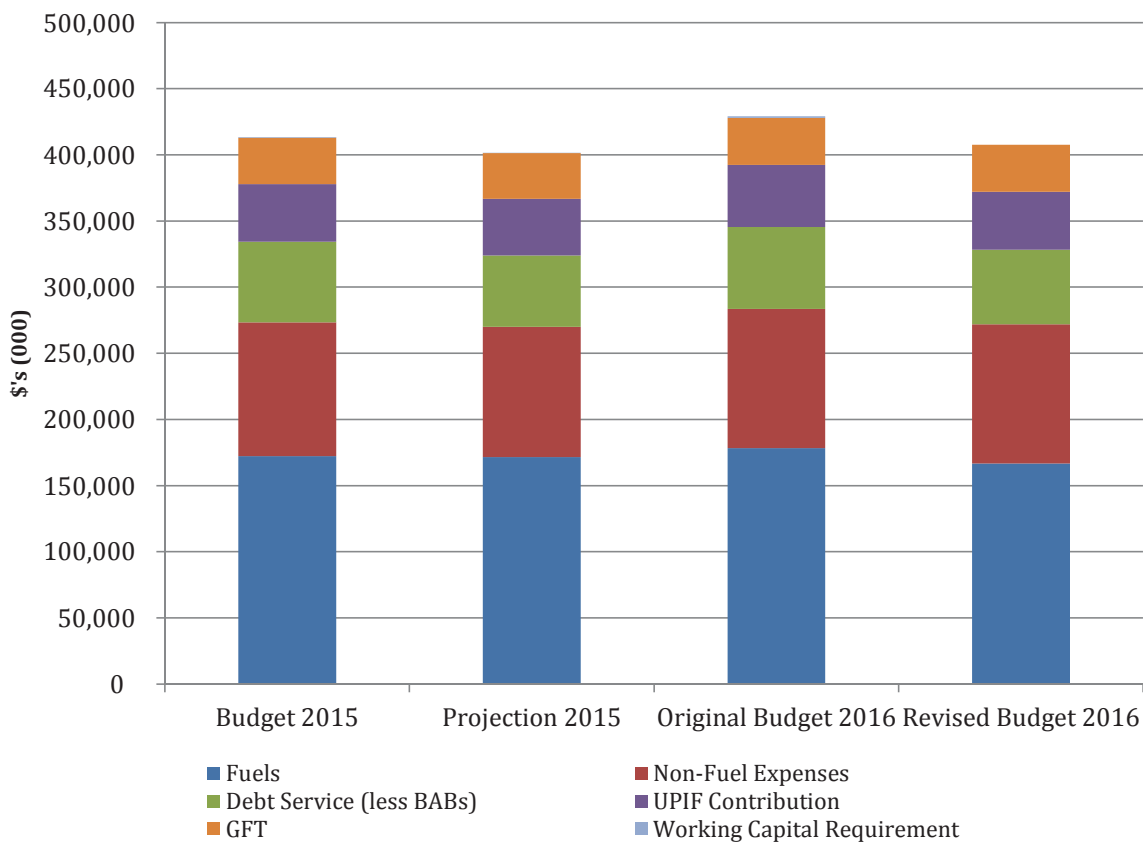
	Budget 2015	Projection 2015	Original Budget 2016	Revised Budget 2016
Utility Operating Revenues				
Electric	\$ 130,894	\$ 126,006	\$ 138,146	\$ 128,192
Water	32,147	31,283	33,602	33,125
Wastewater	37,896	39,060	40,001	41,494
Gas	12,731	13,397	13,267	13,692
GRUCom	11,814	10,972	12,901	11,081
Fuel Revenues	171,650	171,542	177,767	166,713
Non-Utility Revenues	13,724	11,098	15,309	16,785
Investment Revenues	1,526	1,606	1,497	1,320
Transfer from/(to) Rate Stabilization	1,152	(3,396)	(3,212)	(4,824)
<b>Total Revenues</b>	<b>\$ 413,534</b>	<b>\$ 401,568</b>	<b>\$ 429,278</b>	<b>\$ 407,578</b>

# Annual Operating Budget

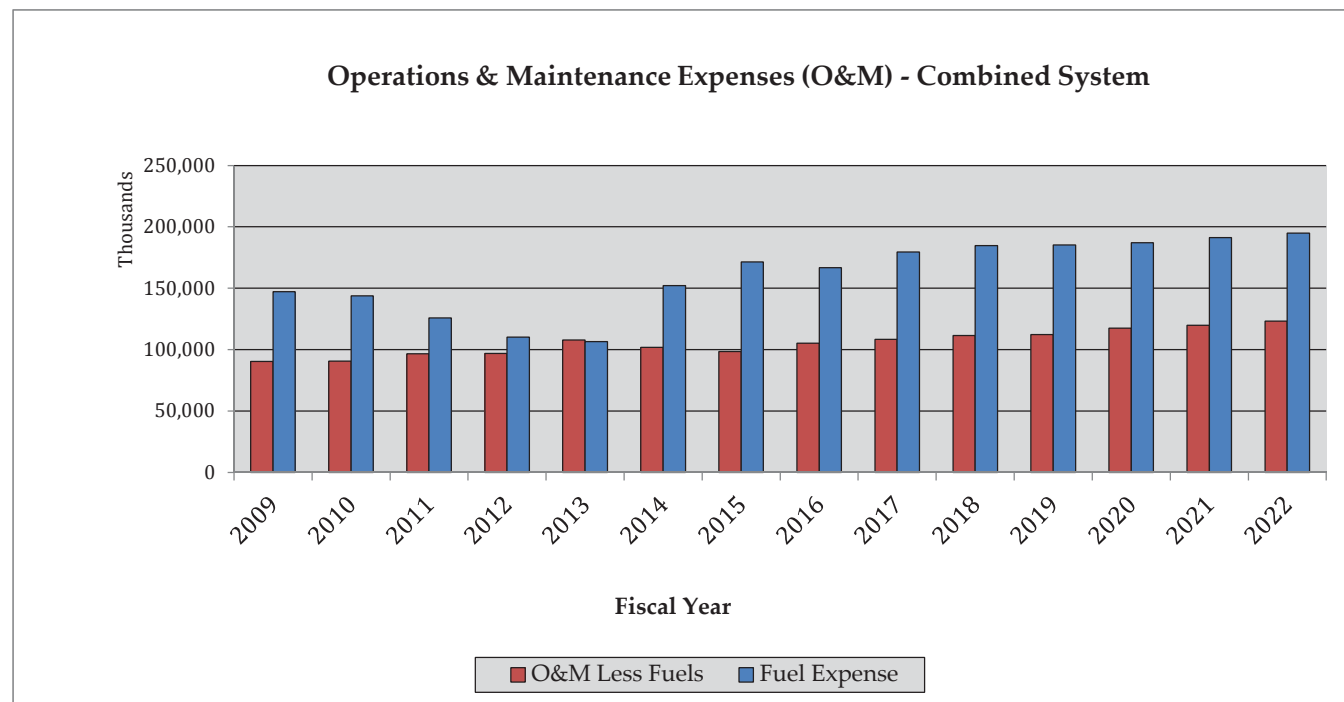
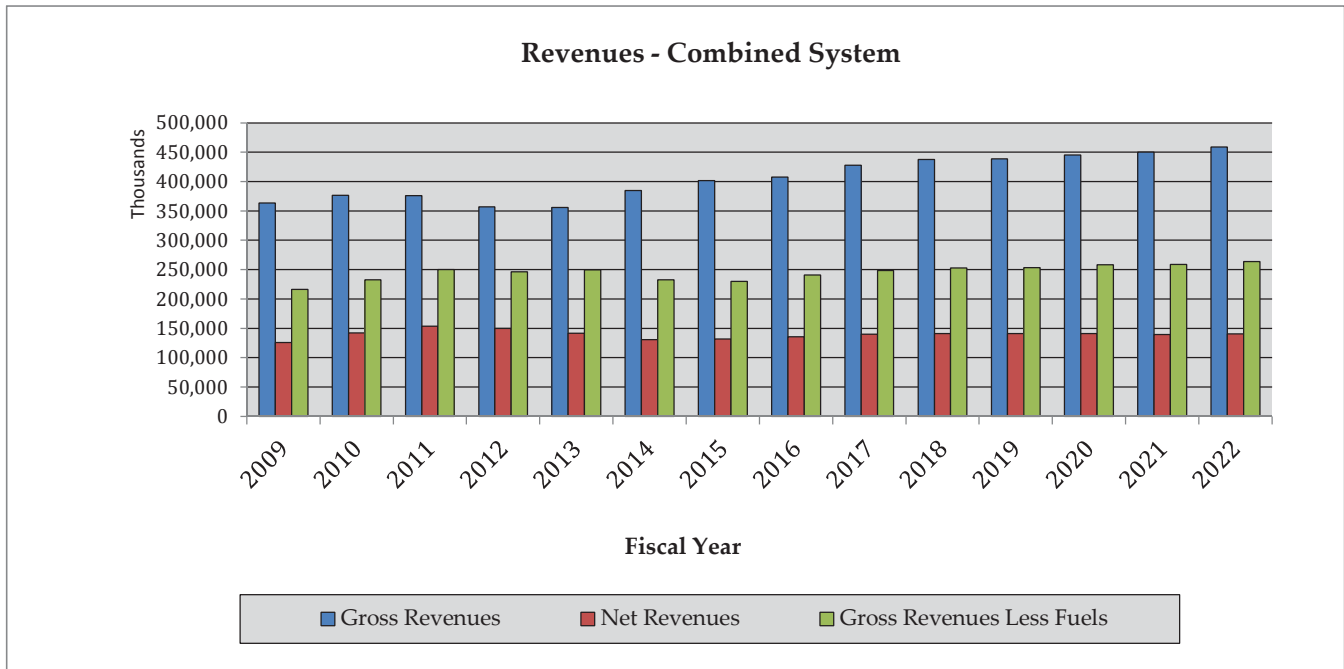
## Budget Overview

### Expenses Trend

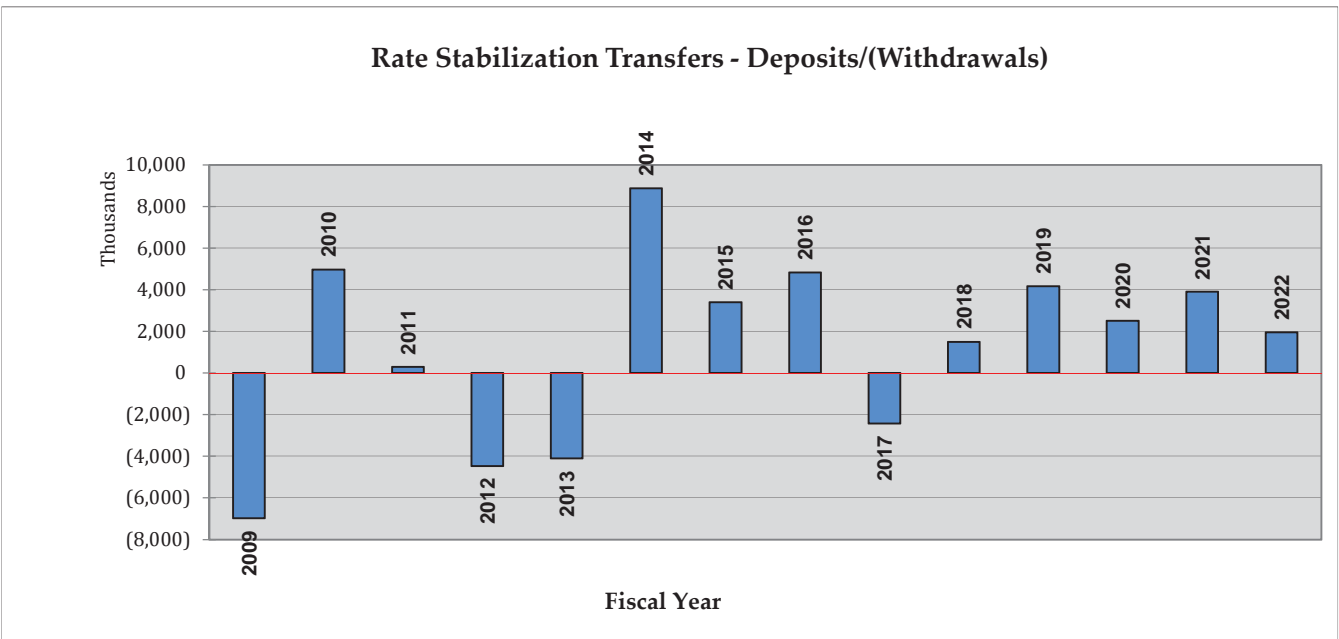
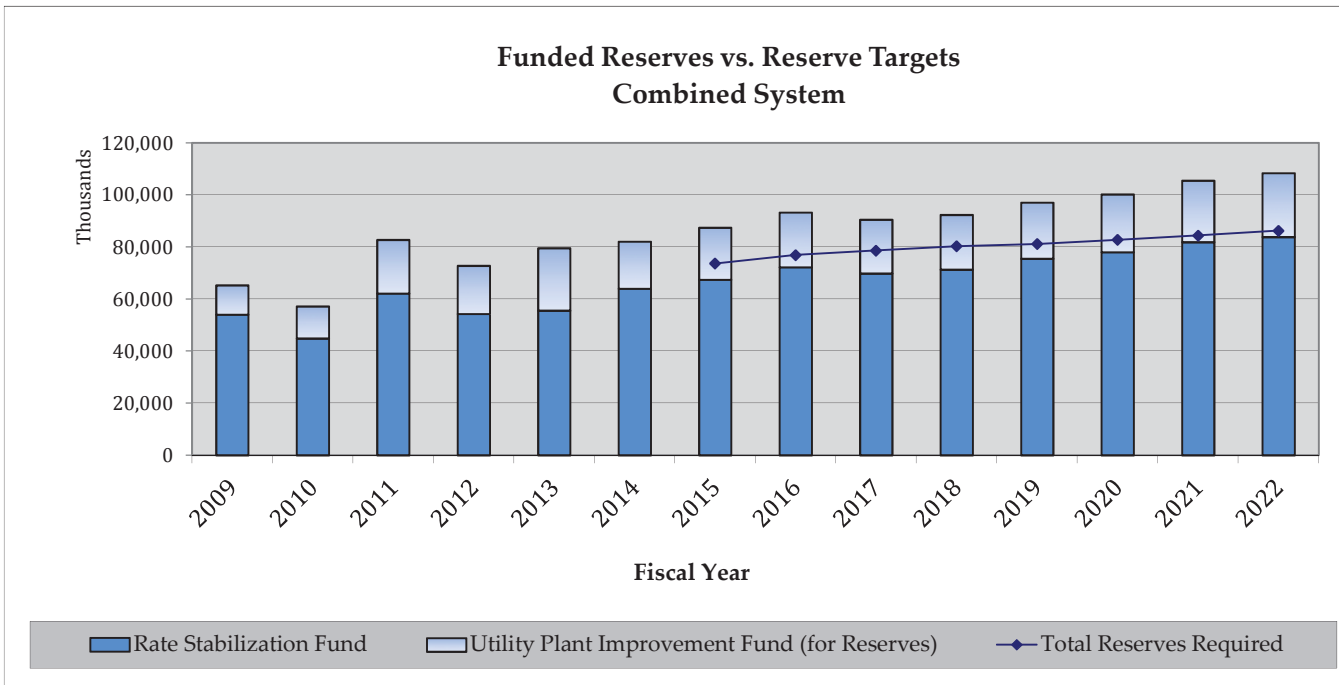
Fiscal Years Ending September 30



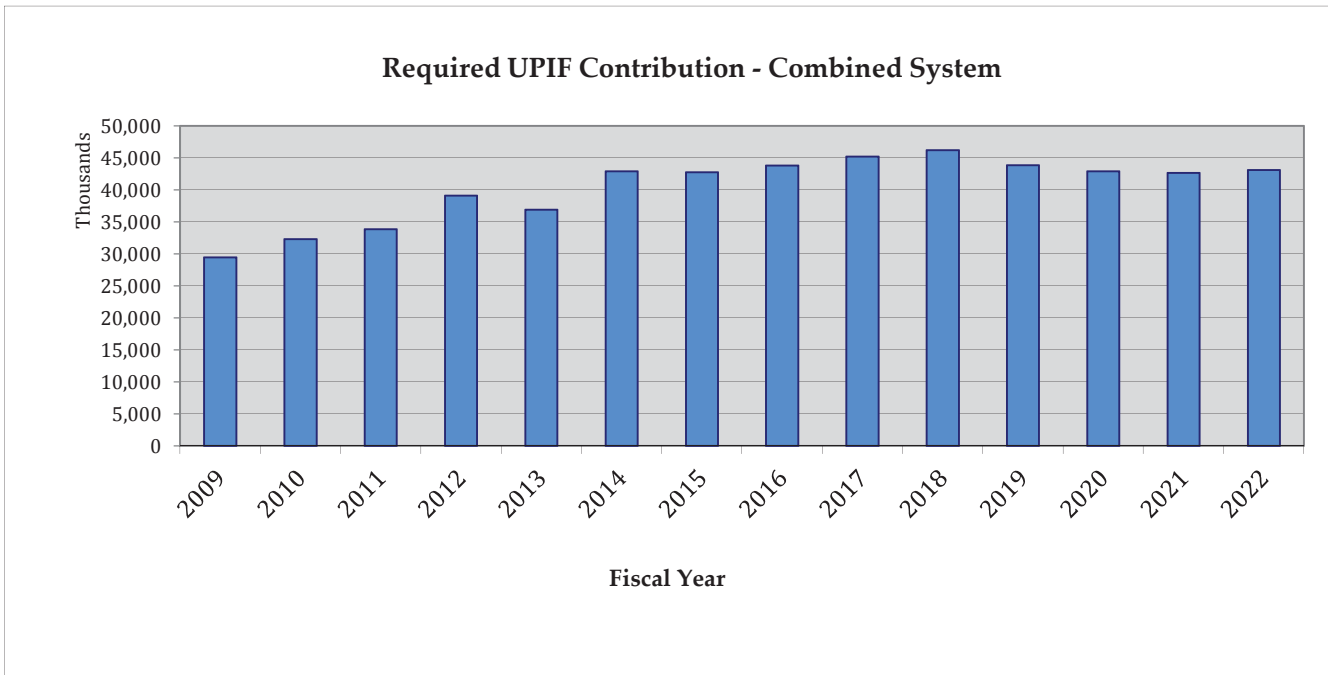
	Budget 2015	Projection 2015	Original Budget 2016	Revised Budget 2016
Fuels	\$ 172,150	\$ 171,543	\$ 178,266	\$ 166,714
Labor - Operations	33,574	32,269	34,291	32,856
Labor - Administrative	20,276	19,325	20,761	21,322
<b>Total Labor</b>	<b>53,850</b>	<b>51,594</b>	<b>55,052</b>	<b>54,178</b>
O&M - Operations	29,414	29,101	31,555	31,671
O&M - Administrative	17,971	17,720	18,690	19,425
<b>Total O&amp;M</b>	<b>47,385</b>	<b>46,821</b>	<b>50,245</b>	<b>51,096</b>
<b>Total Expenses</b>	<b>273,385</b>	<b>269,958</b>	<b>283,563</b>	<b>271,988</b>
Debt Service (less BABs)	61,002	54,066	61,825	56,356
UPIF Contribution	43,605	42,734	46,949	43,778
GFT	34,892	34,660	35,691	35,456
Working Capital Requirement	650	150	1,250	-
<b>Uses of Net Revenues</b>	<b>140,149</b>	<b>131,610</b>	<b>145,715</b>	<b>135,590</b>
<b>Total Expenses and Uses</b>	<b>\$ 413,534</b>	<b>\$ 401,568</b>	<b>\$ 429,278</b>	<b>\$ 407,578</b>



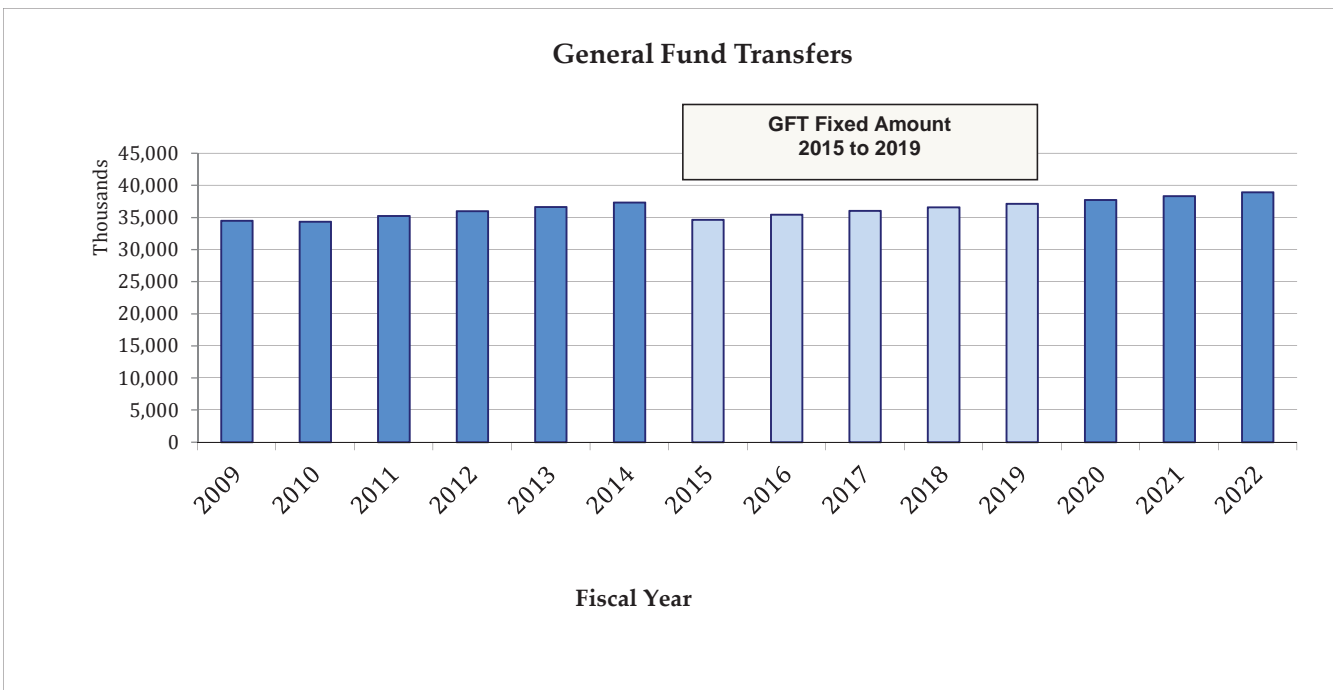




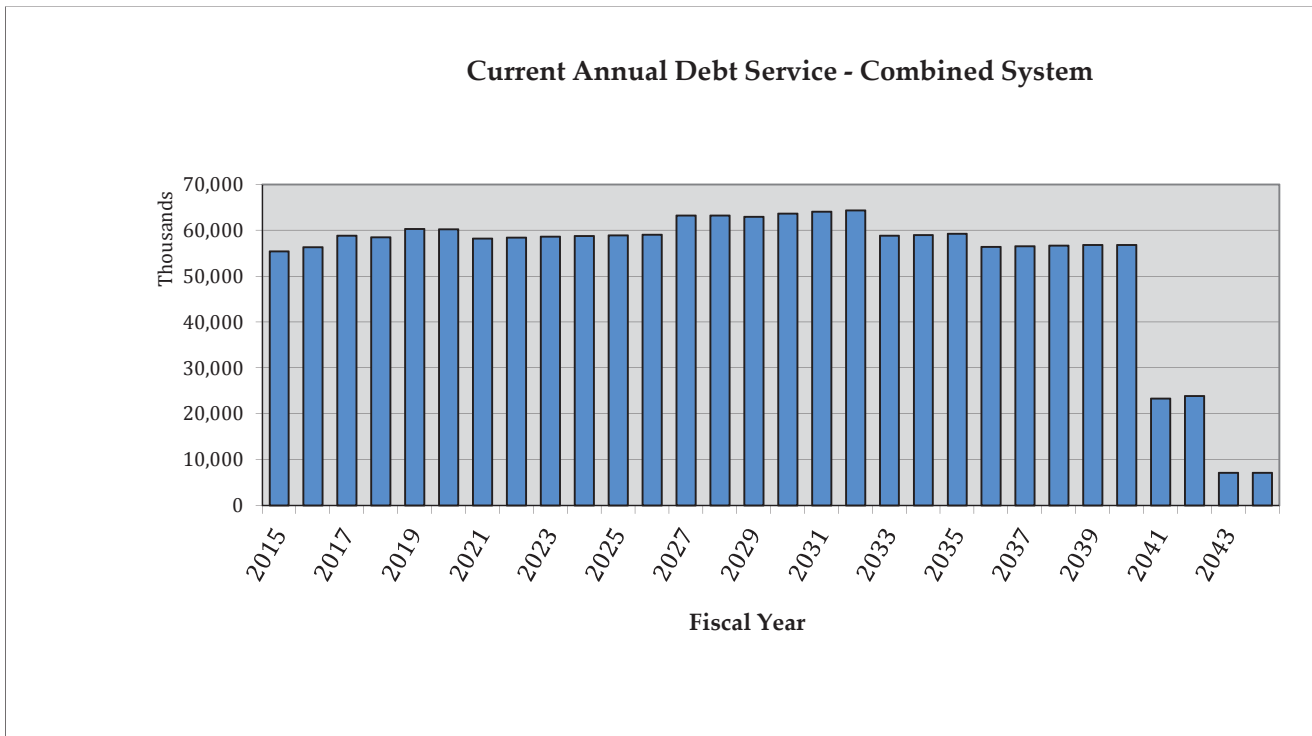
Positive numbers reflect a deposit into the Rate Stabilization Fund (RSF). This indicates that utility revenues were greater than expenses, including General Fund Transfer, Debt Service and UPIF contributions. Negative numbers reflect a withdrawal from the Rate Stabilization Fund. This indicates that utility revenues were less than expenses, including General Fund Transfers, Debt Service and UPIF contributions. RSF activity is projected over the planning horizon to manage rates and mitigate significant pricing variances to customers.



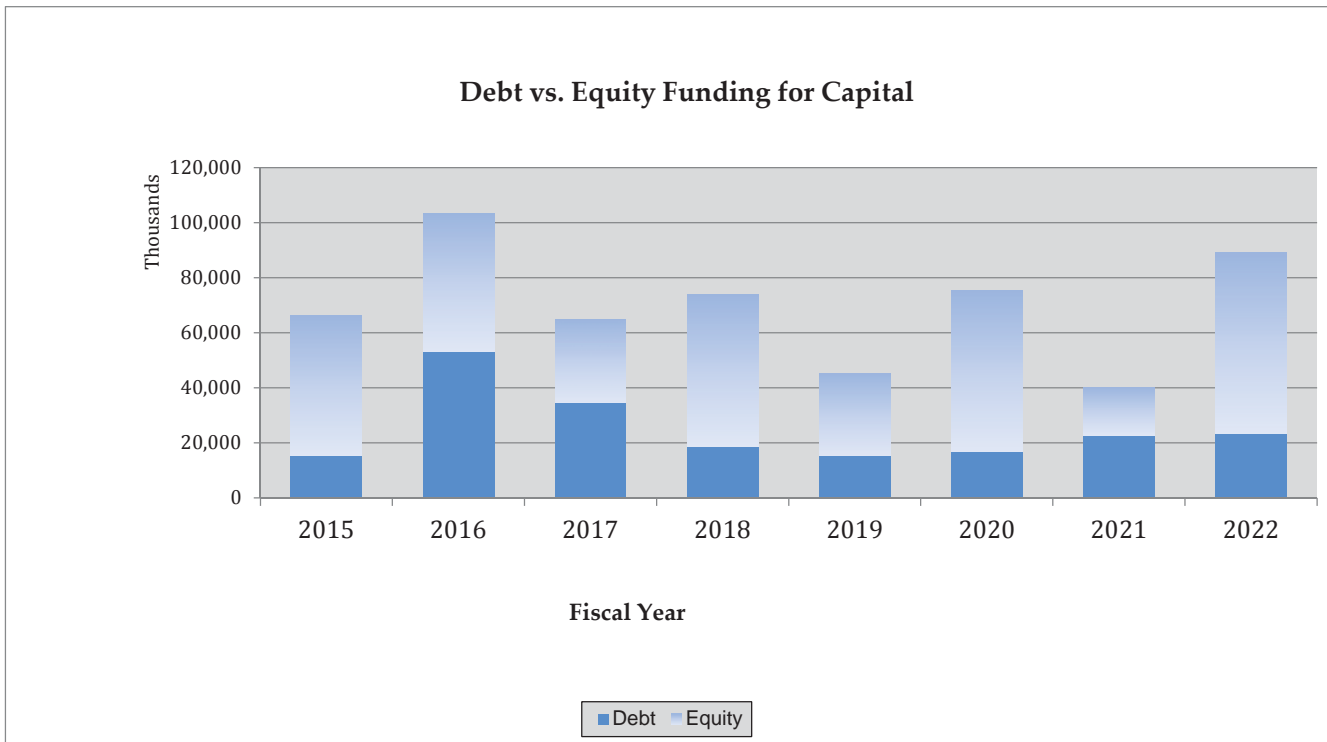
The Utility Plant Improvement Fund (UPIF) Contribution is required by the Utilities System Revenue Bond Resolution, As Amended.



The General Fund Transfer (GFT) represents transfers to the City of Gainesville’s General Fund, in total, for all Systems.



Includes Commercial Paper. Net of Build America Bonds' Subsidy and swaps. Excludes future issuances beyond 2022.



# Annual Operating Budget

## Budget Overview

### FY16 Rate

<b>Electric</b>	<b>Consumption</b>	<b>FY15 Rate</b>	<b>FY16 Rate</b>
Residential Customer Charge	Per Bill	\$ 12.75	\$ 14.25
Residential	Tier One (0-250 kWh)	\$ 0.031	
Residential	Tier Two (251-750 kWh)	\$ 0.042	
Residential	Tier Three (over 750 kWh)	\$ 0.084	
Residential	<i>Proposed Tier One (0-1000 kWh)</i>		\$ 0.044 *
Residential	<i>Proposed Tier Two (&gt;1000 kWh)</i>		\$ 0.064 *
General Service Non-Demand Customer Charge	Per Bill	\$ 29.50	\$ 29.50
General Service Non-Demand	Tier One (0-1500 kWh)	\$ 0.069	\$ 0.069
General Service Non-Demand	Tier Two (over 1500 kWh)	\$ 0.100	\$ 0.100
General Service Demand Customer Charge	Per Bill	\$ 100.00	\$ 100.00
General Service Demand Charge	Per kW	\$ 8.50	\$ 8.50
General Service Energy Charge	Per kWh	\$ 0.0400	\$ 0.0400
Large Power Customer Charge	Per Bill	\$ 350.00	\$ 350.00
Large Power Demand Charge	Per kW	\$ 8.50	\$ 8.50
Large Power Energy Charge	Per kWh	\$ 0.0360	\$ 0.0360

*\*Recommended Electrical Rate Structure, 2 Tiers*

<b>Water</b>	<b>Consumption</b>	<b>FY15 Rate</b>	<b>FY16 Rate</b>
Residential Customer Charge (5/8" & 3/4")	Per Bill	\$ 9.20	\$ 9.20
Residential	Tier One (0-6 kgals)	\$ 2.35	\$ 2.55
Residential	Tier Two (7 - 20 kgals)	\$ 3.75	\$ 3.90
Residential	Tier Three (over 20 kgals)	\$ 6.00	\$ 6.00
Commercial Customer Charge	Per Bill	\$ 9.20	<i>Based on Meter Size</i>
Commercial	All kgals	\$ 3.85	\$ 3.90
Multi-Family Customer Charge	Per Bill	\$ 9.20	<i>Based on Meter Size</i>
Multi-Family	All kgals	\$ 3.05	\$ 3.45
Irrigation Residential Customer Charge	Per Bill	\$ 9.20	\$ 9.20
Irrigation Residential	Tier One (0-14 kgals)	\$ 3.75	\$ 3.90
Irrigation Residential	Tier Two (over 14 kgals)	\$ 6.00	\$ 6.00
Irrigation Commercial Customer Charge	Per Bill	\$ 9.20	<i>Based on Meter Size</i>
Irrigation Commercial	All kgals	\$ 4.55	\$ 4.60

<b>Wastewater</b>	<b>Consumption</b>	<b>FY15 Rate</b>	<b>FY16 Rate</b>
All Customers	Per Bill	\$ 8.40	\$ 9.00
	All kgals	\$ 6.05	\$ 6.25
Reclaimed Water	Per Bill	\$ 8.40	\$ 9.00
	All kgals	\$ 0.70	\$ 0.85

<b>Natural Gas</b>	<b>Consumption</b>	<b>FY15 Rate</b>	<b>FY16 Rate</b>
Residential Customer Charge	Per Bill	\$ 9.75	\$ 9.75
Residential Energy Charge	Per Therm	\$ 0.5020	\$ 0.5400
Residential - MGP Charge	Per Therm	\$ 0.0556	\$ 0.0556
Small Commercial Customer Charge	Per Bill	\$ 20.00	\$ 20.00
Small Commercial Energy Charge	Per Therm	\$ 0.4900	\$ 0.5400
Small Commercial MGP Charge	Per Therm	\$ 0.0556	\$ 0.0556
Commercial Customer Charge	Per Bill	\$ 40.00	\$ 45.00
Commercial Energy Charge	Per Therm	\$ 0.3650	\$ 0.3800
Commercial MGP Charge	Per Therm	\$ 0.0556	\$ 0.0556
Large Commercial Customer Charge	Per Bill	\$ 375.00	\$ 400.00
Large Commercial Energy Charge	Per Therm	\$ 0.2050	\$ 0.2300
Large Commercial MGP Charge	Per Therm	\$ 0.0556	\$ 0.0556

## Proposed Service Charges – Electric

<u>Description</u>	<u>Current Rate</u>	<u>Proposed Rates</u>
Electric Turn On - Residential & GS Non-Demand	\$ 30.00	\$ 26.00
Electric Turn On with Water or Gas - Residential or GS Non-Demand	N/A	\$ 19.00
Electric Turn On - GS Demand	\$ 60.00	\$ 62.00
Electric Turn On - Large Power	N/A	\$ 197.00
Remote Read Meter Installation - Residential & GS Non-Demand	\$ 77.00	\$ 195.00
Remote Read Meter Installation - GS Demand (single phase)	\$ 177.00	\$ 207.00
Remote Read Meter Installation - GS Demand (three phase)	N/A	\$ 368.00
Field Visit	\$ 25.00	\$ 38.00
Scheduled Meter Reading	\$ 20.00	\$ 24.00

## Proposed Service Charges – Electric

<b><u>Description</u></b>	<b><u>Current Rate</u></b>	<b><u>Proposed Rates</u></b>
Meter Reread - Reading Correct	\$ 20.00	\$ 24.00
Conservation Appointment - Customer Failed to Show	\$ 20.00	\$ 26.00
Delinquent Disconnection - Base Charge	\$ 40.00	\$ 52.00
Delinquent Disconnection / Reconnection - Point of Service Adder (Lineworker Assist)	\$ 100.00	\$ 214.00
Delinquent Disconnection / Reconnection - After Hours Labor Adder (Field Service Tech)	\$ 40.00	\$ 87.00
Delinquent Disconnection / Reconnection - After Hours Labor Adder (Lineworker)	N/A	\$ 112.00
Customer Requested Temporary Meter Disconnection	\$ 20.00	\$ 26.00
Electric Meter Test (Field & Shop)	\$ 20.00	\$ 66.00
Resealing Meter Socket	\$ 10.00	\$ 38.00
Meter Tampering / Unauthorized Service Investigation	\$ 65.00	\$ 151.00

## Proposed Service Charges – Gas

<u>Description</u>	<u>Current Rate</u>	<u>Proposed Rate</u>
Natural Gas Turn On - Residential	\$ 50.00	\$ 44.00
Natural Gas Turn On with Water or Electric - Residential	\$ 40.00	\$ 36.00
Natural Gas Turn On - Non-Residential	\$ 100.00	\$ 100.00
Natural Gas Turn On with Water or Electric - Non-Residential	\$ 100.00	\$ 91.00
Remote Read Meter Installation - Gas Residential	\$ 59.00	\$ 112.00
Remote Read Meter Installation - Gas Non-Residential	N/A	\$ 155.00
Field Visit	\$ 25.00	\$ 44.00
Scheduled Meter Reading	\$ 20.00	\$ 24.00

## Proposed Service Charges – Water

<b><u>Description</u></b>	<b><u>Current Rates</u></b>	<b><u>Proposed Rates</u></b>
Water Turn On	\$ 30.00	\$ 26.00
Water Turn On with Electric or Gas - Residential or GS Non-Demand	N/A	\$ 19.00
Backflow Test Fee	\$ 100.00	\$ 72.00
Remote Read Meter Installation - Water	\$ 100.00	\$ 153.00
Field Visit	\$ 25.00	\$ 38.00
Scheduled Meter Reading	\$ 20.00	\$ 24.00
Meter Reread - Reading Correct	\$ 20.00	\$ 24.00
Conservation Visit - Customer Failed to Show	\$ 20.00	\$ 38.00
Delinquent Disconnection - Base Charge	\$ 40.00	\$ 52.00
Delinquent Disconnection - Water Service Removed Adder	\$ 30.00	\$ 24.00
Delinquent Reconnection - After Hours Labor Adder (Field Service Tech)	\$ 40.00	\$ 87.00



## Proposed Service Charges – Water

<u>Description</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
Customer Requested Temporary Meter Disconnection	\$ 20.00	\$ 26.00
Meter Tampering / Unauthorized Service Investigation	\$ 65.00	\$ 124.00
Installation and Removal of Meter on Fire Hydrant	\$ 92.00	\$ 113.00
Temporary Hydrant Meter Deposit	\$ 1,130.00	\$ 1,250.00
Water Meter Removal	\$ 125.00	\$ 127.00
Temporary Water Meter	\$ 92.00	\$ 113.00
Remove & Replace Meter	\$ 35.00	\$ 58.00
Meter Testing (5/8 - 2" meters)	Various	\$ 44.00
Meter Testing (greater than 2" meters)	Various	

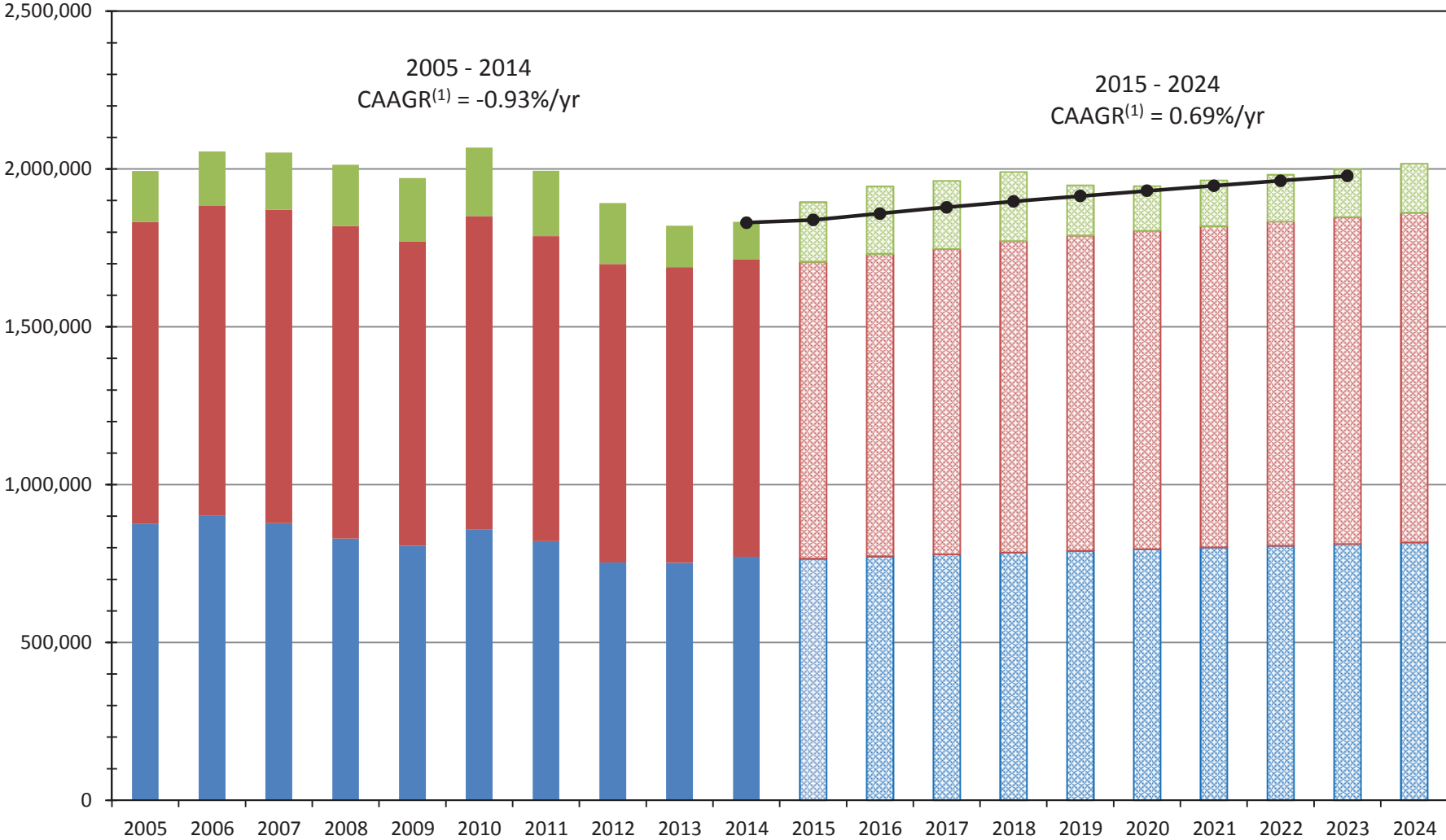
## Proposed Service Charges – Wastewater

<b><u>Description</u></b>	<b><u>Current Rate</u></b>	<b><u>Proposed Rates</u></b>
Field Visit	\$ 25.00	\$ 38.00
Conservation Visit - Customer Failed to Show	\$ 20.00	\$ 38.00
Meter Tampering / Unauthorized Service Investigation	\$ 65.00	\$ 139.00

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# Electric Energy Sales MegaWatt-hours

Residential Non-Residential Sales for Resale 2015 Forecast

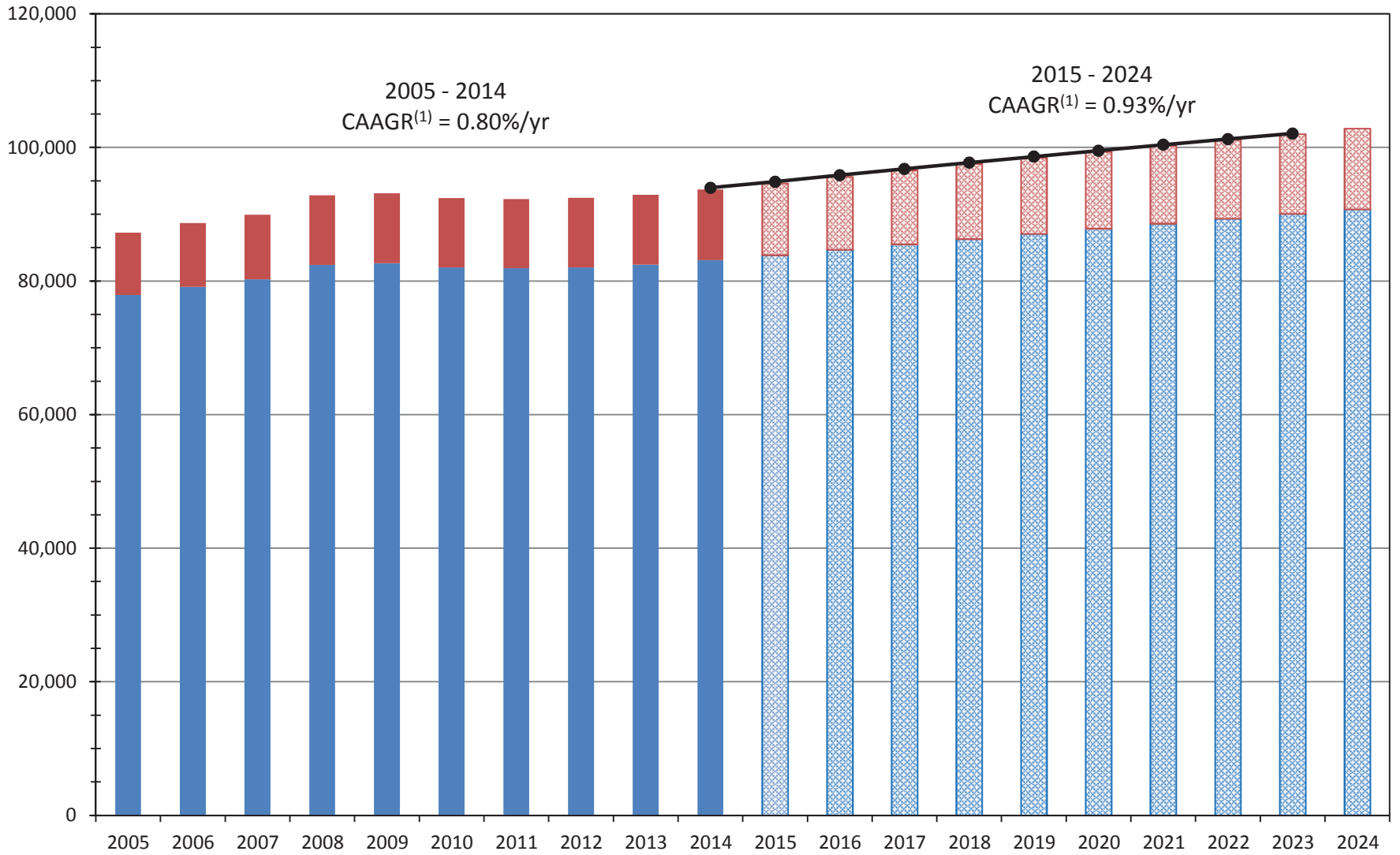


(1) Compound Average Annual Growth Rate

Fiscal Year

# Electric Customers

Residential Non-Residential 2015 Forecast

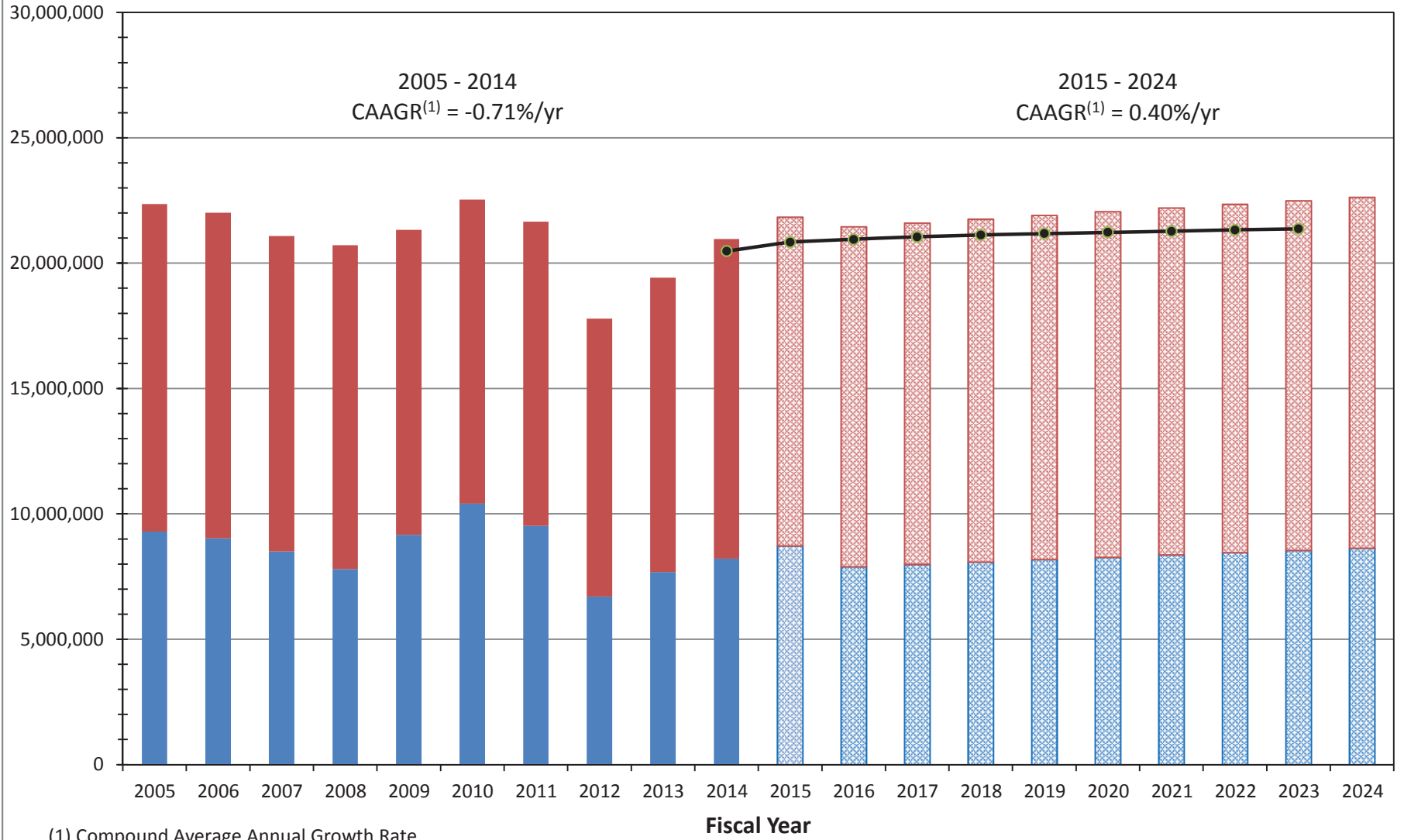


(1) Compound Average Annual Growth Rate

Fiscal Year

## Natural Gas Energy Sales Therms

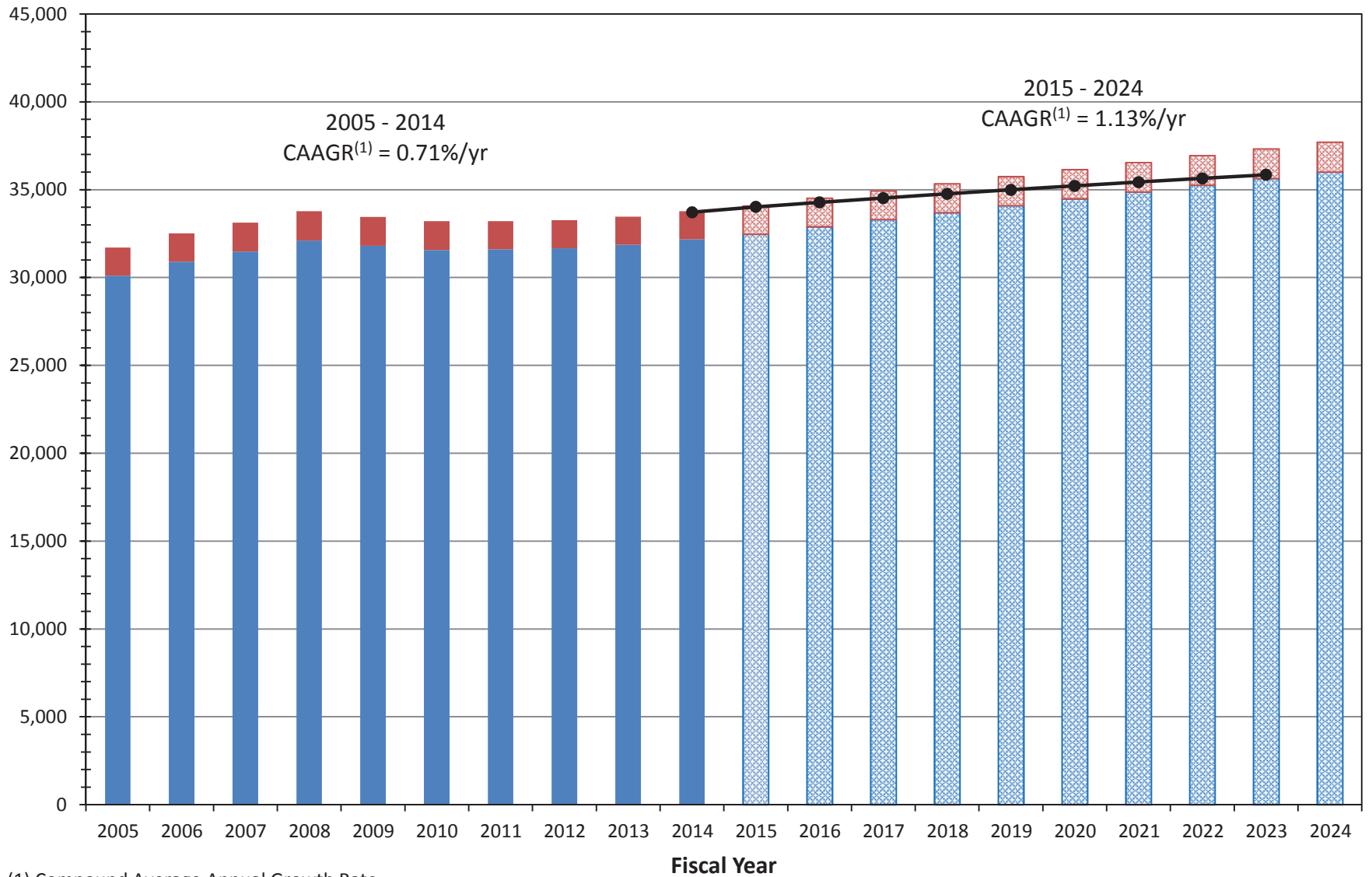
■ Residential   
 ■ Non-Residential   
 ● 2015 Forecast



(1) Compound Average Annual Growth Rate

# Natural Gas Customers

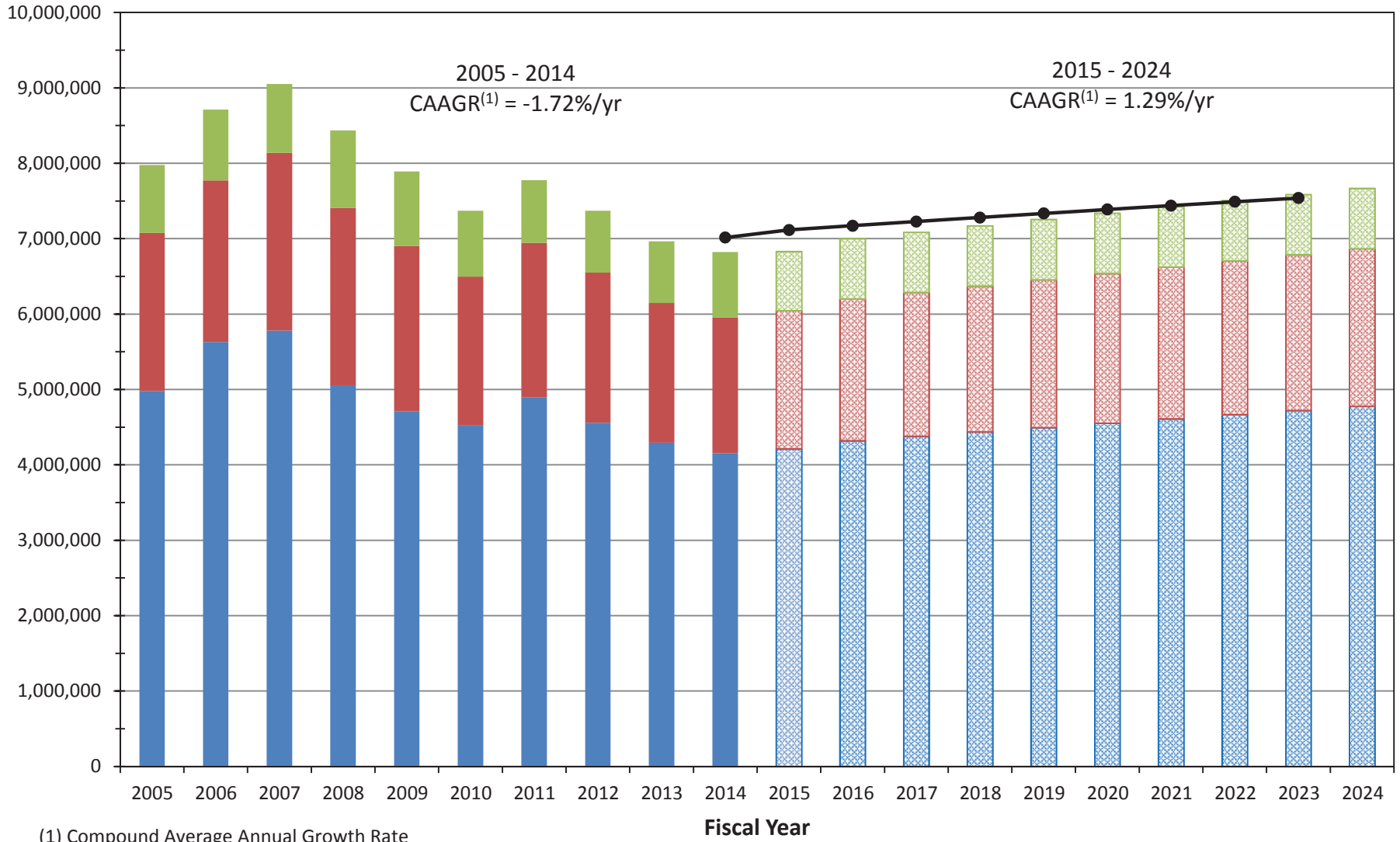
Residential Non-Residential 2015 Forecast



(1) Compound Average Annual Growth Rate

## Water Sales Thousand Gallons (kgal)

■ Residential   
 ■ Non-Residential   
 ■ University of Florida   
 ●— 2015 Forecast

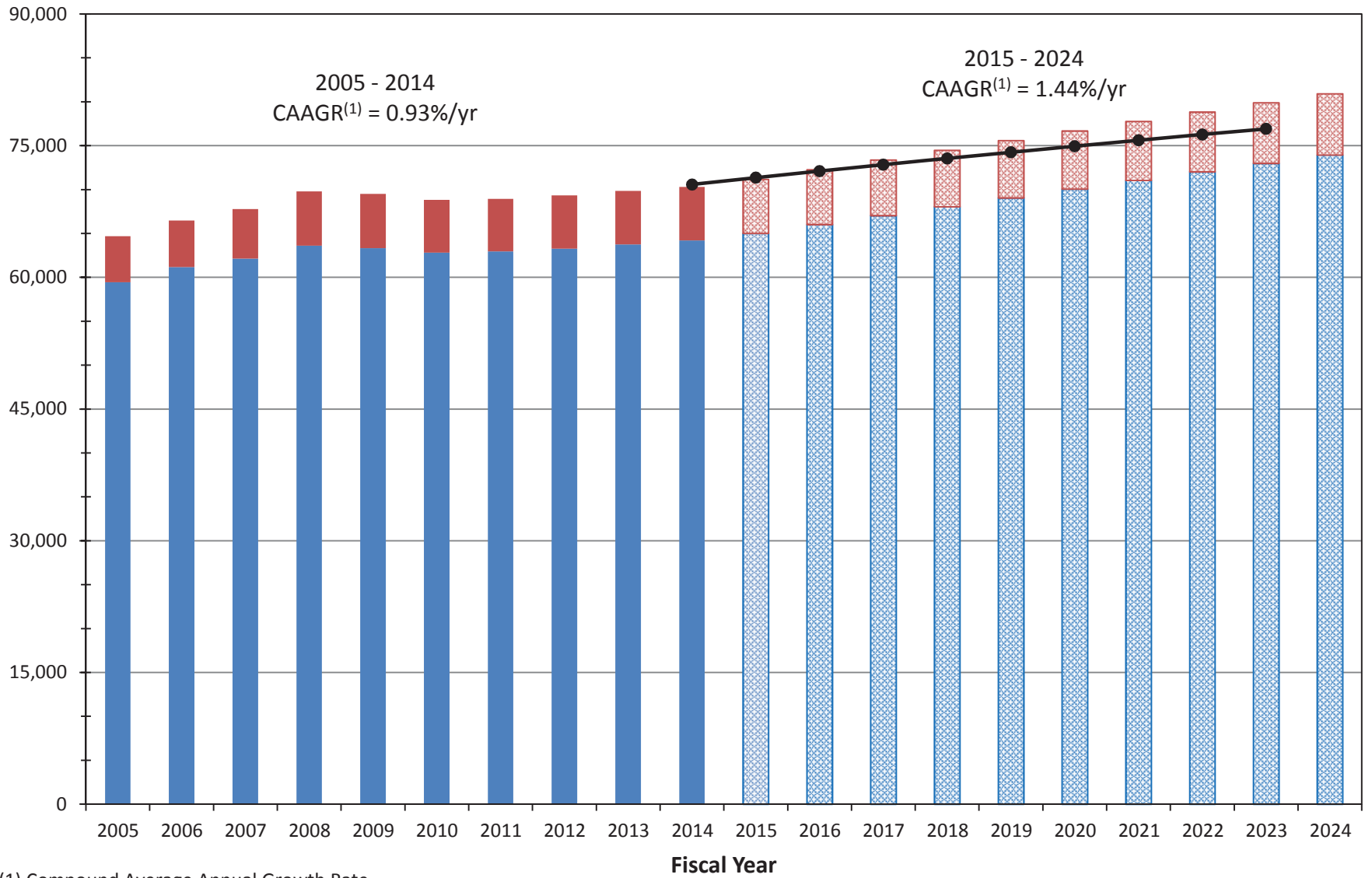


(1) Compound Average Annual Growth Rate



# Water Customers

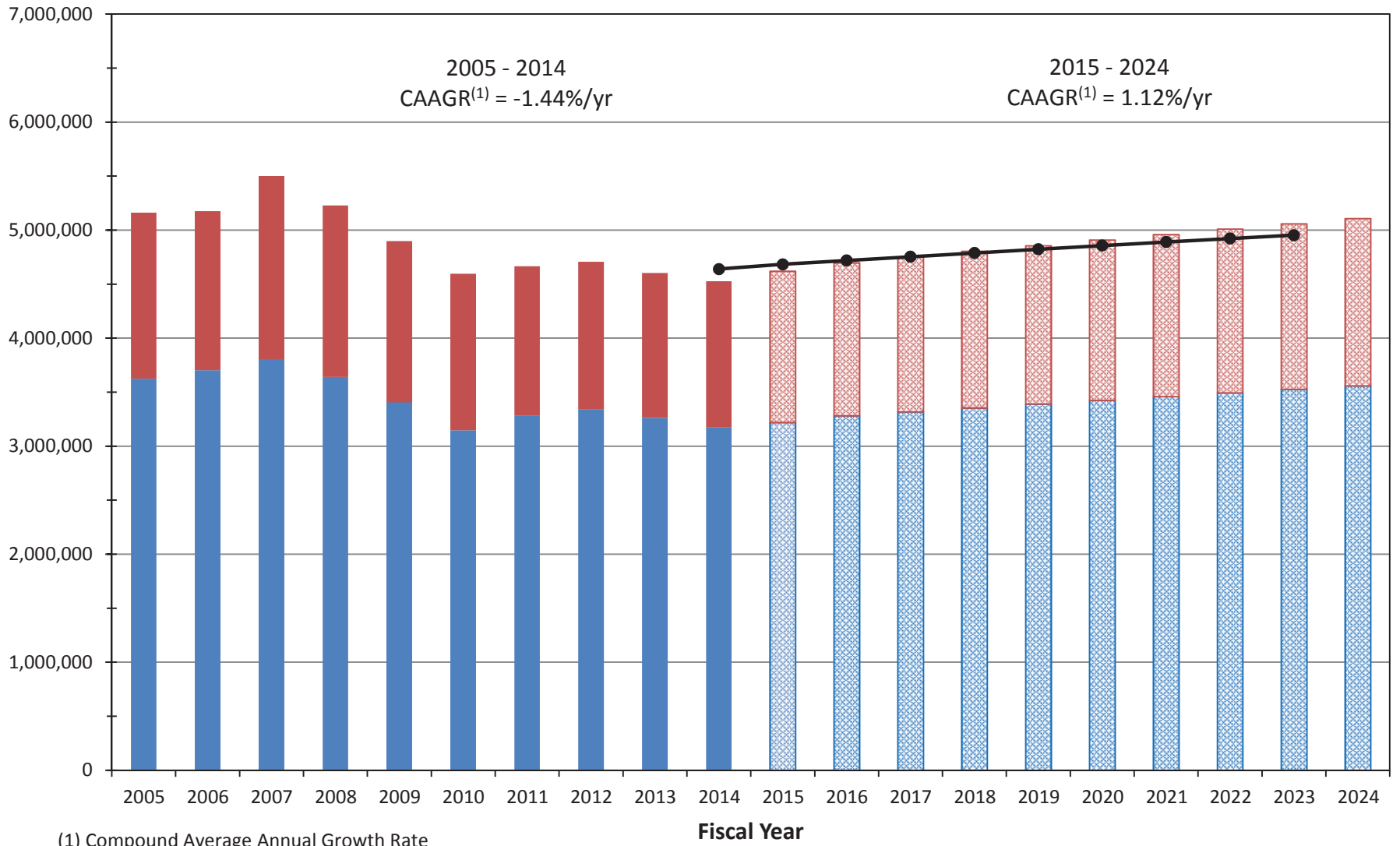
Residential Non-Residential 2015 Forecast



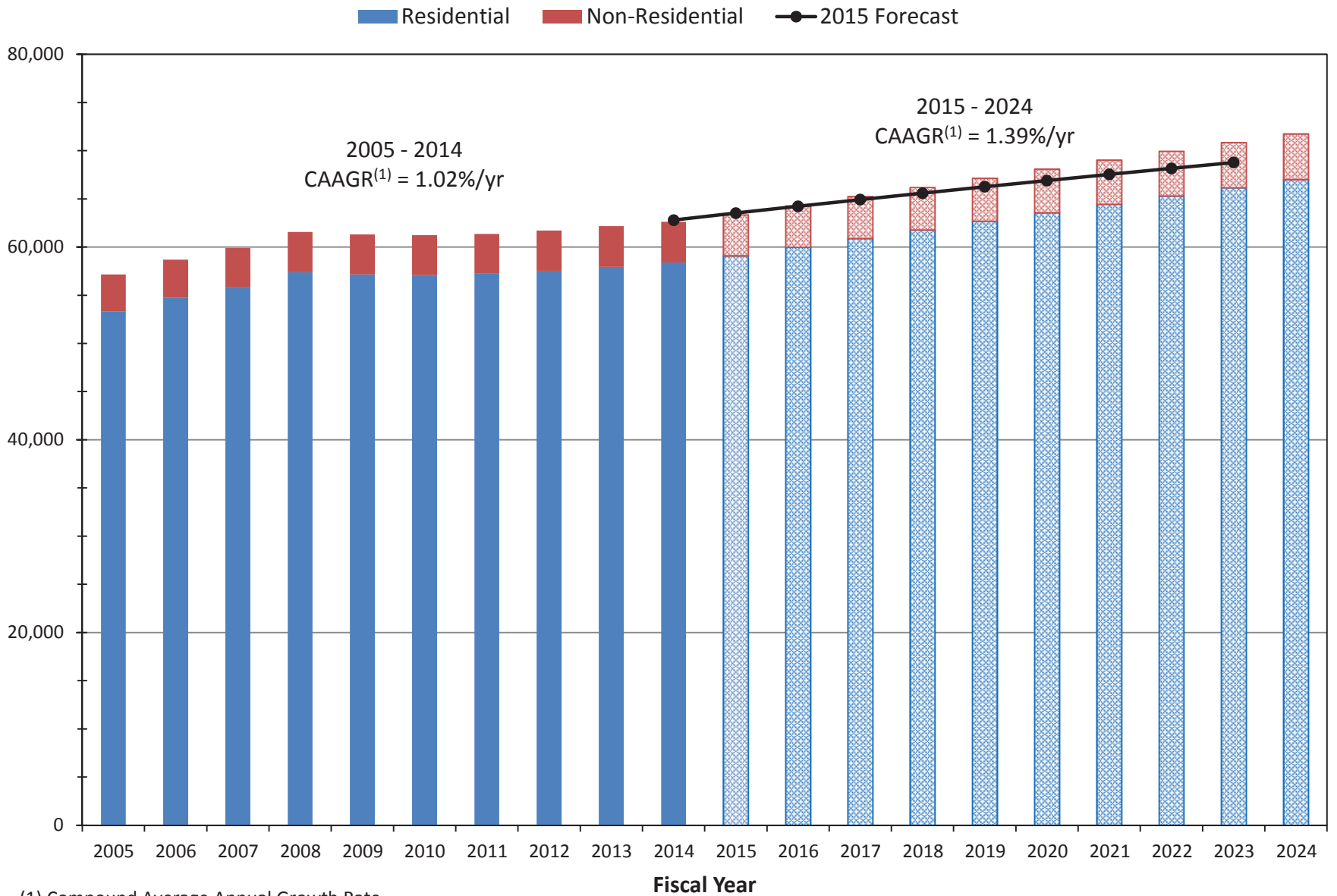
(1) Compound Average Annual Growth Rate

## Wastewater Billings Thousand Gallons (kgal)

■ Residential   
 ■ Non-Residential   
 ●— 2015 Forecast



## Wastewater Customers



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