



**CITY OF GAINESVILLE**  
**OFFICE OF THE CITY ATTORNEY**

200 East University Avenue, Suite 425  
Gainesville, Florida 32601  
(352) 334-5011 • (352) 334-2229 Fax

*Mail:* Post Office Box 490, Station 46  
Gainesville, Florida 32627

**Nicolle M. Shalley** ♦  
*City Attorney*

Lisa C. Bennett  
Lee C. Libby  
Stephanie M. Marchman  
Sean M. McDermott  
Shayla L. McNeill\*  
Daniel M. Nee ♦  
David C. Schwartz ♦  
Elizabeth A. Waratuke ♦

May 28, 2014

Mr. John Caravella  
Seniors vs Crime  
Region Four  
Alachua County Sheriff's Office  
P.O. Box 5489  
Gainesville, FL 32627-5489

Re: Application of the municipal public service tax to GRU's customer charge

Dear Mr. Caravella,

This letter is provided in response to your correspondence dated April 17, 2014, sent to Kathy Sterling, Supervisor, with Gainesville Regional Utilities ("GRU"), regarding a citizen complaint that you received concerning the application of the municipal public service tax (the "Public Service Tax") to GRU's electric customer charge. Your correspondence was forwarded by GRU staff to this Office as your inquiry involves the application of Florida law to the practices of the City (as the taxing authority) and GRU (as the tax collector). This Office researched relevant legal authority and publicly available sources of information concerning the application, collection and remittance of the Public Service Tax throughout the State. This Office relied on the knowledge of GRU and City staff concerning the practices of GRU and the City in applying and collecting the Public Service Tax.

In summary, GRU (as a seller of utility service) applies and collects the Public Service Tax from all purchasers of utility service and remits it to the City as required by Florida law and the City of Gainesville Code of Ordinances. The Public Service Tax provides revenue to the City for City programs, services and operations. GRU does not retain any portion of the Public Service Tax. As explained in detail below, we have found no legal authority or factual basis to support a conclusion that the Public Service Tax has been applied and collected by GRU and remitted to the City in violation of Florida law. Instead, we found that the manner in which the City and GRU interpret and apply the Public Service Tax law is consistent with utility practice throughout the State. The City and GRU practices in no way appear to constitute a victimization, crime, fraud or scam perpetrated against senior citizens or any other purchasers of utility service.

♦ Board Certified City, County & Local Government Law

\* Utilities Legal Services  
Post Office Box 147117, Station A-138  
Gainesville, Florida 32614  
(352) 393-1010 • (352) 334-2277 Fax

State law allows municipalities to levy the Public Service Tax. Section 166.231(1), Florida Statutes, provides in pertinent part:

“(1)(a) A municipality may levy a tax on the purchase of electricity, metered natural gas, liquefied petroleum gas either metered or bottled, manufactured gas either metered or bottled, and water service. Except for those municipalities in which paragraph (c) applies, the tax shall be levied only upon purchases within the municipality and shall not exceed 10 percent of the payments received by the seller of the taxable item from the purchaser for the purchase of such service....Purchase of electricity means the purchase of electric power by a person who will consume it within the municipality.”

The same section also includes an express exemption for a certain portion of the charges, as follows:

“(b) The tax imposed by paragraph (a) shall not be applied against any fuel adjustment charge, and such charge shall be separately stated on each bill. The term “fuel adjustment charge” means all increases in the cost of utility services to the ultimate consumer resulting from an increase in the cost of fuel to the utility subsequent to October 1, 1973.”

The City of Gainesville chose to levy the Public Service Tax with the adoption of municipal ordinances which are codified in Chapter 25, Article II of the City Code of Ordinances (the “Code”). Section 25-17 of the Code provides that the Public Service Tax “is hereby levied by the city on each and every purchase in the city of electricity, metered or bottled gas (natural, liquefied petroleum gas, or manufactured), and water service, a tax of ten percent of the charge made by the seller of such service or commodity.” The Code also states that the Public Service Tax “hereby levied on purchases of utility service shall be collected only once upon the same commodity or service and after the commodity or service has lost its interstate character.”

Section 25-16 of the Code defines “utility service” as “electricity, metered or bottled gas (natural, liquefied petroleum gas or manufactured), water service, and fuel oil, sold, purchased, delivered or received within the boundaries of the city.” Sections 25-19 through 25-21 of the Code make it the duty of every seller of utility service to collect (at the time of sale) the Public Service Tax from purchasers and thereafter to report and remit the Public Service Tax to the City on a monthly basis computed on the aggregate amount of sales during the preceding month. In addition, these sections require the seller of utility service to retain records and to allow the City to audit the seller’s records to ascertain “whether taxable services have been provided or the correctness of any return that has been filed or payment that has been made.”

The “UTILITIES” section within Appendix A of the Code sets forth the rates that must be paid to purchase utility service from GRU. With respect to *Electricity*, the rates are comprised of two components:

1. The base rate: which is described as “the rates to be charged and collected for electric energy furnished by the city to consumers.” The base rate consists of the “customer charge, per month” and the “per kWh” energy charge; and
2. The fuel adjustment: which is described in Section 27-28 of the Code.

The *Electricity* section within Appendix A also states that “the minimum monthly bill shall be equal to the customer charge.” This means that if you purchase electric utility service, you must pay the customer charge portion of the base rate even if your actual utility consumption (i.e., the per kWh charge) is zero in any given month.

The customer charge, per kWh energy charge, fuel adjustment charge and imposition of the Public Service Tax and other surcharges and fees are clearly stated on GRU customer bills (see Attachment A) and in the rates published by GRU each year (see Attachment B).

It is common utility practice throughout the state to include a “customer charge” or “facility charge” as part of the base rate and to require that such charge comprises the minimum bill for the provision of electric service (see Attachment C - excerpts from published rate tariffs for JEA and Duke Energy Florida.) A customer charge is generally defined as the fixed monthly amount that covers the cost of providing the utility service to a customer. It covers costs, such as, but not limited to, meter reading, customer service, account management, and maintaining utility facilities. The customer charge allows a utility to equitably recover these costs of providing electric service that are fixed and incurred by the utility, regardless of how much energy is consumed (the per kWh portion of the base rate) by a customer in any month.

In contrast, the fuel adjustment charge is not included in the GRU base rate and is listed separately in Appendix A and on customer bills, because, as quoted above, Section 166.231(1)(b), Florida Statutes, specifically exempts the fuel adjustment portion of utility service rates from the Public Service Tax. Florida Statutes do not provide an exemption for the customer charge. It is a well settled rule of statutory construction that the express mention of one thing implies the exclusion of others. See Thayler vs. State, 335 So2d 815 (Fla. 1976). Or stated another way, if the Legislature had intended to exempt other portions of the rates for utility service from the Public Service Tax, it would have provided those exemptions in the statute -- just as it did for the fuel adjustment charge.

This Office found no legal authority to support the assertion that the customer charge is exempt from the Public Service Tax. In addition, we spoke to representatives from the Florida Municipal Electric Association; reviewed published information from Duke Energy Florida, JEA and Lakeland Electric concerning their application of the Public Service Tax (see Attachment D); and spoke with a revenue auditor with the City of Orlando Office of Audit Services who has completed 9 Municipal Public Service Tax audits from 2011-present, including audits of Duke Energy and Tampa Electric Company. Our research confirms that it is common practice throughout the State to apply the Public Service Tax to the customer charge and the energy charge and to exempt the fuel adjustment charge from the Public Service Tax.

The application of the Public Service Tax by the City and GRU has been transparent, uniformly applied to each class of utility service purchasers, and has been carried out in good faith reliance on its interpretation of existing law. Where a tax is imposed in good faith reliance on a presumptively valid statute, taxpayers, other than those who judicially challenge the statute, are not entitled to a refund. See City of Tampa v. Thatcher Glass Corporation, 445 So2d 578 (Fla. 1984) citing from Osterndorf v. Turner, 426 So2d 539 (Fla. 1982).

If you can provide any legal authority or factual research that would indicate that the customer charge is exempt from the Public Service Tax, this Office would be glad to review that information with the City’s Finance Department (as the taxing authority), so that they may provide appropriate guidance to the sellers of utility services within the City (who act as tax

collectors). The existence of such legal authority and factual research would likely be of statewide interest as well, given that the City of Gainesville's interpretation and application of the statute appears reflective of practice throughout the State.

We hope this response will allay any concerns that your group, Seniors vs Crime, has concerning this matter. However, should you have any questions or wish to provide us with legal authority or factual research that you believe relevant to this matter, please do not hesitate to contact either of us via telephone at (352)334-5011 or via e-mail at [mcneillsl@gru.com](mailto:mcneillsl@gru.com) or [shalleynm@cityofgainesville.org](mailto:shalleynm@cityofgainesville.org).

Sincerely,



Nicolle Shalley  
City Attorney



Shayla McNeill  
Utilities Attorney

cc: Mayor and City Commissioners  
Kathy Viehe, Interim General Manager for Utilities  
Russ Blackburn, City Manager  
Mark Benton, City Finance Director  
Brent Godshalk, City Auditor

# UNDERSTANDING YOUR BILL

A guide for residential and non-demand business customers

## 1 SERVICE ADDRESS

Physical location service is being provided.

## 2 SECURITY DEPOSIT

If you have a cash deposit on file with GRU, it will be listed here.

## 3 UTILITIES

Charges for GRU services used during the billing period.

## 4 CITY OF GAINESVILLE

Charges for City of Gainesville services such as garbage pickup and stormwater.

GRU assists the city in billing for these services as a convenience so customers can avoid the need to make a separate payment.

## 5 TAXES AND SURCHARGES

Various state, county and city taxes and surcharges assessed to utility services.

## 6 ADJUSTMENTS & SERVICE CHARGES

Any adjustments to your balance or other charges, such as late fees, rebates and interest earned on your security deposit.

## 7 PREVIOUS BILL ACTIVITY

Summary of previous balance, payments received and any outstanding balance forward.

# BILL FRONT



Gainesville Regional Utilities  
301 S.E. 4 Avenue www.gru.com  
Gainesville FL 32601 352-334-3434

Account: 2000-1000-0001 Page 1 of 2  
Bill Date: 6/10/2014

AMY I JONES 123 MAIN ST GAINESVILLE FL 32601  
PARTNER: 109000001 ROUTE: 111135 RES

ACCOUNT SUMMARY		
Current Month Charges:	\$ 297.60	<b>DUE BY 6/30/2014</b>
Adjustments & Service Charges	\$ 5.00	
Balance Forward:	\$ 0.00	
<b>TOTAL PAYMENT DUE</b>	<b>\$ 302.60</b>	

Cash Security Deposit on File is \$0.00

### SUMMARY OF SERVICES

UTILITIES (See reverse for details about your utility charges.)	
Electric	\$ 125.14
Gas	\$ 26.31
Water	\$ 45.30
Wastewater	\$ 54.65
<b>Total Utility Charge</b>	<b>\$ 251.40</b>

### CITY OF GAINESVILLE

35 Gal Refuse Container	\$ 20.75
Stormwater Fee 1 ERU	\$ 8.56
<b>Total City Charge</b>	<b>\$ 29.31</b>

### TAXES AND SURCHARGES

Florida Gross Receipts Tax	\$ 4.03
City of Gainesville Utility Tax	\$ 12.86
<b>Total Taxes and Surcharges</b>	<b>\$ 16.89</b>

**TOTAL CURRENT MONTH CHARGES \$ 297.60**

### ADJUSTMENTS & SERVICE CHARGES

PROJECT SHARE	\$ 5.00
<b>TOTAL ADJUSTMENTS &amp; SERVICE CHARGES</b>	<b>\$ 5.00</b>

### PREVIOUS BILL ACTIVITY

Previous Balance	\$ 211.97
Payment (09/10/2014)	\$ -211.97
<b>BALANCE FORWARD</b>	<b>\$ 0.00</b>

### AVERAGE DAILY CONSUMPTION

Service	Meter	This Month	Last Month	Last Year
ELECTRIC	E123456789	21.50	23.79	25.38
GAS	G12345	0.60	0.36	0.60
WATER	W12345678	0.30	0.36	0.56
<b>AVERAGE TEMPERATURE (High/Low)</b>		90/68	91/75	88/67
<b>MONTHLY RAINFALL (inches)</b>		1.35	0.15	0.04

**SERVICE AGREEMENT:** Use or consumption of services rendered by this City shall constitute an agreement by the consumer with the City to abide by the rules of the City with regard to its utility service, including, but not limited to prevailing ordinances and policies of this City and its departments. A 1.5% late fee will be charged for new charges not paid by 7 P.M. on your due date. Service disconnection may result from past due balances.

**MESSAGES**  
THANK YOU FOR YOUR PAYMENT

Irrigation rules during daylight savings time. Homes with odd numbered or no addresses should water on Wednesday/Saturday. Homes with even numbered addresses should water on Thursday/Sunday. For more irrigation tips visit gru.com.

Please tear off this portion and return it with your payment in the enclosed envelope.

### CHANGE OF MAILING ADDRESS

Street: \_\_\_\_\_  
City: \_\_\_\_\_  
State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Email: \_\_\_\_\_

ACCOUNT# 2000-1000-0001

Please write account number on check and make check payable to: GRU

Payment Amount

Or pay online at www.gru.com

A bank draft will be processed on or after due date 6/30/2014.

**TOTAL PAYMENT DUE**

**\$ 302.60**

BARCODE  
GAINESVILLE REGIONAL UTILITIES

000001

\*\*\*\*\*SINGLE-PIECE 1 T1:1 11 SP 0.440



AMY I JONES  
123 MAIN ST  
GAINESVILLE FL 32601

200010001001 00 00000000 000024109

## 8 ACCOUNT

Each service address has a unique 12-digit account number. Include it on all payments and correspondence.

## 9 BILL DATE

Date on which your bill was prepared and sent.

## 10 ACCOUNT SUMMARY

Summary of account balance, which includes current charges, adjustments and any balance forward.

## 11 DUE BY

Latest date to submit payment for new charges and avoid a late fee.

## 12 AVERAGE DAILY CONSUMPTION

Information helpful for understanding seasonal changes in your bill. Provides comparisons of the current month's usage with last month and last year for electricity, gas and water. Includes average temperature and rainfall data to show how weather may have affected usage.

## 13 MESSAGES

Important messages, including tips on how to lower your bill and save money.

## 14 PAYMENT STUB

Please detach and return with payment if paying by mail or in person. GRU offers several other convenient payment options. Go to www.gru.com or see the back of your envelope for details.

## 15 TOTAL AMOUNT DUE

Pay this amount to keep your account current.

## A SERVICE DETAILS

In the header, find information about when and how meters were read and total consumption for that month.

## B CUSTOMER CHARGE

Basic charge to cover costs of making electric, gas, water and wastewater services available when you need it.

## C USE CHARGES

Calculated by multiplying usage by the appropriate rate.

**Billing Tiers:** You can lower your electric and water bill by paying close attention to this section. GRU's rates are tiered, which means the price per unit goes up for higher levels of usage to reflect the higher costs associated with providing that electricity or water.

## D FUEL ADJUSTMENTS

Electric Fuel Adjustment and Purchased Gas Adjustments are used to recover fuel costs. GRU makes no profit on fuel.

## E GRAPH

Thirteen months of usage data to show seasonal trends and how changes in use affect the bill.

## F ELECTRIC CONSUMPTION

Total amount of electricity used during the billing period measured in kilowatt hours (kWh).

Present reading: 38,813  
 Previous reading: -38,000  
 Difference: 813  
 Meter multiplier: x 1  
 Electric consumption: 813 kWh

## G METER MULTIPLIER

Meters can measure usage differently depending on the manufacturer. The meter multiplier is used to calculate consumption.

For most residential electric and water customers, the multiplier is 1. For most residential natural gas customers, the multiplier is 1.017.

# BILL BACK

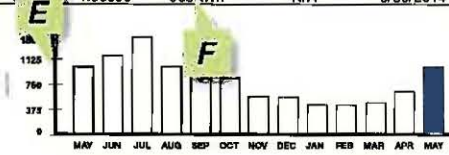
Account: 2000-1000-0001

Bill Date: 6/10/2014

Page 2 of 2

### Electric Service Details

Meter No.	METER READING DATES		Meter Read Type	Days of Service	METER READINGS		Meter Multiplier	Electric Consumption	Peak Demand	Next Meter Read on or About
	Previous	Present			Previous	Present				
E112	4/29/2014	5/30/2014	ACTUAL	31	73870	73870	1.00000	903 kWh	N/A	6/30/2014
Description		Usage		Rate	Amount Billed					
ELECTRIC CUSTOMER CHARGE				PER MONTH	\$ 11.90					
ELECTRIC USE, TIER 1 (1 - 250 kWh)		250		\$ 0.0390	\$ 9.75					
ELECTRIC USE, TIER 2 (251 - 750 kWh)		500		\$ 0.0500	\$ 25.00					
ELECTRIC USE, TIER 3 (OVER 750 kWh)		153		\$ 0.0840	\$ 14.38					
ELECTRIC FUEL ADJUSTMENT		903		\$ 0.0710	\$ 64.11					
FLORIDA GRS RECEIPTS TAX					\$ 3.21					
GAINESVILLE EC UTIL TAX					\$ 6.42					
Total for Electric Service Details					\$ 134.77					



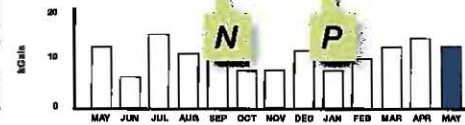
### Gas Service Details

Meter Number	METER READING DATES		Meter Read Type	Days of Service	METER READINGS		Meter Multiplier	BTU Factor	Gas Consumption	Next Meter Read on or About
	Previous	Present			Previous	Present				
G2223311	4/29/2014	5/30/2014	ACTUAL	31	3204	3222	1.01700	1.033	18 Therms	6/30/2014
Description		Usage		Rate	Amount Billed					
NATURAL GAS CUSTOMER CHARGE				PER MONTH	\$ 9.52					
NATURAL GAS USE		18		\$ 0.4820	\$ 8.68					
MANUFACTURED GAS PLANT REC		18		\$ 0.0505	\$ 0.91					
PURCHASED GAS ADJUSTMENT		18		\$ 0.4000	\$ 7.20					
FLORIDA GRS RECEIPTS TAX					\$ 0.82					
GAINESVILLE EC UTIL TAX					\$ 1.91					
Total for Gas Service Details					\$ 29.04					



### Water and Wastewater Service Details

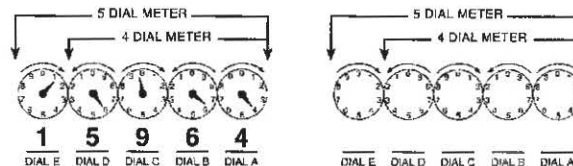
Meter Number	METER READING DATES		Meter Read Type	Days of Service	METER READINGS		Meter Multiplier	Water Consumption	Wastewater Consumption	Next Meter Read on or About
	Previous	Present			Previous	Present				
W331122	4/29/2014	5/30/2014	ACTUAL	31	1101	1113	1.00000	12 kGals	8 kGals	6/30/2014
Description		Usage		Rate	Amount Billed					
WATER CUSTOMER CHARGE				PER MONTH	\$ 9.00					
WATER USE, TIER 1 (1 - 6 KGALS)		6		\$ 2.30	\$ 13.80					
WATER USE, TIER 2 (7 - 20 KGALS)		6		\$ 3.75	\$ 22.50					
WATER USE, TIER 3 (OVER 20 KGALS)		0		\$ 6.00	\$ 0.00					
GAINESVILLE WATER UTIL TAX					\$ 4.53					
WASTEWATER CUSTOMER CHARGE				PER MONTH	\$ 7.85					
WASTEWATER BILLING		8		\$ 5.85	\$ 46.80					
Total for Water and Waste Service Details					\$ 104.48					



**Customer Inquiries**  
 Customer Service (352) 334-3434 Nationwide Toll-free Number 1-800-818-3436  
 Emergencies or Outages (352) 334-2871 Stormwater Service (352) 334-5070  
 Solid Waste Service (352) 334-2330

**Payment Information**  
 Make checks payable to GRU; return stub and check to: P.O. Box 147051, Gainesville, FL 32614-7051. You may also pay your bill online, by phone at 1-888-269-2881 or at a convenient location in your neighborhood. Visit [www.gru.com](http://www.gru.com) for details.  
 Lobby ..... 8 AM - 5 PM: M, T, Th, F and 9 AM - 5 PM: W  
 Drive-thru ..... 7:30 AM - 6 PM: M - F  
 Night depository payments will be posted the next business day if received after 3:30 PM weekdays.

**HOW TO READ YOUR METER**  
 Read the dials from right to left (A-E). If the dial hand is between two numbers, use the lower number.



## H NEXT METER READ

Approximate date of next meter reading.

## J BTU FACTOR

Monthly variable used to convert cubic feet to therms and calculate gas consumption; typical value is 1.028.

## K GAS CONSUMPTION

Total amount of natural gas used during the billing period measured in therms.

Present reading: 3,221 Ccf  
 Previous reading: -3,204 Ccf  
 Difference: 17  
 Meter multiplier: x 1.017  
 17.289 Ccf  
 BTU Factor: x 1.028  
 Gas Consumption: 17.77  
 or 18 Therms

## L METER READ TYPE

This will state "ACTUAL" if GRU was able to access the meter for reading. It will state "ESTIMATED" if GRU was unable to read the meter. For example, if access to the meter was blocked by a locked gate, GRU will adjust for actual consumption the next time the meter is read.

## M DAYS OF SERVICE

The number of days in this billing period.

## N WATER CONSUMPTION

Total amount of water used during the billing period measured in thousands of gallons (kGals).

Present reading: 484 kGals  
 Previous reading: -473 kGals  
 Difference: 11  
 Meter multiplier: x 1  
 Water Consumption: 11 kGals

## P WASTEWATER CONSUMPTION

For most residential customers, wastewater is not a metered service. Instead, wastewater charges are based on the amount of water used during a particular month or a customer's "winter max." GRU uses whichever amount is lower. Winter max is determined by water consumption that appears on the January and February bills. Depending on when your meter is read, this consumption will be based on the amount of water you used in December, January or February.



## Residential Rates Electric, Gas, Water, & Wastewater

Effective October 1, 2013

TYPE OF SERVICE	UNITS	COST/UNIT	NOTES
<b>Electric - Regular Service</b>			
Customer Charge	\$/bill rendered	\$ 11.90	a,b,d,m
Tier 1 (0 - 250 kWh)	\$/kWh	\$ 0.039	a,b,d,f,m
Tier 2 (251 - 750kWh)	\$/kWh	\$ 0.050	a,b,d,f,m
Tier 3 (OVER 750 kWh)	\$/kWh	\$ 0.094	a,b,d,f,m
Fuel Adjustment	\$/kWh	Subject to change monthly	d,i,o
<b>Electric - Time-of-Use Service</b>			
Customer Charge	\$/bill rendered	\$ 17.60	a,b,d,m
On-Peak Energy Charge	\$/kWh	\$ 0.139	a,b,d,f,j,m
Off-Peak Energy Charge	\$/kWh	\$ 0.035	a,b,d,f,j,m
Fuel Adjustment	\$/kWh	Subject to change monthly	d,i,o
<b>Natural Gas Service</b>			
Customer Charge	\$/bill rendered	\$ 9.52	a,b,e,m
Gas Use	\$/therm	\$ 0.4820	a,b,e,g,m
Manufactured Gas Plant Cost Recovery	\$/therm	\$ 0.0505	a,b,e,g
Purchased Gas Adjustment	\$/therm	Subject to change monthly	e,i,o
<b>Liquid Propane Gas Service</b>			
Customer Charge	\$/bill rendered	\$ 9.52	a,m
Basic Gas Use	\$/gallon	\$ 0.57176	a,f,k
Gas Use (7-Year Recovery)	\$/gallon	\$ 0.64676	a,h,m
Gas Use (more than 7-Year Recovery)	\$/gallon	\$ 0.60176	a,h,m
Purchased Gas Adjustment	\$/gallon	Subject to change monthly	i,o
<b>Water Service (Domestic meter)</b>			
Customer Charge	\$/bill rendered	\$ 9.00	a,c,m
Tier 1 (1 - 6,000 Gallons)	\$/1000 gallons	\$ 2.30	a,c,m
Tier 2 (7,000 - 20,000 Gallons)	\$/1000 gallons	\$ 3.75	a,c,m
Tier 3 (OVER 20,000 Gallons)	\$/1000 gallons	\$ 6.00	a,c,m
<b>Water Service (Irrigation only meter)</b>			
Customer Charge	\$/bill rendered	\$ 9.00	a,c,m
Tier 1 (1 - 14,000 Gallons)	\$/1000 gallons	\$ 3.75	a,c,m
Tier 2 (OVER 14,000 Gallons)	\$/1000 gallons	\$ 6.00	a,c,m
<b>Wastewater Service</b>			
Customer Charge	\$/bill rendered	\$ 7.85	c
Wastewater Billing	\$/1000 gallons	\$ 5.85	c,k,n
<b>Wastewater Service, Flat Rate</b>			
Single Family Usage Charge	\$/month	\$ 37.10	
Multi-Family Customer Charge	\$/bill rendered	\$ 7.85	
Multi-Family Usage Charge	\$/unit/month	\$ 29.25	
<b>Reclaimed Water Service</b>			
Customer Charge	\$/bill rendered	\$ 7.85	c
Water Billing	\$/1000 gallons	\$ 0.65	c

## NOTES:

- a. Subject to a 10% City (for customers inside the City of Gainesville) or a 10% County (for customers outside any city) utility tax.
- b. Subject to a 10% City surcharge (for customers outside the City of Gainesville).
- c. Subject to a 25% City surcharge (for customers outside the City of Gainesville).
- d. Subject to a 2.5% Florida Gross Receipts Tax adjustment [multiply the charge by 0.025641]; applies to all customers.
- e. Subject to a 2.5% Florida Gross Receipts Tax, determined by the number of therms multiplied by 0.0456]. The index price is revised annually. Subject to a 2.5% Florida Gross Receipts Tax adjustment [multiply 2.5% by the therms multiplied by the DOR Factor]; applies to all customers.
- f. Includes the cost of fuel as of October 1, 1973 — \$0.0065/kWh — which is subject to utility taxes and surcharge.
- g. Includes the cost of fuel as of October 1, 1973 — \$0.06906/therm — which is subject to utility taxes.
- h. Includes the cost of fuel as of October 1, 1973 — \$0.15882/gallon — which is subject to utility taxes.
- i. The portion of the current actual fuel cost that is exempt from utility taxes and surcharge.
- j. On-peak 6:00 a.m. – 10:00 p.m., excluding weekends and holidays. All other times are off-peak.
- k. Based on actual water usage during January and February billings periods; for all other months, based on the lesser of actual water usage or the "winter maximum." The "winter maximum" is the maximum average daily water consumption for the immediate preceding January or February billing periods times 30.4 days, rounded to the nearest 1,000 gallons.
- l. For customers on non-metered private wells discharging to the wastewater system.
- m. Customers inside the City of Alachua are subject to the City of Alachua's 6% Franchise Fee and 10% Utility Tax.
- n. Customers with meters installed for irrigation or reclaimed water service shall be billed wastewater charges on 95% of actual water consumption through the domestic meter.
- o. GRU tries to limit changes to the fuel adjustment to once each year; however, these costs vary each month and season. GRU reserves the right to update the fuel adjustment more frequently if needed.

*This fact sheet is meant as a summary overview of GRU's residential electric, natural gas, LP gas, water and wastewater rates. It does not replace the GRU rates in the Gainesville Code of Ordinances. If there are differences between this representation and the Ordinance, the Ordinance shall prevail.*

Modified 09/13 AC

## Bill Definitions

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### Utilities

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**Customer Charge** - Each utility service has a fixed customer charge to recover those costs that GRU must incur to provide service whether or not any consumption is used. Meter repair and replacement expenses, monthly meter reading expenses and the costs of producing and mailing the utility bill are examples of such costs.

**Electric and Gas Energy Charges** - Electric and gas energy charges vary in amount with the level of utility service the customer actually uses. These charges recover those costs that GRU incurs in delivering the utility service to the customer such as costs associated with operating and maintaining the respective transmission and distribution systems—the electric and gas lines. Also included in each energy charge is a taxable portion of fuel costs (see fuel Adjustment Charge below).

**Manufactured Gas Plant Cost Recovery Factor:** When GRU purchased the privately owned Gainesville Gas Company in 1990, the utility assumed responsibility for cleanup of residual coal tar contamination at the former site of the gas plant on Depot Avenue. To recover a portion of the cost of this remediation, a per-therm fee is charged for natural gas. This fee is reassessed each year based on the changing costs of the cleanup.

**Fuel or Purchased Gas Adjustment Charges** - The electric and gas adjustment charges vary in amount with the level of electricity or gas the customer actually uses. For electric service, this charge recovers the cost of the fuel used to generate electricity. For gas service, fuel costs are those paid by GRU to natural gas and liquid propane gas suppliers. In 1973, the Florida legislature "froze" the amount of fuel costs subject to utility taxes or surcharges. GRU's fuel adjustment charges are the difference between what fuel costs today and what it cost on October 1, 1973, and are exempt from utility taxes and surcharges [Sec. 166-231, Florida Statutes].

**Water Use Charges** - The water use charge varies in amount with the level of water the customer actually uses. It recovers the operating and maintenance costs associated with drawing the water out of the Floridan Aquifer, treating it to drinking water standards, and pumping it through underground water pipes to your home.

**Wastewater Billing Charges** - Wastewater billing charges recover the operating and maintenance costs of pumping wastewater from your home to one of our two wastewater reclamation facilities, processing and treating the wastewater so that the residual wastewater meets drinking standards, and disposing of the wastewater and wastewater by-products. Since wastewater usage cannot be metered, GRU uses the metered amount of water used by residential customers to determine how much water is returned to the wastewater system. During the January and February billing periods (typically months in which customers do not water lawns), the metered water amount is the billed wastewater use. During the remaining 10 months of the year, your maximum average daily consumption used in January and February times 30.4 (the average days in a month) is compared with the metered water consumption and the usage billed is the lesser of the two values.

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### City of Gainesville

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**Refuse (Solid Waste Fee)** - Section 27-236 of the Gainesville Code of Ordinances authorizes the City to collect a monthly fee for garbage, yard waste, and recycling services. GRU is only the billing agent and revenues collected are passed directly to the City.

**Stormwater Fee** - Section 27-236 of the Gainesville Code of Ordinances authorizes the City to levy a fee to fund the Stormwater Management Utility Program. GRU is only the billing agent and revenues are passed directly to the City. The basic measurement is 1 ERU (equivalent residential unit of 2300 sq. ft.).

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### Taxes and Surcharges

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**Electric Surcharge** - The Florida Public Service Commission has authorized an electric surcharge be levied on electric charges to customers receiving electric service outside the city limits and equal to the utility tax (10%) levied on electric charges to customers receiving electric service inside the city limits. [Sec. 27-27(c), Gainesville Code of Ordinances]

**Natural Gas Surcharge** - Section 27-272.1 of chapter 27 of the Gainesville Code of Ordinances authorizes the City to levy a natural gas surcharge on customers receiving natural gas service outside the city limits equal to the utility tax (10%) levied on customers receiving natural gas service inside the city limits. [Sec. 27-27(c), Gainesville Code of Ordinances]

**Water and Wastewater Surcharges** - Section 180.191 of the Florida Statutes authorizes the city to levy a 25% surcharge on water and wastewater charges to customers receiving such services outside the city limits. [Sec.27-128(b) and 27-169(b), Gainesville Code of Ordinances]

**Utility Tax** - Section 166.231 of the Florida Statutes authorizes cities and "charter" counties to levy a utility tax. The City of Gainesville, Alachua County, and the City of Alachua all levy a 10% utility tax on electric, gas, and water charges. These tax revenues are passed directly to the levying authority.

**Florida Gross Receipts Tax** - Chapter 12B-6 of the Florida Administrative Code levies a 2.5% tax on the gross receipts of electric and gas industries in the State of Florida and allows this amount to be recovered from all customers regardless of tax-exempt status. These tax revenues are passed directly to the State and are used for Public Education Capital Outlay funding. The DOR factor for the Florida Gross Receipts Tax for natural gas is determined by the Department of Revenue.

**Franchise Fee** - A fee levied by cities on electric and gas charges for services provided by GRU in their respective jurisdictions.

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### Adjustments & Service Charges

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**Late Fee** - A \$1 or 1.5% (whichever is greater) late fee will be charged on any unpaid current balance at the close of business on your due date. Past due balances do not apply and may be subject to disconnection terms. [Sec. 27-14(e), Gainesville Code of Ordinances]

**Returned Payment Fee** - A fee of \$20 or 5% of the amount of the transaction, whichever is greater, will be charged for any returned payment. Accounts may be placed on a cash only payment basis for two (2) or more returned checks in a 12-month period. [Sec. 27-14.3, Gainesville Code of Ordinances]





**SECTION NO. VI  
 TWENTY-EIGHTH REVISED SHEET NO. 6.120  
 CANCELS TWENTY-SEVENTH REVISED SHEET NO. 6.120**

Page 1 of 2

**RATE SCHEDULE RS-1  
 RESIDENTIAL SERVICE**

**Availability:**

Available throughout the entire territory served by the Company.

**Applicable:**

To residential customers in a single dwelling house, a mobile home, or individually metered single apartment unit or other unit having housekeeping facilities, occupied by one family or household as a residence. The premises of such single dwelling may include an additional apartment with separate housekeeping facilities, as well as a garage and other separate structures where they are occupied or used solely by the members or servants of such family or household. Also, for energy used in commonly-owned facilities in condominium and cooperative apartment buildings subject to the following criteria:

1. 100% of the energy is used exclusively for the co-owner's benefit.
2. None of the energy is used in any endeavor which sells or rents a commodity or provides service for a fee.
3. Each point of delivery is separately metered and billed.
4. A responsible legal entity is established as the customer to whom the Company can render its bill(s) for said service.

**Character of Service:**

Continuous service, alternating current, 60 cycles per second, single-phase or three-phase, at the Company's standard available distribution voltage. Three-phase service, if available, will be supplied only under the conditions set forth in the Company's booklet "Requirements for Electric Service and Meter Installations."

**Limitation of Service:**

Standby or resale service not permitted hereunder. Service under this rate is subject to the Company's currently effective and filed "General Rules and Regulations for Electric Service."

**Rate Per Month:**

**Customer Charge:** \$ 8.76

**Demand and Energy Charges:****Non-Fuel Energy Charges:**

First 1,000 kWh 4.974¢ per kWh  
 All additional kWh 6.336¢ per kWh

Plus the Cost Recovery Factors listed in  
 Rate Schedule BA-1, *Billing Adjustments*,  
 except the Fuel Cost Recovery Factor: See Sheet No. 6.105 and 6.106

**Additional Charges:**

Fuel Cost Recovery Factor: See Sheet No. 6.105  
 Gross Receipts Tax Factor: See Sheet No. 6.106  
 Right-of-Way Utilization Fee: See Sheet No. 6.106  
 Municipal Tax: See Sheet No. 6.106  
 Sales Tax: See Sheet No. 6.106

(Continued on Page No. 2)

**ISSUED BY: Javier J. Portuondo, Director Rates & Regulatory Strategy – FL**

**EFFECTIVE: January 1, 2014**



**RATE SCHEDULE RS-1  
 RESIDENTIAL SERVICE**  
 (Continued from Page No. 1)

**Minimum Monthly Bill:**

The Minimum Monthly Bill shall be the Customer Charge.

**Terms of Payment:**

Bills rendered hereunder are payable within the time limit specified on bill at company-designated locations.

**Term of Service:**

From billing period to billing period, until receipt of notice by the Company from the customer to disconnect, or upon disconnect by the Company under Florida Public Service Commission or Company rules.

**Budget Billing Plan (Optional):**

A customer may elect to be billed for service hereunder by an alternative-billing plan called the "Budget Billing Plan." This billing plan provides for payments on an averaged monthly installment basis rather than payments on an actual monthly usage basis.

Under the Budget Billing Plan, the monthly billing is determined as follows:

1. The Annual Base Amount is calculated using the most recent twelve (12) months' billings for the premise and then averaged and rounded to the nearest whole dollar (Monthly Budget Billing Amount). If the customer has not resided at the premise for twelve (12) months, the Annual Base Amount will be determined by the customer's available monthly billings plus the previous occupant's billings. If the premise is new, a twelve (12) month estimated billing would be used.
2. The Monthly Budget Billing Amount is recalculated every third month using the most recent Annual Base Amount plus any deferred balances (the difference in prior billings made under the Budget Billing Plan and that of actual charges).

$$\text{Monthly Budget Billing Amount} = \frac{\text{12 Month Summation Actual or Est. Annual Base}}{12} + \text{Deferred Balance}$$

If the difference between the newly calculated Monthly Budget Billing Amount and the current Monthly Budget Billing Amount is greater than \$5 or 10%, then the Monthly Billing Amount will be re-established at the newly calculated amount (rounded to the nearest whole dollar).

3. At the customer's option (in lieu of carrying the deferred balance forward in the recalculation of the Monthly Budget Billing Amount) any deferred balance that is outstanding at the customer's annual review may be settled either through being applied to the customer's next bill (if a credit balance) or direct payment to the Company (if a debit balance).

A customer may request termination of the Budget Billing Plan at any time. The Company may terminate application of the Plan to any Customer whose balance due becomes sixty (60) days delinquent. Upon termination of the Plan or disconnection of service, the Customer must settle the account in full. Once the Customer has terminated, he or she may not rejoin the plan for twelve (12) months.

RS  
Revenue Code RES10RATE SCHEDULE RSRESIDENTIAL SERVICE


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<u>Available</u>	In all territory served by JEA.
<u>Applicable</u>	To any residential customer in a single family individual house, apartment or mobile home for domestic, non-commercial purposes. All service hereunder will be rendered through a single metering installation. Resale of energy purchased under this rate schedule is not permitted.
<u>Character of Service</u>	JEA's standard voltage levels.
<u>Rate Per Month</u>	\$5.50 Customer Charge, plus 6.624 cent per kWh plus applicable Fuel, Environmental, and Conservation Charges
<u>Fuel Charge</u>	As stated in the Fuel and Purchased Power Cost Recovery Charge Policy (Sheet No. 5.0)
<u>Environmental Charge</u>	As stated in the Environmental charge (Sheet No. 5.1)
<u>Minimum Bill</u>	\$5.50 per month Customer Charge.
<u>Term and Conditions</u>	(a) Service hereunder shall be subject to the Rules and Regulations of JEA  (b) Conservation charge is a charge of 1.0 cent per kWh for all consumption above 2,750 kWh.

PUBLIC SERVICE TAX

<u>Legal Authority</u>	Chapter 792, Ordinance Code, City of Jacksonville, Florida; Section 166.231, Florida Statutes as amended by Senate Bill #1-D of 1978 and as further amended by Senate Bill #28-D of 1982.
<u>Applicable</u>	To any electric service account located within the corporate limits of the City of Jacksonville with the exception of accounts of the United States of America, State of Florida, County of Duval, City of Jacksonville, other City Authorities, and churches used for religious purposes. The Public Service Tax is not applicable to electric service accounts located outside Duval County or within the two urban service districts of Atlantic Beach and Baldwin, and to sales for resale.
<u>Rate Per Month</u>	The charge per month shall be 10% of the taxable portion of Base Revenue.
<u>Determination of Taxable Base Revenues</u>	Taxable Base Revenue shall be the total electric service charges as determined by the applicable rate schedule plus the Gross Receipts Tax plus Franchise Fee less the energy charges for non-taxable fuel cost component within the base rate. Currently the non-taxable fuel component within the fuel rate is 3.849 cents per kilowatt hour consumption for all rate schedules.
<u>Collection of Taxes For Others</u>	JEA collects a public service tax on any electric service accounts it serves in the Atlantic Beach and Baldwin urban service districts and unincorporated Clay County. This public service tax is collected on behalf of, and remitted to, the City of Atlantic Beach, Baldwin and Clay County, respectively. Currently, the monthly public service tax is 5% for Atlantic Beach, 10% for Baldwin and 4% on usage above 500 kWh for Clay County of the taxable portion of base residential revenues. The Taxable Base Revenues are determined as above, with a fuel rate non-taxable fuel cost component of 3.849 cents per kilowatt hour consumption.

NON-TAXABLE FUEL PER kWh FOR TIME-OF-USE RATES

Definition: The table below displays the off-peak and on-peak non-taxable fuel component for time-of-use (TOU) rates that corresponds to each service type.

<u>Service Type</u>	<u>OFF PEAK TOU</u>	<u>ON PEAK TOU</u>
Residential	3.732 cents per kWh	4.105 cents per kWh
General Service	3.735 cents per kWh	4.109 cents per kWh
General Service Demand	3.742 cents per kWh	4.115 cents per kWh
Gen Service Lrg Demand	3.744 cents per kWh	4.118 cents per kWh



**RATE SCHEDULE BA-1  
BILLING ADJUSTMENTS**  
(Continued from Page 1)

**(3) Capacity Cost Recovery Factor:**

The Capacity Cost Recovery (CCR) Factors applicable to the Energy Charge under the Company's various rate schedules are normally determined annually by the Florida Public Service Commission for the billing months of January through December. This factor is designed to recover the cost of capacity payments made by the Company for off-system capacity and is adjusted to reflect changes in these costs from one period to the next. For time of use demand rates the CCR charge will be included in the base demand only.

**(4) Environmental Cost Recovery Clause Factor:**

The Environmental Cost Recovery Clause (ECRC) Factors applicable to the Energy Charge under the Company's various rate schedules are normally determined annually by the Florida Public Service Commission for the billing months of January through December. This factor is designed to recover environmental compliance costs incurred by the Company and is adjusted to reflect changes in these costs from one period to the next.

**Gross Receipts Tax Factor:**

In accordance with Section 203.01 of the Florida Statutes, a factor of 2.5641% is applicable to electric sales charges for collection of the state Gross Receipts Tax.

**Right-of-Way Utilization Fee:**

A Right-of-Way Utilization Fee is applied to the charges for electric service (exclusive of any Municipal, County, or State Sales Tax) provided to customers within the jurisdictional limits of each municipal or county governmental body or any unit of special-purpose government or other entity with authority requiring the payment of a franchise fee, tax, charge, or other imposition whether in money, service, or other things of value for utilization of rights-of-way for location of Company distribution or transmission facilities. The Right-of-Way Utilization Fee shall be determined in a negotiated agreement (i.e., franchise and other agreements) in a manner which reflects the Company's payments to a governmental body or other entity with authority plus the appropriate Gross Receipts Taxes and Regulatory Assessment Fees resulting from such additional revenue. The Right-of-Way Utilization Fee is added to the charges for electric service prior to the application of any appropriate taxes.

**Municipal Tax:**

A Municipal Tax is applied to the charge for electric service provided to customers within the jurisdictional limits of each municipal or other governmental body imposing a utility tax on such service. The Municipal Tax shall be determined in accordance with the governmental body's utility tax ordinance, and the amount collected by the Company from the Municipal Tax shall be remitted to the governmental body in the manner required by law. No Municipal Tax shall apply to fuel charges in excess of 0.699¢/kWh.

**Sales Tax:**

A State Sales Tax is applied to the charge for electric service provided to all non-residential customers and equipment rental provided to all customers (unless a qualified sales tax exemption status is on record with the Company). The State Sales Tax shall be determined in accordance with the State's sales tax laws. The amount collected by the Company shall be remitted to the State in the manner required by law. In those counties that have enacted a County Discretionary Sales Surtax, such tax shall be applied and paid in a like manner.

**Governmental Undergrounding Fee:**

Applicable to customers located in a designated Underground Assessment Area within a local government (a municipality or a county) that requires the Company to collect a Governmental Undergrounding Fee from such customers to recover the local government's costs of converting overhead electric distribution facilities to underground facilities. The Governmental Undergrounding Fee billed to a customer's account shall not exceed the lesser of (i) 15 percent of a customer's total net electric service charges, or (ii) a maximum monthly amount of \$30 for residential customers and \$50 for each 5,000 kilowatt-hour increment of consumption for commercial/industrial customers, unless the Commission approves a higher percentage or maximum monthly amount. The maximum monthly amount shall apply to each line of billing in the case of a customer receiving a single bill for multiple service points, and to each occupancy unit in the case of a master metered customer. The Governmental Undergrounding Fee shall be calculated on the customer's charges for electric service before the addition of any applicable taxes.



RATE SCHEDULE BA-2

Rate BA-2  
Page 1 of 1

TAX AND SURCHARGE ADJUSTMENT

Lakeland Public Service Tax and Surcharge:

A 10% Utility Tax (inside City limits) or a 10% surcharge (outside City limits) shall be imposed against all customer, demand, and energy charges contained in Lakeland Electric's electric rates.

The 10% Utility Tax (inside City limits) or 10% surcharge (outside City limits) shall be imposed only on Lakeland Electric's Base Fuel Cost as of October 1, 1973.

The amount of Lakeland Electric's Base Fuel Cost as of October 1, 1973 is 0.4108¢ per kWh.  
Any amount of fuel charge above the non-exempt fuel amount of 0.4108¢ per kWh shall be excluded from the 10% utility tax or the 10% surcharge.

Florida Gross Receipts, Regulatory Tax Adjustment, and Florida State Sales Tax:

The tax adjustment in a billing period shall be the actual tax level imposed for Florida Gross Receipts Tax and Public Service Commission Regulatory Trust Fund Tax to the nearest 0.0001%. This tax adjustment shall be levied on all revenue associated with the retail delivery of electricity under Lakeland Electric's published rate tariffs. The Florida State Sales tax adjustment shall be applied in accordance with the appropriate Florida statutes exclusively for the purpose of collecting these taxes as levied by the State of Florida.

Polk County Public Service Tax:

The Tax Adjustment shall be the actual tax level imposed by Polk County. The tax shall only be imposed on Lakeland Electric's Base Fuel Cost as of October 1, 1973.

The amount of Lakeland Electric's Base Fuel Cost as of October 1, 1973 is 0.4108¢ per kWh. Any amount of fuel charge above the non-exempt fuel amount of 0.4108¢ per kWh shall be excluded.

Franchise Fees:

A franchise fee of 4% of gross revenues from the sale of electric energy shall be billed to Customers who reside within the jurisdiction of Polk City.