

## ORDINANCE NO. 14-09

**AN ORDINANCE OF THE CITY OF FORT MEADE, FLORIDA;  
AMENDING SECTION 24-155, CODE OF ORDINANCES; PROVIDING  
FOR CONFLICT; PROVIDING FOR SEVERABILITY; AND PROVIDING  
FOR AN EFFECTIVE DATE.**

**WHEREAS**, cost of power and adjustments thereof is an ongoing issue with the cost of fuel required to generate power in a constant state of fluctuation; and,

**WHEREAS**, the City has implemented the contract rate of delivery option in its bulk power supply contract and therefore will be assuming greater responsibility for bulk power supply, including possibly self-generation; and,

**WHEREAS**, to create such flexibility, Section 22-33(a), entitled "Power Cost Adjustment" should be amended; and,

**WHEREAS**, in the exercise of its authority, the City Commission (the "Commission") of the City has determined that it is in the best interest of the public health, safety and general welfare of the City and its residents to amend Section 22-33 of the Code of Ordinances (the "Code") as provided hereinafter.

**BE IT ENACTED BY THE CITY COMMISSION OF THE CITY OF FORT MEADE, FLORIDA:**

**SECTION 1. AMENDMENT TO SECTION 24-155 (5), CODE OF ORDINANCES OF THE CITY OF FORT MEADE.** Section 24-155(5)(b) is hereby amended to read as follows:

**"(5) ~~Power Cost Adjustment Purchase Power / Fuel Adjustment Charge; Rate Stabilization Fund.~~**

~~(a) Rate Stabilization Fund. An amount may be established from time to time by the City Manager to be deposited (rate stabilization fund deposit or RSFD) in a rate stabilization fund which shall be used at the discretion of the City Commission 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 (5)(b) of this section, or may be handled in a similarly equitable manner as a separate billing line item. To initially establish the Fund, the City hereby~~

authorizes transfer of \$200,000 to the Rate Stabilization Fund (i.e., 5% of power purchases by the City).

~~(b) Purchase Power / Fuel Adjustment. The energy charge for all rate classes shall be increased or decreased monthly by an amount per kilowatt hour (kwh) to reflect any increase or decrease in the purchase cost of bulk power to the City. The City hereby authorizes the City Manager to adjust the monthly purchase power / fuel adjustment with the following objective: a) the fund must be a positive number at the end of the fiscal year, and b) the fund balance will be adjusted to maintain the fund at the original level at the end of the next twelve months. To calculate this monthly adjustment, the City Manager shall (i) calculate the net difference between budgeted sales and actual sales revenue, (ii) calculate the net difference between budgeted purchase cost and the actual purchase cost, (iii) add (i) and (ii) together to determine the total differential between purchases and sales. Then, to calculate the actual adjustment, the City Manager shall divide the differential by the projected total kwh sales for the next twelve months, project the revenue from the calculated adjustment for each of the next twelve months, and compare the cash flow to insure that the Rate Stabilization Fund stays positive and returns to the base figure of \$200,000 by the end of the twelve months. As long as the Rate Stabilization Fund remains positive throughout the next twelve-month period, the City Manager may decide to forego the implementation of the change in the applied rate. If the cash flow projections appear to allow the Rate Stabilization Fund to go negative for any month during the next twelve-month period, then the purchase power / fuel adjustment used for billing must be adjusted to recover the shortfall.~~

(a) The Power Cost Adjustment (PCA) 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. If the PCA under-recovers the actual costs of bulk power supply and related expenses, the City will increase the PCA to collect the under recovery. If the PCA over-recovers 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 PCA, 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 10% of the fiscal year's annual Bulk Power Supply Budget (account number #####) without appropriate adjustments to the PCA."

(b) The City shall maintain a separate fund to be called the "rate stabilization fund" in an interest bearing account. All revenues derived from application of COP charges shall be deposited in the rate stabilization fund, and all costs of power to include fuel costs, transmission costs, administrative costs and other costs associated with procurement of electrical power shall be paid from the rate

stabilization fund. The City shall periodically establish a desired balance in the rate stabilization fund based upon actual power costs and power price volatility and the COP mechanism shall include components designed to achieve the desired balance in the rate stabilization fund.

(c) The resulting increase or decrease in rates made in accordance with Subsection 22-155(a) shall be announced at and included in the minutes of the first regular meeting of the City Commission (the "Commission) following implementation of each new COP change."

**SECTION 2. SEVERABILITY.** If any provision or portion of this Ordinance is declared by any court of competent jurisdiction to be void, unconstitutional, or unenforceable, then all remaining provisions and portions of this Ordinance shall remain in full effect..

**SECTION 3. EFFECTIVE DATE.** This Ordinance shall take effect immediately upon adoption.


**PASSED ON FIRST READING** this 12<sup>th</sup> day of August, 2014.

**PASSED ON SECOND READING** this 9th day of September, 2014.

**CITY OF FORT MEADE, FLORIDA**

  
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Robert Elliott, Mayor

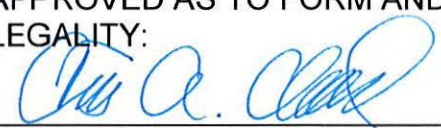
ATTEST:

  
\_\_\_\_\_  
Melissa Newman, Deputy City Clerk

APPROVED:

  
\_\_\_\_\_  
Fred Hilliard, City Manager

APPROVED AS TO FORM AND  
LEGALITY:

  
\_\_\_\_\_  
Thomas A. Cloud, Esquire  
City Attorney