

**Lee County Board of County Commissioners
Agenda Item Summary**

Blue Sheet No. 20061546-UTL

1. Action Requested/Purpose:

Authorize Chair, on behalf of the BOCC, to execute the "Agreement for Curtailable Service" between Lee County and Lee County Electric Cooperative, Inc. (LCEC) for the North Lee County Water Treatment Plant.

2. What Action Accomplishes:

Allows Lee County Utilities to have the best rates possible on our electrical consumption.

3. Management Recommendation:

Approval.

4. Departmental Category: 10 – Utilities **C10B** **5. Meeting Date:** ~~11/28~~ **DEC 12 2006**

6. Agenda:	<input checked="" type="checkbox"/> Consent	7. Requirement/Purpose (specify)	_____ Statute	8. Request Initiated:
	_____ Administrative		_____ Ordinance	
	_____ Appeals		_____ Admin. Code	
	_____ Public		<input checked="" type="checkbox"/> Other	
	_____ Walk-On		_____ Approval	
				Commissioner _____ Department <u>Public Works</u> Division <u>Utilities</u> By: <i>Douglas L. Meurer</i> <u>11-28-2006</u> Douglas L. Meurer, P.E., Director

9. Background:

Both FPL and LCEC provide optional load management programs that help reduce power usage by predictable and specific levels during times when energy demands are highest. These programs allow participating customers to receive lower electric bills for allowing the power company to occasionally reduce their electrical use.

On 10-16-91, the BOCC approved an FP&L Electrical Load Control Agreement for the Olga Water Plant, Corkscrew Water Plant, and the Fort Myers Beach Wastewater Plant. Also, on 1-10-06, the BOCC approved an FP&L agreement for the Airport Haul area, and a LCEC agreement for the North Lee County Water Plant.

Now that the North Lee County Water Plant is on-line, a separate meter in the wellfield must be on a different account, therefore, the LCU Electrical Manager is recommending approval of the attached agreements to ensure the best possible rates. As per the program, these rates are only available at limited times.

No funds required.

Attachments: Originals (2 Each)

10. Review for Scheduling:

Department Director	Purchasing or Contracts	Human Resources	Other	County Attorney	Budget Services				County Manager / P.W. Director
					Analyst	Risk	Grants	Mgr.	
<i>J. Lavender</i> Date: <u>11-29-06</u>	N/A	N/A	Date: _____	<i>S. Coovert</i> Date: <u>11/30/06</u>	<i>ebw</i> <u>11-30-06</u>	<i>ws</i> <u>11/30</u>	<i>mp</i> <u>11/30/06</u>	<i>J. Lavender</i> Date: <u>11/30/06</u>	<i>J. Lavender</i> Date: <u>11-29-06</u>

11. Commission Action:

- _____ **Approved**
- _____ **Deferred**
- _____ **Denied**
- _____ **Other**

RECEIVED BY COUNTY ADMIN: <u>11-30-06 11:42</u> <i>mp</i>
COUNTY ADMIN FORWARDED TO: <u>11/29/06 mp</u> to <i>PR</i>

Rec. by CoAtty Date: <u>11/30/06</u> Time: <u>8:40 AM</u> Forwarded To: <u>11/30/06</u> <u>11:45 a.m.</u>
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AGREEMENT FOR CURTAILABLE SERVICE

(SEPARATE WELLFIELD METER @ NLCWP)

This Agreement, made this _____ of _____ 20____, by and between Lee County Board of County Commissioners (Utilities Division) (hereinafter called "**the Customer**") located at 18250 Durrance Road, North Fort Myers, 33917 in Lee County Florida, and, Lee County Electric Cooperative, Inc., a cooperative, organized and existing under the laws of the State of Florida (hereinafter called "**the Cooperative**"). Ref: Meter #3984977 (Acct No. 6446030000)

WITNESSETH

That for and in consideration of the mutual covenants and agreements set forth herein, the parties hereto agree as follows:

1. The Cooperative shall provide electric service pursuant to Rate Schedule GSD-O-IS, marked Exhibit "A," which is made a part of this Agreement and attached hereto. If the Customer's demand is insufficient to qualify for said rate, it is hereby agreed that the Customer shall pay monthly the customer charge, demand charge for the minimum demand or the currently effective demand, whichever is larger, and the energy charge but never less than the minimum charge provided for on Exhibit "A."
2. That the Customer agrees to curtail demand by 50 kW or more upon request of the Cooperative.
3. That the Customer agrees to curtail to a maximum demand of -0- W during the curtailment periods specified by the Cooperative.
4. That the monthly curtailment credit shall be based on the difference between the Customer's monthly billing demand and the maximum demand specified in paragraph 3. The Customer has the option to revise the contracted maximum demand during the initial twelve- (12) month period. Thereafter, a change may be made after a twelve- (12) month period.
5. That in the event the Customer fails to curtail to the demand specified in paragraph 3, the Cooperative may recover from the Customer all curtailment credits issued in the preceding 12 months, or since the last curtailment, whichever is less, and may also recover a penalty charge in accordance with the Rate Schedule marked Exhibit "A." No penalty will be applied should failure to curtail result from unforeseen equipment failure.
6. That all terms and conditions of the Rate Schedule marked Exhibit "A," which is attached to and made a part of this Agreement, or its successive rate schedule which may be approved from time to time by the Florida Public Service Commission, shall apply to the Customer. In the event any of these terms and conditions are not met, the Customer will be placed on an appropriate non-curtable service rate for a period no less than the term of service of that rate.
7. That failure or delay by either party in exercising any rights or remedies provided herein or by law shall not be deemed to constitute waiver of any of the provisions hereof.
8. That this Agreement supersedes all previous agreements or representations, either written, verbal, or otherwise between the Customer and the Cooperative, with respect to the matters contained herein and constitutes the entire Agreement between the parties.

Witnesses for the Customer:

Company

By

Title

CUSTOMER - Public
LEE COUNTY BOARD OF
COUNTY COMMISSIONERS

CHAIR

Witnesses for the Cooperative:

By

Title

LEE COUNTY ELECTRIC COOPERATIVE, INC.

IS

(Continued from Sheet No. 16.0)

INTERRUPTIBLE CREDIT:

A credit will be calculated at the rate of \$3.75 for each kw that the contracted maximum demand during a curtailment period is less than the billing demand during the current billing period. The contracted maximum demand during a curtailment period must be established by agreement and at the customers option may be revised once during the initial twelve (12) month period of service. Thereafter, a change may be made after a twelve (12) month period. If the demand during a curtailment period is higher than that established by agreement, then the Lee County Electric Cooperative, Inc., shall recover one hundred fifteen percent (115%) of all excess credits given to the customer during the preceding twelve (12) month period or since the last curtailment, whichever is less.

POWER COST ADJUSTMENT:

The amount computed at the above monthly rate shall be adjusted plus or minus by an amount calculated in accordance with the formula specified in the Lee County Electric Cooperative, Inc.'s power cost adjustment clause which is a part of this rate schedule.

MINIMUM CHARGE:

The monthly minimum charge shall be the "Customer Charge" plus the "Demand Charge Adjusted for Interruptible Credit."

DETERMINATION OF BILLING DEMAND:

The demand to be used for billing purposes shall be the maximum fifteen (15) minute integrated demand occurring during the billing period as indicated to the nearest one-tenth of a kW by a meter installed to measure demand, but in no event shall billing demand be less than 20 kW, nor less than seventy (70) percent of the maximum measured demand, if applicable, during the preceding eleven (11) months.

POWER FACTOR ADJUSTMENT:

The Lee County Electric Cooperative, Inc., may, at its option, install metering equipment to allow determination of the reactive component of power utilized by the customer. The customers utilization equipment shall not result in a power factor at the point of delivery of less than 90% lagging at the time of maximum demand. Should this power factor be less than 90% lagging during the month, the Cooperative may adjust the reading taken to determine the demand multiplying the kW obtained through such reading by 90% and by dividing the result by the power factor actually established at the time of maximum demand during the current month. Such adjusted reading shall be used in determining the demand. At the request of the customer, but not more frequently than once in each twelve (12) month

(Continued on Sheet No. 16.2)

ISSUED BY: PAMELA M. MAY
EXECUTIVE VICE PRESIDENT
AND CHIEF EXECUTIVE OFFICER

Effective: February 1, 2002

LEE COUNTY ELECTRIC COOPERATIVE, INC.
NORTH FORT MYERS, FLORIDA

SECOND REVISED SHEET NO. 16.2
CANCELLING FIRST SHEET NO. 16.2

IS

(Continued from Sheet No. 16.1)

period, the Lee County Electric Cooperative, Inc., will review the need for such metering and may, at its option, terminate such metering.

CURTAILMENT PERIOD:

All hours established by the Cooperative during a monthly billing period in which the Customer is requested to curtail demand.

TERM OF SERVICE:

Not less than one year.

PRIMARY SERVICE DISCOUNT:

For service provided and metered at 14.4 kV and higher where the Lee County Electric Cooperative, Inc., has such service available in the immediate area of the load and where the customer owns the necessary transformation equipment, the foregoing demand charges shall be subject to a discount of twenty-five cents (\$0.25) per kW of billing demand.

TAX ADJUSTMENT:

The amount computed at the above monthly rate as adjusted by the application of the monthly power cost adjustment clause shall be subject to taxes, assessments, and surcharges imposed by any governmental authority calculated in accordance with the Lee County Electric Cooperative, Inc.'s tax adjustment clause which is a part of this rate schedule.

TERMS OF PAYMENT:

The above rates are net. In the event the current bill is not paid after due notice, to the extent permitted by law, the customer is subject to a late-payment charge and disconnection. In the event it is necessary for the Lee County Electric Cooperative, Inc., to send a bill collector to collect the bill, to the extent permitted by law, a collection charge shall be made.

ISSUED BY: PAMELA M. MAY
EXECUTIVE VICE PRESIDENT
AND CHIEF EXECUTIVE OFFICER

Effective: February 1, 2002