



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 34-17

City Council

9/14/2017

LEGISLATIVE ACTION ITEM

SPONSOR: Ashton J. Hayward, III, Mayor

SUBJECT:

PROPOSED ORDINANCE NO. 34-17, AMENDMENT TO SECTION 10-4-19 - SCHEDULE OF GAS RATES AND CHARGES

RECOMMENDATION:

That City Council adopt Proposed Ordinance No. 34-17 on second reading.

AN ORDINANCE AMENDING SECTION 10-4-19 OF THE CODE OF THE CITY OF PENSACOLA ENTITLED: "SCHEDULE OF RATES AND CHARGES"; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE

HEARING REQUIRED: No Hearing Required

SUMMARY:

In 2007, City Council adopted a rate study that allowed for an annual inflation adjustment component to provide for funding to maintain the City's natural gas system. The last Consumer Price Index (CPI) adjustment was in 2016 where rates were decreased 0.1%. During the budget preparation for fiscal year 2017, Pensacola Energy did not adjust rates pending final results of a rate study which was not implemented. The fiscal year 2018 budget has been prepared with an increase based on the CPI for both fiscal year 2017 and fiscal year 2018 of 0.90% and 2.40% respectively.

PRIOR ACTION:

August 10, 2017 - City Council voted to approve Proposed Ordinance No. 34-17 on first reading.
August 20, 2015 - City Council approved revisions to Rate Ordinance based upon changes to the CPI.

FUNDING:

N/A

FINANCIAL IMPACT:

The rate change yields an overall revenue increase of approximately \$672,300 which has been incorporated in the Fiscal Year 2018 Budget.

CITY ATTORNEY REVIEW: Yes

7/19/2017

STAFF CONTACT:

Eric W. Olson, City Administrator
Richard Barker, Jr., Chief Financial Officer
Don J. Suarez, Pensacola Energy Director

ATTACHMENTS:

- 1) Proposed Ordinance No. 34-17

PRESENTATION: No