

LCEC Customers Pay Millions More for Electric Service than FPL Customers

LCEC's higher rates have cost Cape customers almost \$213 million in past seven years

As the City tries to gather information to determine best options for electric service for Cape Coral, some perplexing facts are being discovered. These facts contradict what we, as LCEC customers and equity owners, have been led to believe regarding the “reliable, cost effective electricity” LCEC says they have been providing for 75 years.

Quite simply, LCEC charges substantially more than FPL for the same electric service. While LCEC touts several rate reductions, they have failed to keep pace with FPL's rate reductions.

LCEC rates historically have been higher than FPL rates; however, for the past seven years, the percentage difference has been in double digits (see chart). Since 2010, this rate disparity has cost the average LCEC customer more than \$1,500 and Cape Coral customers specifically almost \$213 million.

	2010	2011	2012	2013	2014	2015	2016
FPL	\$ 92.08	\$ 94.03	\$ 92.25	\$ 93.07	\$ 99.17	\$ 97.62	\$ 89.49
LCEC	\$ 114.16	\$ 114.16	\$ 114.16	\$ 114.16	\$ 112.85	\$ 110.80	\$ 106.55
Monthly \$ Difference	\$ 22.08	\$ 20.13	\$ 21.91	\$ 21.09	\$ 13.68	\$ 13.18	\$ 17.06
% Difference	24%	21%	24%	23%	14%	14%	19%

FPL's Request to Raise Rates

When the significant rate disparity between FPL and LCEC is raised, the issue of FPL and their proposed rate increase is brought up. The assumption is that FPL's proposed rate increase would push the average monthly FPL bill beyond LCEC monthly bill.

According to documents released by FPL, if their requested annual increases are approved in full by the PSC, their monthly rate for the average customer will be \$107.12 by 2020. LCEC's current monthly rate is \$106.55.

While FPL's published rate appears to surpass LCEC's current rate, the comparison is a little misleading for two reasons. First, FPL's published rate includes the 2.5 percent Florida gross receipts tax charged on top of the base rates. While LCEC collects the same tax, LCEC does not include the tax in their published rate. When the gross receipts tax is backed out of FPL's bill for an apples-to-apples comparison, the FPL bill would be \$104.51 through 2020, which is lower than LCEC's \$106.55 even after proposed increases.

Second, this comparison assumes LCEC will maintain current rates through 2020. LCEC can provide no guarantee they will maintain the same rates. But even if LCEC keeps rates the same the next four years, Cape customers will continue to pay more than FPL customers each year. ■

City Updates 5-Year Paving Plans

The City recently updated the 5-Year Major and Local Road Resurfacing Plans to include areas to be resurfaced in FY 2019 and FY 2020. The annual budget submitted to Council includes \$6.5 million each year to pave City streets, with about \$2 million on major roads and \$4.5 million on local roads. The updated 5-year plans were presented to City Council in March.

For the Major Road Resurfacing Plan, staff performs field verification of the existing road conditions, and this year adjustments were made to the previous 5-year plan due to accelerated deterioration caused by additional traffic and adverse weather conditions on certain road segments.

Major roads scheduled to receive pavement in FY 2016:

- Old Burnt Store Road (Kismet to Yucatan)
- Viscaya Parkway (Del Prado to SE 24th Avenue)
- Coronado Parkway (Del Prado to Cape Coral Parkway)
- El Dorado Parkway (Coronado to the canal)
- Kismet Parkway (Santa Barbara to Andalusia)
- Hancock Bridge Parkway (Cultural Park Boulevard to Del Prado)

For the Local Road Resurfacing Plan, staff identified areas to be resurfaced based on the length of time since the last repaving of a road. Staff performed field investigation of the older pavement areas to determine local road paving priorities. In addition, Public Works is in the process of re-evaluating road conditions within a 14-square mile utility expansion area completed in the 1990s to determine if any roads need to be advanced in their paving priorities. For FY 2016, the City will pave 60 miles of local roads.

Local roads scheduled to receive pavement in FY 2016:

- **Northwest Cape**
Roads around Caloosa Parkway and Durden Parkway areas
Roads south of Jacaranda Parkway
- **Northeast Cape**
Gator Circle (northeast corner)
- **Southeast Cape**
Roads north/south of Viscaya Parkway east of Del Prado
Roads south of El Dorado Parkway

The updated and complete five-year resurfacing maps are available on the City's website: www.capecoral.net. Go to Public Works under “Departments” and select the “Public Works Maps” on the left menu bar. ■

City Adds Online Option to Disconnect Water Service

The City has launched a new online service to provide water and sewer customers the convenience of requesting disconnection of service online. The new online option was requested by the City's Customer Billing Services and developed internally by the Information Technology Services staff.

The new online service allows residents to upload any required documents as part of the disconnect process. To access the online form, visit the City website at www.capecoral.net and select “I Want to” and then under “Apply,” choose “Water and Sewer Service.” The City is developing additional online services for the convenience of water and sewer customers. ■

