

**TASK ORDER NUMBER 1  
TO AGREEMENT FOR PROFESSIONAL SERVICES**

**THIS TASK ORDER** is made as of the \_\_\_ day of \_\_\_\_\_ in the year 2012, between **THE CITY OF LEESBURG, FLORIDA**, a Florida Municipal Corporation, whose address is 501 West Meadow Street, Post Office Box 490630, Leesburg, Florida 34749-0630 (hereinafter referred to as the "CITY"), and **DOUG HANDLEY d/b/a UTILITY CONSULTING SERVICES** whose address is 10337 Sandy Marsh Lane, Orlando, Florida 32832 (hereinafter referred to as the "PROFESSIONAL").

**WITNESSTH:**

**WHEREAS**, on May 10, 2010 the CITY approved Resolution 8651 authorizing execution of a Master Agreement between CITY and PROFESSIONAL for professional consulting services on a continuing basis (hereinafter referred to as the "Master Agreement"). The Master Agreement is referenced herein as though set forth in full text.

**WHEREAS**, the CITY and the PROFESSIONAL desire to enter into a Written Task Order Number 1.

**NOW THEREFORE**, for and in consideration of the mutual covenants and promises contained in this Task Order, the CITY and the PROFESSIONAL do hereby agree as set forth below:

1. **Recitals.** The above recitals are true and correct and are incorporated herein.
2. **Scope.** The Parties agree to the Scope of Services and estimated cost pursuant to the terms and conditions set forth in **ATTACHMENT "A"**.
3. **Expenditure.** The cost of services detailed in Attachment "A" shall not exceed \$75,000.00 unless the CITY has executed a written change order approving any increase in price. Acceptable written change orders are either a purchase order change or an amendment to this Task Order.

**IN WITNESS WHEREOF**, the parties hereto have executed this Task Order on the respective dates under each signature.

**UTILITY CONSULTING SERVICES**

**THE CITY OF LEESBURG, FLORIDA**

By: *Doug Handley*  
Printed: *Doug Handley*  
Its: *Principal*  
(Title)  
Date: *1/24/12*

By: \_\_\_\_\_  
Mayor/Commissioner  
Attest: \_\_\_\_\_  
City Clerk  
Date: \_\_\_\_\_

## **GENERAL**

The City of Leesburg (“City”) requires electric rate consulting services in connection with the deployment of smart meters throughout the City’s electric service territory. The requested services include the development of proposed electric rates or riders that utilize the interval usage data from the new meters and promote the goals of the City, specifically reducing the cost of power for the City and its electric customers. The services will be provided to the City by Doug Handley of Utility Consulting Services (“Consultant”). The study will result in one or more proposed new optional residential electric rates or riders in the following categories:

- Time-of-use (“TOU”)
- Critical peak rebate (“CPR”)
- Load control credit (“LCC”)

The study may also include proposed modifications to the existing Bulk Power Cost Adjustment (“BPCA”) rider. The study will utilize residential interval data from an ongoing pilot program in the City and develop projected revenues and power costs for one fiscal year, or “test year”. The proposed rate designs will be compared to and may be modeled after similar rates offered by other utilities, primarily Florida Power and Light (“FPL”) and Progress Energy Florida (“Progress”).

## **SERVICES TO BE PROVIDED BY THE CONSULTANT**

The specific scope of services includes the following tasks:

1. Review and utilize interval energy usage data available from the City's ongoing pilot program consisting of approximately 120 residential customers. Select a recent twelve month period for analysis (the “test year”). The test year energy usage data will be used as a sample to develop a reasonably accurate pro forma distribution profile of existing usage for the residential class. These usage profiles will be used as supporting detail for the test year revenues from the existing and proposed rates.
2. Review and utilize the City's purchased power bills from FMPA for the test year. If considered appropriate, the actual data may be adjusted in order to produce test year data that may be more representative of projected bulk power costs or usage.
3. Compile a comparison of the existing published rates of selected public and private utility systems in the State similar to the types of rates to be proposed in this study. Provide comments on the advantages and disadvantages of each, especially in relation to the City’s goals for the proposed rates.
4. Based on the results of tasks 2 and 3 above, develop up to three proposed definitions of “on-peak” and “off-peak” time periods for purposes of the proposed TOU rates.

**ATTACHMENT A  
SCOPE OF SERVICES  
ELECTRIC RATE CONSULTING SERVICES  
CITY OF LEESBURG, FLORIDA**

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5. For each of the potential time period definitions from task 4, calculate the residential billing units in a spreadsheet model that calculates revenues from the existing rates. The model will be used to develop TOU rates that are revenue neutral to the existing rates.
6. For each of the potential time period definitions from task 4, allocate the monthly FMPA power cost between on-peak and off-peak.
7. Participate in a meeting with City staff to evaluate progress of work on preliminary results for the purpose of defining the on-peak and off-peak periods to be used in the proposed TOU rates and certain parameters of the other proposed rates.
8. Develop up to three proposed TOU rate designs utilizing the time period definitions developed in task 7.
9. Develop up to three proposed CPR rate designs utilizing the analysis of FMPA costs, comparisons to similar rates offered by other utilities and guidance from City staff.
10. Develop proposed LCC riders for the following appliances based on comparisons to similar rates offered by other utilities and guidance from City staff: central cooling, central heating, water heater and pool pump.
11. Prepare a comparison of the test year estimated revenues from existing rates to the test year estimated revenues from the proposed rates under alternative scenarios with respect to levels of adoption and participation by customers.
12. Prepare a summary of the test year projections of the cost of bulk power supply under the same alternative scenarios as in task 11.
13. Based on a comparison of the results of task 11 and task 12, prepare an outline of a potential policy for the allocation between participants and non-participants of any benefits of power cost savings resulting from the proposed rates.
14. Prepare recommendations for redesigning the BPCA rider and analyze the effects of any recommended changes.
15. Prepare a draft report setting forth the preliminary results for review by City staff.
16. Provide general consultation and participate in a meeting to present the preliminary results to City staff.
17. Based on guidance provided by City staff, prepare a revised draft report for preliminary review with City decision-makers.
18. Participate with City staff in the review the draft report with decision-makers in the City.
19. Make any necessary revisions to the draft report based on guidance to be provided by the City and prepare a final report for distribution to the City.
20. Present the final report at a meeting of the City Commission.

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**SCHEDULE**

Based on timely receipt of data to be provided by the City and coordinated meetings with the City, it is anticipated that the study will be completed by September 2012. The schedule may be modified by agreement to meet the needs of the City and Consultant and to minimize costs.

**SERVICES TO BE FURNISHED BY THE CITY**

The City shall assist the Consultant by compiling, furnishing and making the following available at no cost to the Consultant. To minimize costs and expedite data transfer, where appropriate, all data and analyses shall be provided in computer readable form by email.

1. Electric usage data for all customers in the City's pilot project in a spreadsheet format and any other data that may be requested by the Consultant.
2. Copies of rate schedules of other public and private utilities in the State, power cost and rate projections for FMPA, and other data applicable to the study that may be more readily available to the City than to the Consultant.
3. Services of City staff and decision-makers as may be required to meet with and advise the Consultant regarding the results of the study and guidance as needed for the analysis and design of proposed rates.
4. All legal services and opinions as required in connection with the work, including preparation of any rate ordinance revisions and any regulatory filings.

**ESTIMATED COST**

Based on the scope of services herein, it is estimated that the total cost of the electric rate study is \$75,000.00. The City will be billed monthly based on actual hours by the Consultant, plus reimbursable expenses related to the work.