



CITY OF MOUNT DORA

NEWS RELEASE

MOUNT DORA, Fla. (March 17, 2017) – The City of Mount Dora announced that utility bills for customers would reflect a higher water rate and a higher electric Power Cost Charge (PCC) starting on April 1, 2017. The higher PCC will only affect customers who receive electric service from the city, not those receiving electric service from Duke Energy or SECO.

Water Rate Increase

Resolution 2016-13 passed on March of 2016. The rate was for two years in order to bring the revenue stream up to allow for necessary projects over the next five years. The first two years were heavy increases of 12.7% in April of 2016 and a final increase in April of 2017 in the amount of 12.9%. The subsequent years increases are estimated at 3.3% a year for three years. The City intends to conduct a rate study every 3 to 5 years to help insure that large increases will not occur in the magnitude seen over the last two years.

Electric Power Cost Charge Increase

Bills for the city's electric customers will reflect a higher PCC rate starting on April 1, 2017. The PCC is a separate charge on the customers' electric bills which recovers the actual cost of wholesale power that the city purchases from Duke Energy.

The PCC rate will increase from \$0.05928 per kWh to \$0.06283 per kWh. The electric bill for a typical residential customer using 1,000 kWh per month will increase by \$3.55 or about 3.3%. Commercial customers will see a 3.2% to 4.4% increase in their electric bills depending on their monthly electricity consumption.

The higher PCC reflects increasing wholesale power costs from Duke Energy, driven primarily by higher natural gas and coal prices. Natural gas prices are rising due to higher demand, attributed to the improving domestic economy and increasing capability of exporting U.S. liquefied natural gas (LNG) to world markets. Duke Energy projects that natural gas prices will continue rising in 2017 and 2018, but then begin decreasing in 2019 through 2021.

The PCC is normally calculated for April 1 and October 1 and applies for the following six month period. The PCC formula has an automatic "true-up" feature that ensures that electric customers only pay for actual power costs. The city does not make a "profit" on the PCC. It is simply a billing mechanism to pass along wholesale power costs to the city's electric customers.

For more information, contact the City's Customer Service department at (352) 735-7105.