

From: Peter Weldon on behalf of peterjweldon@outlook.com
Sent: Monday, February 7, 2022 1:14 PM
To: 'Curtis McWilliams'
Cc: 'Mayor Phil Anderson'
Subject: RE: Understanding the rationale for raising our utility rates by 8%

Curtis,

Here is what I sent Phil:

Phil,

I write you directly in the hope you will rethink the electric rate increase and related service line undergrounding plan.

As on the winning side of the vote, you can bring it up again for reconsideration.

The minutes of your January 13 minutes refer to your rationale in support of the fee as follows: *"Mayor Anderson said the goal, as he sees it, is for 100% resiliency by getting 100% participation which increases efficiency and project completion, but issue is financing."*

A home having less "resiliency" because its service line is above ground is not going to impact surrounding homes. I discussed this issue with Dan D'Alessandro years ago and he tells me now that the reality has not changed. Per Dan, *"A service line failure from the pole to the house, whether under ground or overhead will not affect the surrounding power grid. Under rare circumstances the failure could take out a transformer feeding around 5 homes but it would be unlikely."*

Given reality, this new program socializes the cost of undergrounding residential service lines when there is no tangible socialized benefit.

A clear majority of service lines to residential customers are already underground. Those customers have already paid the cost of undergrounding their lines in one way or another. Further, there is no reasoning that supports asking them to pay a second time to subsidize service line undergrounding for others.

Please respect the responsibilities and interests of all electric customers and take steps necessary to reverse the vote of January 13th. Doing so will be both fair to all electric customers and politically wise.

Please restore the former policy, understanding that it is fair, respects the interests of all electric customers, and yes, that it will take years for all residential properties to underground their local service line.

Regards, Pete Weldon

The local service line, whether overhead or underground is the responsibility of the property owner, not the city, just as it is with connections to the city's water and sewer lines.

Phil's statements below are not complete or accurate. See my notes below.

Please ask Phil to bring this back up and get it reversed.

Regards, Pete Weldon

From: Curtis McWilliams <cbmcwilliams09@gmail.com>
Sent: Monday, February 7, 2022 10:56 AM
To: Peter Weldon <peter.weldon@winterparkperspective.org>
Subject: FW: Understanding the rationale for raising our utility rates by 8%

I received responses from both Phil (who I know well for our time together at CNL) and Todd Weaver (I will send next)....FYI.

From: Phil Anderson <phil.anderson@cityofwinterpark.org>
Date: Saturday, February 5, 2022 at 3:05 PM
To: Curtis McWilliams <cbmcwilliams09@gmail.com>
Subject: RE: Understanding the rationale for raising our utility rates by 8%

Curtis,

Thank you for your email. I agree the utility company could do a better job of getting all of the relevant information out more quickly so that customers have a better understanding of the modifications and reasons for the change. There is an overview in the works to go to utility customers with their statements. I have used some of that draft information for this email.

The reason behind the change was to get rid of the remaining poles in areas that are undergrounded by incorporating the "street to house" connection into the bigger project. These remaining poles and overhead lines have impacted the efficiency of the main project and have left us exposed to localized outages. Importantly, most customers who participated in the \$1,000 co-pay program to have their lines buried from the street to their house will receive a credit.

As you would guess, setting electricity rates is a complex process of trying to balance capital and operating expenses with a wide range of consumers. The Commission voted to accept the Utility Advisory Board's recommendation and approve slightly increased rates as the best of several choices to meet the following goals:

1. Honor our commitment to all residents and ensure we complete the undergrounding on time, moving from 70% complete today to 100% by the end of 2027.

PJW: The commitment has always been to underground the shared distribution system, not the local service lines. The issue of local service lines has been discussed since the inception of undergrounding in about 2007. The conclusion has always been that asking those who already paid to underground to pay for undergrounding the service lines of other is unfair. If Winter Park Utilities were subject to Florida Public Service Commission oversight it is very likely that this fee would be rejected out of hand as it asks one set of utility customers to pay for benefits received by another set of utility customers.

2. Increase efficiency by eliminating the outages caused by overhead lines that are still remaining, even after an area has had most of the lines undergrounded.

PJW: This is not true. Per the Director of Electric Utilities: ““A service line failure from the pole to the house, whether under ground or overhead will not affect the surrounding power grid.” The only “benefit” is cosmetic.

3. Allow all customers to experience the reliability that comes from a fully undergrounded system.

PJW: No one is “allowing” a customer to experience enhanced reliability. Each property owner makes that decision for themselves. Forcing me to pay to underground the service line of my neighbor is not an “allowance.” It is an unfair imposition.

4. Keep our competitive position as one of the region’s lowest cost providers and minimize the financial impact with very modest rate changes. For consumers with the lowest needs, a customer using 500 kwh would see an increase of less than \$5.38 per month. For the average utility customer consuming 1,300 kwh, the increase will be about \$13.93 per month. While other options were considered, this seemed to be the best approach.

PJW: How does increasing rates keep our competitive position? I note there are about 8300 single family homes in Winter Park and yet 12000 residential electric customers who will be paying this fee. There are about 4000 residential customers yet to underground their local service line, meaning 8000 customers already receiving service from underground lines to their property will be subsidizing 4000 customers who, in the absence of this imposition, would eventually underground their local service line either voluntarily, or as a code requirement when they renovate or rebuild.

PJW: I take exception that charging renters \$60 to over \$100 per year to underground service lines to million-dollar homes is somehow a minor cost for these people. There are roughly 3700 renters, townhome, and condo residents with electric utility accounts who will be paying this fee. This is a convenient yet false rationale. Every dollar means something to the person who is forced to pay.

You should know the reliability effort has really worked. When we began our undergrounding, our city’s average interruption rate was 160 minutes per outage. At the end of 2021, it has dramatically improved to 37 minutes per outage. Getting rid of the final poles and overhead lines will make our service even more reliable – and our streets more attractive.

PJW: Yes, the undergrounding of the shared electric distribution system as been a great success. Therefore, there is no need for this added fee. Phil ends with his true rationale, making our streets more attractive. This is not a justification for requiring the vast majority of electric customers to pay to make a few of their neighbor’s property appear “more attractive.” Bottom line, this fee socializes the cost without socializing any benefit.

Curtis, thanks for email. Feel free to call if you would like to discuss more.

Thanks!

Phil

Phil Anderson
Mayor
City of Winter Park, FL
407.599.3234

Under Florida law, email addresses and written correspondence with the city become public record and must be made available to the public and media upon request (unless otherwise exempt). If you do not want your email address to be public record, please contact our office by phone.

From: Curtis McWilliams <cbmcwilliams09@gmail.com>

Sent: Friday, February 4, 2022 5:20 PM

To: Mayor and Commissioners <MayorandCommissioners@cityofwinterpark.org>

Subject: [External] Understanding the rationale for raising our utility rates by 8%

[Caution: This email originated from outside the City of Winter Park email system. Before clicking any hyperlinks, verify the real address by hovering over the link. Do not open attachments from unknown or unverified sources.]

Phil:

Could you please help me understand the rationale for raising our electric utility rates by 8%? I have heard that this increase is to pay for the undergrounding of utility wires associated with the private properties which have not already had this work done. Candidly, I firmly believe in the positive impact of the undergrounding initiative. It is the reason why I was happy to personally pay for such undergrounding on my property. My question is why should I now be paying for others to underground the wires on their properties. It seems like I am being asked to pay twice. Am I missing something? Please explain.

Best to you and the family,

Curtis