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# Rising Utility Costs Communications

An Overview of Communications Materials Created and Measures Taken So Far



# Rising Utility Costs?

- The first of two rate adjustments approved for the WRF relocation, utility expansions and AMI took effect July 2022 and impacted all four utility services (electric, gas, water, wastewater).
- Natural gas prices have more than doubled in the last year, requiring a substantial adjustment to our PCA which currently sits at \$59.

**SunSentinel**

BUSINESS

### His FPL bill averaged \$15 a month – until it doubled with new minimum monthly charge

By Ron Hurtbise  
South Florida Sun-Sentinel • Jun 26, 2022 at 9:00 am

NEWS > LOCAL NEWS > LEE COUNTY

### Lee County Electric Cooperative explains hike in electric bill

LOCAL

### JEA electric bills will stay high in summer heat because of natural gas price spike

by **David Bauerlein**  
Florida Times-Union  
Published 2:04 p.m. ET May 24, 2022 | Updated 2:06 p.m. ET May 24, 2022

[View Comments](#)

POLK COUNTY

### Citing rising natural gas costs, Lakeland Electric raises fuel charge to highest since 2009

by: **Staci DaSilva**  
Posted: Jun 7, 2022 / 04:42 PM EDT  
Updated: Jun 7, 2022 / 03:35 PM EDT

### Wondering Why the Price of Natural Gas is Suddenly so Damn High? The Booming US LNG Export Industry

by Wolf Richter • Jun 7, 2022 • 108 Comments

US natural gas prices tripled from the 10-year average, now linked to global prices, with 7 LNG export terminals now operating and 15 more approved.

LOCAL NEWS

### Some beach residents in Jacksonville will see \$20 spike in their utility bills

Beaches Energy services says this is due to the high prices of natural gas.



# Our Public

Census July '21 (2020)	Fort Pierce	Florida	United States
Population Growth	1.4%	1.1%	0.1%
Persons in Poverty	28.6%	12.4%	11.4%
Per Capita Income	\$19,833	\$32,848	\$35,384
Population Per Square Mile	1,988.0	401.4	93.48



# Our Process

- June 21
  - FPUA Board suggested key communications needed
- June 22
  - Met with Customer Service Department to brainstorm likely questions and concerns
  - Leadership met to discuss overall natural gas and related communications
- June 24
  - Leadership met to review and prepare select materials
- June 29
  - Vetted communications materials at Exempt Staff meeting
  - Vetted communications materials with Customer Service Team Leads
- June 30
  - Reviewed final packet with Customer Service Department



# Packet Developed – Communications Tool

- Letter from the Utility Director
- Bill Insert – Why is My Electric Bill Higher?
- How Natural Gas Becomes Electricity in Your Home flyer
- **Combined Utility Bill flyer**
- Resources Available to Assist FPUA Customers with Utility Payments flyer
- Budget Billing brochure
- Water Conservation booklet
- Energy Conservation booklet
- LED lightbulb





# Letter from Utility Director



Fort Pierce Utilities Authority  
Director of Utilities  
206 South 6<sup>th</sup> Street (PO Box 3131)  
Fort Pierce, FL 34950 (349)468

July 1<sup>st</sup>, 2022

Dear FPUA rate payer,

I would like to introduce myself as the newest executive officer of your hometown utility provider, Fort Pierce Utilities Authority. It is very important to me and the leadership team to foster open communication, and build trust, with you and our community. This is an especially important time for our community as we move forward with vital initiatives like moving our wastewater plant off the Indian River Lagoon, far away from neighborhoods, and making room to beautify our city.

Unfortunately, as you are aware, our nation is experiencing unprecedented inflation for all products and services. This includes rising energy costs which are affecting all utilities throughout the country. Florida is especially vulnerable to the rising cost of natural gas because 75% of Florida's electricity is generated by natural gas power plants.



Beginning July 2022, your electric bill will reflect an increase due to these higher natural gas prices. This is an emergency adjustment to cover our wholesale power cost with an unknown timeline due to circumstances outside of our control. We are continuously monitoring natural gas prices and revisiting the adjustment with the FPUA governing board every two weeks to ensure flexibility and the fastest possible return to normal.

We have postponed certain projects to reduce costs during this time. We have also locked in natural gas at discounted rates starting in April 2023 and are actively looking for ways to stabilize these costs for the rest of this year. We also have several options to help our customers budget now and into the future:

- Budget Billing provides you with a stable, fixed monthly bill throughout the year. This helps our customers avoid the seasonal highs and lows due to the Florida weather.
- Special Payment Arrangements provides you the ability to avoid interruption of service by paying your past due bill over a 12-month period.
- Partnerships with local organizations provide utility assistance for those customers who need it. Please see our Customer Service Representatives for more information.

We appreciate your patience and understanding as we navigate these times. We have been here before and we will get through this together.

Sincerely,  
  
Javier Cisneros, P.E.

 Our mission is to provide our customers with economical, reliable and friendly service in a continuous effort to enhance the quality of life in our community.   
Reliable Public Power Provider 772.466.1600 • www.fpu.com

- (Self) introducing Javier Cisneros in new role.
- Committing to open communication and trust with our community.
- Highlighting the WRF Relocation.
- Identifying inflation and natural gas prices as a nationwide issue.
- Naming the \$59 PCA as an emergency adjustment with an unknown timeline and committing to regularly revisiting this PCA with our governing board.
- Pointing to locked-in rates that begin April 2023.



# Bill Insert

## WHY IS MY ELECTRIC BILL HIGHER?

### This is a national issue.

Higher energy costs are impacting everyone, including electric utilities. Fuel prices have more than doubled, and supply chain constraints are limiting new energy projects. These issues are creating many challenges for utilities to provide affordable power.



#### Fuel Costs Have Increased

Natural gas is a primary fuel which is burned at power plants to create electricity. The price of natural gas has more than doubled over the last year, making it more expensive to create electricity. High costs are expected until the U.S. and global markets can increase natural gas production or customer demand decreases.

#### You Need Affordable Power

Many people struggle to pay more for electricity, so we strive to keep costs affordable. Please know that we are working hard to manage our costs.

Fort Pierce Utilities Authority does not profit from the sale of electricity or any utility service. The increased price of natural gas has required an increase to our Power Cost Adjustment until the price of natural gas goes back down. We are revisiting this price with our governing board every two weeks to ensure the most flexibility and the fastest possible return to lower prices.



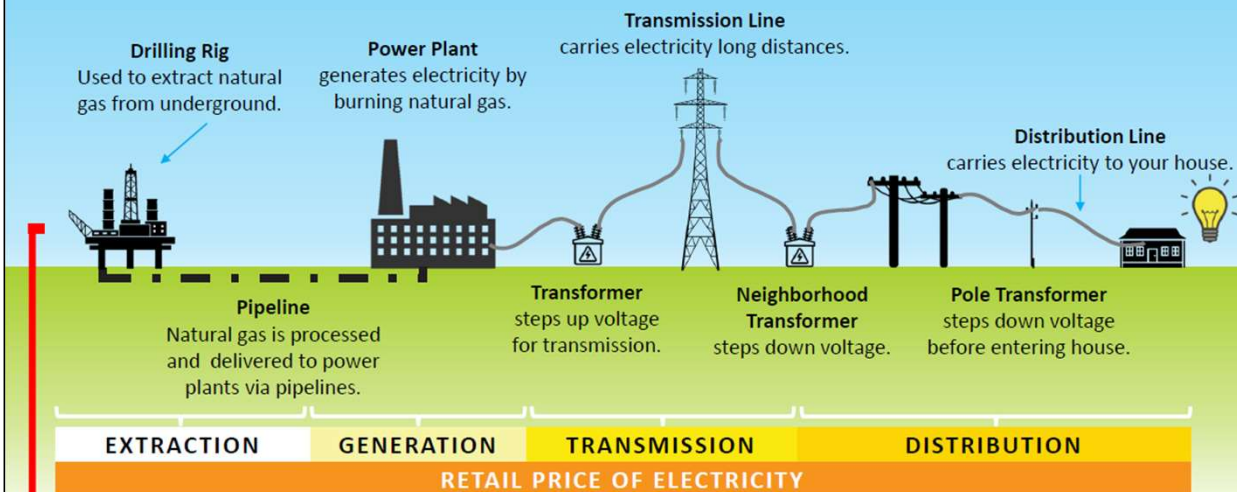
If you have questions about your bill, please contact our Customer Service Team at (772) 466-1600, Ext. 3900.

- Modeled after FMPA materials.
- Names natural gas prices as a nationwide issue.
- Identifies natural gas as a primary fuel which is burned at power plants to create electricity.
- *“Fort Pierce Utilities Authority does not profit from the sale of electricity or any utility service.”*
- Commits to regularly revisiting the PCA with our governing board to ensure the most **flexibility** and **fastest possible return** to lower prices.



# How Natural Gas Becomes Electricity

## How Natural Gas Becomes Electricity In Your Home



### Natural Gas Prices Have More Than Doubled in the Last Year

Florida's electric utilities use natural gas to generate the majority of the state's electricity because it is reliable, efficient, and a relatively clean fuel source. Fuel is a cost that is passed on to the customer as a specific line item on our bills, separate from the base rate, and called the **Power Cost Adjustment (PCA)**. When the fuel price increases, the PCA increases.

Fort Pierce Utilities Authority does not profit from the sale of electricity or any utility service. The increased price of natural gas has required that we increase the PCA until the price of natural gas goes back down. We are revisiting this price with our governing board every two weeks to ensure the most flexibility and the fastest possible return to lower prices. Unfortunately, we expect the prices to remain high until the U.S. and global markets can increase natural gas production or customer demand decreases.

This is a nationwide problem. Please know we are doing everything we can to manage our costs. We thank you for your patience and understanding as we adapt together.



Florida's electric utilities use natural gas to generate the majority of the state's electricity because it is reliable, efficient, and a relatively clean fuel source.

Fuel is a cost that is passed on to the customer as a specific line item on our bills, separate from the base rate, and called the **Power Cost Adjustment**. When the fuel price increases, the PCA increases.



# Combined Utility Bill

- “In Fort Pierce, All Your Utility Services Are on One Combined Bill”
- Each utility service line item defined
- Plus July 2022 Updates
  - Rate Changes (Series 2022 Bond) described per each utility service
  - Power Cost Adjustment explained under Electric

## COMBINED UTILITY BILL

In Fort Pierce, All Your Utility Services Are on One Combined Bill

	RATE	CHARGE
<b>ELECTRIC SERVICE</b>		
<b>CUSTOMER CHARGE</b>		\$6.31
<b>kWh Usage:</b> Price of electric usage up to 750 kilowatt hours. This price includes the budgeted cost of purchasing wholesale electricity plus distributing it.	0.10965	
<b>751 and Over:</b> Price of electric usage over 750 kilowatt hours. This rate aims to encourage conservation and reduce overload on our electric grid.	0.12050	
<b>Power Cost Adjustment:</b> The adjustment required when the price of wholesale electricity is higher or lower than the amount budgeted in the base rate.	0.059	
<p><b>July 2022 Updates:</b></p> <ol style="list-style-type: none"> <li>Electric Service rates were adjusted by +5%. In comparison, rates have only increased by 0.6% in the last 15 years. This important increase was planned and allows us to improve and maintain our aging electric system with storm hardening measures and advanced metering technologies.</li> <li>The Power Cost Adjustment was adjusted by +\$41 per 1,000 kWh for a total PCA of \$59 per 1,000 kWh. This is an unplanned adjustment with an unknown timeline that is caused by a nationwide emergency of rapidly rising natural gas prices (see related flyer for more information).</li> </ol>		

	RATE	CHARGE
<b>GAS SERVICE</b>		
<b>CUSTOMER CHARGE</b>		\$14.81
<b>CCF Usage:</b> Price of natural gas consumption. This price includes the budgeted cost of purchasing wholesale natural gas plus distributing it to your home/business.	1.58	
<b>Purchased Gas Adjustment:</b> The adjustment required when the price of wholesale natural gas is higher or lower than the amount budgeted in the base rate.	0.28	
<p><b>July 2022 Updates:</b> Gas Service rates were adjusted by +5%. This important increase was planned and allows us to maintain and expand our natural gas system throughout Fort Pierce. Excluding indexed rate adjustments which are tied to the U.S. economy, the last planned adjustment to gas rates was in 2014.</p>		

	RATE	CHARGE
<b>WATER SERVICE</b>		
<b>CUSTOMER CHARGE</b>		\$16.58
<b>Water Usage – Minimum:</b> Price of water consumption up to 3,000 gallons. *Minimum charge is 3,000 based on standard utility billing practices.		\$12.75
<b>Water Usage – 3,001 to 10,000 gal</b>	4.25	
<b>Water Usage – 10,001 to 15,000 gal</b>	5.31	
<b>Water Usage – Over 15,000 gal</b>	6.38	
<p><b>July 2022 Updates:</b> Water Service rates were adjusted by +10%. Excluding indexed rate adjustments which are tied to the U.S. economy, the last planned adjustment to water rates was in 2018. This month's important increase was planned and allows us to pursue two important utility purposes:</p> <ol style="list-style-type: none"> <li>5% enables us to improve and expand our drinking water system pipes and infrastructure throughout more of Fort Pierce.</li> <li>5% is to relocate the aging Sewer Treatment Plant that is located on South Hutchinson Island. See Sewer Treatment Plant note below.</li> </ol>		

	RATE	CHARGE
<b>WASTEWATER SERVICE</b>		
<b>CUSTOMER CHARGE</b>		\$17.85
<b>WASTEWATER – Maximum 10,000 gal</b>		6.40
<p><b>July 2022 Updates:</b> Wastewater Service rates were adjusted by +10%. Excluding indexed rate adjustments which are tied directly to the U.S. economy, the last planned adjustment to wastewater rates was in 2018. This month's important increase was planned and allows us to pursue two important utility purposes:</p> <ol style="list-style-type: none"> <li>5% enables us to improve and expand our wastewater system pipes and infrastructure throughout more of Fort Pierce.</li> <li>5% is to relocate the aging Sewer Treatment Plant that is located on South Hutchinson Island. See Sewer Treatment Plant note.</li> </ol>		

NOTE: This flyer does not include city or county taxes or fees which are on your regular monthly bill. Please see a Customer Service Representative if you have questions about these items.

Our mission is to provide our customers with economical, reliable, and friendly service in a continuous effort to enhance the quality of life in our community.

**Customer Charge (electric):** Readiness to serve flat rate charge that includes the cost of operating, maintaining and improving electric infrastructure.

**Customer Charge (gas):** Readiness to serve flat rate charge that includes the cost of operating, maintaining, and improving gas service infrastructure.

**Customer Charge (water):** Readiness to serve flat rate charge that includes the cost of operating, maintaining, and improving water and fire protection infrastructure.

**Customer Charge (wastewater):** Readiness to serve flat rate charge that includes the cost of operating, maintaining, and improving wastewater infrastructure.

**Wastewater:** Price of wastewater processed; rate is per thousand gallons and max. charged is 10,000 gal.

**We are moving the Sewer Treatment Plant off South Hutchinson Island and into an Industrial Zone, far away from the Lagoon and far away from neighborhoods.** It is a risk to our community and waterways for this aging plant to remain on the Indian River Lagoon. Moving it will also allow the city to develop the island for important tax revenue to our community. If we do not move it, the Florida Department of Environmental Protection has mandated \$16 million in upgrades to the existing plant, with a possible demand to move it in the near future. Water and wastewater are coupled services and share in this investment.



# Combined Utility Bill - Electric

**Customer Charge (electric):** Readiness to serve flat rate charge that includes the cost of operating, maintaining and improving electric infrastructure.

**kWh Usage:** Price of electric usage up to 750 kilowatt hours. This price includes the budgeted cost of purchasing wholesale electricity plus distributing it.

**751 and Over:** Price of electric usage over 750 kilowatt hours. This rate aims to encourage conservation and reduce overload on our electric grid.

**Power Cost Adjustment:** The adjustment required when the price of wholesale electricity is higher or lower than the amount budgeted in the base rate.

ELECTRIC SERVICE	RATE	CHARGE
CUSTOMER CHARGE		\$6.31
kWh USAGE	0.10965	
751 AND OVER	0.12060	
POWER COST ADJUSTMENT	0.059	

**July 2022 Updates:**

1. Electric Service rates were adjusted by +5%. In comparison, rates have only increased by 0.6% in the last 15 years. This important increase was planned and allows us to improve and maintain our aging electric system with storm hardening measures and advance metering technologies.
2. The Power Cost Adjustment was adjusted by +\$41 per 1,000 kWh for a total PCA of \$59 per 1,000 kWh. **This is an unplanned adjustment with an unknown timeline that is caused by a nationwide emergency of rapidly rising natural gas prices** (see related flyer for more information).



# Combined Utility Bill - Gas

**Customer Charge (gas):** Readiness to serve flat rate charge that includes the cost of operating, maintaining, and improving gas service infrastructure.

**CCF Usage:** Price of natural gas consumption. This price includes the budgeted cost of purchasing wholesale natural gas plus distributing it to your home/business.

**Purchased Gas Adjustment:** The adjustment required when the price of wholesale natural gas is higher or lower than the amount budgeted in the base rate.

GAS SERVICE	RATE	CHARGE
CUSTOMER CHARGE		\$14.81
CCF USAGE	1.58	
PURCHASED GAS ADJUSTMENT	0.28	

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# Combined Utility Bill - Water

**Customer Charge (water):** Readiness to serve flat rate charge that includes the cost of operating, maintaining, and improving water and fire protection infrastructure.

**Water Usage – Minimum:** Price of water consumption up to 3,000 gallons. \*Minimum charge is 3,000 based on standard utility billing practices.

**Tiered Water Usage Rates:** Tiered prices of water consumption to encourage water conservation; rate is per thousand gallons.

**Tiered rate encourages conservation to discourage over-withdrawing from Florida’s aquifers.**

WATER SERVICE	RATE	CHARGE
CUSTOMER CHARGE		\$16.58
WATER USAGE – Minimum		\$12.75
WATER USAGE – 3,001 to 10,000 gal	4.25	
WATER USAGE – 10,001 to 15,000 gal	5.31	
WATER USAGE – Over 15,000 gal	6.38	

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# Combined Utility Bill - Wastewater

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**We are moving the Sewer Treatment Plant off South Hutchinson Island and into an Industrial Zone, far away from the Lagoon and far away from neighborhoods.** It is a risk to our community and waterways for this aging plant to remain on the Indian River Lagoon. Moving it will also allow the City to develop the island for important tax revenue to our community. If we do not move it, the Florida Department of Environmental Protection has mandated \$16 million in upgrades to the existing plant, with a possible demand to move it in the near future. Water and wastewater are coupled services and share in this investment.

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CUSTOMER CHARGE		\$17.85
WASTEWATER – Maximum 10,000 gal	6.40	

**July 2022 Updates:** Wastewater Service rates were adjusted by +10%. Excluding indexed rate adjustments which are tied directly to the U.S. economy, the last planned adjustment to wastewater rates was in 2018. This month’s important increase was planned and allows us to pursue two important utility purposes:

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# Resources Available

## Resources Available to Assist FPUA Customers with Utility Payments

There are several programs in place to help customers avoid interruption of service throughout the year. FPUA offers the following:

- **Special Payment Arrangement** allows residential customers to pay their outstanding balance over a period of up to 12 months, interest-free. Customers must call 772-466-1600, extension 3900, or email [cs@fpua.com](mailto:cs@fpua.com) to set up a payment plan.
- **Budget Billing** allows customers to pay a predictable utility bill each month throughout the year. The predetermined monthly bill will be based on the average of their actual utility bills during the prior 12 months, plus an additional percentage to cover any overages. Customers can register at FPUA customer service or by filling out the online Budget Billing form available at [www.fpua.com/account-and-billing](http://www.fpua.com/account-and-billing)

### Additional Community Resources

Contact individual organization for program details, types of assistance available and eligibility criteria.

Mustard Seed - Various	772-465-6021	<a href="http://www.mustardseedslc.org">www.mustardseedslc.org</a>
ALPI – Low Income Home Energy Assistance Program	863-956-3491	<a href="http://www.alpi.org/liheap">www.alpi.org/liheap</a>
The Salvation Army	772-464-4846 ext. 104	<a href="http://www.salvationarmyflorida.org/martincounty/">www.salvationarmyflorida.org/martincounty/</a>
In the Image of Christ – Low Income Home Energy Assistance Program	772-461-7788	<a href="http://www.intheimageofchrist.org/programs">www.intheimageofchrist.org/programs</a>
Treasure Coast Council Society of Saint Vincent de Paul	772-465-4551	<a href="http://www.treasurecoastcouncil.com/getting-help">www.treasurecoastcouncil.com/getting-help</a>
St. Lucie County Human Services		<a href="http://www.stlucieco.gov">www.stlucieco.gov</a>



- Budget Billing to stabilize bills
- Special interest-free payment arrangements for past-due bills
- ALPI Energy & Water Fair  
July 26-28 (times vary)  
at Incubate Neighborhood Center
  - LIHEAP – Light Bill Assistance
  - LIHWAP – Water Assistance (new)
- WEOP Under Review



# Communications Rollout

- Current:
  - Physical packets being distributed through Customer Service Lobby
  - Digital flyers being shared with customers who call the Customer Service support line with questions pertaining to these topics.
  - Links on website (<https://fpua.com/important-cost-communications/>)
- Planned
  - Facebook sharing
- Ongoing
  - Adapting communications as questions arise and Customer Service representatives or leadership identify pertinent customer concerns not already addressed in the materials



# Questions

