

Franchise Fee Estimate

City of Belle Isle

January 3, 2019

Estimate based on 2017 year end statistics

| | <u>Calendar '17 Revenue**</u> | <u>Projected Oct18-Sep19 Revenue</u> | <u>Amount for fee calculation*</u> |
|--|-------------------------------|--|------------------------------------|
| Revenue Class | | | |
| 01 - Residential | \$6,141,384 | \$6,525,034 | \$6,525,034 |
| 03 - Commercial | \$657,052 | \$693,722 | \$693,722 |
| 05 - Industrial | \$464,529 | \$495,321 | \$495,321 |
| 06 - Public Lighting | \$0 | \$0 | |
| Electric Service Rev. | <u>\$7,262,966</u> | <u>\$7,714,077</u> | <u>\$7,714,077</u> |
| Streetlights Only | \$6,579 | | \$6,579 |
| Revenue for Calculation | | | \$7,720,656 |
| Franchise Fee Percentage | | | <u>6.00%</u> |
| Franchise Amount due (includes Gross Receipts Tax and Regulatory Assessment Fee paid to state) | | | \$463,239 |
| Amount Due | | | \$463,239 |
| Less Gross Receipts Tax and Regulatory Assessment collected and paid to State | | | (12,211) |
| Franchise Net Liability to City | | | \$451,028 |

* Based on Franchise Agreement

** Includes Gross Receipts Tax, Franchise Fees and Regulatory Assessment Fees

NOTES:

1. This is a high level estimate that does not factor in specific characteristics of customers within each revenue class. For example, while this does consider overall customer mix within the jurisdiction, it does not consider specific rates that may be applicable within the revenue class. These are blended averages for each revenue class.

2. This estimate is based on current rates filed with the Florida Public Service Commission. Specific components of the bill including the fuel factor, nuclear construction costs, environmental and other cost factors may change for the fiscal year depending upon filings that are typically made each year for these components. Actual franchise fees will vary based on any changes in these cost factors that are approved by the PSC during the fiscal time period.