

CONTRACT  
FOR  
ELECTRIC SERVICE  
BETWEEN  
PALM BEACH COMMUNITY COLLEGE  
AND  
CITY OF LAKE WORTH

This contract is made and entered into this 10<sup>th</sup> day of Oct., 1990, by and between the City of Lake Worth, a municipal corporation organized and existing under the laws of the State of Florida, hereinafter referred to as "City" and Palm Beach Community College, created by the Florida legislature, hereinafter referred to as "PBCC".

Witnesseth

WHEREAS, PBCC is an existing electric customer of CITY located within the CITY service territory, and

WHEREAS PBCC is CITY's largest electric customer and has unique electrical characteristics due to its size and usage patterns as a Community College and its rates should be based upon such characteristics; and

WHEREAS PBCC facilities encompass approximately 104 acres and due to its physical size has a significant amount of electrical distribution facilities constructed on its campus, some of which are owned by PBCC and some of which are owned by CITY; and

WHEREAS, PBCC and CITY desire to upgrade and replace said electrical distribution facilities with newer materials and in accordance with more contemporary design standards in order to improve the appearance of PBCC campus, to improve electric service reliability to PBCC, to reduce increasing maintenance expenses and to insure the long term safety of the facilities; and

WHEREAS, PBCC and CITY desire PBCC to own and operate all of the electrical distribution facilities, including transformers, on PBCC's campus which are located on the PBCC side of CITY's point of metering; and

WHEREAS, PBCC owns a distribution transformer which has been tested for Polychlorinated Biphenyls (PCBs) and found, as defined by Federal regulations, to be PCB contaminated; and

WHEREAS, PBCC desires to dispose of this transformer in a proper and lawful manner; and

WHEREAS, CITY due to its ongoing operations as an electric utility is well equipped to provide such service; and

WHEREAS, CITY intends to offer, as is common utility practice, and PBCC desires a discount for owning its own transformers, and a discount for taking service at primary distribution voltage; and

WHEREAS, PBCC's electrical load and usage characteristics are such that PBCC could construct, own, operate and maintain its own electric generation to provide for the economical and reliable supply of electricity to PBCC; and

WHEREAS, PBCC and CITY prefer to continue the current arrangement whereby CITY provides electrical service to PBCC;

NOW THEREFORE, in consideration of the foregoing premises and of the mutual benefits to be obtained from the covenants herein, PBCC and CITY hereby agree as follows:

#### SECTION I: TERM

The term of this contract shall commence on the 10<sup>th</sup> day of October, 1990, and shall continue in effect for an initial period of three (3) years, and thereafter shall automatically be extended for succeeding periods of two (2) years each, except that this contract may be cancelled by either party upon written notice of six (6) months prior to the end of said initial period or the end of any extension thereto.

#### SECTION 2: UPGRADE OF PBCC DISTRIBUTION FACILITIES

CITY agrees to design, replace, and modify City owned overhead electrical distribution facilities on the PBCC campus using high quality materials, in accordance with contemporary design and construction standards, and as necessary to provide for reliable and safe electric service to PBCC. City further agrees to allow review and approval of said design and construction standards by PBCC. CITY agrees to construct, at City's expense, such overhead facilities in such a fashion to enhance the aesthetic appearance of the campus. CITY will coordinate the construction of the facilities and accompanying required electrical outages with PBCC. CITY agrees to complete the construction of those facilities no later than 150 days after PBCC approves in writing the design submitted by the City. Such design will be submitted to PBCC for review no later than 90 days after the execution of this contract.

PBCC is considering the replacement of overhead distribution facilities with underground facilities. Should PBCC decide to make such conversion, City agrees to contribute services and materials that would equal, in dollars, the services and materials that the City would have invested to upgrade PBCC's overhead distribution facilities currently owned by City. City shall have the right of approval of the design and installation practices of said underground facilities.

### SECTION 3: PBCC TRANSFORMER

CITY has tested all PBCC owned transformers and has found one to be PCB contaminated, as defined by the U.S. Environmental Protection Agency. If so requested by PBCC, CITY will dispose of said transformer by including it as part of CITY's normal shipments for disposal of hazardous waste. For this service, PBCC will pay to the CITY the incremental cost to the CITY of disposing of the additional transformer.

### SECTION 4: TRANSFER OF CITY DISTRIBUTION FACILITIES TO PBCC

After the completion of the upgrade of distribution facilities agreed to in SECTION 2 above, CITY agrees to transfer, in consideration of one and no/100 dollars, the portion of distribution facilities on the PBCC campus currently owned by CITY to PBCC. After said transfer, PBCC agrees to operate said facilities, along with the facilities already owned by PBCC, in such a fashion to insure appropriate reliability of electrical service to PBCC and to insure that appropriate standards of safety are met. City agrees to continue to provide maintenance of said facilities. Maintenance activities are understood to include only those materials and services that would result in a maintenance expense being charged to the City's accounts which is governed by the Federal Energy Regulatory Commission's Uniform System of Accounts prescribed for Public Utilities. It is understood that all other activities, such as the installation of new or replacement of out-of-warranty facilities is the responsibility of PBCC.

### SECTION 5: ELECTRIC SERVICE

CITY will provide electric service to PBCC in accordance with the regular published rates, standards, and policies for such service which are in effect and adopted, or modified from time to time, by the City of Lake Worth, as applicable to PBCC and other CITY customers within the same appropriate rate class. It is recognized that said rates, standards, and policies shall be subject to change from time to time by the City, however, there shall be no discrimination in such rates, standards, or policies adverse to PBCC.

It is further understood and agreed that the Base Rate (excluding discounts) of charges for electric service made by CITY to PBCC shall not exceed by more than fourteen percent (14%) the Base Rate of charges for the same type service, demand, and consumption, made by the other utility company furnishing electric power in the same area; provided such rate of charges has been previously approved by the Florida Public Service Commission (PSC) and which rate of charges has been in good faith in full force and effect for other customers of said utility company for at least one year's duration, and continues to remain in force and which service at such other rate would be available to PBCC at no additional expense to PBCC, were PBCC in said other

utility's territory, and copies of which have been furnished to CITY by PBCC.

Likewise, it is further understood and agreed that the Base Rate of charges for electric service made by CITY to PBCC shall not be more than 14 percent lower than the Base Rate of charges for the same type of service, demand, and consumption, made by the other utility company furnishing electric power in the same area; provided such rate of charges has been previously approved by the Florida Public Service Commission (PSC) and which rate of charges has been in good faith in full force and effect for other customers of said utility company for at least one year's duration, and continues to remain in force and which service at such other rate would be available to PBCC at no additional expense to PBCC, were PBCC in said other utility's territory and copies of which have been furnished to CITY by PBCC.

The rates and charges agreed to in this section shall be in effect, and fully applicable for electric services provided by City to PBCC retroactive to a date ninety (90) days preceding the date of this contract. If this date falls between the dates that the meter was read, which results in a partial billing period, the new rates shall be applied on a pro rata percentage basis in that partial billing period based on the number of days between the retroactive date and the end of the billing period and the total number of days in the billing period.

Throughout the term of this agreement, PBCC agrees to purchase from the CITY and pay the CITY the charges therefor when the same are billed for electricity which may from time to time be used by PBCC.

#### SECTION 6: PRIMARY VOLTAGE METERING AND TRANSFORMER DISCOUNTS

CITY agrees to provide PBCC transformer and primary voltage metering discounts which will be applied to the rate of charges agreed to in SECTION 5 above. CITY agrees to provide PBCC a three percent (3%) monthly demand and energy credit as a primary voltage metering discount to offset demand and energy losses that occur in the transformers beyond the point of metering. Additionally, CITY agrees to provide a transformer and distribution ownership discount to reflect CITY's avoided cost of \$.88/kVA per month (based on a 90 percent power factor), for the transformer and distribution facilities owned by PBCC.

The primary voltage metering discount will be applied to the rate of charges agreed to in SECTION 5 above effective on the retroactive date also agreed to in SECTION 5 above. The transformer and distribution ownership discount will be applied in the first full billing month following the transfer of distribution facilities agreed to in SECTION 4 above. However, in the event that the transfer of distribution facilities has not occurred within the 150 days set forth in SECTION 4 above, the transformer and distribution ownership discount shall be applied in the first

full billing month following the 150 day period. If PBCC elects to install underground distribution facilities, as set forth in SECTION 2 above, then the transformer and distribution discounts shall be applied in the first full billing month following the transfer of distribution facilities.

CITY intends to make applicable and to place in effect the same discounts for other large CITY customers. It is understood that CITY reserves the right to change these discounts in the future, as and if, costs change which make such changes appropriate. However, the City agrees to guarantee the discounts in this SECTION 6 for the initial 3 year period of the contract.

#### SECTION 7: INTERRUPTIBLE SERVICE

Subsequent to the execution of this CONTRACT, should PBCC desire interruptible service, the terms of such interruptible service shall be as negotiated between the CITY and PBCC in an agreement separate and apart from this contract.

#### SECTION 8: SUCCESSOR AND ASSIGNS

This contract shall inure to the benefit of and be binding upon the parties hereto, their respective successors and assigns, and shall not be assignable by either party without the written consent of the other party except as to a successor in the operation of its properties by reason of a merger, consolidation, sale or foreclosure where substantially all such properties are acquired by such a successor.

#### SECTION 9: NOTICES

Any notice, demand, or request required or authorized by this CONTRACT shall be deemed properly given if mailed postage prepaid, to President, Palm Beach Community College, 4200 South Congress Avenue, Lake Worth, Florida 33461 in the case of PBCC; and to Utilities Director, City of Lake Worth Utilities, 1776 Lake Worth Road, Suite 201, Lake Worth, Florida 33460 in the case of CITY or to such other person as may be designated by PBCC or by CITY. The designation of the person to be notified or the address of such person may be changed by PBCC or CITY at any time, or from time to time by similar notice.

#### SECTION 10: MISCELLANEOUS

Anything to the contrary herein stated notwithstanding it is agreed by the parties that this agreement shall be of no further binding force and effect in the event that PBCC is closed down or ceases to operate, or in the event no operating funds are appropriated or made available from any source which results in a discontinuance of its operation.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed by their duly authorized officials, and copies delivered to each party, as of the day and year first above stated.

ATTEST:

Palm Beach Community College

By: Sally F. Horton

By: E. M. Givay  
President

ATTEST:

City of Lake Worth, Florida

By: Barbara C. Graybe  
City Clerk

By: Ronald E. Lillie  
Mayor