

**FPL's Franchise Fee Estimated Payment Calculation  
Comparison of Current and New Fees - Cutler Bay**

Unincorp Miami-Dade  
Franchise is scheduled to expire on 5/25/20

Current under MDC Contract Terms <sup>1</sup>:

Franchise Fee + Permits/Fees = 2.80% of specified revenue (less uncollectibles)

New Contract Terms <sup>1</sup>:

Franchise Fee + Permits/Fees = 5.9% of specified revenue (less uncollectibles)

Example:

Revenue Type	Current under MDC	New
Residential	\$ 27,798,174	\$ 27,798,174
Commercial	10,266,842	10,266,842
Industrial	27,317	27,317
Total Revenue <sup>2</sup>	\$ 38,092,334	\$ 38,092,334
Less: Uncollectibles(	780	780
Net Revenue	\$ 38,091,554	\$ 38,091,554
	x 2.80 %	x 5.9 %
2.80% / 5.9% of revenue	\$ 1,066,564	\$ 2,247,402
Other payments by FPL:		
Permits/Fees	\$ -	\$ -
Property Taxes	-	-
Franchise Fees	\$ 1,066,564	\$ 2,247,402

**Summary:**

Current Contract Terms <sup>1</sup>:

Franchise Fee + Property Taxes + Permits/Fees = 2.80% of specified revenue  
1,066,564 + - + - = **1,066,564 (Total payments)**

New Contract Terms <sup>1</sup>:

Franchise Fee + Permits/Fees = 5.9% of specified revenue + Property Taxes  
2,247,402 + - = 2,247,402 + - = **2,247,402 (Total payments)**

<sup>1</sup> Current Contract Terms call for annual payment on July 1st as part of the annually Miami Dade payment; under new contract franchise fees will be paid monthly

<sup>2</sup> Franchise revenues are actual 12 months ended December 2017

<sup>3</sup> Rate Comparisons based on Rates from FPL.com, updated January 2018

\$	2,247,402
\$	1,066,564
\$	1,180,838

This is the increased amount that would be passed on to the city's franchise customers.

• Under the Miami-Dade Unincorporated Franchise agreement<sup>3</sup> - a typical residential bill for 1,000 kWh is \$110.64; \$2.78 of that is for franchise fees and \$8.59 is for municipal taxes.

• Under the 5.9% Franchise agreement<sup>3</sup> - a typical residential bill for 1,000 kWh would be \$114.02; \$5.86 of that is for franchise fees and \$8.89 is for municipal taxes.

Currently, the Miami-Dade Unincorporated Franchise Agreement is 6%, but its residents have a lower billing factor due to the adjustments related to "Other Payments by FPL." With an increase to 5.9%, the average residential customer would see a monthly increase in their bill of \$3.38 per month.