

[Florida Public Service Commission](#)

Florida's Electric Rates Reflect Current Fuel Mix

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TALLAHASSEE — Florida has higher electric costs because the state's utilities have a much different fuel mix than neighboring states that rely more on coal and nuclear energy, according to a PublicUtility Research Center (PURC) study released today.

Florida's Public Service Commission (PSC) requested the study as part of an initiative to find ways to hold down utility rates.

PURC reported that natural gas costs about 10 cents per kilowatt hour, coal costs about three cents per kilowatt hour, and nuclear power has minimal fuel costs but requires a large capital investment.

PSC Chairman Art Graham noted Florida's current fuel mix has its advantages, but said, "It comes with a cost—Florida's residential customers pay 10 to 20 percent more than they would in other Southeast states. Documenting the reason for higher prices is an important first step in restraining rates." He cautioned that cost is just one factor to consider in fuel diversity decisions, however.

To access PURC's report, titled *Addressing the Level of Florida's Electricity Prices*, visit the PSC's Web site at www.floridapsc.com under Hot Topics on the home page.

About PURC

Located at the University of Florida's Warrington College of Business, PURC provides training and research in public utility regulation, market rules, and infrastructure management in the energy, telecommunications, and water industries.

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