Flip on the light switch in Green Cove Springs and you pay the highest electric bill in Northeast Florida, topping $100 per 1,000 kilowatt-hours for residential customers.

If you live on Amelia Island, the bill for the same amount of electricity is just $60.

Northeast Florida as a region enjoys low electric rates compared with the rest of the state, but like other areas, electric rates vary widely from one utility to the other. In some cases, people living on opposite sides of a waterway, street or even a fence will pay sharply contrasting bills because they are served by different utilities.

As the weather heats up and air conditioners rev up, electric rates in Northeast Florida have faced review lately on three fronts:

- In the biggest potential transaction, Green Cove Springs will seek to sell the city's electric system this year. City officials hope a larger utility can come in with significantly lower rates, providing relief to consumers whose bills are among the highest anywhere in the state.
- Neptune Beach, which is served by the Jacksonville Beach Electric Department, has begun a study of its contractual relationship with Jacksonville Beach. It charges the second-highest rate in Northeast Florida.
- A rate cut took effect last Monday for Florida Power and Light Co., which is the state's biggest utility and includes tens of thousands of customers in Northeast Florida. The residential bill for 1,000 kilowatt-hours dropped from about $81 to $75.45.

Analysts say it's not unusual for neighboring utilities to charge different electric rates. The age of generating plants, the price of fuel used in the plants, interest rates on debt, and makeup of the customer base all play a role.

"There are lot of factors, and some of the contracting decisions are long-term," said Richard Tudor, spokesman for the state Public Services Commission. "You might not know for five years whether you've made a good decision because things can be very volatile for fuel prices."

The rates are set to generate profits for investor-owned utilities, which are regulated by the Public Service Commission.
City-owned utilities can adjust bills higher or lower depending on how much revenue cities want to generate for their budgets. Owning an electric system can be a "cash cow" for a city, generating enough income so officials can lower property taxes and fund amenities the city otherwise couldn't afford, said Sanford Berg, director of the Public Utility Research Center at the University of Florida. The state doesn't regulate rates for city-owned utilities.

The Jacksonville-owned JEA has not raised its rates in more than 12 years. It charges $68.15 for 1,000 kilowatt-hours, which ranked it as the sixth-lowest in the state in a recent comparison of 55 utilities. At the same time, JEA electric sales generated $62.6 million for City Hall in the 2001 fiscal year, making it a major source of revenue for the city's budget.

But Northeast Florida's two other city-owned utilities, Green Cove Springs and Jacksonville Beach, have the region's highest electric rates.

Green Cove Springs City Manager Don Bowles said the City Council will request proposals in the summer from other utilities interested in buying the city's system, which serves about 3,100 customers.

"Our problem is we're so small," Bowles said. "We're almost like a mom-and-pop operation versus Wal-Mart."

The most recent residential bill from Green Cove Springs Electric Department was $101.51 for 1,000 kilowatt-hours, whereas Clay Electric Co-op, which borders Green Cove Spring's service area, charges its customers $73.90.

"My daughter is just up the road and she's Clay Electric, and my gosh, it's just such a difference," said Green Cove Springs Electric Department customer Marlene Christian.

"If we can get lower rates, I would be in favor of another company coming in," said Sylvia Kinnear, who falls just inside the Green Cove Springs service area.

However, she said she wouldn't want a sale to hurt Green Cove Springs city government. Bowles said the electric department pumps about $900,000 a year into city coffers, so the city would only sell if it can attract a good price.

Jacksonville Beach, which charges the region's second-highest rate at $87.43 per 1,000 kilowatt-hours, faces a different issue -- Neptune Beach City Hall is reviewing its contract with Jacksonville Beach Electric Department for providing electric service in Neptune Beach. Neptune Beach operates on a year-to-year contract with Jacksonville Beach.

Neptune Beach Mayor Dick Brown said Jacksonville Beach's rate "can't be ignored" when compared with the JEA rate, but he said he doesn't expect Neptune Beach will sever its relationship with Jacksonville Beach.

"I think it would almost take a major service breakdown and a huge public outcry for that to change," Brown said.

However, he said Neptune Beach would seek to increase the rebate Jacksonville Beach Electric Department pays each year to Neptune Beach City Hall, an amount that has been about $220,000 a year.
Jacksonville Beach doesn't have its own generating stations, but instead has joined forces with other cities to buy power from plants elsewhere in the state. Jacksonville Beach serves about 31,600 customers in Neptune Beach, Jacksonville Beach and the Ponte Vedra/Palm Valley area of St. Johns County. The electric department brings in about $3 million a year to Jacksonville Beach's city coffers.

The increased cost of natural gas, which is a main fuel source for the generating plants that provide electricity to Jacksonville Beach, and the higher cost of maintaining an electric system in the salty environment of beach communities have caused Jacksonville Beach's Electric Department's bills to be higher, department director Gary Quick said.

But operating in an oceanfront area hasn't prevented Florida Public Utilities, which serves Amelia Island in Nassau County, from charging the lowest electric rates in Northeast Florida. Florida Public Utilities buys its electricity from JEA, and JEA's low electric rates are a main reason Florida Public Utilities can charge its customers $59.65 per 1,000 kilowatt-hours, said Mario Lacaci, director of the investor-owned utility's Northeast Florida operation.

*Staff writer David Bauerlein can be reached at (904) 359-4581 or via e-mail at dbauerlein@jacksonville.com.*