

## **Understanding the Franchise Fee**

In Florida, governments have the authority to impose a franchise fee as a means to collect additional operational funds. The franchise agreement grants a utility the right to use rights-of-way for facilities such as poles and wires, and a fee is assessed to all customers in the impacted areas receiving service from the utility.

LCEC identifies all taxes and governmental fees separately on the electric bill. All franchise fees collected by LCEC are remitted to the governmental body, and no funds are retained by LCEC.

Customers who do not pay the franchise fee portion of the utility bill are subject to a late fee or disconnection of service for non-payment.

LCEC works hard to manage the costs that are under its control, maintain the electric system, improve processes and create efficiencies so that electric rates will remain competitive.

### **Cape Coral**

The City of Cape Coral franchise agreement was reached in 1986. Commercial and residential customers pay a 3 percent fee.

### **Everglades City**

The Everglades City franchise agreement was reached in 2003. Commercial and residential customers pay a 3 percent fee.

### **Marco Island**

The City of Marco Island franchise agreement was reached in 2004. Commercial and residential customers do not pay a fee. In 2009, City Council voted to eliminate the fee.

### **Sanibel Island**

The City of Sanibel franchise agreement was reached in 2005. Commercial and residential customers pay a 3 percent fee.

### **Lee County (unincorporated areas: Lehigh Acres, North Fort Myers, Pine Island and other areas outside of city limits)**

The Lee County franchise agreement was reached in 2014. Commercial and residential customers pay a 4.5 percent fee.