CITY OF WINTER PARK

electric utility 10th anniversary

Monday, June 1, 2015
Rachel D. Murrah Civic Center

Who are we?

14,100 electric customers

No generation – distribution only

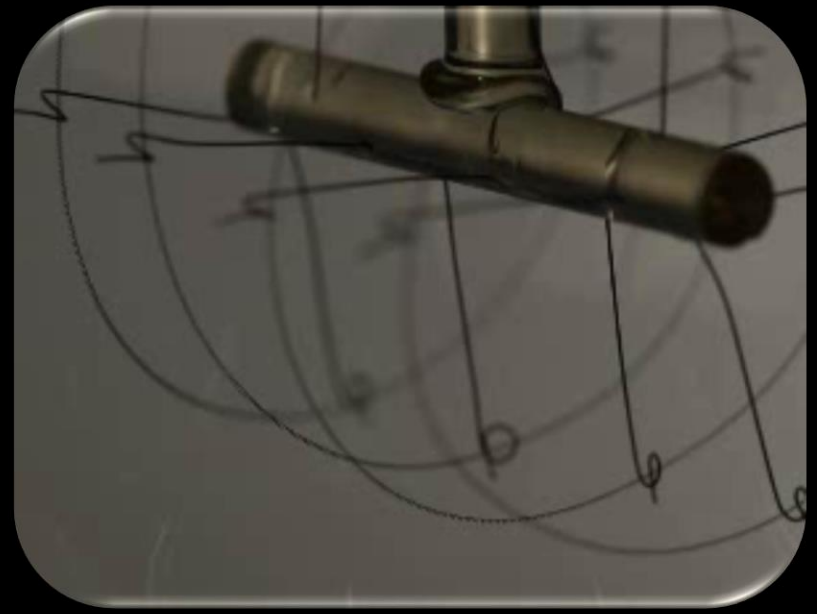
$48.2 million annual revenue (2014)

~95-100 megawatt peak demand
425,000,000 kWh/yr.

80% residential – 20% commercial

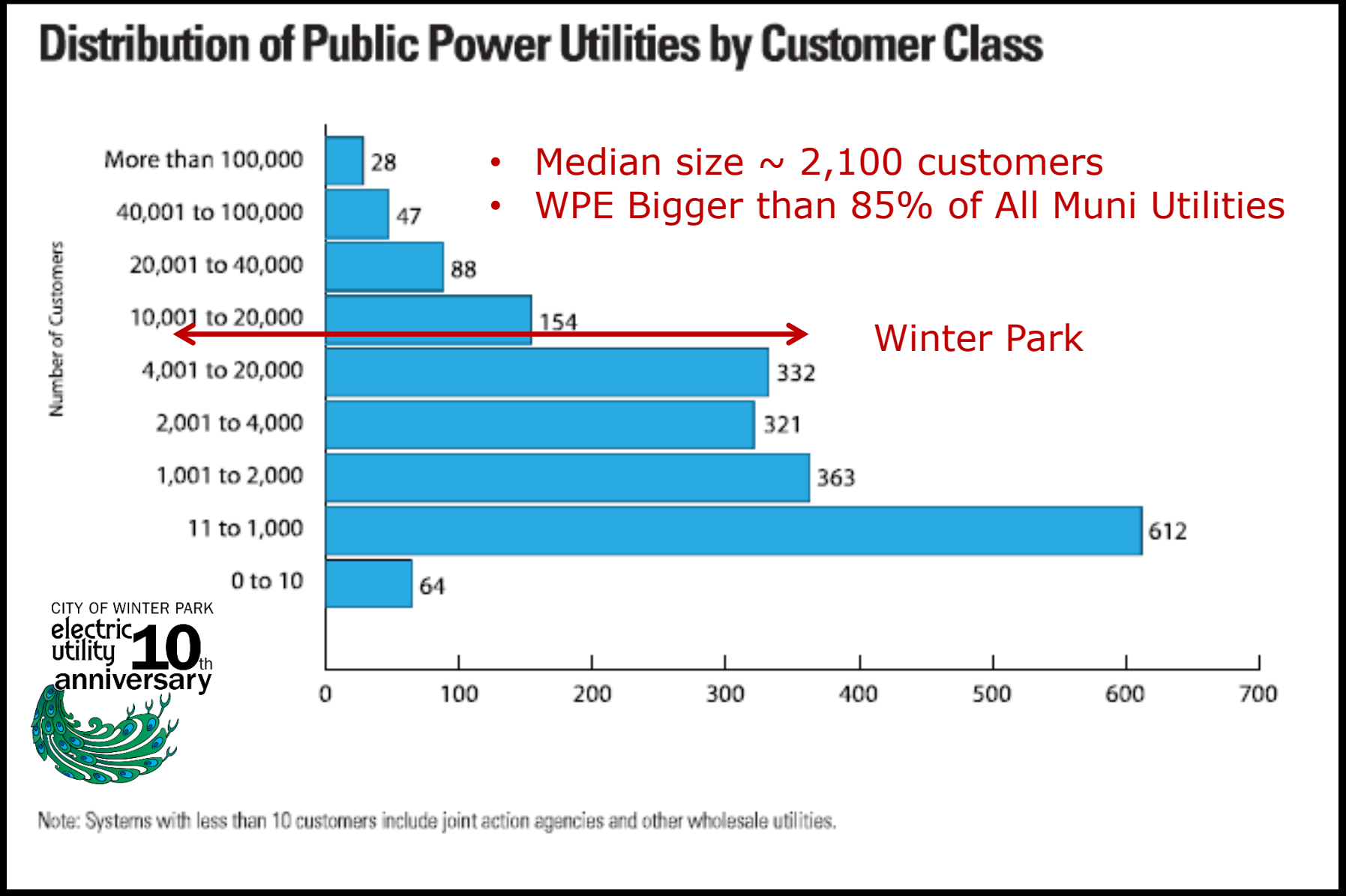
Sales revenues:

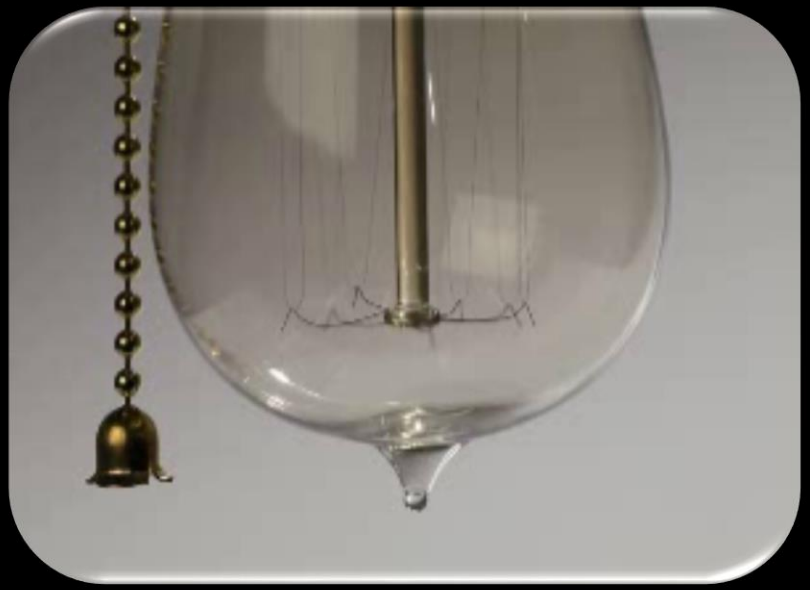
- 49% residential
- 51% commercial



CITY OF WINTER PARK
electric utility 10th anniversary

2,009 US Muni Electrics





CITY OF WINTER PARK
electric utility 10th anniversary

History

1913: City built the original electric system

1927: City sold to predecessor of Duke Energy

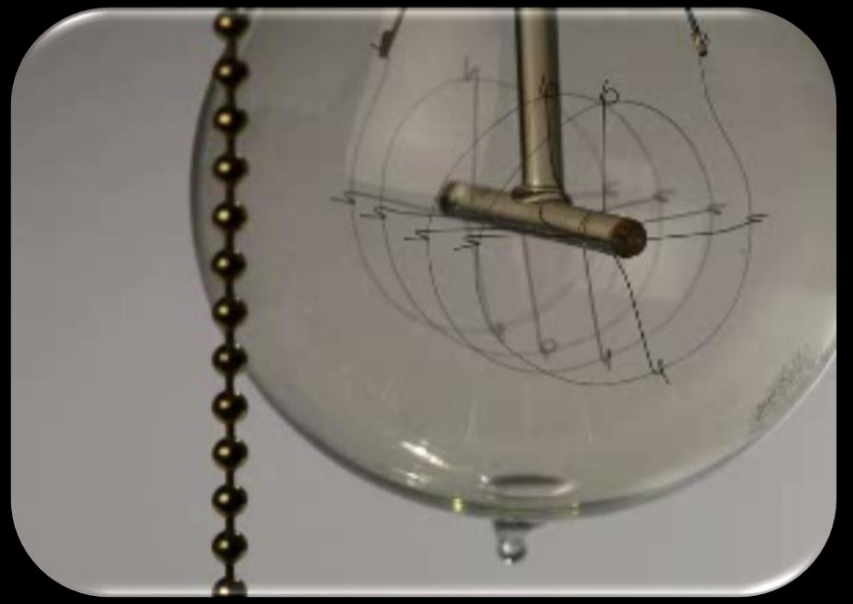
1947: Held vote to repurchase the system; vote failed and renewed franchise

1971: Early renewal of franchise for 30 years

Key Dates

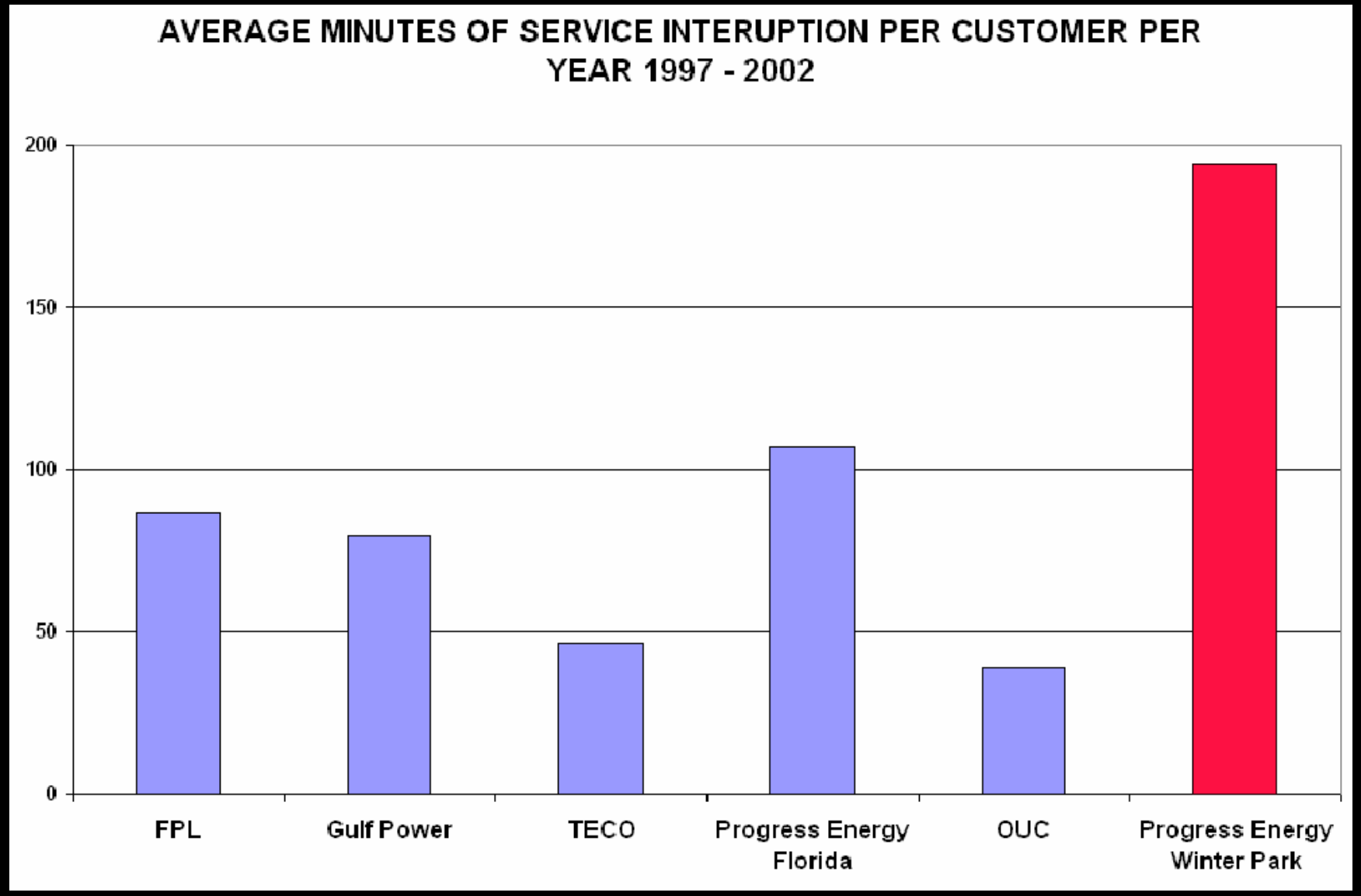
- 2001
  Franchise expired; City Commission authorized study

- 2001-2003
  Feasibility study, legal battles, arbitration



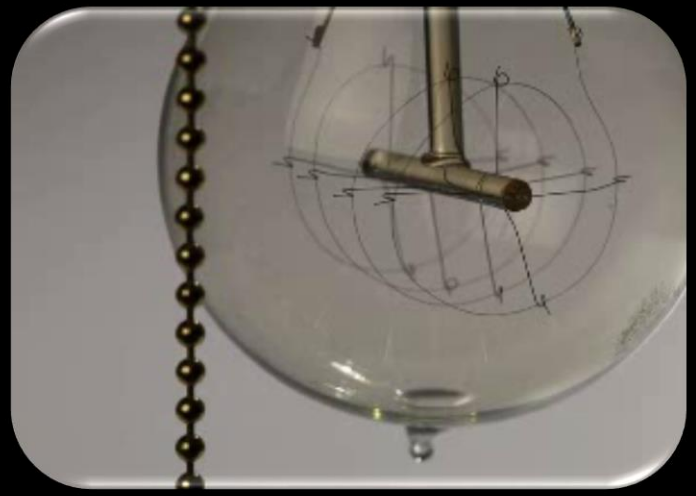
CITY OF WINTER PARK
electric utility 10th anniversary

Why municipalization?



Several obstacles

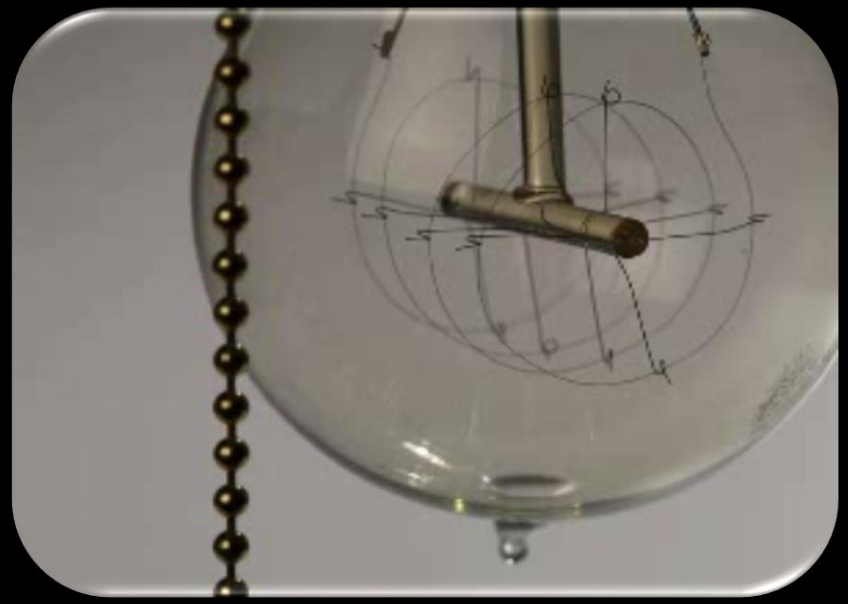
- Had not been done in Florida since the 1940s
- Progress Energy legal challenges
- Threatened to quit paying franchise fee
- Progress Energy's community involvement
- Very expensive undertaking
- City commission was split on the issue



CITY OF WINTER PARK
electric utility 10th anniversary

Key Dates

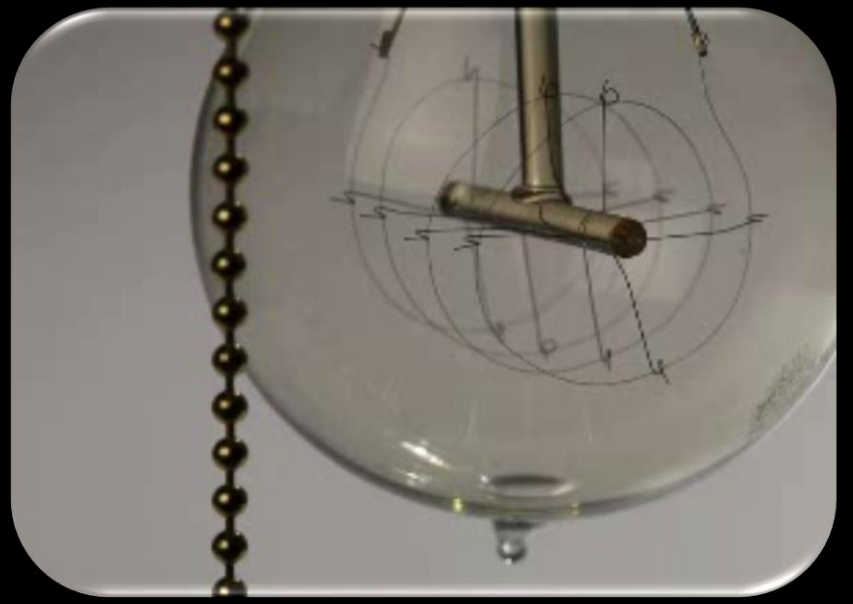
- May 29, 2003
  Arbitration set purchase price at $42.3 million
- City Commission set the referendum date for September 9, 2003.



CITY OF WINTER PARK
electric utility 10th anniversary

Political Action Committees

- Progress Energy forms PAC called Winter Park Taxpayers Committee Against Government Owned Electric
- Supporters of purchase forms PAC called Winter Park Power Options



CITY OF WINTER PARK
electric utility 10th anniversary

CITY OF WINTER PARK
electric utility 10th anniversary

The Campaign AGAINST

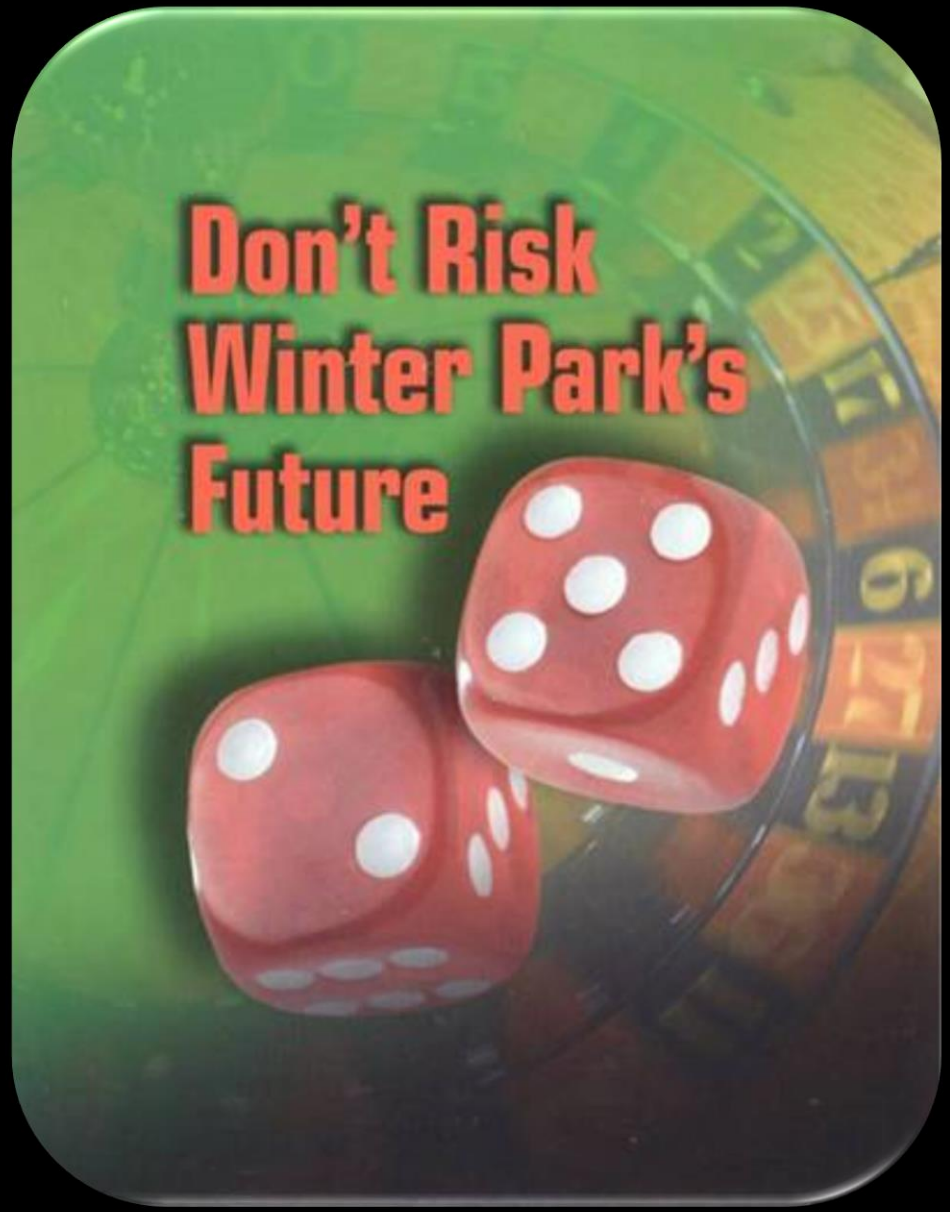
- Winter Park Taxpayers Committee Against Government Owned Electric PAC spent $523,750 on its campaign to defeat the referendum; $750 from Winter Park taxpayers
- Prime-time radio & TV ads against the purchase, direct mail pieces, door-to-door campaign

Progress Energy Claims

- It will be a long, expensive process
- City is too small; doesn't know how to run an electric utility
- Won't be able to handle storms
- Rates will go up
- Tax subsidies will be required
- It is risky
- City's feasibility study is wrong

CITY OF WINTER PARK
electric utility 10th anniversary

CAMPAIGN AGAINST



CAMPAIGN AGAINST

Vote NO on September 9 AGAINST higher debt/higher rates

Citizens in 27 of the 32 city-owned electric systems in Florida pay higher rates than we do!

Alachua
Bartow
Chattahoochee
Fort Meade
Fort Pierce
Gainesville
Homestead

Key West
Lakeland
Kissimmee
Lake Worth
Mount Dora
New Smyrna Beach

Ocala
St. Cloud
Starke
Tallahassee
Vero Beach
Wauchula
Williston

Clewiston
Green Cove Springs
Havana
Jacksonville Beach
Quincy
Leesburg
Newberry

CAMPAIGN AGAINST

WINTER PARK TAXPAYERS COMMITTEE
AGAINST GOVERNMENT OWNED ELECTRIC
P.O. BOX 3033
WINTER PARK, FL 32790

**********ECRLOT**C 008
Debrah A Knight
929 Golfside Dr
Winter Park FL 32792-5125

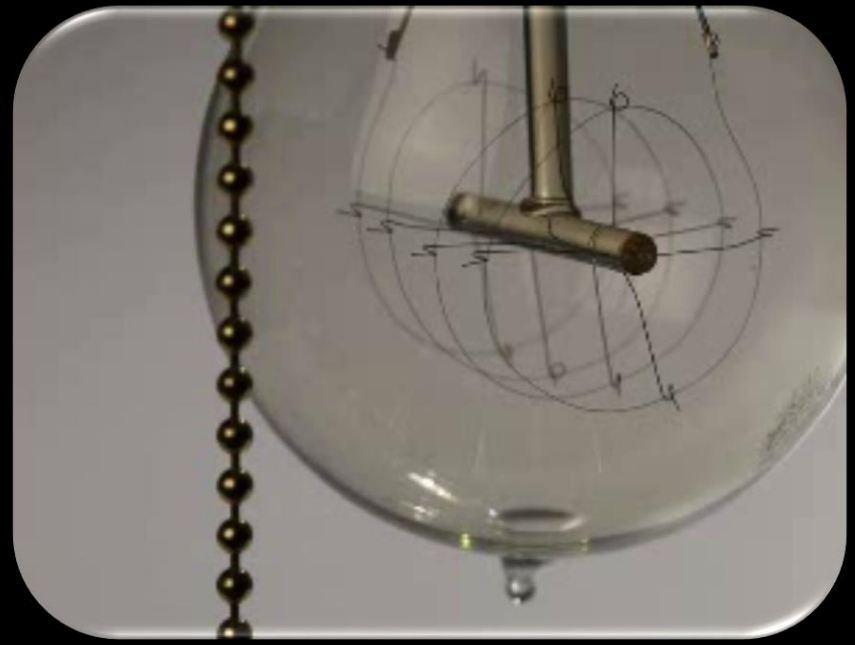
VOTE NO TO GOVERNMENT OWNED ELECTRIC

VOTE NO TO MORE DEBT.

VOTE NO TO HIGHER RATES.

The Campaign
IN SUPPORT

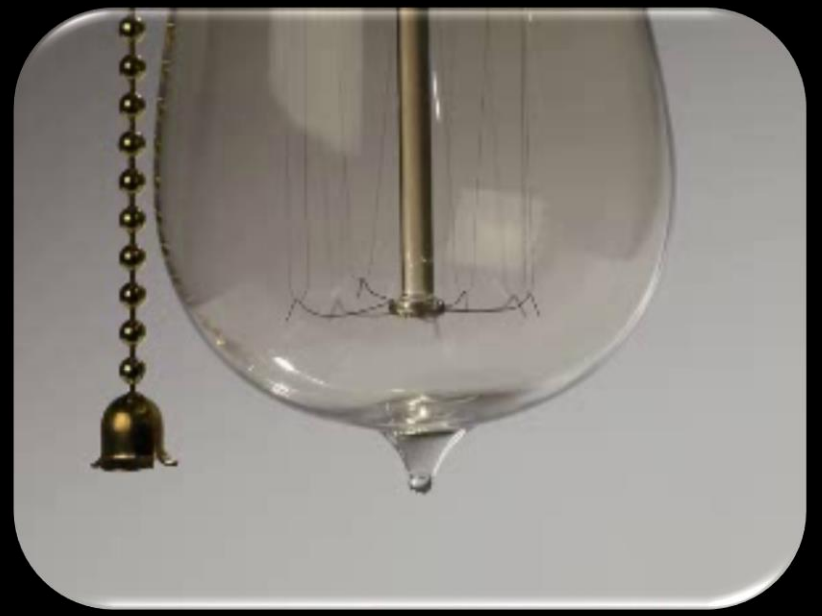
Winter Park Power Options
raised $50,000
towards campaign



CITY OF WINTER PARK
electric utility 10th anniversary

City Message

- Local control & accountability
- Reinvest profits locally
- Improved reliability
- Customer first mission



CITY OF WINTER PARK
electric utility 10th anniversary

CAMPAIGN IN SUPPORT

CAMPAIGN IN SUPPORT

Who should dictate the terms of the electric franchise agreement?

Progress Energy is a $9 billion corporate giant that has tried to bully Winter Park into granting a 30-year monopoly contract that offers no guarantees for better reliability and local accountability.

Your "FOR" vote will give Winter Park the ability to "walk away" from Progress Energy at the negotiating table and seek competitive bids. That alone will require Progress Energy to improve the offer it has on the table if it wants to continue providing service to Winter Park.

Winter Park Power Options

CAMPAIGN IN SUPPORT

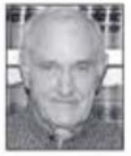
Who do you believe? These esteemed local leaders...

The Hon. Paula Hawkins, former U.S. Senator

"Having been engaged in the regulation of the electric power industry in Florida and for the entire nation, I am intimately knowledgeable about the electric power industry. In my judgment, there is nothing to fear if Winter Park purchases the electric power system from Progress Energy. There is no doubt in my mind that the best choice for Winter Park residents is to vote for the bonds."

The Hon. Lou Frey, former U.S. Congressman

"I served on Gov. Bush's Energy 2020 Commission and to me, this is a common-sense deal. We're not giving anything up. We're getting the ability to negotiate the best power deal possible."



Former Mayor Dan Hunter

"Throughout the years, Winter Park has demonstrated over and over again the kind of thoughtful and responsible leadership required for an undertaking of this nature. I am confident that our community's leaders have made the right choice, and I support them."

Former Mayor Dave Johnston

"Nothing will change if you vote "FOR" the bonds. Your taxes won't change. Your electric bills won't change. Your police and fire services won't change. But you will see a difference: Better electric reliability, a commitment to undergrounding the wires and reinvesting the profits in Winter Park."

Russell Troutman, Former Winter Park City Attorney

"Please do not allow the naysayers to discourage you from a positive vote. Operating a utility is a historic and traditional function of government... Future generations will thank us – as we thank our founding fathers – for taking this step."

Your elected Winter Park City officials urge you to vote FOR the bonds

Mayor
Kip Marchman

Vice-Mayor
John Eckbert

Commissioner
Barbara DeVane

Commissioner
Doug Metcalf

Winter Park Power Options

...Or Progress Energy?

Progress Energy and its representatives will say and do anything to protect its monopoly status. Here are just a few examples:

- Progress Energy has deliberately overstated Winter Park's tax burden.
- Progress Energy has falsely asserted that Police and Fire services will be affected.
- The so-called "Taxpayers Committee" is a shell organization. It received 98.2 percent of its funding from Progress Energy.
- The "Taxpayers Committee" has circulated a sham study – which it bought and paid for – falsely claiming this study to be independent.

Give Winter Park the clout it needs to secure a better power deal for its residents.

On Sept. 9, vote

"FOR" the bonds.

Pd. Pol. Adv. By Winter Park Power Options

www.winterparkpower.com

Winter Park Power Options
P.O. Box 2112
Winter Park, FL 32790-2112
407-647-9512

CAMPAIGN IN SUPPORT

CAMPAIGN IN SUPPORT

*People you **know and trust** agree...*

Mayor
Kip Marchman

"I am convinced that voting 'FOR' the referendum will improve the quality of life for Winter Park residents for decades to come."

Vice Mayor
John Eckbert

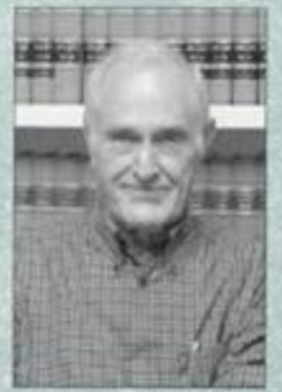
"Based on three years of exhaustive study by the City, voting 'FOR' the referendum is a sound business decision for Winter Park."

Commissioner
Barbara DeVane

"Other cities have demonstrated that local control increases accountability and reliability...something Winter Park lacks with Progress Energy."

Commissioner
Doug Metcalf

"Passing the referendum will allow the city to capture the millions in profits that Progress Energy currently sends out of state, and will reinvest these funds in a reliable system here in Winter Park."



Former Mayor
Dan Hunter

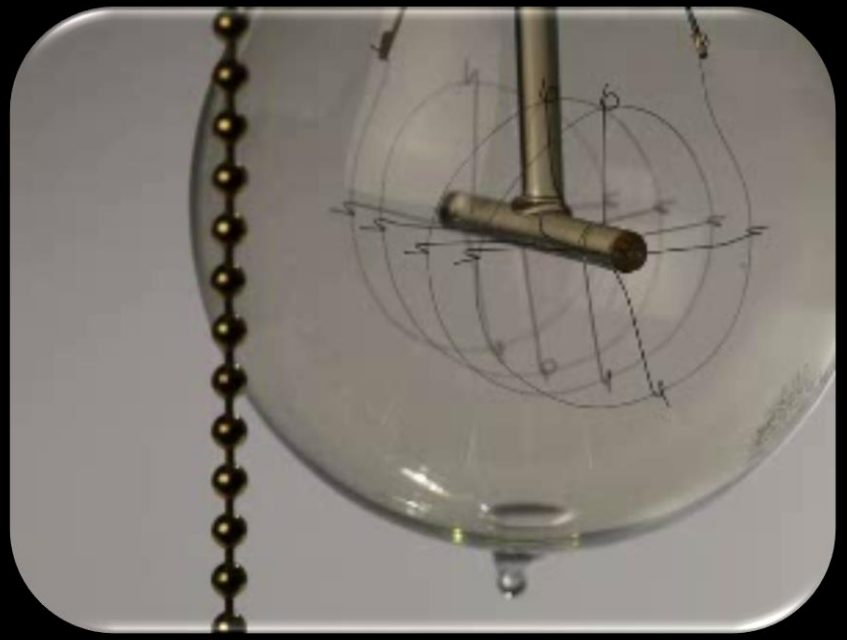
"With Winter Park's solid record of fiscal management, I have full confidence that Winter Park residents will see a return on investment with the purchase of the electric distribution system."

*...that the referendum is a **good business decision!***

Winter Park City Hall
401 Park Avenue South
Winter Park, FL 32789

PRESORTED
STANDARD
U.S. Postage
PAID
Permit #191
Winter Park, FL


Florida Power
A Progress Energy Company
This location has permanently closed.
Please call 1-888-893-9392 for payment location nearest you.



CITY OF WINTER PARK
electric utility 10th anniversary

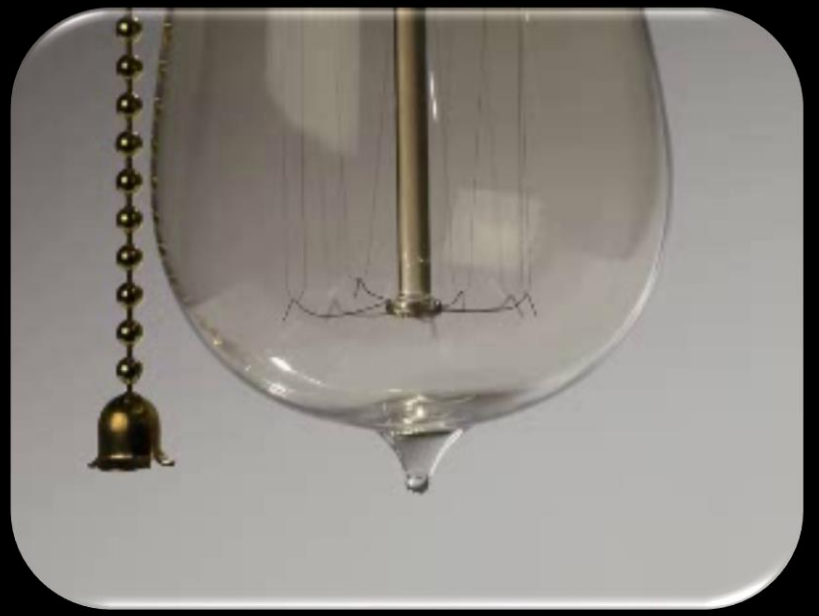
Voters spoke:

69 percent
IN FAVOR
of purchase

- September 9, 2003
- 7,803 residents (almost 49% of Winter Park's 16,309 voters) voted.
- Largest voter turn out since 1988

What made Winter Park succeed when others backed down

- Strong City Commission
- Educated/involved community
- Good attorneys and consultants
- Help from FMEA, APPA & other municipalities
- PEFs tactics backfired



CITY OF WINTER PARK
electric utility 10th anniversary

Flip of the Switch!

June 1, 2005

Winter Park's success stories

Employees dedicated EXCLUSIVELY to the City of Winter Park

Face-to-face customer service

CITY OF WINTER PARK
electric utility 10th anniversary

Tropical Storm Faye
Experience

August 20-21, 2008

Thursday night August 21, city had lost 3,000 customers (~21 percent)

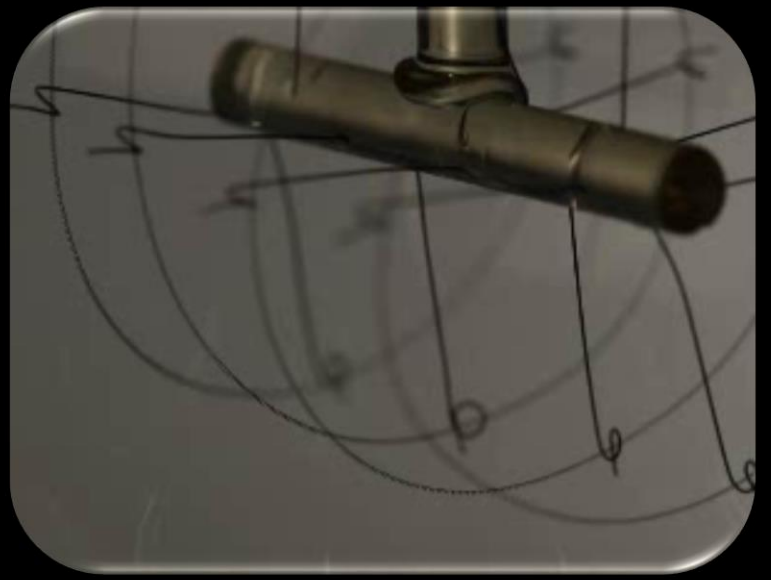
Most customers restored by Friday night; all customers restored by noon on Saturday.

3 p.m. on Saturday PEF still had 12,100 customers out.

Electrifying success

Reliability has dramatically improved

Measure	Before purchase	2014 12 months
SAIDI	~200 minutes	~65 minutes
MAIFI	~22/year	Less than .5/yr



CITY OF WINTER PARK
electric utility 10th anniversary

Electrifying success

Rates

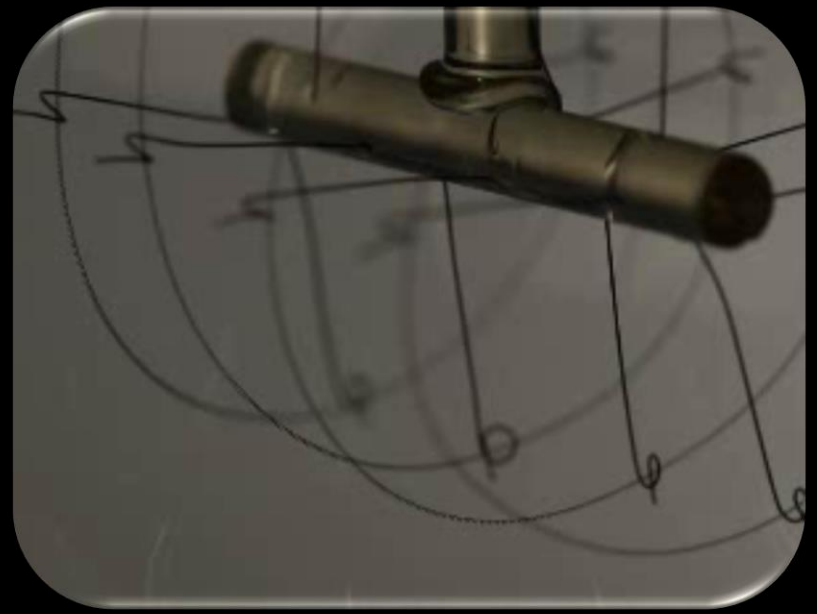
[1,000 kWh per month customer]

For the 10 yr. period 6/1/05– 5/31/15

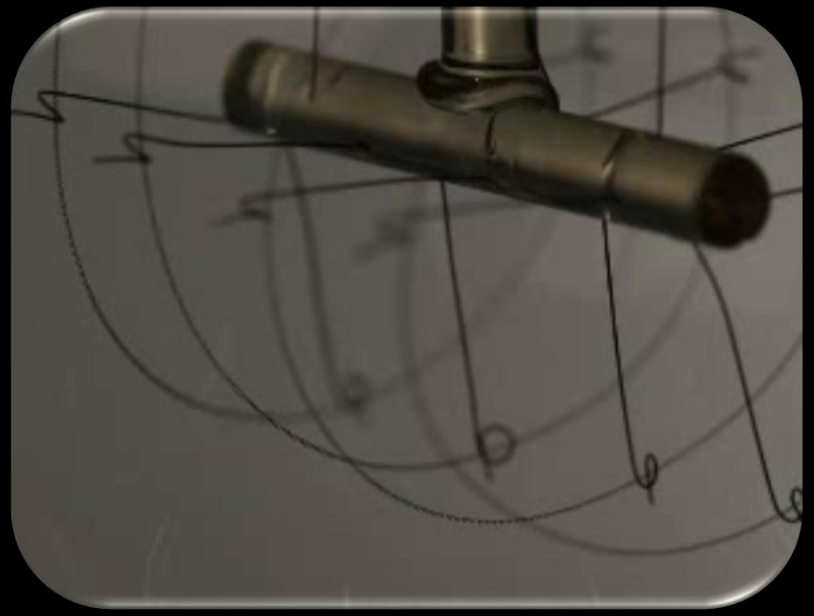
PEF/Duke rates:	$13,778
Winter Park rates:	$13,426
	(-2.55 %)

<u>Current</u>

Duke rates:	$122.00
Winter Park rates:	$107.12
	(-12.2%)



CITY OF WINTER PARK
electric utility 10th anniversary



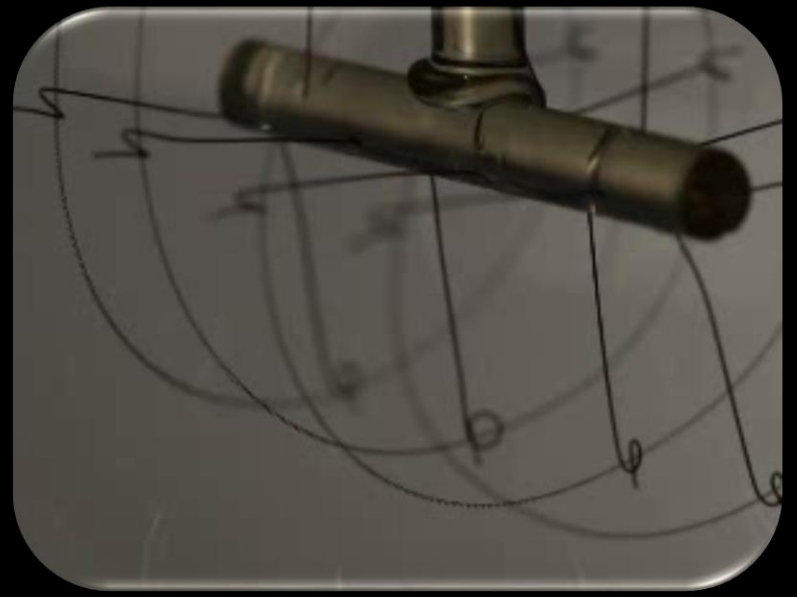
CITY OF WINTER PARK
electric utility 10th anniversary

Electrifying success

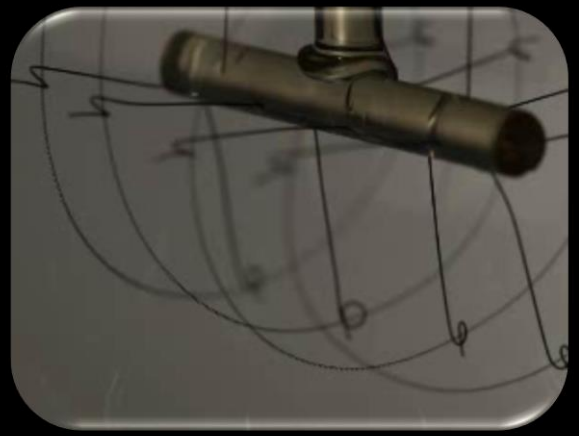
- Utility has paid back all monies advanced by city's general fund (~$14 million)
- Placed 20+ miles of overhead wires underground
  - Now 59 percent underground (~113 miles)
- City has a 10-year plan to bury the rest of its wires (78 miles)
  - $3.5 - $4 million/year
  - Expected to be completed in the next eight years

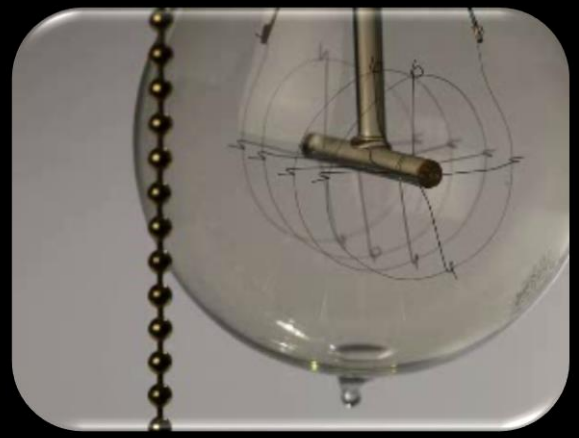
Electrifying success

- Dramatically improved reliability
- Rates lower than Duke's and lower than state average
- Superior storm response
- Spending $3.5- $4 million per year to bury overhead lines
- Undergrounding program should be complete within eight years



CITY OF WINTER PARK
electric utility 10th anniversary





CITY OF WINTER PARK
electric utility 10th anniversary

CHEERS! Happy 10th anniversary Winter Park Electric!