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
2,009 US Muni Electrics

- Median size ~ 2,100 customers
- WPE Bigger than 85% of All Muni Utilities

Distribution of Public Power Utilities by Customer Class

- Winter Park

Note: Systems with less than 10 customers include joint action agencies and other wholesale utilities.
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
Why municipalization?

AVERAGE MINUTES OF SERVICE INTERRUPTION PER CUSTOMER PER YEAR 1997 - 2002

- FPL
- Gulf Power
- TECO
- Progress Energy Florida
- OUC
- Progress Energy Winter Park
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
Key Dates

• May 29, 2003
  Arbitration set purchase price at $42.3 million

• City Commission set the referendum date for September 9, 2003.
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
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
CAMPAIGN AGAINST

Don’t Risk Winter Park’s Future

Don’t throw our money away!
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

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 Message

• Local control & accountability
• Reinvest profits locally
• Improved reliability
• Customer first mission
CAMPAIGN IN SUPPORT

SEPTEMBER 9TH

VOTE “FOR”!

☐ RELIABLE SERVICE
☐ LOCAL ACCOUNTABILITY
☐ UNDERGROUNDING
☐ VENDOR COMPETITION

407.647.9512
www.winterparkpower.com
Who should dictate the terms of the electric franchise agreement?

Progress Energy? Or Winter Park?

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.
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 2000 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 taxpayers 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

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.

www.winterparkpower.com
Tired of resetting your clocks?

Vote “FOR” on Sept. 9th for a better power option

Winter Park Power Options
CAMPAIGN IN SUPPORT

People you know and trust agree...

Mayor Kip Moreman
“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, R. I. 32789

Presented to Standard
U.S. Postal
 Permit #191
Winter Park, FL
This location has permanently closed.

Please call 1-888-893-9392 for payment location nearest you.
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
Winter Park’s success stories
Employees dedicated EXCLUSIVELY to the City of Winter Park
Face-to-face customer service
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

<table>
<thead>
<tr>
<th>Measure</th>
<th>Before purchase</th>
<th>2014 12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAIDI</td>
<td>~200 minutes</td>
<td>~65 minutes</td>
</tr>
<tr>
<td>MAIFI</td>
<td>~22/year</td>
<td>Less than .5/yr</td>
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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 %)

Current
Duke rates: $122.00
Winter Park rates: $107.12 (-12.2%)
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
CHEERS!
Happy 10th anniversary
Winter Park Electric!