Florida Power and Light Company

City of Vero Beach Negotiations Update for
Indian River Board of County Commissioners
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Agenda

• Introduction to NextEra Energy and FPL
• Customer Service Programs
• FPL and COVB negotiations
• Corporate Culture and Questions
NextEra Energy is a premier U.S. power company comprised of two great businesses

- $22.4 B market capitalization
- 42,588 MW in operation
- $15.3 B in operating revenues
- $53.0 B in total assets

- One of the largest U.S. electric utilities
- Vertically integrated, retail rate-regulated
- 4.5 million customer accounts
- 23,772 MW in operation
- $11.0 B in operating revenues

- Successful wholesale generator
- U.S. leader in renewable generation
- Assets in 26 states and Canada
- 18,886 MW in operation
- $4.6 B in operating revenues

No. 161 on Fortune 500
Here in Florida, FPL provides customers with electricity that is low cost, reliable and clean.
Our continued focus on keeping operating costs low and investing in more efficient power generation helps keep customer bills low.

- **FPL’s typical customer bill is the lowest of Florida’s 55 electric utilities**
  - Typical customer saves an average of $33 a month compared to other Floridians
  - 24 percent lower than latest national average

Source: Florida Municipal Electric Association monthly reports
FPL’s power plants are among the cleanest in the country

**CO₂ Emissions Rate**

- **2009 Industry Average**: 1,297 lbs/MWh
- **FPL 2009**: 845 lbs/MWh
- **35% Better**

**SO₂ Emissions Rate**

- **2009 Industry Average**: 3.37 lbs/MWh
- **FPL 2009**: 0.85 lbs/MWh
- **75% Better**

**NOₓ Emissions Rate**

- **2009 Industry Average**: 1.27 lbs/MWh
- **FPL 2009**: 0.57 lbs/MWh
- **55% Better**

Sources: FPL internal data; Electric Power Sector from Department of Energy’s Energy Information Administration (DOE EIA)
Our investments in more efficient power generation result in lower fuel costs for our customers along with higher reliability and lower emissions.

FPL’s Power Generation Efficiency

Since 2001, FPL’s heat rate has improved by 17 percent, which saved our customers more than half a billion dollars on fuel in 2010 alone.
Our strong customer commitment and continued investment in infrastructure are delivering industry-leading service reliability for customers.

**Consistent Reliability**

Infrastructure investments help keep reliability consistently strong.

**Reducing Interruptions**

Averaged less than one per customer in 2010.

Notes: SAIDI (System Average Interruption Duration Index) represents number of minutes an average customer is without power a year. Sources: FPL distribution data as reported to or as prepared for reporting to the Florida Public Service Commission; industry average from Edison Electric Institute Distribution Reliability Survey.
FPL continues to improve its hurricane preparedness and restoration processes since the severe 2004 and 2005 hurricanes

**Reliability and Storm Preparedness**

- **FPL follows a highly organized and well-tested plan that calls for restoring power to the greatest number of customers safely and as quickly as possible.**
  - Power is restored to critical infrastructure such as hospitals and water plants while working to return service to the largest numbers of customers.
  - In addition, FPL also coordinates assistance agreements with other utilities for out-of-state support to ensure we can quickly deploy equipment and crews to storm-damaged communities.

- **FPL works proactively to improve the reliability and efficiency of our electric service, preparing for storms and investing in year-round preventative maintenance**
  - In 2009 & 2010, FPL invested $2 million in reliability improvement for facilities serving our current Indian River County customers and $2.5 million planned in 2011.

FPL delivers more than 99.98 percent service reliability
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A variety of options are offered for contacting FPL, accessing information/assistance, and receiving/paying your bill

**Customer Service**

- **Connecting with us (report power issues, moving, tips on energy savings)**
  - Care centers
    - Residential (800-226-3545)
    - Business (800-375-2434)
  - Online (www.FPL.com, ![Facebook](facebook.png) ![Twitter](twitter.png) ![YouTube](youtube.png))

- **Billing and payment options**
  - Ways to receive – FPL E-Mail Bill®, CheckFree®, your local bank, and US mail
  - Ways to pay – FPL Automatic Bill Pay®, online, credit/debit card, FPL Pay By Phone®, CheckFree®, your local bank, pay agents, and US mail
  - Ways to manage – FPL Budget Billing®, FPL 62Plus, FPL Friendly Reminder®, and payment reminders

- **Care To Share® and Customer Advocacy/Assistance**

For the 7th year in a row, FPL has received the prestigious ServiceOne Award for exceptional customer service
FPL is a national leader in energy efficiency and load control

**Energy Efficiency Programs**

- **Residential**
  - Home Energy Surveys conducted by field representatives at no cost
    - online assessment also available at www.FPL.com
  - FPL’s On Call® program allows FPL to cycle off major appliances for brief periods of time during times of heavy demand
  - Watt Saver – rebates for attic insulation, A/C replacement and duct repair

- **Commercial**
  - Business Energy Evaluations conducted by field representatives at no cost
  - FPL’s On Call® program allows FPL to cycle off major appliances for brief periods of time during times of heavy demand
  - Rebates for lighting, HVAC, and building envelope (reflective roof coatings, roof/ceiling insulation, window tinting)

- **Solar programs launched this summer**

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Our demand-side management programs have allowed us to avoid building 13 medium-size power plants since 1980
To truly realize the benefits of smart grid technology, we have to improve the grid from end to end – from the power plant to the customer’s meter

**Energy Smart Florida**

- Energy Smart Florida will build a smarter grid for FPL customers through several key components:
  - Installation of 9,000+ intelligent devices throughout the infrastructure
  - Cutting-edge enhancements to performance-monitoring centers
  - Deployment of 4.5 million smart meters for customers
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FPL has presented an offer to the City of Vero Beach that will accomplish our two main objectives

**Overall Objectives of Potential Transaction**

- **Provide City electric customers the same rates that FPL customers enjoy**

- **Ensure that existing FPL customers are not negatively impacted by the transaction**

FPL will work with the City of Vero Beach during the next few months to accomplish both of these objectives and to compensate the city fairly for its electric system
The proposed purchase price would allow Vero Beach customers to receive FPL rates without negatively impacting existing FPL customers

**Letter of Intent Summary**

- **FPL**
  - Pay the City a mutually agreed upon price at closing
  - Provide FPL retail electric rates to the City’s 34,000 customers
  - Retention of City employees for a period of 2 years
  - FPL to assume the City’s net pension liability for electric employees

- **City of Vero Beach**
  - Transfer electric assets free and clear
    - Lease for land at generation site
  - Terminate existing territorial agreement and enter into franchise agreement with FPL
  - Address Orlando Utilities Commission Agreement
  - Address Florida Municipal Power Agency entitlements

In addition to the above, FPL would pay more than $1.7 million in additional taxes to entities within the City’s service territory
There are several approvals required to finalize the proposed transaction

**Federal, State and Local Regulatory Approvals**

- Federal Energy Regulatory Commission jurisdiction under Federal Power Act
- In addition to FERC, the Federal Trade Commission and the Department of Justice will review the transaction
- Florida Public Service Commission approval of new rates and territorial agreement
- City Council approval of transaction

In addition to the above approvals, FPL understands that a potential referendum on the generation site may be required.
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2011 was the fifth straight year we were No. 1 on Fortune magazine’s “World’s Most Admired Companies” list for our sector

World’s Most Admired Companies

• Being named to Fortune’s list is one of the most prestigious honors a company can receive

• Companies are ranked on innovation, people management, use of corporate assets, social responsibility, quality of management, financial soundness, and quality of products and services

• We were No. 1 in our sector in 2011, 2010, 2009, 2008 and 2007
Nationally recognized for corporate social responsibility, FPL and our employees take pride in giving back to our community

Committed to Indian River County

- Nearly $5.5 million paid annually in franchise fees, property taxes, permitting and licensing fees, and municipal utility taxes
- Nearly $125,000 contributed to local organizations and events over last five years
- $5,000 Diamond-level Private Industry Partner of Economic Development Division
- $11,000 contributor to Chamber of Commerce building capital campaign
- More than $75,000 contributed to Indian River County United Way during the past 5 years.
FPL will continue to have a significant public presence in Vero Beach during this process to ensure we answer your questions.

### Next Steps

- FPL has developed a website for the City’s customers to get more information: [www.FPL.com/verobeach](http://www.FPL.com/verobeach)

- FPL will host a community open house to give as much access to information about FPL as possible

  **Thursday, October 20th 4-7 PM**
  Holy Cross Catholic Church
  500 Iris Lane, Vero Beach

FPL is committed to an open dialogue throughout this process.
Our continued focus on keeping operating costs low and investing in more efficient power generation helps keep both residential and commercial customer bills low

National Study: FPL Offers Lower Electric Costs for Commercial Customers Too

**Commercial 40 KW, 10,000 kwh**
Examples: small manufacturing facility, bank branch office, retail store, restaurant, medical office

- National Average: $1,134
- Florida IOU Average*: $1,097
- Lower Southeast States Average: $1,038
- South Atlantic Average: $1,012
- FPL: $982

**Commercial 500 KW, 180,000 kwh**
Examples: school, department store, large call center, grocery store

- National Average: $17,087
- Florida IOU Average*: $16,100
- Lower Southeast States Average: $15,712
- South Atlantic Average: $15,615
- FPL: $15,310

Energy Smart Florida is part of FPL’s commitment to building a stronger, smarter, cleaner and more efficient power grid for customers

**Smart Metering**

- Laying the foundation for a smarter grid that will deliver a host of current and future benefits for our customers
- Provides customers with more information than ever before to better manage energy usage and monthly bills
- Enables FPL to maintain high service reliability for customers in the long term

The customer benefits of this investment are lasting – the long-term possibilities for further enhancements are exciting