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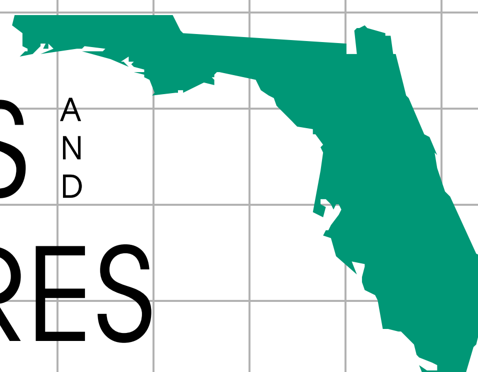

FACTS AND FIGURES OF THE FLORIDA UTILITY INDUSTRY

FLORIDA PUBLIC SERVICE COMMISSION

This publication is intended to be a reference manual for anyone needing quick information about the Electric, Natural Gas, Telecommunications, and Water and Wastewater industries in Florida. The facts have been gathered from in-house materials, outside publications, and Web sites. Every effort has been made to accurately denote the source of the information used. Though most of the data refers specifically to Florida, some data from other states and national averages are included for comparison purposes. Should you have questions about this publication, please contact:

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Florida Electric Industry

Regulatory Authority

Pursuant to Chapter 366, Florida Statutes, as of December 2009, the Florida Public Service Commission (FPSC) has regulatory authority over:

- **5 investor-owned electric companies**
  (all aspects of operations, including rates and safety)
- **35 municipally owned electric utilities**
  (limited to safety, rate structure, territorial boundaries, bulk power supply, operations and planning)
- **18 rural electric cooperatives**
  (limited to safety, rate structure, territorial boundaries, bulk power supply, operations and planning)

Generating Capacity
(Utility and Non-Utility)
As of January 1, 2009

- Summer: 56,793 Megawatts (MW)
- Winter: 61,156 MW *

Transmission Capability for Peninsular Florida

- Import → Summer: 3,600 MW
  Winter: 3,800 MW
- Export → Summer: 1,000 MW
  Winter: 1,900 MW **

* Generating capacity is higher in winter due to thermodynamics/cooling water.
** Export transmission capability is higher in winter due to thermal ratings of lines and seasonal load patterns.

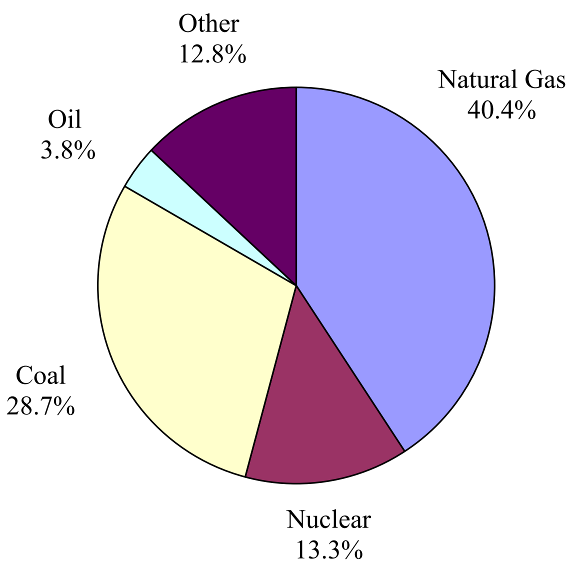
Sources:
FPSC's *2009 Annual Report*
http://www.floridapsc.com/publications/pdf/general/annualreports/2009.pdf

Florida Reliability Coordinating Council's *2009 Regional Load & Resource Plan*, July 2009
http://www.floridapsc.com/publications/pdf/electricgas/2009Load_Resource_Plan.pdf

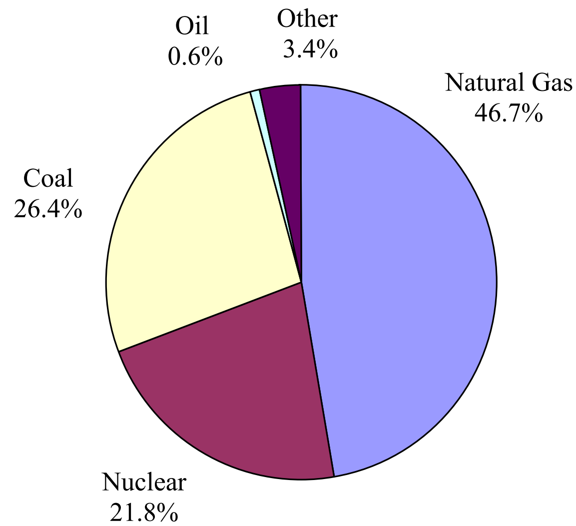
FPSC's *Review of 2009 Ten-Year Site Plans for Florida's Electric Utilities,* October 2009
http://www.floridapsc.com/publications/pdf/electricgas/tysp2009.pdf

Florida Energy Generation by Fuel Type

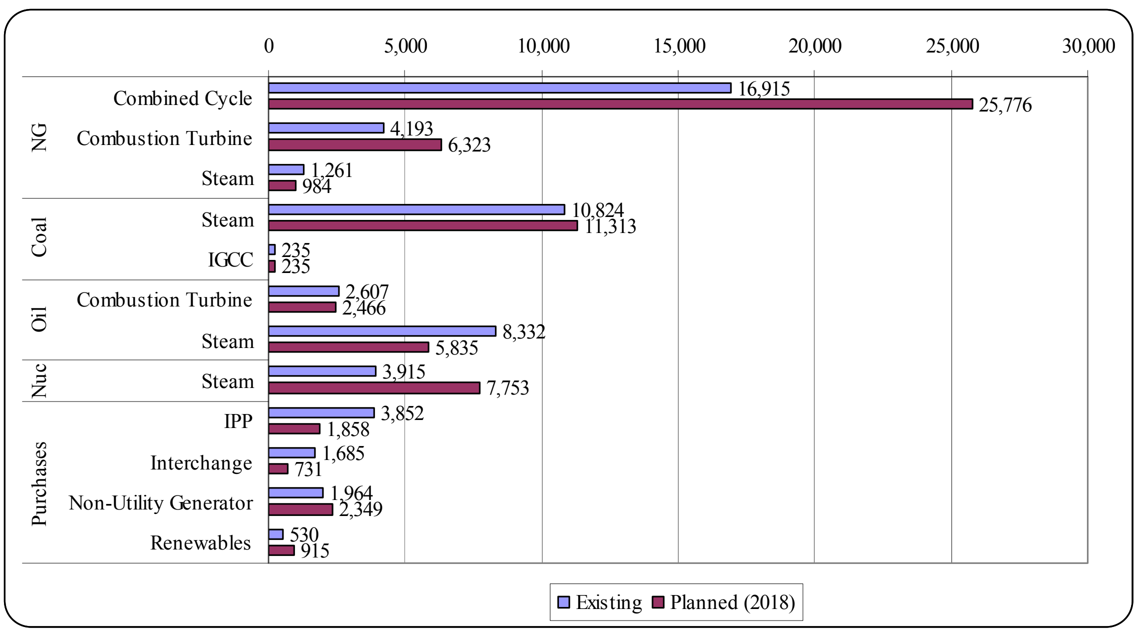
2008 (Actual)



2018 (Forecast)

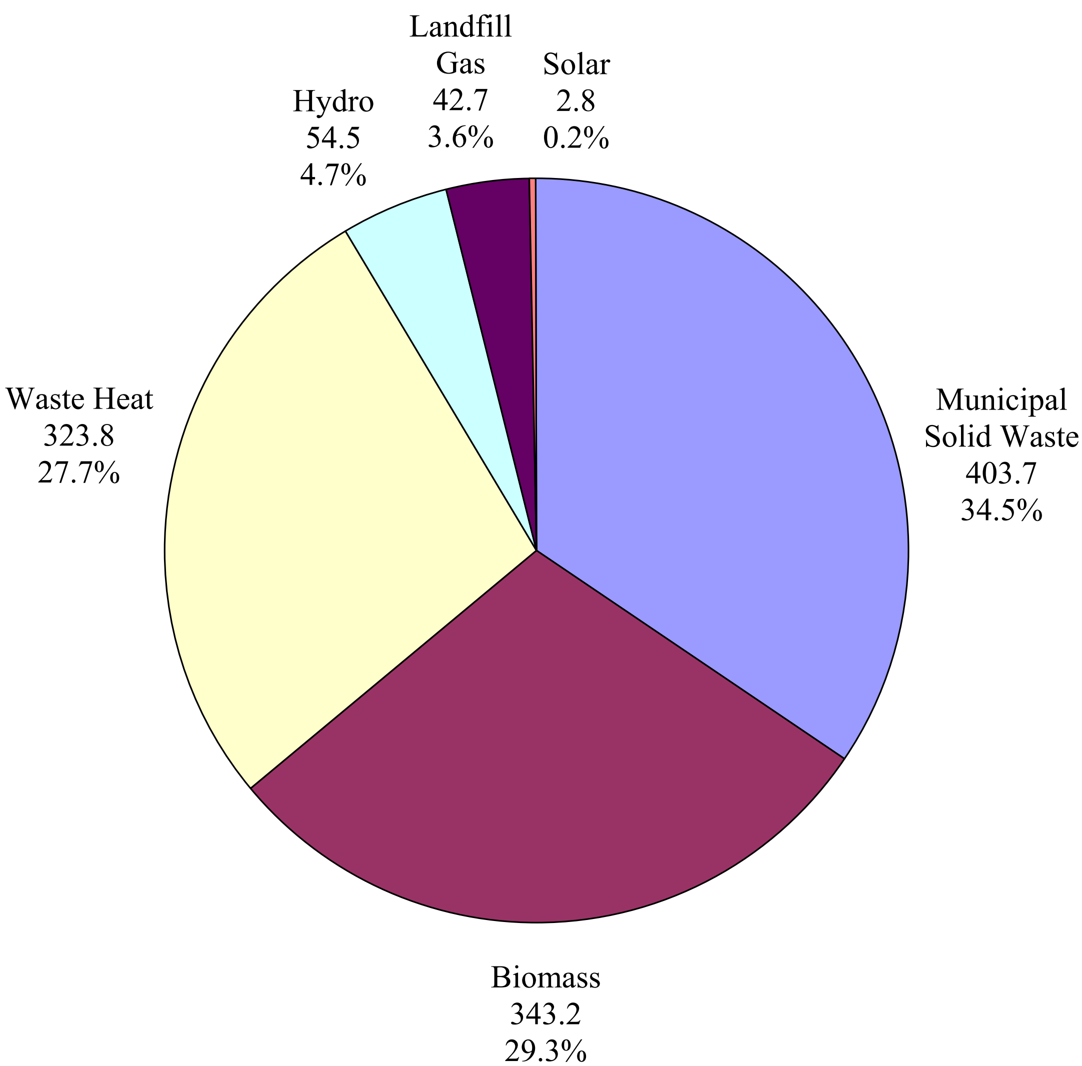


Electric Utility Summer Capacity Mix (MW)



Source:
FPSC's *Review of 2009 Ten-Year Site Plans for Florida's Electric Utilities,* October 2009
http://www.floridapsc.com/publications/pdf/electricgas/tysp2009.pdf

Florida's Renewable Capacity - 2008
1,170.7 MW



Total Florida Renewable Capacity: 1170.7 MW
Total Florida Electric Generation Capacity: 56,793 MW (Summer)

Biomass: Material collected from wood processing, foresting, urban wood waste, and agricultural waste.
Landfill Gas: Methane collected from landfills.
Waste Heat: Collected in processing phosphate into fertilizer and other products.

Source:
FPSC's *Review of 2009 Ten-Year Site Plans for Florida's Electric Utilities,* October 2009
http://www.floridapsc.com/publications/pdf/electricgas/tysp2009.pdf

Average Number of Customers

Average Number of Customers for Investor-Owned Utilities

By Class of Service
2009 Average Projected

Utility	Residential	Commercial	Industrial	Total
Florida Power & Light	3,994,173	509,881	12,527	4,516,581
Progress Energy Florida	1,449,079	162,834	2,571	1,614,484
Tampa Electric Company	598,482	72,640	1,427	672,549
Gulf Power Company	381,719	54,572	307	436,598
Florida Public Utilities *	23,848	3,576	742	28,166
Total	**6,447,301**	**803,503**	**17,574**	**7,268,378**

* Reflects 2008 data. Florida Public Utilities is a non-generating utility which is not required to file a Ten-Year Site Plan.

Sources:
2009 Ten-Year Site Plans filed by generating utilities
http://www.floridapsc.com/utilities/electricgas/10yrsiteplans.aspx

FPUC Annual Report

Typical Electric Bill Comparisons

Residential Service Provided by Investor-Owned Utilities
December 31, 2009

Utility	Minimum Bill or Customer Charge*	1,000 Kilowatt Hours*
Florida Power & Light	$ 5.69	$ 107.95
Progress Energy Florida	$ 8.84	$ 124.76
Tampa Electric Company	$ 10.50	$ 111.80
Gulf Power Company	$ 10.00	$ 118.43
Florida Public Utilities		
Northwest	$ 12.00	$ 133.29
Northeast	$ 12.00	$ 126.74

Commercial/Industrial Service Provided by Investor-Owned Utilities
December 31, 2009

Utility	400,000 Kilowatt Hours 1,000 KW Demand*
Florida Power & Light	$ 37,915
Progress Energy Florida	$ 39,981
Tampa Electric Company	$ 44,827
Gulf Power Company	$ 35,445
Florida Public Utilities	
Northwest	$ 42,656
Northeast	$ 41,480

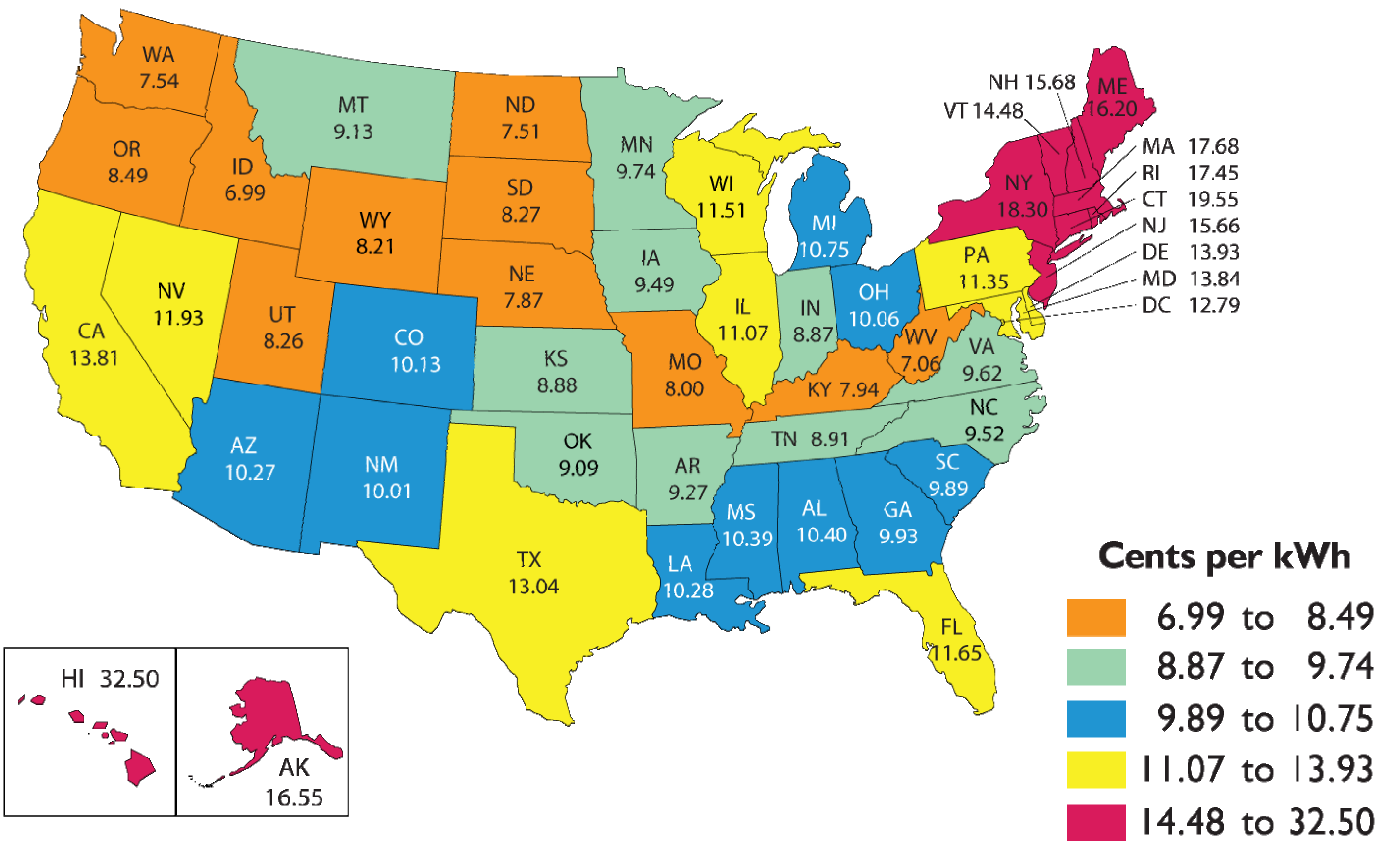
* Excludes local taxes, franchise fees, and gross receipts taxes that are billed as a separate line item. Includes cost recovery clause factors effective December 2009.

Note: Typical electric bill comparisons for municipally and cooperatively owned electric utilities are available in the *Comparative Rate Statistics* Report cited below.

Source:
FPSC's *Comparative Rate Statistics,* December 31, 2009
http://www.floridapsc.com/publications/pdf/general/comparativerate.aspx

Average Residential Price of Electricity by State - 2008

(U.S. Residential Average Price per kWh = 11.26 cents)



Note: The average revenue per kilowatt-hour of electricity sold is calculated by dividing revenue by sales.

Source:
Energy Information Administration's *Electric Power Annual 2008*, Figure 7.5, January 2010
http://www.eia.doe.gov/cneaf/electricity/epa/fig7p5.html

Additional national rate information is available from:
Energy Information Administration's *Electric Power Monthly*, Table 5.6.B., December 2009
http://www.eia.doe.gov/cneaf/electricity/epm/table5_6_b.html

Nuclear Waste Policy

Florida Power & Light Company (FPL) and Progress Energy Florida (PEF) currently store approximately 2,600 metric tons of radioactive waste called "spent nuclear fuel" in water-filled pools inside containment structures at plant sites. As these pools become filled to capacity over the next five years, some of the spent fuel will be removed and placed in steel and concrete storage containers (dry casks) on-site.

Federal law requires the U.S. Department of Energy (DOE) to store and ultimately dispose of spent nuclear fuel and high-level radioactive waste in a geologic repository. Since 1983, Florida ratepayers have paid $818.5 million ($1.4 billion with interest) into the federal nuclear waste fund established to cover the cost of transportation, storage, and disposal of spent fuel.

Florida Nuclear Power Reactors
January 1, 2010

Reactor	Utility	Metric Tons in Spent Fuel Pool	Dry Cask Storage to Begin	NRC License Expires
Crystal River 3	PEF	509.26	2012	2016*
St. Lucie 1	FPL	561	2008	2036
St. Lucie 2	FPL	490	2010	2043
Turkey Point 3	FPL	543	2011	2032
Turkey Point 4	FPL	551	2011	2033

* PEF filed a license renewal application with the Nuclear Regulatory Commission on December 18, 2008.

Proposed Nuclear Power Reactors

Reactor	Utility	Estimated In-Service Date
Levy County	PEF	2017 - 2018**
Turkey Point 6	FPL	2018
Turkey Point 7	FPL	2020

** The estimated in service dates for the Levy Units of 2016 and 2017 have been delayed for a period of at least 20 months.

Sources:
http://www.nrc.gov
Florida Power & Light
Progress Energy

Nuclear Waste Fund Ratepayer Payments by State Through 9-30-09

(Millions of Dollars)

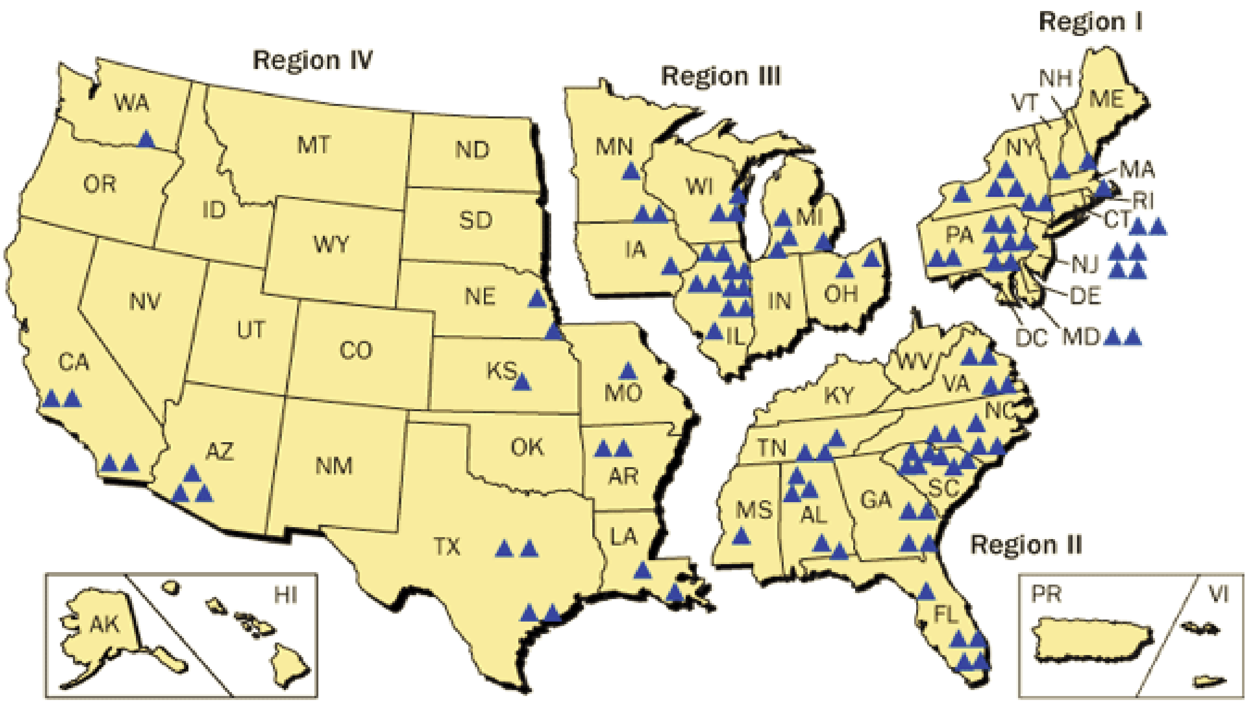
State	Payments (1 mill/kwh, One Time + Int)	Return on Investments	Total (Pay + Return)	Debt*	Fund Assets** (Total + Debt)
AL	515.9	393.5	909.4	0	909.4
AR	341.2	260.2	601.4	175.4	776.8
AZ	253.1	193	446.1	0	446.1
CA	983	749.7	1732.7	0	1732.7
CO	0.2	0.2	0.4	0	0.4
CT	284.6	217.1	501.7	358	859.7
DE	44.6	34	78.6	0	78.6
FL	**818.5**	**624.3**	**1442.8**	**0**	**1442.8**
GA	654.9	499.5	1154.4	0	1154.4
IA	239.5	182.7	422.2	45.1	467.3
IL	1790.3	1365.4	3155.7	971.4	4127.1
IN	241.8	184.4	426.2	229.6	655.8
KS	128.1	97.7	225.8	0	225.8
KY	143.8	109.7	253.5	0	253.5
LA	308.9	235.6	544.5	0	544.5
MA	341.9	260.8	602.7	163.2	765.9
MD	376.6	287.2	663.8	0	663.8
ME	48.1	36.7	84.8	116.7	201.5
MI	298.4	227.6	526	197.9	723.9
MN	307.4	234.5	541.9	0	541.9
MO	240.6	183.5	424.1	5.1	429.2
MS	155.3	118.4	273.7	0	273.7
NC	1477.4	1126.8	2604.2	0	2604.2
ND	17.4	13.3	30.7	0	30.7
NE	183.9	140.3	324.2	0	324.2
NH	78.4	59.8	138.2	23.8	162
NJ	698.1	532.4	1230.5	196.5	1427
NM	73.6	56.1	129.7	0	129.7
NY	809.6	617.5	1427.1	504.7	1931.8
OH	440.9	336.3	777.2	32.6	809.8
OR	75.1	57.3	132.4	0	132.4
PA	1315.7	1003.5	2319.2	66.5	2385.7
RI	5.1	3.9	9	6.1	15.1
SC	662.8	505.5	1168.3	0	1168.3
SD	6.7	5.1	11.8	0	11.8
TN	544.7	415.4	960.1	0	960.1
TX	756.7	577.1	1333.8	0	1333.8
VA	672.8	513.1	1185.9	0	1185.9
VT	96.4	73.5	169.9	141.4	311.3
WA	162.9	124.2	287.1	0	287.1
WI	414.8	316.4	731.2	0	731.2
Subtotal	17009.7	12973.2	29982.9	3234	33216.9
Federal	19.8	15.1	34.9	0	34.9
Industry	16.8	12.8	29.6	0	29.6
Total	**17046.3**	**13001.1**	**30047.4**	**3234**	**33281.4**

* Funds owed for fuel burned before 1983, but not yet paid by utilities (as allowed by DOE contract).

** Before withdrawals for expenditures by DOE.

Source:
Michigan Public Service Commission staff
http://www.dleg.state.mi.us/mpsc/motor/nuclear/rep909.pdf

Operating Nuclear Power Reactors



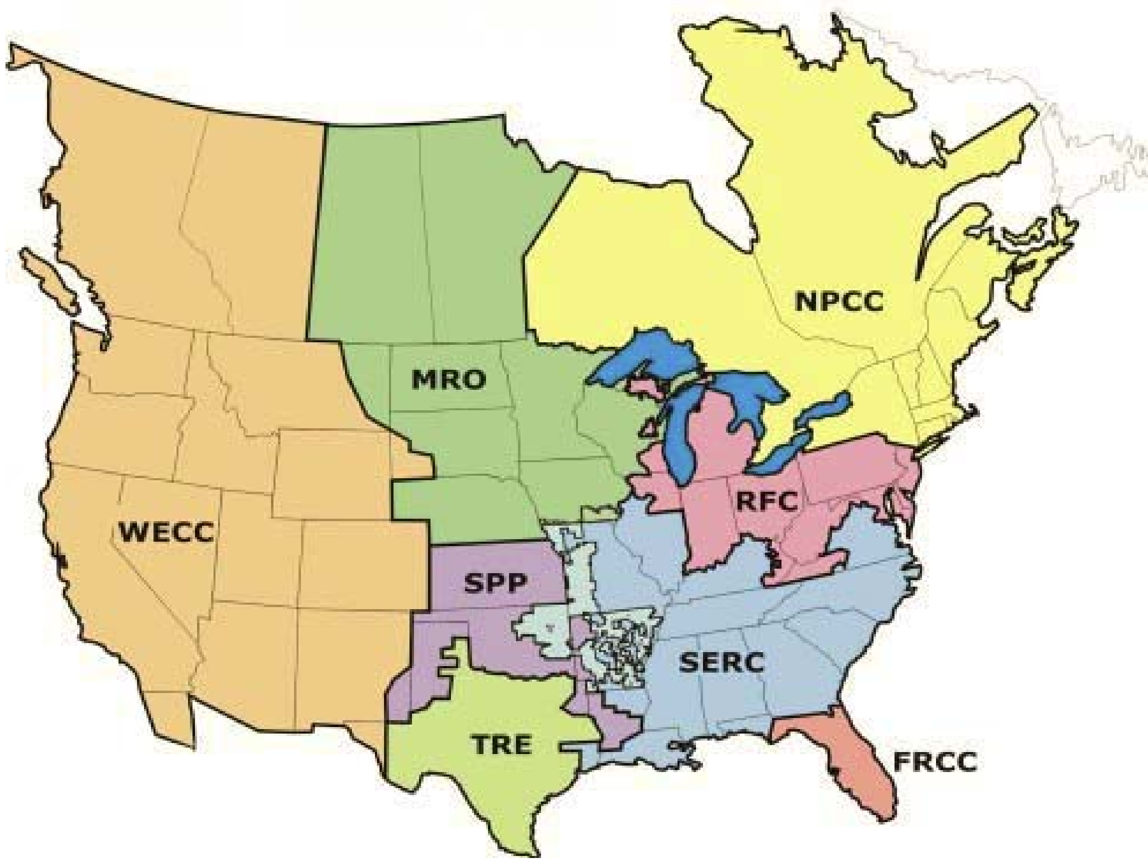
Licensed to Operate (104)

Note: Region IV oversees the Grand Gulf plant in Mississippi (MS), which is part of Region II.

Source:
Nuclear Regulatory Commission
http://www.nrc.gov/info-finder/reactor/#USMap

Reliability Councils

North American Electric Reliability Corporation (NERC) is a not-for-profit organization whose members are eight Regional Reliability Councils.

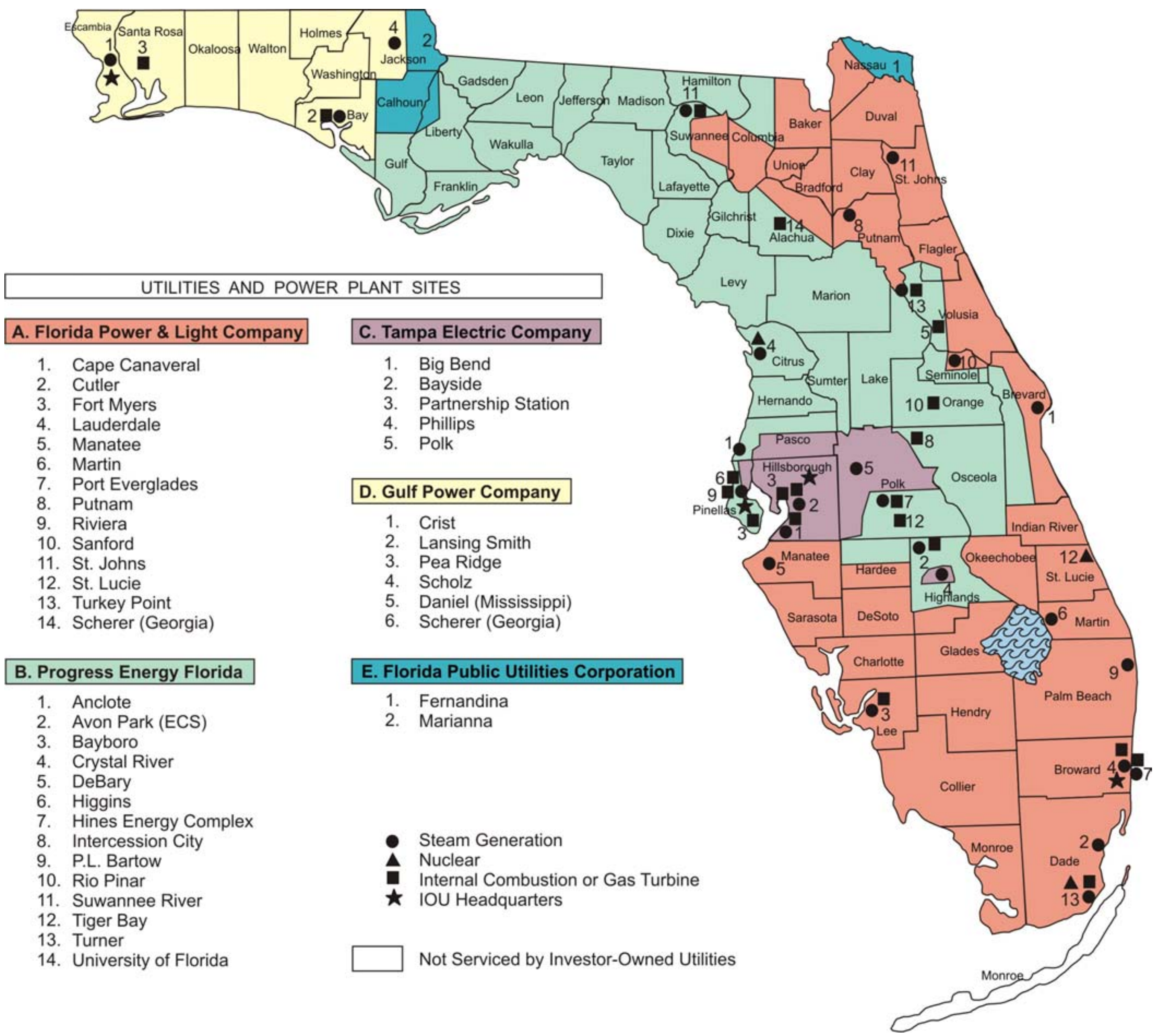


FRCC	Florida Reliability Coordinating Council
MRO	Midwest Reliability Organization
NPCC	Northeast Power Coordinating Council
RFC	Reliability*First* Corporation
SERC	SERC Reliability Council
SPP	Southwest Power Pool
TRE	Texas Regional Entity
WECC	Western Electricity Coordinating Council

Source:
North American Electric Reliability Corporation
http://www.nerc.com/page.php?cid=1|9|119

Investor-Owned Electric Utilities

Approximate Company Service Areas

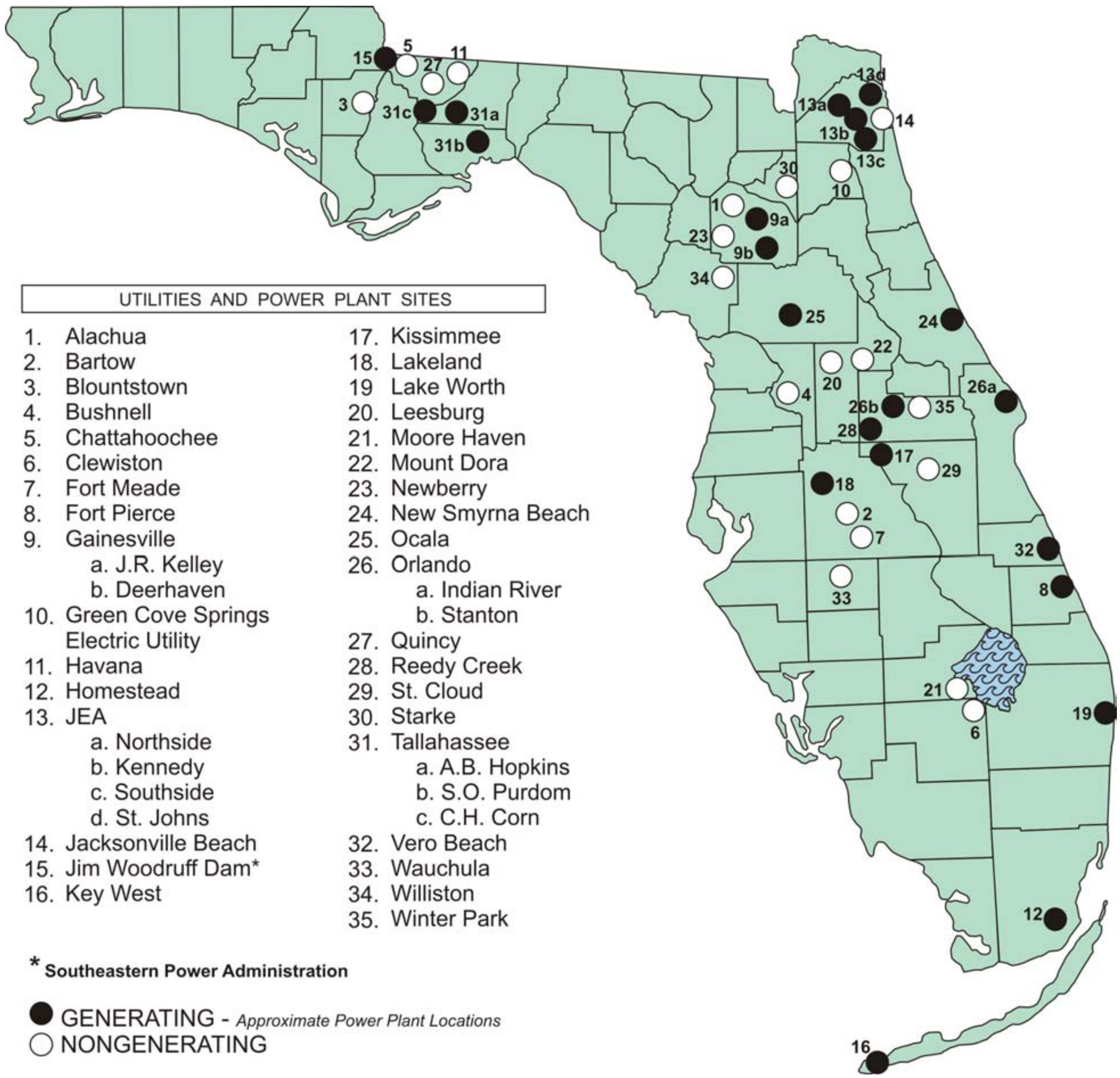


Service areas are approximations.
Information on this map should be used only as a general guideline.
For more detailed information, contact individual utilities.

Source:
Florida Public Service Commission

Municipal Electric Utilities

Approximate Utility Locations



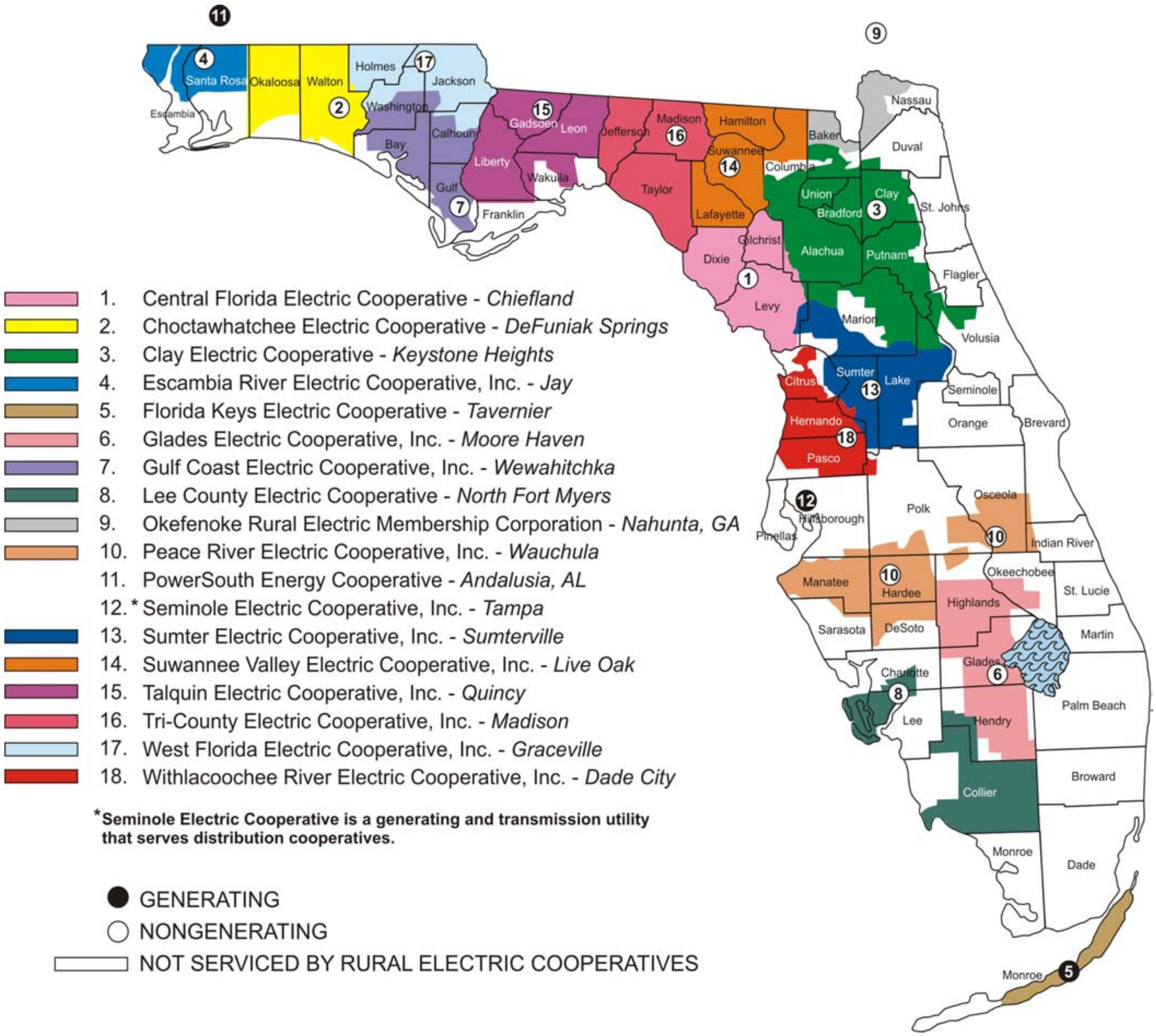
Information on this map should be used only as a general guideline.
For more detailed information, contact individual utilities.

Source:
Florida Public Service Commission

Additional information about Florida's municipal electric utilities is available from:
FPSC's *Statistics of the Florida Electric Utility Industry 2008*, November 2009
http://www.floridapsc.com/utilities/electricgas/statistics/statistics-2008.pdf

Rural Electric Cooperatives

Approximate Company Service Areas



Service areas are approximations.
Information on this map should be used only as a general guideline.
For more detailed information, contact individual utilities.

Source:
Florida Public Service Commission

Additional information about Florida's rural electric cooperatives is available from:
FPSC's *Statistics of the Florida Electric Utility Industry 2008*, November 2009
http://www.floridapsc.com/utilities/electricgas/statistics/statistics-2008.pdf

Florida Natural Gas Industry

Regulatory Authority

Pursuant to Chapter 366, Florida Statutes, as of December 2009, the FPSC has regulatory authority over:

- **7 investor-owned natural gas utilities**
  (all aspects of operations, including safety)

- **27 municipally owned natural gas utilities**
  (limited to safety and territorial boundaries)

- **4 special gas districts**
  (limited to safety and territorial boundaries)

- Safety jurisdiction also applies to housing authorities and sales laterals off of interstate pipelines.

Transmission

- Natural gas is transported to Florida customers through two major and two small interstate pipelines:

  Major → 1. Florida Gas Transmission Company (FGT)
  2. Gulfstream Natural Gas System

  Small → 1. Gulf South Pipeline Company
  2. Southern Natural Gas

- FGT's pipeline capacity is 2.3 billion cubic feet per day.

- Gulfstream's pipeline capacity is 1.26 billion cubic feet per day.

Sources:
FPSC's *2009 Annual Report*
http://www.floridapsc.com/publications/pdf/general/annualreports/2009.pdf

FPSC's *Natural Gas Utility Regulation in Florida*
http://www.floridapsc.com/publications/consumer/brochure/NaturalGasbrochure.pdf

Florida Gas Transmission Company
http://www.panhandleenergy.com/comp_fld.asp

Gulfstream Natural Gas System
http://www.gulfstreamgas.com/

Number of Customers and Therm Sales

Number of Customers for Investor-Owned Utilities
By Customer Type
December 31, 2008

Utility	Residential	Commercial & Industrial	FTS*	Other**	Total
Chesapeake Utilities ***	0	0	14,520	0	14,520
Florida City Gas	97,437	4,552	1,576	0	103,565
Florida Public Utilities Co.	47,038	4,366	487	66	51,957
Indiantown Gas Co. ***	0	0	699	0	699
Peoples Gas System	304,801	16,334	13,917	74	335,126
St. Joe Natural Gas	2,807	248	1	1	3,057
Sebring Gas System ***	0	0	499	0	499

Annual Therm Sales for Investor-Owned Utilities
December 31, 2008

Utility	Residential	Commercial & Industrial	FTS*	Other**	Total
Chesapeake Utilities ***	0	0	132,443,284	0	132,443,284
Florida City Gas	16,806,451	23,558,962	52,185,583	0	92,550,996
Florida Public Utilities Co.	11,861,290	29,678,710	11,903,540	6,064,100	59,507,640
Indiantown Gas Co. ***	0	0	7,996,442	0	7,996,442
Peoples Gas System	71,091,473	61,332,627	316,125,088	968,934,113	1,471,483,301
St. Joe Natural Gas	713,266	322,338	449,335	6,129,398	7,614,337
Sebring Gas System ***	0	0	933,375	0	933,375

* FTS = Firm Transportation Service
** Other includes Off System Sales, Interruptible Sales, Natural Gas Vehicle Sales and Other Sales to Public Authorities.
*** Exited the merchant function—all customers are firm transportation customers.

Source:
FPSC, 2008 Annual Reports filed by Natural Gas Utilities

Typical Natural Gas Bill Comparisons

Residential, Commercial, and Industrial Service
Provided by Investor-Owned Utilities
December 31, 2009

	Residential		Commercial		Industrial	
Utility	Minimum Bill or Customer Charge	Therms Sold (20)	Minimum Bill or Customer Charge	Therms Sold (90)	Minimum Bill or Customer Charge	Therms Sold (700)
Chesapeake Utilities *	$ 15.00	$ 26.74	$ 15.00	$ 67.82	$ 15.00	$ 320.02
Florida City Gas	$ 8.00	$ 49.20	$ 8.00	$ 193.39	$ 11.00	$ 1,335.08
Florida Public Utilities Co.	$ 11.00	$ 54.43	$ 15.00	$ 201.14	$ 15.00	$ 1,464.37
Indiantown Gas Co. *	$ 9.00	$ 16.57	$ 9.00	$ 43.05	$ 9.00	$ 273.85
Peoples Gas System	$ 12.00	$ 48.13	$ 20.00	$ 193.84	$ 20.00	$ 1,338.19
St. Joe Natural Gas	$ 20.00	$ 54.97	$ 9.00	$ 212.18	$ 9.00	$ 1,175.83
Sebring Gas System *	$ 9.00	$ 20.43	$ 9.00	$ 60.43	$ 12.00	$ 357.29

December 2009 gas costs are included for those companies participating in purchased gas adjustment clause. (Florida City, FPUC, Peoples and St. Joe).

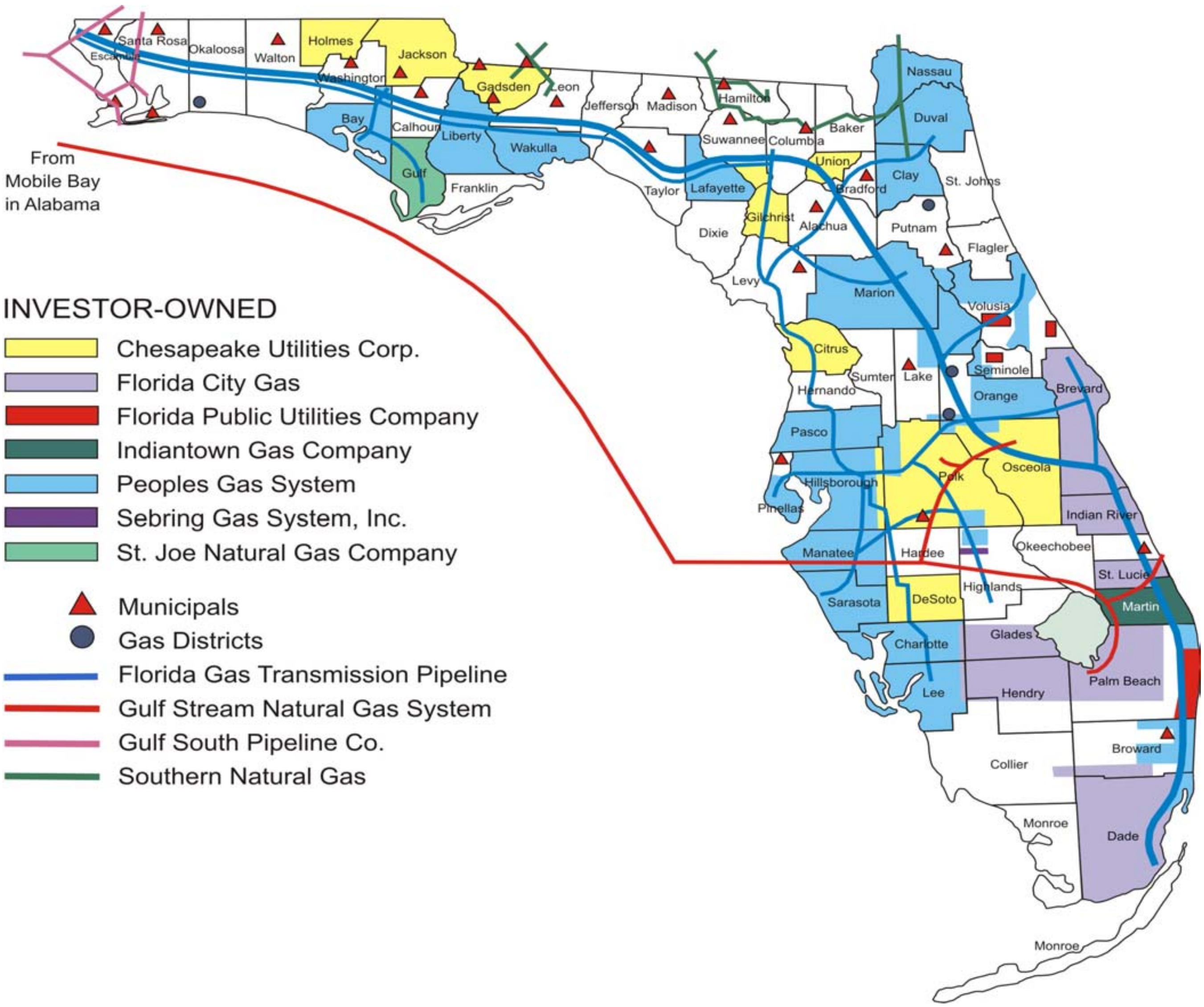
December 2009 conservation costs are included for those companies participating in conservation. (Chesapeake, Florida City, FPUC, Peoples and St. Joe).

* Exited the merchant function—gas costs not included

Source:
FPSC's *Comparative Rate Statistics*, December 31, 2009
http://www.floridapsc.com/publications/pdf/general/comparativerate.aspx

Natural Gas Companies in Florida

Approximate Company Service Areas



Service areas are approximations.
Information on this map should be used only as a general guideline.
For more detailed information, contact individual utilities.

Source:
Florida Public Service Commission Map
http://www.floridapsc.com/publications/pdf/electricgas/naturalgasutilities.pdf

Florida Telecommunications Industry

Regulatory Authority

Pursuant to Chapter 364, Florida Statutes, as of December 2009, the FPSC has regulatory authority over:

- **10 incumbent local exchange companies (ILECs)**
- **311 competitive local exchange companies (CLECs)**
- **504 interexchange (long distance) companies (IXCs)**
- **146 pay telephone service companies (PATS)**
- **29 alternative access vendors (AAVs)**
- **23 shared tenant service providers (STS)**
- Long distance companies doing business in Florida must register with the FPSC.
- All other types of jurisdictional telecommunications companies doing business in Florida must be certificated by the FPSC.

Definitions

- **Alternative Access Vendor** (AAV). AAVs provide private line service between an entity and facilities at another location, whether owned by the entity or an unaffiliated entity or access service between an end-user and an interexchange carrier by other than a local exchange telecommunications company. The private line service is dedicated point-to-point or point-to-multipoint service for the transmission of any public telecommunication service.
- **Competitive Local Exchange Telecommunications Company** (CLEC). Any company certificated by the Commission to provide local exchange telecommunications service in Florida on or after July 1, 1995.
- **Incumbent Local Exchange Telecommunications Company** (ILEC). Any company certificated by the Commission to provide local exchange telecommunications service in Florida on or before June 30, 1995.
- **Interexchange Company** (IXC). Any registered company providing telecommunications service between local calling areas as those areas are described in the tariffs of individual local exchange companies.
- **Operator Service Provider.** A company that provides or plans to provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.
- **Pay Telephone Service Company** (PATS). Any certificated telecommunications entity which provides pay telephone service.
- **Shared Tenant Service** (STS). Any certificated telecommunications company that provides service which duplicates or competes with local service provided by an existing local exchange telecommunications company and is furnished through a common switching or billing arrangement to tenants by an entity other than an existing local exchange telecommunications company.

Sources:
FPSC's *2009 Annual Report*
http://www.floridapsc.com/publications/pdf/general/annualreports/2009.pdf

FPSC's *Telecommunications Terms and Definitions*
http://www.floridapsc.com/publications/telecomm/telterms.aspx

Broadband

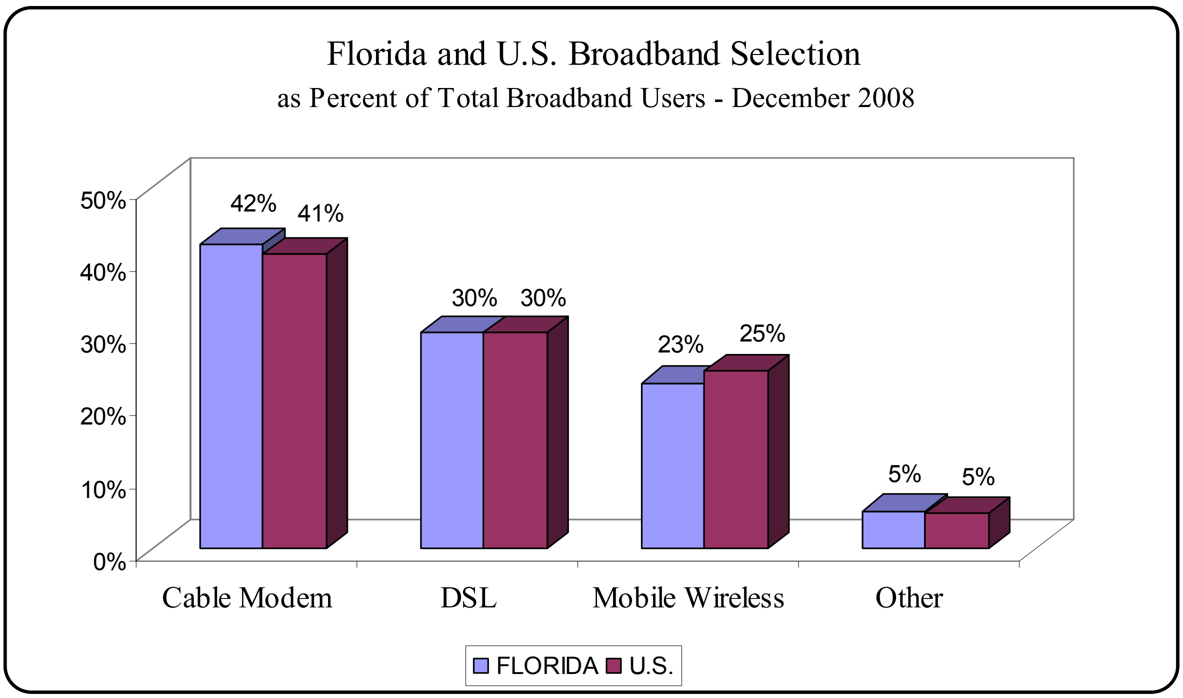
- Broadband is a term describing evolving digital technologies offering consumers integrated access to voice, high-speed data services, video on demand services, and interactive information delivery services.

- Florida's broadband line count was approximately 7.4 million as of December 2007, up from 5.3 million the prior year. Approximately 2.3 million of the 7.4 million high-speed lines are subscribed to by businesses.

- Florida ranks fourth nationally, after Texas, New York, and California, for states with the most high-speed connections.

- Wireless broadband services represent the fastest growing segment of the broadband market. Approximately, 15.6 million wireless handsets were in service in Florida as of December 2007.

- Other methods of broadband access in use include, but are not limited to, fixed wireless, fiber, and satellite.



Sources:
FPSC's *Report on the Status of Competition in the Telecommunications Industry, As of December 31, 2008*
http://www.floridapsc.com/publications/pdf/telecomm/20090731MasterComp.pdf

Federal Communication Commission's *High-Speed Services for Internet Access: Status as of December 31, 2008*
http://www.fcc.gov/wcb/iatd/comp.html

Access Lines

An access line is a telephone line extending from the telecommunications company's central office to a point of demarcation, usually on the customer's premises.

Florida Access Lines
As of December 2008

	Residential	Business	Total	Changes Since 2007
ILECs	4,654,512	2,702,144	7,356,656	-12%
CLECs	131,725	899,992	1,031,717	-5%
Total	**4,786,237**	**3,602,136**	**8,388,373**	**-11%**

Retail Access Lines by Florida ILEC
As of December 2009

Company	Residential	Business	Total Retail*
AT&T Florida	2,214,118	1,101,349	3,315,467
CenturyLink (f/k/a Embarq Florida)	867,192	483,577	1,350,769
FairPoint Communications	27,156	12,353	39,509
Frontier Communications of the South	3,015	354	3,369
ITS Telecommunications Systems	2,259	853	3,112
NEFCOM	5,889	1,690	7,579
Smart City Telecom	3,297	9,711	13,008
TDS Telecom/Quincy Telephone	8,020	3,048	11,068
Verizon Florida	766,426	423,767	1,190,193
Windstream Florida	63,876	18,691	82,567
Total	**3,961,248**	**2,055,393**	**6,016,641**

* Does not include resale, UNE, payphone, or official lines.

Sources:
FPSC's *Report on the Status of Competition in the Telecommunications Industry, As of December 31, 2008*, Table 3-2
http://www.floridapsc.com/publications/pdf/telecomm/20090731MasterComp.pdf

FPSC, Periodic Reports (Schedule 8) filed by ILECs as required by Rule 25-4.0185, Florida Administrative Code

Universal Service Programs

The Federal Communications Commission (FCC) and Congress recognize that telephone service provides a vital link to emergency services, government services, and surrounding communities. To help promote telecommunications service nationwide, the FCC, as directed by Congress, developed the Federal Universal Service Fund (USF). The USF is administered by the Universal Service Administrative Company (USAC). The USF includes the High-Cost, Low-Income, Schools and Libraries, and Rural Health Care Programs.

1 **High-Cost Program.** Provides financial support to companies that provide telecommunications services in areas of America where the cost of providing service is high. It utilizes five high-cost support mechanisms:

- **Embedded high-cost loop support (HCL)**: Provides support for the "last mile" of connection for rural companies in service areas where the cost to provide this service exceeds 115 percent of the national average cost per line.
- **Local switching support (LSS)**: Provides interstate assistance which is designed to reduce the high fixed switching costs for companies serving fewer than 50,000 lines.
- **Forward-looking high-cost model support**: High-cost support for non-rural carriers is based on a forward-looking economic cost model.
- **Interstate access support (IAS)**: Helps offset interstate access charges for price cap companies.
- **Interstate common line support mechanism (ICLS)**: Helps offset interstate access charges for rate-of-return companies; was implemented on July 1, 2002.

2 **Low-Income Program.** Provides telephone service discounts to qualifying low-income consumers. It offers two types of benefits through the Link-Up and Lifeline Assistance programs:

- **Link-Up Florida**: Helps qualified low-income consumers to connect, or hook up, to the telephone network. This federal program offsets one-half of the initial hook-up fee, up to $30.00, for a traditional wireline telephone or the activation fee for a wireless telephone for a primary residence. The program also includes a plan to encourage local telephone companies to offer low-income telephone subscribers a deferred payment schedule for these charges. At the national level, this program is known as Link-Up America.
- **The Lifeline Assistance Program**: Provides a monthly credit of at least $13.50 for qualified telephone subscribers.* The telephone subscriber may receive a credit less than $13.50 if the subscriber's bill for basic local telephone service is less than $13.50.

* Verizon and CenturyLink include additional credit to offset rate increases authorized by Section 364.164, Florida Statutes (Rate Rebalancing).

Low-Income Program (continued)

- **Tribal Benefits**: Residents living on federally recognized tribal lands may qualify for expanded Link-Up support (up to $70.00 in additional support beyond current levels) and enhanced Lifeline support (up to an additional $25.00 in support beyond current levels).

- **Monthly Lifeline Credit**: Under the FCC's rules, there are four tiers of monthly federal Lifeline support:

  $ 6.50 - Tier 1 - Federal Subscriber Line Charge (available to all eligible subscribers)
  $ 1.75 - Tier 2 - Federal Support (approved and available in all 50 states)
  $ 1.75 - Tier 3 - Federal Support to match one-half of state support
  $ 3.50 - Tier 3 Matching Credit - Florida carriers provide $3.50 in additional support

  $13.50 - Monthly Lifeline Credit

  $25.00 - Tier 4 - Federal Support (only available to eligible subscribers living on tribal lands)

- **Customer Eligibility:** Customers with annual incomes up to 150 percent of the federal poverty guidelines are eligible to participate in the Link-Up and Lifeline programs. In addition, eligibility for both programs is determined by customer enrollment in any one of the following programs:

  → Temporary Cash Assistance (TCA)*
  → Supplemental Security Income (SSI)
  → Food Stamps
  → Medicaid
  → Federal Public Housing Assistance (Section 8)
  → Low-Income Home Energy Assistance Program (LIHEAP)
  → National School Lunch Program's Free Lunch Program
  → Bureau of Indian Affairs Programs**

* Known as Temporary Assistance to Needy Families (TANF) for federal Universal Service purposes.
** Eligible consumers living on tribal lands qualify for Link-Up and Lifeline if they participate in one of the following federal assistance programs: (1) Tribal TANF, (2) National School Lunch Free Lunch Program, or (3) Head Start Subsidy.

3 **Schools and Libraries (or E-Rate) Program.** Helps to ensure that the nation's classrooms and libraries receive access to the vast array of educational resources that are accessible through the telecommunications network. It offers the following benefits:

- Eligible schools and libraries receive discounts on telephone service, Internet access, and internal connections (i.e., network wiring) within school and library buildings.

- The discounts range from 20 percent to 90 percent, depending on the school's eligibility for the National School Lunch program (or a federally approved alternative mechanism) and whether or not the school or library is located in an urban or rural area.

4 **Rural Health Care Program.** Helps to link health care providers located in rural areas to urban medical centers so that patients living in rural America will have access to the same advanced diagnostic and other medical services that are enjoyed in urban communities. It offers the following benefits:

- Public and non-profit health care providers in rural areas can receive discounts on monthly telecommunications charges, installation charges, and long distance Internet connection charges.

- Rural health care providers are using funds from this program for a variety of patient services, such as transmitting x-rays from remote areas to be read by health care professionals and experts in urban areas.

- The FCC has augmented the existing support with a three-year pilot program to fund the construction of dedicated broadband networks that connect health care providers in a state or region. This program will provide funding for up to 85 percent of an applicant's costs of deploying a dedicated broadband network, including any necessary network design studies, as well as the costs of advanced telecommunications and information services that will ride over this network. Participants deploying dedicated broadband health care networks would also have the option of connecting those systems to Internet-2, National LambdaRail, or the public Internet.

- Eligible entities include:

  → post-secondary educational institutions offering health care instruction, including teaching hospitals and medical schools
  → community health centers or health centers providing health care to migrants
  → community mental health centers
  → local health departments or agencies
  → not-for-profit hospitals
  → rural health clinics

Source:
Federal Communications Commission
http://www.fcc.gov/cgb/consumerfacts/universalservice.html

Universal Service Program Developments in Florida

Low-Income Program

- **Lifeline Automatic Enrollment Process.** In April 2007, the FPSC and Department of Children and Families (DCF) implemented a joint project to develop a Lifeline automatic enrollment process whereby potential Lifeline customers, once certified through a DCF qualifying program, will have their names placed on a spreadsheet that is forwarded to the FPSC. The FPSC then sorts the list by the applicant's telephone company and forwards an automatic e-mail informing the appropriate eligible telecommunications carrier (ETC) that a Lifeline application is available for retrieval through the Commission's secure database.

  The automatic enrollment process entails the DCF applicant checking a "yes" box on the DCF application providing a positive affirmation that the applicant would like to receive a discount on his or her telephone service. The "no" box provides an option to the applicant to not subscribe to Lifeline service. If the applicant answers yes, the applicant is directed to provide applicable information needed for Lifeline enrollment, and to then continue completing the DCF application. If the applicant has existing phone service, the application is automatically forwarded to the appropriate ETC by the FPSC for enrollment in the Lifeline program. If the applicant answers no, the applicant is directed to continue completing the DCF application to enroll in a DCF program.

  During 2009, the FPSC and DCF continued to work together to further streamline the Lifeline automatic enrollment process, making it easier and more efficient for applicants. Since the inception of the Lifeline automatic enrollment process, the FPSC has received over 250,000 Lifeline applications. As of June 2009, 618,774 eligible customers participated in the Lifeline program.

- **Eligible Telecommunications Carriers (ETC).** As of March 2010, Florida had 22 ETCs, comprised of 10 incumbent local exchange companies, 9 competitive local exchange companies, and 3 wireless companies. FCC rules allow state commissions, upon their own motion or upon request, to designate a common carrier that meets certain requirements as an ETC. A carrier that is granted ETC status is eligible to receive federal universal service support pursuant to FCC rules. To qualify as an ETC, a common carrier must offer services that are supported by federal universal service support mechanisms either using its own facilities or using a combination of its own facilities and another carrier's resold service. Additionally, the carrier must advertise the availability of such services and charges using a medium of general distribution.

Source:
Florida Public Service Commission

Low-Income Program (continued)

- **Income Eligibility Criteria.** Section 364.10(3)(a), Florida Statutes, was revised during the 2009 Legislative Session to require that each local exchange carrier that has more than 1 million access lines and is designated as an ETC shall provide Lifeline service to any customer who meets an income eligibility test of 150 percent or less of the federal poverty guidelines. The previous income eligibility test was 135 percent or less of the federal poverty guidelines.

Rural Health Care Program

- **Rural Health Care Pilot Program.** In November 2007, the FCC released an Order selecting rural health care applicants to participate in its Pilot Program.* In Florida, the Big Bend Regional Healthcare Information Organization (BBR) submitted the only application. The FCC awarded BBR $3.2 million per year for 3 years.

  While this award has the benefit of bringing additional support dollars to Florida, the Pilot Program increases the overall size of the federal universal service fund by $139 million per year. The $3.2 million in support distributed in Florida represents 2.3 percent of the Pilot Program support. However, Florida ratepayers can expect to pay approximately 7 percent of the Pilot Program (i.e., $9.7 million).** Because Florida's estimated contributions exceed the Pilot Program's support commitment, Florida's net contributor status is further exacerbated.

* Federal Communications Commission, Order, WC Docket No. 02-60, FCC 07-198, released November 19, 2007.
** Federal Communications Commission's *Universal Service Monitoring Reports*, Table 1.12, CC Docket No. 98-202.

Source:
Florida Public Service Commission

Universal Service Support Mechanisms by Program for Florida

2008
(Annual Payments and Contributions in Thousands)

Program	Payments from USAC	Estimated Contributions to USAC	Estimated Net Dollar Flow
High-Cost	$ 77,293	$ 296,859	($ 219,566)
Low-Income	24,283	54,316	(30,033)
Schools & Libraries	76,306	116,671	(40,365)
Rural Health Care	270	3,279	(3,009)
Administrative Expense	0	11,296	(11,296)
Total	**$ 178,152**	**$ 482,420**	**($ 304,268)**

2007
(Annual Payments and Contributions in Thousands)

Program	Payments from USAC	Estimated Contributions to USAC	Estimated Net Dollar Flow
High-Cost	$ 82,308	$ 292,258	($ 209,950)
Low-Income	20,912	56,094	(35,182)
Schools & Libraries	79,955	123,262	(43,307)
Rural Health Care	207	2,549	(2,342)
Administrative Expense	0	7,095	(7,095)
Total	**$ 183,382**	**$ 481,258**	**($ 297,876)**

2006
(Annual Payments and Contributions in Thousands)

Program	Payments from USAC	Estimated Contributions to USAC	Estimated Net Dollar Flow
High-Cost	$ 81,607	$ 286,636	($ 205,029)
Low-Income	17,752	57,404	(39,652)
Schools & Libraries	52,923	116,791	(63,868)
Rural Health Care	141	2,841	(2,700)
Administrative Expense	0	6,258	(6,258)
Total	**$ 152,423**	**$ 469,930**	**($ 317,507)**

Source:
Federal Communications Commission's *Universal Service Monitoring Reports*, Table 1.12, CC Docket No. 98-202
http://www.fcc.gov/wcb/iatd/monitor.html

Universal Service Support Mechanisms by State - 2008

(Annual Payments and Contributions in Thousands)

STATE	PAYMENTS FROM USAC	ESTIMATED CONTRIBUTIONS TO USAC	ESTIMATED NET DOLLAR FLOW
Alabama	$ 156,086	$ 111,611	$ 44,475
Alaska	232,873	23,619	209,254
American Samoa	4,157	403	3,754
Arizona	143,440	147,454	(4,014)
Arkansas	184,362	66,452	117,910
California	561,802	810,651	(248,849)
Colorado	100,610	130,451	(29,841)
Connecticut	31,620	97,488	(65,868)
Delaware	2,150	26,714	(24,564)
Dist. of Columbia	22,049	33,942	(11,893)
Florida	**178,152**	**482,420**	**(304,268)**
Georgia	208,649	234,212	(25,563)
Guam	17,561	5,474	12,087
Hawaii	64,635	32,924	31,711
Idaho	62,106	36,817	25,289
Illinois	177,748	294,630	(116,882)
Indiana	105,512	138,419	(32,907)
Iowa	149,163	73,848	75,315
Kansas	239,144	66,494	172,650
Kentucky	141,845	93,883	47,962
Louisiana	203,077	101,957	101,120
Maine	46,025	31,103	14,922
Maryland	22,068	161,700	(139,632)
Massachusetts	36,467	163,789	(127,322)
Michigan	128,229	204,527	(76,298)
Minnesota	166,080	115,679	50,401
Mississippi	322,820	64,894	257,926
Missouri	135,891	142,420	(6,529)
Montana	87,574	24,899	62,675
Nebraska	127,339	41,467	85,872
Nevada	34,575	72,495	(37,920)
New Hampshire	11,009	35,780	(24,771)
New Jersey	56,173	244,715	(188,542)
New Mexico	113,398	49,317	64,081
New York	228,332	461,576	(233,244)
North Carolina	146,351	219,459	(73,108)
North Dakota	101,811	15,436	86,375
Northern Mariana Islands	1,622	1,079	543
Ohio	138,335	253,941	(115,606)
Oklahoma	247,619	78,646	168,973
Oregon	100,164	87,896	12,268
Pennsylvania	124,572	300,885	(176,313)
Puerto Rico	243,417	65,458	177,959
Rhode Island	8,713	24,833	(16,120)
South Carolina	121,789	107,101	14,688
South Dakota	108,235	20,498	87,737
Tennessee	108,143	146,065	(37,922)
Texas	511,756	508,062	3,694
Utah	37,506	56,028	(18,522)
Vermont	33,760	18,160	15,600
Virgin Islands	26,438	7,898	18,540
Virginia	105,580	210,746	(105,166)
Washington	119,312	147,228	(27,916)
West Virginia	75,949	47,010	28,939
Wisconsin	179,774	120,389	59,385
Wyoming	62,818	15,731	47,087
Total	**$ 7,106,385**	**$ 7,276,774**	**($ 170,389)***

* Estimated contributions include an administrative cost of approximately $170 million.

Source:
Federal Communications Commission's *Universal Service Monitoring Reports,* Table 1.12, CC Docket No. 98-202
http://www.fcc.gov/wcb/iatd/monitor.html

Telephone Subscribership

Percentage of Households Subscribed to Local Telephone Service

	July 2005	July 2006	July 2007	July 2008	July 2009
Florida	93.0%	94.2%	93.3%	93.1%	92.9%
United States	94.0%	94.6%	95.0%	95.4%	95.7%

Lifeline Subscribership

Lifeline Assistance Subscribers in Florida

Date	Lifeline Enrollment	Eligible Households	Participation Rate
9/2006	145,734	1,150,483	12.7%
9/2007	164,626	1,173,173	14.0%
6/2008	183,972	1,186,015	15.5%
6/2009	618,774	1,185,516	52.2%

Sources:
Federal Communications Commission's *Telephone Subscribership in the United States Reports,* Table 2
http://www.fcc.gov/wcb/iatd/lec.html

FPSC's *Number of Customers Subscribing to Lifeline Service and the Effectiveness of Procedures to Promote Participation,* December 2009
http://www.floridapsc.com/publications/pdf/telecomm/tele-lifelinereport2009.pdf

Lifeline Subscribership (continued)

Lifeline Subscribership by Eligible Telecommunications Carriers

As of June 2009

Company	Access Lines Subscribed to Lifeline Service
American Dial Tone*	2,862
AT&T Florida	126,090
Budget Phone*	1,134
CenturyLink (f/k/a Embarq)	39,855
dPi Teleconnect*	588
Express Phone Service*	2,275
FairPoint Communications	2,777
FLATEL/Florida Telephone Co.*	2,279
Frontier Communications of the South	179
ITS Telecommunications Systems	124
Knology*	695
Midwestern Telecommunications*	107
NEFCOM	837
Nexus Communications*	1,038
SafeLink Wireless**	393,036
Smart City Telecom	20
Sprint Nextel**	171
TDS Telecom/Quincy Telephone	845
Verizon Florida	20,916
Verizon Wireless (f/k/a ALLTEL Wireless) **	66
Windstream Florida	4,807
Non-ETC Reseller	18,073
Total	**618,774**

* Competitive Local Exchange Carrier ** Wireless Carrier

Sources:
FPSC's *Number of Customers Subscribing to Lifeline Service and the Effectiveness of Procedures to Promote Participation,* December 2009
http://www.floridapsc.com/publications/pdf/telecomm/tele-lifelinereport2009.pdf

Telecommunications Service Rate Comparisons

Rates Charged by Florida ILECs for Basic Local Service*

As of December 31, 2009

ILEC	Residential	Business
AT&T Florida	$ 13.68	$ 36.75
CenturyLink (f/k/a Embarq Florida)	$ 17.00	$ 31.00
FairPoint Communications	$ 10.24	$ 26.89
Frontier Communications of the South	$ 11.90**	$ 28.20**
ITS Telecommunications Systems	$ 9.71	$ 22.82
NEFCOM	$ 9.00	$ 24.40
Smart City Telecom	$ 11.47	$ 25.56
TDS Telecom/Quincy Telephone	$ 13.20	$ 35.00
Verizon Florida	$ 16.48	$ 33.80
Windstream Florida	$ 11.49	$ 28.72

* Basic Local Telecommunications Service means voice-grade, flat-rate residential, and flat-rate single-line business local exchange services. Rates shown are for largest rate group in each ILEC's service area.

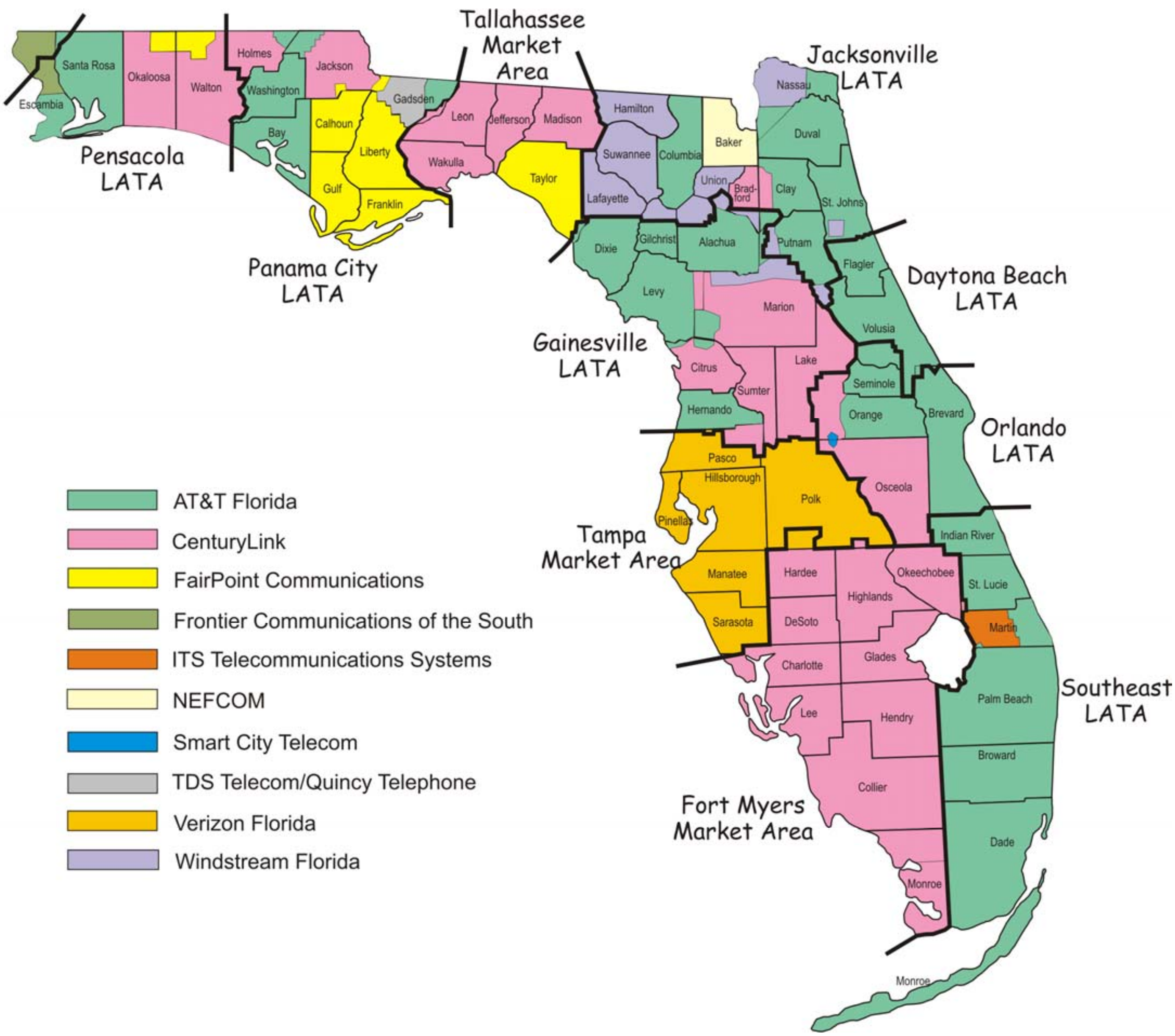
** Includes $0.95 miscellaneous charge for touchtone dialing.

Sources:
FPSC's *Comparative Rate Statistics*, December 31, 2009
http://www.floridapsc.com/publications/pdf/general/comparativerate.aspx

Additional rate information for Switched Access Charges and Message Toll Service (MTS) Rates is available in:
FPSC's *2009 Florida Access and Toll Report*, December 2009
http://www.floridapsc.com/publications/pdf/telecomm/Fla_Access_Toll_Report_2009.pdf

Incumbent Local Exchange Telephone Companies

Approximate Company Service Areas



Service areas are approximations.
Information on this map should be used only as a general guideline.
For more detailed information, contact individual utilities.

Source:
Florida Public Service Commission

Florida
Water & Wastewater
Industry

Regulatory Authority

Pursuant to Chapter 367, Florida Statutes, as of December 2009, the FPSC has regulatory authority over:

- **158 investor-owned water and/or wastewater utilities in 36 of 67 counties**.
- Effective October 26, 2009, jurisdiction of Hardee County was transferred to the FPSC, increasing the number of FPSC-regulated counties to 36.

Water Use Data for 2005*

Drinking Water Supply

- 90 percent of Florida's residents received drinking water from a public-supply water system, with 89 percent supplied from groundwater sources and 11 percent from surface water sources. Florida ranked first nationally in groundwater withdrawals for public supply.

Estimated Public-Supply Per Capita Water Use

- Gross statewide = 158 gallons per day (gpd)
- Statewide domestic (residential) = 95 gpd
- Both declined from 1980 through 2005, with the exception of 2000, which was a drought year.

Power Generation Water Use

- 12,042 million gallons per day (mgd) was withdrawn for power generation purposes
- 95 percent from saline water sources and 5 percent from freshwater sources
- Over 98 percent was used for once-through cooling, and most was returned to its source immediately after use.

Reuse of Reclaimed Water Data for 2007*

- 663 mgd of reclaimed water was reused for beneficial purposes
- The total reuse capacity of Florida's domestic wastewater treatment facilities was 1,417 mgd, representing 57 percent of the total permitted domestic wastewater treatment capacity in Florida.

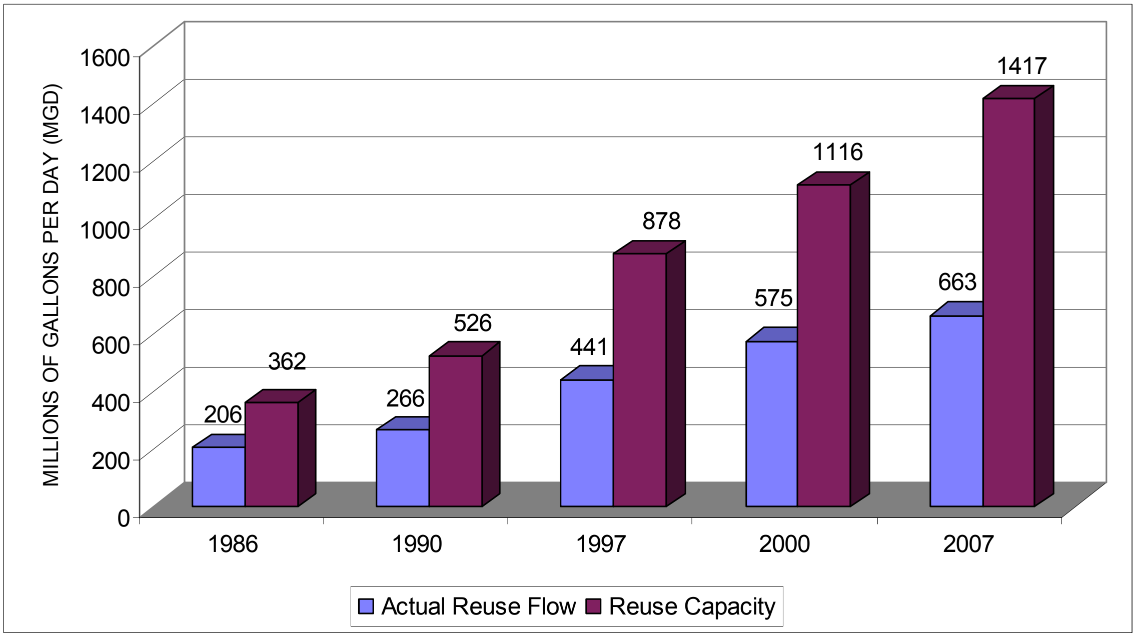
* Most current data available as of April 2010.

Sources:
FPSC's *2009 Annual Report*
http://www.floridapsc.com/publications/pdf/general/annualreports/2009.pdf

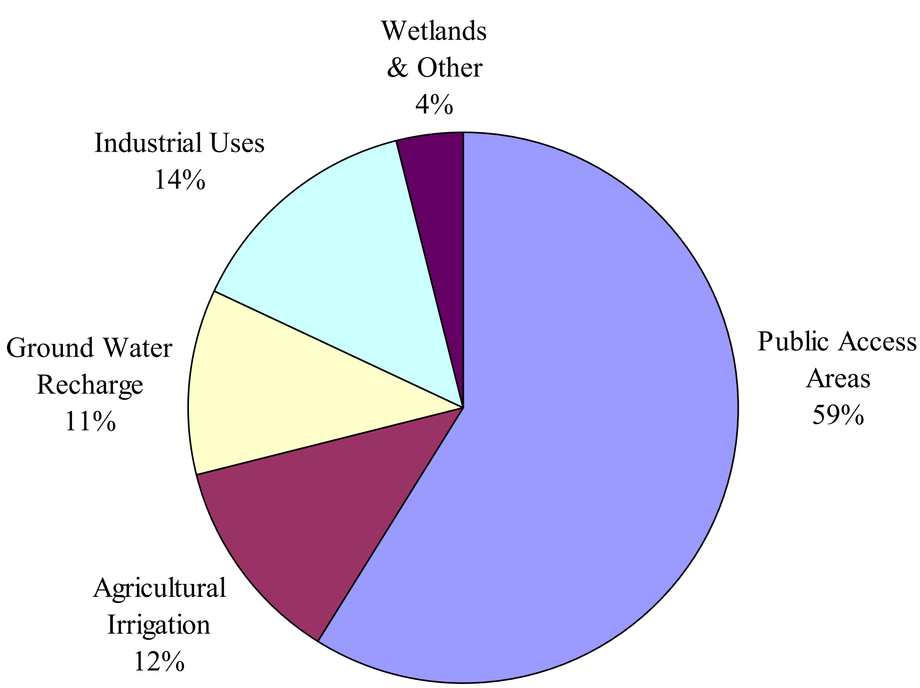
U.S. Geological Survey, *Water Withdrawals, Use, and Trends in Florida, 2005,* Scientific Investigations Report 2009-5125, January 2010
http://fl.water.usgs.gov

Florida Department of Environmental Protection's *2007 Reuse Inventory,* March 2009
http://www.dep.state.fl.us/water/reuse/inventory.htm

Florida's Reuse Growth



Reclaimed Water Utilization - 2007



Source:
Florida Department of Environmental Protection's *2007 Reuse Inventory,* March 2009
http://www.dep.state.fl.us/water/reuse/inventory.htm

Utility Classifications

The National Association of Regulatory Utility Commissioners uses three classes to define the size of water and wastewater utilities:

Class A	Utilities having annual water or wastewater revenues of $1,000,000 or more
Class B	Utilities having annual water or wastewater revenues of $200,000 or more but less than $1,000,000
Class C	Utilities having annual water or wastewater revenues of less than $200,000

- A Class C utility may serve as few as 50 customers, while a Class A utility serves thousands.
- The number of customers served may be obtained from each utility's annual report kept on file at the FPSC and online at http://www.floridapsc.com/utilities/mcd/.

Rate Structure

- The base facilities charge and gallonage charge rate structure is the most common rate structure used by FPSC-regulated water and wastewater utilities.
- The base facilities charge is a flat charge that is designed to recover the fixed costs of utility service that remain the same each month regardless of consumption.
- The gallonage charge recovers the variable costs associated with the utility service such as electricity, chemicals, and labor.
- The gallonage charge is assessed for each 1,000 gallons or 100 cubic feet of water that is registered on the customer's meter.
- Inclining block rate structures are used to encourage water conservation. (The inclining block is very similar to the base facilities charge and gallonage charge rate structure, but includes additional gallonage charges for higher levels or blocks of usage.)

Residential Wastewater Gallonage Cap

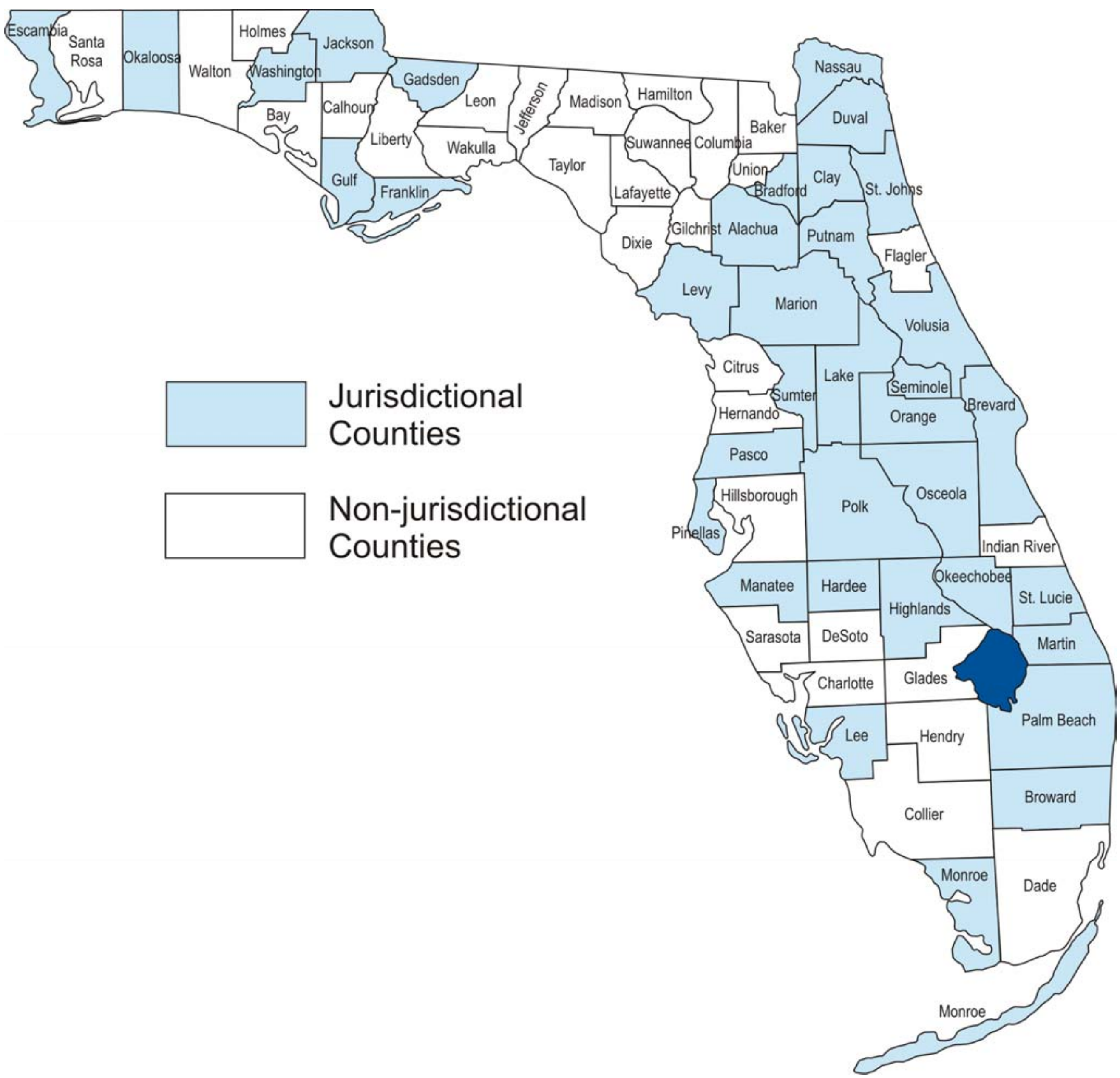
- A maximum (or cap) is set on the number of gallons of water consumption for which the customer is billed a wastewater gallonage charge.
- The cap is normally between 6,000 and 10,000 gallons. (Any water consumption over that amount is generally considered to be used for purposes such as irrigation or washing cars.)

Water & Wastewater Utility Rates

- The rates charged by all water and wastewater utilities under the Commission's jurisdiction are shown in alphabetical order by county in the FPSC's *Comparative Rate Statistics* report, available online at http://www.floridapsc.com/publications/reports.aspx

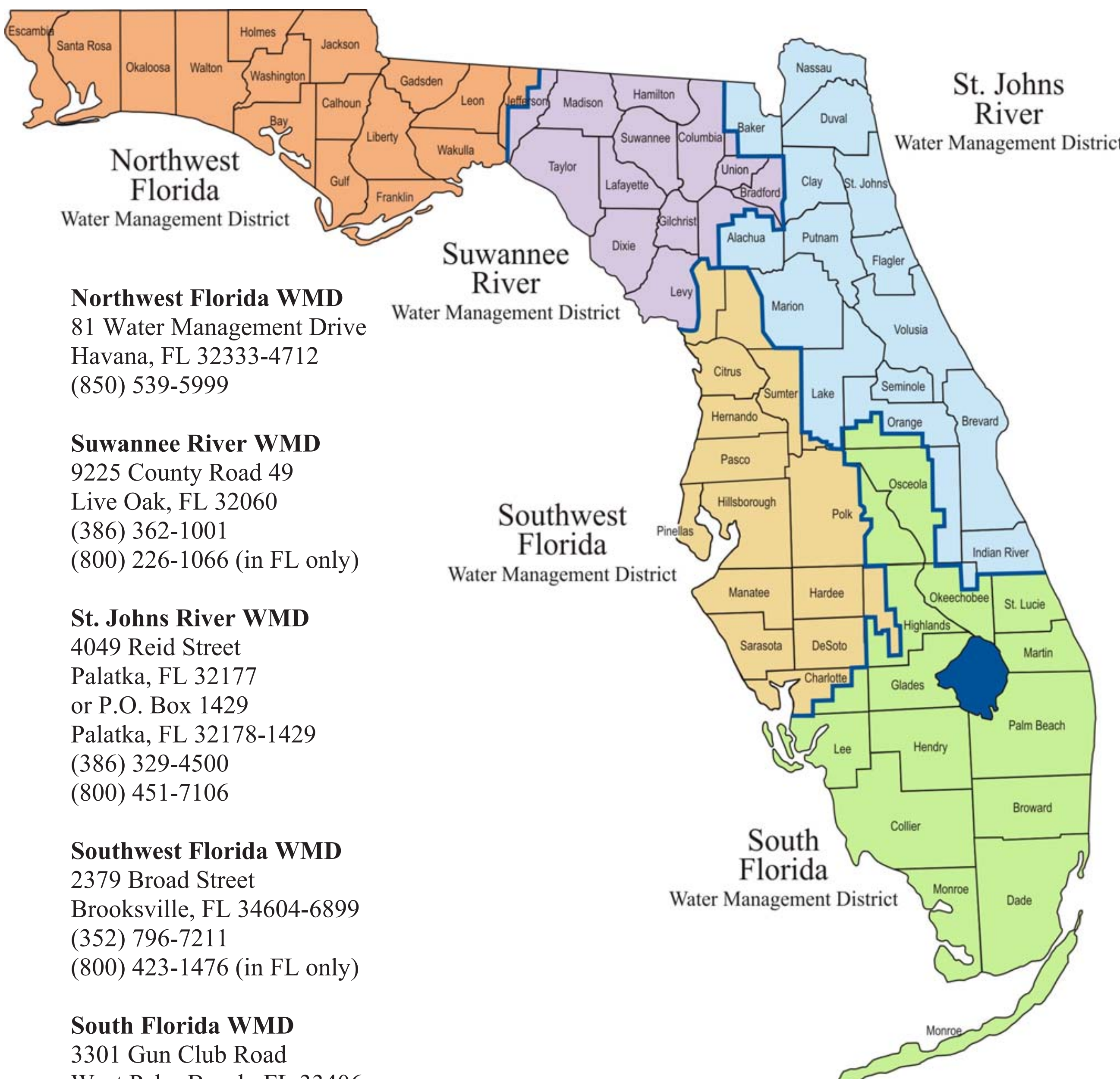
Source:
Florida Public Service Commission

Water & Wastewater Jurisdictional Counties (36)



Source:
Florida Public Service Commission Map, November 2009
http://www.floridapsc.com/utilities/waterwastewater/wawmap.pdf

Florida's Five Water Management Districts



Northwest Florida WMD
81 Water Management Drive
Havana, FL 32333-4712
(850) 539-5999

Suwannee River WMD
9225 County Road 49
Live Oak, FL 32060
(386) 362-1001
(800) 226-1066 (in FL only)

St. Johns River WMD
4049 Reid Street
Palatka, FL 32177
or P.O. Box 1429
Palatka, FL 32178-1429
(386) 329-4500
(800) 451-7106

Southwest Florida WMD
2379 Broad Street
Brooksville, FL 34604-6899
(352) 796-7211
(800) 423-1476 (in FL only)

South Florida WMD
3301 Gun Club Road
West Palm Beach, FL 33406
or P.O. Box 24680
West Palm Beach, FL 33416-4680
(561) 686-8800
(800) 432-2045 (in FL only)

Source:
Florida Department of Environmental Protection
http://www.dep.state.fl.us/secretary/watman/