
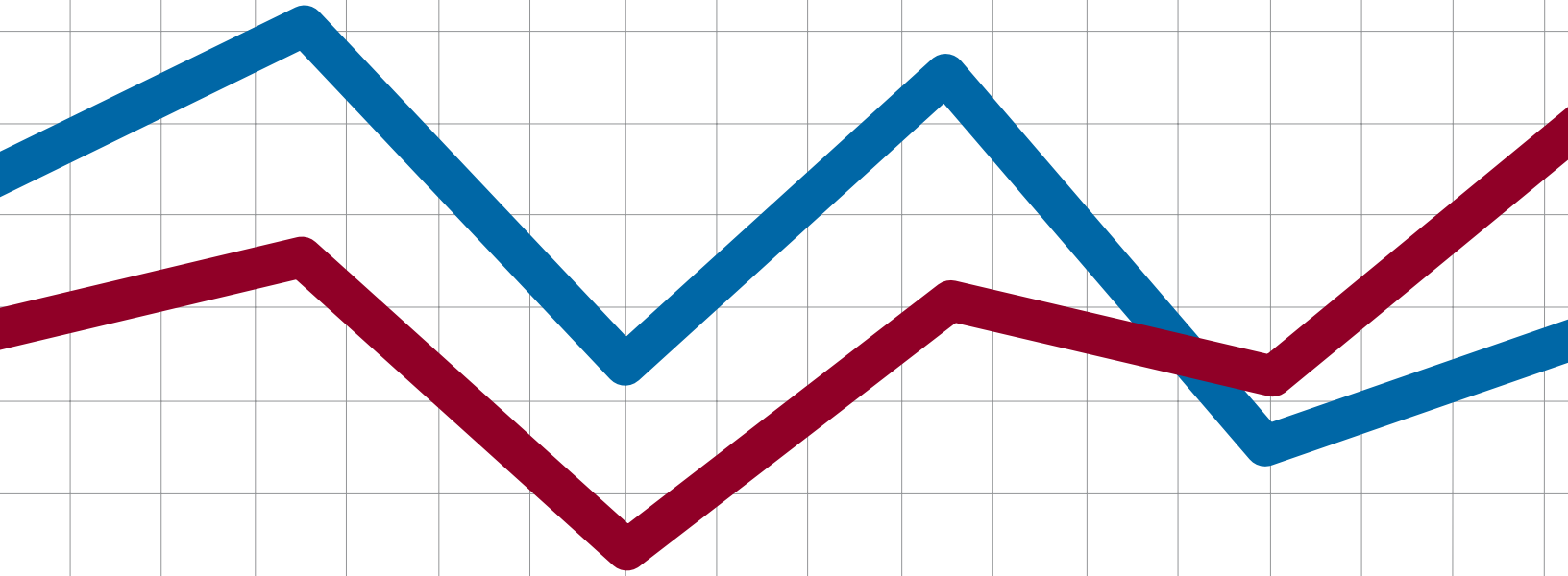


MARCH 2005



FACTS AND
FIGURES
OF THE FLORIDA
UTILITY
INDUSTRY

FLORIDA PUBLIC SERVICE COMMISSION

This publication is intended to be a reference manual for persons needing quick information about the Electric, Natural Gas, Telephone, and Water and Wastewater industries in Florida. The facts have been gathered from both in-house and 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. The information is compiled annually and published by the Florida Public Service Commission (PSC).

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Regulatory Authority

Pursuant to Chapter 366, Florida Statutes, the PSC has regulatory authority over:

- ◆ 5 investor-owned electric companies
(all aspects of operations, including safety)
- ◆ 34 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)
JANUARY 1, 2004

- ◆ 48,064 Megawatts (Summer)
- ◆ 51,201 Megawatts (Winter - higher due to thermodynamics/cooling water)

Transmission Capability for Peninsular Florida

- ◆ Import - 3,600 Megawatts (Summer and Winter)
- ◆ Export - 2,000 Megawatts (Summer)
2,700 Megawatts (Winter - higher due to thermal ratings of lines and seasonal load patterns)

Utility Type of Ownership Defined

Investor-Owned - An electric utility organized as a tax-paying business usually financed by the sale of securities in the free market, and whose properties are managed by representatives regularly elected by their shareholders.

Municipally Owned - An electric utility system owned and/or operated by a municipality engaged in serving residential, commercial, and/or industrial customers, usually within the boundaries of the municipality.

Cooperatively Owned - A joint venture organized for the purpose of supplying electric energy to a specified area. Such ventures are generally exempt from the federal income tax laws. Most cooperatives have been financed by the Rural Electrification Association.

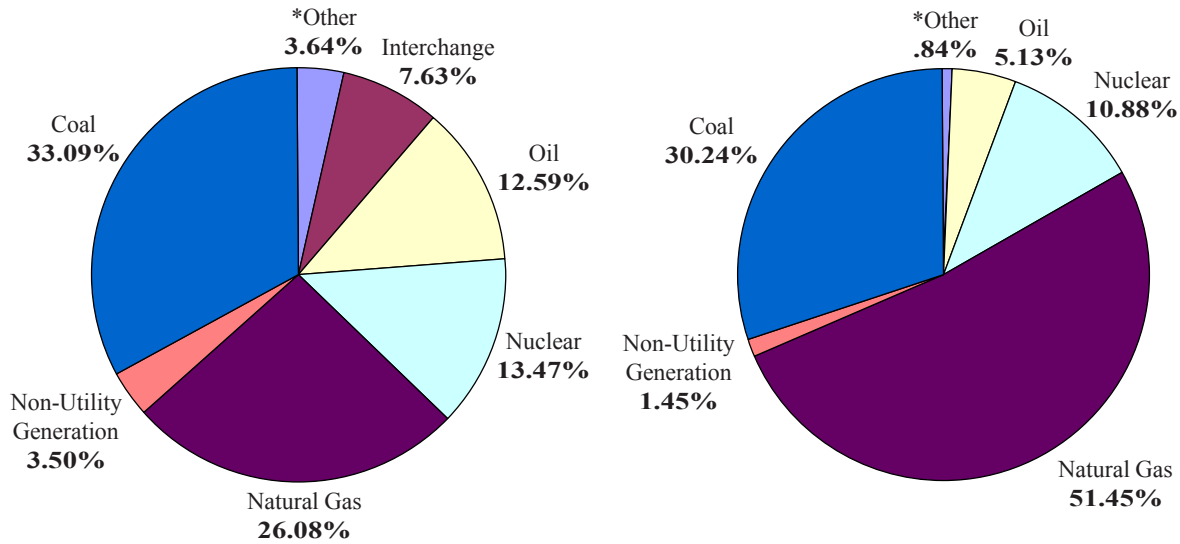
Investor-Owned Electric Systems

Florida Power & Light Company
Gulf Power Company
Progress Energy Florida (formerly Florida Power Corp.)
Tampa Electric Company
Florida Public Utilities Company (Non-Generating)

Energy Generation by Fuel Type in Florida

2003
(Actual)

2013
(Forecast)



* Other includes Petcoke and Hydro

Generating Capability by Primary Energy Source

1993, 1997, and 2002
(Megawatts)

ENERGY SOURCE	1993	1997	2002	ANNUAL GROWTH RATE	PERCENT SHARE	PERCENT SHARE	PERCENT SHARE
				1993-2002 (PERCENT)	1993	1997	2002
Coal	10,266	11,557	12,107	1.9	27.6	28.6	25.7
Petroleum	5,634	5,750	4,912	-1.5	15.1	14.3	10.4
Natural Gas	3,004	4,313	4,091	3.5	8.1	10.7	8.7
Dual Fired	13,219	13,378	20,630	5.1	35.5	33.2	43.8
Nuclear	3,826	3,876	3,906	.2	10.3	9.6	8.3
Hydroelectric	47	47	50	.7	.1	.1	.1
Other Renewables	875	1,083	967	1.1	2.4	2.7	2.1
Other	347	347	391	1.3	.9	.9	.8
Total Industry	37,216	40,351	47,054	2.6	100.0	100.0	100.0

Sources:

Energy Information Administration

2004 Ten-Year Site Plans filed by generating utilities

Available on-line at http://www.eia.doe.gov/cneaf/electricity/st_profiles/e_profiles_sum.html

FLORIDA ELECTRIC INDUSTRY
CUSTOMERS

Average Number of Customers <i>By Class of Service By Investor-Owned Utility</i> 2004 Average Projected				
UTILITY	RURAL & RESIDENTIAL	COMMERCIAL	INDUSTRIAL	TOTAL
Florida Power & Light	3,695,370	454,728	15,459	4,165,557
Progress Energy Florida	1,358,414	156,903	2,625	1,517,942
Tampa Electric Company	543,346	67,253	1,336	611,935
Gulf Power Company	345,052	51,835	311	397,198
Florida Public Utilities Company*	22,632	3,499	647	26,778
TOTAL	5,964,814	734,218	20,378	6,719,410

**Reflects 2003 data. Florida Public Utilities is a non-generating utility which is not required to file a Ten Year Site Plan.*

Source:
2004 Ten-Year Site Plans filed by generating utilities

Typical Electric Bill Comparisons

Residential Service Provided by Investor-Owned Utilities

Typical Electric Bill Comparisons*
December 31, 2004

UTILITY	MINIMUM BILL OR CUSTOMER CHARGE	1,000 KILOWATT HOURS
Florida Power & Light	\$5.25	\$85.55
Progress Energy Florida	\$8.03	\$86.88
Tampa Electric Company	\$8.50	\$96.53
Gulf Power Company	\$10.00	\$78.08
Florida Public Utilities Marianna Division	\$10.00	\$64.82
Fernandina Beach	\$10.00	\$53.70

Commercial/Industrial Service Provided by Investor-Owned Utilities

Typical Electric Bill Comparisons*
December 31, 2004

UTILITY	MINIMUM BILL OR CUSTOMER CHARGE	400,000 KILOWATT HOURS 1,000 KW DEMAND
Florida Power & Light	N/A	\$28,098
Progress Energy Florida	N/A	\$26,685
Tampa Electric Company	N/A	\$30,329
Gulf Power Company	N/A	\$22,597
Florida Public Utilities Marianna Division	N/A	\$18,616
Fernandina Beach	N/A	\$14,628

*Excludes local taxes, franchise fees, and gross receipts taxes that are billed as a separate line item. Includes 1.5% embedded gross receipts taxes for Florida Power & Light Company and the Fernandina Beach Division of Florida Public Utilities Company. The remaining companies have removed all gross receipts taxes from their rates and bill the entire 2.5% as a separate line item. Includes cost recovery clause factors effective December 2004.

Source: Review of tariffs

FLORIDA ELECTRIC INDUSTRY

RATES

Utility Rate Comparison by State - 2002

(Cents per Kilowatt-Hour)

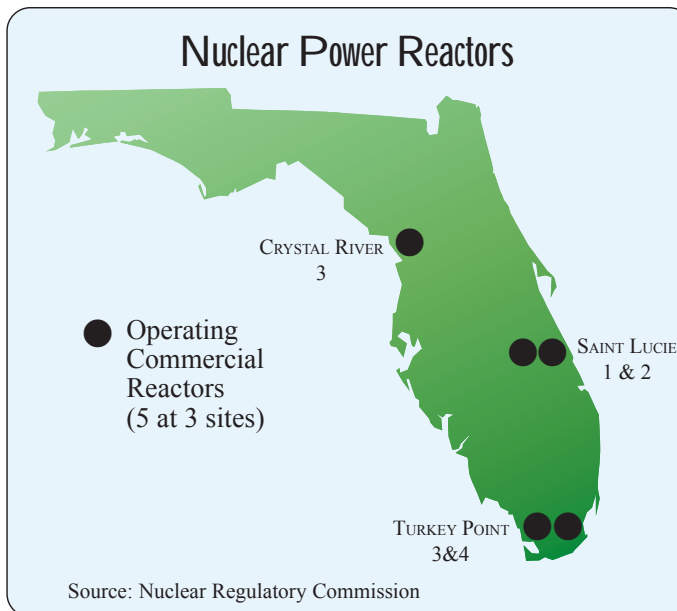
STATE	RESIDENTIAL			COMMERCIAL			INDUSTRIAL		
	PUBLIC	PRIVATE	CO-OP	PUBLIC	PRIVATE	CO-OP	PUBLIC	PRIVATE	CO-OP
AL	6.2	7.3	7.6	6.3	6.6	7.6	4.7	3.7	4.5
AK	11.5	13.7	12.0	8.9	16.6	10.2	11.5	7.5	7.4
AZ	7.4	8.8	9.5	6.3	7.9	8.1	4.2	5.8	5.5
AR	6.4	7.5	7.1	6.0	5.5	6.3	4.5	4.3	3.1
CA	9.6	13.9	9.9	10.2	15.5	10.4	8.3	12.0	6.8
CO	6.6	7.2	8.2	5.8	5.4	7.1	4.6	4.1	5.2
CT	9.1	11.0	N/A	8.2	9.4	N/A	6.6	7.8	N/A
DE	10.0	8.5	8.7	9.0	6.9	7.6	6.5	4.8	6.0
FL	7.9	8.2	7.9	6.5	6.7	7.1	5.0	5.3	5.6
GA	7.6	7.3	8.0	7.2	6.1	7.6	4.3	3.9	3.9
HI	N/A	15.6	N/A	N/A	14.1	N/A	N/A	11.0	N/A
ID	5.7	6.6	7.2	5.7	5.7	6.6	4.1	4.4	3.7
IL	7.1	8.3	9.8	6.7	7.4	8.0	5.2	4.7	5.7
IN	5.9	6.9	7.4	5.2	6.0	6.4	4.4	3.9	4.8
IA	6.6	8.6	8.7	5.9	6.7	6.4	4.7	4.0	3.8
KS	8.0	7.2	9.7	7.0	5.8	8.6	4.3	4.5	5.6
KY	6.0	5.1	6.4	5.6	4.9	6.5	4.1	3.2	3.2
LA	6.3	7.3	6.7	6.0	6.7	6.6	5.8	4.4	5.5
ME	7.2	15.3	16.2	6.5	13.2	15.3	6.7	7.0	5.3
MD	6.0	7.7	7.9	6.5	6.3	6.5	4.3	3.5	5.9
MA	9.9	11.1	N/A	10.4	10.2	N/A	8.7	8.5	N/A
MI	7.3	8.3	9.6	7.0	7.5	8.3	5.6	4.9	5.8
MN	6.9	7.6	7.6	6.4	5.7	6.3	4.9	3.9	4.3
MS	6.5	7.6	7.1	6.6	6.7	7.3	4.9	4.7	5.0
MO	6.4	7.2	7.0	5.5	5.9	6.0	4.9	4.8	3.1
MT	5.3	7.1	7.7	5.1	6.4	6.9	7.2	4.4	5.5
NE	6.7	N/A	7.4	5.6	N/A	7.0	3.7	N/A	6.9
NV	6.0	9.6	7.8	6.8	9.5	7.3	2.3	7.9	3.5
NH	10.3	11.5	14.4	10.3	9.9	13.0	8.1	8.9	9.4
NJ	10.5	10.4	11.2	10.9	8.9	11.7	9.2	7.6	8.6
NM	8.6	8.4	9.0	8.6	7.1	7.0	5.0	4.6	4.0
NY	12.3	13.9	8.7	11.1	12.4	8.3	2.2	5.6	5.8
NC	9.2	7.8	9.0	7.8	6.2	7.6	5.6	4.6	4.1
ND	4.7	6.3	6.6	4.5	5.7	6.3	4.4	4.3	3.9
OH	7.8	8.1	7.6	7.9	7.6	7.1	5.6	4.6	4.1
OK	7.3	6.3	7.6	7.3	5.3	7.3	4.0	3.7	4.4
OR	6.1	7.3	7.5	5.5	6.8	6.2	3.8	5.0	5.2
PA	8.2	9.5	10.8	8.0	8.1	9.7	6.5	6.0	7.7
RI	10.5	10.2	N/A	9.9	8.7	N/A	8.9	7.8	N/A
SC	7.4	7.6	8.1	6.8	6.3	7.7	3.5	3.9	4.3
SD	5.4	7.8	7.6	5.4	6.3	6.6	4.3	4.7	4.2
TN	6.4	4.8	6.5	6.4	4.9	7.0	4.7	3.3	4.7
TX	7.4	7.7	7.8	6.6	6.2	7.0	5.2	4.6	4.9
UT	7.5	6.6	6.5	7.0	5.2	6.7	5.3	3.7	5.7
VT	10.4	13.1	14.1	10.5	11.2	14.1	9.7	7.6	10.3
VA	6.1	7.6	9.4	5.7	5.7	9.2	4.1	4.0	5.3
WA	6.5	6.1	6.0	5.8	6.6	4.9	3.9	5.2	4.2
DC	N/A	8.0	N/A	N/A	7.5	N/A	N/A	5.0	N/A
WV	6.6	6.2	8.7	6.2	5.4	9.2	5.3	3.8	8.5
WI	6.4	8.3	8.6	5.7	6.6	6.6	4.3	4.4	4.2
WY	6.4	7.3	6.7	5.4	6.0	5.4	5.0	3.6	3.5

Source: American Public Power Administration

Available on-line at <http://www.appanet.files.cms-plus.com/PDFs/utilityratecompstate2002.pdf>

Nuclear Waste Policy

- ◆ Florida’s electric utilities currently store radioactive waste called “spent nuclear fuel” at utility plant sites in spent fuel pools.
- ◆ Spent fuel pools at Florida reactor sites will reach storage capacity during the next 7 years.
- ◆ Florida ratepayers have paid over \$662 million (over \$1 billion with interest) into the federal Nuclear Waste Fund for the U.S. Department of Energy (DOE) to remove spent nuclear fuel.



- ◆ DOE failed to begin removing spent nuclear fuel from utility plant sites by January 31, 1998, as required by federal law.
- ◆ In 2002, President Bush designated Yucca Mountain, Nevada, as a suitable site for development of a geologic repository for spent nuclear fuel and high-level radioactive waste.
- ◆ DOE must receive a license from the NRC before it can begin construction of a repository at Yucca Mountain.
- ◆ If the NRC subsequently grants DOE a separate license to possess waste, receipt of waste could begin in 2010.
- ◆ The PSC works to achieve the removal of spent nuclear fuel from plant sites in Florida for permanent disposal in a geologic repository in accordance with the federal Nuclear Waste Policy Act.

Nuclear Regulatory Commission (NRC) License Expiration Date			
NUCLEAR REACTOR	LOCATION	UTILITY	NRC LICENSE EXPIRATION DATE
Crystal River	7 miles Northwest of Crystal River	Progress Energy Florida	2016*
St. Lucie 1 St Lucie 2	Hutchinson Island, 12 miles Southeast of Ft. Pierce	Florida Power & Light	2036 2043
Turkey Point 3 Turkey Point 4	25 miles South of Miami	Florida Power & Light	2032 2033

* Progress Energy Florida notified the NRC on 2/24/03 of its intent to submit an application for license renewal of Crystal River 3 during the first quarter of 2009.

FLORIDA ELECTRIC INDUSTRY

NUCLEAR POWER

Nuclear Waste Fund Ratepayer Payments by State Through 3-31-04
(Millions of Dollars)

STATE	PAYMENTS (1 mill/kwh, One Time + Int)	RETURN ON INVESTMENTS	TOTAL (Pay + Return)	DEBT*	FUND ASSETS** (Total + Debt)
AL	425.5	252.8	6.78.3	0.0	678.3
AR	246.4	146.4	392.8	149.5	542.3
AZ	187.6	111.5	299.1	0.0	299.1
CA	769.3	457.0	1226.3	0.0	1226.3
CO	0.2	0.1	0.3	0.0	0.3
CT	219.9	130.6	350.5	306.2	656.7
DE	31.7	18.8	50.5	0.0	50.5
FL	661.7	393.1	1054.8	0.0	1054.8
GA	486.1	288.8	774.9	0.0	774.9
IA	187.0	111.1	298.1	38.7	336.8
IL	1300.5	772.6	2073.1	830.8	2903.9
IN	172.5	102.5	275.0	196.7	471.7
KS	96.3	57.2	153.5	0.0	153.5
KY	108.9	64.7	173.6	0.0	173.6
LA	224.2	133.2	357.4	0.0	357.4
MA	262.3	155.8	418.1	139.5	557.6
MD	296.6	176.2	472.8	0.0	472.8
ME	45.9	27.3	73.2	100.0	173.2
MI	212.2	126.1	338.3	169.5	507.8
MN	255.8	152.0	407.8	0.0	407.8
MO	184.4	109.6	294.0	5.1	299.1
MS	124.2	73.8	198.0	0.0	198.0
NC	1143.8	679.5	1823.3	0.0	1823.3
ND	13.7	8.1	21.8	0.0	21.8
NE	149.1	88.6	237.7	0.0	237.7
NH	55.2	32.8	88.0	20.5	108.5
NJ	503.3	299.0	802.3	168.3	970.6
NM	54.6	32.4	87.0	0.0	87.0
NY	588.3	349.5	937.8	432.5	1370.3
OH	323.4	192.1	515.5	27.9	543.4
OR	75.1	44.6	119.7	0.0	119.7
PA	955.5	567.7	1523.2	56.9	1580.1
RI	4.1	2.4	6.5	5.2	11.7
SC	511.8	304.1	815.9	0.0	815.9
SD	4.1	2.4	6.5	0.0	6.5
TN	366.1	217.5	583.6	0.0	583.6
TX	508.6	302.2	810.8	0.0	810.8
VA	532.2	318.0	853.2	0.0	853.2
VT	76.1	45.2	121.3	121.1	242.4
WA	117.9	70.0	187.9	0.0	187.9
WI	342.8	203.7	546.5	0.0	546.5
Subtotal	12827.9	7621	20448.9	2768.4	23217.3
Federal	19.8	11.8	31.6	0.0	31.6
Industry	16.8	10	26.8	0.0	26.8
TOTAL	12864.5	7642.8	20507.3	2768.4	23275.7

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

** Funds before withdrawals for expenditures by DOE.

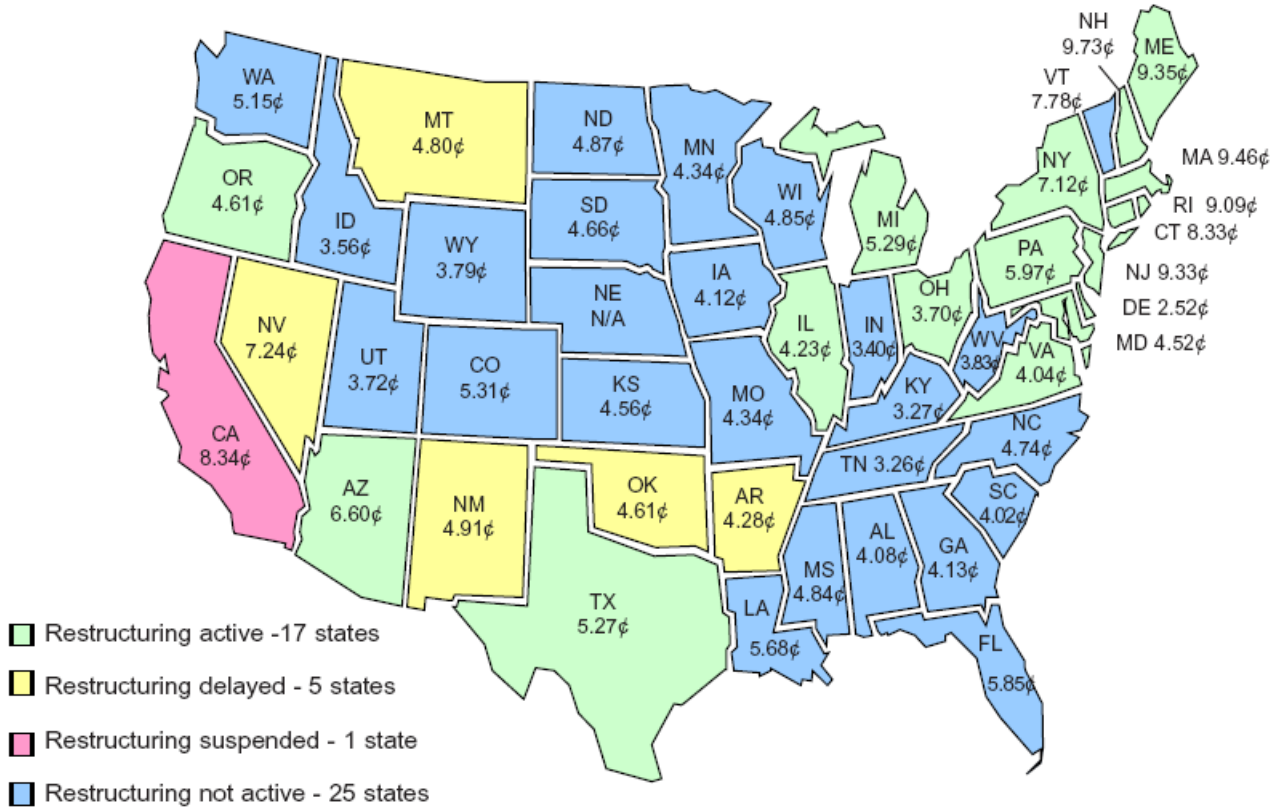
Source: Michigan Public Service Commission staff

Available on-line at <http://www.cis.state.mi.us/mpsc/lic-enf/nuclear/rep304.pdf>

Status of State Electric Industry Restructuring Activity

AS OF FEBRUARY 2005

(With State Average Industrial Electric Rates for Investor Owned Utilities - based on Edison Electric Institute semi-annual survey - Summer 2004)

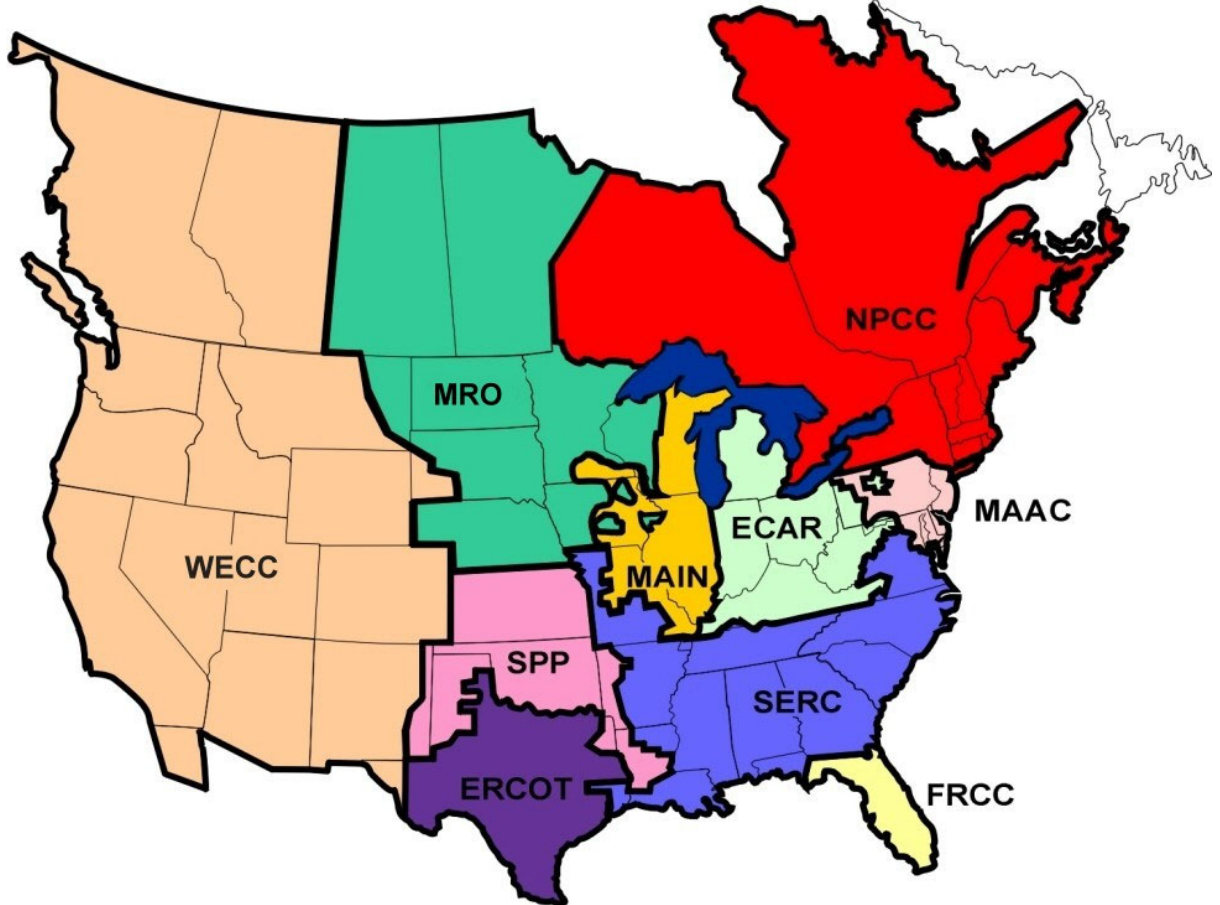


Restructuring means moving away from a state-regulated monopoly franchise system. In short, the industry would move from a monopoly structure in which a single electric utility supplies all the consumers in a given area to one allowing competition between electric generation suppliers.

Source: WPS Energy Services, Inc.
Available on-line at <http://www.wpsenergy.com/data/misc/edereg.pdf>

Reliability Councils

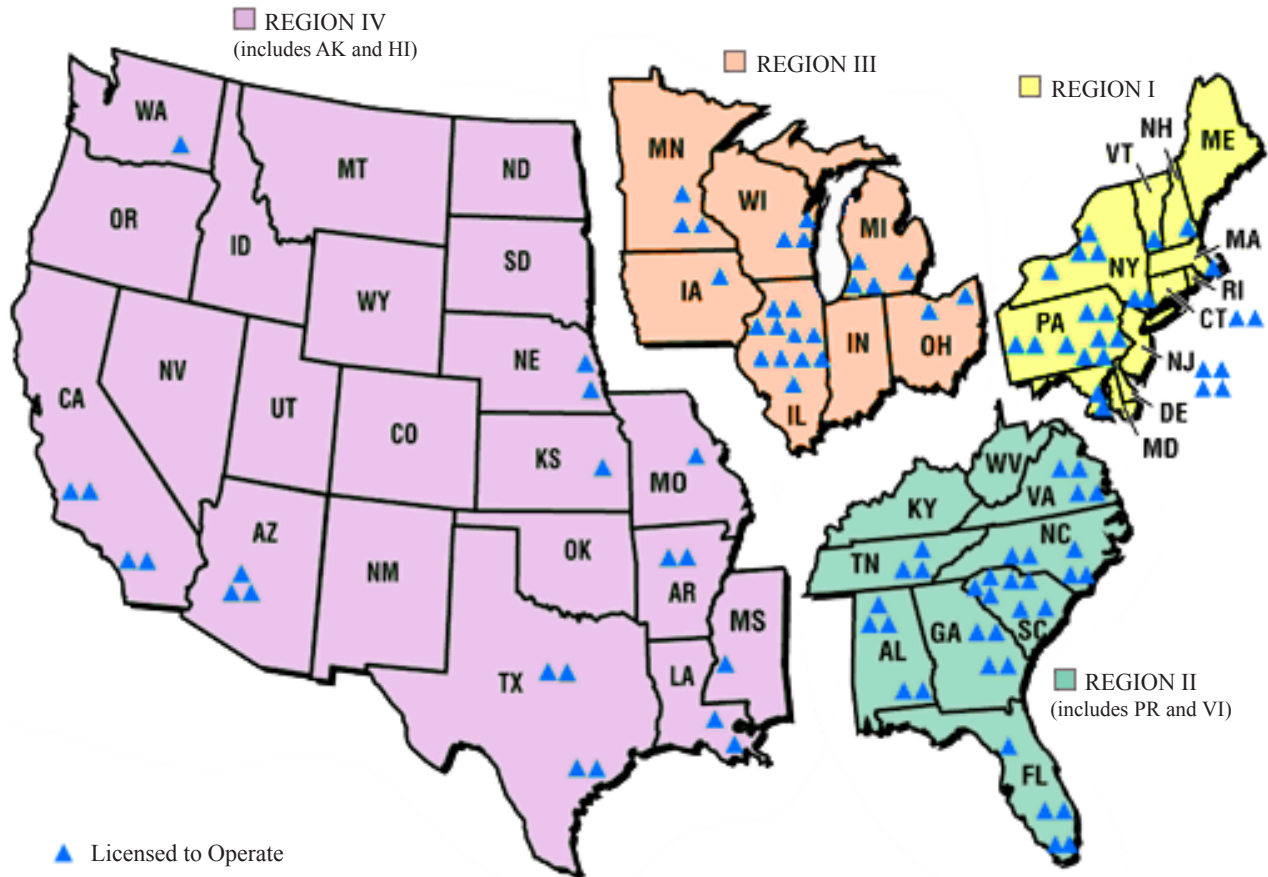
North American Electric Reliability Council (NERC) is a not-for-profit corporation whose members are ten Regional Reliability Councils.



ECAR	East Central Area Reliability
ERCOT	Electric Reliability Council of Texas
FRCC	Florida Reliability Coordinating Council
MAAC	Mid-Atlantic Area Council
MAIN	Mid-America Interconnected Network
MRO	Midwest Reliability Organization
NPCC	Northeast Power Coordinating Council
SERC	Southeastern Electric Reliability Council
SPP	Southwest Power Pool
WECC	Western Electricity Coordinating Council

Source: North American Electric Reliability Council
 Available on-line at <http://www.nerc.com/regional/>

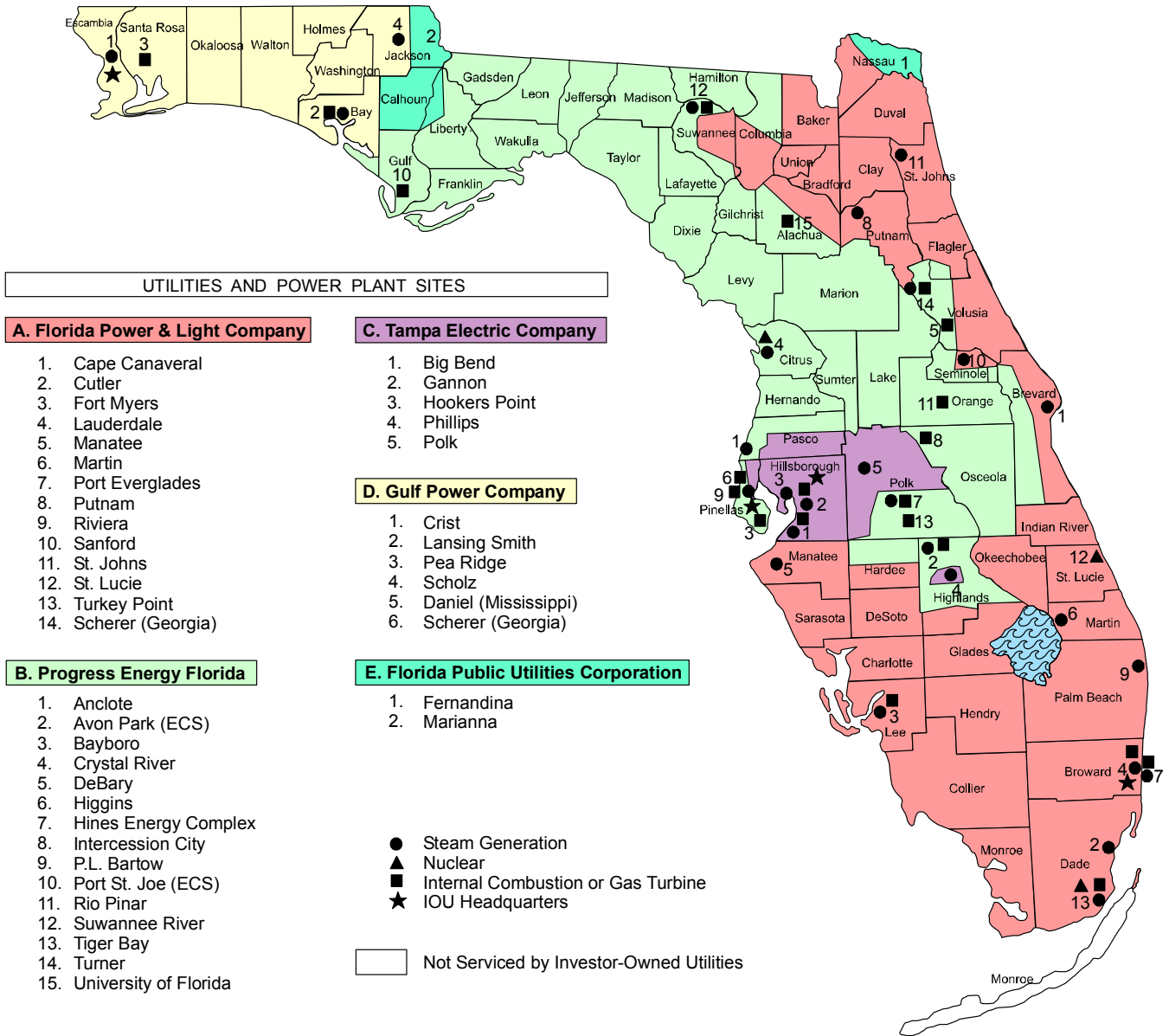
Locations of Operating Nuclear Power Reactors



Note: There are no commercial reactors in Alaska or Hawaii.

Source: Nuclear Regulatory Commission
Available on-line at <http://www.nrc.gov/info-finder/reactor/#USMap>

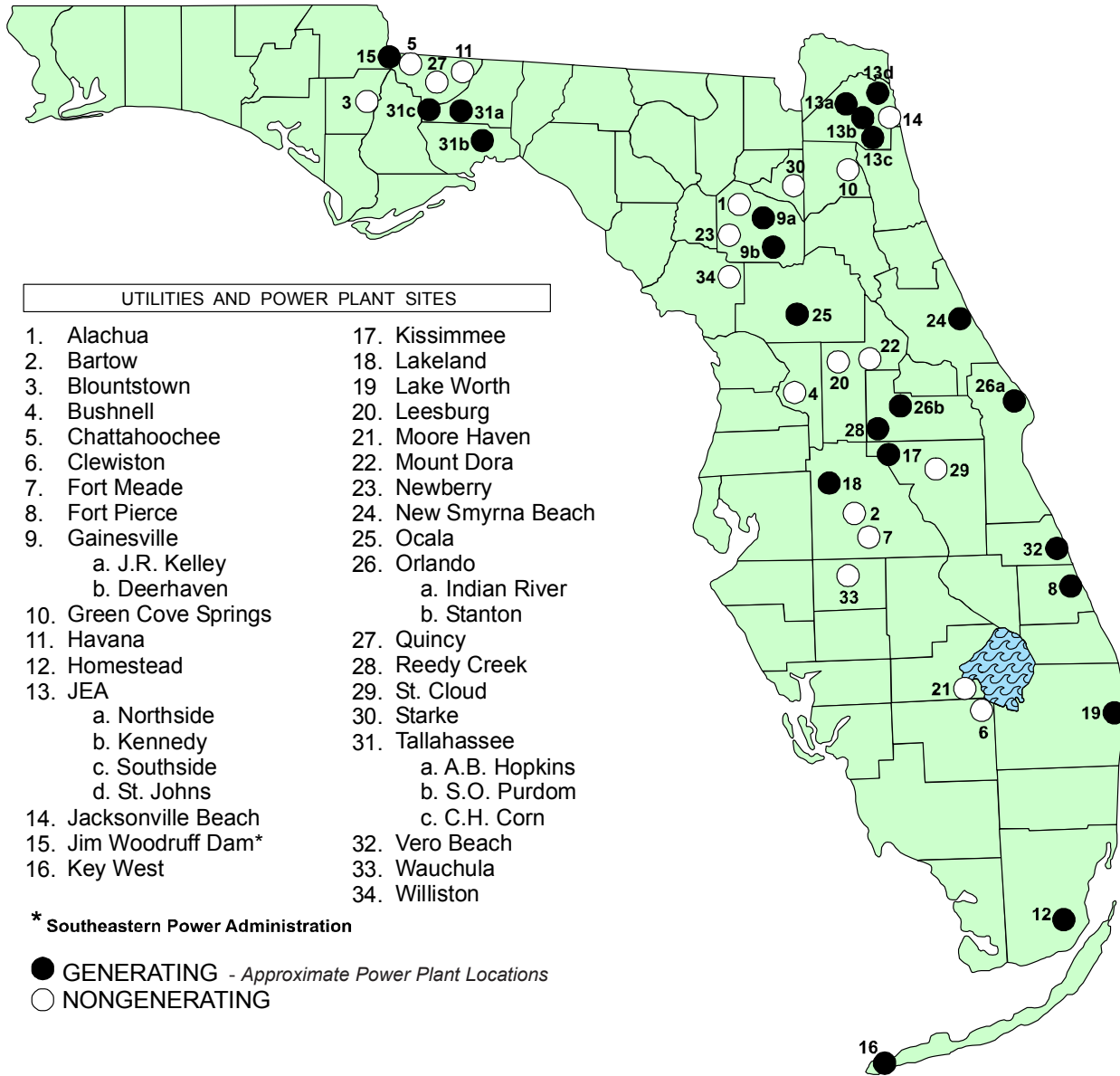
Approximate Company Service Areas Investor-Owned Electric Utilities



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

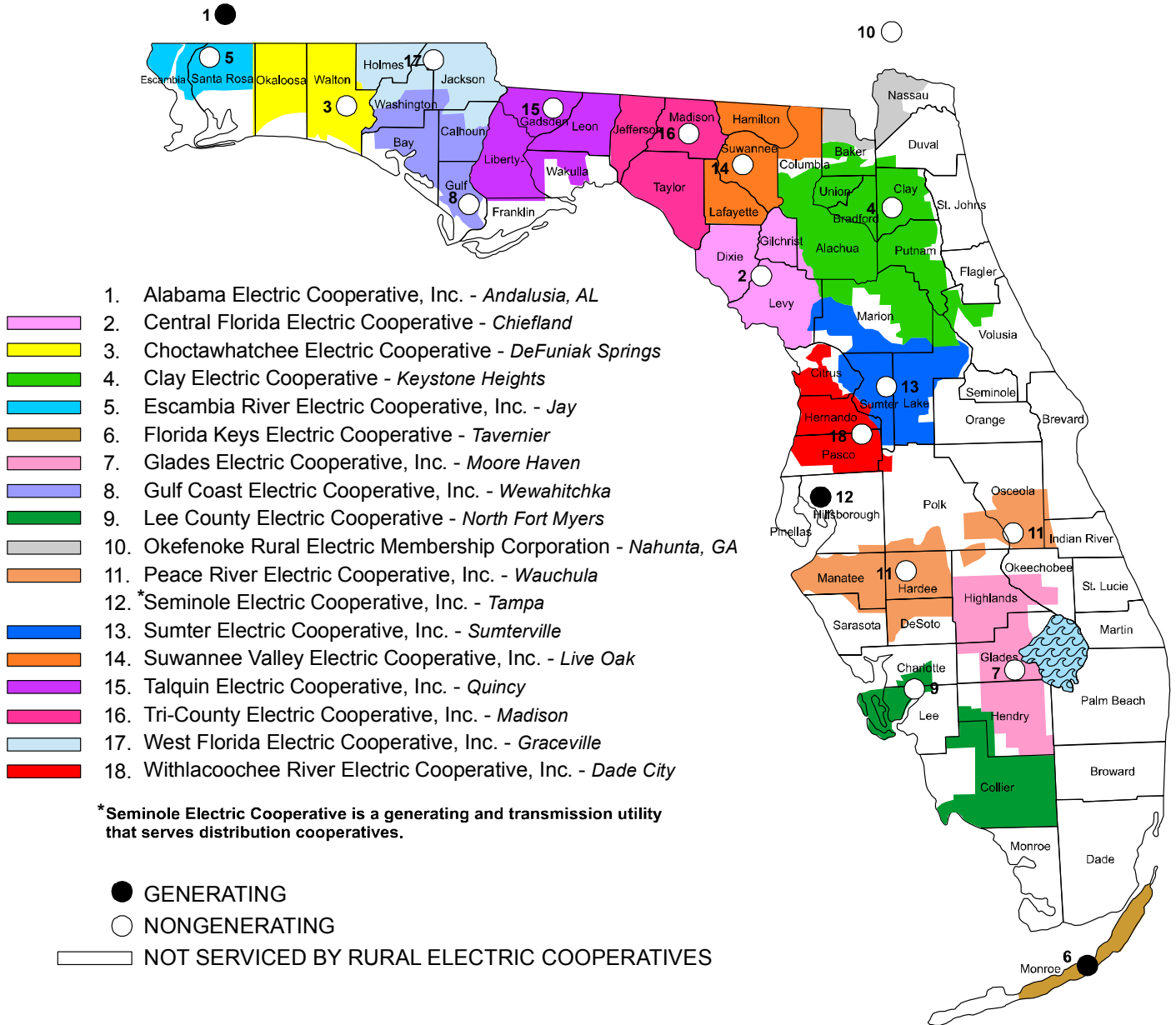
Municipal Electric Utilities



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

Source: Florida Public Service Commission

Approximate Company Service Areas Rural Electric Cooperatives



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

Municipally & Cooperatively Owned Electric Systems

MUNICIPAL SYSTEMS (Generating)

*Florida Municipal Power Agency
Fort Pierce Utilities Authority
Gainesville Regional Utilities
Homestead, City of
JEA (formerly known as Jacksonville Electric Authority)
Key West Utility Board, City of
Kissimmee Utility Authority
Lake Worth Utilities Authority
Lakeland, City of
New Smyrna Beach, Utilities Commission of
Ocala Electric Utility
Orlando Utilities Commission
Reedy Creek Utilities
St. Cloud, City of
Tallahassee, City of
Vero Beach, City of

MUNICIPAL SYSTEMS (Non-Generating)

Alachua, City of
Bartow, City of
Blountstown, City of
Bushnell, City of
Chattahoochee, City of
Clewiston, City of
Fort Meade, City of
Green Cove Springs, City of
Havana, Town of
Jacksonville Beach, City of
Leesburg, City of
Moore Haven, City of
Mount Dora, City of
Newberry, City of
Quincy, City of
Starke, City of
Wauchula, City of
Williston, City of

RURAL ELECTRIC COOPERATIVES (Generating)

Florida Keys Electric Cooperative, Inc.
Seminole Electric Cooperative, Inc.
Alabama Electric Cooperative, Inc.

RURAL ELECTRIC COOPERATIVES (Non-Generating)

Central Florida Electric Cooperative, Inc.
Choctawhatchee Electric Cooperative, Inc.
Clay Electric Cooperative, Inc.
Escambia River Electric Cooperative, Inc.
Glades Electric Cooperative, Inc.
Gulf Coast Electric Cooperative, Inc.
Lee County Electric Cooperative, Inc.
Okefenoke Rural Electric Membership Corp.
Peace River Electric Cooperative, Inc.
Sumter Electric Cooperative, Inc.
Suwannee Valley Electric Cooperative, Inc.
Talquin Electric Cooperative, Inc.
Tri-County Electric Cooperative, Inc.
West Florida Electric Cooperative, Inc.
Withlacoochee River Electric Cooperative, Inc.

**The Florida Constitution and the Joint Power Act provide the authority for municipal electric utilities to join together for the joint financing, construction, acquiring, managing, operating, utilizing, and owning of electric power plants.*

Sources:

PSC's *Statistics of the Florida Electric Industry, 2003*

Available on-line at http://www.psc.state.fl.us/industry/electric_gas/statistics.cfm

Florida Municipal Power Agency, *Ten-Year Site Plan, 2004-2013*

Typical Electric Bill Comparisons

Residential Service Provided by Municipally Owned Utilities

Typical Electric Bill Comparisons*
December 31, 2004

UTILITY	MINIMUM BILL OR CUSTOMER CHARGE	1,000 KILOWATT HOURS
Alachua	\$8.00	\$100.80
Bartow	\$6.60	\$96.93
Blountstown	\$3.50	\$68.68
Bushnell	\$7.20	\$98.21
Chattahoochee	\$4.50	\$85.75
Clewiston	\$6.50	\$101.53
Fort Meade	\$12.96	\$115.86
Fort Pierce	\$5.35	\$94.95
Gainesville	\$4.66	\$88.20
Green Cove Springs	\$6.00	\$107.07
Havana	\$6.00	\$104.96
Homestead	\$5.50	\$98.77
JEA	\$5.50	\$72.15
Jacksonville Beach	\$4.50	\$96.82
Key West	\$6.00	\$110.30
Kissimmee	\$9.70	\$81.51
Lake Worth	\$7.42	\$107.00
Lakeland	\$6.35	\$101.41
Leesburg	\$8.15	\$93.81
Moore Haven	\$8.50	\$89.10
Mount Dora	\$5.05	\$88.85
New Smyrna Beach	\$5.65	\$94.56
Newberry	\$7.50	\$99.66
Ocala	\$7.00	\$97.37
Orlando	\$7.00	\$84.60
Quincy	\$6.00	\$103.02
Reedy Creek	\$2.85	\$85.24
Starke	\$6.45	\$92.95
St. Cloud	\$7.28	\$87.99
Tallahassee	\$4.94	\$99.97
Vero Beach	\$7.00	\$104.38
Wauchula	\$8.62	\$110.11
Williston	\$8.00	\$105.74

*Local taxes, franchise fees, and gross receipts taxes not embedded in rates are excluded.
December 2004 Fuel and Purchased Power Costs are included.

Source: Review of tariffs

FLORIDA ELECTRIC INDUSTRY
MUNICIPALS & COOPERATIVES

**Commercial/Industrial Service Provided by
Municipally Owned Utilities**

Typical Electric Bill Comparisons*
December 31, 2004

UTILITY	MINIMUM BILL OR CUSTOMER CHARGE	400,000 KILOWATT HOURS 1,000 KW DEMAND
Alachua	N/A	\$34,213
Bartow	N/A	\$36,933
Blountstown	N/A	\$29,211
Bushnell	N/A	\$36,986
Chattahoochee	N/A	\$34,760
Clewiston	N/A	\$39,647
Fort Meade	N/A	\$40,950
Fort Pierce	N/A	\$31,699
Gainesville	N/A	\$28,711
Green Cove Springs	N/A	\$33,153
Havana	N/A	\$39,590
Homestead	N/A	\$37,711
JEA	N/A	\$22,050
Jacksonville Beach	N/A	\$39,724
Key West	N/A	\$40,429
Kissimmee	N/A	\$28,923
Lake Worth	N/A	\$43,602
Lakeland	N/A	\$33,778
Leesburg	N/A	\$30,069
Moore Haven	N/A	\$31,280
Mount Dora	N/A	\$25,940
New Smyrna Beach	N/A	\$34,590
Newberry	N/A	\$33,999
Ocala	N/A	\$30,875
Orlando	N/A	\$26,395
Quincy	N/A	\$29,908
Reedy Creek	N/A	\$30,356
Starke	N/A	\$42,809
St. Cloud	N/A	\$27,508
Tallahassee	N/A	\$32,194
Vero Beach	N/A	\$36,501
Wauchula	N/A	\$41,791
Williston	N/A	\$36,810

*Local taxes, franchise fees, and gross receipts taxes not embedded in rates are excluded.
December 2004 Fuel and Purchased Power Costs are included.

Source: Review of tariffs

FLORIDA ELECTRIC INDUSTRY
MUNICIPALS & COOPERATIVES

**Residential Service Provided by
Cooperatively Owned Utilities**

Typical Electric Bill Comparisons*
December 31, 2004

UTILITY	MINIMUM BILL OR CUSTOMER CHARGE	1,000 KILOWATT HOURS
Central Florida	\$8.50	\$90.00
Choctawhatchee	\$18.00	\$94.22
Clay	\$9.00	\$81.50
Escambia River	\$9.00	\$91.00
Florida Keys	\$10.00	\$108.29
Glades	\$10.50	\$102.50
Gulf Coast	\$10.00	\$89.00
Lee County	\$5.00	\$86.10
Okefenoke	\$10.00	\$82.89
Peace River	\$10.50	\$97.27
Sumter	\$8.25	\$92.45
Suwannee Valley	\$8.73	\$80.66
Talquin	\$8.00	\$89.00
Tri-County	\$10.00	\$98.50
West Florida	\$8.00	\$94.30
Withlacoochee River	\$9.75	\$89.29

*Local taxes, franchise fees, and gross receipts taxes not embedded in rates are excluded.
December 2004 Fuel and Purchased Power Costs are included.

Source: Review of tariffs

FLORIDA ELECTRIC INDUSTRY
MUNICIPALS & COOPERATIVES

**Commercial/Industrial Service Provided by
Cooperatively Owned Utilities**

Typical Electric Bill Comparisons*
December 31, 2004

UTILITY	MINIMUM BILL OR CUSTOMER CHARGE	400,000 KILOWATT HOURS 1,000 KW DEMAND
Central Florida	N/A	\$29,350
Choctawhatchee	N/A	\$24,305
Clay	N/A	\$26,505
Escambia River	N/A	\$32,840
Florida Keys	N/A	\$29,799
Glades	N/A	\$26,495
Gulf Coast	N/A	\$27,812
Lee County	N/A	\$27,655
Okefenoke	N/A	\$23,956
Peace River	N/A	\$27,430
Sumter	N/A	\$25,990
Suwannee Valley	N/A	\$20,053
Talquin	N/A	\$25,480
Tri-County	N/A	\$27,300
West Florida	N/A	\$23,070
Withlacoochee River	N/A	\$26,181

*Local taxes, franchise fees, and gross receipts taxes not embedded in rates are excluded.
December 2004 Fuel and Purchased Power Costs are included.

Source: Review of tariffs

Regulatory Authority

Pursuant to Chapter 366, Florida Statutes, the PSC has regulatory authority over:

- ◆ 7 investor-owned natural gas utilities
(all aspects of operations, including safety)
- ◆ 27 municipally owned 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 interstate pipelines - Florida Gas Transmission (FGT) and Gulf Stream Natural Gas System; and two small interstate pipelines - Gulf South Pipeline Company and Southern Natural Gas.
- ◆ The largest transportation pipeline system in Florida, FGT, collects natural gas from gas fields in Texas, Louisiana, Mississippi, Alabama and other interstate pipeline companies.
- ◆ Florida relies primarily on FGT to supply most direct customers and utilities that require natural gas to fuel the generation of electricity.
- ◆ FGT's pipeline capacity is 1.455 billion cubic feet per day. Gulf Stream's pipeline capacity is 1.1 billion cubic feet per day.

FLORIDA NATURAL GAS INDUSTRY

CUSTOMERS

Number of Customers for Investor-Owned Utilities

By Customer Type

December 31, 2003

UTILITY	RESIDENTIAL	COMMERCIAL & INDUSTRIAL	FTS*	OTHER**	TOTAL
Chesapeake Utilities***	10,214	966	0	91	11,271
City Gas Company	95,916	3,854	1,633	36	101,439
Florida Public Utilities Co.	42,622	4,182	302	5	47,111
Indiantown Gas Co.***	636	28	0	2	666
Peoples Gas System	263,479	18,091	10,266	78	291,914
St. Joe Natural Gas	3,055	262	3	1	3,321
Sebring Gas System	472	95	0	0	567

Annual Therm Sales for Investor-Owned Utilities

December 31, 2003

UTILITY	RESIDENTIAL	COMMERCIAL & INDUSTRIAL	FTS*	OTHER**	TOTAL
Chesapeake Utilities***	2,654,690	9,074,870	0	117,777,770	129,507,830
City Gas Company	19,234,020	20,152,930	32,776,344	31,925,789	104,079,083
Florida Public Utilities Co.	11,509,210	28,902,960	12,356,310	1,006,860	53,775,340
Indiantown Gas Co.***	175,229	112,777	0	4,759,836	5,047,842
Peoples Gas System	64,217,699	85,155,777	268,287,535	741,332,772	1,158,993,783
St. Joe Natural Gas	938,096	339,027	407,592	9,474,845	11,159,560
Sebring Gas System	73,372	672,525	0	0	745,897

* 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: PSC's Natural Gas Companies Annual Data Sheets

Typical Natural Gas Bill Comparisons

**Residential, Commercial, and Industrial Service
Provided by Investor-Owned Utilities**

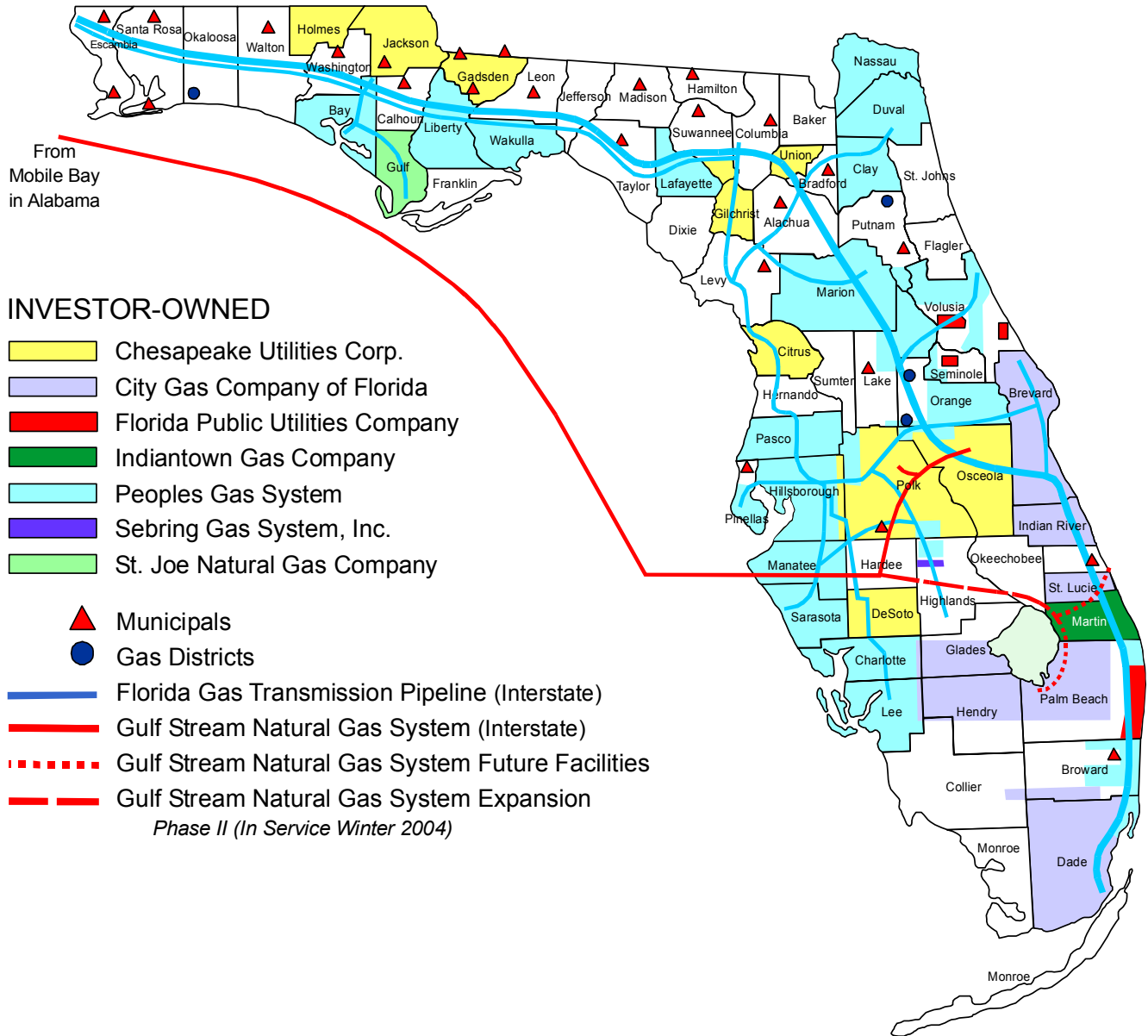
Typical Natural Gas Bill Comparisons
December 31, 2004

UTILITY	RESIDENTIAL		COMMERCIAL		INDUSTRIAL	
	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	\$10.00	\$21.37	\$27.50	\$59.95	\$42.50	\$266.42
City Gas Company	\$8.00	\$39.77	\$12.00	\$138.75	\$30.00	\$895.26
Florida Public Utilities Co.	\$8.00	\$37.80	\$15.00	\$129.45	\$15.00	\$893.51
Indiantown * Gas Co.	\$9.00	\$11.75	\$21.00	\$26.59	\$21.00	\$64.44
Peoples Gas System	\$10.00	\$36.88	\$30.00	\$134.55	\$30.00	\$840.17
Sebring * Gas System	\$9.00	\$20.43	\$35.00	\$77.01	\$35.00	\$361.74
St. Joe Natural Gas	\$9.00	\$32.24	\$9.00	\$113.37	\$40.00	\$723.81

December 2004 gas and conservation costs are included except for utilities that have exited the merchant function.

* Exited the merchant function - gas costs not included.

Natural Gas Companies in Florida



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

Regulatory Authority

Pursuant to Chapter 364, Florida Statutes, as of June 30, 2004, the PSC had regulatory authority over:

- ◆ 10 incumbent local exchange companies (ILECs)
- ◆ 404 competitive local exchange companies (CLECs)
- ◆ 703 interexchange (long distance) companies (IXCs)
- ◆ 468 pay telephone service providers (PATS)
- ◆ 40 alternative access vendors (AAVs)
- ◆ 31 shared tenant service providers (STS)

- ◆ Long distance companies doing business in Florida must register with the PSC.

- ◆ All other types of jurisdictional telecommunications companies doing business in Florida must be certificated by the PSC.

Definitions

- ◆ **Alternative Access Vendor (AAV)** A company that provides 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 PSC to provide local exchange telecommunications in Florida on or after July 1, 1995.

- ◆ **Incumbent Local Exchange Telecommunications Company (ILEC)** Any company certificated by the PSC to provide local exchange telecommunications service in Florida on or before June 30, 1995.

- ◆ **Interexchange Company (IXC)** Any company providing telecommunications service between local calling areas as those areas are described in the approved tariffs of individual local exchange companies.

- ◆ **Pay Telephone Service Company (PATS)** Any certificated telecommunications company 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.

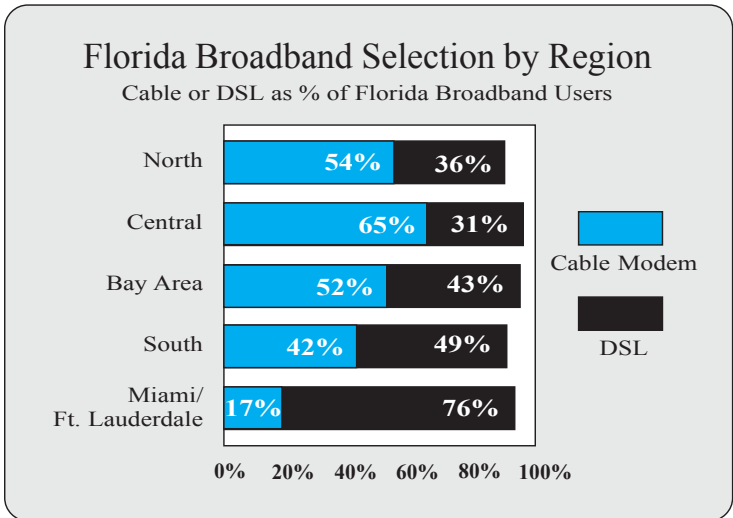
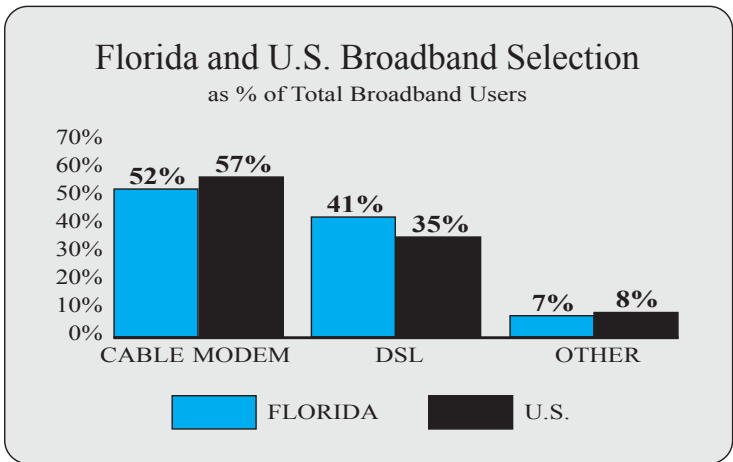
Sources:

PSC's *Types of Telecommunication Companies Regulated by the FPSC*
Available on-line at <http://www.psc.state.fl.us/technical/telintro.cfm>

PSC's *Master Commission Directory*
Available on-line at <http://www.psc.state.fl.us/mcd>

Broadband

- ◆ Broadband is a descriptive term for evolving digital technologies offering consumers a single switched facility offering integrated access to voice, high-speed data services, video-demand services, and interactive information delivery services.
- ◆ For the first time in Florida, in the first quarter of 2004, the percentage of customers with internet access using broadband eclipsed the percentage using dial-up. As of July 2004, 51 percent were using broadband and 49 percent were using dial-up.
- ◆ The most common way broadband service is delivered in Florida is via cable modem, followed by DSL (Digital Subscriber Line).
- ◆ Other methods of access in use in smaller numbers include, but are not limited to, satellite and fixed-wireless.



Sources:
 PSC's *Annual Report on Competition in Telecommunications Markets in Florida, as of May 31, 2004*
 Available on-line at <http://www.psc.state.fl.us/general/publications/reports/tele-competitionreport2004.pdf>

3rd Quarter 2004 University of Florida, Bureau of Economic and Business Research (BEBR) Consumer Surveys on behalf of FPSC

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 May 31, 2004				
	RESIDENTIAL LINES	BUSINESS LINES	TOTAL	CHANGE SINCE JUNE 30, 2001
ILECs	6,804,789	2,925,322	9,730,111	12.1% Decrease
CLECs	730,094	1,255,781	1,985,875	106.7% Increase
TOTAL	7,534,883	4,181,103	11,715,986	2.6% Decrease

Access Lines by Florida ILEC			
As of May 31, 2004			
COMPANY	RESIDENTIAL	BUSINESS	TOTAL
ALLTEL Florida, Inc.	73,755	20,590	94,345
BellSouth Telecommunications, Inc.	3,724,738	1,677,735	5,402,473
Frontier Communications of the South, Inc.	4,046	299	4,345
GTC, Inc. d/b/a GT Com	38,261	11,610	49,871
ITS Telecommunications Systems, Inc.	2,971	1,003	3,974
Northeast Florida Telephone Company d/b/a NEFCOM	6,805	2,246	9,051
Quincy Telephone Company d/b/a TDS Telecom/Quincy Telephone	11,000	3,839	14,839
Smart City Telecommunications LLC d/b/a Smart City Telecom	5,032	11,580	16,612
Sprint-Florida, Incorporated	1,357,953	599,258	1,957,211
Verizon Florida Inc.	1,580,228	597,162	2,177,390
TOTAL	6,804,789	2,925,322	9,730,111

Sources:

PSC's *Annual Report on Competition in Telecommunications Markets in Florida, as of May 31, 2004*

Available on-line at <http://www.psc.state.fl.us/general/publications/reports/tele-competitionreport2004.pdf>

Responses to PSC data requests

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). There are four components to the Federal Universal Service Fund:

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 six high-cost support mechanisms:

- ◆ **Embedded high-cost loop (HCL) support:** 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.
- ◆ **Long-term support (LTS):** Helps offset interstate access charges for rate-of-return regulated carriers.
- ◆ **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:

- ◆ **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 qualified households. 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 certain discounts on monthly service for qualified telephone subscribers. The Florida discount is ^{*}\$13.50, comprised of a \$10.00 federal discount and \$3.50 state matching discount provided by the carriers.
- ◆ **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).

Continued on next page

Universal Service Programs

Continued

- ◆ **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 1/2 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)

- 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% to 90%, 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.
- ◆ Eligible entities include: post-secondary educational institutions offering health care instruction, 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; and rural health clinics.

* Sprint-Florida, Inc.'s federal subscriber line charge is \$6.45; therefore, Sprint customers would receive a \$13.45 credit.

Universal Service Support Mechanisms by Program for Florida
2003

(Units are in Thousands)

PROGRAM	PAYMENTS FROM USAC	ESTIMATED CONTRIBUTIONS TO USAC	ESTIMATED NET DOLLAR FLOW
High-Cost	\$79,463	\$216,151	(\$136,668)
Low-Income	\$16,663	\$47,265	(\$30,602)
Schools & Libraries	\$39,849	\$88,871	(\$49,022)
Rural Health Care	\$49	\$1,268	(\$1,219)
Administrative Expense	\$0	\$4,396	(\$4,396)
TOTAL	\$136,024	\$357,951	(\$221,927)

Universal Service Support Mechanisms by Program for Florida
2002

(Units are in Thousands)

PROGRAM	PAYMENTS FROM USAC	ESTIMATED CONTRIBUTIONS TO USAC	ESTIMATED NET DOLLAR FLOW
High-Cost	\$87,018	\$198,690	(\$111,672)
Low-Income	\$15,521	\$44,707	(\$29,186)
Schools & Libraries	\$44,154	\$103,328	(\$59,174)
Rural Health Care	\$2	\$1,097	(\$1,095)
Administrative Expense	\$0	\$2,909	(\$2,909)
TOTAL	\$146,695	\$350,731	(\$204,036)

Source: Florida Public Service Commission

CUSTOMERS

Universal Service Support Mechanisms by State - 2003

(Units are in Thousands)

STATE	PAYMENTS FROM USAC	ESTIMATED CONTRIBUTIONS TO USAC	ESTIMATED NET DOLLAR FLOW
Alabama	\$113,276	\$72,848	\$40,428
Alaska	\$112,599	\$15,820	\$96,779
American Samoa	\$4,458	\$132	\$4,326
Arizona	\$114,360	\$109,649	\$4,711
Arkansas	\$128,444	\$45,479	\$82,966
California	\$519,421	\$567,727	(\$48,306)
Colorado	\$98,046	\$103,872	(\$5,827)
Connecticut	\$25,709	\$82,708	(\$56,999)
Delaware	\$4,821	\$20,893	(\$16,071)
District of Columbia	\$3,028	\$29,141	(\$26,112)
Florida	\$136,024	\$357,951	(\$221,927)
Georgia	\$168,358	\$170,999	(\$2,641)
Guam	\$5,138	\$2,301	\$2,838
Hawaii	\$13,866	\$23,782	(\$9,916)
Idaho	\$59,149	\$27,259	\$31,890
Illinois	\$102,957	\$224,396	(\$121,439)
Indiana	\$74,925	\$103,945	(\$29,020)
Iowa	\$83,482	\$49,776	\$33,706
Kansas	\$120,035	\$48,846	\$71,190
Kentucky	\$79,891	\$61,227	\$18,664
Louisiana	\$109,753	\$72,993	\$36,761
Maine	\$44,719	\$26,097	\$18,622
Maryland	\$14,337	\$125,553	(\$111,215)
Massachusetts	\$46,535	\$135,598	(\$89,062)
Michigan	\$82,853	\$163,718	(\$80,865)
Minnesota	\$100,019	\$90,553	\$9,466
Mississippi	\$195,919	\$44,865	\$151,054
Missouri	\$138,955	\$102,388	\$36,567
Montana	\$73,053	\$19,436	\$53,617
Nebraska	\$52,080	\$31,906	\$20,174
Nevada	\$39,278	\$53,275	(\$13,997)
New Hampshire	\$14,334	\$30,714	(\$16,379)
New Jersey	\$39,458	\$217,087	(\$177,629)
New Mexico	\$72,171	\$35,653	\$36,518
New York	\$341,144	\$361,760	(\$20,616)
North Carolina	\$117,762	\$159,528	(\$41,766)
North Dakota	\$61,604	\$12,624	\$48,980
Northern Mariana Islands	\$2,842	\$1,131	\$1,710
Ohio	\$105,984	\$186,848	(\$80,864)
Oklahoma	\$141,191	\$59,104	\$82,087
Oregon	\$85,759	\$69,565	\$16,194
Pennsylvania	\$130,265	\$228,586	(\$98,322)
Puerto Rico	\$111,876	\$32,280	\$79,596
Rhode Island	\$11,913	\$20,384	(\$8,472)
South Carolina	\$125,999	\$75,865	\$50,134
South Dakota	\$53,784	\$13,570	\$40,214
Tennessee	\$74,924	\$100,610	(\$25,687)
Texas	\$433,856	\$346,980	\$86,876
Utah	\$32,438	\$39,861	(\$7,423)
Vermont	\$32,452	\$14,666	\$17,786
Virgin Islands	\$30,956	\$4,239	\$26,717
Virginia	\$98,933	\$165,520	(\$66,586)
Washington	\$108,309	\$120,062	(\$11,753)
West Virginia	\$85,555	\$33,912	\$51,643
Wisconsin	\$125,744	\$92,803	\$32,941
Wyoming	\$49,209	\$12,037	\$37,172
Total	\$5,353,949	\$5,420,520	(\$66,571)*

* Estimated contributions include an administrative cost of approximately \$67 million.

Source: Universal Service Monitoring Report, CC Docket No. 98-202, 2004, Table 1.12, page 1-38

Available on-line at http://www.fcc.gov/Bureaus/Common_Carrier/Reports/FCC-State_Link/Monitor/mr04-1.pdf

Telephone Subscribership

Percentage of Households Subscribed to Local Telephone Service

	JULY 2001	JULY 2002	JULY 2003	JULY 2004
FLORIDA	93.2%	93.6%	95.2%	93.3%
UNITED STATES	95.1%	95.1%	95.2%	93.8%

Lifeline Subscribership

Lifeline Subscribership by ILEC

As of September 2004

COMPANY NAME	ACCESS LINES SUBSCRIBED TO LIFELINE SERVICE
ALLTEL Florida, Inc.	3,067
BellSouth Telecommunications, Inc.	104,467
Frontier Communications of the South, Inc.	104
GTC, Inc. d/b/a GT Com	2,304
ITS Telecommunications Systems, Inc.	27
Northeast Florida Telephone Company d/b/a NEFCOM	561
Quincy Telephone Company d/b/a TDS Telecom/Quincy Telephone	571
Smart City Telecommunications LLC d/b/a Smart City Telecom	0
Sprint-Florida, Incorporated	19,274
Verizon Florida Inc.	23,642
TOTAL	154,017

Lifeline Assistance Subscribers in Florida 1998-2003

DATE	LIFELINE ENROLLMENT	ELIGIBLE HOUSEHOLDS	PARTICIPATION RATE
12/1998	130,139	816,278	15.9 %
12/1999	130,281	816,278	15.9 %
12/2000	134,227	816,278	16.4 %
12/2001	144,610	850,000	17.0 %
12/2002	142,548	819,112	17.4 %
12/2003	148,905	819,112	18.0 %
9/2004	154,017	1,100,000	14.0 %

Sources:

Federal Communications Commission's *Telephone Subscribership Reports*
Available on-line at <http://www.fcc.gov/wcb/iatd/lec.html>

PSC's *Number of Customers Subscribing to Lifeline Service and the Effectiveness of Any Procedures to Promote Participation, December 2004*

Available on-line at <http://www.psc.state.fl.us/general/publications/reports/tele-lifelinereport2004.pdf>

Lifeline Activities

Settlement Agreements

- ◆ In 2001, the PSC approved two settlement agreements in enforcement proceedings initiated against BellSouth and Sprint for failure to meet the PSC's quality-of-service rules. Both companies agreed to contribute funds to the Community Service Fund to be used to promote Lifeline service. The Office of the Public Counsel is responsible for overseeing the Community Service Fund.
- ◆ In 2004 the FPSC ordered that \$1,589,368 be used jointly by the Office of Public Counsel and BellSouth Telecommunications, Inc. (BellSouth) to promote Lifeline and Link-Up.
- ◆ In 2003, Sprint Florida, Inc. and Verizon Florida, Inc. filed tariffs to include an income-based criterion of 125% of the federal poverty guidelines similar to a tariff BellSouth filed in 2001.
- ◆ On February 1, 2005, the FPSC approved the Lifeline Settlement Offers by BellSouth, Verizon, and Sprint in Docket No. 040604-TL. Tariffs will be filed to implement a simplified certification process to be in effect for a period of at least one year. Under this process, a customer will sign a document, under penalty of perjury, attesting that he/she participates in one of Florida's Lifeline eligible programs (e.g. Temporary Assistance to Needy Families [TANF], Supplemental Security Income [SSI], food stamps, Medicaid, Federal Public Housing Assistance [Section 8], Low-Income Home Energy Assistance Plan [LIHEAP], and Bureau of Indian Affairs Program). The customer would also identify the program in which they are participating. Docket No. 040604-TL will be held in abeyance for one year to see what impact the companies will have on increasing subscribership to Lifeline service.

DCF Lifeline

- ◆ Effective April 21, 2003, the Department of Children and Families (DCF) modified its procedures so that information about the Lifeline and Link-Up Florida Programs will be provided during client interviews and on client eligibility notices.
- ◆ The ILECs accept the DCF notice as proof of eligibility for Lifeline Assistance.

2003 Act

- ◆ "The Tele-Competition Innovation and Infrastructure Enhancement Act of 2003" (the 2003 Act) became law on May 23, 2003, by the signature of the Governor.
- ◆ The 2003 Act requires that each state agency that provides benefits to persons eligible for the Lifeline Assistance Program shall, in cooperation with the DCF, the PSC, and telecommunications companies providing Lifeline service, develop procedures to promote participation in Lifeline.

Source:
Florida Public Service Commission

Rates Charged by Florida ILECs for Basic Local Service*

ILEC	RESIDENTIAL	BUSINESS
ALLTEL Florida, Inc.	\$11.35	\$28.37
BellSouth Telecommunications, Inc.	\$11.32	\$30.20
Frontier Communications of the South, Inc.	\$10.95	\$27.25
GTC, Inc. d/b/a GT Com	\$9.40	\$24.69
ITS Telecommunications Systems, Inc.	\$9.09	\$21.34
Northeast Florida Telephone Company d/b/a NEFCOM	\$9.00	\$24.40
Quincy Telephone Company d/b/a TDS Telecom/Quincy Telephone	\$12.95	\$35.00
Smart City Telecommunications LLC d/b/a Smart City Telecom	\$11.47	\$25.56
Sprint-Florida, Incorporated	\$12.35	\$25.65
Verizon Florida Inc.	\$12.10	\$30.54

*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 as of 1/7/05.

Switched Access Charges

Intrastate vs. Interstate Rate Comparison*

COMPANY	SEPTEMBER 2004	
	INTRASTATE RATE	INTERSTATE RATE
ALLTEL Florida, Inc.	\$0.1132	\$0.0177
BellSouth Telecommunications, Inc.	\$0.0462	\$0.0102
Frontier Communications of the South, Inc.	\$0.1040	\$0.0136
GT Com (Floral))	\$0.1320	\$0.0246
GT Com (Gulf)	\$0.1214	\$0.0246
GT Com (St. Joseph)	\$0.1306	\$0.0246
ITS Telecommunications Systems, Inc.	\$0.1128	\$0.0285
Northeast Florida Telephone Company, Inc.	\$0.1126	\$0.0170
Smart City Telecom	\$0.1320	\$0.0160
Sprint-Florida, Incorporated	\$0.1027	\$0.0140
TDS Telecom/Quincy Telephone	\$0.1266	\$0.0187
Verizon Florida Incorporated	\$0.0982	\$0.0147

*Assumes common transport. Rates shown are those actually billed and, thus, for interstate rates, exclude long term support.

Sources:
Review of Tariffs

PSC's Florida Access and Toll Report, September 2004

MTS Rates

IXCs: Intrastate (InterLATA) Daytime Rates and 5 Minute Calls*

AT&T as of (1/22/01)

MILEAGE	FIRST MINUTE	ADDITIONAL MINUTE	5 MINUTE CALL
0-10	\$ 0.30	\$ 0.30	\$ 1.50
11-22	\$ 0.30	\$ 0.30	\$ 1.50
23-55	\$ 0.30	\$ 0.30	\$ 1.50
56-124	\$ 0.30	\$ 0.30	\$ 1.50
125-292	\$ 0.30	\$ 0.30	\$ 1.50
293-430	\$ 0.30	\$ 0.30	\$ 1.50
431-624	\$ 0.30	\$ 0.30	\$ 1.50

MCI WorldCom as of (10/01/01)

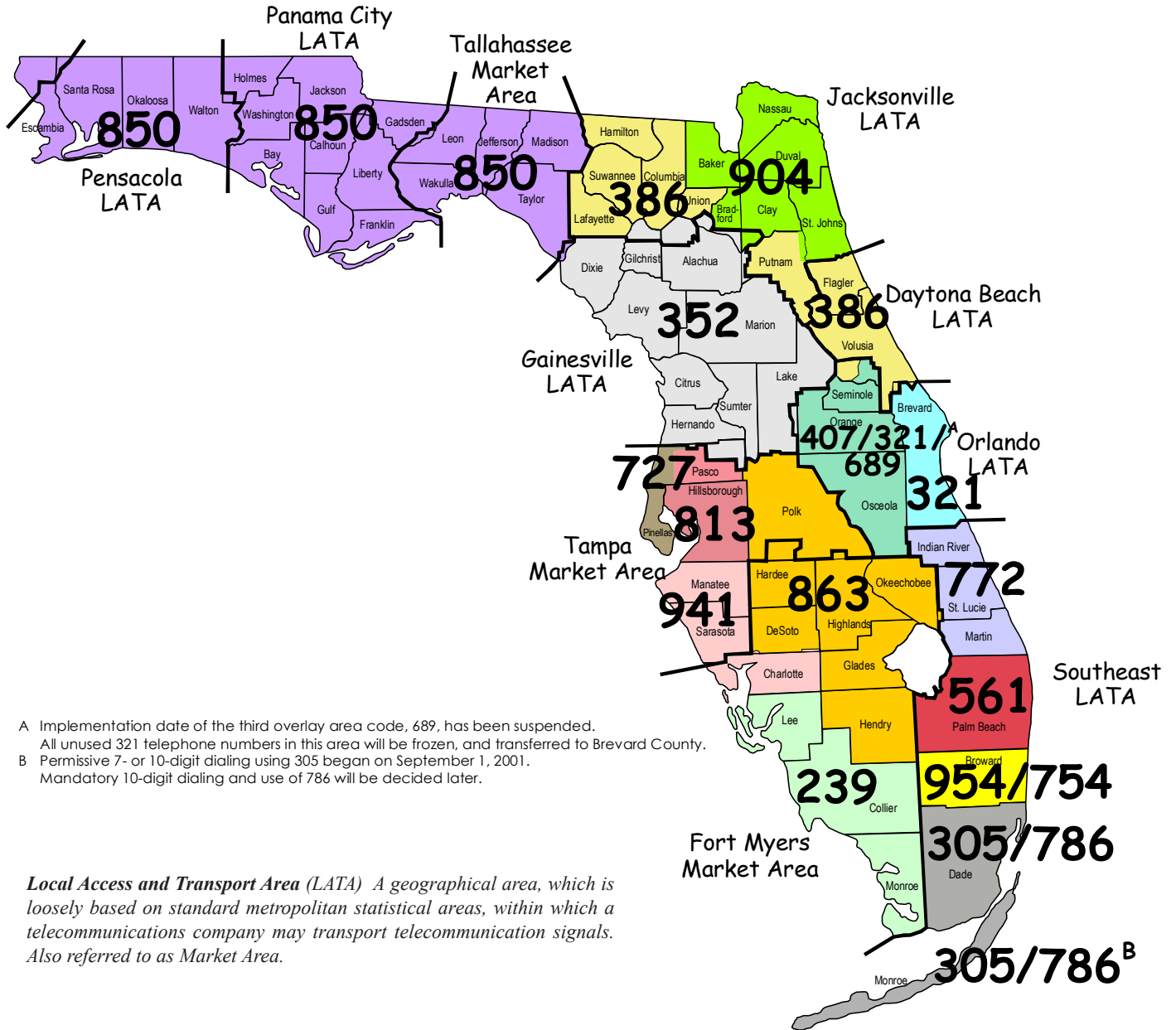
MILEAGE	FIRST MINUTE	ADDITIONAL MINUTE	5 MINUTE CALL
0-10	\$ 0.25	\$ 0.25	\$ 1.25
11-22	\$ 0.25	\$ 0.25	\$ 1.25
23-55	\$ 0.25	\$ 0.25	\$ 1.25
56-124	\$ 0.25	\$ 0.25	\$ 1.25
125-292	\$ 0.25	\$ 0.25	\$ 1.25
293-430	\$ 0.25	\$ 0.25	\$ 1.25
431-624	\$ 0.25	\$ 0.25	\$ 1.25

Sprint as of (3/01/03)

MILEAGE	FIRST MINUTE	ADDITIONAL MINUTE	5 MINUTE CALL
0-10	\$ 0.28	\$ 0.28	\$ 1.40
11-22	\$ 0.28	\$ 0.28	\$ 1.40
23-55	\$ 0.29	\$ 0.29	\$ 1.45
56-124	\$ 0.30	\$ 0.30	\$ 1.50
125-292	\$ 0.31	\$ 0.31	\$ 1.55
293-430	\$ 0.32	\$ 0.32	\$ 1.60
431+	\$ 0.33	\$ 0.33	\$ 1.65

* Using basic rate schedules, residence only (where applicable), excluding special plans or discounts. Dates shown are tariff effective dates.

Florida Area Codes by County and Local Access and Transport Areas (LATAs)



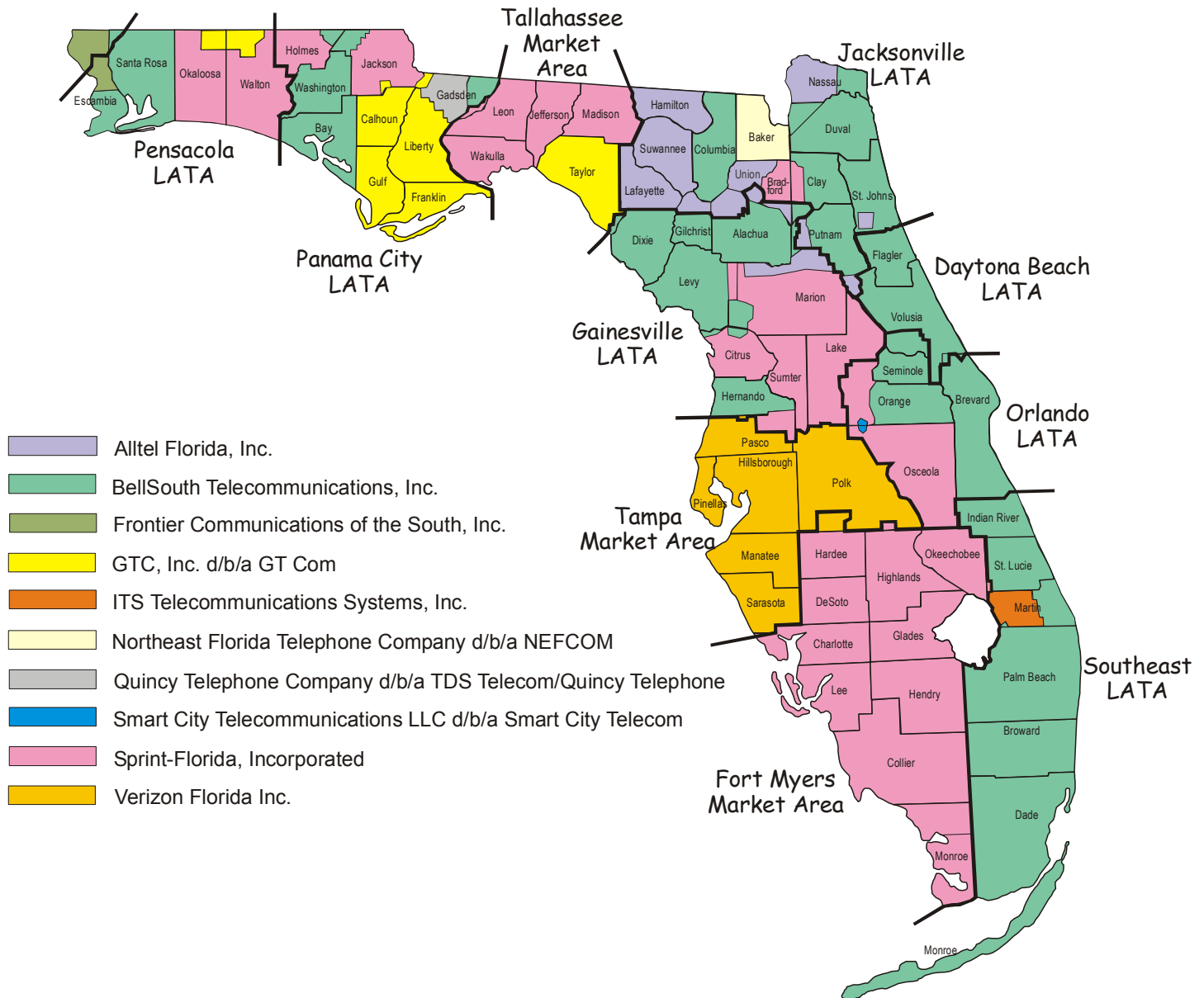
- A Implementation date of the third overlay area code, 689, has been suspended. All unused 321 telephone numbers in this area will be frozen, and transferred to Brevard County.
- B Permissive 7- or 10-digit dialing using 305 began on September 1, 2001. Mandatory 10-digit dialing and use of 786 will be decided later.

Local Access and Transport Area (LATA) A geographical area, which is loosely based on standard metropolitan statistical areas, within which a telecommunications company may transport telecommunication signals. Also referred to as Market Area.

Service areas are approximations.
Information on this map should be used only as a general guideline.

Source: Florida Public Service Commission

Approximate Company Service Areas Incumbent Local Exchange Telephone Companies (ILECs)



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

Regulatory Authority

Pursuant to Chapter 367, Florida Statutes, the PSC has regulatory authority over:

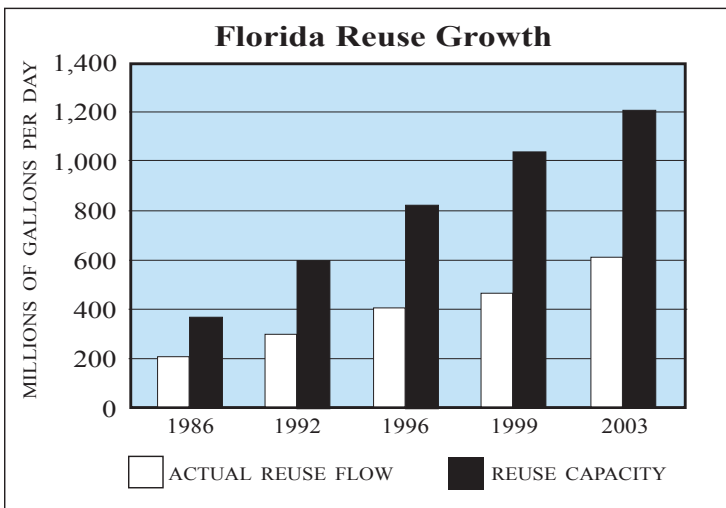
- ◆ 181 investor-owned water and wastewater utilities in 36 of 67 counties

Water Use Data For 2000

- ◆ During 2000, nearly 90 percent of the 16 million residents of Florida obtained their drinking water from public supply water systems; 13 million of these relied upon ground water as their primary source of drinking water.
- ◆ The public supply per capita use for Florida was 174 gallons per person per day.
- ◆ Just under 4 billion gallons per day was used to irrigate 1.87 million acres of agricultural farmland.
- ◆ Slightly more than 12.6 billion gallons per day was used to generate nearly 200,000 kilowatt hours of electricity.

Reuse of Reclaimed Water

- ◆ Reuse has become an integral part of wastewater management, water resource management, and ecosystem management in Florida.
- ◆ Approximately 603 million gallons per day (mgd) of reclaimed water was reused for beneficial purposes in 2003.
- ◆ The total reuse capacity of Florida's domestic wastewater treatment facilities has gone from 362 mgd in 1986 to 1,206 mgd in 2003, which amounts to an increase of 233 percent. The current reuse capacity represents about 54 percent of the total permitted domestic wastewater treatment capacity in Florida.



Sources:
 U.S., Department of Interior, Geological Survey, *Water Use Data Tables 2000*
 Available on-line at <http://fl.water.usgs.gov>

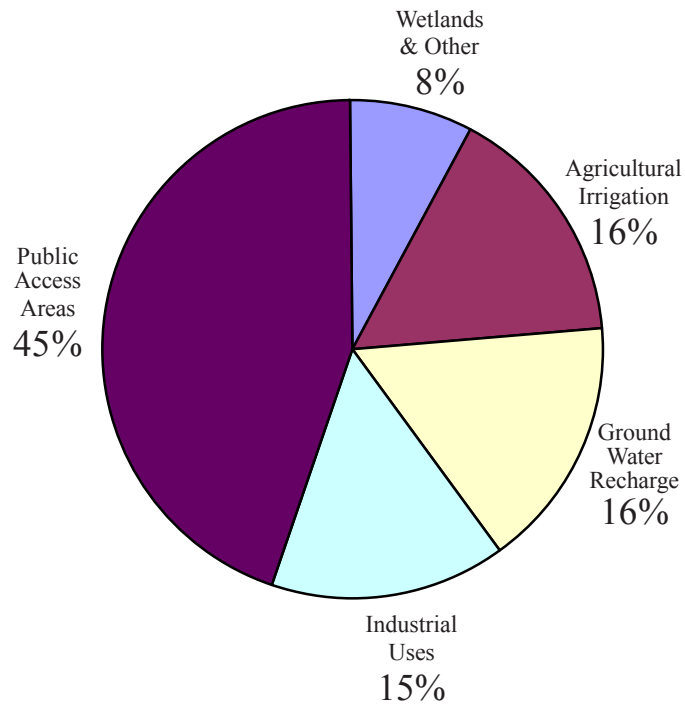
2003 Florida Statistical Abstract

2003 Reuse Inventory, July 2004 Version, Florida Department of Environmental Protection
 Available on-line at <http://www.dep.state.fl.us/water/reuse/docs/2003inventory.pdf>

Continued on next page

Reuse of Reclaimed Water

Continued



Tri-State Compact

- ◆ In August of 2003, many years of negotiations between Florida, Georgia and Alabama regarding water allocations from the Apalachicola-Chattahoochee-Flint River Basin ended with disagreement among the three state's governors. Florida's major concern is protection of the Apalachicola River and Bay. This water sharing agreement is now the subject of three separate pending Federal lawsuits.

Source: *2003 Reuse Inventory, July 2004 Version*
 Florida Department of Environmental Protection
 Available on-line at <http://www.dep.state.fl.us/water/reuse/docs/2003inventory.pdf>

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 have as few as 50 customers, whereas a Class A utility may have thousands of customers.
- ◆ The number of customers served may be obtained for a specific utility from the annual reports kept on file at the PSC when needed.

Rate Structure

- ◆ Most water and wastewater utilities regulated by the PSC use a base facilities charge and a gallonage charge rate structure.
- ◆ 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. (This rate structure is very similar to the base facilities charge and gallonage charge rate structure, but includes additional gallonage charges for higher levels of usage.)

Residential Wastewater Gallonage Cap

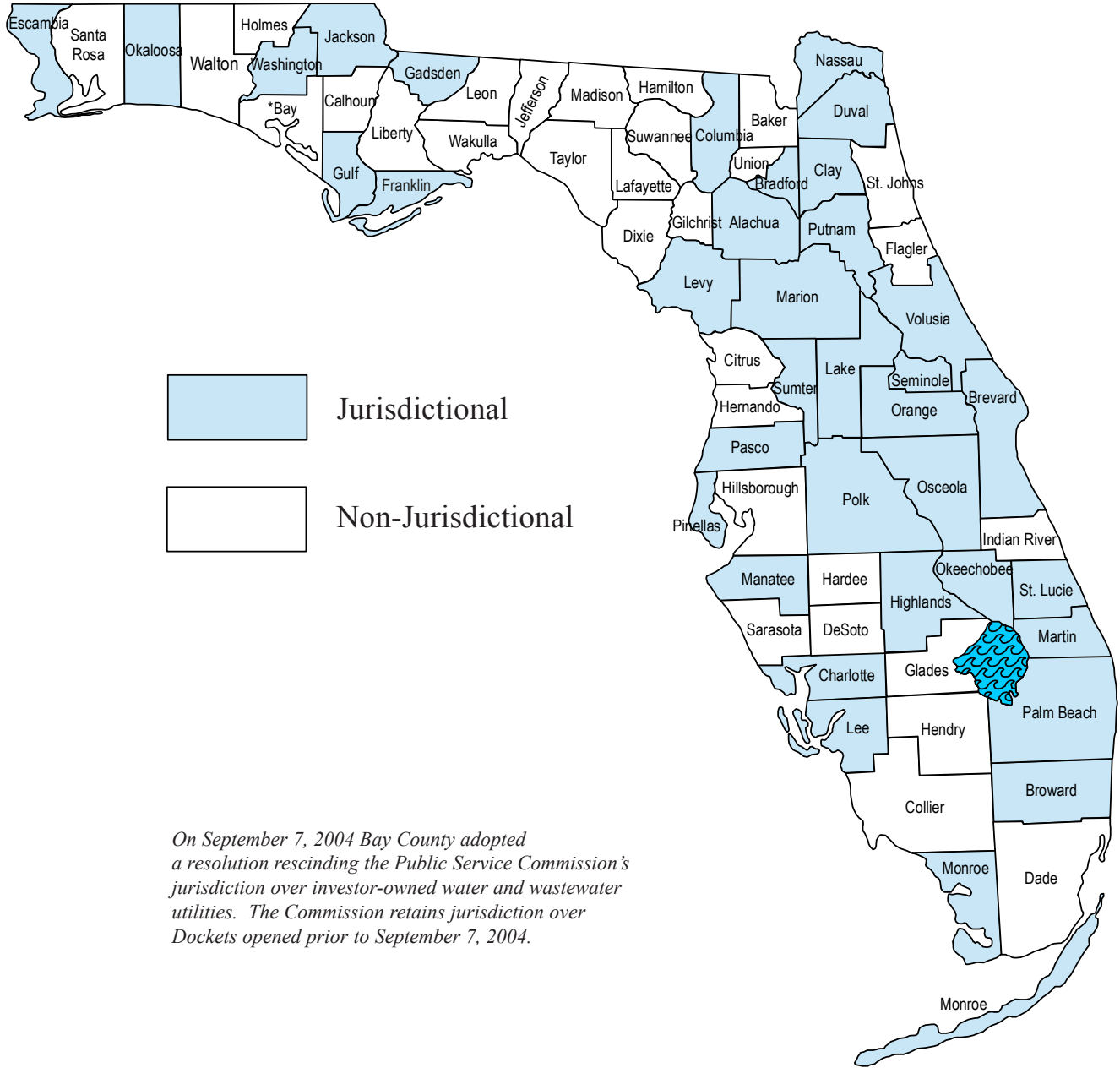
- ◆ A maximum (or cap) is set on the number of gallons of water consumption for which the customer is billed a wastewater gallonage charge.
- ◆ The cap is normally between 6,000 and 10,000 gallons. (Any water consumption over that amount is generally considered to be used for purposes such as irrigation.)

Water and 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 PSC's "Comparative Rate Statistics, December 31, 2003" report, which is available on-line at <http://www.psc.state.fl.us/general/publications/comprate/2003water.pdf>.

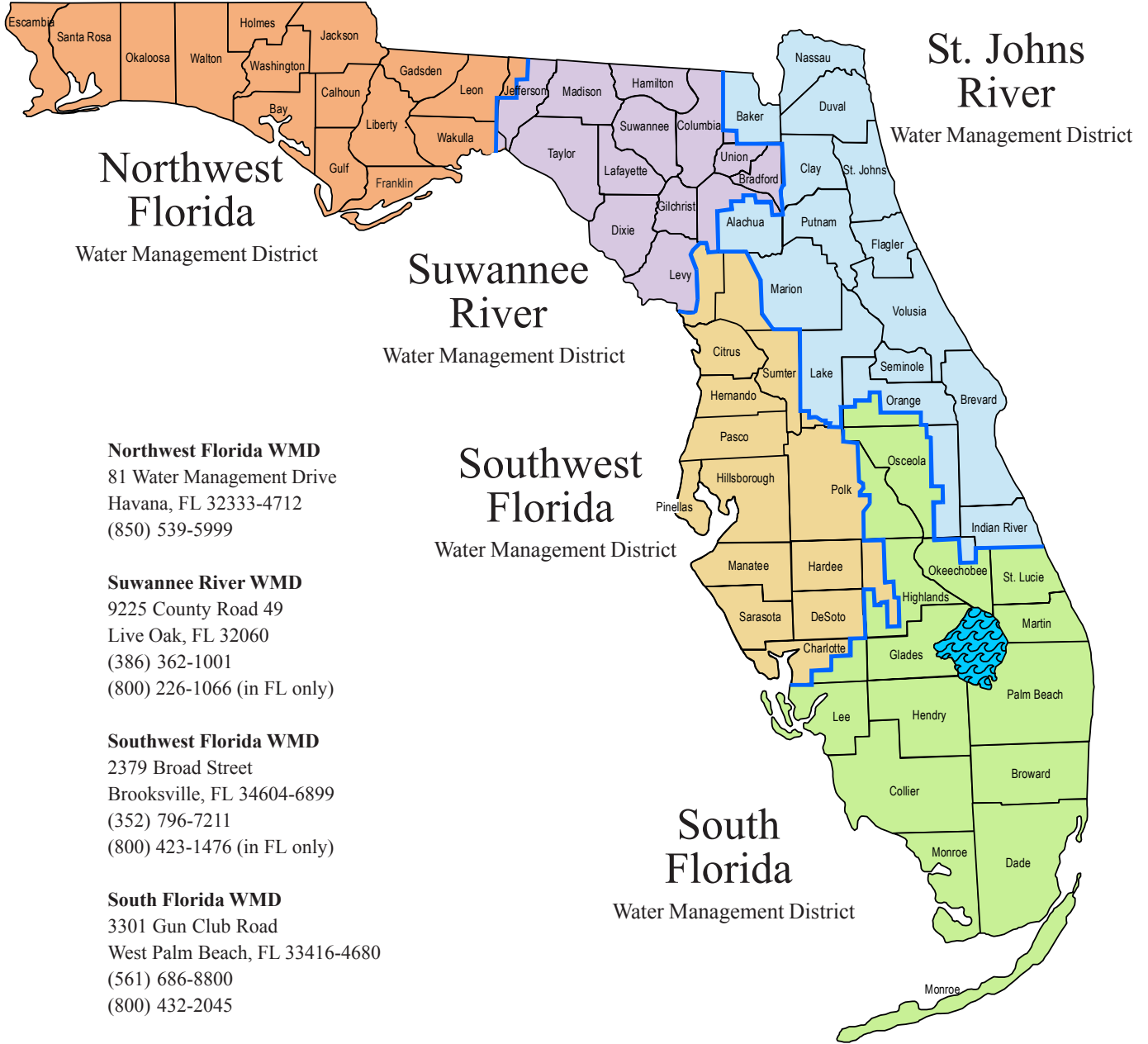
WATER & WASTEWATER

36 Jurisdictional Counties



Source: Florida Public Service Commission

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)

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 33416-4680
 (561) 686-8800
 (800) 432-2045

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

Source: Florida Public Service Commission