Facts & Figures
of the
Florida Utility Industry

Florida Public Service Commission

March 2011

ELECTRIC | TELECOMMUNICATIONS | WATER & WASTEWATER | NATURAL GAS

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 reference 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. If you have questions about this publication, please contact:

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Regulatory Authority

Pursuant to Chapter 366, Florida Statutes (F.S.), as of December 2010, 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, 2010

- Summer: 58,420 Megawatts (MW)
- Winter: 62,433 MW *

Transmission Capability for Peninsular Florida

- Import ⟶ Summer: 3,600 MW
  Winter: 3,800 MW
- Export ⟶ Summer: 1,000 MW
  Winter: 1,800 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.

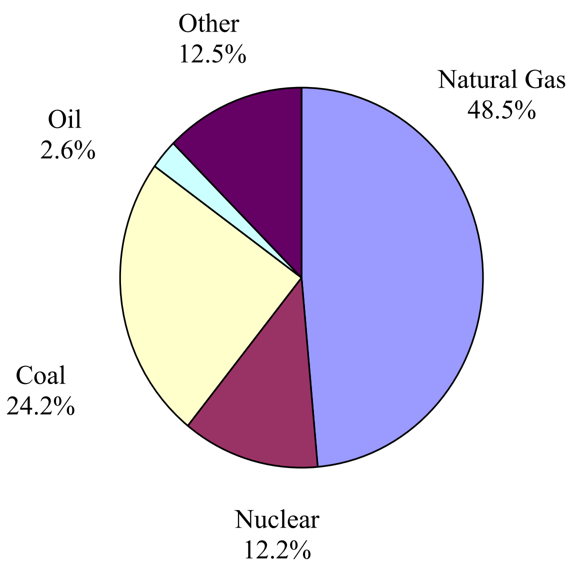
Sources:
FPSC's *2010 Annual Report*
http://www.floridapsc.com/publications/pdf/general/annualreports/2010.pdf

Florida Reliability Coordinating Council's *2010 Regional Load & Resource Plan*, July 2010
http://www.floridapsc.com/utilities/electricgas/docs/2010_FRCC_Plan.pdf

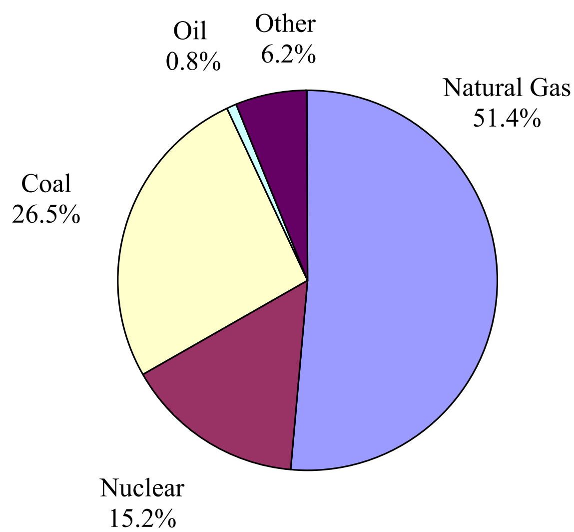
FPSC's *Review of 2010 Ten-Year Site Plans for Florida's Electric Utilities,* October 2010
http://www.floridapsc.com/publications/pdf/electricgas/tysp2010.pdf

Florida Energy Generation by Fuel Type

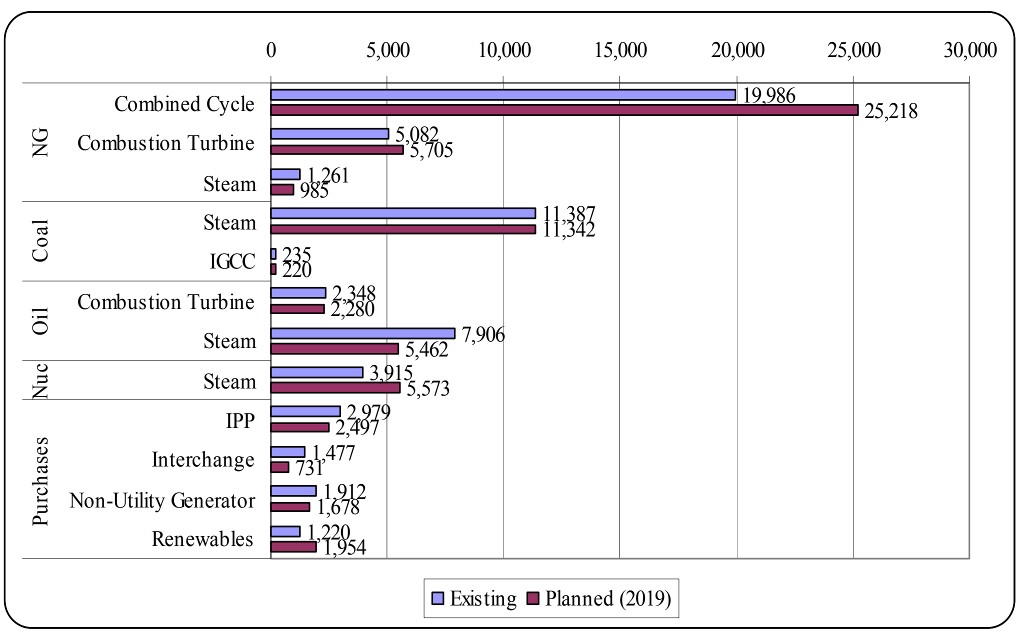
2009 (Actual)



2019 (Forecast)

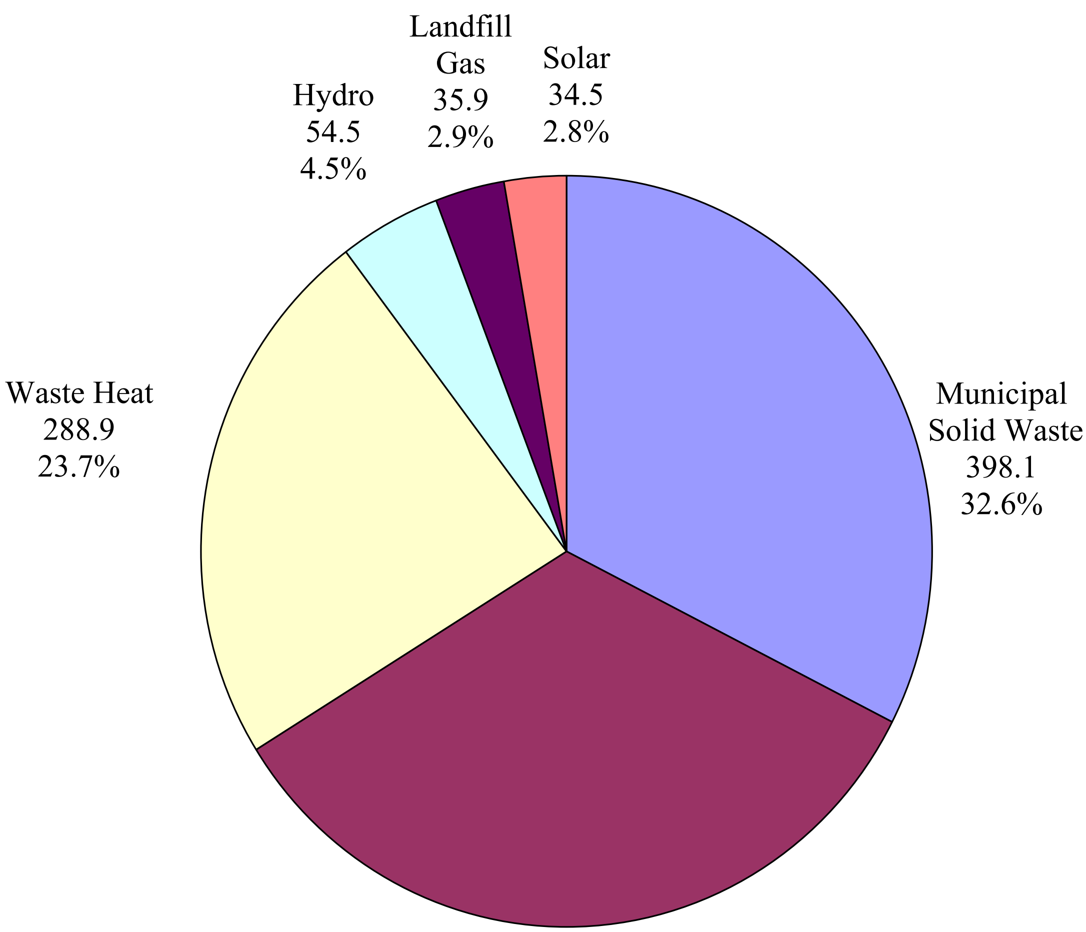


Electric Utility Summer Capacity Mix (MW)



Source:
FPSC's *Review of 2010 Ten-Year Site Plans for Florida's Electric Utilities,* October 2010
http://www.floridapsc.com/publications/pdf/electricgas/tysp2010.pdf

Florida's Renewable Capacity in MW (2009)
(Total: 1,219.9 MW)



Total Florida Renewable Capacity: 1,219.9 MW
Total Florida Electric Generation Capacity: 58,420 MW (Summer)

Biomass: Material collected from wood processing, forestry, 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 2010 Ten-Year Site Plans for Florida's Electric Utilities,* October 2010
http://www.floridapsc.com/publications/pdf/electricgas/tysp2010.pdf

Average Number of Customers

Average Number of Customers for Investor-Owned Utilities

By Class of Service

2010 Average Projected

Utility	Residential	Commercial	Industrial	Total
Florida Power & Light	3,987,834	500,788	9,276	4,497,898
Progress Energy Florida	1,441,396	160,790	2,456	1,604,642
Tampa Electric Company	591,862	71,443	1,398	664,703
Gulf Power Company	374,386	53,995	279	428,660
Florida Public Utilities *	23,679	3,572	747	27,998
Total	**6,419,157**	**790,588**	**14,156**	**7,223,901**

* Reflects 2009 data. Florida Public Utilities is a non-generating utility which is not required to file a Ten-Year Site Plan.

Sources:
2010 Ten-Year Site Plans filed by generating utilities (Schedules 2.1 and 2.2)
http://www.floridapsc.com/utilities/electricgas/10yrsiteplans.aspx

FPUC Annual Report

Typical Electric Bill Comparisons

Residential Service Provided by Investor-Owned Utilities
December 31, 2010

Utility	Minimum Bill or Customer Charge*	1,000 Kilowatt Hours*
Florida Power & Light	$ 5.90	$ 92.63
Progress Energy Florida	$ 8.76	$ 123.73
Tampa Electric Company	$ 10.50	$ 110.00
Gulf Power Company	$ 10.00	$ 123.02
Florida Public Utilities		
Northwest	$ 12.00	$ 150.93
Northeast	$ 12.00	$ 127.81

Commercial/Industrial Service Provided by Investor-Owned Utilities
December 31, 2010

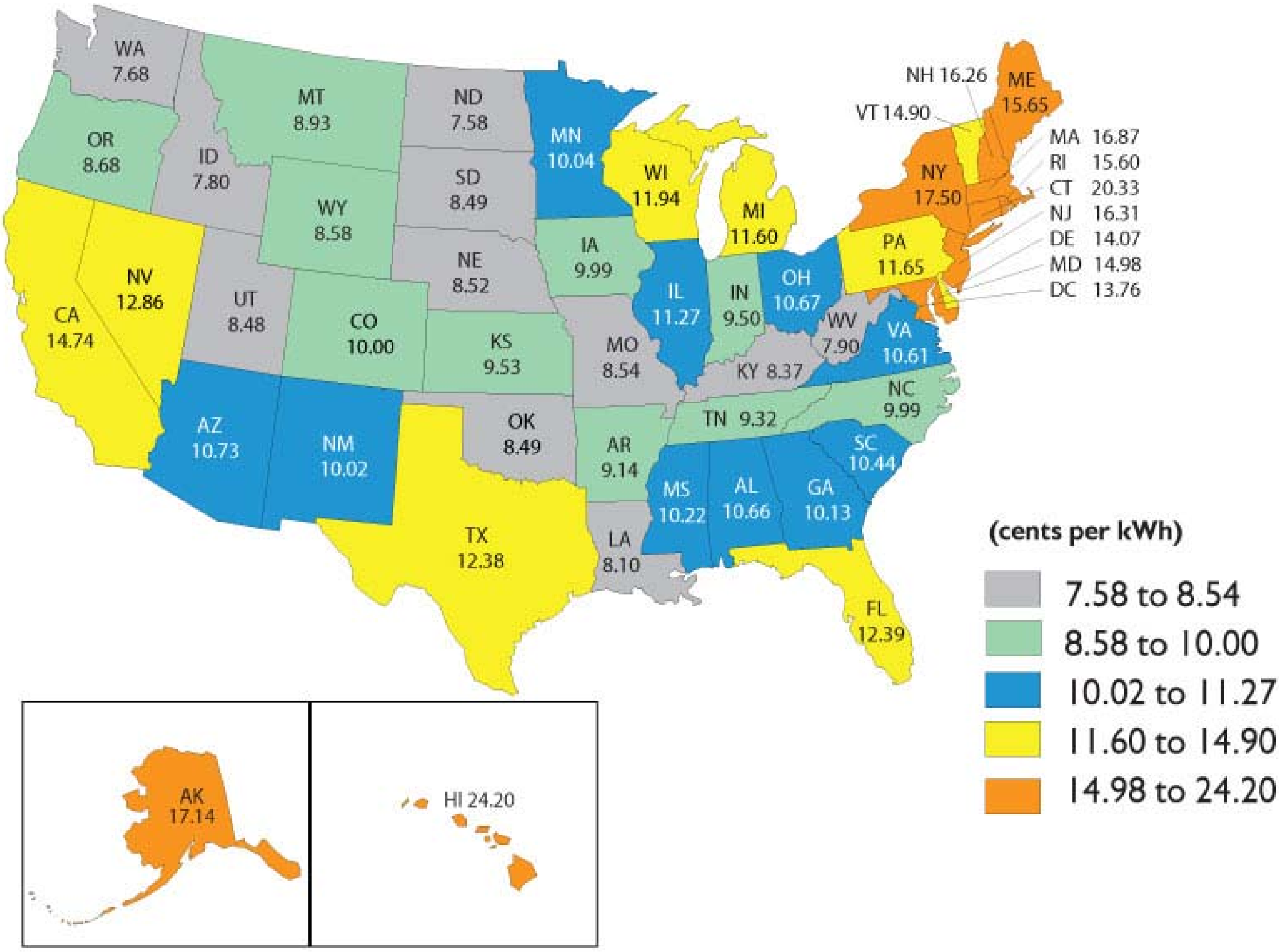
Utility	400,000 Kilowatt Hours 1,000 KW Demand*
Florida Power & Light	$ 31,206
Progress Energy Florida	$ 38,600
Tampa Electric Company	$ 37,199
Gulf Power Company	$ 34,449
Florida Public Utilities	
Northwest	$ 54,712
Northeast	$ 45,244

* Excludes local taxes, franchise fees, and gross receipts taxes that are billed as a separate line item. Includes cost recovery clause factors effective December 2010.

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, 2010
http://www.floridapsc.com/publications/pdf/general/comparativerate.aspx

Average Residential Price of Electricity by State (2009)
(U.S. Residential Average Price per kWh = 11.51 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 2009*, Figure 7.5, November 2010 (Revised January 2011)
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., February 14, 2011
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 over 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, 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 $842.4 million ($1.5 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

December 31, 2010

Reactor	Utility	Metric Tons in Spent Fuel Pool	Dry Cask Storage to Begin	NRC License Expires
Crystal River 3	PEF	509.26	2013	2016*
St. Lucie 1	FPL	553	2008	2036
St. Lucie 2	FPL	430	2010	2043
Turkey Point 3	FPL	565	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	2021 - 2022
Turkey Point 6	FPL	2022
Turkey Point 7	FPL	2023

** The estimated in-service dates for the PEF's Levy Units have been delayed. FPL has not made a final determination whether to construct Turkey Point 6 & 7.

Sources:
http://www.nrc.gov/reactors/operating/list-power-reactor-units-html
Florida Power & Light Company
Progress Energy Florida

Nuclear Waste Fund Ratepayer Payments by State Through 9-30-10
(Millions of Dollars)

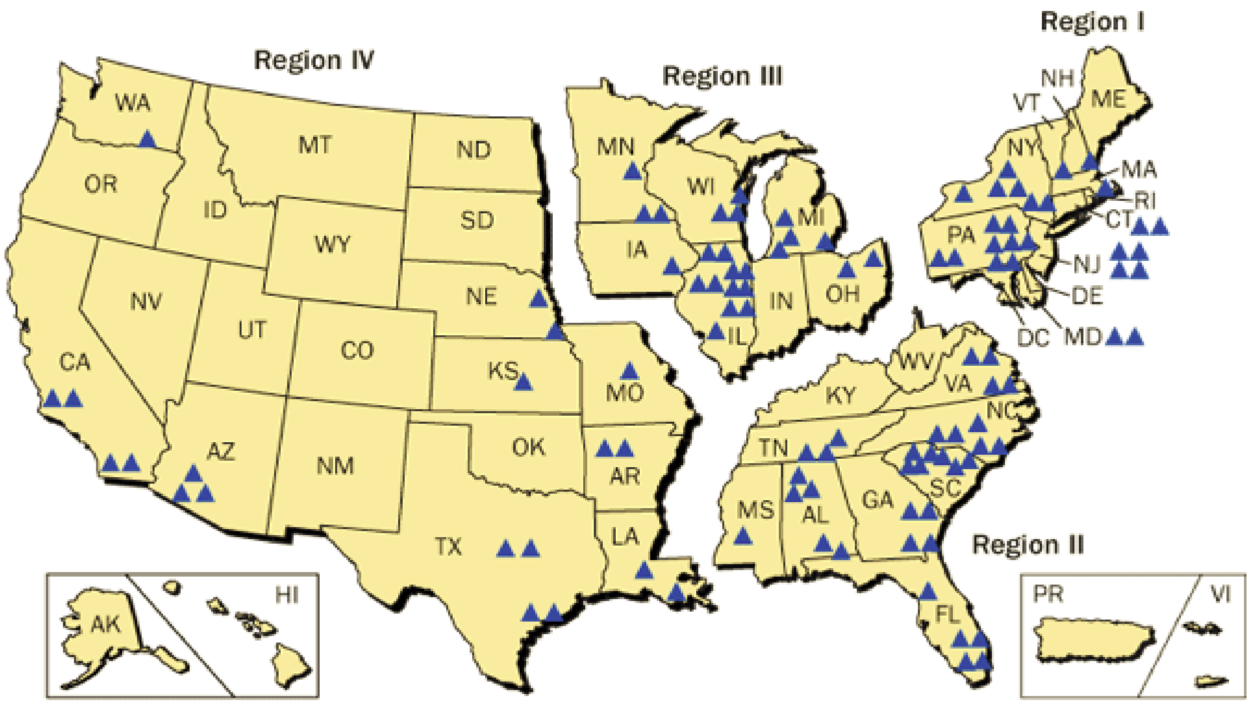
State	Payments (1 mill/kwh, One Time + Int)	Return on Investments	Total (Pay + Return)	Debt*	Fund Assets** (Total + Debt)
AL	533.9	425.7	959.6	0	959.6
AR	358.2	285.6	643.8	175.6	819.4
AZ	266.3	212.4	478.7	0	478.7
CA	1,020.3	813.6	1,833.9	0	1,833.9
CO	0.2	0.2	0.4	0	0.4
CT	295.9	236.0	531.9	358.5	890.4
DE	46.6	37.2	83.8	0	83.8
FL	**842.4**	**671.8**	**1,514.2**	**0**	**1,514.2**
GA	685.5	546.6	1,232.1	0	1,232.1
IA	249.4	198.9	448.3	45.1	493.4
IL	1,880.1	1,499.2	3,379.3	972.6	4,351.9
IN	252.1	201.0	453.1	229.9	683.0
KS	133.3	106.3	239.6	0	239.6
KY	152.1	121.3	273.4	0	273.4
LA	324.2	258.5	582.7	0	582.7
MA	356.1	284.0	640.1	163.4	803.5
MD	390.6	311.5	702.1	0	702.1
ME	48.5	38.7	87.2	116.9	204.1
MI	314.2	250.6	564.8	198.2	763.0
MN	316.6	252.5	569.1	0	569.9
MO	250.7	199.9	450.6	5.1	455.7
MS	161.7	128.9	290.6	0	290.6
NC	1,538.0	1,226.4	2,764.4	0	2,764.4
ND	18.0	14.4	32.4	0	32.4
NE	190.0	151.5	341.5	0	341.5
NH	82.2	65.5	147.7	23.8	171.5
NJ	732.3	584.0	1,316.3	196.8	1,513.1
NM	77.4	61.7	139.1	0	139.1
NY	850.8	678.4	1,529.2	505.3	2,034.5
OH	461.9	368.3	830.2	32.6	862.8
OR	75.1	59.9	135.0	0	135.0
PA	1,378.3	1,099.1	2,477.4	66.6	2,544
RI	5.3	4.2	9.5	6.1	15.6
SC	689.4	549.7	1,239.1	0	1,239.1
SD	7.1	5.7	12.8	0	12.8
TN	580.1	462.6	1,042.7	0	1,042.7
TX	801.1	638.8	1,439.9	0	1,439.9
VA	698.9	557.3	1,256.2	0	1,256.2
VT	100.2	79.9	180.1	141.6	321.7
WA	170.6	136.0	306.6	0	306.6
WI	428.2	341.5	769.7	0	769.7
Subtotal	17,763.8	14,165.3	31,929.1	3,238.1	35,167.2
Federal	19.8	15.8	35.6	0	35.6
Industry	16.8	13.4	30.2	0	30.2
Total	**17,800.4**	**14,194.5**	**31,994.9**	**3,238.1**	**35,233.0**

* 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/rep910.pdf

Operating Nuclear Power Reactors



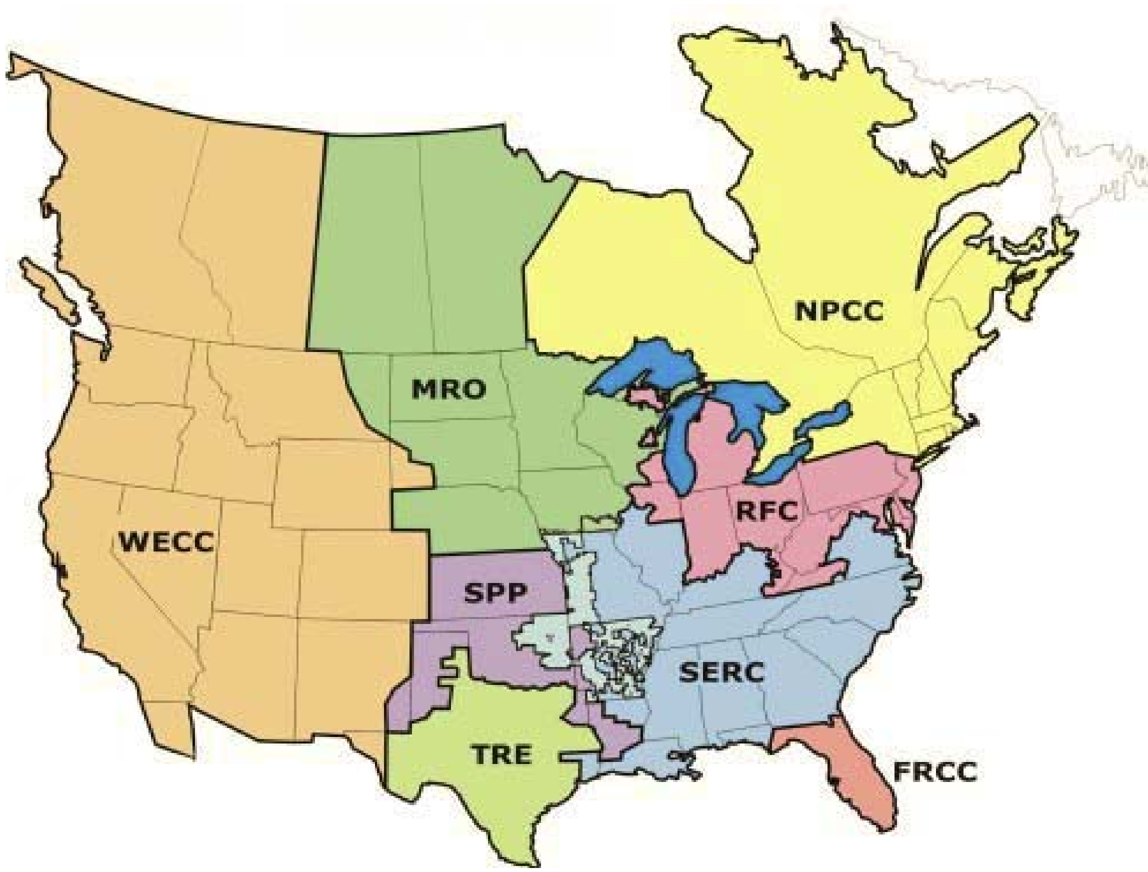
▲ Licensed to Operate (104)

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.

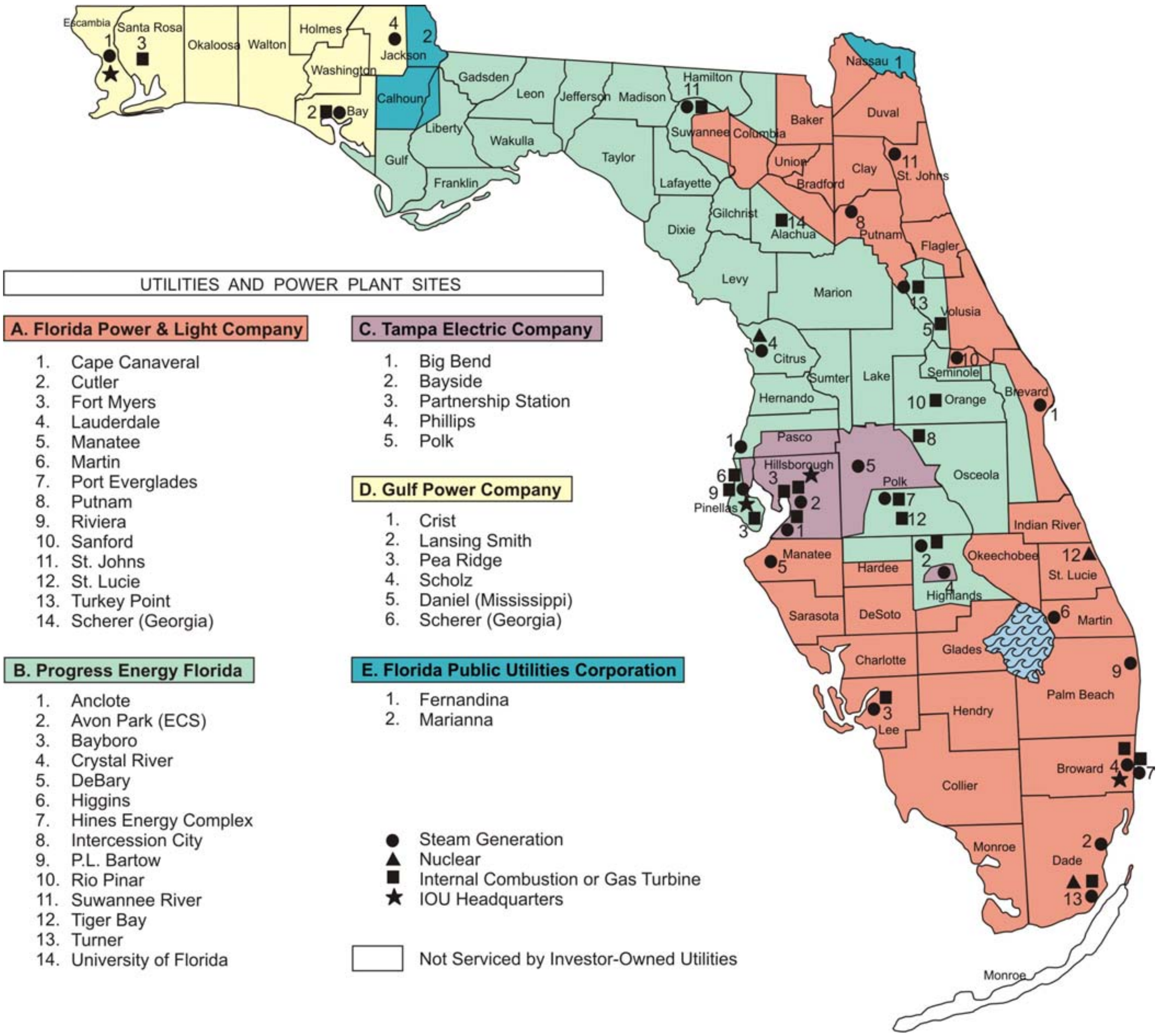


FRCC	Florida Reliability Coordinating Council
MRO	Midwest Reliability Organization
NPCC	Northeast Power Coordinating Council
RFC	Reliability*First* Corporation
SERC	SERC Reliability Council
SPP	Southwest Power Pool
TRE	Texas Regional Entity
WECC	Western Electricity Coordinating Council

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

Investor-Owned Electric Utilities

Approximate Company Service Areas



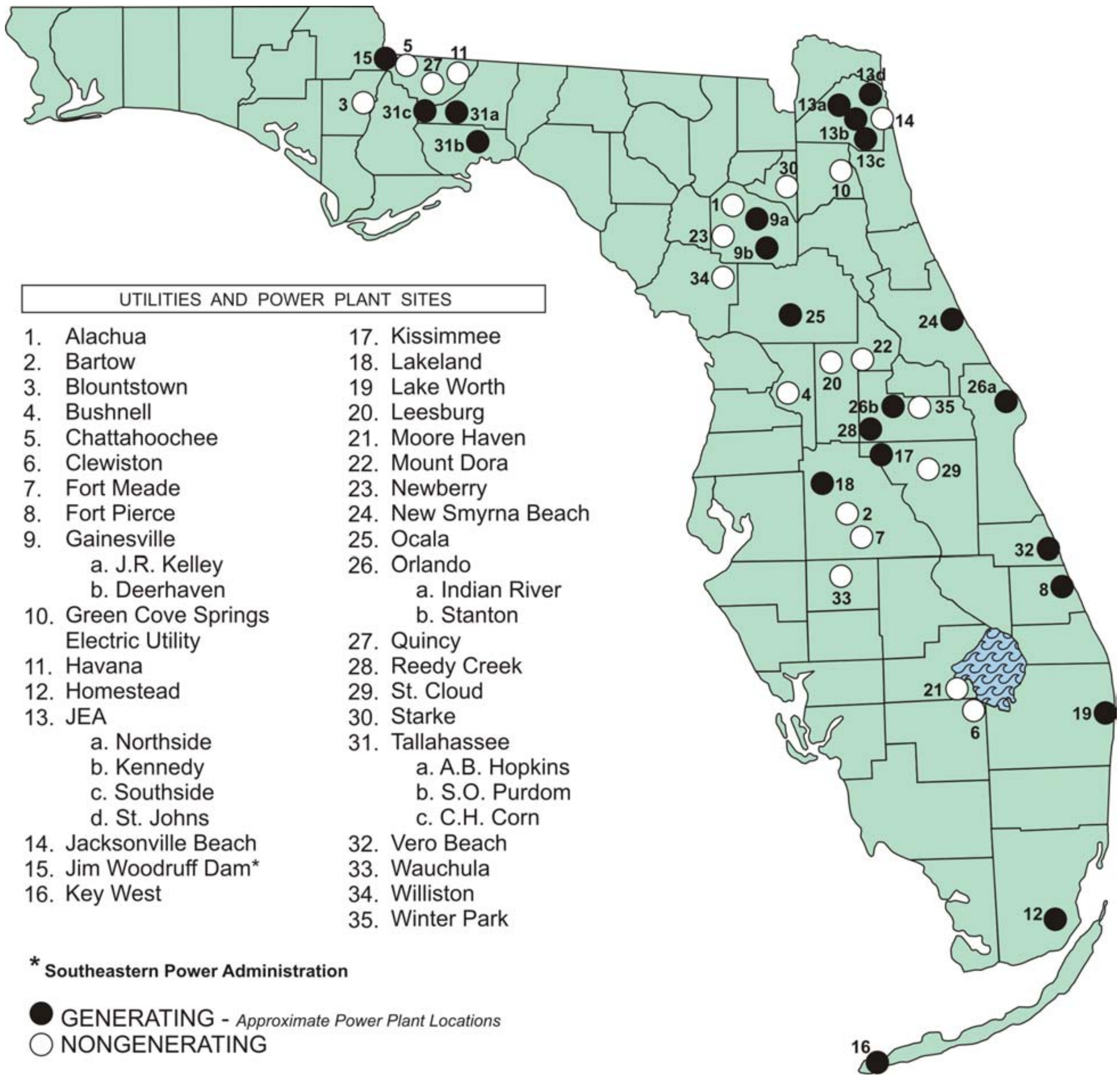
Service areas are approximations.
Information on this map should be used only as a general guideline.
For more detailed information, contact individual utilities.

Source:
Florida Public Service Commission

Additional information about Florida's investor-owned electric utilities is available from:
FPSC's *Statistics of the Florida Electric Utility Industry 2009*, September 2010
http://www.floridapsc.com/utilities/electricgas/statistics/statistics-2009.pdf

Municipal Electric Utilities

Approximate Utility Locations



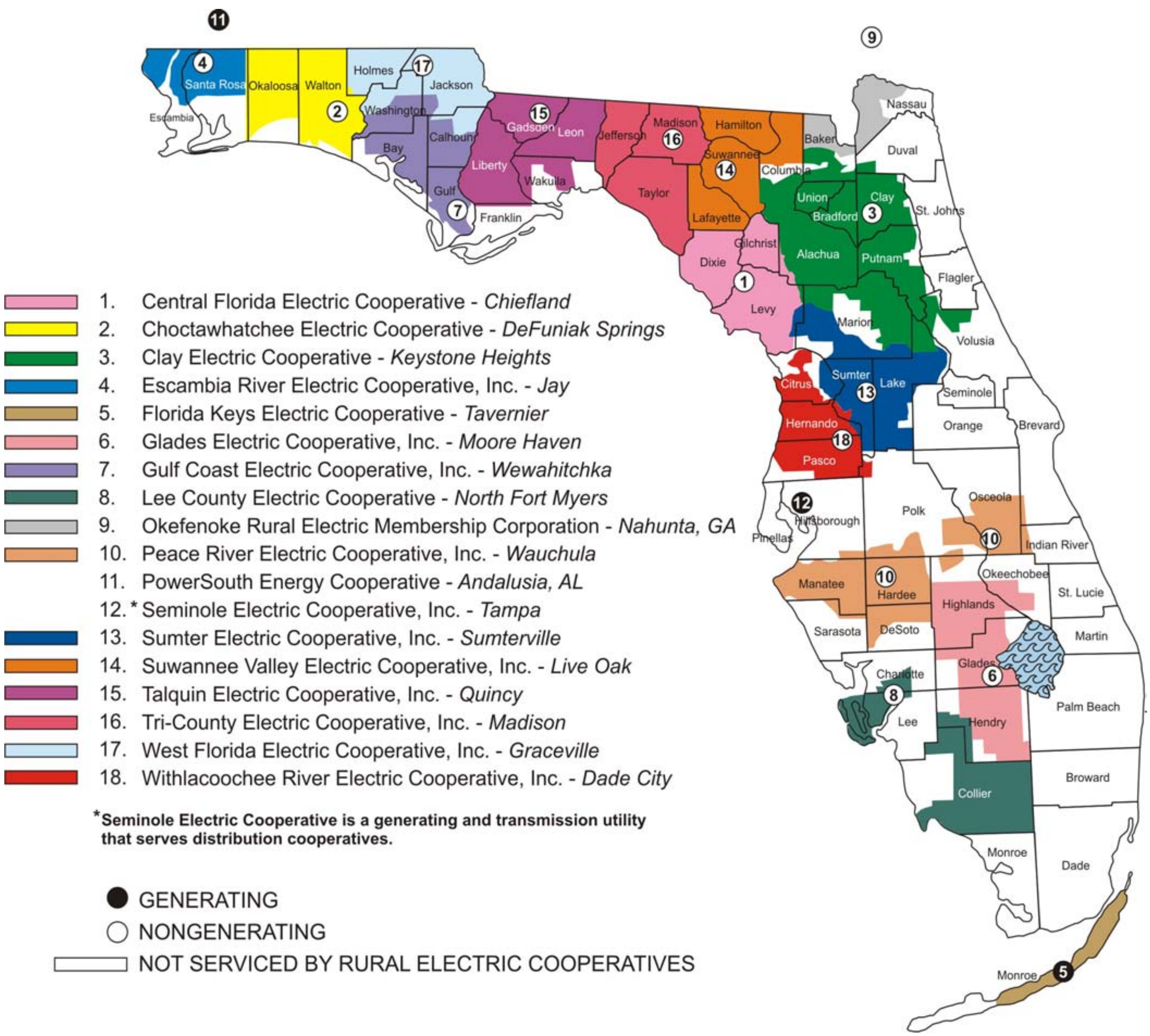
Information on this map should be used only as a general guideline.
For more detailed information, contact individual utilities.

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 2009*, September 2010
http://www.floridapsc.com/utilities/electricgas/statistics/statistics-2009.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 2009*, September 2010
http://www.floridapsc.com/utilities/electricgas/statistics/statistics-2009.pdf

Regulatory Authority

Pursuant to Chapter 366, F.S., as of December 2010, 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. (Interstate pipelines are subject to the direct jurisdiction of the U.S. Dept. of Transportation.)

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 *2010 Annual Report*
http://www.floridapsc.com/publications/pdf/general/annualreports/2010.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, 2009

Utility	Residential	Commercial & Industrial	FTS*	Other**	Total
Chesapeake Utilities ***	0	0	14,441	0	14,441
Florida City Gas	96,532	4,638	1,657	0	102,647
Florida Public Utilities Co.	46,781	4,413	525	66	51,785
Indiantown Gas Co. ***	0	0	711	0	711
Peoples Gas System	303,653	16,204	14,510	68	334,435
St. Joe Natural Gas	2,726	231	1	1	2,959
Sebring Gas System ***	0	0	480	0	480

Annual Therm Sales for Investor-Owned Utilities
December 31, 2009

Utility	Residential	Commercial & Industrial	FTS*	Other**	Total
Chesapeake Utilities ***	0	0	119,357,751	0	119,357,751
Florida City Gas	16,732,216	20,964,846	50,586,684	0	88,283,746
Florida Public Utilities Co.	11,883,150	29,751,070	13,037,780	5,876,240	60,548,240
Indiantown Gas Co. ***	0	0	6,509,301	0	6,509,301
Peoples Gas System	69,748,961	57,165,779	326,693,388	987,118,009	1,440,726,137
St. Joe Natural Gas	626,334	315,458	403,076	3,182,960	4,527,828
Sebring Gas System ***	0	0	1,024,002	0	1,024,002

* 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, 2009 Annual Reports filed by Natural Gas Utilities

Typical Natural Gas Bill Comparisons

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

December 31, 2010

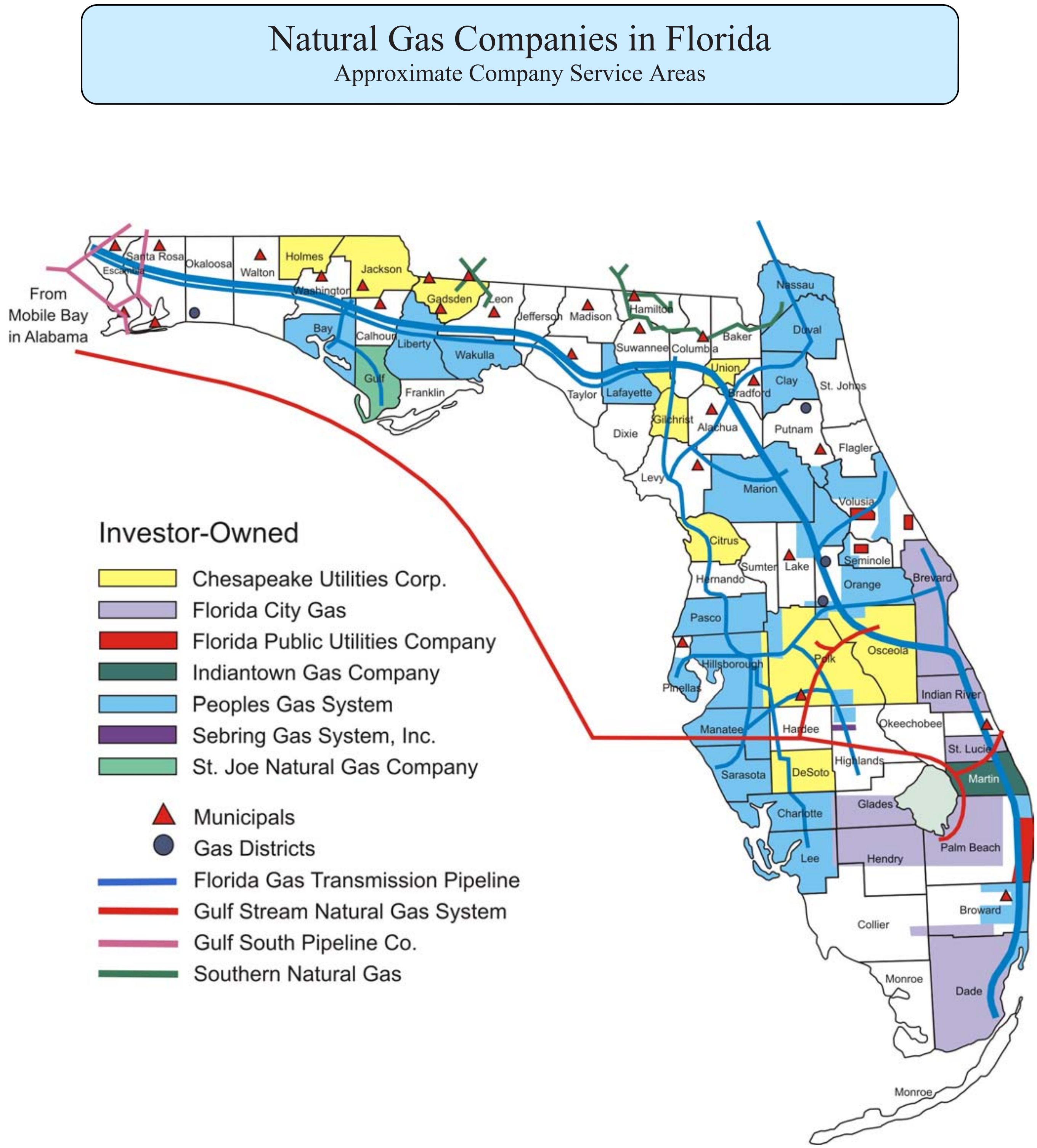
Utility	Residential: Minimum Bill or Customer Charge	Residential: Therms Sold (20)	Commercial: Minimum Bill or Customer Charge	Commercial: Therms Sold (90)	Industrial: Minimum Bill or Customer Charge	Industrial: Therms Sold (700)
Chesapeake Utilities *	$ 19.00	$ 28.59	$ 15.00	$ 62.17	$15.00-$27.50	$ 264.06
Florida City Gas	$ 8.00	$ 39.76	$8.00-$11.00	$ 150.92	$11.00-$12.00	$ 1,014.65
Florida Public Utilities Co.	$ 11.00	$ 53.30	$ 15.00	$ 197.91	$15.00-$45.00	$ 1,445.10
Indiantown Gas Co. *	$ 9.00	$ 16.57	$ 9.00	$ 43.05	$ 9.00	$ 273.85
Peoples Gas System	$ 12.00	$ 40.57	$ 20.00	$ 158.61	$20.00-$30.00	$ 1,064.22
St. Joe Natural Gas	$ 20.00	$ 46.85	$ 9.00	$ 173.12	$ 9.00	$ 872.01
Sebring Gas System *	$ 9.00	$ 20.43	$9.00-$12.00	$ 60.43	$ 12.00	$ 357.29

December 2010 gas costs are included for those companies participating in purchased gas adjustment clause. (Florida City, FPUC, Peoples, and St. Joe).

December 2010 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, 2010
http://www.floridapsc.com/publications/pdf/general/comparativerate.aspx



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

Source:
FPSC Map
http://www.floridapsc.com/publications/pdf/electricgas/naturalgasutilities.pdf

Regulatory Authority

Pursuant to Chapter 364, F.S., as of December 2010, the FPSC has regulatory authority over:

- **10 incumbent local exchange companies (ILECs)**
- **297 competitive local exchange companies (CLECs)**
- **481 interexchange (long distance) companies (IXCs)**
- **113 pay telephone service companies (PATS)**
- **25 alternative access vendors (AAVs)**
- **20 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, 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 *2010 Annual Report*
http://www.floridapsc.com/publications/pdf/general/annualreports/2010.pdf

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

Broadband, VoIP, and Wireless

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. Voice over Internet Protocol (VoIP) and wireless services compete with traditional wireline service and represent a significant portion of today's communications market in Florida. Broadband service also provides the basis for some VoIP services. These three services are not subject to FPSC jurisdiction.

Broadband

- Florida's broadband line count was approximately 6.7 million as of December 2008.
- Over half of those connections are at download speeds of 3 Mbps or greater; however, fewer than 10 percent of those connections are greater than or equal to 10 Mbps.
- Residential subscribership in Florida reached 63 percent, as of December 31, 2008, which is 4 percent below the current national average.
- There are 93 providers of high-speed Internet access in Florida, including 44 digital subscriber line (DSL) providers, 19 cable providers, 31 fiber providers, and 6 mobile wireless providers.
- Wireless broadband services represent the fastest growing segment of the broadband market.

VoIP

- As of December 2009, there were 1.8 million residential VoIP subscribers in Florida, an increase of 12.5 percent over the 1.6 million estimated in 2008.
- Forty-seven CLECs and 3 ILECs voluntarily reported 252,207 VoIP lines to the FPSC in response to its 2010 Local Competition data request.
- The Florida Cable Telecommunications Association (FCTA) reported 1.4 million residential cable digital voice (VoIP) subscribers as of December 2009, an increase of 15 percent from the number reported for December 2008.

Wireless

- Wireless subscribers in Florida, as of December 2008, reached 16.2 million handsets.
- Prepaid market share grew to 20.9 percent in 2009, representing a growth rate that was nearly 4 times greater than postpaid wireless phone plans.
- The Centers for Disease Control (CDC) estimates that nearly 24.5 percent of U.S. households are wireless-only as of December 2009.

Sources:
FPSC's *Report on the Status of Competition in the Telecommunications Industry, As of December 31, 2009*
http://www.floridapsc.com/publications/pdf/telecomm/20100730MasterComp.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 2009*

	Residential	Business	Total	Changes Since 2007
ILECs	3,960,176	2,500,299	6,460,405	-23%
CLECs	174,467	836,204	1,010,671	-6%
Total	**4,134,643**	**3,336,433**	**7,471,076**	**-21%**

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**

* Most current data available as of February 2011.
** 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, 2009*, Table 3-2
http://www.floridapsc.com/publications/pdf/telecomm/20100730MasterComp.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. The program uses 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 financial assistance designed to reduce the high fixed switching costs for carriers that serve 50,000 loops or fewer.
- **Forward-looking high-cost model support (HCM)**: Provides support to non-rural carriers with forward-looking costs that exceed the national benchmark.
- **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 and 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 income-eligible consumers initiate new telephone service. 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 on basic monthly service at the primary residence 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 - Total 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. The E-Rate program 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. This program offers many 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 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, giving 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 2010, 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 310,000 Lifeline applications. As of June 2010, 642,129 eligible customers participated in the Lifeline program.

- **Eligible Telecommunications Carriers (ETC).** As of June 2010, Florida had 24 ETCs, comprised of 10 incumbent local exchange companies, 9 competitive local exchange companies, and 5 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 media of general distribution.

Source:
FPSC's *Number of Customers Subscribing to Lifeline Service and the Effectiveness of Procedures to Promote Participation,* December 2010
http://www.floridapsc.com/publications/pdf/telecomm/tele-lifelinereport2010.pdf

Low-Income Program (continued)

- **Income Eligibility.** In 2010, Section 364.10(3)(a), F.S., was revised to allow any commercial mobile radio service provider designated as an eligible telecommunications carrier pursuant to 47 U.S.C. §214(e), upon filing a notice of election to do so with the Commission, provide Lifeline service to any customer who meets an income eligibility test of 150 percent or less of the federal poverty income guidelines. The previous income eligibility test was 135 percent or less of the federal poverty guidelines.

- **Lifeline Work Group.** Chapter 364.10, F.S., was also revised at Section 364.10(3)(h)3 to mandate that by December 31, 2010, the Commission, the Department of Children and Families, the Office of Public Counsel, and each ETC offering Lifeline and Link-Up services shall convene a Lifeline Work Group to discuss how eligible subscriber information, such as name, date of birth, and service address, will be shared; the obligations of each party with respect to the use of that information; and the procedures to be implemented to increase enrollment and verify eligibility in the programs.

  The initial meeting of the Lifeline Work Group was hosted by the FPSC on August 18, 2010. Representatives from the FPSC, the Department of Children and Families, the Office of Public Counsel, and ETCs participated. Key questions discussed at the meeting included: (1) How should an eligible subscriber's personal identifying information be shared? (2) Should an eligible subscriber's personal identifying information be used by an ETC for marketing purposes? (3) What should be the obligations of each party with respect to the use of an eligible subscriber's personal identifying information? and (4) What procedures should be implemented to increase enrollment and verify eligibility in these programs?

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:
FPSC's *Number of Customers Subscribing to Lifeline Service and the Effectiveness of Procedures to Promote Participation,* December 2010
http://www.floridapsc.com/publications/pdf/telecomm/tele-lifelinereport2010.pdf

Universal Service Support Mechanisms by Program for Florida

2009
(Annual Payments and Contributions in Thousands)

Program	Payments from USAC	Estimated Contributions to USAC	Estimated Net Dollar Flow
High-Cost	$ 70,396	$ 153,348	($ 82,952)
Low-Income	74,720	162,767	(88,047)
Schools & Libraries	75,933	165,410	(89,477)
Rural Health Care	854	1,860	(1,006)
Administrative Expense	0	12,454	(12,454)
Total	**$ 221,903**	**$ 495,839**	**($ 273,936)**

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)**

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 (2009)

State	Payments from USAC (in Thousands)	Estimated Contributions to USAC (in Thousands)	Estimated Net Dollar Flow
Alabama	$ 154,864	$ 118,935	$ 35,929
Alaska	244,417	19,511	224,906
American Samoa	8,400	516	7,885
Arizona	140,249	146,289	(6,040)
Arkansas	167,647	68,063	99,584
California	583,849	822,527	(238,678)
Colorado	96,989	132,967	(35,979)
Connecticut	27,253	99,000	(71,746)
Delaware	1,719	27,334	(25,615)
Dist. of Columbia	9,518	34,291	(24,773)
Florida	**221,903**	**495,839**	**(273,936)**
Georgia	239,517	243,770	(4,253)
Guam	17,392	3,904	13,488
Hawaii	61,037	36,936	24,101
Idaho	59,389	37,003	22,386
Illinois	153,964	307,767	(153,803)
Indiana	102,858	145,484	(42,626)
Iowa	142,218	67,353	74,865
Kansas	249,034	65,855	183,179
Kentucky	140,451	97,031	43,420
Louisiana	203,972	106,388	97,584
Maine	40,463	31,580	8,883
Maryland	14,673	163,148	(148,475)
Massachusetts	46,335	169,539	(123,204)
Michigan	145,763	212,378	(66,615)
Minnesota	153,885	118,125	35,760
Mississippi	321,278	66,750	254,528
Missouri	143,583	143,845	(262)
Montana	88,774	25,215	63,560
Nebraska	129,163	41,711	87,452
Nevada	32,845	69,280	(36,435)
New Hampshire	11,617	36,248	(24,631)
New Jersey	53,218	248,888	(195,671)
New Mexico	113,284	48,248	65,036
New York	342,968	480,589	(137,621)
North Carolina	177,591	225,632	(48,041)
North Dakota	102,314	16,438	85,877
Northern Mariana Islands	2,619	806	1,813
Ohio	134,569	259,335	(124,767)
Oklahoma	249,812	78,444	171,368
Oregon	99,608	89,978	9,629
Pennsylvania	149,006	307,789	(158,783)
Puerto Rico	111,977	69,074	42,902
Rhode Island	8,925	24,456	(15,531)
South Carolina	145,463	110,601	34,863
South Dakota	107,595	19,168	88,427
Tennessee	139,598	157,946	(18,349)
Texas	519,860	518,620	1,241
Utah	39,323	55,550	(16,226)
Vermont	25,282	18,062	7,220
Virgin Islands	18,152	5,136	13,016
Virginia	117,918	209,307	(91,389)
Washington	140,092	155,701	(15,609)
West Virginia	70,784	49,119	21,665
Wisconsin	176,478	125,210	51,268
Wyoming	54,917	15,103	39,813
Total	**$ 7,256,367**	**$ 7,443,781**	**($ 187,414)***

* Estimated contributions include an administrative cost of approximately $187 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 2006	July 2007	July 2008	July 2009	March 2010*
Florida	94.2%	93.3%	93.1%	92.9%	94.0%
United States	94.6%	95.0%	95.4%	95.7%	96.0%**

Lifeline Subscribership

Lifeline Assistance Subscribers in Florida

Date	Lifeline Enrollment	Eligible Households	Participation Rate
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%
6/2010	642,129	1,422,837	45.1%

* Most current data available as of February 2011.
** This is the highest reported rate since the Current Population Survey began collecting this data in November 1983.

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 2010
http://www.floridapsc.com/publications/pdf/telecomm/tele-lifelinereport2010.pdf

Lifeline Subscribership (continued)

Lifeline Subscribership by Eligible Telecommunications Carriers

As of June 2010

Company	Access Lines Subscribed to Lifeline Service
American Dial Tone*	18,127
AT&T Florida	126,114
Budget Phone*	3,099
CenturyLink (f/k/a Embarq)	41,593
dPi Teleconnect*	1,273
Express Phone Service*	3,923
FairPoint Communications	3,093
FLATEL/Florida Telephone Co.*	1,888
Frontier Communications of the South	159
ITS Telecommunications Systems	147
Knology*	959
Midwestern Telecommunications*	153
NEFCOM	769
Nexus Communications*	333
SafeLink Wireless**	396,114
Smart City Telecom	18
Sprint Nextel**	191
TDS Telecom/Quincy Telephone	920
Verizon Florida	23,681
Verizon Wireless (f/k/a ALLTEL Wireless) **	18
Windstream Florida	5,517
Non-ETC Reseller	13,664
Total	**642,129**

* 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 2010
http://www.floridapsc.com/publications/pdf/telecomm/tele-lifelinereport2010.pdf

Telecommunications Service Rate Comparisons

Rates Charged by Florida ILECs for Basic Local Service*

As of December 31, 2010

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	$ 10.95	$ 27.25
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

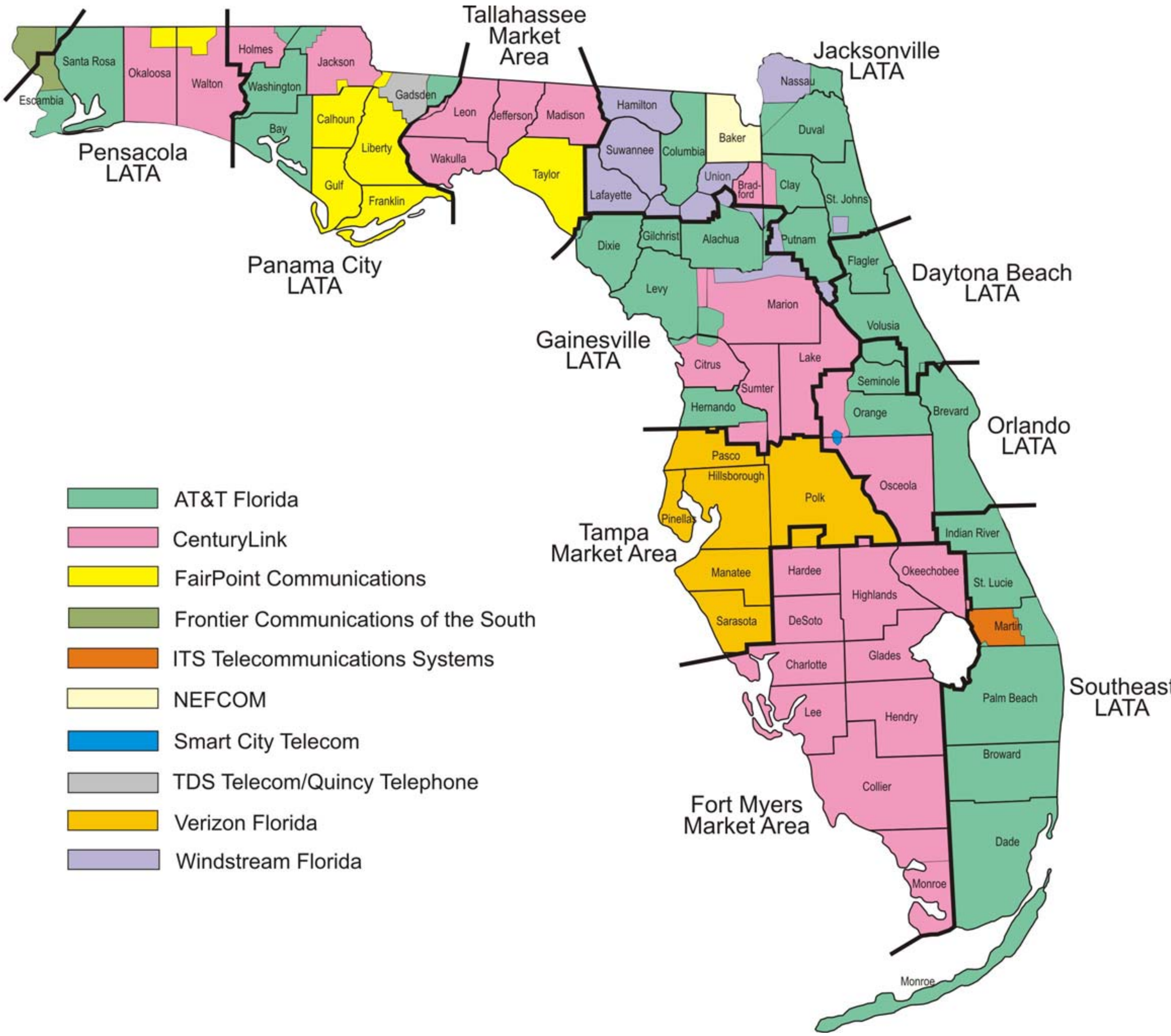
* Basic Local Telecommunications Service means voice-grade, flat-rate residential, and flat-rate single-line business local exchange services. Rates shown are for largest rate group in each ILEC's service area.

Sources:
FPSC's *Comparative Rate Statistics*, December 31, 2010
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 *2010 Florida Access and Toll Report*, November 2010 (Revised 12/2/10)
http://www.floridapsc.com/publications/pdf/telecomm/Fla_Access_Toll_Report_2010.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

Regulatory Authority

Pursuant to Chapter 367, F.S., as of December 2010, the FPSC has regulatory authority over:

- **158 investor-owned water and/or wastewater utilities in 36 of 67 counties.**
- These utilities provide service to approximately 124,619 water and 80,860 wastewater customers throughout the state.

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 water use figures 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 of the water withdrawn for power generation came from saline water sources and 5 percent from freshwater sources.
- Nearly 98 percent of that water was used for once-through cooling, and most was returned to its source immediately after use.

Reuse of Reclaimed Water Data for 2009*

- 673 mgd of reclaimed water was reused for beneficial purposes.
- The total reuse capacity of Florida's domestic wastewater treatment facilities was 1,559 mgd, representing 62 percent of the total permitted domestic wastewater treatment capacity in Florida.

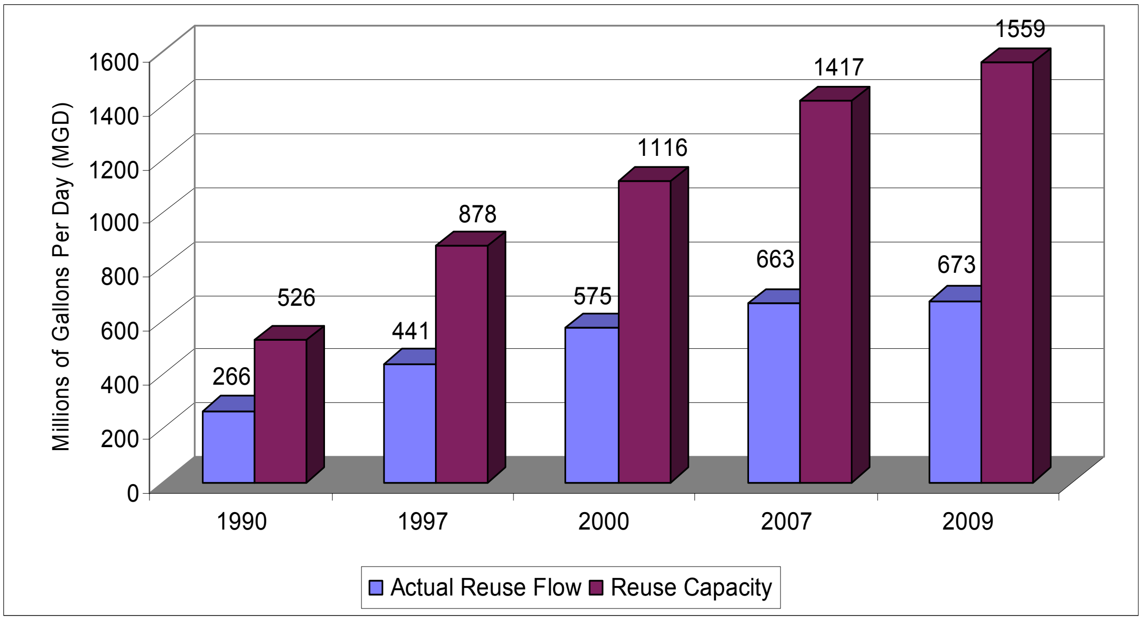
* Most current data available as of February 2011.

Sources:
FPSC's *2010 Annual Report*
http://www.floridapsc.com/publications/pdf/general/annualreports/2010.pdf

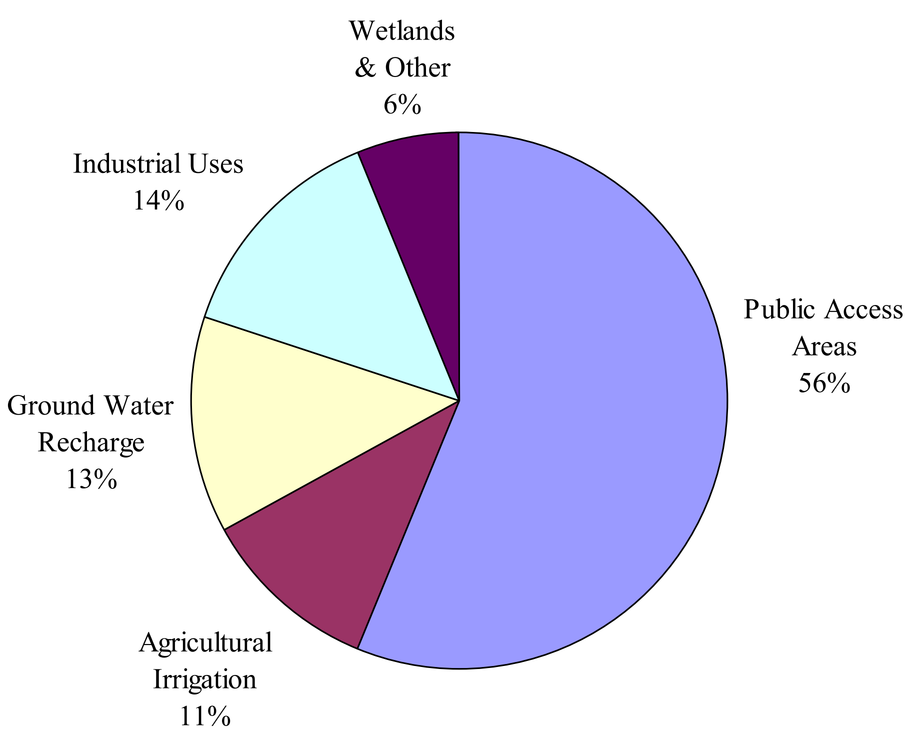
U.S. Geological Survey, *Water Withdrawals, Use, and Trends in Florida, 2005,* Scientific Investigations Report 2009-5125, January 2010
http://fl.water.usgs.gov

Florida Department of Environmental Protection's *2009 Reuse Inventory,* September 2010
http://www.dep.state.fl.us/water/reuse/inventory.htm

Florida's Reuse Growth



Reclaimed Water Utilization (2009)



Source:
Florida Department of Environmental Protection's *2009 Reuse Inventory,* September 2010
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 recovers 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 of water that is registered on the customer's meter.
- Inclining block rate structures are used to encourage water conservation. (The inclining block is 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

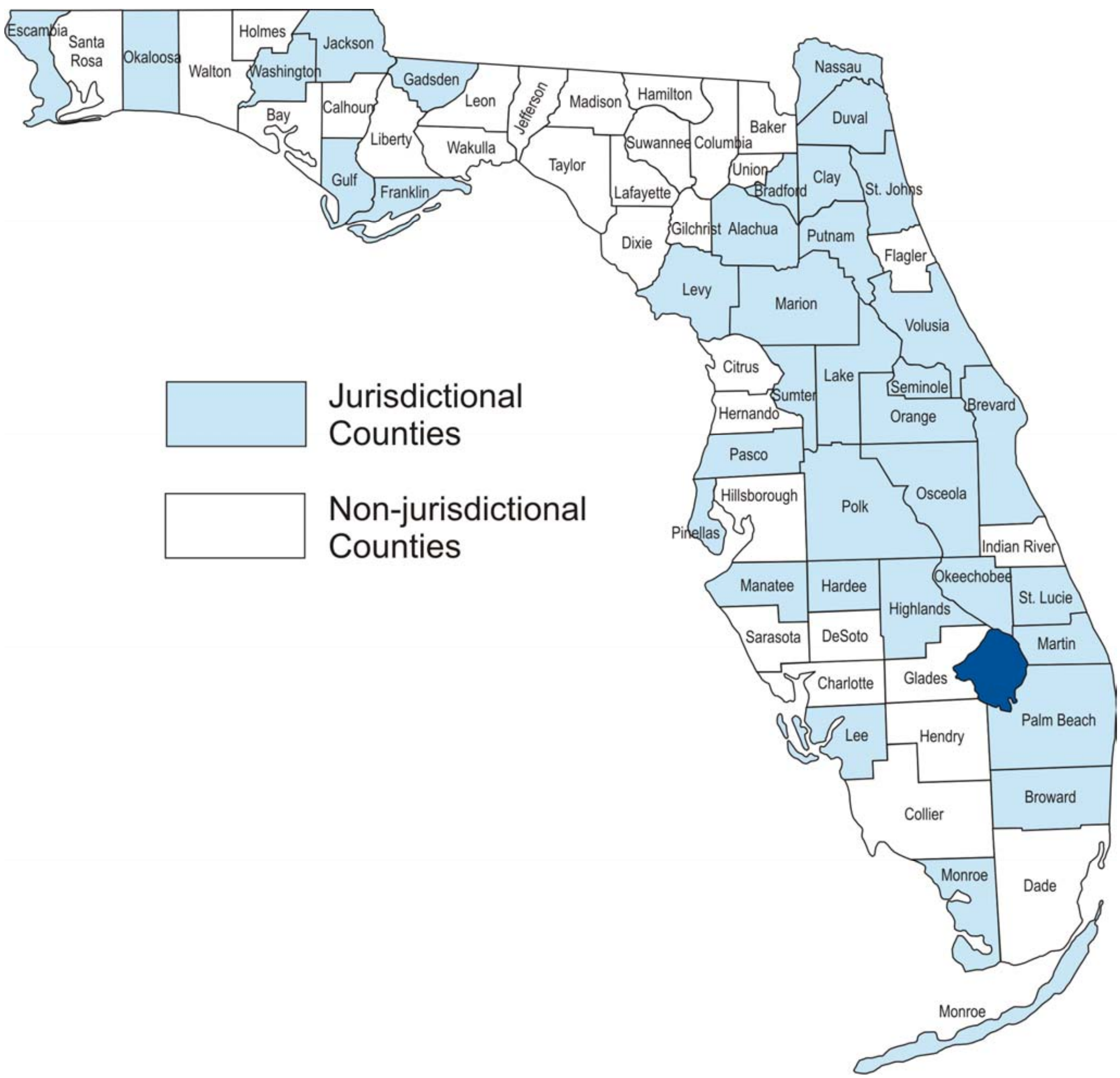
- A maximum (or cap) is set on the number of gallons of water consumption for which the customer is billed a wastewater gallonage charge.
- The monthly cap is normally between 6,000 and 10,000 gallons. (Any water consumption over that amount is generally considered to be used for purposes such as irrigation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

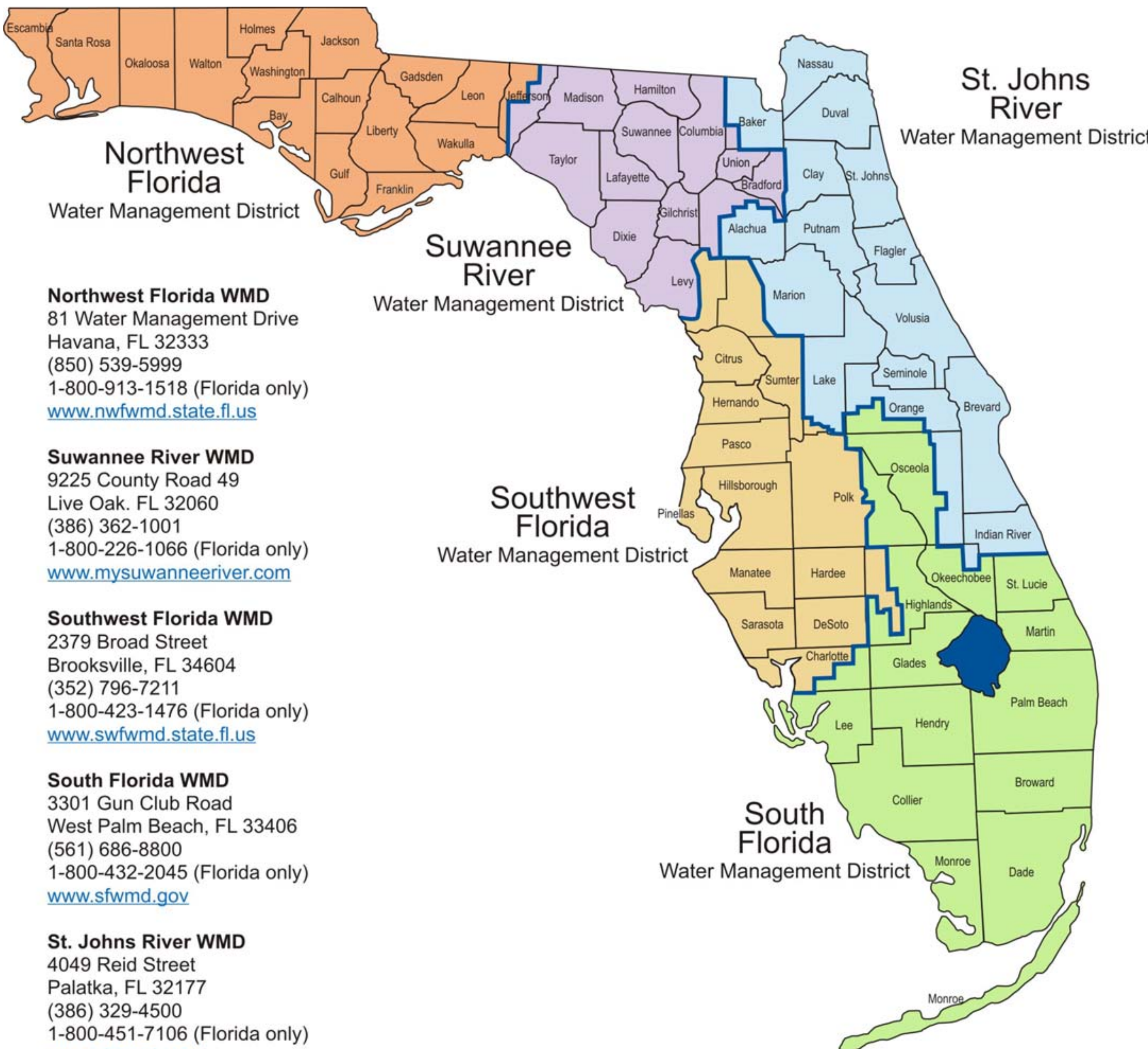
Source:
FPSC Staff

Water & Wastewater Jurisdictional Counties (36)



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

Florida's Water Management Districts (5)



Northwest Florida WMD
81 Water Management Drive
Havana, FL 32333
(850) 539-5999
1-800-913-1518 (Florida only)
www.nwfwmd.state.fl.us

Suwannee River WMD
9225 County Road 49
Live Oak. FL 32060
(386) 362-1001
1-800-226-1066 (Florida only)
www.mysuwanneeriver.com

Southwest Florida WMD
2379 Broad Street
Brooksville, FL 34604
(352) 796-7211
1-800-423-1476 (Florida only)
www.swfwmd.state.fl.us

South Florida WMD
3301 Gun Club Road
West Palm Beach, FL 33406
(561) 686-8800
1-800-432-2045 (Florida only)
www.sfwmd.gov

St. Johns River WMD
4049 Reid Street
Palatka, FL 32177
(386) 329-4500
1-800-451-7106 (Florida only)
www.sjrwmd.com

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