

FLORIDA PUBLIC SERVICE COMMISSION



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FACTS & FIGURES
OF THE
FLORIDA
UTILITY
INDUSTRY

This publication is 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 websites. 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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FLORIDA ELECTRIC INDUSTRY

QUICK FACTS

Regulatory Authority

Pursuant to Chapter 366, Florida Statutes (F.S.), as of December 2016, the Florida Public Service Commission (FPSC) has regulatory authority over:

- **5 investor-owned electric companies** (all aspects of operations, including rates and 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) As of December 31, 2015

• Summer: 58,421 Megawatts (MW)

• Winter: 62,991 MW*

Transmission Capability for Peninsular Florida

• Import: Summer: 3,200 MW

Winter: 3,500 MW

• Export: Summer: 500 MW

Winter: 1,000 MW**

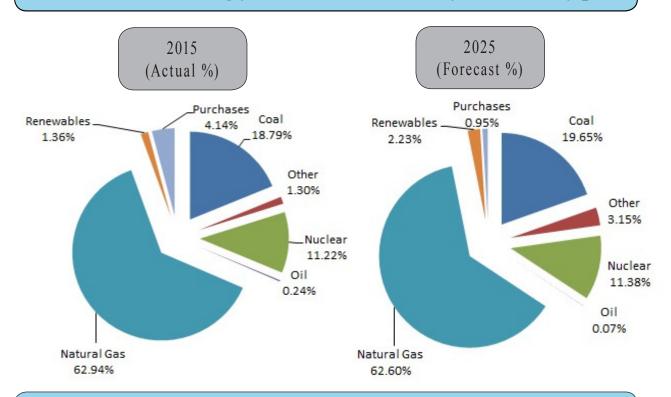
- * Generating capacity is higher in winter due to thermodynamics/cooling water.
- ** Export transmission capability is higher in winter due to thermal ratings of lines and seasonal load patterns.

Sources:

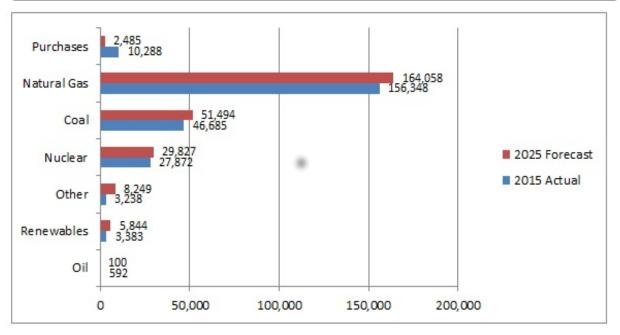
Statistics of the Florida Electric Utility Industry, October 2016 http://www.floridapsc.com/Files/PDF/Publications/Reports/Electricgas/Statistics/2015.pdf

2016 Ten-Year Site Plan Workshop FRCC Studies and Reports

Florida Energy Generation by Fuel Type



Energy Sources (GWH)

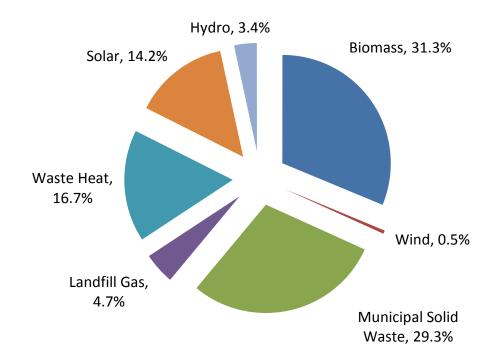


Source:

FRCC 2016 Regional Load & Resource Plan, July 2016

http://www.floridapsc.com/Files/PDF/Utilities/Electricgas/TenYearSitePlans/2016/FRCC.pdf

Florida's Renewable Capacity in MW(2015) (Total: 1,860 MW)



Total Florida Renewable Capacity: 1,860 MW

Total Florida Electric Generation Capacity: 58,421 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 2016 Ten-Year Site Plans for Florida's Electric Utilities, November 2016 http://www.floridapsc.com/Files/PDF/Utilities/Electricgas/TenYearSitePlans/2016/Review.pdf

Average Number of Customers

Average Number of Customers for Investor-Owned Utilities By Class of Service 2016

| Utility | Residential | Commercial | Industrial | Other | Total |
|-----------------------------|-------------|------------|------------|--------|-----------|
| Florida Power & Light Co. | 4,254,635 | 535,919 | 11,719 | 3,961 | 4,806,234 |
| Florida Public Utilities | 24,109 | 4,413 | 2 | 2,982 | 31,506 |
| Gulf Power Company | 393,149 | 55,460 | 248 | 614 | 449,471 |
| Duke Energy Florida | 1,596,729 | 173,688 | 2,219 | 26,354 | 1,798,990 |
| Tampa Electric Company | 635,403 | 73,556 | 1,585 | 8,168 | 718,712 |
| Total | 6,904,025 | 843,036 | 15,773 | 42,079 | 7,804,913 |

Source:

Typical Electric Bill Comparisons

Residential Service Provided by Investor-Owned Utilities December 31, 2016

| Utility | Minimum Bill or Customer Charge* | 1,000 Kilowatt Hours |
|----------------------------------|-------------------------------------|-------------------------|
| Florida Power & Light Company | \$7.87 | \$89.27 |
| Duke Energy Florida | \$8.76 | \$108.48 |
| Tampa Electric Company | \$15.00 | \$103.56 |
| Gulf Power Company | \$18.60 | \$132.19 |
| Florida Public Utilities | | |
| Company | \$14.00 | \$136.83 |
| Northwest Northeast | \$14.00 | \$136.83 |

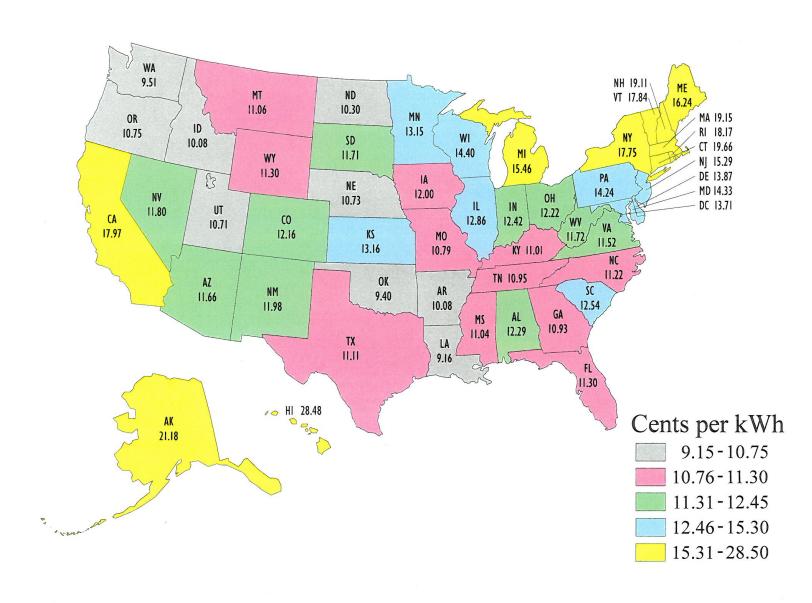
Commercial/Industrial Service Provided by Investor-Owned Utilities December 31, 2016

| Utility | 400,000 Kilowatt Hours 1,000 KW Demand* |
|----------------------------------|---|
| Florida Power & Light Company | \$28,928 |
| Duke Energy Florida | \$28,682 |
| Tampa Electric Company | \$33,212 |
| Gulf Power Company | \$35,991 |
| Florida Public Utilities Company | |
| Northwest | \$44,434 |
| Northeast | \$44,434 |

^{*} Excludes local taxes, franchise fees, and gross receipts taxes that are billed as a separate line item. Includes cost recovery clause factors effective December 2016.

Note: Typical electric bill comparisons for municipally and cooperatively owned electric utilities are available in the *Comparative Rate Statistics* report available at: http://www.floridapsc.com/Publications/Reports#

Average Residential Price of Electricity by State (2016) (U.S. Residential Average Price per kWh = 12.75 cents)



Energy Information Administration's Electric Power Monthly, Table 5.6.A, November 2016 http://www.eia.gov/electricity/monthly/epm table grapher.cfm?t=epmt 5 06 a

NUCLEAR POWER

Nuclear Waste Policy

Florida Power & Light Company (FPL) and Duke Energy Florida (DEF) currently store 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 \$903.6 million (\$1.6895 billion with interest) into the federal nuclear waste fund established to cover the cost of transportation, storage, and disposal of spent fuel. DOE suspended collection of the nuclear waste fee in May 2014.

Florida Nuclear Power Reactors December 31, 2016

| Reactor | Utility | Metric Tons in Spent Fuel Pool | Metric Tons in Dry Cask Storage | NRC License Expires |
|-----------------|---------|--------------------------------|---------------------------------|------------------------|
| Crystal River 3 | DEF | 590 | ** | 2016* |
| St. Lucie 1 | FPL | 617 | 186 137 | 2036 |
| St Lucie 2 | FPL | 484 | 137 | 2043 |
| Turkey Point 3 | FPL | 526 | 131 | 2032 |
| Turkey Point 4 | FPL | 542 | 131 | 2033 |
| | | | | |

^{*} Duke Energy Florida filed notification of cessation of operations with the Nuclear Regulatory Commission on February 20, 2013.

Proposed Nuclear Power Reactor

| Reactor | Utility | Estimated In-Service Date |
|-------------------------------|------------|---------------------------|
| m t ni c | TDV. | 2021 |
| Turkey Point 6 Turkey Point 7 | FPL FPL | 2031 2032 |
| Turkey Point / | ΓPL | 2032 |

Sources

Responses to information requests provided by Florida Power & Light Company and Duke Energy Florida

^{**} Duke Energy Florida expects to begin storing spent fuel in the dry cask storage system at Crystal River 3 in 2017.

NUCLEAR POWER

Operating Nuclear Reactors

Alabama

Browns Ferry Units 1, 2, and 3

Joseph M. Farley Units 1 and 2

Arizona

Palo Verde Units 1, 2, and 3

Arkansas

Arkansas Nuclear One Units 1 and 2

California

Diablo Canyon Units 1 and 2

Connecticut

Millstone Units 1 and 2

Florida

St. Lucie Units 1 and 2

Turkey Point Units 3 and 4

Georgia

Edwin I. Hatch Units 1 and 2

Vogtle

Units 1 and 2

Illinois

Braidwood
Units 1 and 2

Byron

Units 1 and 2

Clinton

Dresden

Units 2 and 3

La Salle County Units 1 and 2 Illinois (Continued)

Quad Cities Units 1 and 2

Iowa

Duane Arnold

Kansas

Wolf Creek Unit 1

Louisiana

River Bend Unit 1

Waterford Unit 3

Maryland

Calvert Cliffs
Units 1 and 2

Massachusetts

Pilgrim Unit 1

Michigan

D. C. Cook Units 1 and 2

Fermi

Unit 2

Palisades

Minnesota

Monticello

Prairie Island Units 1 and 2

Mississippi

Grand Gulf Unit 1

Missouri

Callaway

Nebraska

Cooper

Nebraska (Continued)

Fort Calhoun

New Hampshire

Seabrook Unit 1

New Jersey

Hope Creek Unit 1

Oyster Creek

Salem

Units 1 and 2

New York

James A. Fitzpatrick

Ginna

Indian Point

Units 2 and 3

Nine Mile Point Units 1 and 2

North Carolina

orui Caroi

Brunswick Units 1 and 2

McGuire

Units 1 and 2

Shearon Harris

Unit 1

Ohio

Davis-Besse

Perry

Unit 1

Pennsylvania

Beaver Valley Units 1 and 2

Limerick

Units 1 and 2

Pennsylvania (Continued)

Peach Bottom Units 2 and 3

Susquehanna Units 1 and 2

Three Mile Island Unit 1

South Carolina

Catawba

Units 1 and 2

Oconee

Units 1, 2, and 3

H. B. Robinson Unit 1

Summer

Tennessee

Sequoyah

Units 1 and 2

Watts Bar

Units 1 and 2

Texas

Comanche Peak

Units 1 and 2

South Texas Project

Units 1 and 2

Virginia

North Anna

Units 1 and 2

Surry

Units 1 and 2

Washington

Columbia

Generating Station

Wisconsin

Point Beach

Units 1 and 2

Reliability Councils



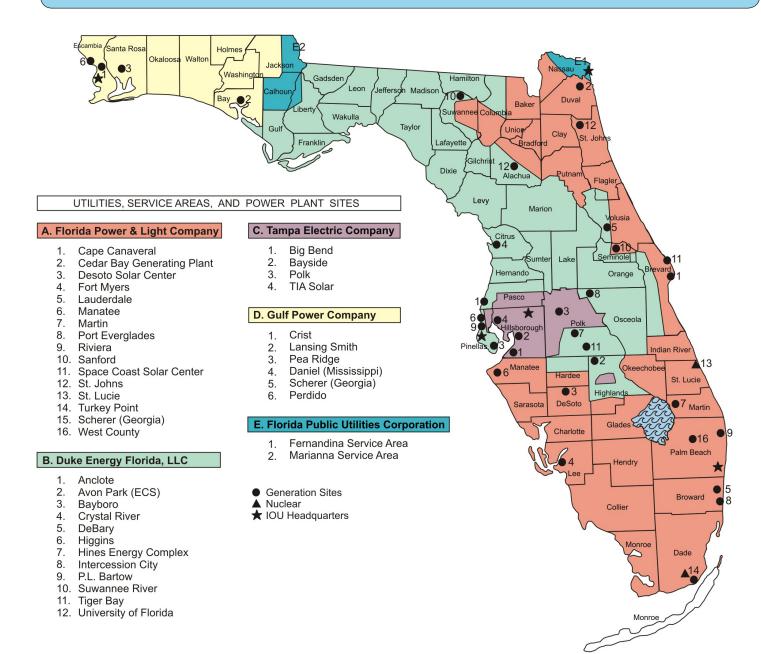
| FRCC | Florida Reliability Coordiating Council |
|----------|--|
| MRO | Midwest Reliability Organization |
| NPCC | Northeast Power Coordinating Council |
| RF | ReliabilityFirst |
| SERC | SERC Reliability Corporation |
| SPP RE | Southwest Power Pool, RE |
| Texas RE | Texas Reliability Entity |
| WECC | Western Electricity Coordinating Council |

Source: North American Reliability Council

http://www.nerc.com/AboutNERC/keyplayers/Pages/default.aspx

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.

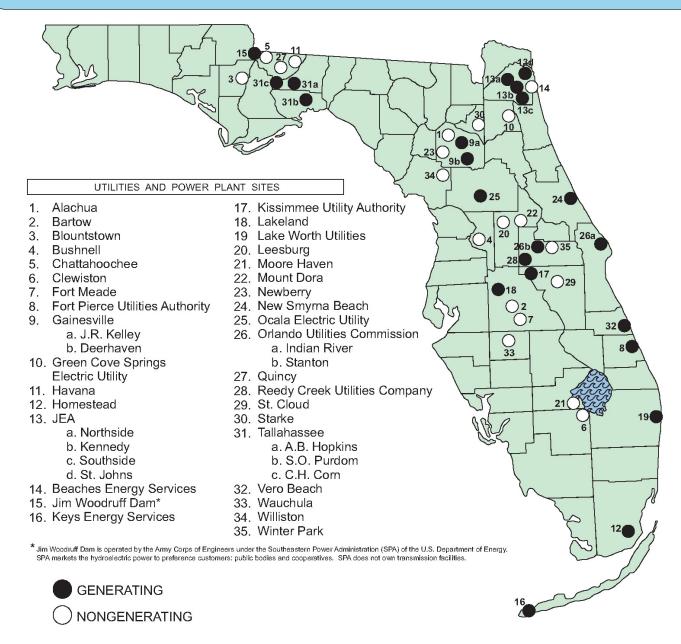
Source:

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*, October 2016 http://www.floridapsc.com/Files/PDF/Publications/Reports/Electricgas/Statistics/2015.pdf

Municipal Electric Utilities

Approximate Utility Locations



Service areas are approximations.

Information on this map should be used only as a general guideline.

For more detailed information, contact individual utilities.

Source:

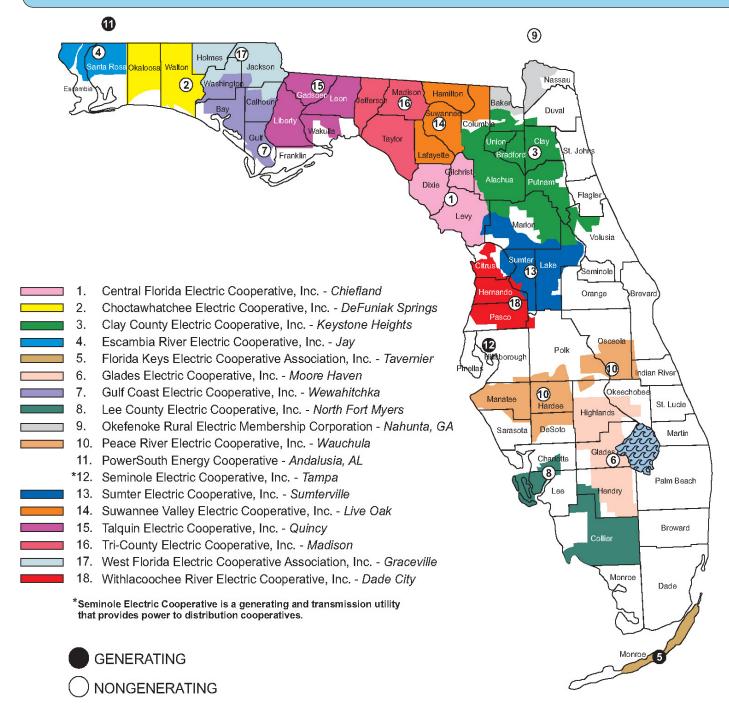
Florida Public Service Commission

Additional information about Florida's investor-owned electric utilities is available from FPSC's Statistics of the Florida Electric Utility Industry, October 2016

http://www.floridapsc.com/Files/PDF/Publications/Reports/Electricgas/Statistics/2015.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 investor-owned electric utilities is available from: FPSC's *Statistics of the Florida Electric Utility Industry*, October 2016 http://www.floridapsc.com/Files/PDF/Publications/Reports/Electricgas/Statistics/2015.pdf

QUICK FACTS

Regulatory Authority

Pusuant to Chapter 366, F.S., as of December 31, 2016, the FPSC has regulatory authority over:

- 8 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)

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 nearly 3 million cubic feet per day.
- Gulfstream's pipeline capacity is 1.3 billion cubic feet per day.

Sources:

Florida Gas Transmission Company http://fgttransfer.energytransfer.com/ipost/FGT

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

Number of Customers

Number of Customers for Investor-Owned Utilites By Customer Type December 31, 2015

| Utility | Residential | Commercial & Industrial | FTS* | Other** | Total |
|---|-------------|-------------------------|--------|---------|---------|
| Florida City Gas | 99,063 | 4,961 | 2,393 | 0 | 106,417 |
| Florida Division of Chesapeake Utilities*** | 0 | 0 | 16,283 | 0 | 16,283 |
| Florida Public Utilities | 50,747 | 4,160 | 1,591 | 76 | 56,574 |
| Florida Public Utilities - Ft. Meade Division | 626 | 27 | 0 | 0 | 653 |
| Florida Public Utilities - Indiantown Division*** | 0 | 0 | 702 | 0 | 702 |
| Peoples Gas System | 326,039 | 12,420 | 22,641 | 63 | 361,163 |
| Sebring Gas System*** | 0 | 0 | 559 | 0 | 559 |
| St. Joe Natural Gas Company | 2,753 | 204 | 1 | 1 | 2,959 |

Source:

FPSC, 2015 Annual Reports filed by Natural Gas Utilities

^{*} 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 sales are firm transportation customers.

RATES

Typical Natural Gas Bill Comparisons

Residential, Commercial, and Industrial Service Provided by Investor-Owned Utilities December 31, 2016

| | Residential | | Commercial | | Industrial | |
|--|--|------------------------|---------------------------------|------------------------|---|----------------------|
| Utility | Minimum Bill or Customer Charge | Therms Sold (20) | Minimum Bill or Customer Charge | Therms Sold (90) | Minimum Bill or Cus- tomer Charge | Therms Sold (700) |
| Florida City Gas | \$9.50 - \$15 | \$38.52 | \$11 - \$15 | \$123.67 | \$15 - \$30 | \$880.53 |
| Florida Division of Chesapeake Utilities * | \$19 - \$40 | \$34.53 | \$19 - \$108 | \$83.88 | \$108 - \$210 | \$405.87 |
| Florida Public Utilities | \$11.00 | \$48.57 | \$20.00 | \$167.06 | \$20 - \$90 | \$1,123.07 |
| Florida Public Utilities - Ft. Meade Division | \$8.50 | \$41.96 | \$17.50 | \$162.67 | \$17.50 - \$175.00 | \$1,045.21 |
| Florida Public Utilities - Indiantown Division * | \$9 - \$25 | \$19.34 | \$9 - \$25 | \$32.20 | \$25.00 | \$370.73 |
| Peoples Gas System | \$15 - \$20 | \$41.28 | \$25 - \$35 | \$147.51 | \$35 - \$50 | \$917.54 |
| Sebring Gas System * | \$9 - \$35 | \$22.92 | \$12 - \$35 | \$79.66 | \$35 - \$150 | \$382.33 |
| St. Joe Natural Gas Company | \$13 - \$20 | \$52.24 | \$20 - \$70 | \$158.65 | \$70.00 | \$923.36 |

December 2016 gas costs are included for those companies participating in purchased gas adjustment clause: (Florida City Gas, Florida Public Utilities, Peoples Gas System, and St. Joe Natural Gas.)

Source: Company Tariffs

^{*} No longer purchase gas for their customers. These companies deliver gas that the end use customers purchase; therefore, no gas costs are included.

Annual Therm Sales

Annual Therm Sales for Investor-Owned Utilities December 31, 2015

| Utility | Residential | Commercial & Industrial | FTS* | Other** | Total |
|--|-------------|-------------------------|-------------|---------------|---------------|
| Florida City Gas | 15,159,234 | 23,842,740 | 90,441,532 | 0 | 129,443,506 |
| Florida Division of Chesapeake Utilities | 0 | 0 | 167,468,760 | 0 | 167,468,760 |
| Florida Public Utilities | 12,285,000 | 23,910,485 | 29,833,034 | 7,638,317 | 73,666,836 |
| Florida Public Utilities - Ft. Meade Division | 75,274 | 73,203 | 0 | 0 | 148,477 |
| Florida Public Utilities - Indiantown Division | 0 | 0 | 2,795,084 | 0 | 2,795,084 |
| Peoples Gas System | 66,046,670 | 33,949,112 | 442,290,630 | 1,213,695,360 | 1,755,981,772 |
| Sebring Gas System*** | 0 | 0 | 1,129,707 | 0 | 1,129,707 |
| St. Joe Natural Gas Company | 575,889 | 369,015 | 373,074 | 841 | 1,318,819 |

Source:

FPSC, 2015 Annual Reports filed by Natural Gas Utilities

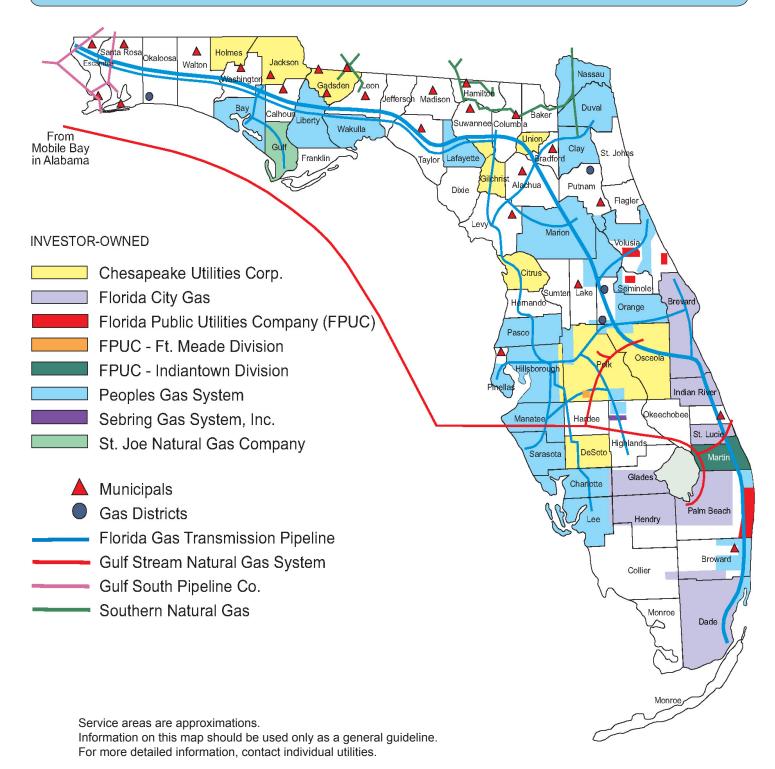
^{*} Firm Transportation Service

^{**} Other includes Off System Sales, Interruptible Sales, Natural Gas Vehicle Sales, and Other Sales to Public Authorities

^{***} Exited the merchant function. All sales are firm transportation customers.

M A P

Natural Gas Companies in Florida



Source:

FPSC Map

http://www.floridapsc.com/Files/PDF/Publications/Reports/Electricgas/naturalgasutilities.pdf

QUICK FACTS

Regulatory Authority

Pursuant to Chapter 364, F.S., as of December 31, 2016, the FPSC has regulatory authority over:

- 10 incumber local exchange companies (ILECs)
- 237 competitive local exchange companies (CLECs)
- 49 pay telephone companies
- 21 alternative access vendors (AAVs)
- 14 shared tenant service providers (STS)

Definitions

- Incumbent Local Exchange Telecommunications Company (ILEC) any company certificated by the Commission to provide local exchange telecommunications service in this state on or before June 30, 1995.
- Competitive Local Exchange Telecommunications Company (CLEC)
 any company certificated by the Commission to provide local exchange telecommunications service in this state on or after July 1, 1995.
- Pay Telephone Service Company (PATS) any certificated telecommunications entity which provides pay telephone service.
- 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 telecommunication 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.

Source

Forida Public Service Commission Records

FPSC's *Telecommunications Terms and Definitions* http://www.floridapsc.com/Telecommunication/TelecomLocalCompetitionTerms

QUICK FACTS

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. VoIP is not the same as the Internet. It is a technology that allows you to make voice calls using a broadband internet connection instead of a regular telephone line. Broadband service also provides the basis for some VoIP services. These three services are not subject to FPSC jurisdiction.

Broadband

- In Florida, approximately 78 percent of fixed broadband connections are at download speeds of 3 megabytes per second (Mbps) or greater; however, 37 percent of those connections are greater than or equal to 25 Mbps in 2014.
- Residential subscribership in Florida reached 78 percent in 2014, which is above the current national average of 66 percent.

VoIP

- As of December 2015, there were an estimated 2.8 million interconnected residential VoIP subscribers in Florida, about the same number estimated in 2014.
- The Florida Cable Telecommunications Association (FCTA) reported an estimated 2 million residential cable digital voice (VoIP) subscribers as of December 2015, about the same number as reported for the preceding three years.

Wireless

- Wireless suscribers in Florida, as of December 2014, reached 19.9 million handsets.
- The Centers for Disease Control (CDC) estimates that over 48 percent of households are wireless-only as of December 2015.

Source

FPSC's Report on the Status of Competition in the Telecommunications Industry, As of December 31, 2015 http://www.floridapsc.com/Files/PDF/Publications/Reports/Telecommunication/TelecommunicationIndustry/2016.pdf

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 2015 | | | | |
|--|--------------|-----------|--------|-------------------|
| | Residential* | Business* | Total* | Change since 2013 |
| AT&T Florida | 543 | 696 | 1,239 | -16% |
| CenturyLink FL | 575 | 268 | 843 | -6% |
| Verizon FL | 184 | 206 | 390 | -13% |
| Rural ILECs | 79 | 36 | 115 | -11% |
| CLECs | 28 | 652 | 680 | -21% |
| Total | 1,409 | 1,858 | 3,267 | -14% |
| * In thousands, rounded to the nearest thousand. | | | | |

Sources

FPSC's Report on the Status of Competition in the Telecommunications Industry, As of December 31, 2015, Figures 4-3 & 4-4 http://www.floridapsc.com/Files/PDF/Publications/Reports/Telecommunication/TelecommunicationIndustry/2016.pdf

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. The federal universal service high-cost program (also known as the Connect America Fund) is designed to ensure that consumers in rural, insular, and high-cost areas have access to modern communications networks capable of providing voice and broadband service, both fixed and mobile, at rates that are reasonably comparable to those in urban areas. The program fulfills this universal service goal by allowing eligible carriers who serve these areas to recover some of their costs from the federal Universal Service Fund.
- **Low-Income Program.** Provides telephone service discounts to qualifying low-income consumers. It offers benefits through the Lifeline Assistance program:
 - ▲ The Lifeline Assistance Program: Provides a monthly credit of at least \$9.25 on basic monthly service or the option of receiving a free Lifeline cell phone and monthly minutes at the primary residence for qualified telephone subscribers. The telephone subscriber may receive a credit less than \$9.25 if the subscriber's bill for basic local telephone service is less than that amount.
 - ▲ Tribal Benefits: Residents living on federally recognized tribal lands may receive a one-time discount of up to \$100.00 in Link-Up support and enhanced Lifeline support (up to an additional \$25.00 in support beyond current levels). Link-Up helps income-eligible consumers on tribal lands with initial installation or activation of a wireline or wireless telephone for the primary residence.
 - ▲ Monthly Lifeline Credit: Under the FCC's rules, monthly federal Lifeline support consists of at least a \$9.25 monthly credit on basic monthly service or the option of receiving a free Lifeline cell phone and monthly minutes. Eligible subscribers living on tribal lands can receive a monthly discount of up to \$34.25 (\$9.25 plus an additional \$25).

FLORIDA TELECOMMUNICATIONS INDUSTRY

CUSTOMERS

Low-Income Program (continued)

- ▲ Customer Eligibility: Customers with annual incomes up to 150 percent of the federal poverty guidelines may be eligible to participate in the Lifeline program. In addition, eligibility is determined by customer enrollment in any one of the following programs:
 - > Supplemental Nutritional Assistance Program (SNAP)
 - > Medicaid
 - > Federal Public Housing Assistance (Section 8)
 - > Veteran's Benefit and Survivor's Pension Programs
 - > Bureau of Indian Affairs Programs*

Beginning December 2, 2016, Lifeline assistance is available for voice (home phone or cell phone), broadband (internet) or a bundle of the two services. Prior to this, only voice services were eligible for Lifeline discount. While many companies will now be offering Lifeline Assistance for broadband, consumers will need to check with their local company for its offerings. There is still only one Lifeline discount per household that can be used for phone service and/or broadband.

- **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. While funding for the program is capped, the FCC has included an index for inflation to preserve the purchasing power of the program. Recently, the FCC increased the annual cap by 1 percent to \$3.94 billion. 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.

^{*} 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) Bureau of Indian Affairs General Assistance (3) Head Start Subsidy, or (4) Food Distribution Program on Indian Reservations.

FLORIDA TELECOMMUNICATIONS INDUSTRY

CUSTOMERS

- 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. Funding is capped at \$400 million annually. 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 Lambda-Rail, 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

▲ Coordinated Enrollment Process In 2006, FPSC and the Department of Children and Families (DCF) staff developed a process whereby potential Lifeline customers, once certified through a DCF program, could receive Lifeline discounts. From the perspective of the client, the coordinated enrollment process established by the FPSC and DCF is seamless, from filling out the DCF web application to receiving Lifeline discounts.

The coordinated enrollment process entails the DCF client checking a "yes" or "no" box. DCF then forwards the names of the clients who have chosen and been approved for Lifeline, along with their relevant enrollment information, to the FPSC. The FPSC electronically sorts the information by eligible telecommunications carrier (ETC) and places the names on a secure Web site for retrieval and enrollment by the appropriate ETC.

- ▲ Lifeline Annual Recertification All ETCs are now required to perform an annual recertification of their Lifeline subscribers to verify their ongoing eligibility. Subscribers failing to respond to recertification efforts must be de-enrolled from Lifeline. ETCs may contact and receive recertification responses from subscribers in writing, by phone, by text message, by e-mail, by Interactive Voice Response, or otherwise through the internet using an electronic signature. If an ETC is unable to recertify a subscriber because the subscriber did not respond to the recertification request, the ETC must de-enroll the subscriber. If an ETC receives a response that the subscriber is no longer eligible, the subscriber must be de-enrolled within five business days, and offered transitional Lifeline benefits for up to 12 months.
- ▲ National Lifeline Accountability Database (NLAD) The FCC directed the Universal Service Administrative Company (USAC) to establish a database to both eliminate existing duplicative support and prevent duplicative support in the future. To prevent waste in the Universal Service Fund, the FCC created and mandated the use by ETCs of a National Lifeline Accountability Database to ensure that multiple ETCs do not seek and receive reimbursement for the same Lifeline subscriber. The NLAD conducts a nationwide real-time check to determine if the consumer, or another person at the address of the consumer, is already receiving a Lifeline-supported service. In 2016, the FCC directed USAC to establish a national Lifeline eligibility verifier to confirm the eligibility of consumers. Currently, ETCs verify the eligibility of consumers. The FCC has established a three year phase in schedule that concludes by December 2019.

Source:

FPSC's Number of Customers Subscribing to Lifeline Service and the Effectiveness of Procedures to Promote Participation, December 2016 http://www.floridapsc.com/Files/PDF/Publications/Reports/Telecommunication/LifelineReport/2016.pdf

FLORIDA TELECOMMUNICATIONS INDUSTRY

CUSTOMERS

Low-Income Program (continued)

▲ Eligible Telecommunications Carriers (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. As of June 2016, Florida had 18 ETCs, comprised of 10 incumbent local exchange companies, 4 competitive local exchange companies, and 4 wireless companies. FCC rules allow state commissions, upon their own motion or upon request, to designate a common carrier that meets certain requirements as a landline ETC. As of July 2012, the Federal Communications Commission approves wireless providers applying for ETC designation in Florida. As of June 2015 there were 35 Florida ETC wireless petitions pending at the FCC.

Universal Service Support Mechanisms by Program for Florida

$\begin{array}{c} 2015 \\ \text{(Annual Payments and Contributions in Thousands)} \end{array}$

| Program | Payments from USAC | Estimated Contributions to USAC | Estimated Net Dollar Flow |
|------------------------|--------------------|---------------------------------|------------------------------|
| High-Cost | \$64,604 | \$277,602 | (\$212,998) |
| Low-Income | \$86,593 | \$93,380 | (\$6,787) |
| Schools & Libraries | \$68,089 | \$128,359 | (\$60,265) |
| Rural Health Care | \$896 | \$17,211 | (\$16,315) |
| Administrative Expense | | \$8,858 | (\$8,858) |
| Total | \$220,182 | \$525,405 | (\$305,224) |

2014 (Annual Payments and Contributions in Thousands)

| | Payments | Estimated Contributions | Estimated Net |
|------------------------|-----------|--------------------------------|---------------|
| Program | from USAC | to USAC | Dollar Flow |
| High-Cost | \$63,601 | \$232,510 | (\$168,908) |
| Low-Income | \$106,617 | \$103,379 | \$3,238 |
| Schools & Libraries | \$81,541 | \$141,342 | (\$59,801) |
| Rural Health Care | \$185 | \$12,019 | (\$11,834) |
| Administrative Expense | | \$7,407 | \$7,407 |
| Total | \$251,944 | \$496,657 | \$(244,712) |

2013 (Annual Payments and Contributions in Thousands)

| Program | Payments from USAC | Estimated Contributions to USAC | Estimated Net Dollar Flow |
|------------------------|--------------------|---------------------------------|---------------------------|
| High-Cost | \$65,341 | \$265.968 | (\$200,627) |
| Low-Income | \$101,373 | \$114,791 | (\$13,418) |
| Schools & Libraries | \$89,269 | \$140,752 | (\$51,483) |
| Rural Health Care | \$282 | \$10,151 | (\$9,869) |
| Administrative Expense | | \$6,881 | (\$6,881) |
| Total | \$256,265 | \$538,543 | (\$282,278) |

Source:

Federal Communications Commission's *Universal Service Monitoring Reports* https://transition.fcc.gov/wcb/iatd/monitor.html

Universal Service Support Mechanisms by State (2015)

| | Payments from USAC | Estimated Contributions | Estimated Net |
|--|--------------------|-------------------------|---------------|
| State | (in Thousands) | to USAC (in Thousands) | Dollar Flow |
| Alabama | \$150,411 | \$118,386 | \$32,025 |
| Alaska | \$364,848 | \$21,534 | \$343,314 |
| American Samoa | \$4,916 | \$716 | \$4,200 |
| Arizona | \$170,857 | \$172,815 | (\$1,958) |
| Arkansas | \$160,200 | \$73,510 | \$86,690 |
| California | \$682,124 | \$917,956 | (\$235,831) |
| Colorado | \$100,795 | \$162,013 | (\$61,218) |
| Connecticut | \$29,339 | \$120,367 | (\$91,028) |
| Delaware | \$5,557 | \$31,398 | (\$25,841) |
| Dist. of Columbia | \$10,281 | \$45,613 | (\$35,332) |
| Florida | \$220,182 | \$525,405 | (\$305,224) |
| Georgia | \$248,220 | \$266,928 | (\$18,708) |
| Guam | \$12,480 | \$4,431 | \$8,050 |
| Hawaii | \$22,609 | \$41,773 | (\$19,164) |
| Idaho | \$56,164 | \$40,157 | \$16,007 |
| Illinois | \$257,190 | \$342,293 | (\$85,103) |
| Indiana | \$191,337 | \$161,843 | \$29,494 |
| Iowa | \$198,966 | \$81,164 | \$117,802 |
| Kansas | \$201,150 | \$72,518 | \$128,632 |
| Kentucky | \$210,531 | \$111,785 | \$98,746 |
| Louisiana | \$169,692 | \$113,806 | \$55,886 |
| Maine | \$44,046 | \$38,404 | \$5,641 |
| Maryland | \$50,791 | \$185,440 | (\$134,650) |
| Massachusetts | \$58,324 | \$203,691 | (\$145,367) |
| Michigan | \$188,759 | \$243,485 | (\$54,726) |
| Minnesota | \$216,844 | \$155,384 | \$61,461 |
| Mississippi | \$232,654 | \$67,411 | \$165,242 |
| Missouri | \$237,197 | \$159,874 | \$77,323 |
| Montana | \$102,918 | \$29,822 | \$73,096 |
| Nebraska | \$106,767 | \$59,012 | \$47,755 |
| Nevada | \$43,009 | \$74,006 | (\$30,997) |
| New Hampshire | \$17,721 | \$40,306 | (\$22,585) |
| New Jersey | \$84,394 | \$278,922 | (\$194,528) |
| New Mexico | \$130,325 | \$53,919 | \$76,406 |
| New York | \$253,786 | \$565,274 | (\$311,489) |
| North Carolina | \$202,198 | \$251,923 | (\$49,725) |
| North Dakota | \$116,772 | \$21,462 | \$95,310 |
| Northern Mariana | \$4,215 | \$862 | \$3,353 |
| Ohio | \$225,002 | \$306,331 | (\$81,330) |
| Oklahoma | \$301,853 | \$91,217 | \$210,636 |
| Oregon | \$104,890 | \$101,950 | \$2,940 |
| Pennsylvania | \$196,132 | \$365,290 | (\$169,157) |
| Puerto Rico | \$197,289 | \$90,998 | \$106,292 |
| Rhode Island | \$11,988 | \$28,245 | (\$16,257) |
| South Carolina | \$174,515 | \$123,669 | \$50,847 |
| South Dakota | \$96,114 | \$24,017 | \$72,097 |
| Tennessee | \$169,312 | \$163,931 | \$5,382 |
| Texas | \$575,025 | \$610,277 | (\$35,253) |
| Utah | \$51,880 | \$69,768 | (\$17,888) |
| Vermont | \$25,618 | \$21,171 | \$4,447 |
| Virgin Islands | \$19,227 | \$6,623 | \$12,603 |
| Virginia | \$141,731 | \$248,655 | (\$106,924) |
| Washington | \$129,997 | \$182,621 | (\$52,624) |
| West Virginia | \$83,413 | \$57,562 | \$25,851 |
| Wisconsin | \$264,716 | \$150,988 | \$113,728 |
| Wyoming | \$45,011 | \$16,928 | \$28,084 |
| Total | \$8,372,282 | \$8,515,850 | (\$143,568) |
| Contractive Management (Contractive Contractive Contra | T -// | T -113 | 17 |

^{*} Estimated contributions include an administrative cost of approximately \$144 million.

Source: Federal Communications Commission's *2016 USF Monitoring Report*, Table 1.9 https://apps.fcc.gov/edocs_public/attachmatch/DOC-343025A1.pdf

Telephone Subscribership

| | Per | centage o | f Household | s with Tele | ephone in U | Jnit |
|---------|-----|-----------|-------------|-------------|-------------|-------|
| | | 2011 | 2012 | 2013 | 2014 | 2015 |
| Florida | | 93.2% | 94.2% | 93.5% | 94.1% | 94.8% |

Lifeline Subscribership

| Lifel | line Assistance Su | ıbscribers in Fl | orida |
|--------|------------------------|------------------------|-----------------------|
| Date | Lifeline Enrollment | Eligible Households | Participation Rate |
| 6/2009 | 618,774 | 1,185,516 | 52.2% |
| 6/2010 | 642,129 | 1,422,837 | 45.1% |
| 6/2011 | 943,854 | 1,690,512 | 55.8% |
| 6/2012 | 1,035,858 | 1,864,183 | 55.6% |
| 6/2013 | 918,245 | 1,952,890 | 47.0% |
| 6/2014 | 957,792 | 1,930,106 | 49.6% |
| 6/2015 | 833,612 | 2,011,166 | 41.4% |
| 6/2016 | 852,255 | 1,712,005 | 49.8% |

Source:

United States Department of Agriculture Supplemental Nutrition Assistance Program: Number of Households Participating June 2016

FPSC's Number of Customers Subscribing to Lifeline Service and the Effectiveness of Procedures to Promote Participation, December 2016

http://www.floridapsc.com/Files/PDF/Publications/Reports/Telecommunication/LifelineReport/2016.pdf

Lifeline Subscribership

Lifeline Subscribership by Eligible Telecommunications Carriers As of June 2016

| As of June 2016 | | | | |
|-----------------------|---|--|--|--|
| Company | Access Lines Subscribed to Lifeline Service | | | |
| SafeLink** | 406,506 | | | |
| Assurance** | 232,481 | | | |
| i-wireless/Access** | 179,429 | | | |
| CenturyLink | 12,528 | | | |
| АТ&Т | 11,404 | | | |
| Frontier Florida | 3,896 | | | |
| Windstream | 2,436 | | | |
| T-Mobile** | 762 | | | |
| Cox Telecom* | 689 | | | |
| TeleCircuit* | 646 | | | |
| Fairpoint 526 | | | | |
| NEFCOM 286 | | | | |
| TDS Telecom 179 | | | | |
| ITS Telecom | 86 | | | |
| Knology d/b/a WOW* | 79 | | | |
| Non-ETC Reseller | 71 | | | |
| Frontier of the South | 28 | | | |
| Smart City | 11 | | | |
| Global Connection* | 3 | | | |
| Total | 852,046 | | | |

^{*}Competitive Local Exhange Carrier

Source:

FPSC's Number of Customers Subscribing to Lifeline Service and the Effectiveness of Procedures to Promote Participation, December 2016 http://www.floridapsc.com/Files/PDF/Publications/Reports/Telecommunication/LifelineReport/2016.pdf

^{**}Wireless Carrier

QUICK FACTS

Regulatory Authority

Pursuant to Chapter 367, F.S., as of December 2016, the FPSC has jurisdiction over 131 investor-owned water and/or wastewater utilities in 37 of Florida's 67 counties.

Use of Reclaimed Water Data for 2015

- Approximately 738 mgd* of reclaimed water from these facilities was reused for beneficial purposes and represents approximately 44% of the total domestic water flow in the state.
- The 1,668 mgd of reuse capacity represents approximately 65% of the total domestic wastewater treatment capacity in the state.

Source:

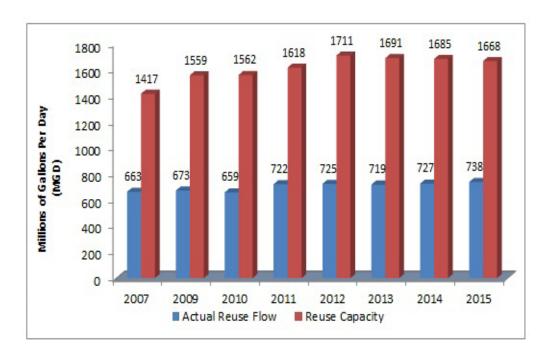
Florida Department of Environmental Protection's 2015 Reuse Inventory Report, May 2016 http://www.dep.state.fl.us/water/reuse/docs/inventory/2015 reuse-report.pdf

^{*} Million gallons per day

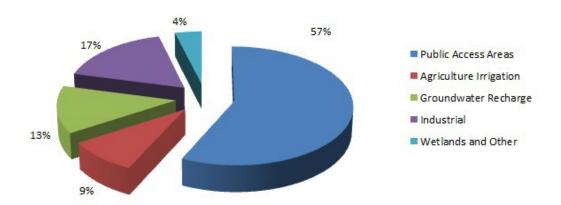
QUICK FACTS

Florida's Reuse Growth

Millions of Gallons Per Day (mgd)



Reclaimed Water Utilization (2015)



Source: Florida Department of Environmental Protection's 2015 Reuse Inventory Report, July 2016 http://www.dep.state.fl.us/water/reuse/docs/inventory/2015_reuse-report.pdf

CUSTOMERS AND RATES

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 filed at the FPSC and available on-line at http://www.floridapsc.com/UtilityRegulation/CompaniesRegulatedByPSC.

Rate Structure

- The base facility charge and gallonage charge rate structure is the most common rate structure used by FPSC-regulated water and wastewater utilities.
- The base facility 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 facility 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 a customer is billed for wastewater service.
- 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

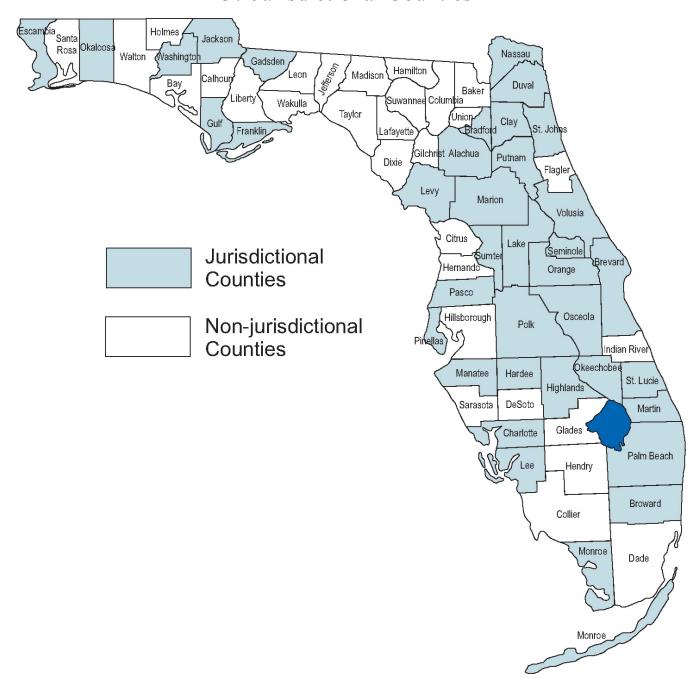
• The rates charged by all water and wastewater utilities under the Commission's jurisdiction are shown in alphabetical order by county in the FPSC's *Comparative Rate Statistics Report*, available online at http://www.floridapsc.com/Publications/Reports#.

Source: FPSC Staff

Water & Wastewater Jurisdictional Counties (37)

WATER & WASTEWATER

37 Jurisdictional Counties



Source:

Florida Public Service Commission Map

http://www.floridapsc.com/Files/PDF/Publications/Reports/Waterandwastewater/wawmap.pdf

Florida's Water Management Districts (5)

Santa Rosa Jackson Okaloosa Nassau Washington St. Johns Hamilton Calhoun Leon Madisor River Duval Columbia Water Management District Northwest Union St. Johns Florida Lafayett Water Management District Putnam Alachua Suwannee Flagler River Water Management District Volusia Citrus **Northwest Florida WMD** Seminole 81 Water Management Drive Hernando Brevard Havana, FL 32333 (850) 539-5999 1-800-913-1518 (Florida only) Hillsborough www.nwfwmd.state.fl.us Southwest Polk Florida Indian River **Suwannee River WMD** Water Management District 9225 County Road 49 Manatee St. Lucie Live Oak. FL 32060 (386) 362-1001 Sarasota DeSoto Martin 1-800-226-1066 (Florida only) www.mysuwanneeriver.com Glades Palm Beach Southwest Florida WMD 2379 Broad Street Brooksville, FL 34604 (352) 796-7211 Collier 1-800-423-1476 (Florida only) www.swfwmd.state.fl.us Florida Water Management District Dade South Florida WMD 3301 Gun Club Road West Palm Beach, FL 33406 (561) 686-8800 1-800-432-2045 (Florida only) www.sfwmd.gov

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

St. Johns River WMD 4049 Reid Street Palatka, FL 32177 (386) 329-4500

www.sirwmd.com

1-800-451-7106 (Florida only)