



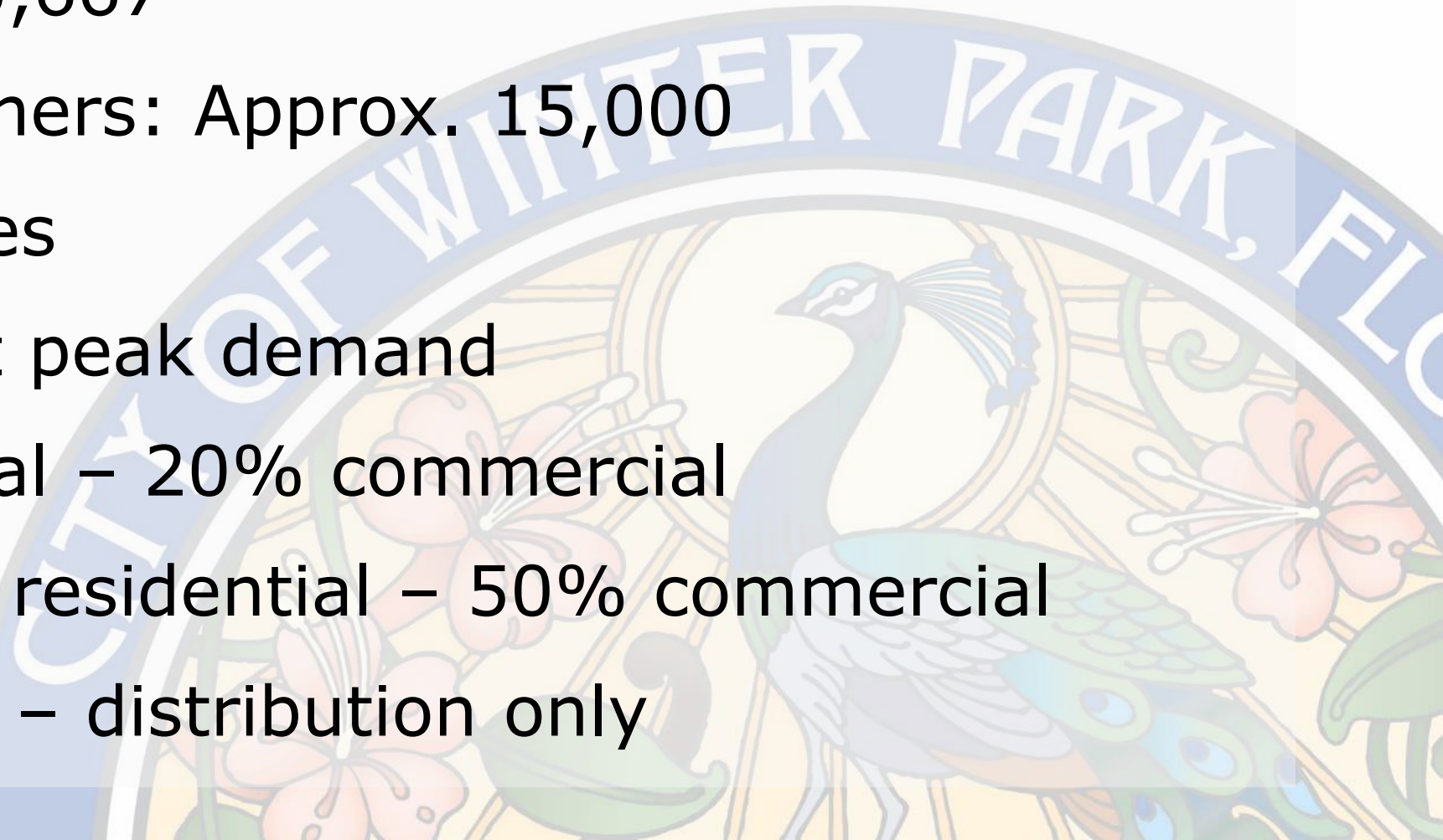
City of Winter Park, FL

Our Municipalization Story

Randy Knight, City Manager

OVERVIEW

- Population: 30,667
- Electric customers: Approx. 15,000
- 10 square miles
- 100 megawatt peak demand
- 80% residential – 20% commercial
- Revenue 50% residential – 50% commercial
- No generation – distribution only



OVERVIEW

- 1913: City built the original electric system
- 1927: City sold to an Investor Owned Utility (IOU). Had right to repurchase at end of franchise term
- 1947: Held vote to repurchase the system. Vote failed and renewed franchise for 30 years

OVERVIEW

- 1971: Early renewal of franchise for 30 yrs.
- 2001: Franchise expired
Commission authorizes study
- 2001-02: Legal Battles & Feasibility Study
- 2002-03: Arbitration

OVERVIEW

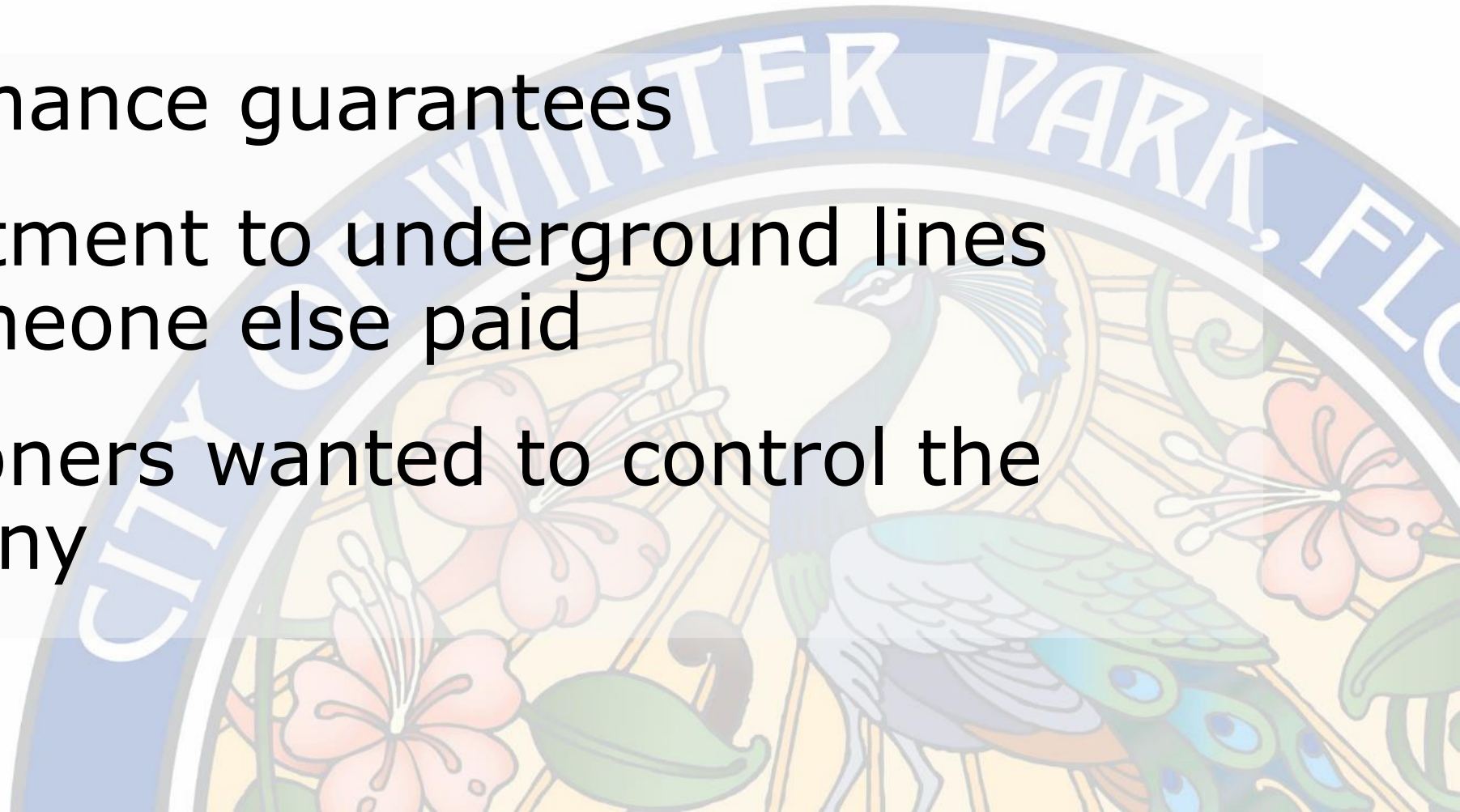
- 2003: Bond referendum (passed 69%)
- 2004: Began transition efforts
Signed Bulk Power Contract
- 2005: Hired outside contractor to maintain system
- June 1, 2005: “Flipped the Switch”
Began serving customers

WHAT MOTIVATED THE CITY TO ACQUIRE THE SYSTEM?

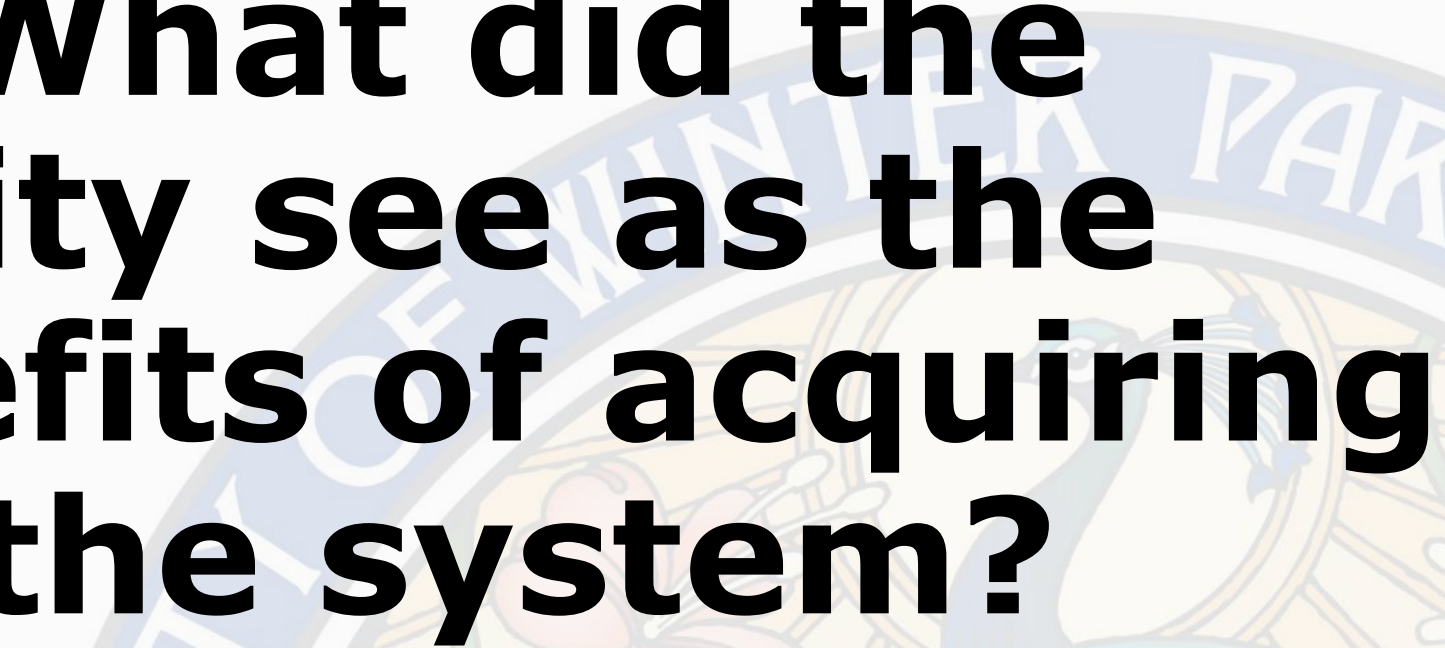
- Reliability was poor
- Predecessor IOU put a take-it-or-leave-it franchise proposal on table
- 30-year term with no out-clause for poor-performance
- Took away city's right to repurchase

WHAT MOTIVATED THE CITY TO ACQUIRE THE SYSTEM?

- No performance guarantees
- No commitment to underground lines unless someone else paid
- Commissioners wanted to control the city's destiny



What did the city see as the benefits of acquiring the system?



PUBLIC POWER

- Local control and accountability
- Reinvest profits locally
- Customer first mission
- Improved reliability



UNDERGROUND UNSIGHTLY POWER LINES



FACE-TO-FACE CUSTOMER SERVICE



EMPLOYEES DEDICATED EXCLUSIVELY TO THE CITY

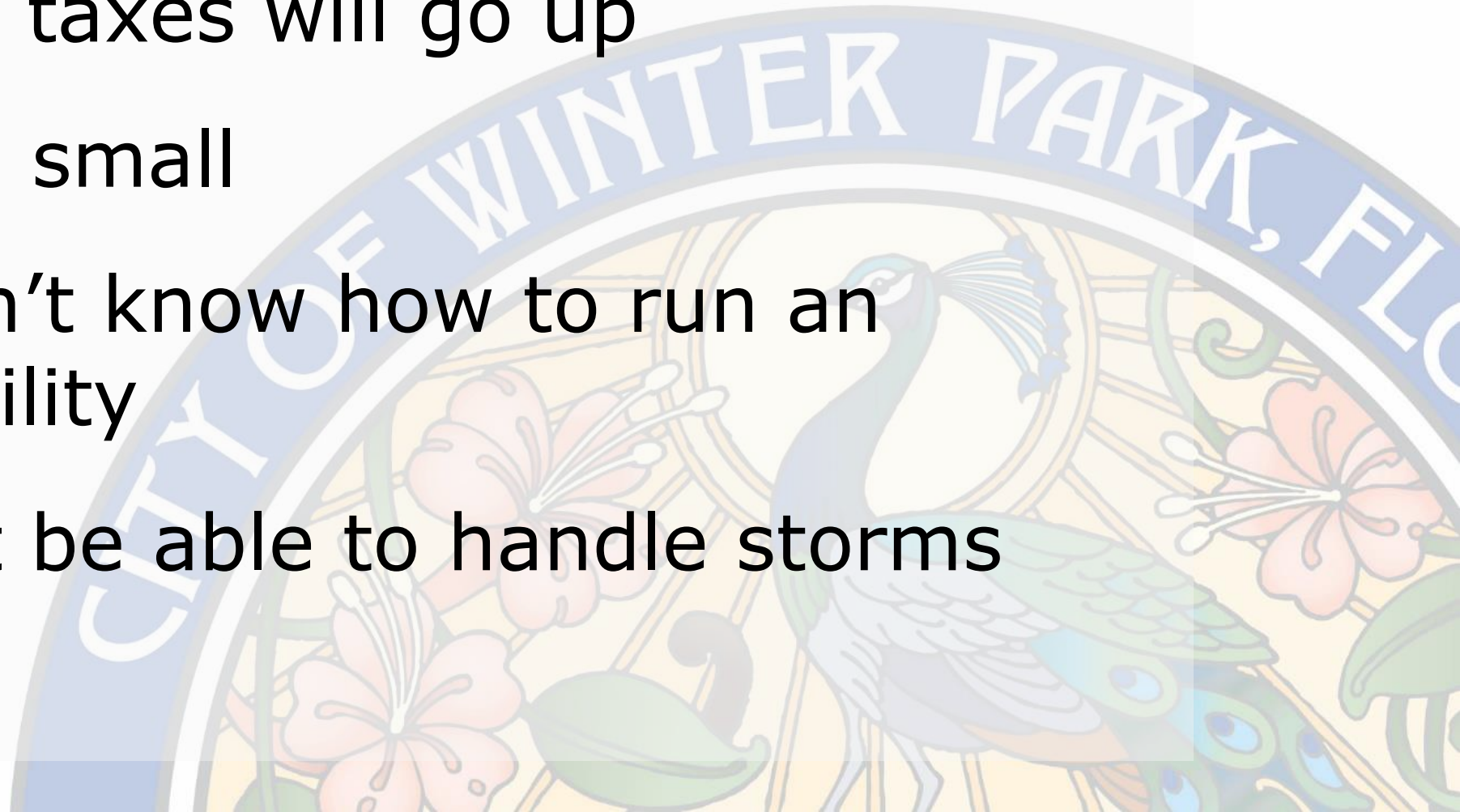


SEVERAL OBSTACLES

- Had not been done in Florida since 1940s
- Investor Owned Utility legal challenges
- Very expensive undertaking
- Predecessor IOU's community involvement
- Threatened to quit paying franchise fee
- City Commission was split on the issue

PREDECESSOR IOU'S ASSERTIONS

- Rates and taxes will go up
- City is too small
- City doesn't know how to run an electric utility
- City won't be able to handle storms



ARBITRATION

- Held December 2002 thru February 2003
- Arbitration Award May 2003
- Set price at \$42.3 million

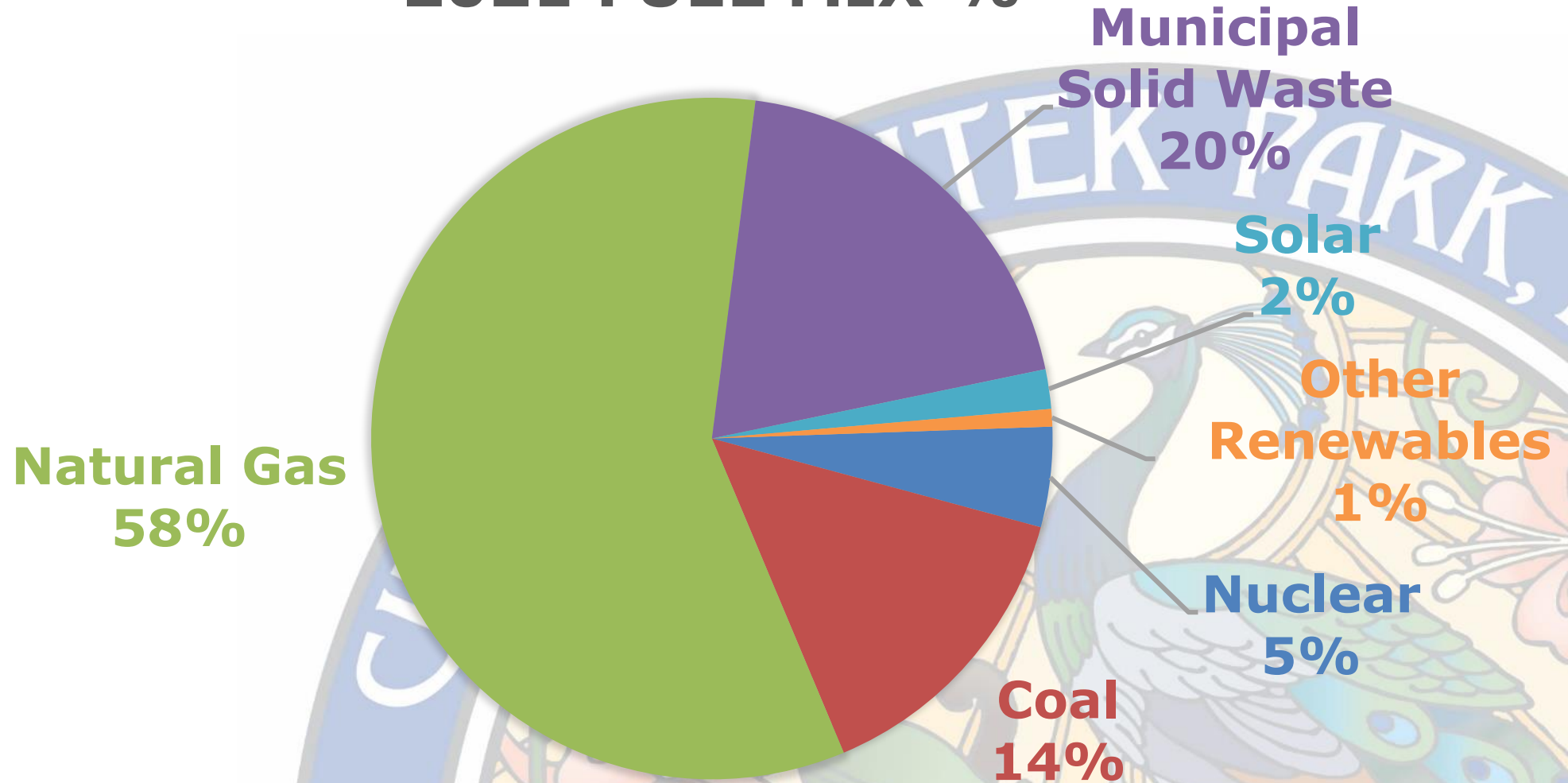


ARBITRATED COST

Equipment	\$ 8,218,447
Land and Easements	10,000,000
Books & Maps	350,000
Going Concern	12,000,000
Sep. & Reintegration	1,004,000
Stranded Costs	<u>10,737,000</u>
Total	\$42,309,447

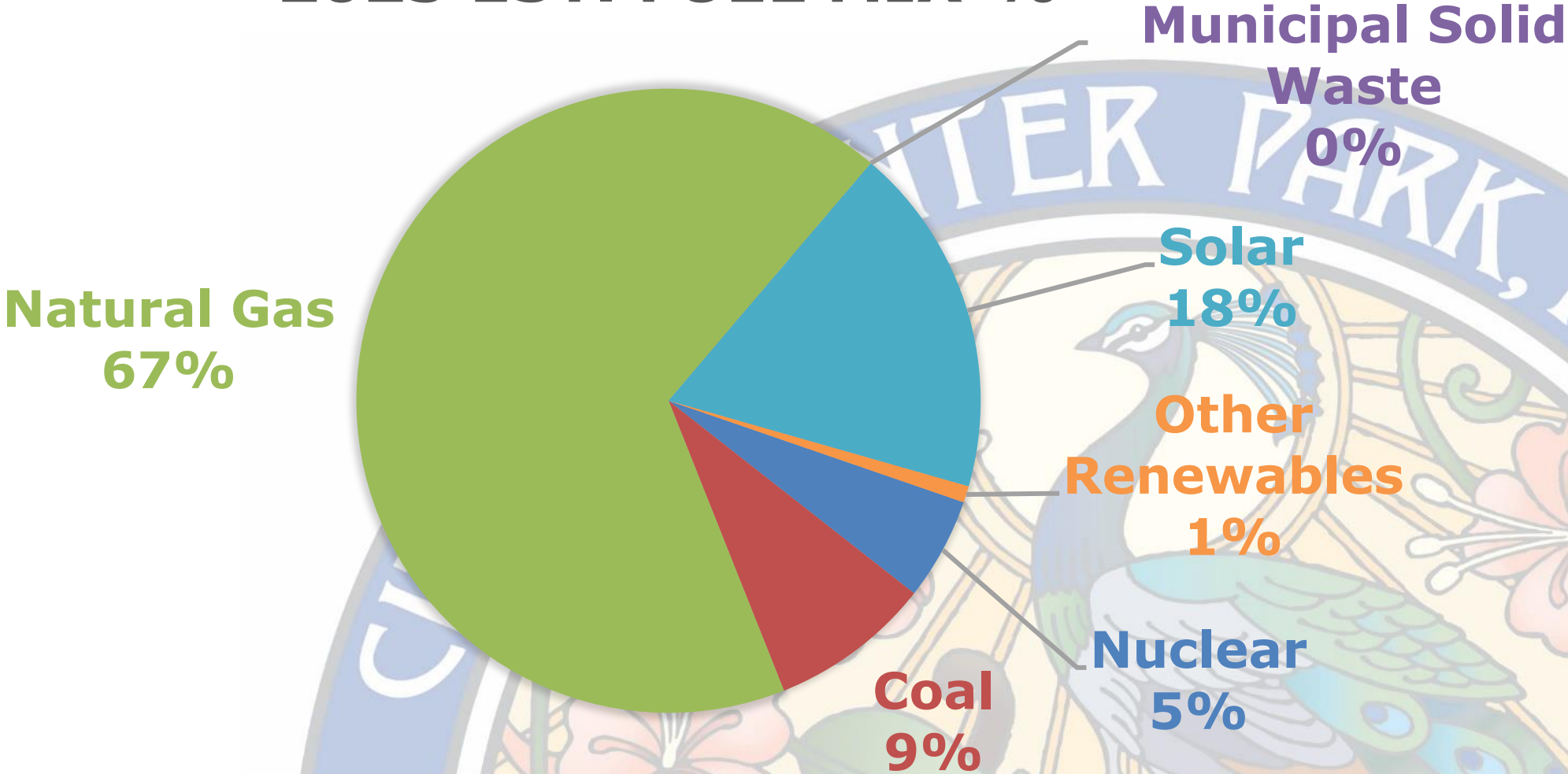
FUEL MIX TODAY

2021 FUEL MIX %



FUEL MIX PROJECTED 2025

2025 EST. FUEL MIX %



SOLAR

- Winter Park recently acquired 20 megawatts of Solar through the Florida Municipal Power Association's large-scale solar project.
- Will come on-line in 2023-24
- City also has added small-scale solar projects to its sewer plant, events center and public works compound

SUCCESSSES

- Undergrounded over 68.3% of the city's overhead lines, with a plan to completely underground all power lines by the end of 2026
- Reliability improved
- Coordinated storm response
- Rates competitive
- Bond rating A+

FINANCIALS

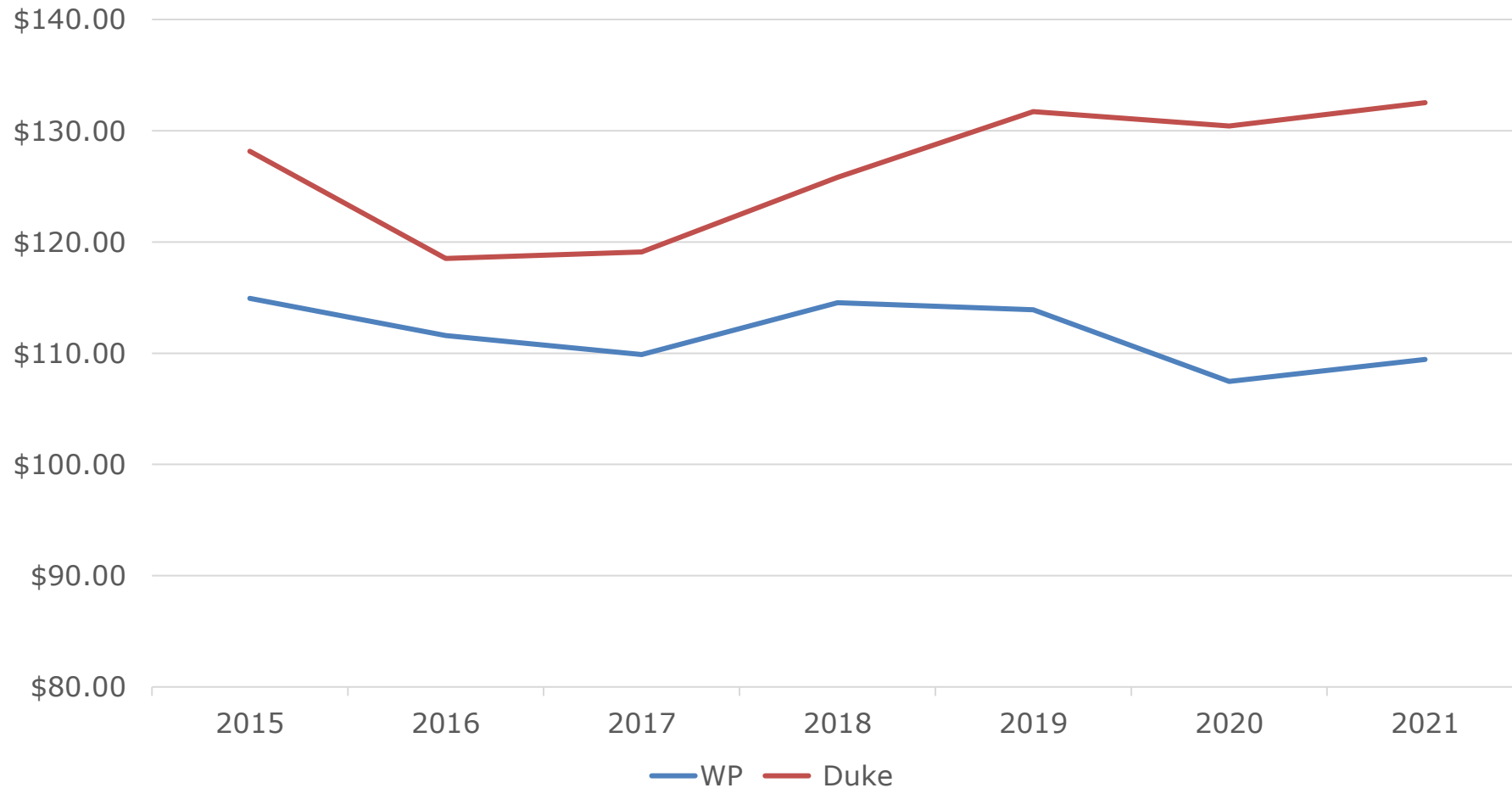
- Gross Revenue – Approx. \$48M per year
- Net income last 5 years
 - 2017 \$1.1 million
 - 2018 \$4.8 million
 - 2019 \$5.1 million
 - 2020 \$8.1 million
 - 2021 (preliminary) \$8.8 million
- Transfer 6% of Gross to General Fund to replace former franchise fee



RATE COMPARISON

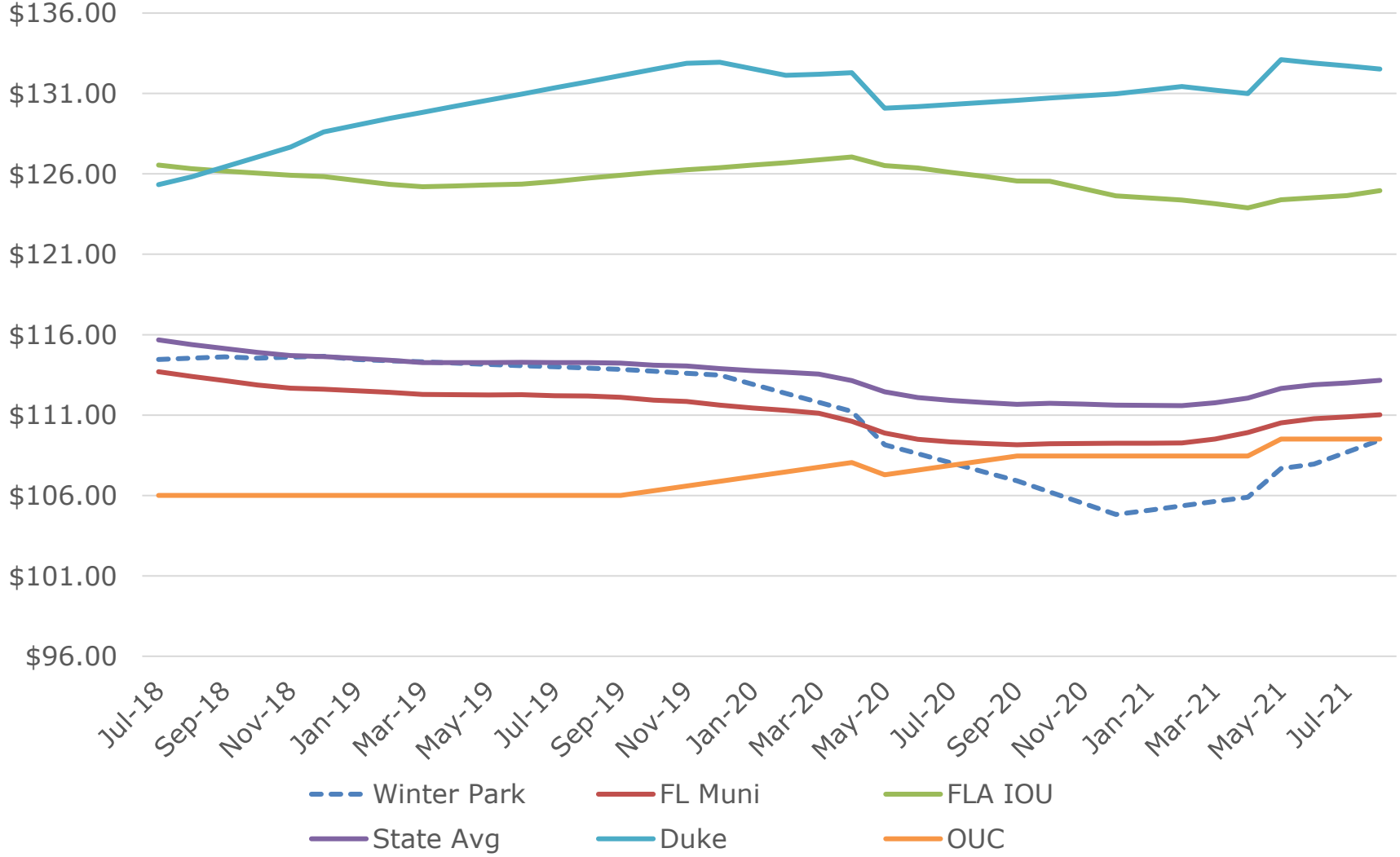
Winter Park vs. Predecessor IOU

Electric Rate Comparison for Residential Consumers 1,000kWh
(12 mo. rolling avg August Data)



RATE COMPARISON

Rate Comparisons 1,000 kWh Residential Consumer
(12 mo. Rolling avg as of August 2021)



SUMMARY

- Has Winter Park been successful? **YES**
- Are we glad we did it? **YES**
- Was it hard? **VERY**
- Has Winter Park had Failures? **YES**
- Is it right for You? **Maybe/maybe not**, but it is definitely worth exploring.

