FPL UPDATE
Indian River County Commission

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FPL is the largest electric utility in Florida with over 4.6 million customer accounts

- Lowest residential electric bills in Florida
- Parent company is largest taxpayer and investor in Florida\(^1\)
- Award-winning customer service
- High reliability – 99.98%
- Recognized as a World’s Most Ethical Company\(^2\) and Most Admired Company\(^3\)

\(^1\) NextEra Energy 2012 Sustainability Report. NextEra Energy, Inc. paid $296 million in Florida property taxes alone, with over $1 billion in total taxes paid. NextEra Energy, Inc. invested over $3.5 billion in capital projects in Florida

\(^2\) Named by the Ethisphere Institute for the sixth time, March 2013

\(^3\) No. 1 overall among electric and gas utilities on Fortune’s 2013 list of the "World’s Most Admired Companies," Feb. 2013
FPL’s offer to purchase the Vero Beach electric utility provides significant savings to Vero Beach customers…

**Residential Rates**

<table>
<thead>
<tr>
<th>Location</th>
<th>Rates ($/1000 kwh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vero Beach</td>
<td>$132&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>FPL</td>
<td>$95&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

**Total Annual Savings by Location**

<table>
<thead>
<tr>
<th>Location</th>
<th>Annual Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>In City</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>IR Shores</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>County</td>
<td>$12,000,000</td>
</tr>
</tbody>
</table>

1) Based on first quarter 2013 data compiled from FPSC, FMEA, FECA, JEA and Reedy Creek Improvement District

Based on # of accounts in 2011. FPL residential rates are current based on FPSC rate order issued January 14, 2013 and includes a 6% franchise fee, 2.6% gross receipt tax and 10% utility tax. Vero Beach electric residential rates are current as of January 2013 and include 2.6% gross receipt tax, and 10% utility tax on non-exempt portion of bill

About $23 million in annual savings
We’ve worked long and hard together with Vero Beach

Over the last year…

• October 2012: The City of Vero Beach, Orlando Utilities Commission and FPL partnered on a solution to exit Vero Beach from its 3rd party obligations
  – Vero Beach’s 3rd party obligations presented the greatest hurdle towards reaching an executable deal
  – The City will pay $20 million to OUC for terminating its existing wholesale power contract, along with $34 million to assume the City’s Florida Municipal Power Agency contracts

• February 2013: The Vero Beach City Council approved the purchase and sale agreement with FPL

• March 2013: 64% of City voters were in favor of the sale

• April 2013: The City conducted a survey of all electric system users; 85% approved of the sale
…with a total package worth nearly $179 million…

### Current FPL Purchase Offer ($ million)

<table>
<thead>
<tr>
<th>Item</th>
<th>Value ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash offer</td>
<td>$111.5</td>
</tr>
<tr>
<td>Estimated employee liabilities(^1)</td>
<td>$ 16.4</td>
</tr>
<tr>
<td>3-year purchase of power(*)</td>
<td>$ 30.0</td>
</tr>
<tr>
<td>Transmission upgrade</td>
<td>$  7.7</td>
</tr>
<tr>
<td>Substation relocation(*)</td>
<td>$  7.8</td>
</tr>
<tr>
<td>Plant dismantlement</td>
<td>$   5.5</td>
</tr>
<tr>
<td><strong>Total value</strong></td>
<td><strong>$178.9</strong></td>
</tr>
</tbody>
</table>

\(*\) Will be discussed more later in the presentation

\(^1\) Employee liability is inclusive of pension liabilities, accrued vacation and accrued sick time for 96 transferred employees. Exact amount of employee liability will be revised based on actual headcount that transfers to FPL
FPL is focused on reaching an agreement with the City that benefits all parties

Focus Areas

- Address 3rd Party Contracts
- Finalize Purchase & Sale Agreement
- State & Federal Approvals (FERC, PSC, FMPA)
- Closing and Transition

Continuous Due Diligence
- Real estate
- Employee transition
- Transition plan
- Lights on!

We are committed to keeping you informed throughout the process
FPL and the City are working to secure the remaining state and federal regulatory approvals

Additional approvals

- Federal Energy Regulatory Commission (FERC): Application filed in April 2013, we expect to hear back in the coming months
- Florida Public Service Commission (PSC): Expect to file later this year
- Florida Municipal Power Agency (FMPA): We have identified potential solutions that protect the financial interests of FMPA members
  - We continue to work cooperatively with FMPA on the path to a sale
  - We have offered a complete solution that attempts to solve problems, rather than create them
  - We expect to hear from FMPA by the end of September

We are working to complete the sale in 2014
FPL and the City are working together on the relocation of the power plant’s substation

**Substation Relocation**

- Originally FPL and the City planned to relocate the substation to the old post office site down the street
- However, city leaders asked FPL to consider a different property on 17th Street one block west of the old post office site
- Thanks to coordination among all parties, a new site has been identified pending certain conditions (including rezoning)
- We expect a Memorandum of Understanding (MOU) outlining the substation relocation to come before the City Council this fall

The supportive leadership in the city is making this sale possible
We look forward to serving Vero Beach customers in the near future

Community Benefits

• As FPL customers, the Vero Beach community will benefit from:
  – Lower electric bills: Well below the state and national average
  – High reliability: 99.98% reliability
  – Excellent customer service: Recognized with a national award for the last 9 years
  – Clean emissions profile: One of the cleanest utilities in the country

• FPL continues to invest to keep bills low over the long term
  – Modernizing older facilities with new, cleaner, more efficient power plants
  – Investing in our system to strengthen the “poles and wires,” along with other infrastructure, to better withstand bad weather

➢ In 2011 and 2012, FPL invested more than $3.3 million in Indian River County alone to improve reliability for our customers
We look forward to serving Vero Beach customers in the near future

Additional Benefits

• **FPL also offers discounted rates to encourage economic development in our state**
  – Available for companies looking to start-up, locate or expand in our service area
  – For businesses that add at least 10 jobs and use at least 350kw
  – Customers receive declining discounts from 20-5% over four years

• **Expanded community partnerships**
  – United Way
  – Economic Leadership Alliance
  – Chamber of Commerce
  – Nonprofit support

About $23 million in annual savings for Indian River County