

LCEC announces fee changes in 2007

As a not-for-profit electric distribution cooperative, LCEC faces many unique challenges. One of its biggest obstacles is the time and labor intensive task of delivering electric service to a rapidly growing customer base throughout an expansive, and sometimes rural, service area. In other ways, however, LCEC's challenges are similar to many other businesses, such as the challenge of providing quality service at competitive prices while maintaining fiscal responsibility. To ensure that LCEC is meeting this challenge, the organization engaged an independent consultant to evaluate and perform a comparative study of fees and charges assessed by other electric utilities in the state of Florida. Data was collected from 11 electric distribution cooperatives, four investor-owned utilities and five municipal electric systems in Florida.

Utilizing the results from the study, an internal task force formulated a new fee structure, and it was recently approved by the LCEC Board of Trustees. The new fee structure more accurately reflects the cost of providing services to individual customers and eliminates the need to subsidize the cost across the customer base.

The fee changes will go into effect on January 1, 2007, and will impact services including connection, disconnection, reconnection and temporary to permanent service charges, in addition to field collection, false service calls and meter tampering charges. A complete list of the new fee schedule will be available online at www.lcec.net. Some charges that may impact the builder segment are discussed in detail below.

Commercial Late Fee

The late payment charge has been modified for commercial customers. The new charge is 8 percent of the bill, with a minimum of \$10 and a maximum of \$500. "The modification to the commercial late payment more equitably recoups the administrative costs associated with late paying customers, because the average commercial bill is substantially higher than the average residential bill," LCEC Director of Finance/Accounting and Chief Financial Officer Donald Schleicher said.

System Infrastructure Charge

Also in the fee structure is a new charge, the System Infrastructure Charge of \$250 for the establishment of service at a location that will become permanent. "The System Infrastructure Charge will allow us to recoup a portion of the cost of labor and equipment needed to install a new service," Schleicher said. "Ultimately these fee adjustments lessen the likelihood that we would have to raise rates in the future."

FLAT RATE CIAC CHARGE

JAN 2007

Service (Residential)

Overhead.....	\$0
Underground (Customer Installed)	\$315
Underground (LCEC Installed).....	\$750
Underground (Directional Bore).....	\$1,360

CIAC Charge

Also on January 1, 2007, new fixed charges, policies and calculations of Contribution in Aid of Construction (CIAC) will go into effect. CIAC is a nonrefundable charge for electric service when:

- An extension of the facilities is not justified by projected revenues or
- The cost of providing underground facilities exceeds the cost of the equivalent overhead facilities ("differential" cost) or
- Nonstandard service, as determined by LCEC, is being requested for the load served.

LCEC will continue to charge CIAC for the extension of primary facilities necessary to provide service. LCEC will waive up to \$1,600 of the charge for an extension to a residential customer.



Employee earns HERS certification

LCEC Residential Energy Program Coordinator Noah Blanco recently earned certification to become a Home Energy Rating System (HERS) rater. These energy professionals are certified to evaluate the energy-efficiency of a home using a uniform method of comparing the rated home's energy-efficiency with national standards for building envelope efficiency, heating, cooling and hot water equipment efficiency. This certification reaffirms LCEC's commitment to the building industry by providing valuable energy efficiency consultations, certifications and recommendation to the builders in its territories.

There are 111 HERS raters throughout the state,



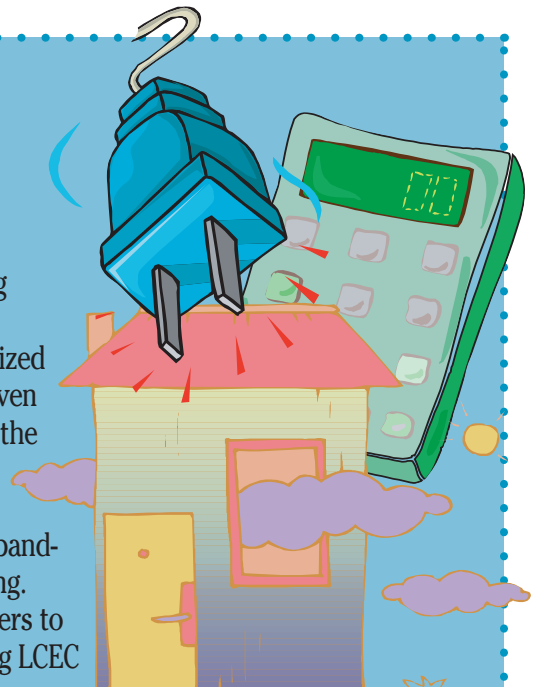
and only six raters south of Sarasota. The training includes a week-long course followed by three, very difficult, two-hour exams. The training course reviewed the fundamentals of a home energy system and certified Blanco on the use of state-of-the-art diagnostic equipment, including EnergyGuage, Blower Door and Duct Blaster testing equipment.

Blanco has been LCEC's residential energy program coordinator since May 2004. In this position, he is responsible for the development, oversight, reporting and administration of LCEC's Good Cents program, through LCEC's Marketing & Energy Services department.

LCEC recognized for online practices

LCEC was recently recognized by APOGEE Interactive, Inc., the pioneering leader in online solutions for the energy industry, with an APOGEE Customer Excellence (ACE) award. The ACE award was presented to LCEC for a customized pool and spa feature on its online home energy calculator, "Calc-U-Saver." Eleven utilities were recognized for best practices in Web-based customer service at the APOGEE Web workshop.

LCEC introduced an easy-to-use energy calculator designed to provide approximate energy costs for residential customers in 2004, and has since expanded the program to include Calc-U-Savers for businesses, appliances and lighting. "LCEC was looking for a user-friendly and accurate online tool for our customers to use. Apogee's interactive online solution gave us both, in addition to providing LCEC with an avenue to enhance customer knowledge regarding energy usage," LCEC Marketing and Energy Services Senior Supervisor Joe Padgett said. Residents and business owners can analyze the differences between their existing usage and various energy scenarios. The calculation is based on the user's input, Southwest Florida's weather pattern and current LCEC rates. "We have had over 25,000 people utilize Calc-U-Saver, completing 87,500 energy calculations," Padgett said.



LCEC ONLINE ENERGY
CALC-U-\$AVER

To access the Calc-U-Saver for Homes, Businesses, Appliances and Lighting, visit www.lcec.net.