



People.  
Planet.  
Prosperity.



2011 SUSTAINABILITY REPORT

## Company Profile

LCEC is a not-for-profit electric distribution cooperative providing reliable and cost-competitive electricity to nearly 200,000 customers in Southwest Florida. As part of a local business, LCEC's employees are deeply involved in economic development, education, the environment, and building communities.

The organization operates with a keen eye on maintaining financial strength while providing quality service to customers. Annual key performance indicators, customer satisfaction surveys, employee engagement surveys and open communication opportunities ensure the organization is on track.

LCEC is one of the largest cooperatives in the United States and one of the largest employers in Lee County, Florida. Cooperative membership is open to all customers within the service territory.

LCEC serves customers in Cape Coral, North Fort Myers, Sanibel, Captiva, Pine Island, Everglades City, Immokalee, Marco Island, Ave Maria and parts of Lehigh Acres. The organization's headquarters remain in North Fort Myers; the location that the cooperative began in 1940.





## Our Approach to Sustainability

LCEC views sustainability reporting as the practice of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development. We define sustainability broadly to include both environmental sustainability and social responsibility. The following key factors make up the LCEC sustainability reporting framework:



**Governance, Ethics, and Compliance** - operating in an ethical manner and in accordance with the laws where LCEC operates.

**Sustainable Workforce** - providing an excellent workplace for employees.

**Environment** - reducing LCEC's environmental impact.

**Health and Safety** - ensuring the health and safety of our employees.

**Power Supply** - ensuring a mix of cleaner energy for the future.

**Community Support** - providing volunteers, donations, scholarships, and sponsorships to our community to help it prosper.

**Economic Impacts** - using our financial resources responsibly to ensure continued success.



## Governance, Ethics, and Compliance

**Our Vision** - Delivering the power that energizes our communities.

**Our Mission** - We provide efficient, reliable, cost-competitive electric and emerging energy solutions and quality service to our customers.

### Our Core Values:

- LCEC values safety as everyone's responsibility.
- LCEC values providing quality external and internal customer service.
- LCEC values commitment to integrity, diversity and respect.
- LCEC values employees working together to make success happen.
- LCEC values accountability for results.
- LCEC values our responsibility to energize the community.

LCEC is committed to conducting business with a high level of integrity and in an ethical and responsible manner. Board members, elected by the customer base, demonstrate veracity and principles in their professional and personal lives and contribute to the organization's diversity in terms of background and business experience. The board takes great responsibility in setting policy and procedures and maintaining financial strength while supporting employees who run the day to day operations of the utility.



The 10 member board represents all walks of life and resides in communities and neighborhoods throughout our service territory. The founding visionaries who built LCEC were determined to grow an organization with a heart and a conscience. That idealism has not disappeared with time. Since 1940, LCEC employees, guided by the board of trustees, have made a supreme effort to balance fiscal responsibility with the goal of improving the lives of those whom they serve.

LCEC introduced a new Regulatory and Governmental Affairs division to the organization in 2009 to ensure a direct line of sight regarding governance, ethics, and compliance activities to the CEO and board of trustees. The division is lead by LCEC's chief compliance officer who reports directly to the CEO. The purpose of the organization entails several facets of governance:

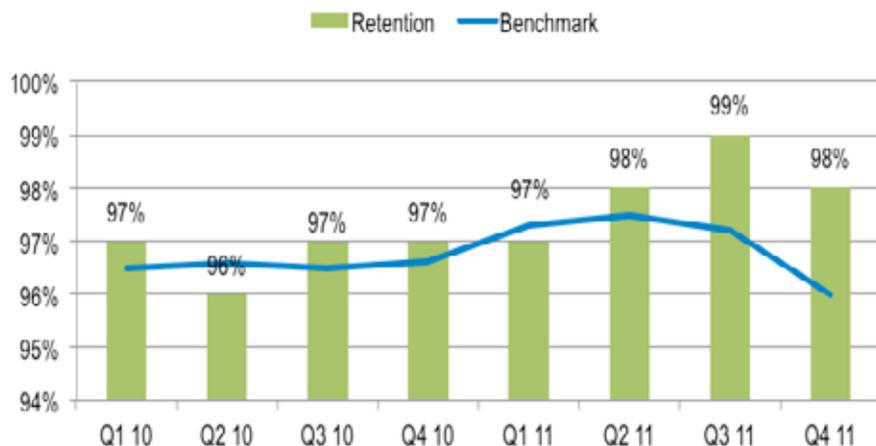
- Risk management functions.
- Regulatory and governmental interfaces.
- Compliance programs related to fiduciary, operational, technical and regulatory requirements.
- Interactions with key external customers and other representatives.
- Internal audit functions in conjunction with the Audit Committee.



## Sustainable Workforce

Health, Dental, Vision and Life Insurance (available on day one), plus Pension, 401(k), a Wellness Program, an Employee Assistance Program, and Tuition Reimbursement are just a few examples of the opportunities employees have to provide peace of mind to themselves and their families. LCEC's goal is to provide the best coverage at a reasonable cost. LCEC's benefits package helps ensure the organization attracts and retains the top talent in the industry, entrusted as stewards of our members' investment in affordable, reliable electricity.

## Employee Retention



## Environment

LCEC feels it is part of our corporate social responsibility to not only communicate the green message to our customers, but also to do our part. Preserving our natural resources is the only way to ensure we have them for the future. LCEC "Go Green" initiatives include:

- Company-wide recycling program for paper, plastic and more than 700,000 pounds of scrap, aluminum, copper and steel.
- Donation of more than 500 Compact Florescent light bulbs to community agencies along with informational flyers.
- Tiered rate structure providing lower energy rates for customers using less than 1000 kWh per month.
- Free personalized energy surveys of individual homes and businesses conducted by LCEC Energy Advisors.
- Free, convenient online tools including: kiloWATCH, to view your daily usage and to receive alerts when your usage exceeds the threshold you set; Calc-U-Saver, to tally up the amount of energy used in the home; and Billing Insights, to understand how your energy is used based on your actual energy bill.
- Paperless billing option for customers.

LCEC also partners with customers to build new nesting sites for Ospreys located away from the power lines to keep them safer and reduce the incidents of outages caused by nesting material contacting the lines. In 2011, LCEC installed 12 customer-requested Osprey platforms.



## Health and Safety

Living safely is LCEC's first priority and one of its core values. Each of us has a responsibility to ensure a safe environment, which includes appropriate equipment, training and behavior. Employees are consistently required to do their part to remain safe and to keep their co-workers safe, as we believe safety is everyone's responsibility. As a result, LCEC has consistently attained and maintained stellar safety results in the industry.



## Power Supply

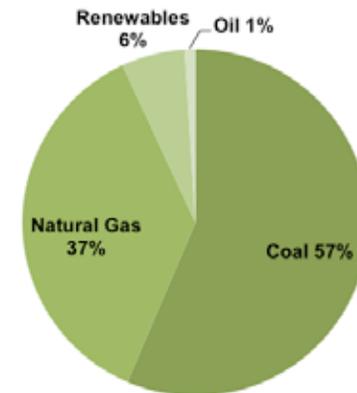
LCEC purchases most of its power supply from Seminole Electric Cooperative. Seminole generates power from both coal-fired and natural gas burning generating stations, as well as purchases a portion of its capacity needs through short and long term agreements.

In 2010, LCEC began purchasing a portion of its power supply from Florida Power and Light (FPL) and in 2014, will purchase all of its power from FPL. FPL uses a diverse mix of fuels at power plants to generate reliable electricity. Because of the fuel mix, FPL is recognized as a clean energy company, with one of the lowest emissions profiles among U.S. utilities.

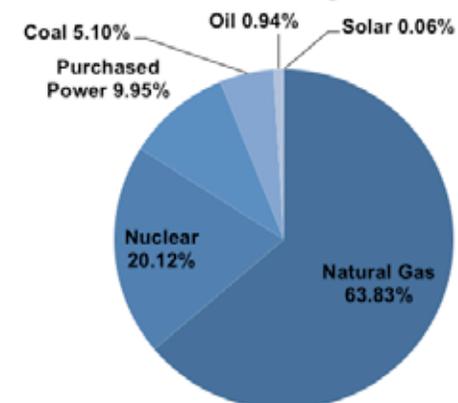
## OSHA Recordable Incidents



## Seminole Electric Cooperative Fuel Mix



## Florida Power and Light Fuel Mix





## Community Support

The corporate vision at LCEC is to deliver the power that energizes our communities. This vision encompasses our delivery of electricity but it also expresses our commitment to supporting our communities in philanthropic endeavors. Our involvement in community projects entails contributions of thousands of dollars and thousands of volunteer hours for agencies such as United Way, American Heart Association, American Cancer Society, Habitat for Humanity, Junior Achievement and multiple projects with Chambers of Commerce and Civic Organizations throughout our five county service area. The graphic below provides a mere glimpse at the charitable contributions provided by LCEC employees in 2011.



**Over \$125,000 donated.** Employee Contributions to United Way, the American Heart Association, and the American Cancer Society

**50 pints** of blood donated to Florida Blood Centers and Lee Memorial Health Systems



**50 blankets**, along with clothing, tarps, steel-toed boots, first aid kits, flashlights, bug spray, canned food, and toiletries donated to local area homeless through a grassroots organization called Blankets 4 the Homeless

**40 bags** of trash picked and over 42 hours volunteered in support of Lee County's Adopt-A-Road Program



**12 men** in the Salvation Army Medical Unit supported during the holidays with backpacks, toiletries, clothing, and a warm holiday dinner

**5 families** in need adopted during the holidays and provided with gifts, toiletries, clothing, and food



# Economic Impact – Financial Highlights 2011

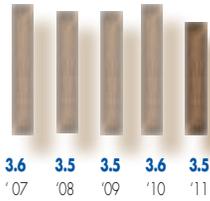
LCEC is dedicated to ensuring financial strength and competitive rates by managing costs and preserving fiscal integrity.



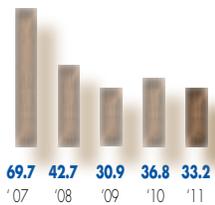
**Total Customers**  
(in thousands)



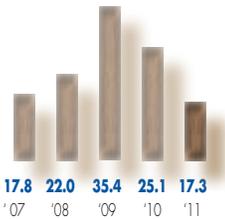
**Total Assets**  
(in millions)



**kWh Sold**  
(in billions)



**Capital Expenditures**  
(in millions)



**Net Margins**  
(in millions)



**Operating Revenue**  
(in millions)

	2011	2010
Operating Revenue	399,181,986	420,673,790
Operating Expense	375,646,650	394,388,698
Interest Expense	14,425,506	14,938,107
Net Margins	17,285,178	25,165,841
Net Plant	546,747,024	547,889,168
Total Assets	657,997,236	666,847,059
Total Customers	198,069	196,184
kWh Purchased	3,658,718,073	3,839,204,687
kWh Sold	3,455,474,360	3,619,825,989
Miles of Energized Line	8,055	8,041
Avg Monthly Residential kWh Used	1,091	1,141
Equity Distribution	14,183,994	13,418,144
Capital Expenditures	33,218,504	36,812,016
Customers per Employee	485	484



[WWW.LCEC.NET](http://WWW.LCEC.NET)