

VISION

Delivering the power that energizes our community.

MISSION

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

LCEC VALUES...

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

WE DELIVER

2012 SUSTAINABILITY REPORT

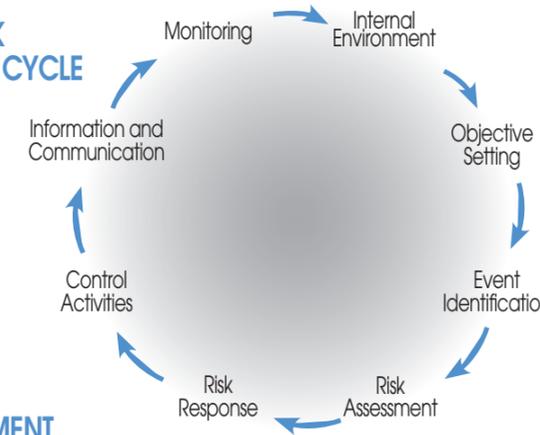


GOVERNANCE, ETHICS & COMPLIANCE

LCEC is committed to conducting business with a high level of integrity and in an ethical and responsible manner. Board members, elected by customers, 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. 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.

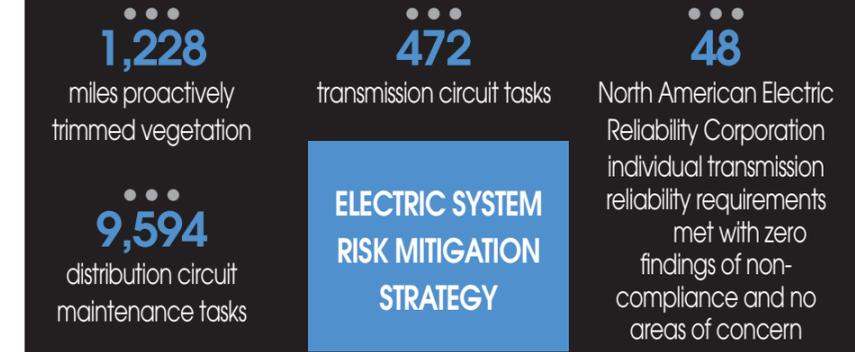
ENTERPRISE RISK MANAGEMENT CYCLE



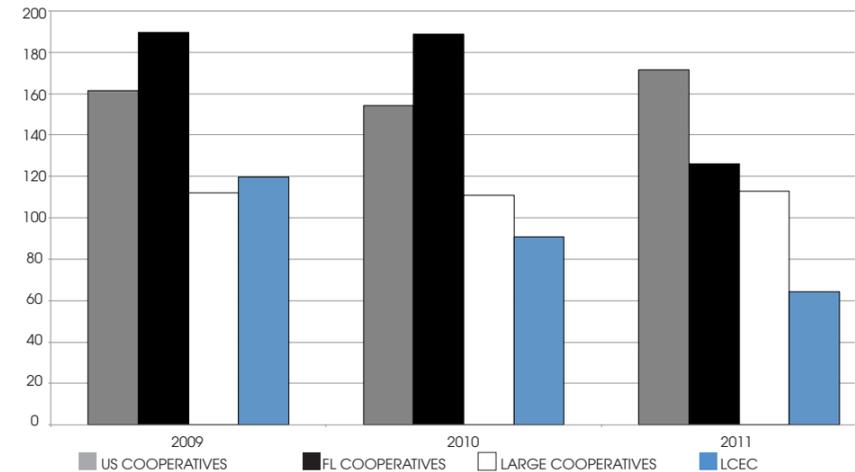
RISK MANAGEMENT

An important aspect of governance, shared by the Board of Trustees and LCEC's leadership team, is preparing for and mitigating business risk. LCEC regularly assesses enterprise risk within its Integrated Business Planning process to identify potential events that may affect the organization, manage risk within tolerance levels, and provide reasonable assurance regarding the achievement of corporate objectives. This continual exercise ensures resources are allocated to the most important initiatives from stakeholders' perspectives. Overall, the process is designed to improve performance, ensure reliability and competitive rates, and maximize value to customers.

With a focus on reliability, an ongoing network maintenance plan results in some of the highest reliability results to date.



Average Minutes of System Interruptions (SAIDI) (excluding major storms and source outages)

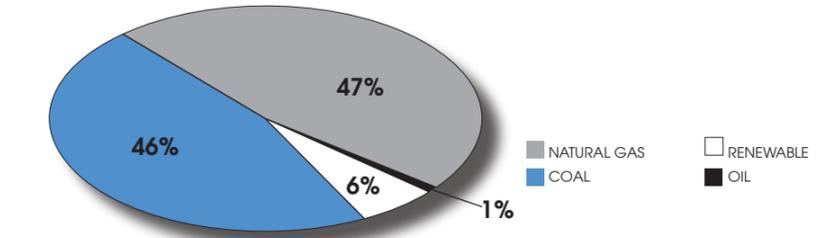


2012 information will not be available until the following year due to benchmarking timeline.

POWER SUPPLY

LCEC purchases most of its power supply from Seminole Electric Cooperative. In 2010, LCEC began purchasing a portion of its power supply from Florida Power and Light (FPL) and, beginning in 2014, will purchase all of its power from FPL. FPL uses a diverse mix of fuels and is recognized as a clean-energy company, with one of the lowest emissions profiles among U.S. utilities.

SEMINOLE'S 2012 ENERGY FUEL MIX



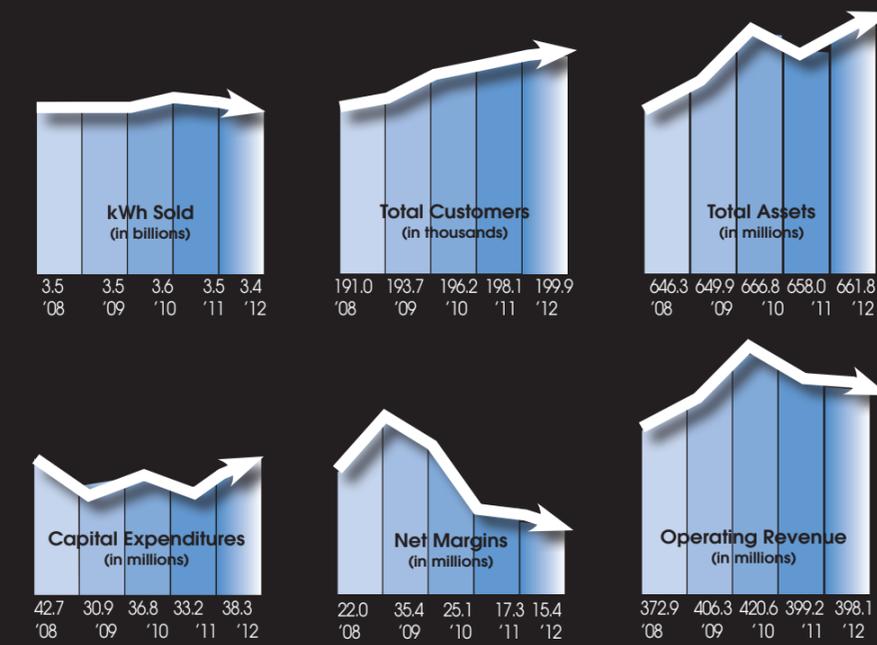
<http://www.seminole-electric.com>

FPL FUEL MIX & PURCHASED POWER

Sources of electricity generation for the 12 months that ended on Nov. 30, 2011



http://www.fpl.com/environment/plant/power_plant_projects.shtml



FINANCIAL HIGHLIGHTS

	2011	2012
Operating Revenue	\$ 398,134,120	\$ 399,181,986
Operating Expense	\$ 375,220,635	\$ 375,646,650
Interest Expense	\$ 13,847,628	\$ 14,425,506
Net Margins	\$ 15,407,113	\$ 17,285,178
Net Plant	\$ 549,806,561	\$ 546,747,024
Total Assets	\$ 661,761,280	\$ 657,997,236
Total Customers	199,882	198,069
kWh Purchased	\$3,651,351,327	\$3,658,718,073
kWh Sold	\$3,443,982,778	\$3,455,474,360
Miles of Energized Line	8,074	8,055
Avg Monthly Residential kWh Used	1,056	1,091
Equity Distribution	\$ 12,883,398	\$ 14,183,994
Capital Expenditures	\$ 38,288,738	\$ 33,218,504
Customers per Employee	512	485

ECONOMIC IMPACT - FINANCIAL HIGHLIGHTS 2012

LCEC is dedicated to ensuring financial strength and competitive rates by managing costs and preserving fiscal integrity. The organization has worked hard for the past four years to control operating costs, allowing rates to remain at 2009 levels and recovering close to \$40M in additional power supply costs through existing rates. Continued strong financial results enabled the organization to distribute \$13M in equity to customers, bringing total equity distributions to date to over \$191M - the ultimate advantage to being a member of a financially sound electric distribution cooperative!

COMPANY PROFILE

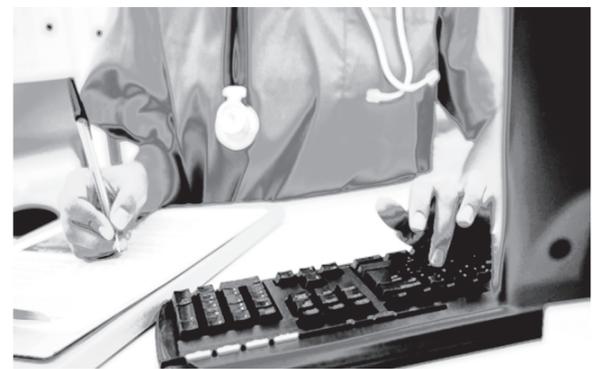
LCEC is a not-for-profit electric distribution cooperative providing reliable and cost-competitive electricity to nearly 200,000 customers in Southwest Florida. As one of the largest cooperatives in the United States, LCEC is also one of the largest employers in Lee County, Florida. Cooperative membership 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, parts of Lehigh Acres, and areas in Hendry and Glades counties. The organization's headquarters remains in North Fort Myers on the property on which the cooperative began in 1940.



SUSTAINABLE WORKFORCE

LCEC is focused on ensuring talent is available, engaged, and prepared to support business requirements. Focusing on best practices enables the organization to attract and retain top talent in the industry with the skills and experience needed to help the business thrive. In addition, LCEC strives to provide ample learning and career development opportunities, contributing to a more productive and engaged workforce and enabling succession planning throughout the organization. Specific LCEC initiatives that support a more sustainable workforce include tuition reimbursement, competitive and unique benefit offerings, company-provided training, employee engagement surveys, flexible work schedules, and a comprehensive wellness program. New in 2012, LCEC is proud of its onsite, state-of-the-art wellness center providing a vast portfolio of acute and preventative health care services from certified medical professionals.



EMPLOYEE RETENTION RESULTS (ANNUAL AVERAGE)

2010	98.3 %
2011	97.2 %
2012	96.8 %

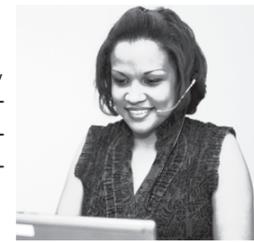
TALENT MANAGEMENT *

Internal Fill Rate	76 %
Critical Vacancy Internal Fill Rate	50 %
Quality of Hire	92 %

* All results met or exceeded organizational objectives

TALENT MANAGEMENT

LCEC utilizes best practices to address employee welfare, engagement, and motivation, the results of which are favorably received by employees as reflected in the most recent engagement survey, retention, and talent management results.



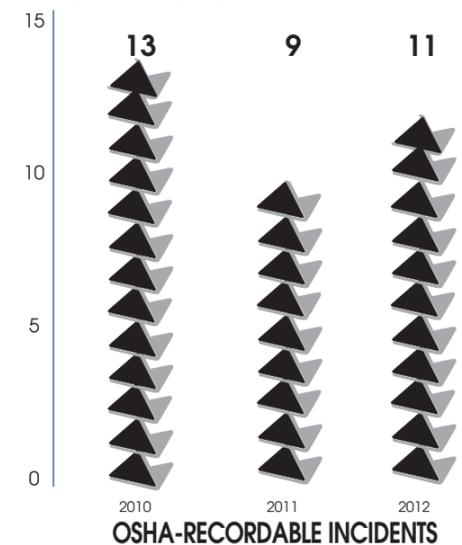
EMPLOYEE ENGAGEMENT HIGHLIGHTS (BI-ANNUALLY, 7 POINT SCALE, WITH 7 BEING THE HIGHEST)

Employee Commitment.....	2009..... 5.22	2011..... 5.44
Work Environment.....	2009..... 5.06	2011..... 5.27
Career Development.....	2009..... 4.81	2011..... 5.03
Emotional Commitment.....	2009..... 5.72	2011..... 5.84

HEALTH AND SAFETY

Living safely is LCEC's first priority and one of its core values. Each employee has a responsibility to ensure a safe environment. LCEC has consistently maintained stellar safety results and has been recognized by the National Safety Council for its success.

LCEC'S SAFE WORK PRACTICES RESULTS



COMMUNITY SUPPORT

The LCEC corporate values encompass the delivery of electricity and also express a commitment to supporting our communities in philanthropic endeavors. 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 the five-county service area.

A few 2012 contributions

- More than **\$194,000** donated to United Way
- More than **150** sacks packed with **750** holiday gifts for foster children
- 12** men in the Salvation Army Medical Unit supported during the holidays with backpacks, toiletries, clothing, and a warm holiday dinner
- 64** pints of blood donated by employees
- 40** bags of trash collected and over **42** hours volunteered

ENVIRONMENT

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

- 674,129** pounds of scrap, aluminum, copper and steel recycled
- Lower tiered rates for usage under **1,000kWh** and **500kWh**
- Free** energy surveys and online energy tool
- 7,100** wildlife brochures printed