



April 16, 2015

STATEMENT FROM

MAYOR BRIAN BAREFOOT

REGARDING FPL'S POTENTIAL PURCHASE OFFER

INDIAN RIVER SHORES, FL. As you know, following our mediation session with the City of Vero Beach and Indian River County in December, we entered into an Interim Mediation Agreement that outlined a variety of options to resolve the issues in conflict without further litigation.

That agreement included an opportunity for our Town to communicate with other utilities, including Florida Power & Light (FPL), that could potentially supply electricity to the Town after the Franchise Agreement expires. In connection with those efforts, Town representatives asked FPL to consider all possible alternatives, including the potential for FPL to acquire the City's electrical assets in the Town.

We understand that earlier this week FPL met with the Vero Beach City Manager regarding FPL's interest in exploring that concept further.

Though Town representatives were not party to that meeting and have few details at this time, I can tell you that an FPL purchase of the Vero utility assets in our Town offers a number of potential benefits. According to the City's own analysis provided after the last mediation session, the loss of Town residents as utility customers would have an insignificant impact on the City's rates to remaining customers (i.e., less than 1 percent), and that's based on the assumption that the City receives no compensation. The FPL option would include compensating the City for the value of its assets in the Town, and provide the City with funds which the City could use to further stabilize its rates.

In addition, it would reduce the risk involved in protracted and costly litigation, and represent a small enough portion of Vero's overall system so as to not require FMPA approval. Moreover, it would likely result in lower electric rates for our citizens, and eliminate the issue of fragmented electric service in our Town.

Our attorney, Mr. May, has asked that this concept be considered during our next mediation session, which has been scheduled for 9 a.m. Friday, May 1, at the Indian River Shores Community Center.

Our only priority is securing long-term rate relief for our citizens. If that can be achieved through a partial sale of utility system assets in the Town, then it is certainly an option to explore. We continue to believe that a sale of the entire Vero Beach electric system to FPL is in everyone's best interests, and hope that all parties involved find a way forward. In the meantime, I and my fellow Council members will monitor this new FPL proposal closely and will continue to keep our residents informed as we learn more.