



August 12, 2015

STATEMENT FROM
MAYOR BRIAN BAREFOOT
REGARDING THE FPL OFFER

Earlier today, Florida Power & Light made a formal written offer to the City of Vero Beach to purchase the City's electric utility assets in our Town for a cash purchase price of \$13,000,000. (A copy of FPL's written offer is being posted to our Town's website.) If the City accepts this offer and completes a sale, all Town residents would have access to FPL's reliable service and low electric rates.

You may recall that when FPL first approached the City to discuss a partial sale, the City's staff was quick to dismiss it on the basis that no formal offer had been made. Now, with a formal written offer on the table, it is my hope that the City will reconsider this position.

During our earlier mediation, our utility rate consultant, former Public Service Commission Chairman Terry Deason, conducted a preliminary financial analysis of how a potential sale could provide the City with funds to stabilize its rates for remaining customers. The written offer that FPL provided to the City earlier today includes a cash purchase price much higher than what Mr. Deason had previously assumed in his earlier preliminary analysis. I therefore have asked him to update his analysis based on FPL's written offer. I hope to have Mr. Deason's updated analysis in the very near future and will post it on our Town's website upon receipt.

Meanwhile, based on a preliminary review conducted during our earlier mediation, Mr. Deason believes an offer by FPL of this magnitude would provide ample compensation for the utility assets in our Town, and provide the City with funds that it could use to further stabilize its rates for remaining customers.

Perhaps most importantly, it offers an opportunity for the City and our Town to avoid the risks involved in protracted and costly litigation, and to finally put an end to our electric rate crisis.

I want to reiterate that while we continue to believe that a sale of the entire Vero electric system to FPL is in everyone's best interests, such a sale is not currently possible because of the Florida Municipal Power Agency's continued intransigence. However, FMPA has confirmed that it would not interfere with a partial sale of the utility system in our Town.

I strongly encourage the City Council to seriously consider the sale offer FPL has provided. While I understand that this is an initial offer, it undoubtedly establishes a framework for the City, FPL and our Town to participate in meaningful discussions that could produce a comprehensive solution that benefits everyone, including all customers of the City.

Brian M. Barefoot
Mayor
Indian River Shores